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Africa Development / Afrique et Développement

CODESRIA, Av. Cheikh Anta Diop x Canal IV B.P. 3304, Dakar, 18524 Sénégal

Tel: +221 825 98 22 / 825 98 23 – Fax: +221 824 12 89

Email: publications@codesria.org

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Epic Battles in Radical Development Theory, Field Research and Praxis: A Celebration of Björn Beckman (1938–2019)

Yusuf Bangura*

Abstract

This article reviews the contribution of Björn Beckman, the Swedish political economist, in the study of development. It addresses three issues. The first is his engagement in theoretical debates on the political economy of development. These focus on the nature of the African state, capitalist development in poor countries, whether the military can act as a revolutionary vanguard in spearheading democratic and progressive social change, neoliberal theory of macro-economic adjustment, and the dynamics of state-civil society relations in advancing development and democracy. The second is his field research work in Ghana and Nigeria. This examines the role of organised farmers and the state in the production and marketing of cocoa in Ghana in the 1960s; the entrenchment of wheat import dependence and the failed project of wheat import-substitution in Nigeria; and the construction of a union-based labour regime in Nigeria's textile industry that enhanced the bargaining power of unions even as a worsening macro-economic environment and industrial restructuring impacted adversely on employment and wages. The third deals with his collaborative work on a variety of organised interest groups, including labour movements, scholar activists, the Nigerian student movement, and organised informal sector groups. The last part of the article discusses the costs of Björn's combative style of scholarship.

Résumé

Cet article passe en revue la contribution de Björn Beckman, l'économiste politique suédois en étude du développement. Il aborde trois questions. La première est son engagement dans les débats théoriques en économie politique du développement. Ceux-ci portent sur la nature de l'État africain,

* Formerly with the UN Research Institute for Social Development and Professor, Fourah Bay College (2013–2014), University of Sierra Leone, Nyon, Switzerland.
Email: bangura.ym@gmail.com

le développement capitaliste dans les pays pauvres, le potentiel rôle d'avant-garde révolutionnaire de l'armée comme fer de lance du changement social démocratique et progressif, la théorie néolibérale de l'ajustement macroéconomique, et la dynamique des relations entre l'État et la société civile dans la promotion du développement et de la démocratie. La seconde est son travail de terrain au Ghana et au Nigéria qui examine le rôle des agriculteurs organisés et de l'État dans la production et la commercialisation du cacao au Ghana dans les années 1960; la dépendance accrue aux importations de blé, et l'échec du projet de substitution des importations de blé au Nigéria; et la mise en place d'un régime syndical dans l'industrie textile du Nigéria, ce qui a renforcé le pouvoir de négociation des syndicats, même si la détérioration de l'environnement macroéconomique et la restructuration industrielle ont eu un impact négatif sur l'emploi et les salaires. La troisième traite de son travail collaboratif sur divers groupes d'intérêt organisés, notamment les mouvements syndicaux, les militants universitaires, le mouvement étudiant nigérian et les groupes organisés du secteur informel. La dernière partie de l'article aborde le coût du travail universitaire combatif de Björn.

Introduction

The Swedish scholar and activist, Björn Beckman, who taught political economy in Nigeria, Ghana and Sweden, and made invaluable contributions in development studies, passed away on 6 November 2019 in Stockholm after a long illness. He was 81. His death is a great loss to scholars and working people in Nigeria and wider African circles, as well as those working on progressive social change in the global South more generally.

Björn taught, mentored, inspired and supported numerous students and young scholars with different intellectual persuasions, even as he was strongly committed to a radical Marxist approach to the study of development.

His Marxism was devoid of abstract theorising, dogmatism or sloganeering – he used Marxism as a tool to ask probing questions and get to the fundamentals of issues. He was amazingly creative in dissecting problems and providing methodical reasoning, using lucid, direct and attractive prose. As a great communicator, his writing was as effective as his oral delivery, which mesmerised audiences in seminars, public lectures and conferences.

He excelled in combative scholarship and brought enormous clarity and fresh insights to the understanding of complex and contentious issues. His interventions were always guided by values of social justice, fundamental principles of democracy and the rights and interests of popular sector groups.

This tribute celebrates Björn's scholarship through the wide-ranging debates and research activities that informed the construction of radical development theory. Björn left behind a huge body of work, which is

impossible to treat exhaustively in this review. However, I have selected the publications that I believe are the most relevant in understanding his scholarship and activism and divided them into three parts.

The first was his fierce and sustained engagement in theoretical debates on issues dealing with the political economy of development. These focused on the nature of the African state, capitalist development in poor countries, whether the military can act as a revolutionary vanguard in spearheading democratic and progressive social change, neoliberal theory of macro-economic adjustment, and the dynamics of state-civil society relations in advancing development and democracy.

The second was his painstaking, multi-year, field research work. This examined the role of organised farmers and the state in the production and marketing of cocoa in Ghana during the rule of Kwame N’Krumah’s Convention People’s Party in the 1960s; the entrenchment of wheat import dependence and failed project of wheat import-substitution in Nigeria (co-researched with his wife, Gunilla Andrae); and the construction of a union-based labour regime in Nigeria’s textile industry that enhanced the bargaining power of unions even as a worsening macro-economic environment and industrial restructuring impacted adversely on employment and wages (also co-researched with Gunilla Andrae). These three research studies were each published as books.

The third part of his scholarship was his collaborative work in edited books and journal articles on a variety of organised interest groups, including labour movements, scholar activists, the Nigerian student movement and organised informal sector groups.

Combating Underdevelopment and Dependency Theory

Björn’s sustained engagement with theoretical debates in a series of articles in the *Review of African Political Economy* raised his profile as a frontline theorist on the political economy of African development. His first major intervention was the debate in the late 1970s and early 1980s on the development of capitalism in Kenya.

The dominant radical perspective in the study of development in the 1980s was underdevelopment and dependency theory, whose chief proponents were the German-American scholar, Andre Gunder Frank (1966, 1970), who specialised on Latin America; and Samir Amin (1974, 1976), the prolific Egyptian political economist. Underdevelopment theory questioned the mainstream, modernisation theory of development (see, for instance, Rostow 1960; Apter 1965; Huntington 1968; Lipset 1959) that was influential in the 1950s and 1960s, which posited a binary divide

between tradition and modernity as the root cause of underdevelopment. Scholars of modernisation theory argued that poor countries could follow the same paths of development as Western industrialised countries if they could transform their societies by embracing modernity. The burden of moving from tradition to modernity, and thus development, was put squarely on poor countries, albeit with the assistance of foreign aid, without reference to the unequal ways poor countries were integrated into the world economy.

Many of the ideas of underdevelopment and dependency theory that challenged modernisation theory are useful in understanding why the majority of poor countries have remained poor. However, five in particular generated much controversy: the description of the indigenous capitalist class as 'comprador', 'neo-colonial' or foreign capital-dependent in siphoning surpluses from the economies of the global South; the belief that the lack of independence of indigenous capitalists diminishes their ability to advance industrial capitalist development; the view that state power largely serves the interests of foreign capital, which controlled the indigenous capitalists as junior partners; the conviction that dependence, foreign capitalist domination and symbiotic ties between foreign and local capital made it impossible for poor countries to develop; and the belief that only by 'delinking' from global capitalism could poor countries experience national development or industrial transformation.

It is crucial to note that underdevelopment and dependency theory emerged when most African countries had gained independence, pressures to industrialise were high and a discourse of anti-imperialism was pervasive in most sections of society, including among dominant groups in the economy and state bureaucracy. In general, the struggle against colonialism (external political domination) was indistinguishable from the struggle against imperialism (external economic domination), which gave rise to the notion of neo-colonialism. Problems in achieving rapid development led to the belief that imperialism was incompatible with economic development in newly independent countries.

The most influential radical critique of imperialism was the Russian revolutionary Vladimir Ilyich Lenin's *Imperialism, the Highest Stage of Capitalism* (1963), which analysed the changing nature of capitalism in Europe during the late nineteenth and early twentieth centuries in several important areas, such as the growing concentration and centralisation of capital; the increasingly distinct and dominant role of finance capital in capital accumulation; the emergence of monopolistic practices in protecting profits; and the brazenly interventionist role of the state in supporting the new monopolies, leading to colonialism and wars.

Lenin's primary objective in *Imperialism* was to explain how this stage – or these new forms – of capitalist development in the global North provoked profound rivalries among imperial powers for control of raw materials, markets and investments, and resulted in the First World War. As Björn noted in his critique of the Kenya debate, this work had little to say about how imperialism affected capitalist development in the colonies. In other words, it did not answer the question of whether imperialism blocked or advanced the development of productive forces in periphery countries.

Although Lenin's other work, *The Development of Capitalism in Russia* (1964) was unequivocal in demonstrating how foreign and local capital were transforming the Russian economy (an economy that was poor in the early twentieth century) and creating a home market for large-scale industry and a modern working class, it did not enjoy the same visibility as *Imperialism* among scholars grappling with the problems of post-colonial development.

By the 1980s, incontrovertible evidence of rapid industrialisation in East and South-east Asia dealt a blow to the core ideas of underdevelopment theory: imperialism does not, it seems, block the development of productive forces at all times and in all countries; and local capital can work in tandem with foreign capital to produce large-scale industrial transformation.

The leading work in the radical attack on underdevelopment theory was Bill Warren's 'Imperialism and Capitalist Industrialization' (1973), which was later upgraded into a full-length book, *Imperialism: Pioneer of Capitalism* (1980), after Warren's premature death in 1978. John Sender and Sheila Smith's *The Development of Capitalism in Africa* (1986) extended the argument to Africa. These studies saw imperialism as a progressive force in developing the productive forces in colonial and post-colonial countries. They focused largely on the role of colonialism in developing modern capitalist relations of production; domestic markets that were integrated into the dynamics of global capital accumulation; a rising, even if fragmented, wage labour regime; a state system that was shaped by the logic of capitalist development; and basic infrastructure of roads, railways and ports that facilitated the advance of capitalism in the global periphery. They downplayed the extractive, non-developmental, racist and oppressive nature of colonial capitalism.

In the late 1970s and early 1980s, the usefulness of underdevelopment theory in understanding development in Africa came under intense scrutiny in the debate on capitalism in Kenya, a former settler colony with a high penetration of foreign capital and a budding indigenous capitalist class. In that debate, Colin Leys (1978; for a different view on the subject see his 1975 book) and Nicola Swainson (1977, 1980), longstanding researchers on Kenya's political economy, were confident that a significant and independent

capitalist class had emerged in Kenya and was playing a leading role in industrial development. Raphael Kaplinsky (1980) and Steven Langdon (1977, 1980), who had also done substantial research on foreign capital in Kenya, were critical of this reading of Kenya. Their own studies revealed that Kenya's indigenous capitalist class was still highly dependent on foreign capital, manufacturing share of GDP and industrial employment were low, industry was not well integrated with agriculture, and the country remained primarily an agrarian economy with a large informal sector.

Björn's contribution to this debate was issued in five substantive interventions: 'Imperialism and capitalist transformation: critique of a Kenyan debate' (Beckman 1980); 'Imperialism and the national bourgeoisie' (Beckman 1981); 'Whose state? State and capitalist development in Nigeria' (Beckman 1982); 'Neo-colonialism, capitalism and the state in Nigeria' (Beckman 1987); and 'The post-colonial state, crisis and reconstruction' (Beckman 1988a).

By systematically unpacking the key assumptions of the contributions through a series of detailed arguments, Björn demonstrated that the debate was largely inconclusive. In other words, arguments could be marshalled to support both sides of the debate. The key problems were the fixation with the idea of an independent capitalist class as a prerequisite for capitalist development in the periphery, and the search for an ideal capitalism that is comparable to what obtains in advanced industrial societies. In this respect, the defenders of underdevelopment theory underplayed the development of capitalism because the changes were not far-reaching enough and foreign capital or imperialism still dictated the process of change. Critics of underdevelopment theory on the other hand magnified the changes and celebrated the indigenous capitalist class as an increasingly independent class that controlled state power at the expense of foreign capital.

In contrast, Björn theorised the process of capital accumulation in the global periphery as a joint project consisting of both foreign capital and the emerging indigenous capitalist class. Foreign capital is clearly dominant because of its superior access to finance, technology and other production factors; but local capital is not a passive or 'comprador' class that serves only the interests of foreign capital in siphoning surpluses from poor countries. Local capital has a life of its own. It can use the state and nationalist discourse to advance its own interests, embed and expand the interests of foreign capital in the local economy, and work with foreign capital to hold down the demands of labouring classes as well as broaden the scope of its activities in the domestic economy and world market.

The state in this formulation serves the interests of both foreign and local capital or, to use Björn's favourite phrase 'capital in general'. An exclusive

focus on continuous rivalries between fractions of capital (national versus foreign) misses the unity of the process of capital accumulation, the capital-logic of the state, and the complex ways labouring classes are subordinated and respond in the dynamics of development.

It should be stressed here that the full impact of Africa's protracted struggle with economic crisis, the harmful effects of structural adjustment programmes, and the generalised regression and instability in the 1980s and 1990s had not been fully felt when the Kenya debate was conducted. It was, therefore, possible to be optimistic – as Björn was – that some of the structural constraints raised by underdevelopment theorists that restricted capitalist industrialisation in the global periphery could be overcome by foreign and local capital. To quote Björn, 'if excessive foreign exchange utilization becomes a threat to capital accumulation, is capital itself not going to seek solutions for overcoming such obstacles? There is clearly nothing inherently unprofitable in having a high level of local value added' (Beckman 1980:58). As he affirmed, 'transnational capital does not represent one strategy, but a series of interacting and partly competing ones, which have very different consequences for linkages, both locally and externally...As one strategy is exhausted, others will be generated' (Beckman 1980:58).

Björn's theorisation of the state and capital accumulation was influenced by the capital-logic or 'derivation' school of the state, which was inspired by the German student movement of the late 1960s and popularised by the work of John Holloway and Sol Picciotto in *The State and Capital: a Marxist Debate* (1979). It took its point of departure from the famous debate between Nicos Poulantzas, the French-Greek Marxist theoretician, and Ralph Miliband, the British political scientist, on the state in advanced capitalist societies in which Miliband (1969, 1970, 1973) adopted an empirically-grounded and instrumentalist view of the state against Poulantzas's (1969, 1975, 1976) more theoretical and structuralist view in which the state is seen as an institution that serves and is reproduced through the process of capital accumulation, and has a logic that cannot be reduced to the interests of those who directly work in it. The capital-logic school sees the state as performing for the capitalist class as whole, tasks that each fraction of capital or capital in general cannot perform.

It would be wrong, however, to situate Björn's ideas on the state and capitalist development neatly within the capital-logic school. He did not like labels; indeed, he used the term capital-logic only once in his interventions, and was quick to distance himself from the main criticism of the capital-logic school, i.e. its insufficient attention to social forces, especially working class forces. To quote his summary of his position: 'This is, if you like, a position

of “capital logic”, without, however, robbing social forces of their autonomy through class struggle and class organisation’ (Beckman 1980:59–60).

The optimistic view of the African state and capacity of both foreign and local capital to overcome structural constraints to industrialisation received a boost in Björn’s subsequent interventions on the post-colonial state (Beckman 1982, 1988a). Despite the crisis of the 1980s, he had profound faith in the capacity of ruling class forces, both domestic and foreign, to support state reconstruction for industrial survival and expansion. Indeed, he believed that capitalist development had generated ‘an accumulation of experience and competence on the sides of both ruling class and popular forces’ (Beckman 1988a:33).

As I noted in a critique of his theory of the state in discussing ‘new directions in state reform’, belief in an ineluctable process of organisational capacity building and professionalisation in the class institutions of employers and workers runs through his theory of the state, capital accumulation and development (Bangura 2001). Popular pressures for change, when combined with capacity building and professionalisation, were expected ultimately to discipline ruling classes and policy makers, and force them to make the state more efficient and accountable to popular interests. It is not surprising, therefore, that Björn’s theorisation of the state paid scant attention to state reforms, which he saw as managerial, and which he believed the ruling classes were capable of undertaking for their own survival and growth. Seen from this perspective, the job of the activist scholar is to focus attention on the experiences and struggles of popular forces in confronting the project of state restructuring.

As it turned out, the crisis of the 1980s and 1990s took a terrible toll on African economies and societies far beyond what I suspect even Björn would have imagined. It exposed the continent as not only a laggard in most social and economic indicators, but as the only region where, apart from South Africa, large-scale industrialisation has not occurred and which has not experienced much income convergence with industrialised countries. Despite a narrative of ‘Africa rising’ during the 2010s, Africa’s per capita income as a percentage of rich countries’ per capita income is still substantially lower than in the 1960s and 1970s (Bangura 2019).

No serious analyst would today challenge the view that capitalist relations of production have developed and are well entrenched in Africa or that the state serves the interests of both foreign and local capital, and not just one fraction of capital against another. The critique of underdevelopment theory has laid to rest that aspect of the debate. However, some of the problems raised by underdevelopment theory, which made it appealing to large sections of activists, policy makers and scholars, have not been resolved.

