

# [Developmental states in africa](https://assignbuster.com/developmental-states-in-africa/)

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## Introduction

This essay is concerned with analysing what role, if any, the model of the ‘ developmental state’ can play within Africa. The concept of the “ developmental state” has origins in the fruitful development in Eastern Asia. This research will look to examine the relevance of the existing model to contemporary Ghana. The paper will also look at the extent to which the favourable conditions for growth that existed in East Asia could ever be replicated in Africa (for a brief summary of the contemporary debate see: United Nations Economic and Social Council (UNESC), 2013).

As a form of introduction to the topic, this study will start with a brief definition of a developmental state according to the literature before moving on to look at what characteristics make up a typical developmental state. A brief analysis will determine the extent to which there is agreement within the literature. From here, the paper will look at the origins of the “ developmental state model” born out of the experiences in East Asia as well as exploring some of the majoracademiccontributions to the developmental state debate. Here, the research will touch upon the relevance of these contributions within the African context.

The second section will be the main critical analysis around the extent to which developmental states are emerging within Africa or whether the ‘ impossibility theorem’ (Mkanadwire, 2001) continues to hold water. Following that, the paper will examine what policies are needed to support these fledgling developmental states, according to the literature.

The third and final chapter will provide case studies from Ghana, examining whether this nation possesses any of the defining features that constitute a developmental state. The aim here is to show, via a practical example, that “ developmental states” are possible in Africa but are also far from similar to East Asian examples. Here, the paper will also offer a critique to show the struggles and developmental threats for Africa as a counter argument that developmental states are emerging within Africa.

Starting first with a definition of a developmental state, the study immediately encounter some points of contention. Firstly, as Mbabazi and Taylor (2005) point out, “ the definition of a developmental state does not correspond directly with economic performance.” That is, a country which is performing well economically is not necessary ‘ developmental’. Rather, the current accepted definition of a “ developmental state” is one that is ideologically directed towards development, where the state “ seriously attempts to deploy its administrative and political resources to the task of economic development” (Mbabazi and Taylor, 2005: 2).

Traditionally. “ developmental states” are associated with locations that have economic development as a leading governmental policy which has the potential to form bodies which can facilitate these policies and targets. To be classed as a developmental state, there must be a governmental ability to “ weave formal and informal networks of collaboration” between civilians and public officials whilst promoting “ macro-economic stability” and maintaining an “ institutional framework that provides law and order, effective administration of justice and peaceful resolution of conflicts, ensures property rights and appropriate infrastructure investments, and advances human development” (Mkandawire, 1999, 2010; UNESC, 2013; 2).

Others have added to the definition of a developmental state in that it must be willing to engage itself directly with the direction and pace of economic development using ‘ market conforming’ mechanisms to allocate economic resources, rather than simply falling back on a uncoordinated, laissez-faire attitudes to market forces (Johnson, 1982: 319-20; Mbabazi and Taylor, 2005: 4; Meyns and Musamba, 2010 : 13, UNESC, 2013: 2).

Now that a clear definition of what a developmental state is, along with a taste of what key theoretical features need to be present has been established, this paper will take a step back to look at the origins of the developmental state in terms of East Asian experiences. Here, the study will see some of the main contributions made to the literature from leading scholars, which will shed some light on what are held to be the key theoretical features of developmental states. This will then be used as an entry point into the discussion about to what extent these theoretical features are feasible, and how it might be applied within the context of this research.

As touched upon above, much of the contemporary discussion about developmental states has its roots in research conducted on the experiences faced by the East Asian tigers (for the original research see: Amsden, 1989; Haggard, 1990; Johnson, 1982). There seems to be a general consensus within the academic literate as to the key features that facilitate the Asian tigers to superior levels of growth and these are the following:

Embedded autonomy of state bureaucracy:

Put forward by Peter Evans (1989, 1995), he argued that strong state institutions have a significant influence towards the promotion of development in the Tiger economies because they avoided being ‘ captured’ by vested interests. The East Asian states have professional bureaucracies, in which the employees had real opportunities for advancement so they avoided the temptation to engage in extra rent-seeking (income providing) activities. Simultaneously, Evans noted that the state administration remained attached to or embedded in society so that it did not become isolated and self-serving, so that it could continually redefine its policygoalsand aims.

Market conforming intervention

Charlmers Johnson (1982), who studied Japan’s highly successful post-war recovery, found similar results to Evans. He notes that “ small, inexpensive, professional and efficient state bureaucracies or pilot bureaucratic agencies”, like the Japanese Ministry for International Trade and Industry (MITI), which had authority over economic policy, allowed those states to promote civic interests whilst maintaining a high level of prestige and legitimacy (Johnson, 1982: 49). Most importantly for Johnson, however, was the fact that the government of Japan provided national administrators with the tools and authority to intervene directly in the economy under the condition that all work would stick to neo-liberal market principles (Johnson 1982: 315-316).

Political primacy

According to Adrian Leftwich; “ politics is the dominant variable which determines the concept of the developmental state as well as the developmental success orfailurein all human societies” (Meynes and Musamba, 2005: 16). Leftwich (2000: 4) argues that developmental states possess the following six factors during their emergence:

“ The presence of development-oriented political elite who possess high levels of commitment and will to attain economic growth.”
“ A powerful, professional, highly competent, insulated andcareer-based bureaucracy”
“ Civil society is relatively weak and disorganised”
“ A high capacity for the effective economic management of both domestic and private economic interests”
“ An uneasy mix of repression and non-adherence tohuman rights”
“ Performance-based legitimacy of the governing political elite, and which takes precedence over procedural legitimacy” (Leftwich, 2000: 174).

It seems that Leftwich differs in his arguments from Evans, in that Leftwich observes an imbalance. Yet it can be seen that there exists a significant state body which has a powerful bureaucracy which can effectively take care of the interest of the private economic. Then, this leads to a frail society which has no way of influencing the ruling elite.

Alternatives to neo-liberal economics:

Conceptually speaking, the developmental state is often located in-between a “ free market capitalist economic system” and a centrally-planned economic system “ conjoining private ownership with state guidance” (Woo-Cumings 1999: 2). This means it is neither purely capitalist nor totally socialist.

With regards to the relationship between the developmental state and “ interventionism” is concerned, “ the developmental state is an embodiment of a normative or moral ambition to use the interventionist power of the state to guide investment in a way that promotes a certain solidaristic vision of national economy” (Loriaux 1999: 24).

Ha-Joon Chang, demonstrates that “ economic development requires a state which can create and regulate the economic and political relationships that can support sustained industrialisation – or in short, a developmental state” (Chang, 1999: 183). Therefore, the creation of the developmental state concept leads to the formation of a interventionist state.

Are developmental states emerging in Africa

Several African states have endured a surge in development across the independence years, that started from the early 1960s onwards (Woo? Cumings 1999: 19? 20). However, subsequently, governance deteriorated and efforts to spreadeducationstalled: “ National armies discredited themselves through bloody coups and internal divisions along ethnic lines” (Woo? Cumings 1999: 19? 20).

Since those dark times, there has been increasing evidence to suggest that developmental states are now emerging in sub-Saharan Africa. However, existing literature expresses concerns with regards to if this the correct route for the African countries. For example, Woo-Cumings warns us that the developmental state can be “ good in relation to its (economic) effectiveness but it can also be a grim model in terms of human rights and lack of democracy” (Woo-Cumings 1999: 19? 20).

After initial developmental optimism, by the 1990s, things had changed; “ the African state had become the most demonised social institution in Africa, vilified for its weaknesses, its over-extension, its interference with the smooth functioning of markets, its repressive character, its dependence on foreign powers, its ubiquity, its absence” (Mkadawire, 2001: 293). The legacy this has left behind is an academic thesis that posits that the developmental state concept is “ not feasible under prevalent conditions in Africa known as the impossibility theorem” (Mkadawire, 2001: 293).

Lewis and Stein (1997) for example, when investigating the possibility of translating the Asian model and replicating it in the African context argue that “ while greater political insulation of economic policy makers could reasonably be achieved in African countries, the extensive coordinated economic interventions of the East Asian states are far beyond the administrative capabilities of most African governments”.

Scepticism has been widespread within the literature regarding the prospects for the formation of viable developmental states, owing mostly to the poor record of state-led development efforts during the immediate post-independence era of African governance. State intervention in the economy, according to Ake, became a way for the governing elite to accumulate wealth for themselves (Ake, 1996). Others have put forward that the African continent lacks “ adequate political superstructure and theleadershipnecessary for implementing policy of a developmental nature” (Birdsall, 2007: 580).