These include the highly unequal or stratified integration of African economies in the world economy, which may distort and obstruct national development; the high import-content of local manufacturing that exposes industry and the state to perennial foreign exchange and balance of payments crises; the low levels of employment and value added in domestic industries; the weak linkages between industry and agriculture; and the limited impact of industrialisation on social development.

In other words, African economies remain largely agrarian, in both output and employment shares, with a large informal sector and weakly diversified industrial sector. This failure to achieve substantial industrialisation negatively impacts the development of class forces and capacities to discipline state institutions, making it difficult for states to work for popular classes. Instructively, Björn recognised the relevance of these aspects of underdevelopment theory in his research work on the wheat trap and underdevelopment in Nigeria, which we will address shortly.

The point must be stressed, however, that contrary to the postulates of underdevelopment theory, structural constraints to industrialisation are not insurmountable and overcoming them does not require countries to delink from the global capitalist system. The quality of industrial strategies, policies and institutions for advancing national development and engaging the world economy is crucial in explaining why some countries in the global periphery thrive and others stagnate or remain poor.

Applications of Radical Development Theory

Björn's critique of underdevelopment theory strongly influenced his interventions in debates on other aspects of African development, such as on military rule, structural adjustment programmes, democratisation and state-civil society relations. I would like to highlight three such interventions: his critique of the military as a vanguard for progressive social change ('The military as revolutionary vanguard: a critique', Beckman 1986); his interrogation of neoliberal adjustment policies ('The World Bank and structural adjustment: repression or empowerment', Beckman 1992; and 'The post-colonial state: crisis and reconstruction', Beckman 1988a); and his theorisation of democracy and state-civil society relations ('Whose democracy? Popular versus bourgeois democracy', Beckman 1989; 'The liberation of civil society: neo-liberal ideology and political theory', Beckman 1993; and 'Civil society and alliance politics', Beckman 2001).

Long-running crises in Africa and elsewhere produced a high turnover of regimes and military coups in the 1970s and 1980s. Radical scholars turned to sections of the military to play a revolutionary role in debating

solutions to the crisis of governance and economic development. In the case of Africa, left-wing military power grabs in Ghana, Burkina Faso, Ethiopia, Benin, Congo-Brazzaville and Libya provided a context for theorising such a possibility. In a series of pointed arguments against a host of Nigerian and Soviet scholars in 'The military as revolutionary vanguard' (Beckman 1986), Björn laid bare the theoretical shortcomings and dangers of such works.

The case for 'military vanguardism' is based on the belief that the military is a site of fractional struggles that mirror the contradictions of society; and, because of the low level of development of productive forces, levels of class antagonism within society are believed also to be low. In the eyes of theorists, these two factors suggest that there could be a convergence of interests between sections of the military and the mass public. Indeed, as they argued, the humble social origins of the top cadres of the military make them ready allies of the masses and opponents of imperialism.

Björn raised several telling points against this reading of the class character of the military in post-colonial societies, which he derived from his theoretical and research work on the state and capitalist development in agriculture and industry in Nigeria. These include the lack of explanation for the large number of right-wing military regimes around the world; the failure of left-wing military regimes to sustain radical programmes as local and foreign ruling class forces regroup to derail reforms and co-opt left-wing leaders; and the underestimation of the strength of ruling classes, which are conflated with political regimes that periodically change, raising false hopes of a power vacuum.

Especially in the case of Nigeria, Björn noted that foreign capital is deeply embedded in national economies, whose expansion has been facilitated by an indigenous capitalist class that also plays a role in development. The military itself serves as a vehicle of capitalist class formation as officers are incorporated into business networks, appointed as managers and directors of boards of parastatals and private companies, and receive contracts for the supply of defence materials. In this regard, it would be foolhardy to expect the military to play a vanguard role in advancing democratic and progressive social change. Indeed, as Björn concludes, the theory of military vanguardism is 'an invitation to adventurism' (Beckman 1986): it exposes activist cadres to military repression (as the Ghanaian Left experienced under Flight Lieutenant Jerry Rawlings' military regime in the 1980s) and encourages them to neglect political organisation, grassroots politics and democratic practices.

The economic crisis of the 1980s led to heavy intervention by the IMF and World Bank in African economies. In order to receive funds from these

institutions and reschedule national debts, countries were subjected to high doses of stabilisation and structural adjustment measures that sought to roll back the state, change its mode of regulating the economy, balance national budgets through sharp expenditure cuts, and liberalise domestic markets and exchange rates. This intervention, which had the strong backing of bilateral donors, raised questions about the future of the African state, prospects for industrial and agricultural development, the rights and interests of organised interest groups, and democratic politics.

The project of state restructuring, price realignments, negative branding of interest groups and protracted crisis challenged many of the assumptions and propositions of radical development theory. Björn confronted this challenge in his field studies on the wheat trap and on union power and adjustment in the textile industry, as well as in a number of articles and book chapters on the state ('The post-colonial state, crisis and reconstruction', Beckman 1988a); structural adjustment programmes ('Empowerment or repression: the World Bank and the politics of adjustment', Beckman 1992); civil society ('The liberation of civil society: neo-liberal ideology and political theory', Beckman 1993; 'Civil society and alliance politics', Beckman 2001); and democracy ('Whose democracy? Bourgeois versus popular democracy', Beckman 1989). We shall address the full-length books in the next section.

Here I tease out key elements of his interventions in his journal articles and chapters in edited books. The value of those interventions was his combative style of methodical reasoning, which exposed the repressive agenda of the World Bank and neoliberal scholars in reconstituting the African state and economy. The spotlight was on the 1989 World Bank publication *Sub-Saharan Africa: From Crisis to Sustainable Growth*. Björn demonstrated that this work – and neoliberal theory in general – provided justification for repressing the main groups that had capacity to challenge the adjustment project. Neoliberalism discredited the African state as corrupt, neopatrimonial and inefficient; and delegitimised organised interest groups as urban, elitist and unrepresentative of the national interest. The World Bank labelled such groups as vested interests engaging in rent-seeking politics that stifle the development of markets, the incomes and wellbeing of farmers, the liberation of civil society and flourishing of democracy.

It is not surprising that the imposition of adjustment programmes in Africa was highly repressive as governments and multilateral financial agencies encountered resistance from organised interests and, in wider society, a potent nationalist critique of adjustment, which was identified as imperialism or external economic domination. The World Bank imagined an Africa in which the post-colonial state would be rolled back, price

realignments would change the terms of trade in favour of farmers and export-oriented business groups, and urban-based interest groups would be replaced by a civil society of fragmented and independent groups, such as non-governmental organisations, that would spearhead the democratisation process. Some of the language of underdevelopment theory as it relates to rent-seeking activities and weaknesses of the national bourgeoisie were co-opted by the World Bank and its supporters in the onslaught against the nationalist project and urban-based group politics.

Despite the triumph of neoliberalism in macro-economic policy-making and the repression of organised interest groups in most African countries, nationalism continues to challenge the legitimacy of neoliberalism because of the failure of adjustment to substantially improve the living standards of the majority of people, including those of farmers, who demanded democratic change and a politics of inclusion. As Björn observed, contrary to the pronouncements of neoliberal theory, it is not the liberalisation of markets that generated pressures for democratisation, but the failure of adjustment to improve the lives of citizens.

Path-Breaking Research on Agriculture, Industry and Union Power

Björn did not only excel in theoretical debates; he was also strongly committed to field research. This took him to challenging and remote areas in rural and urban settings in Ghana and Nigeria. It helped him to bond with ordinary people and social activists, develop a large network of friends and colleagues, and assess, refine and sharpen his theoretical insights on development. Even after he retired from full time teaching at Stockholm University, his impulse for ground level research was still strong, as he and Gunilla embarked on their last piece of field research on the links between informal and formal workers in the garment industry (see ‘Trade unions, tailors and civil society’, Beckman and Andrae 2011; and ‘Engaging with African informal economies: Lagos traders, trade unions, and organizations in the informal economy, Beckman and Andrae 2013) before Björn’s health issues disrupted their research activities.

Björn’s first major field research was his doctoral work, *Organising the Farmers: Cocoa Politics and National Development in Ghana* (1976), which examined the politics of the production and marketing of cocoa during Ghana’s late colonial and early independence period. Ghana was the centre of the continent-wide struggles against colonialism and its leader, Kwame N’Krumah, and his Convention People’s Party (CPP) had embarked on a radical programme of dismantling the colonially inherited institutions and promoting ‘people-centred development’. Cocoa was the backbone of

Ghana's economy, accounting for about 60 per cent of its export earnings and providing employment to hundreds of thousands of farm families.

The CPP was determined to control the cocoa economy, organise the cocoa farmers and project its power in the countryside. It encouraged the formation of a farmers' organisation, the United Ghana Farmers' Council, as a wing of its party. The CPP state later recognised this Council as the sole organisation for representing the country's farmers. Foreign firms that had dominated the marketing of cocoa were expelled and the Council became the sole buyer of the country's cocoa. Indeed, the Council was responsible for marketing the entire cocoa crop (which was 36 per cent of the global output) from 1961, when it was granted commercial monopoly, to 1966 when it was dissolved after the overthrow of the CPP.

In his fieldwork in Ghana, where he lived from 1967–71, Björn studied the struggles of the key actors in the cocoa economy by interviewing a large number of cocoa farmers, traders and government officials in villages and the capital city. He also had unrestricted access to the rich records of the Farmers' Council. He explored the dynamics of the political and commercial monopoly enjoyed by the Farmers' Council, its relations with cocoa producers, and its role in enabling the CPP to organise the cocoa farmers and project its power in the rural economy. He also examined the struggles over the distribution of cocoa income between farmers and the state, and the struggles among trader groups competing for a share of the trade left by foreign firms.

The middlemen traders, who had thrived under colonial rule as buying agents of the foreign firms, were squeezed out by the Farmers' Council, and rural co-operatives were forcibly merged with the Council or eliminated all together. *Organising the Farmers* contains rich insights on the class character of the CPP state and the Farmers' Council, including how the political and commercial monopoly of the Farmers' Council created a new class of middlemen that led to the siphoning of surpluses from cocoa producers. It reveals that both the cocoa farmers and the state were unable to compel the Farmers' Council to serve their conflicting interests, allowing middlemen to operate in the marketing of the product and in mediating the way the state extracted surpluses from producers.

Björn turned his research focus to Nigeria when he joined the Department of Political Science at Ahmadu Bello University (ABU) in 1978. His second major piece of research was his joint work with Gunilla on the political economy of Nigeria's food system that resulted in the widely acclaimed publication *The Wheat Trap: Bread and Underdevelopment in Nigeria*, which was published by Zed Books in 1985 and reprinted in 1989. In this work, Björn and Gunilla emerged as exceptional researchers with an eye for detail,

thick empirical analysis and critical engagement with the development literature. Michael Watts, in *The Journal of Peasant Studies*, described it as ‘a first-rate case study of food dependency and the complicated links between the world market and the village’ (see blurb of Andrae and Beckman 1985a). To Barbara Hariss, in *Development and Change*, it was ‘thoroughly well written, modest and serious...an example of policy-relevant, timely, critical... interdisciplinary social science’ (see blurb of Andrae and Beckman 1985a). And the *American Journal of Agricultural Economics* hailed it as ‘must reading... especially enlightening in highlighting the many interests involved in the modernization of agriculture and the industrialization process in developing countries’ (see blurb of Andrae and Beckman 1985a). Writing from the Dakar-based Council for the Development of Social Science Research in Africa, Thandika Mkandawire challenged some of the book’s theoretical arguments, but concluded that it is ‘an important building block in our understanding of the dynamics of agrarian transformation in Africa...an excellent combination of rigour and lucidity’ (see Mkandawire, nd). *The Wheat Trap* was, indeed, a big hit. It is perhaps the most widely read and referenced work of Björn and Gunilla, thus far generating more than 200 scholarly citations.

The oil boom of the 1970s fuelled large scale migration of villagers to towns, changes in household consumption patterns and massive food imports, such as wheat, to meet the demands of the growing urban population for cheap, clean, easily available and easily consumed food. A network of interests spanning wheat producers in industrialised countries, US agro-business firms, wheat importers, mill operators, flour distributors, bakers, producers and traders of bakery machinery, and local state functionaries provided the conditions for the entrenchment of wheat in Nigeria. The pro-wheat lobby was so entrenched in the political economy and policy circles that even when a wide-ranging austerity budget was introduced by the military government of Muhammadu Buhari in 1984, wheat was excluded from the duties imposed on imported agricultural products. According to Buhari (1984), ‘bread has become the cheapest staple food of our people’. Björn and Gunilla provide a detailed account of the activities of these pro-wheat groups in sustaining wheat import-dependence and the futility of allocating huge sums of money to costly and unviable large-scale irrigation programmes for the purpose of wheat import substitution, which only served to entrench the wheat trap.

The Wheat Trap is a vivid example of the relevance of some of the key arguments of underdevelopment theory. It brings out in bold relief the subordinate and unequal ways Nigeria’s economy is integrated into the world market, distorting and obstructing national development, even as capitalist relations of production continue to be developed on a large scale.

Curtailling food imports; redirecting household diets away from bread; promoting alternative foods that are cheap, clean, easily available and easily consumed; investing in local food processing technologies; and getting workers to support a strategy of food self-reliance are some of the policies Björn and Gunilla advance to break out of the wheat trap. As they argue in the conclusion, workers, who are attracted to the cheapness, convenience and reliability of bread, may only buy into these policies if the state takes workers' interests seriously, including their concerns for food security and political rights of organisation and representation. Unfortunately, about 35 years after the publication of the *Wheat Trap*, Nigeria is still mired in food import dependence, and the issue of how to break out of the wheat trap is still a contentious issue in policy debates.

By the 1990s, Nigeria and other African countries had experienced massive setbacks in industrialisation, following efforts by the state and private capital respectively to stabilise the macro-economy and restructure industrial activities. Workers and unions were badly hit by the crisis and had a huge stake in the state's stabilisation policies and restructuring programmes of industries. Wages were being eroded by inflation and exchange rate depreciation, and the ranks of the labour force and unionisation were in steep decline.

The textile industry, which is labour-intensive and can generate backward linkages with agriculture, offered opportunities to buck the trend of the disappearing industrial working class. Björn and Gunilla turned their research attention to this industry to examine the kind of restructuring that was underway in textile firms, the way workers and unions were coping with the economic crisis and industrial restructuring, and the extent to which a union-centred labour regime emerged to improve the bargaining power of unions and mediate the restructuring process.

The result is the highly readable, thought-provoking and innovative book *Union Power in the Nigerian Textile Industry: Labour Regime and Adjustment* (Beckman and Andrae 1998). I followed very closely this research project as it complemented work on crisis, adjustment, livelihood strategies and social change I co-ordinated at the United Nations Research Institute for Social Development (UNRISD) in the 1990s. UNRISD published an overview of the findings of this research as 'Bargaining for survival: unionised textile workers in the Nigerian textile industry' (Beckman and Andrae 1996); and I served as a discussant on this work in a conference in Zimbabwe on industrial restructuring and labour regimes where Björn presented the research findings.

The research required a focus on both industry and agriculture, including the dynamic linkages between the two sectors; deep knowledge

of the modes of operations and livelihood strategies of workers and farmers; detailed case studies of textile firms to understand varieties of industrial practices, labour subordination and unionisation; and tracking of union organisation, internal union politics and collective bargaining. It would not have been possible to produce this work without the wide network and trust that Björn and Gunilla constructed with broad sections of Nigeria's working class and their unions, especially the National Union of Textile, Garment and Tailoring Workers of Nigeria, and the central labour organisation, the Nigerian Labour Congress; deep ties with informants in the agriculture sector; and support from the management and staff of the textile companies.

Despite the unfavourable conditions in Nigeria's macro-economy, huge financial losses of textile firms and large-scale retrenchment, Björn and Gunilla demonstrated that a union-centred labour regime that helped to stem the process of de-industrialisation and erosion of the bargaining power of unions and workers' wellbeing had developed. A labour regime refers to the institutionalisation of industrial relations and conflict. This is about the rules and practices that regulate capital-labour relations at the workplace and society at large. Union power in the textile industry is derived from the relative autonomy of workers in the production process. This has three features: the high educational status of the workforce; the existence of smallholding agriculture, which offers alternatives to industrial work; and the nature of pre-industrial forms of labour control.

Nigeria's textile workforce is overwhelmingly male and boasts of a high level of education when compared to textile workers in Asia, Latin America and Europe at similar stages of industrialisation. Björn and Gunilla argued that the policies of import substitution industrialisation, which heavily protected domestic markets, also contributed in raising the status of Nigeria's textile workers. Because domestic markets were protected, the cost of labour was not very important to manufacturers. The state's role as a major employer of labour also played a part. The demands of public sector workers (who dominated Nigeria's labour movement in the 1960s and 1970s) for unionisation and good conditions of service were extended to the private sector when manufacturing employment expanded in the 1970s and 1980s.

The prevalence of smallholding agriculture and informal livelihood activities served to reinforce the relative autonomy of workers. The possibility of alternative non-factory work meant that workers could withdraw their labour if they were unhappy with management. In other words, managers had problems disciplining workers to meet the requirements of industrial work. The nature of subordination of the workforce before its transition

to factory work is also important in understanding union power. Nigeria's pre-industrial agrarian economy lacked the feudal forms of peasant subordination that were prevalent in Asia and Latin America. This suggests that Nigerian workers could resist submission to oppressive factory regimes.

Union power in collective bargaining was linked to the fortunes of the industry itself. During the early phase of the crisis when the import squeeze was severe, unions were unable to check the high levels of retrenchment and sharp wage declines. However, bold industrial restructuring arrested the decline even though employment did not improve. Restructuring eventually produced rapid expansion, with employment levels, wages and benefits recovering lost ground.

The textile industry and the national union experienced two major shocks before the book was finalised, which questioned the narrative of the union-centred labour regime: a workers' rebellion in 1993 against union leaders, leading to the destruction of the union headquarters; and a sharp decline in industrial performance, which coincided with a severe macro-economic crisis and heavy state assault on unions in the mid-to-late 1990s. These developments forced Björn and Gunilla to revisit the central argument of the book in a post-script. They remained convinced, however, that despite these setbacks, the union-centred labour regime would be resilient enough to prevent the disintegration of the textile working class.

I had the opportunity to discuss this book with the Secretary General of the national textiles union, Issa Aremu, in November 2019 when he visited Geneva for a global union meeting. He confirmed the terrible toll of the crisis and industrial restructuring on the textile union, whose membership has declined from 250,000 workers during the pre-crisis period to only 40,000 today. He was, however, optimistic about a turn-around in the industry as textile imports face huge tariffs, Nigeria's land borders are better policed and local cotton production expands in leaps and bounds.

Collaborative Work on Interest Group Politics

Björn worked with many people not only in advancing democratic and interest group politics, but also in documenting and analysing them. The question of how to improve the material conditions and freedoms of working people informed much of his scholarship. Central to this concern was the challenge of building and capacitating interest group organisations, defending the rights of these organisations to contest ruling class policies and making state projects deliver outcomes that are beneficial to the working majority.

His passion for positive social change may explain why he disliked ideological labels or being boxed into competing schools of political

economy: he combined general theory, empirical field research and practical work in studying development processes. It is in this sense that his commitment to the analytical categories of the 'capital logic school' did not prevent him from addressing the countervailing power of popular sector forces, class organisation and class struggles. This may also explain his profound dissatisfaction with mainstream political science, which, he believed, focuses excessively on electoral politics, political integration and political stability. In his article 'Political Science and Political Economy' (Beckman 1983), Björn argued that the discipline should instead be concerned about the 'roots of politics' and focus on 'the level of production, social relations and social organization of class forces', as well as on how politics impacts economic and social forces, including the contradictions and struggles that arise from them.

His collaborative writings were conducted with individuals who were active participants in interest group politics and democratisation, or had a commitment to, or done research on, those issues. Björn pushed his research agenda on interest group politics in many research institutions that he collaborated with. These included the Council for the Development of Social Science Research in Africa, attending its General Assembly meetings, serving on the editorial board of its journal, *Africa Development*, participating in its research networks and evaluating the Council's work for the Swedish Agency for Research Cooperation with Developing Countries (SAREC); the Centre for Documentation and Research, the Aminu Kano Centre for Democratic Research and Training, and the Centre for Information Technology and Development (CITAD), all based in Kano, where work was done on civic advocacy, interest group politics and democratisation; as well as the United Nations Research Institute for Social Development in Geneva, where he contributed papers on unions and industrial restructuring.

Björn was also a founding board member of the Accra-based Institute for Democratic Governance, having supervised the doctoral work of its Executive Director, Emmanuel Akwetey, on trade unions and the politics of democratisation in Zambia and Ghana at Stockholm University. He was instrumental in the creation of the Politics of Development Studies Unit (PODSU) at Stockholm University, which focused on interest groups, civil society and democratisation, and involved the participation of many postgraduate students.

The interest groups that featured prominently in his collaborative work included industrial unions; professional associations of academics, lawyers and journalists; gender advocacy groups; and the radical student movement. Björn (1988b) also published a think piece on Left strategies for mobilising

the Nigerian peasantry in which he warned against prematurely trying to resolve the internal contradictions within the peasantry before state power has been sufficiently democratised. He argued that the focus instead should be on the 'broad middle ground within the peasantry', and on issues that unite rather than divide the peasantry, such as the appropriation of peasant lands by state and capital and improved provision and equitable distribution of public services in communities. He published a research piece on peasant struggles against the state and capital as they manifested in the costly and unsustainable irrigation dam project at Bakolori in Sokoto state (1985b). The Bakolori dam displaced about 18,000 people and destroyed many livelihoods. Controversially, state authorities failed to provide adequate compensation to the displaced, forcing them to rise up against the project. More than 350 people lost their lives in the armed confrontation between the displaced peasants and security forces.

A selection of Björn's collaborative studies on interest group politics include his edited books with the Zimbabwean political scientist, Lloyd Sachikonye (*Labour Regimes and Liberalization: The Restructuring of State-Society Relations in Africa*, 1999), and with Sachikonye and the South African sociologist Sakhela Buhlungu (*Trade Unions and Party Politics: Labour Movements in Africa*, 2010); his jointly authored article 'Scholars and democratic politics in Nigeria' (1995) with Attahiru Jega, a former leader of Nigeria's Academic Staff Union of Universities; his edited book with Gbemisola Adeoti, *Intellectuals and African Development: Pretensions and Resistance in African Politics* (2009); his *Great Nigerian Students: Movement Politics and Radical Nationalism* (2005), which provided a platform for student activists to recount their experiences; his edited book with Y.Z. Yau, *Organising for Democracy: Nigerian and Comparative Experiences* (2012); his conference books with Eva Hansson and Anders Sjöorden, *Civil Society and Authoritarianism in the Third World* (2001), and with Lars Lindström and Mats Wärn (*Globalization, Imperialism, and Resistance*, 2007); as well as our joint paper for UNRISD, 'African workers and structural adjustment: with a Nigerian case study' (Bangura and Beckman 1991). Björn also edited a conference book on Vietnam with Eva Hansson and Lisa Roman titled *Vietnam: Reform and Transformation* (1997).

We learn a great deal from these publications about the capacity of organised interest groups to block unpopular reforms and their inability to promote or sustain radical alternatives; the complex ways groups align narrow production-based interests with broader national concerns to gain relevance and defend the public interest; how radical groups build organisational capacity and deploy nationalism to delegitimise state programmes and

policies that impact adversely on society; the conditions under which democracy makes sense to popular sector groups; the potential of alliance politics in processes of democratisation and economic restructuring; and the importance of building internal democracy in the organisations of popular sector groups.

Confronting the Cost of Combative Scholarship

Combative scholarship is not cost-free. Scholars whose theoretical positions are questioned may use dirty tactics to hit back, academic careers may be undermined, and state and administrative power may be mobilised to settle scores. I would like to discuss four cases of Björn's interactions with scholars and power, two of which had direct costs on him.

The first was his academic encounter with Claude Ake, a prolific writer on Africa's political economy and one of Nigeria's – indeed Africa's – foremost scholars in the 1980s and 1990s. Three of Ake's books, *Revolutionary Pressures in Africa* (1978), *Social Science as Imperialism* (1982), and *A Political Economy of Africa* (1985) were widely read on Nigerian campuses. Indeed, *A Political Economy of Africa* was required reading in the courses I taught at ABU. Students loved it. Ake's theory of development was heavily influenced by the propositions of underdevelopment and dependency theory. It was clear that he would clash with Björn at some point, especially as both were ideas-driven, eloquent debaters and active members of the Nigerian Political Science Association (NPSA).

The first encounter was at the NPSA's annual conference at Bayero University Kano in 1981, one year after my arrival at ABU. Björn presented a paper, 'Whose State? State and Capitalist Development in Nigeria', which was an application of his critique of underdevelopment theory in the Kenya debate to the Nigerian situation. Ake dismissed it as Althusarian Marxism that had no connection with social reality and popular struggles. Björn was shaken by the Althusarian label, which had become a dirty word among radical scholars for its high level of abstraction and structuralism. He responded that his work was not Althusarian, but was unable to mount a strong retort, quite possibly because of the balance of scholarly opinion in the NPSA in which political economists were few. Perhaps, to demonstrate his ties with groups in underprivileged settings and the falsity of the Althusarian label, he took us, somewhat bizzarely, that evening to a very shabby eatery down town for dinner that the Kano or Nigerian elite would never think of patronising.

Björn seized the occasion of the major international centenary conference on Marx at ABU in 1983 to fight back. As a conference on

Marxist political economy, he was on familiar territory with allies. His conference paper, 'Marxism and underdevelopment: a critique of Ake', was a systematic takedown of Ake's approach to political economy, which, though illuminating, suffered from the standard limitations of underdevelopment and dependency theory. The Beckman-Ake debate was one of the anticipated highlights of the conference, but Ake declined to debate. During the panel discussion, Ake stood up, briefly retorted that Björn did not understand his work, and sat down.

The second case, which I will discuss in detail because of its significance in understanding the politics at ABU's Faculty of Arts and Social Sciences (FASS) and wider national developments, deals with the forces that pushed Björn out of ABU in 1987. When I arrived at ABU in 1980, the study of political economy was already well established and Björn was a powerful intellectual force in the Faculty. Students and young lecturers gravitated towards him, and he built a well-stocked political economy library that kept students and staff abreast of scholarly developments. My own training at the London School of Economics and Political Science (LSE) was on international political economy, having written my doctoral thesis on how the defence of the pound sterling's role as an international currency affected the politics of African decolonisation around issues of monetary policy, trade, investment and aid relations. My exposure to radical political economy at the LSE was outside of the classroom in study groups such as the Afro-Asian Solidarity organisation, which had a strong Marxist focus. Björn's decision to change his full time contract to visiting lecturer, requiring him to teach for one or two terms per year a few years after I arrived, and the non-renewal of his contract in 1987, meant that I had to take over some of his responsibilities, including the supervision of his postgraduate students in completing their dissertations.

I consider the eight years I spent at ABU (1980–88) the happiest in my working life. Deep friendships, built on values of solidarity, trust and integrity, supported scholarship and activism in a fiercely competitive environment. By the mid-1980s, however, the radical academic groups at FASS had split into two antagonistic camps. One camp was influenced and led by the charismatic historian and public intellectual, Yusuf Bala Usman. It was wedded to a populist type of politics and less keen on systematic Marxist theorising of development, preferring instead to eclectically and uncritically embrace the ideas of underdevelopment and dependency theory. Its core members had joined the radical People's Redemption Party (PRP), which governed Kaduna and Kano states after the 1979 elections. One of the key targets of this Faculty camp was the northern ruling class, which

they characterised as a 'Northern Oligarchy'. That characterisation had a lot of merit when seen from the perspective of the struggles of the northern peasantry – *the Talakawa* – through the platform of the Northern Elements Progressive Union and the PRP for liberation from feudal oppression. However, their politics was the flip side of the politics of the Northern Oligarchy that they decried.

Because of the way politics was structured during the first three to four decades of Nigeria's post-independence history, power was heavily skewed in favour of the North. Whoever dominated northern politics was likely to dominate national politics. The politics of the Bala Boys, as this Faculty camp were known (although they self-identified as Bala Mohammed Memorial Committee or BMCM after the assassination of Bala Mohammed, a political adviser to the Kano State Governor, Abubakar Rimi, in 1981), followed the logic of the politics of the Northern Oligarchy. They imagined that oppositional progressive forces in the North would defeat the Northern Oligarchy and then govern the rest of the country. They were very sceptical, therefore, of pan-Nigerian forces – which they did not control – such as the national Academic Staff Union of Universities and the national labour and Left movements as vehicles for effecting progressive social change. They did not want to subject their struggles to broad national movements that did not grant their group a hegemonic role.

The second group in the Faculty, which self-identified as 'Zaria Group' and operated as a collective, embraced a Marxist approach to the study of politics and society as well as aspects of the global critique of underdevelopment theory, of which Björn was the chief proponent in the Nigerian context. It developed strong ties with organised interest groups and the budding socialist movement in the country. Predatory and authoritarian rule at the national level, poor living conditions in the context of an oil-fuelled and skewed distribution of income and wealth, mal-administration and neglect of student needs and rights radicalised students across the country, leading to periodic riots and the killing of students at ABU in 1986 by the anti-riot police force. The repressive and corrupt military government of Ibrahim Babangida and university administrators put the blame on radical academics whom they accused of 'teaching what they were not paid to teach'; The state and university authorities decided to move against those academics, using, in some cases, one of the radical groups to carry out the purge.

Björn's contract was due for renewal in 1987. The Head of the Department of Political Science, Oga Ajene, who was an ally of the Bala Boys, invited me for an evening drink and *pepeh soup* (peppered or hot, spicy, soup) at a restaurant down town where he broached the subject

of Björn's contract. He argued that the department did not need Björn's services anymore because there were enough qualified Africans who could handle the teaching of political economy. He asked me to take over the programme. I was surprised that he could use a divisive Africanist argument to get me to support the university's design to get rid of Björn. I reminded him of Björn's contributions to the department, the need to attract and retain international staff of high quality, and the dangers of using Africanism to get rid of a valued asset. I stressed the latter aspect in particular could easily become a slippery slope in which the next targets would be non-Nigerian Africans, to be followed by Nigerian academics that were not from ABU's northern catchment area. I left him with the understanding that I would oppose his decision in the department.

Björn's contract was terminated not long after that meeting. He was visibly disturbed when he came to my office to break the news. I called a meeting of the political economy group in the department and we resolved to challenge the decision. We prepared a statement highlighting Björn's contributions to the department and called for a reversal of the decision. The main challenge was to mobilise most of the staff members to sign it. The divisions in the faculty were particularly acute in the departments of political science and history. In addition to the two polarised camps already described, the department of political science also contained a third group – the largely apolitical or moderate middle, which constituted the majority. When we went round canvassing for signatures, we were surprised that virtually all staff members in the middle group were enthusiastic to sign the petition. They valued Björn's scholarship as well as his respectful disposition towards colleagues; we also learned that they had their own grievances against the Bala Boys whom they regarded as overbearing. The head of the department was shocked that we could mobilise about 70 per cent of the twenty-five members of the department to sign the petition even though we were a minority force. Only members of the Bala Group and their allies refused to sign.

Instead of focusing on the issues raised in the petition, the head of department decided to invite to his office each signatory to the document to determine who wrote it. I told him it was a useless tactic, that he should accept the signatures as co-authors of the document and address the demands. His willingness to advance the administration's policy of clamping down on critical scholarship was strongly condemned during the departmental meeting that discussed the issue. The majority of the staff members of the department supported the demand to get the university to reverse the non-renewal of Björn's contract, even though it was ultimately unsuccessful.

When Björn returned to the Department of Political Science in Stockholm in 1987, he decided to apply for one of the professorships that the research wing of Sweden's international development agency, SAREC, had launched for scholars in development studies with a background in political science. The third case of the cost of contestation involves the denial to Björn of the professorship he applied for. He had clashed with Göran Hydén, another well-known Swedish political scientist with specialisation on Tanzania. Björn had written an incisive critique of Hydén's influential 1983 book, *No Short Cuts to Progress: African Development Management in Perspective*, which argued that the African state is not structurally rooted in society and African societies lacked a dominant social class that could drive the development process. Björn linked this reading of Africa to the jaded or overused 'neo-patrimonialism' theory of the state in which the state is dismissed as a poor agent of development because of its penetration by what Hydén called 'the economy of affection' or nepotism and clientelism. The Ugandan political scientist, Mahmood Mamdani, had described this book in a critical review in *Ufahamu: A Journal of African Studies* as 'a great leap backward' (1985). Björn's critique, 'Comments on Göran Hydén's State and Nation Under Stress,' was published in the Swedish Ministry of Foreign Affairs' book, *Recovery in Africa: A Challenge for Development Cooperation in the 90s* (Beckman 1988c). Hydén, it seemed, was clearly offended by the review.

SAREC sent Björn's papers for the professorial post to Hydén for review. There was clearly a conflict of interest for Hydén to review Björn's work, but Hydén did not exclude himself from the review process. Hydén was not impressed by Björn's scholarship and recommended against awarding him the professorship. He justified his decision by presenting what he believed were objective data on Björn's publications: the quantity and spread of the publications, and their impact in the scholarly community. He argued that Björn's body of work was not large and deep enough for a professorship. His bias was exposed when he acknowledged that based on the Social Sciences Citations Index, Björn enjoyed high visibility among scholars, but he dismissed this as irrelevant because many of the publications appeared in the *Review of African Political Economy*, which had Björn on its editorial board. Surprisingly, he also did not think highly of *The Wheat Trap*, despite, as we have seen, its enthusiastic praise from scholars working on agriculture and food systems. Dozens of prominent scholars from around the world petitioned SAREC's decision to have Hydén review Björn's work. Björn finally got his professorship in a subsequent round of evaluation.