The ‘ impossibility theorem’ is a collection of arguments that posits that the developmental state concept in Africa is not possible, and, in particular, demonstrates scepticism towards the East Asian development experiences and if these could act as a model for Africa (Mkandawire 2001) . Those who advance the ‘ impossibility theorem’ also argue that this model is incompatible withglobalization. They argue that the current “ international regulatory architecture and the dominance of the neo-liberal paradigm” – supported by the World Bank, the IMF and the Washington Consensus – have created anenvironmentthat is largely “ inhospitable for the viability of the developmental state approach” (Beeson 2006: 34-39).

Yet, supporters of the emergence of African developmental states argue that “ the poor performance and lack of potential for African countries to achieve rapid state-led development is due to a biased and unfair comparison of the achievements of the East Asian models” (Mkandawire, 2001, Chang, 2006, UNCTAD, 2007).

The fact is, developmental states are emerging in Africa and there evidence for them to promote a developmental-state approach. It is now accepted that “ market-based economies” need a successful state to function and develop. African nations are beginning to satisfy the fundamental needs of their people (Manzavinos, 2004).

This journey of rediscovering the “ role” of the state has been simultaneous with the recognition of that of economic institutions. Douglass North published a book in 1990 called, Institutions, Institutional Change, and Economic Performance, which argues against the idea that “ institutions simply come about as a by-product of economic growth, and put forward that improvements in institutions are essential preconditions and determinants of growth” (Manzavinos, 2004).

The final part of this paper now turns to the Ghana case-study in order to find out what policies could support the growth of African developmental states.

Ghana was the initial nation in Africa to gain independence and has since undergone a stable transition since then. The Nkrumah were soon established as the popular legitimacy of the state, Ghana has since managed to escape theviolencethat has occurred in other Sub-Sahara states.

As within all academic debates there are two sides to the argument: those that put forward that Ghana is a model of a developmental state and those who argue the contrary. Put simply, Ghana has failed to capture successful long-term development but that does not necessary mean it is not a developmental state. Ghana’s growth could be seen as a “ mirage” rather than a “ miracle” as some key structural changes as highlighted in the introduction of this paper have not occurred. However, Dzorgbo (2001: 5) observes that “ it has confronted the challenge of increasing dependence on foreign aid, an exponential external debt, high rates of unemployment andpoverty, and de-industrialization resultant from the elimination of protective measures”.

In terms of what policies Ghana can implement to support itself as a developmental state; it could start with intervening with its fiscal and monetary policy as done by the East Asian tigers during their developmental phase. The main aim of this would be to reduce government spending; “ The CCP adopted an exaggerated, bloated vision of development of which the crucial feature was the number of physical structures and general infrastructure that could be constructed rather than assessing the actual social and material needs of the people” (Osei, 1999: 6). This would mean that Ghana should instead rely on state monetary policy to restore macroeconomic balance and cease to continue along the path of government spending which is dependent on bank credit. This creates an environment which is “ inhospitable to foreign and private investment because excess lending and inflation results in low (even negative) interest rates that further discourage future investment” (Osei, 1999: 6).

This paper puts forward that the policy that Ghana should adopt is one of state intervention in its monetary policy instead of a laissez-faire attitude to economics. However, in the case of Ghana it is easy to see why the over extension of the state could become a problem given that the Divestiture Implementation Committee, established in 1990 under the patronage of the IMF, “ gradually auctioned off state enterprises to the highest bidder” (Rothchild, 1991; 206). As such, Ghana has an uncomfortable history of state interference within the economy.

Once hailed as the frontier of Africa and in many ways similar to the Asian tigers, Ghana still must endure significant obstacles as such “ formulas for success” set by the IMF and the Washington Consensus have continually failed to bring about change.

Taking into account the dynamic and unpredictable periods of economic policy formation we must ask ourselves if it even possible to generalize a developmental theory for Ghana or even Africa as a wholeAke strongly disagrees; “ because development paradigms largely ignore the specificity and historicity of African countries, it puts them in a position in which everything is relevant to them and nothing is uniquely significant for understanding them” (Dzorgbo, 2001: 13).

In conclusion, it can be seen that drawing on the experience of the East Asian tiger’s economies cannot be effectively applied to Africa as the contexts too different. As we have seen, developmental theory can be utterly misleading and inappropriate for Africa even if there is evidence to suggest that some nations of Africa ‘ fit’ the developmental state model.

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