The final case of contestation I would like to address is Björn's attack on Richard Sandbrook, the Toronto-based political scientist, and a group

of Latin American scholars during a conference in Jamaica in 1989 that was sponsored by UNRISD on the social and political consequences of structural adjustment programmes. Sandbrook's paper, which drew heavily on his 1985 book, *The Politics of Africa's Economic Stagnation*, was, like Hydén's, highly critical of the African state. It posited that the African state is mired in communal ties and 'one-man rule', and overwhelmed by incoherence, indiscipline and a shrinking fiscal base, rendering it unfit as an agent of capitalist development. The Latin American scholars at the conference shared Sandbrook's views on Africa, even though many of the features described by Sandbrook also applied to Latin America. Björn unleashed a scathing critique of Sandbrook and his Latin American allies and became an instant star to the graduate students from the University of the West Indies who had been invited to participate in the conference. The students followed him around for the rest of the conference.

Deep Friendship and Family Life

Despite his instinct for fierce contestation in his scholarly work, Björn was remarkably charming, humorous, supportive and democratic in his personal relations. He built a large network of friends and was brilliant in sustaining friendships through regular mails, phone calls and visits. His long union with Gunilla, spanning more than 59 years, was a model of love, care and democratic governance of the family. Their wonderful children, Malin and Petter, related amazingly well with their network of friends, making occasional visits and building their own friendships in the countries where their parents worked.

Björn developed excellent relations with the families of his friends. Children were fond of him because he devoted a lot of his time to them – indeed, they often saw him as a grandad or grand uncle. He introduced our daughter, Mariama, to ice-skating, sledging and the books of Sweden's famous writer of children's fiction, Astrid Lindgren. Lindgren's book, *Lotta's Bike*, which Björn gave to Mariama when we spent a year in Sweden in 1988–89, became a family treasure. Mariama passed it on to her younger brother, Bangali, and we have been trying to introduce it to our grandchildren.

After Björn was pushed out of ABU in 1987, I was at risk of being removed from the university. I had been made aware that my contract would not be renewed, or that I may even be deported, as had been the case with the popular Jamaican sociologist, Patrick Wilmot, and an Irish lecturer in French, Fírinne Ní Chréachain – who was close to us – who were both kidnapped and forcibly deported in 1988. I had to look for alternatives. My attempt to transfer to the University of Jos was blocked at the Vice

Chancellor's Office, even though the Head of Department of Political Science, Aaron Gana, recommended my recruitment after a successful faculty-wide interview. I was determined, however, to deny the authorities the pleasure of having the final say on my contract. I consequently informed the university that I would not renew it. Björn facilitated a research fellowship from the Swedish Institute that enabled me to spend a year at the respective departments of political science at the University of Stockholm and University of Uppsala. In Sweden, I worked closely with members of Björn's Swedish research network, the Working Group for the Study of Development Strategies (AKUT), which specialised on Nigeria, Guinea-Bissau, Mozambique, Algeria, Indonesia, India, Pakistan and Chile; and the Nordic Africa Institute in Uppsala, helping the latter to develop their research project on the social and political consequences of structural adjustment programmes in Africa.

During my fellowship in Sweden, Björn was invited by UNRISD to write a paper on Nigeria's adjustment experiences for their conference in Jamaica on the social and political effects of crisis and structural adjustment programmes. I knew nothing about UNRISD at the time, but Björn persuaded its director to sponsor both of us to write the paper and attend the conference, since I was working on the politics of adjustment. That conference changed the trajectory of my professional life. After our presentation and the discussion of the paper, the director of UNRISD walked up to me and asked whether I would like to work with the Institute. I spent two weeks in Geneva with the Institute after my return to Uppsala on the invitation of the director and helped him to prepare and comment on a few research proposals. I was offered the UNRISD job and stayed for about 20 years.

Björn leaves behind rich memories of love, care, deep friendship, integrity, purposeful scholarship and commitment, which we will always cherish. He meticulously kept a detailed diary of his working life. When I visited the family in Stockholm in 2017, he was already frail, and Gunilla and Malin were reading the diaries to him. Despite his frailty, he developed a routine of walking for an hour every morning and evening around the neighbourhood, and prepared breakfast every morning. I hope that his diaries will be translated, edited and published for us to understand the full range of his ideas and activities.

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Post-colonial African Economic Development in Historical Perspective

Alan Hirsch* and Carlos Lopes**

Abstract

Africa is frequently framed in a narrative that reduces or minimises its significance and achievements. We review geographical and historical perspectives of Africa and present data that provides Africa greater significance and allows us to consider post-colonial African economic achievements outside of a simplistic narrative. We argue that placing Africa in a fairer historical and geographical perspective allows for more coherent planning for Africa's future development.

Résumé

L'Afrique est souvent le sujet de récits qui réduisent ou minimisent sa signification et ses réalisations. Nous passons en revue les perspectives géographiques et historiques de l'Afrique, et présentons des données qui accordent à l'Afrique une plus grande importance et nous permettent de considérer les réalisations économiques de l'Afrique postcoloniale en dehors d'un récit simpliste. Nous soutenons que placer l'Afrique dans une perspective historique et géographique plus juste permet une planification plus cohérente de son développement futur.

Current Confusions about African Trajectories

Africa's positioning on the global scene has seldom been devoid of controversy. Africa has long been portrayed through a distorted lens that betrays the true stature of the continent. With a landmass of over 30 million square km, Mercator's map projected Africa's size to be equal to Greenland's, whose size is fourteen times less. Mercator's 1569 cartographic depiction of

* Professor and Director, The Nelson Mandela School of Public Governance, University of Cape Town. Email: alanhirsch03@gmail.com

** Honorary Professor, The Nelson Mandela School of Public Governance, University of Cape Town and Visiting Professor, Sciences-Po, Paris. Email: carlos.lopes@uct.ac.za

the world became one of the most influential and widely circulated world map projections throughout the nineteenth and twentieth centuries.

Whilst some have argued that the initial intention was mostly to provide a navigation tool for sailors because of the ease in ensuring angle and shape accuracy, it morphed to become the recognised global map, adorning backgrounds of daily television news, homes, walls and the cover of many atlases.

In fact, despite the knowledge of these distortions, Google continues to use it as a basis for web projection. Many have also argued that the Mercator projection reinforced Western colonial attitude towards Africa and an image of European dominance (Peters 1983; Henderson and Waterstone 2009). Arno Peters, in 1967, provided an alternative way of looking at maps to correct for what he perceived as the inaccuracy and racism being projected by the Mercator map. It led to one of the most stimulating and controversial debates on Africa.

Africa is easily as big as India, China, the US and most of Europe combined. Africa's blue economy is even bigger than its landmass. The maritime zones under Africa's jurisdiction alone totals about 13 million square km including territorial seas and approximately 6.5 million square km of the continental shelf (UNECA 2016a). Still, when Saarinen conducted a study in 1992 that tested the way people viewed the world, the results suggested a diminished view of the size and importance of Africa (Meffe 2013).

Nearly two decades later, Kai Kruse attempted to address what he called 'rampant immappancy' and the extent to which the Mercator projection distorts the relative sizes of countries, with a graphic illustration to depict just how 'immense' Africa is (*The Economist* 2011). His objective was simple: 'to create a simple graphical depiction of the statement: Africa is just immense – much, much larger than you or I thought'. This simple graphical illustration became a global sensation but has still not corrected Africa's distorted perceptions way beyond cartography. Why do the parody and misperceptions continue to this day?

The roots of contemporary pessimism or scepticism about Africa's prospects are obviously quite old and rooted in history. In present-day Africa, misperceptions are not only about the injustices of modern-day cartography or the erroneous views portrayed in contemporary literature. It is about risk perceptions, levels of conflict, political stability and the variety of African experiences. The global perception in many minds continues to be one of an Africa uniformly beset by conflict, crisis, bad governance and a risky place for making investments.

These negative narratives persist because of the images that are embedded in mind-sets, which translate an iconic representation of Africa,

thus affecting what narrative prevails. They suggest an accumulation of obsessions undermining the understanding of the diversity of a continent that has experienced remarkable changes since the start of the twenty-first century. The narratives serve to create a gap between perceptions and realities regarding the transformative potential of the continent. It is important that we contextualise these stories, understand what the reality is, and what is an externally driven perception, so that Africa is not short-changed.

Africa is not a Country

The recent rebasing of the GDP of Ghana, Egypt, Nigeria and Kenya, amongst others, has attracted much attention because overnight their economies were considerably sized upwards (World Economics 2016). It raises the question of whether there are other African economies with a systematically underestimated GDP. Just how big is the size of this underestimation? A recent study conducted by World Economics on a sample of recent rebasing exercises for fifteen African countries suggests that there is an average increase of 3.24 per cent in GDP for every year since a given country's last rebasing. The average number of years passed since the last re-basing in African countries is 9.2 years. Taking the 3.24 per cent annual increase in the rate per year and multiplying it with the number of years passed since the last rebasing give us an estimate of how much an African country's GDP is underestimated. These calculations suggest that Africa's GDP is underestimated by approximately 21.5 per cent.

Why is this important? Because the size of GDP is used to determine a continent, region or country's importance. If the real GDP were known, Africa would represent a bigger economy than India (with a larger population still), its debt to GDP ratio would diminish and its consumer market resized considerably. Africa could qualify for a seat at the G7, G20 and other fora as a continent, the same way the EU does. However, the reality is that Bretton Woods institutions and most of the UN agencies continue to classify Africa as sub-Saharan Africa. It is obviously inaccurate to make statements and projections of the entire continent when dealing with just a portion of it.

The colonial legacy of dividing Africa between black (in French the expression 'Afrique Noire' is still in current use) and white endures. Even after the end of apartheid in South Africa the country was not treated statistically as part of Africa, a remnant of the 'White Africa'. North Africa suffers from the same categorisation issue, being lumped together with the Middle East. These inconsistencies extend to the inclusion sometimes of Arab League countries such as Djibouti, Comoros or Mauritania as part of North Africa.

Geography often is a by-product of politics and history. The fact that original Arabs came from the Arabian Peninsula and that their language became an instrument to consolidate national identities is unquestionable. However, there is a strong push back from the original Maghreb Amazigh culture, with a revival of local identity sentiments that have required constitutional changes in countries such as Morocco and Algeria, to accommodate such demands. Not to mention the fracturing of Sudan that can be traced to similar identity issues.

The debate could be about whether we need to treat Africa as a single entity anyway. It is important for certain types of comparisons and to give impetus to the need for regional integration. While in respect of its weight in the world the whole of Africa should be measured; why do we need to decompose Africa when we review trends in African development?

African countries have entered the twenty-first century with a strong pressure from an increasingly educated youth for transformation and change. Some are responding with dramatic leapfrogging and structural transformation. Many are struggling to adjust to the social demands and a shifting global environment that does not offer the same opportunities as before to the commodities traditionally monopolising African economies. It would be useful, when considering these trends, to identify a new typology based on how fast countries are structurally transforming and the role that industrialisation is playing in such change. At the other end of the spectrum it would be possible to identify countries with neo-patrimonial elites eager to salvage a rent-seeking economic model. Such a distinction would certainly be useful, and more valuable for students of development than distinctions between 'Arab' and 'Black Africa'. It would demonstrate commonalities between North African and other countries in the continent and would also graphically demonstrate their dissonance with the Gulf Region in economic terms.

Periodising Post-Colonial African Economic History Narratives and Counter-Narratives

When South Africa transitioned to democracy in the early 1990s, aside from having to deal with great poverty, huge inequality and a stagnant economy, its new leaders had to cope with powerful existing negative narratives about Africa and black leadership. Mandela not only retained the old apartheid government's Finance Minister, Derek Keys, for six months after the elections, but he replaced him with a white banker so as not to shake up the markets (Mandela 2017). When Mandela visited Washington DC in 1994 accompanied by a group of South African business leaders who had been

prominent in the apartheid era, British ambassador to Washington Robin Renwick congratulated him on his magnanimity. ‘Mandela replied, with understandable bitterness, that he forgot nothing, nor did he forgive, but that he needed them now’ (Renwick 2015).

Mandela and his strong 1994 team calculated that they had to make concessions to the dominant narrative – that Africa is doomed and that black leadership is hopeless. They operated under a cloud of prejudice and felt they could not entirely ignore it or defy it. As expected, when the first black minister of finance, Trevor Manuel, was appointed, every word and every gesture was scrutinised by market commentators and the media, as if to confirm his incompetence. Ironically, thirteen years later when Manuel finally left his post, the media and markets mourned the exit of a brilliantly effective finance minister (Perry 2009).

The prevailing negative narrative around Africa is frustrating and often racist (viz. the ‘shithole’ saga), but even more concerning than this is the risk that the narrative completely clouds our understanding of what is really happening. The gap between perceptions and the real history of Africa since decolonisation is a very important case in point. What are we missing when we caricature Africa?

Post-colonial Boom – Buoyancy and Experimentation

In the *longue durée* of African economic history, the measurable recent period has been disappointing by global comparison. As Johnson, Ostry and Subramanian (2007) put it: ‘There is no doubt that Africa has done badly, on average, for the most part, not just over the past 20–40 years, but in fact since the beginning of economic growth in the 19th century.’ The colonial period was mediocre for African economic development, and independence did not change the economic trajectory significantly.

The continuity of disappointing outcomes was reflected not only in the inability of many African countries to overcome the economic legacy of resource dependency and the isolation of growth to small extractive enclaves, but it was also represented in the futility of some of the attempts to change the economic trajectory. Pointing to the constancy of economic circumstances and the political nature of bureaucracies, Becker (2014) sees the developmental failure of the groundnut scheme in colonial Tanganyika echoed in the failure of post-colonial villagisation in Tanzania.

During the first decade or so of independence, many African countries grew impressively, particularly considering their circumstances at the time of the transition. Preparations for the transfer of power were generally

shallow at best and cynical at worst. Despite this, 'physical infrastructures were greatly improved, particularly in the areas of health, education and communication. New universities, agricultural research centres, national transport networks and local government structures were established to facilitate the national development project' (Cheru 2013:1271). Giovanni Arrighi (2002) noted that 'up to 1975, the African performance was not much worse than that of the world average and better than that of South Asia and even of the wealthiest among First World regions (North America)'.

Despite poor preparation for decolonisation, the transition from colonial status to independence did not decrease the rate of growth of African countries. Sylvester (2005) found that previously independent countries grew faster than did the existing colonies. The removal of colonial control had a positive impact on growth. The removal of control 'by an external power' was positive for growth (Sylvester 2005).

In the period between the start of decolonisation in the late 1950s and the mid-1970s, African growth was strong. Per capita growth between 1960 and 1975, at 1.5 per cent to 2 per cent annually, was similar to or better than most other global regions (Atardi and Saia-i-Martin 2003).

But there was no single trajectory. Much of Southern Africa as well as Portuguese Guinea and Cape Verde remained colonised or under minority settler control. For the rest of Africa, developmental policies and paths diverged, not necessarily depending on either whom the colonial power had been or on what economic form colonialism had taken. Tanzania, Zambia, Uganda, Guinea and Ghana adopted superficially similar policies broadly known as African socialism. Key common characteristics of African socialism were state ownership of larger organisations and a drift towards one-partyism.

In contrast, Kenya and Côte d'Ivoire adopted policies supporting market-driven economic development. Both were the favoured regional centres of the colonial era, and both continued to outpace their neighbours in economic growth terms. Both had relatively diversified economies compared with their regional neighbours, and both, for different reasons, had relatively substantial domestic farming classes and relatively sizeable urban middle classes. In contrast, the indigenous middle class in the countries pursuing African socialism was small. During this period, the Kenyan economy grew faster than that of Malaysia and the economy of Côte d'Ivoire grew faster than that of Indonesia.

Common to these two paths, and unlike the third, was the effort to invest in social and human capital, at least beginning to make up for the distorted public investment patterns of the colonial era. A third variant

was epitomised by the tragic fate of the Congo. Brutally colonised by King Leopold II's Belgium, the fabulously resource abundant Congo emerged from colonialism with almost no indigenous middle class, and virtually no social or economic infrastructure except those built to funnel human and natural resource riches out of the country. With neo-colonial interests pre-occupied with preventing the natural resources from being controlled either by independent locals (which was unlikely due to the Belgian legacy of a non-existent Congolese middle class) or the Soviet Union, power fell to the first modern African kleptocrat, Mobutu Sese Seko, after a coup sponsored by the CIA (Prados 2006: 280-82). The outcome despite the continued exploitation of its mineral wealth was no significant economic or social development (Wrong 2000).

Cold War rivalries in strategically significant newly independent African states frequently resulted in the shoring up of plundering autocracies. Even South Africa's Apartheid rulers were able to use the Cold War to mobilise Western powers to defend their racist regime (Lake 1976). In the popular global discourse, the disastrous autocratic regimes of Africa were frequently conflated with more nuanced African national experiments, feeding racially tinged Afro-pessimism.

The Lost Decades

The years between 1975 and 1995 are widely known as Africa's lost decades. Most of Africa's per capita income was stagnant or negative over this entire period. Even though the rest of the world struggled in the wake of the oil crisis of 1973 and stagflation and low commodity prices, the average annual per capita growth rate of the rest of the world in this period was around 2 per cent. African per capita income barely grew and in many countries it fell. Why did Africa diverge so sharply from global trends during this period? Several factors were involved.

Many commodity-exporting countries were trapped in resource dependent patterns. Having borrowed against future expectations of commodity sales and having failed to build a diversified enough economy due to overvalued currencies and relatively poorly endowed human and physical capital, the two-decade long slump in demand for natural resources hit them badly. The initial response was denial, which led to rising government debt, much of which was financed in foreign currencies. The commodity crisis and contemporary monetary policies gave birth to an era of Structural Adjustment Programs (SAPs). The International Monetary Fund (IMF) led international debt restructuring processes conditional on reforms in the African countries affected. The conditions were designed to

reduce the fiscal burden of the state and favour market rather than state-led development, based on what was becoming known as the Washington Consensus. At the heart were the neoliberal policies of liberalisation, privatisation and deregulation.

At the peak of structural adjustment in the late 1980s and early 1990s, twenty-nine sub-Saharan African countries were under SAPs (Lopes 2013). In practice, while reducing fiscal burdens, structural adjustment did considerable damage to the capacity of the state, damage that in some countries is still evident. While addressing some of the surface macro-economic and governance challenges of the era, in significant ways structural adjustment undermined the longer-term growth potential of many of its African recipients. The result of decreasing the capacity of the state in the name of efficiency was that in an era when Asia was investing especially in manufacturing, Africa was bleeding capital and losing the capacity to support industrial investment though investment in infrastructure, infrastructural services and human capital (Lopes 2013).

One egregious example of undermining African growth capacity in the name of 'efficiency' was when the World Bank repeatedly, loudly and effectively called for the reduction of investment in tertiary education in Africa, following its simplistic understanding of returns to education analysis. Even though this policy was criticised in the early 1990s, it prevailed and its effects were devastating (CAFA 1992; Banyan and Elu 2001).

But stagnation and decline were not universal narratives for Africa during the lost decades. Brautigam (1997) describes how Mauritius used a social pact to build a development coalition that could break path-dependency. From 1973, the socialist prime minister persuaded business and labour to shift Mauritius towards sustainable growth on an employment-generating path. From dependence on agricultural commodity exports, Mauritius diversified into labour intensive manufacturing and later services.

A series of tripartite agreements in the 1970s and 1980s enabled the country 'to adjust more rapidly than other African countries to external shocks and high levels of debt, while keeping coalitions together through judicious use of side payments to the most vocal losers' Brautigam (1997:56). The system of compulsory arbitration of wages, the building of trust by the socialist prime minister and business through symbolic public gestures as signals of commitment to co-operation, and the construction of dense clusters of consultation between business (united in one peak organisation) and government resulted in a co-ordinated form of capitalism that delivered both sustained investment and pro-poor outcomes (Nattrass and Seekings 2010).

Another counter-narrative of steady growth in this era of Africa's 'lost decades' is Botswana's experience. For more than forty years after independence in 1965, Botswana was blessed with a succession of thoughtful, pragmatic leaders – Seretse Khama, Quett Masire and Festus Mogae all had a strong political base in the Botswana Democratic Party. As in the Mauritian case, Botswana's leaders built a steady and trusting relationship with the private sector, which provided consistent growth and improving development outcomes. The state took 50 per cent ownership of the very rich diamond mines in 1969 and followed similar policies with its other minerals and allowed them to be well managed in jointly owned companies. Botswana represents the only case in Africa where great mineral wealth has (similarly to Chile and Norway) been well managed with an effective balance of public and private interests (Robinson, Acemoglu and Johnson 2003).

Post 1990 Growth and the Africa Rising Storyline

In the 1990s, growth patterns began to shift again in Africa. In many data-series the inflexion point seems to be around 1994–95. At this point growth begins to accelerate, incomes start to rise and poverty begins to decline again, all in slow but steady fashion (see, for example, the data in Atardi and Saia-i-Martin 2003). Yet, this trend is not recognised or seen as significant at the time. *The Economist* (2000) still called Africa a 'hopeless' continent in May 2000. Easterly and Levine (1997) used the term 'tragedy' in relation to African growth in 1997 and Atardi and Saia-i-Martin repeated the term in their 2003 paper. However, when one reviews the growth indicators (see Figure 1), the growth tide had already turned. And, as shown in World Bank's Development Indicators and UNDP's Human Development Indicators, the development tide had also turned, especially regarding income poverty, health and basic education.

During the first decade of the new millennium African growth accelerated. African countries were consistently among the fastest growing in the world and the continent became a rapidly growing region in aggregate. Africa has grown in per capita terms too, but not as quickly as it might have had there not been a simultaneous surge in the African population growth rate.



Figure 1: GDP growth Africa, South Africa and the World Average 1991–2020

Source: IMF Datamapper (2020)

Why did African performance improve in the 1990s, and why did it accelerate in the 2000s? The commodity super-cycle, centred on China's huge public and private investments, was the headline economic factor in recent decades for Africa transmitted initially through the demand for African products and later in support for African infrastructure investment. China's capital surplus due to its export-based growth allowed it to offer huge credits for infrastructure investments in Africa as Chinese infrastructure growth began to wind down. The simultaneous debt relief initiatives (HIPC and the MDRI) reinforced the improved growth circumstances with a greater degree of macro-economic stability, which allowed many governments in Africa to shift their attention from servicing debt to improving services and investing in infrastructure.

But indicators show that growth and development improvements began in Africa before the super-cycle and the triggering of the debt relief. While the commodity super-cycle underwrote many of Africa's accelerations, other factors were at play. Indeed, some of the strongest and most consistently developing African countries, such as Ethiopia and Kenya, were barely assisted by the commodity boom.

Clearly important was the completion of Africa's liberation, the democratic transitions in Southern Africa. Vivek Arora and Athanasios Vamvakidis (2005) showed the significant impact of South Africa's post-democratic engagement with the rest of Africa mostly through outward investment by South Africa's multinationals, but also through rising trade.

The South Africa factor is a subset of the positive impact of the end of the Cold War, which contributed by allowing greater domestic accountability and improved governance in many African countries, not only in South Africa and Namibia. The improvements in governance, further encouraged by debt relief initiatives (HIPC and the MDRI) and the Millennium Development Goals, in turn created an environment that increasingly encouraged direct and indirect investment.

Despite the global financial crisis, many African countries continued to grow reasonably strongly after 2008. Most commodity prices fell, but not nearly to pre-boom levels. Some of the continued growth derived from continued government expenditure on consumption and investment drawing on borrowings. Many African governments issued sovereign bonds for the first time. But a further sign of African growth taking a new direction is that a considerably higher proportion of government debt is now locally funded, reducing currency risks and increasing government accountability.

A major counter-narrative in this era is South Africa. In recent years, South African growth has been well below the level of other African countries and below the level of similar middle-income developing countries around the world (Bhorat, Cassim and Hirsch 2017). Most African countries experienced the global financial crisis in the developing country form, as a fall in export prices and a concomitant hiatus in capital inflows. South Africa also experienced the developing country form of the crisis – low demand for commodities and the drying up of foreign capital inflows but, in addition, it experienced the industrialised country form of the crisis – a collapse in domestic credit markets. South Africa is not only caught in an invidious middle-income country growth trap (Bhorat, Cassim and Hirsch 2017), but the form of growth such as it is remains extremely unequal. A McKinsey (2016) study shows that projected South African consumption growth to 2025 is highly concentrated in its small ‘affluent’ class, in contrast to East, Central and West Africa where growing consumption is largely located in the middle and poorer classes. South Africa’s post-2009 trajectory of anaemic growth and growing inequality requires strong and innovative leadership, across society, to enable it to emulate or even exceed its promising performance in the first fifteen years of democratic government.

In contrast, it is illuminating to consider how countries like Morocco and Ethiopia have made determined efforts to broaden the base of growth in regard both to sectoral diversity and economic inclusion. In Morocco the performance of new industries (automotive, aeronautical and electronics) ‘have vastly diversified the country’s export basket after a decade of active strategies in this direction’ (African Economic Outlook 2015). Two telling

indicators are a national investment rate of 35 per cent of GDP, and the fact that manufacturing makes 26 per cent GDP, the highest in Africa (Oxford Business Group 2015). This forms a strong basis on which to continue the consistently higher than 4 per cent real growth that Morocco has achieved since 1999.

In Ethiopia, diversified growth has been led by a government committed to improving the capacity for growth and development. The astonishing growth levels of the Ethiopian economy, generally 8 per cent and higher since 2004, is in part driven by high levels of public investment in social and economic infrastructure. Rodrik (2016) noted that Ethiopian growth benefited from 'a massive increase in public investment, from 5 per cent of GDP in the early 1990s to 19 per cent in 2011 – the third highest rate in the world'. According to IMF estimates, between 2000 and 2016, per capita income grew by 277 per cent (Knopf 2017), driven by urbanisation and public investment. But Ethiopia's industrial policies are bearing fruit too, with the manufacturing sector growing at more than 10 per cent annually, admittedly from a low base (Hauge and Irfan 2016; UNECA 2016b).

Collective Development Priorities

Contextualising Africa's transformation within the changes that are taking place globally is critical. Over the past two decades, the international order has experienced significant change. Indeed, a new discourse has gained prominence in the international relations theory that emphasises a rapidly changing global environment characterised by an ever-growing confluence of world-scale challenges. The challenges range from widespread poverty and undernourishment, financial and economic crisis, climate change impact to human insecurity, organised crime, drug trafficking and many others, inextricably linked.

Across parts of Europe, Asia and the Americas common issues of financial and political stability, conflict management, job creation, productivity or climate change mitigation permeate daily domestic policy discussions. The domino effect of Central Banks in Sweden, Denmark, Switzerland, Japan and the European Central Bank slashing interest rates to sub-zero levels since the global financial crisis has certainly given the chills to many. The repercussions are far-reaching and global.

The economic expansion of recent decades has been fed on the earnings from productivity that new technologies have brought about. The distribution has been radically unbalanced. It is not the place here to study this process, but it is important to remember that the concentration of income on the planet is reaching obscene levels.

Our main instrument to measure progress, Gross Domestic Product (GDP), measures neither one nor the other. It does not consider the planet's natural capital depletion. It only shows us the national average intensity of the use of the production machine, not what is produced, for whom and at what costs. The main motivator of private investments, profit, acts against both: it has everything to gain from the maximum extraction of natural resources and externalising pollution costs, and has nothing to gain from producing for those who do not have money to spend. The fantastic possibilities that new technologies open to us are simply wasted.

The global and interconnected character of twenty-first century challenges calls for solutions transcending national borders based on strategic partnerships. These vulnerabilities have provoked the need to re-examine the nature of global relationships and demonstrate the need for Africa to unite. Africa's transformation pursuit is taking place amidst a world attempt at reconfiguring problems into a singular, dominant global governance regime. Even if the continent has enormous potential, African countries are not alone and their engagements with the rest of the world would benefit from being articulated and managed in the context of a comprehensive regional positioning strategy.

Such strategy must be cognisant of five factors that have come to affect Africa's recent development (Lopes, Hamdok and Elhiraika 2017).

- *First*, the emergence of a multipolar economic world that now includes the Global South, a source of new investment opportunities and export destinations, development experience and know-how, as well as a new aid architecture that is forcing a redefinition of multilateralism, including attempts to correct its failures and enhance triangular cooperation.
- *Second*, demographic changes brought about by a young and increasingly urbanised continent of a billion people – a number that is expected to double to 2 billion by 2050, with two-thirds living in cities. This increased 'human capital' has the potential to revolutionise the productive base of the continent. However, the energy of the young population, if untapped through better employment opportunities, has the potential to become a source of instability and political chaos as migration becomes one mechanism for relieving demographic pressures.
- *Third*, the continuing discoveries of large amounts of natural resource wealth, and the associated challenges (including illicit financial flows and corruption in the natural resource sectors), as well as opportunities that arise from managing and sharing that wealth.

- *Fourth*, the real opportunity to ‘leapfrog’ using technology, including mobile technology.
- *Fifth*, climate change potential to generate significant conflict over environmental assets such as land and water, weakened biodiversity and threats to existing livelihoods if not transformed into a unique call for Africa to take advantage of the new green economy potential. A case in point would be to tap into the enormous potential for a green industrialisation path, based on immense, affordable, renewable energy and innovative, cleaner, frugal innovation.

The African Union Agenda 2063 reiterates the millennial renaissance theme, which demands that Africans work together with global partners towards a new beginning, proceeding from decolonisation towards self-determination, and calling for greater regional integration, socio-economic development, peace, security and democratic development; advocating for Africa’s destiny and a redefinition of Africa’s place in the globalised world. Agenda 2063 acknowledges that Africa needs new institutional and governance arrangements to effectively shape its agenda for transformation. However, the exact nature, structure and composition of these ‘institutional arrangements’ are not defined. Although Agenda 2063 moves beyond the UN-sponsored Sustainable Development Goals (SDGs-framework), this cannot be achieved unless countries establish institutions that are capable of balancing and resolving competing political interests.

The current African Union is ill-equipped to front such an ambitious strategy, hence the decision to reform it comprehensively under the leadership of Paul Kagame (2017). Such a reform will constitute the leitmotif test of African leadership seriousness regarding mind-set change and regional integration prioritisation.

Beyond the international stance though, what would count is the capacity to respond to the demographic pressures mounting across the continent: younger, more educated and urbanised Africans are impatient and vulnerable.

Africa will be dealing convincingly with its image problems when transformation strategies adopted by most African countries address squarely the ‘dragging factors’. Africa is held back by mediocre democratic credentials, leaders isolated from people’s demands and expectations, and a simplistic focus on growth that seldom translates into structural transformation and job creation. We know from the deconstructed history of post-colonial Africa and its sub-narratives that the gap between Africa’s potential and its reality is not impossible to bridge. The transformational opportunities now available narrow the gap still further.

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The Turbulent 2010s: A Historical Draft

Paul Tiyambe Zeleza*

Abstract

The 2010s was an exceptionally turbulent decade characterised by complex and contradictory changes at local, regional and global levels. The changes encompassed all spheres from the political to the economic, as well as the social, cultural, and environmental dimensions of global society. This article identifies and analyses six key trends in the historical trajectory of the period. First, the decade was marked by intense political polarization in many countries; second, was the democratic recessions and resistance in some climes; third, was the rising economic inequalities and disequilibrium; fourth was the shift in global hierarchies and hegemonies; fifth, was the emergence of surveillance capitalism; and the final one was the rebellion of nature as evident in extreme weather conditions and global struggles over climate change. In analysing these key trends the article seeks to make sense of the messy complexities, mind boggling contradictions and massive changes of the various historical conjunctures of modernity.

Résumé

Les années 2010 ont été une décennie exceptionnellement turbulente, caractérisée par des changements complexes et contradictoires aux niveaux local, régional et mondial. Les changements ont affecté tous les domaines, du politique à l'économique, ainsi que les dimensions sociale, culturelle et environnementale de la société mondiale. Cet article identifie et analyse six tendances importantes de la trajectoire historique de cette période. Premièrement, la décennie a été marquée par une intense polarisation politique dans de nombreux pays; deuxièmement, il y eut les récessions démocratiques et la résistance en certains lieux ; troisièmement, c'était les inégalités économiques et le déséquilibre croissants; la quatrième était le changement de hiérarchies et des hégémonies mondiales; cinquièmement, il y avait l'émergence du capitalisme de surveillance; et la dernière fut la

* Vice Chancellor, United States International University – Africa, Nairobi, Kenya.
Email: pzeleza@gmail.com

rébellion de la nature, évidente dans les conditions météorologiques extrêmes et les luttes mondiales contre le changement climatique. En analysant ces tendances, l'article tente de donner un sens aux complexités désordonnées, aux contradictions troublantes et aux changements massifs des diverses conjonctures historiques de la modernité.

Introduction

Over the past several months and weeks, there has been a deluge of diagnoses of the 2010s, sometimes accompanied by prognoses for the 2020s. Such retrospectives and reflections, infinitely varied in their sagacity and silliness, are ritualised cognitive efforts by modern societies to make sense of the messy complexities, mind boggling contradictions and massive changes of the various historical conjunctures of modernity.

Periodisation is of course central to the historian's craft and the historical imagination in general. Decades, like centuries and millennia, provide convenient and concentrated packaging of otherwise bewildering events and transformations over the unwieldy flows of time. As historians know all too well, interpretations of the past are as much reconstructions of the past as they are constructions of the present, and projections of anxieties and aspirations for the future.

Thus, they are always provisional, always subject to re-interpretations by future generations imbued with their own perspectives, preoccupations, problems and possibilities. But historical reconstructions go beyond temporal dynamics; they're conditioned by historical geography, the location of scholars and commentators in specific times and spaces, as well as the epistemic demands of the enterprise of knowledge production in its multifaceted institutional, intellectual, ideological and individual contexts and intersectionalities.

This is another way of saying that my reflections of the last decade reflect my multiple locations and positionings as an African diaspora scholar based in the United States during the first six years of the 2010s, and in Kenya during the last four. For me the 2010s were a turbulent decade characterised by several major trends. Whether or not these trends will prove lasting and determine the unfolding trajectories of the twenty-first century is anyone's guess.

As a historian, crystal gazing into the future is not my professional forte. Indeed, the record of predictions by eminent people in academia, business, media and other forecasting experts such as soothsayers and intelligence agencies, is quite dismal. But the future does not will itself blithely into being; it unfolds from the past that becomes ever clearer with the passage of time.

Some of the developments and events we accord significance now may pale into irrelevance and others that are barely discernible from the noisy clutter of the present may prove more enduring and transformational. Hence, the title of the essay: it is a historical draft subject to foreseeable and unforeseen revisions. In my view, the 2010s were characterised by six key trends: first, tribalism went global; second, by democratic recessions and resistance; third, rising economic disequilibrium; fourth, shifting global hierarchies and hegemonies; fifth, emergence of surveillance capitalism; and finally, the rebellion of nature.

Tribalism Goes Global

During the 2010s the spectre of tribalism – ethno-cultural nationalisms, xenophobic racisms, religious fundamentalisms and jingoistic populisms – arose from the massive disruptions of technological and socioeconomic change, undergirded by the devastations of the once celebrated sprawl of neoliberal globalisation that suffocated liberal democracies and the promises of diversity and inclusion in many of the world's increasingly multi-cultural societies. Neoliberal globalisation met its comeuppance in the Great Recession of 2008–09 that bequeathed to the 2010s widespread economic desolation, deepening inequality, decline of the middle classes, rising sense of powerlessness and hopelessness among ordinary people, and raging popular distrust of elites and establishments.

The stock of populist demagogues grew, whereas that of traditional politicians and technocrats fell. As I wrote elsewhere, 'Increasingly perceived as corrupt and ineffective to deliver growth and overcome the roaring headwinds of entrenched poverty, unemployment, declining living standards, social instability, unsustainable indebtedness, technological disruptions, and other intractable challenges, liberal democracy retreated as the allure of the fiercely intolerant ideologies of populism, protectionism, and partisanship rose' (Zeleza 2019:163). Several surveys show that in the 2010s vast majorities around the world expressed growing distrust of elite-led public and private institutions including governments, business, media, and universities, just to mention a few.

Out of the toxic inheritance of the 2000s emerged the intoxicating and intolerant allure and illusions of identity politics, which seemed to overwhelm older political affiliations framed around the traditional ideologies of the right and the left. Long prevalent, even if always contested, conceptions and solidarities of nationhood and citizenship valorising difference and inclusion were increasingly upended by more people embracing the perilous and pernicious comforts of sameness, self-referentiality, and ethno-

cultural purity. In short, the ascriptive and often aspirational solidarities of class, community and country gave way to the dangerous essentialist and exclusionary conceits and attachments of culture, creed and colour.

Identity politics was fuelled by the politics of fear and resentment, powerlessness and panic, as well as desperate yearnings for dignity and control of their lives by growing numbers of people. The palpable anxieties and nostalgia for the rapidly vanishing and often imagined certainties of the old normal arose out of deepening social inequalities and marginalisation of masses of people who, encouraged and emboldened by nativist demagogues and ideologues, increasingly blamed their misfortunes on internal and external ‘others’.

Minorities and migrants bore the brunt of this aggressive ‘othering’ of political and social opprobrium for the disappearing or frozen opportunities of social mobility. Seizures of moral panic about undesirable migrants and undeserving minorities, often fanned by unscrupulous politicians and bigoted zealots, gripped rich countries in the global North and sub-regional powers in the emerging economies.

Thus, political tribalism spread in mature and nascent democracies alike, from the world’s largest democracy – India, under Narendra Modi’s virulently Hindu nationalist government that came to power in 2014 – to the world’s wealthiest democracy – the United States, under Donald Trump’s unabashedly racist administration that assumed power in 2017 – to one of the world’s oldest democracies – Britain, under a succession of Conservative Party prime ministers since 2010, which descended into the imperial and provincial fantasies of Brexit.

Intolerant nationalisms also engulfed many newer democracies as well, from South Africa with its periodic convulsions of xenophobic violence, to Brazil under Jair Bolsonaro’s unflinchingly right-wing regime that won the 2018 elections, to the fragile democracies of Eastern Europe where unapologetically illiberal regimes gained ascendancy championed most loudly by Viktor Orbán’s Fidesz, in power in Hungary since 2010.

Democratic Recessions and Resistance

Clearly, the ascendancy and spread of political tribalism was accompanied by global recessions of democracy. In the euphoria of the end of the Cold War in the early 1990s, the Third Wave of Democracy that swept the former socialist countries of Central and Eastern Europe, and an assortment of dictatorships in Asia, Africa and Latin America seemed unstoppable. Francis Fukuyama, an American scholar, giddily proclaimed the end of history

(Fukuyama 1992). By the 2010s democratic retreat was evident in its historic heartlands and among the newer democracies, pulverised by the resurgence of reactionary and right-wing populist forces and growing disillusionment, especially among the younger generations, with the minimalist, ineffective, and corrupt democracies prevalent in many countries.

There is currently a vast scholarly and popular literature bemoaning and diagnosing the democratic recessions of the 2010s. Democracy indexes show sharp declines in average global scores in dozens of countries. According to a report by The Economist Intelligence Unit, the scores fell for much of the 2010s: between 2016 and 2017 they fell in eighty-nine countries, stagnated in fifty-one, and didn't improve in any region (Economic Intelligence Unit, 2017). According to Freedom House's *Freedom in the World Report 2019*, 2018 'recorded the 13th consecutive year of decline in global freedom. The reversal has spanned a variety of countries in every region, from long-standing democracies like the United States to consolidated authoritarian regimes like China and Russia. The overall losses are still shallow compared with the gains of the late 20th century, but the pattern is consistent and ominous. Democracy is in retreat' (Abramowitz 2018).

The reversal of the post-Cold War democratic wave has been attributed to several factors. They include the failure of democratic regimes to meet the needs of their populations, rising anger and anxieties about growing inequalities, the corrosive effects of massive technological disruptions and the rise of digital authoritarianism, the revival of global hegemonic rivalries, the hollowing out of democratic institutions and practices especially protections for migrants and minorities, and the sheer exhaustion from the euphoria of the 1990s. A critical backdrop to the recession of democracy was the Great Recession of 2008–09 that devastated many economies and reinforced the inability of governments to deliver and safeguard economic prosperity.

But there were some bright spots. In Africa, they included the adoption of a new vibrant constitution in Kenya in 2010 that brought closure to the deadly post-election violence of 2007–08. In the hotly contested elections of 2017, Kenya distinguished itself by becoming the first African country and the fourth in the world where a presidential election was revoked by the judiciary, which underscored the independence of the judiciary, the growing strength of public institutions, and deepening national commitment to transparency, accountability, and the rule of law, thereby demonstrating that Kenyan democracy was maturing.

Several vicious dictators and notorious kleptocrats met their rendezvous with history, including President Robert Mugabe, the once celebrated hero

of the Zimbabwean liberation struggle who descended into an irascible octogenarian autocrat, and was overthrown in November 2017. Next door in South Africa, President Jacob Zuma, whose disastrous reign over the rainbow nation culminated in state capture by corrupt forces, was ousted in February 2018 by the African National Congress, the venerable liberation movement experiencing the proverbial challenges of transitioning into an effective governing party. The decade ended with the opening up of authoritarian Ethiopia under Prime Minister Abiy Ahmed who assumed office in April 2018 and proceeded to win the 2019 Nobel Peace Prize.

Similar stories of reform, sometimes fragile to be sure, can be told for other world regions. In the US, the Republican Party's stranglehold over the three branches of government achieved in the 2016 elections eased when the Democratic Party won the majority of seats in the House of Representatives in 2018 and proceeded to impeach President Trump in December 2019, thereby restoring some faith in the resilience of the American constitutional system.

Further south, in Latin America, reforms, sometimes frail, were registered from Ecuador to Mexico to Cuba, where the Castros finally exited the scene. The decade closed with the ouster of Bolivia's Evo Morales in December 2019 following protests against voting irregularities in the president's bid for a fourth term.

In the European parliamentary election of May 2019, the much anticipated and dreaded surge of far-right parties failed to materialise. Despite threats from China, massive and protracted protests erupted in Hong Kong from September to December in 2014 and resumed from June 2019, and continue at the time of writing. The first set of protests were triggered by proposed reforms to Hong Kong's electoral system, and the second by the introduction of a bill that would have allowed the extradition of criminal fugitives to China.

In India, fresh from electoral victory in the general elections earlier in the year, the emboldened government of Prime Minister Modi passed a controversial citizenship law on 11 December 2019 allowing citizenship for ostensibly persecuted immigrants from Afghanistan, Bangladesh and Pakistan excluding Muslims. It was met with massive resistance across the country by protesters who saw it as a dangerous homage to Hindu nationalism, and an assault against the country's 200 million Muslims and the country's cherished secular constitution.

Clearly, history comprises messy and multifaceted flows of complex and contradictory forces that abjure singular narratives. In short, the much-bemoaned phenomenon of democratic recession was accompanied

by reinvigorated struggles for democratic expansion, whose trajectories continue to unfold.

In fact, a year into the 2010s, in 2011, the world was electrified by unprecedented struggles for democracy in North Africa. Often dubbed the Arab Spring, the uprisings and rebellions toppled the region's sclerotic and kleptocratic dictatorships in Tunisia, Egypt and Libya. The firestorm spread to other parts of Africa from Mali to Côte d'Ivoire to Uganda to Malawi, as well as several Arab countries in the Middle East including Saudi Arabia, Jordan, Palestine, Lebanon, Oman, Kuwait, Bahrain, Yemen and Syria. Save for Tunisia, and tepid reforms in some countries, the Arab Spring soon descended into the Arab Winter with the return of a revanchist and ruthless dictatorship in Egypt and outbreak of ferocious civil wars in Libya, Yemen and Syria.

The decade ended with reignited struggles in Sudan and Algeria that succeeded in ousting the once indomitable dictatorships of Presidents Omar al-Bashir and Abdelaziz Bouteflika, respectively. The varied outcomes of the Arab Spring are to be expected. As reflected in the vast literature that has since emerged, they can be attributed to the varied constellation of internal political, economic, social and institutional forces, and geopolitical dynamics. The Arab Spring represented the second phase in Africa's struggles for the 'second independence' that began in the 1980s and 1990s. This is a subject I reflected on at length in my 2014 book, *The Resurgence of Africa: Domestic, Global, and Diaspora Transformations* (Zeleza 2014).

Some scholars and commentators credit the Arab Spring with inspiring protests for democracy and change in some parts of Europe, Asia and the Americas. Whatever the accuracy of such claims, in many parts of the world the decade witnessed the revitalisation of old and new social movements that challenged prevailing configurations of power. In the US, three movements are worth mentioning: Occupy Wall Street, Black Lives Matter and Me Too. Elsewhere movements against authoritarianism and populism gathered momentum.

The Occupy Wall Street movement began in September 2011 in New York City. It soon spread to other American cities and cities in several countries including Australia, Belgium, Brazil, Britain, Canada, Colombia, France, Germany, Hong Kong, India, Italy, Japan, Malaysia, Mexico, New Zealand, Nigeria, Spain, South Africa, South Korea and Turkey. The movement was characterised by occupations, demonstrations, strikes, picketing and social media activism. In the US the movement was galvanised under the slogan, 'We are the 99 per cent'. The protests were against deepening income and wealth inequality, corporate dominance and lack of accountability, and for

relief for rising student debt and the mortgage foreclosure crisis then rocking the US economy, although many in the movement prided themselves in not issuing clear demands.

The movement was met by government crackdowns encompassing heightened surveillance and arrests. In the US such crackdowns, combined with the limited involvement of minorities and the absence of a clear agenda, led to the movement's quick demise. But it left a lasting legacy in so far as it thrust issues of rising economic and social inequality and inordinate corporate influence into the public domain and political discourse, as evident in subsequent local and national elections and the rise of the populist wings of both the Democratic and Republican parties. The changed terms of political and policy debate on inequality and corporate accountability was apparent in many other countries as well, although this did little to dent economic and social inequalities during the rest of the 2010s.

The Black Lives Matter movement also emerged in the US and spread to other countries with long histories of entrenched anti-black racism and violence, such as Australia, Canada and the United Kingdom. It emerged in July 2013 following the acquittal of the vigilante killer of Trayvon Martin in 2012, and was further galvanised in 2014 by police killings of Michael Brown in Ferguson, Eric Garner in New York, and Tamir Rice in Cleveland. It soon became a national movement with dozens of chapters across the country that organised protests against the endless killings of African American men and women, girls and boys by vigilantes and the police. The movement also sought to promote and affirm African American struggles and empowerment in other walks of life.

The movement drew its inspiration from – but sought to transcend – the agendas, tactics, and structures of older civil rights and other social movements in the US. In its guiding principles and ambitions, it sought to embrace enduring Pan-Africanist aspirations. Befitting the times, it actively incorporated social media activism. In fact, it drew its name from the hashtag #BlackLivesMatter. Predictably, despite overwhelming support in the black community and sizable segments of the white community, the movement was met with dismissive racist rhetoric trumpeting 'All Lives Matter', 'Blue Lives Matter' and 'White Lives Matter'.

The movement proceeded to flex its political muscles during the 2016 presidential primaries and elections. A country that had entered the 2010s basking in the fantasies of a post-racial dispensation, with the 2008 election of its first black president, the suave and cosmopolitan Barack Obama, was rudely awakened to the racist backlash of Trump's election in 2016. The election of an avowed bigot, boisterous buffoon and incorrigible liar, which

brought white supremacy out of the American closet, amplified the fierce urgency of the Black Lives Matter movement's antiracist crusade.

The juxtaposition of democratic recessions, resistance and renewal is equally evident when it comes to the Me Too movement, which also first emerged as a hashtag, following sexual harassment and assault accusations against the Hollywood mogul, Harvey Weinstein, in October 2017. Legions of famous celebrities, including Kenya's renowned Oscar winner, Lupita Nyong'o, revealed their dreadful encounters with Weinstein, and many other women were emboldened to expose their own sexual predators. Before long, the hashtag #MeToo gained global currency and mushroomed into a movement for women's social justice and empowerment in pursuit of the persistent dreams of generations of feminists.

The Me Too movement pushed for changes in national legislation and policies on sexual harassment and assault. As it grew and became more transnational, it broadened its demands and was translated into local languages, idioms and struggles against widely prevalent gender based violence, eliminating gender inequalities, and raising women's representation in employment, business, media, educational institutions, government agencies and public life. In other contexts, the movement championed the emancipation of marginalised communities.

Out of the movement, and the already well-established women's movements around the world, poured voluminous studies and data on the appallingly high levels of sexual violence and femicide in virtually every country. Femicide manifested itself in the deliberate killing of women and girls through intimate partner violence, torture and misogynist murders, honour and dowry-related killings, deaths resulting from genital mutilation, as well as killings of women due to accusations of sorcery and witchcraft, as a 'weapon of war' in armed conflicts, and by criminal gangs, drug dealers and human traffickers, not to mention killings of women and girls because of their aboriginal and indigenous status, and their sexual orientation and gender identity.

There was also femicide associated with female infanticide and gender-based sex selection feticide. According to a report by the United Nations, in some of the most affected countries including Azerbaijan, Armenia, Georgia, Montenegro, Albania, Vietnam and Pakistan, gender ratios at birth ranged from 109.9 to 117.6 boys per every 100 girls (Laurent 2013). Another UN report, *Gender Equality: Striving for Justice in an Unequal World* (for which I served as one of the editors) shows that by the early 2000s there were already tens of millions of missing women in Asia led by India and China, thanks to misguided reproductive health policies and deeply entrenched

patriarchal cultures. The demographic chickens of these misguided policies and cultures came home to roost in the 2010s.

The Me Too movement helped raise global awareness and reinforced age-old struggles against sexual harassment, assault and killings and for women's empowerment. Examples include widespread protests in 2015 and 2016 against gender-based violence in Mexico, Bolivia, Colombia, Argentina and Brazil, the massive women's march in Washington in January 2017 to protest the election of a renowned misogynist to the White House, the women's strike against femicide in Israel in December 2018, recurrent protests against the rape epidemic in India and South Africa, protests against a contentious anti-rape law in nine Japanese cities in June 2019, and demonstrations in November 2019 in France, which has one of the highest domestic abuse murder rates in Europe.

In short, the women's movement continued to make progress in the treacherous and turbulent terrain of the 2010s. One indicator is women's representation in parliament. Even in the US, often an international laggard, women won a record number of seats in the 2018 Congressional elections (102 seats out of 435, i.e. 23.4 %), the highest ever, but below the world average. Similarly, in the 2019 British elections a record 220 female Members of Parliament were elected (out of 650 seats, i.e. 33.8 %).

According to the Inter-Parliamentary Union, by February 2019, women comprised 24.5 per cent of parliamentarians (both houses combined – 24.6 % for single or lower house and 24.3 % for upper house). In terms of regional averages, the Americas led with 30.6 per cent, followed by Europe (29.4 %), sub-Saharan Africa (24.0 %), Asia (19.7 %), Pacific (19.4 %), and the Middle East and North Africa were at the bottom (16.8 %). In terms of individual countries, the top dozen were Rwanda, Cuba, Bolivia, Mexico, Sweden, Grenada, Namibia, Costa Rica, Nicaragua, South Africa, Senegal and Finland, in that order.

Rising Economic Disequilibrium

The aftermath of the Great Recession of 2008–09 was one of the defining economic developments of the 2010s. It was precipitated by financial crisis in the US, which was triggered by the collapse of the subprime housing market bubble. It became the deepest and longest recession in the country's history since World War II. The financial crisis has been attributed to lax public monetary policy, slack regulation of financial institutions, high levels of household and corporate debt, international trade imbalances and poor corporate governance and accountability. For example, in the US household debt rose from 77 per cent of disposable income in 1990 to 127 per cent in

2007. In some European countries, such as Denmark, Iceland, Ireland, the Netherlands and Norway, such debt even surpassed 200 per cent.

The Great Recession left a trail of wanton economic devastation mostly in the US and Europe. In the US, between 2007 and 2009, real GDP declined by 4.3 per cent, the S&P 500 index dropped by 57 per cent, unemployment rose to 10 per cent, home prices fell by 30 per cent, the poverty rate jumped to more than 15 per cent of the population, and the net worth of American households and non-profit organisations fell by 20 per cent, from US\$ 69 trillion to US\$ 55 trillion. In some European countries, such as Cyprus, Greece, Ireland, Italy and Portugal, the crisis became so severe that they were forced to default on national debt and seek bailouts from the European Union, European Central Bank and the International Monetary Fund.

To contain the contagion and revive growth, many governments enacted fiscal stimulus packages, and austerity measures comprising tax increases and reductions in social benefits programs. For their part, central banks cut rates and adopted quantitative easing, an expansionary monetary policy of injecting liquidity into the economy by buying assets. Rates of recovery in the 2010s were predictably slow and uneven, and varied by country and community, as well as the eternal structured inscriptions of class, ethnicity/race, and age.

It is generally agreed the Great Recession accelerated the growth of economic and social inequalities in the US and around the world. This was one of its major consequences. Tens of millions of people lost their jobs, assets and livelihoods, as well as control over their lives, dignity and hope for the future. The policy responses favoured capital over labour, the wealthy at the expense of the middle and working classes, financial services rather productive sectors. Fear, uncertainty, rage and distrust of governments captured by business and often self-serving elites flared into a political and social inferno in many countries.

This is the combustible brew that greeted the 2010s, spawning widespread political instability and social struggles that gave rise to toxic tribalisms and populisms that were most effectively mobilised and manipulated by right-wing forces, as well as heightened recessions of, and resistances for, democracy, examined in the previous sections.

Employment was particularly battered. Employment trends during the 2010s reflected rates and patterns of economic growth and changing economic organisation. According to the ILO's 2019 *World Employment Social Outlook*, from 2011–18 the world economy grew at an average rate of 3.6 per cent, a slight dip from 3.9 per cent in 2001–10 (International Labour Organisation, 2019: 8-12). The percentage of the working age population

in employment fell during the Great Recession and its immediate aftermath, and rose slowly thereafter, although by 2018 it was down to 58.4 per cent compared to 62.2 per cent in 1993. The majority of jobs were in informal employment, which in 2016 accounted for 2 billion jobs or 61 per cent of all jobs. In terms of sectors, the share of manufacturing employment generally fell, while that of services rose and by 2018 the latter accounted for almost half of all employment.

Working conditions in both informal employment and services including the emerging gig economy largely remained poor. Nearly 700 million workers in low and medium income countries in 2018 lived in extreme or moderate poverty. The deficits in decent work remained alarmingly high, afflicting the majority of the 3.3 billion people employed globally, who suffered from persistent economic insecurity and lack of equal opportunities for their well-being. Average real wage growth remained low and fluctuated, rising in some years and falling in others.

The unemployment rate in 2018, at 5 per cent, was the same as in 2008, and lower than the 5.6 per cent in 2009. Also evident was the prevalence and in some cases growth of underemployment or labour underutilisation. Needless to say, employment rates and conditions varied quite considerably according to levels of development, gender and for the youth. Overall, employment indicators tended to be worse for low income than high-income economies, and those in between, and in terms of gender for women compared to men, and were particularly challenging for the youth (International Labour Organisation 2019:8-12).

For many countries, employment was a key feature of the difficult aftermath of the Great Recession and played an important role in engendering and sustaining income and wealth inequalities. Reports on growing global inequalities within and across countries abound in the academic literature, media and publications of development agencies, think tanks and NGOs.

For example, according to Credit Suisse's *Global Wealth Databook 2018*, 64 per cent of the world's adult population held less 2 per cent of global wealth, while less than 10 per cent of the wealthiest individuals owned 84 per cent of global wealth, and the richest 1 per cent owned 45 per cent (Credit Suisse, 2018: 4-11). The growth of high net worth individuals – those with net worth assets of more than US\$ 1 million – was staggering.

While the largest numbers of the world's high net worth individuals (HNWIs) were in the US (41 % in 2018), Europe and China (7 %), they rose even faster in Africa, the world's least developed continent. According to the *World Wealth Report 2018*, the size of HNWIs in Africa in 2017 reached 169,970 who had a combined wealth of US\$ 1.7 trillion (0.9 %

out of the 18.1 million HNWIs globally and 2.4 per cent out of US\$ 70.2 trillion global HNWI wealth) (World Wealth Report, 2019:7).

Oxfam did much to publicise the scourge of growing inequalities in a series of alarming reports published to coincide with the World Economic Forum, the Davos jamboree of masters of the universe. Its report in 2015 showed the richest 1 per cent increased its share of the world's wealth from 44 per cent in 2009 to 48 per cent in 2014, while the least well-off 80 per cent owned just 5.5 per cent. In its 2017 report, entitled *Economy for the 99 per cent*, it bemoaned the fact that eight multi-billionaires owed as much wealth as the poorest half of the world's population (Oxford 2015, 2017, 2019). Its 2019 report claimed the wealth of 2,200 billionaires worldwide grew by 12 per cent, while for the poorest half it fell by 11 per cent.

Oxfam blames the obscene disparities on capital squeezing workers and producers while executives are grossly overpaid, crony capitalism and state capture, super-charged shareholder capitalism and tax avoidance by the rich. As might be expected, the debate on global inequalities is extremely heated. Inequality received its intellectual imprimatur in Thomas Piketty's academic blockbuster, *Capital in the Twenty-First Century*, published in 2013 that offered a voluminous and compelling account of wealth and income inequality in the US and Western Europe over the last three centuries (Piketty 2014).

Piketty's best-selling book received as much acclaim as criticism for its thesis, methodology and conclusions underscoring how high the stakes are. In a lead story in its issue of 30 November 2019 *The Economist*, the haughty British magazine, returned to the topic with a predictable verdict, 'Inequality Illusions' (Economist 2019). It argues that the idea of soaring inequality rests on shaky analytical grounds and problematic data. Nevertheless, the magazine still conceded, 'And even if inequality has not risen by as much as many people think, the gap between rich and poor could still be dispiritingly high' (Economist 2019).

In the 2010s several global income inequality databases were created, such as the World Bank's PovcalNet, the World Inequality Database, the OECD's Income Distribution Database, the University of Texas Inequality Project Database, and The United Nations University's World Income Inequality Database. Each focuses on a particular set of issues. Much of this work is reflected in the UNDP's *Human Development Report 2019*, which makes sobering reading (United Nations Development Program, 2019:1-4).

The report offers five key observations. 'First, while many people are stepping above minimum floors of achievement in human development, widespread disparities remain'; 'Second, a new generation

of severe inequalities in human development is emerging, even if many of the unresolved inequalities of the 20th century are declining'; 'Third, inequalities in human development can accumulate through life, frequently heightened by deep power imbalances'; 'Fourth, assessing inequalities in human development demands a revolution in metrics'; and 'Fifth, redressing inequalities in human development in the 21st century is possible – if we act now, before imbalances in economic power translate into entrenched political dominance' (United Nations Development Program 2019:1-4)..

The report urges the development of a new framework for analysing inequality that goes beyond income ('A comprehensive assessment of inequality must consider income and wealth. But it must also understand differences in other aspects of human development and the processes that lead to them'); beyond averages ('The analysis of inequalities in human development must go beyond summary measures of inequality that focus on only a single dimension'); and beyond today ('Inequalities in human development will shape the prospects of people that may live to see the 22nd century') (United Nations Development Program, 2019:5).

In the 2010s, concerns over inequalities in income, wealth, capabilities and opportunities became widespread across political divides. While gaps in basic capabilities (such as access to basic education and health) across the world narrowed, they grew in terms of enhanced capabilities (including life expectancy at older ages and access to tertiary education). In the words of the UNDP report, 'In all regions of the world the loss in human development due to inequality is diminishing, reflecting progress in basic capabilities' (United Nations Development Program 2019:49).

Globally, the loss fell from 23.4 per cent in 2010 to 20.2 per cent in 2018, ranging from 35.1 per cent to 30.5 per cent for sub-Saharan Africa on one end, to 16.1 per cent to 11.7 per cent for Europe and Central Asia on the other. The percentage with primary and secondary education grew more rapidly than tertiary education between 2007 and 2017 in all world regions. For sub-Saharan Africa it grew by about 9 per cent and less than 2 per cent, respectively, so that by 2017 more than 40 per cent of the population had primary education compared to 2 per cent with tertiary education. The ratios for the developed countries were more than 95 per cent and 25 per cent, respectively.

But not everyone benefited equally in the rising provision of basic capacities as millions of vulnerable populations remained trapped in the insidious horizontal inequalities of discriminatory policies and restrictive legal frameworks, and the dynamics of deeply entrenched historical, market, cultural and gender biases that blocked them from meaningful and

ameliorative social, economic and political participation. The UNDP report calls for more refined and timely studies of inequality using universally recognised statistics and comprehensive inequality databases.

The Great Recession did not affect all world regions equally. As noted above, many developing countries largely escaped its worst effects, although they experienced slower growth. Many of the economies in South America went into recession reflecting reduced demand in their main North American and European markets for their predominantly primary commodity exports.

Economic growth continued in much of Africa, save for countries like South Africa that went into recession, but at lower rates than before. This reflected the resilience of the continent's recovery since the 1990s and the re-orientation of its major trading partners from the Western countries to the rising economic giants of Asia, especially China and India, where growth remained robust, as it was in Indonesia and Bangladesh. For its part, South Korea barely escaped recession.

The uneven effects and limited impact of the Great Recession on China and India pointed to an emerging phenomenon in the world economy that accelerated in the 2010s, namely, the decoupling of growth trajectories between the historically dominant economies of Western Europe, the US and Japan and the emerging economic powerhouses of the twenty-first century. This is another major consequence of the Great Recession that became more apparent in the 2010s and is leading to the reshuffling of global hegemonies and hierarchies, which will be discussed in the next section.

While the heady projections of the future made in the late 2000s and early 2010s for some of the emerging economies in the BRICS (Brazil, Russia, India, China and South Africa) and other configurations (MINT – Mexico, Indonesia, Nigeria, Turkey; and Next 11 – Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, the Philippines, Turkey, South Korea and Vietnam), have faded, the fact remains these economies assumed a much greater share of global economic output, a trend that continued in the 2010s.

For example, as I noted in my book on *Africa's Resurgence* referred to earlier, between 1990 and 2012 the relative share of the BRICS of World GDP increased by some 3.6 times so that they accounted for 56 per cent of world GDP growth. By 2012 the BRICS claimed about 20 per cent of world GDP compared to 24 per cent for the European Union and 21 per cent for the US. The BRICS accounted for 43 per cent of world reserves of foreign exchange, and increased their share of total world trade to 21.3 per cent as compared to 25 per cent for the EU and 27 per cent for the US.

Shifting Global Hierarchies and Hegemonies

Clearly, global hegemonies and hierarchies shifted in the 2010s at global and regional levels. In terms of intra-regional shifts, World Bank data shows that, in Africa, Nigeria overtook South Africa to become the continent's largest economy in 2012 (US\$ 459.4 billion to US\$ 396.3 billion). In East Africa, Ethiopia overtook Kenya as the largest economy in Eastern Africa in 2015 (US\$ 64.6 billion to US\$ 64.0 billion). In terms of purchasing power parity (PPP), by 2018 the size of the Nigerian economy was US\$ 1,117.4 billion compared to South Africa's US\$ 768.3 billion, while it was US\$ 219.0 billion for Ethiopia and US\$ 176.4 billion for Kenya. In PPP terms, in 2018 Egypt's economy was actually the continent's largest, at US\$ 1,189.0 billion.

An even more remarkable development during the 2010s was the rising share of the global economy by middle-income countries. According to a World Bank report, from the 2000s to the mid-2010s their share rose from 17 per cent to 35 per cent (4 per cent to 8 per cent for lower middle income countries and 13 per cent to 27 per cent for upper middle income countries) (World Bank 2018). In the meantime, the share of global GDP by higher income countries declined from 83 per cent to 64 per cent during the same period. In terms of purchasing power parity, in 2018 the middle-income countries claimed 53.6 per cent of global GDP (US\$ 72.7 trillion out of US\$ 135.5 trillion). The respective shares for the lower middle income and upper middle income countries was US\$ 22.9 trillion and US\$ 49.7 trillion, which translated into 16.9 per cent and 36.7 per cent of the global economy, respectively.

The biggest economic story of the decade, indeed, the last thirty years was the exponential rise of China. In terms of purchasing power parity, China overtook the US as the world's largest economy in 2014. By 2018, the size of the Chinese economy towered at US\$ 25.3 trillion, compared to US\$ 20.7 trillion for the American economy, although in terms of per capita incomes the latter was still ahead – US\$ 63,390 compared to US\$ 18,140. China's re-emergence as the world's largest economy returned the country to a position it had enjoyed a few centuries before. This phenomenal growth enabled China to lift hundreds of millions of people from poverty – an achievement almost unparalleled in human history.

The story of China is an integral part of Asia's resurgence into the world's economic centre, and the historic decline of Europe and North America that have been dominant since the first industrial revolution. In 2018, the five leading Asian economies, China, India, Japan, Indonesia and South Korea,

accounted for 34.5 per cent of the world economy. By the end of the 2010s, four Asian countries were among the top ten economies in the world: China (US\$ 25.3 trillion in 2018), the United States (US\$ 20.7 trillion), India (US\$ 10.4 trillion), Japan (US\$ 5.6 trillion), Germany (US\$ 4.6 trillion), Russia (US\$ 3.9 trillion), Indonesia (US\$ 3.4 trillion), Brazil (3.3 trillion), France (US\$ 3.1 trillion), and the United Kingdom (US\$ 3.0 trillion).

Africa seemed nowhere near achieving Asia's extraordinary feat, although it became popular in the 2010s to celebrate Africa Rising/Rising Africa. The new rhetoric of Afro-optimism clearly sought to countervail the Afro-pessimism rampant during the continent's 'lost decades' of the 1980s and 1990s. The media often trumpeted that six or seven of the world's ten fastest growing economies were in Africa. In 2018 there were five (Guinea, Côte d'Ivoire, Libya, Ethiopia and Senegal).

But the reality is that no African country has yet to achieve decades of high and sustained economic growth experienced in Asia. This is clear from the fact that the list of Africa's fastest growing economies shifts ever so often. Many of the Asian tigers consistently achieved growth rates that were far above population growth for three decades or more. According to data from the International Monetary Fund, Africa's growth rate, which reached 6 per cent in 2005 fell to 5.8 per cent in 2010, to 3.5 per cent in 2015, and rose slightly to 3.8 per cent in 2018, remained too low to achieve profound transformation in human development. It is instructive that Africa's growth rates during these years were below the averages for the developing economies as a whole (7.2 % in 2005, 7.4 % in 2010, 4.3 % in 2015 and 4.9 % in 2018).

The rise of Asia, led by China, which was consolidated in the 2010s, has generated an extensive literature. This historic transformation has been attributed to all sorts of complex historical, political, socio-economic and geopolitical factors and forces. It is possible to argue that after World War II, and for some after independence, Asian countries constructed far more cohesive and strategic developmental states, undergirded by inclusive economic, political and social institutions, and massive investments in human capital development, than other regions in the global South. Also, they aggressively pursued state capitalism, which was reinforced following the Asian crisis of 1997, in the face of fierce opposition and often misguided advice from the gendarmes of the Washington Consensus of neoliberal free market fundamentalism.

It was quite clear that the 2010s witnessed historic shifts in global power from Euro-America to Asia in general, and from the US as the sole post-Cold War superpower to fierce hegemonic rivalry with China, the ascendant

superpower of the twenty-first century. One British academic and journalist, Martin Jacques, goes so far as to argue in a recent commentary in the British newspaper, *The Guardian*, that 'This decade belonged to China. So will the next one'. He noted that 'Prior to the western financial crisis, it had been seen as the new but very junior kid on the block. The financial crash changed all that', which had huge consequences for the western world's 'stability and self-confidence' (Jacques 2019).

The West, Jacques continues, has displayed 'a kaleidoscope of emotions from denial, dismissal and condemnation to respect, appreciation and admiration; though there is presently much more of the former than the latter. The rise of China has provoked an existential crisis in the US and Europe that will last for the rest of this century. The west is in the process of being displaced and, beyond a point, it can do nothing about it' (Jacques 2019). Particularly galling has been the rise of China from a technological copycat into an innovation juggernaut for the defining technologies of the twenty-first century through its US\$ 300 billion 'Made in China 2025' plan. The country has also moved from a cautious global player into a more assertive power through its ambitious belt and road initiative, targeted at the developing world and designed as the harbinger of a new world order.

The 2010s represented the beginning of a historic hegemonic shift in the world system. Such shifts are very rare in world history. This is the third potential shift in the last three centuries. The first was in the late nineteenth and early twentieth centuries that pitted Britain, the world's first industrial nation, and Germany, the rising continental European industrial power. It culminated in World War I. The second arose out of the ashes of World War II that saw the devastated imperial powers of Europe replaced by two new superpowers, the US and the former Soviet Union. As I noted in a longer paper on current hegemonic rivalries (Zezeza 2018), such moments often reflect and are accompanied by profound political, economic and structural crises and changes.

Deluged by the cacophony of daily news, it is easy to get distracted by the endless punditry in the media and the pronouncements of American and Chinese leaders, especially with America's unconventional and unhinged president with his twitter storms. At stake is the demise of the post-World War II order that the US created and disproportionately benefitted from. The decomposition of this order antedated Presidents Donald Trump and Xi Jinping, and will outlive them. The US and Chinese economies are so intertwined that decoupling will be extremely costly to both countries, and indeed to the rest of the world. But hegemonic transitions have their own logic that often defies the cold calculus of costs. The 2020s will tell where

the bitter rivalry between the declining and rising superpowers is headed. The rest of the world will be forced to adjust accordingly.

The Economist of 4th January 2020 offers a fascinating portrait of China's breath-taking technological advances. It shows the progress Chinese companies have made in older and imported industries including nuclear reactors, high-speed railways, electric cars, and laser technologies (The Economist 2020). The country has also gradually moved up in the micro-processing value chain, and is investing heavily in robotics, the internet of things and artificial intelligence. In some areas China is working hard to become a global leader, such as in 5G technology, or is already ahead, for example in the application and use of face recognition technologies. The latter technologies are a double-edged sword, as they facilitate the enforcement of state digital espionage for what some call algorithmic surveillance, whose implications for human rights and individual freedoms are portentous.

Emergence of Surveillance Capitalism

It was in the 2010s that the buzz about the Fourth Industrial Revolution reached a crescendo. As I note elsewhere, the term often refers to the emergence of quantum computing, artificial intelligence, internet of things, machine learning, data analytics, big data, robotics, biotechnology, nanotechnology, and the convergence of the digital, biological, and physical domains of life, and the digitalisation of communication, connectivity and surveillance.

The 2010s saw the maturation of technological innovations from previous decades and the emergence of several new ones. Perhaps the most ubiquitous was the explosion of social media networks, some of which were established in the decade before. The leading dozen social media sites were Facebook (established in 2004, with 2.45 billion users in 2019), YouTube (2005, 2 billion users), WhatsApp (2009, 1.6 billion users), WeChat (2011, 1.1 billion users), Instagram (2010, 1 billion users), QQ (1999, 823 million users), Qzone (2005, 572 million users), TikTok (2016, 500 million users), Sina Weibo (2009, 465 million), Twitter (2006, 330 million users), Reddit (2005, 330 million users), and Baidu (320 million). It can be seen that the US and China each have six on this list, underscoring the global dominance of the two countries in the emerging technologies of the twenty-first century.

While more and more people and businesses embraced social media, the technophilia of the early 2010s gave way to growing technophobia about its negative impact, both real and imagined. The sins of commission and omission by social media advanced by the critics are long and varied. It has been accused of fostering political polarisation, fuelling the epidemic of

fake news, facilitating online stalking, harassment and bullying, reinforcing digital divides and disparities including class distinctions, gender and racial/ethnic stereotypes, as well as compromising privacy, endangering mental health through online addiction, depression and social disengagement, especially among the youth.

Politicians generally found social media useful when it suited their needs and promoted their interests, but deplored it when it didn't promote their interests. Closure of social media platforms during political protests joined the long arsenal of state authoritarianism. Social media also became a powerful weapon of electoral manipulation as evident in the Russian interference in the 2016 American presidential elections in which they sought to damage the candidacy of Hillary Clinton and boost that of Donald Trump, as well as in the 2016 Brexit Referendum in the UK. The scandal surrounding the data firm Cambridge Analytica, which misappropriated 87 million Facebook profiles, underlined the scale of the crisis.

Concerned by these dangers, and threats to democracy and privacy, some activists called for regulation of social media companies. In 2016, the European Union became one of the first intergovernmental agencies to do so by enacting the General Data Protection Regulation (GDPR). The European Commission declared, 'The regulation is an essential step to strengthen individuals' fundamental rights in the digital age and facilitate business by clarifying rules for companies and public bodies in the digital single market. A single law will also do away with the current fragmentation in different national systems and unnecessary administrative burdens' (European Union Commission 2016).

Given the weight of the EU, the GDPR was copied in some regulatory frameworks elsewhere. Even in the US, where such regulations were vigorously fought, demands grew for greater self-regulation by the industry, and the once feted technological wizards of Silicon Valley joined the hall of infamy occupied by politicians, journalists and left wing academics! But by the end of the decade regulatory controls had done little to curb the apparently relentless march of cyber surveillance and surveillance capitalism, as data became a new and potentially endless gold mine.

Data harnessing capacities will increasingly determine economic opportunities and divides among nations and industries. A key asset in this critical indicator and differentiator can be seen in the global distribution of high-performance computing (HPC). In 2017, the US had 33.8 per cent of global HPC capacity, followed by China with 32 per cent, Japan 6.6 per cent, Germany 5.6 per cent, and France and the UK each with 3.4 per cent. Altogether, in terms of continents Asia had 42.4 per cent, the Americas 35.4

per cent, Europe 21 per cent, and Africa and Oceania the remainder. The leading African country in this space, South Africa, had 0.2 per cent.

Big data from African countries and companies is largely stored in the vast computer farms, otherwise known as the cloud, located and controlled by large global firms. This is the face of twenty-first century digital imperialism, the transnationalisation of digital platforms from the major technological powers to the rest of the world, capturing one service industry after another from transport (Uber) to accommodation (Airbnb) and combinations thereof (Expedia, Booking.com, etc). During the era of the Atlantic slave trade Africa sold its people for trinkets, under colonialism it exported raw materials for a pittance, and now it is mortgaging its data, a dubious privilege for which it even pays for.

There were of course other technological developments in the 2010s. Smartphones and tablets became extremely popular consumer items. The release of the iPad by Apple founder and CEO, Steve Jobs, in April 2010 was almost as electrifying as that of the iPhone in June 2007. During the decade various other inventions were adopted, from 3D printing to cryptocurrency, to e-cigarettes that especially enticed the youth, to virtual assistants such as Amazon's Echo, Google Home, Apple's HomePod and also Siri, and Samsung's Bixby. Self-driving cars were also developed.

The Rebellion of Nature

The 2010s marked a decade when nature harshly rebelled against its despoliation and gradual destruction by humans. The onslaught of extreme weather events, from hurricanes, tornadoes, cyclones, tsunamis to droughts and wildfires, to melting icecaps and rising sea levels reached apocalyptic dimensions that awakened much of the world to the existential dangers, economic damages and social devastations of environmental degradation and climate change.

Global consciousness about the perilous climatic crisis facing the planet was galvanised by scientific consensus, the indefatigable work of environmental movements, increasingly animated by the youth, and renewed commitments to sustainable development goals by the international community. The synthesis reports of the Intergovernmental Panel on Climate Change (IPCC) issued ever more alarming information on global warming, the culpability of human activities through the production of greenhouse gases, and the urgency of taking drastic action for mitigation and adaptation.

The decade opened on the heels of the acrimonious and failed 2009 Copenhagen Summit, which was largely blamed on the intransigence of the

developed countries led by the US then under the Obama administration. In the next few years a series of United Nations Climate Change Conferences were held in Mexico, South Africa, Qatar, Poland, Peru and France. The latter conference led to the adoption of the Paris Agreement. It proposed keeping climate change below 2°C, although no binding emission targets were set. Subsequent conferences were held in Morocco, Germany and Poland.

In the meantime, young people galvanised the environmental movement. The fearless Greta Thunberg, who became an influential international environmental activist, forcefully represented the youth activists. At the at the 2019 UN Climate Action Summit in New York in September 2019, she bluntly told world leaders: 'You are failing us... But the young people are starting to understand your betrayal. The eyes of all future generations are upon you. And if you choose to fail us, I say: We will never forgive you'. The school strike for climate movement she initiated in late 2018 quickly spread in many parts of the world.

Unfortunately, stubborn pockets of climate change denial persisted, most alarmingly among some right-wing politicians, a group that found its loudest proselytisers in the new presidents of the US and Brazil, Donald Trump and Jair Bolsonaro, respectively. President Trump announced the US would pull out of the Paris Agreement, while President Bolsonaro lashed out at European leaders complaining about deforestation in the Amazon. But even for the less recalcitrant governments, their rhetoric was often not matched by action.

To be sure, there was progress as a growing number of countries adopted renewable or sustainable energy. Investments in hydropower, solar power, wind power, bioenergy and geothermal energy increased. In the early 2010s, according to a 2018 report by the International Renewable Energy Agency, 'Global annual investment in renewable energy rose steadily in 2013–2015, peaking at USD 330 billion in 2015 before falling to USD 263 billion in 2016' (International Renewable Energy Agency 2018:11). Consequently, the report states, 'Since 2012, renewable power capacity installations have exceeded non-renewables by a rising margin, representing about 60 per cent of all new power-generating capacity added worldwide in 2016' (International Renewable Energy Agency, 2018:11). East Asia, led by China, was in the forefront, followed by Europe. The bulk of the investment, more than 90 per cent in 2016, came from private sources.

But the world's major polluters continued to resist cutting their emissions significantly or adequately financing global climate mitigation efforts by the developing countries. This became abundantly clear at the World Climate Change Conference held in Valencia, Spain, in December 2019, which

failed to agree on concrete actions to enhance targets to reduce greenhouse gas emissions. As if in reproach and final display of nature's wrath at the end of the decade, 2019 closed with ferocious infernos torching large swaths of California and Australia.

In memoriam

Let me conclude by paying homage to some of the people who left us in the 2010s whom I most admired and respected. They include artists whose music, films and comedies I delightfully ravished and relished; intellectuals, writers, journalists and publishers whose works I read and engaged with great profit; activists and statesmen whose struggles for national liberation, civil rights, and global peace ennobled our troubled world; sports icons whose talents and performances entertained and enchanted us; and captains of industry who transformed business and entire economies. The rich, large and often pioneering lives of these extraordinary men and women were everlasting affirmations and gifts of the infinite possibilities of humanity.

The artists in music, film, and dance: Aretha Franklin, B.B. King, Barry White, Chuck Berry, Koko Taylor, Diahann Carroll, Dick Gregory, Donna Summer, Dorothy Masuku, Etta James, Hugh Masekela, James Avery, Jessye Norman, John Singleton, Lena Horne, Oliver Ntunkudzi, Ruby Dee, and Whitney Houston.

Intellectuals, writers, journalists and publishers: Ali Mazrui, Binyavanga Wainaina, Catherine Graham, Chinua Achebe, Ernest Gaines, Gwen Ifill, Komla Dumor, Maya Angelou, Nadine Gordimer, Naguib Mahfouz, Plus Adesanmi, Samir Amin, and Toni Morrison.

Activists and statesmen and stateswomen: Albertina Sisulu, Boutros Boutros Gali, Elijah Cummings, Kofi Anan, Nelson Mandela, Ron Dellums, Wangari Mathaai, William Gray and Winnie Mandela.

Sports figures: Alice Coachman, Joe Kadenge, and Muhammad Ali.

Captains of industry: Steve Jobs and Bob Collymore.

Finally, this article is written in memory of my father who passed away in June 2015 at age eighty-five, and in tribute and hope for his grandchildren – my son and daughter – who came into their own in the 2010s. Such are the sublime continuities of human life on our splendid, fragile and increasingly endangered planet. It is because I fervently believe each generation has an existential and ethical responsibility to serve as custodians of past generations, its own generation, and future generations, that I see environmentalism as one of the supreme imperatives of our time.

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The Quagmire of US Militarism in Africa

Horace G. Campbell*

Abstract

In the period of the so-called War on Terror, US militarism in Africa has intensified to include the weaponisation of finance, the weaponisation of trade, psychological warfare, information warfare and the deployment of private military contractors in the so-called 'security sector reform'. In the face of African resistance, the deployment of the US Africa Command (AFRICOM) has unleashed disaster after disaster, from the catastrophic failures in Libya to the sequences of failure in the Sahel region. The death of four US service personnel in Niger in 2017 along with the killing of non-white soldiers in Africa by white supremacists in the US military have similarly exposed the deficiencies and racism inherent in the US security establishment. In the context of US military involvement in the Middle East, currency wars and capital flight from Africa, the US travel ban on Muslims exposed the contradictions of African allies and sharpened their clear alliance with the empire despite the overt racism of Making America Great Again. The quagmire of US militarism is now exposing the current manifestations of white supremacy. In addition to contextualising and accounting for these developments across the continent, this article argues that progressive scholars cannot be bystanders in the struggles against militarised global apartheid. Africans must grasp the lessons of global racism to re-ignite the progressive pan-African traditions that were able to roll back apartheid in its crude form.

Key Words: militarism, global apartheid, quagmire, de-dollarisation, spectrum, resistance

Résumé

Dans la soi-disant guerre contre le terrorisme, le militarisme américain en Afrique s'est intensifié pour inclure l'arsenalisation des finances et du commerce, la guerre psychologique, la guerre de l'information et le déploiement d'entrepreneurs militaires privés dans la soi-disant « réforme du

* International Peace and Justice Scholar and Professor of African American Studies and Political Science, Syracuse University, New York, USA. Email: hcmombara@gmail.com

secteur de la sécurité ». Face à la résistance africaine, le déploiement de l'US Africa Command (AFRICOM) a déclenché catastrophe après catastrophe, des échecs désastreux en Libye à ceux de la région du Sahel. La mort de quatre militaires américains au Niger en 2017 ainsi que le meurtre en Afrique de soldats non blancs par des suprémacistes blancs de l'armée américaine ont également révélé les carences et le racisme inhérents à l'establishment américain de la sécurité. Dans le contexte de l'engagement militaire américain au Moyen-Orient, des guerres de devises et la fuite de capitaux en provenance d'Afrique, l'interdiction de voyager imposée aux musulmans par les États-Unis a révélé les contradictions des alliés africains et mis à nu leur alliance avec l'empire malgré le racisme manifeste de Making America Great Again (Rendre sa grandeur à l'Amérique). Le boubier du militarisme américain expose aujourd'hui les manifestations actuelles de la suprématie blanche. En plus de contextualiser et de rendre compte de ces développements à travers le continent, cet article soutient que les universitaires progressistes ne peuvent être des spectateurs dans les luttes contre l'apartheid militarisé mondial. Les Africains doivent appréhender les leçons du racisme mondial et raviver les traditions panafricaines progressistes qui avaient réussi à faire reculer l'apartheid dans sa forme la plus brutale.

Mots-clés : militarisme, apartheid mondial, boubier, dé-dollarisation, spectre, résistance

Introduction

When Donald Trump was elected the 45th President of the United States in 2016, his elevation as the Commander in Chief of the US armed forces brought white nationalism, sexism and xenophobia to the centre of international decision making. These trends were further bolstered by the electoral victory of Boris Johnson and the enactment of Brexit in the UK, the election of Jair Bolsonaro in Brazil, and the energisation of white nationalists in France, Germany, the Netherlands, Poland, Hungary, Austria, Australia and New Zealand, who want to reclaim the past glories of racism and imperial domination.

The US military – as the pivot of the reproduction of US imperialism – has been caught in the midst of this resurgence of white supremacist ideas in the context of the maintenance of racial capitalism. Faced with the anti-globalisation movement at the turn of the century, US strategic leaders had launched wars in Afghanistan, Iraq, Syria, Libya, and Iran, and destabilised societies opposing capitalism such as Cuba and Venezuela. These endless wars rolled into an on-going combination of stalemate and quagmire – a word referring to an awkward, complex or hazardous situation (taken

from the English word denoting a soft boggy area of land that gives way underfoot) – and the reasons for global militarism morphed from fighting ‘terror’ to preparing for great power competition. It was in Africa where the quagmire of US militarism was rapidly exposed as white nationalist forces came up against sustained opposition to neoliberal imperial apartheid, Islamophobia, climate denialism and chauvinism. African allies of US capitalism found themselves on the defensive with the racial hierarchy of the Trump administration castigating African societies as ‘shithole countries’. When former National Security Advisor John Bolton rolled out the Trump Africa policy in 2017 he had determined that the continent was ‘a cesspit of poverty, disease, terrorism and corruption’ (Pilling 2018). This castigation was reinforced by placing a ‘travel ban’ on a number of African countries.

These contradictions facing allies of the US in Africa were compounded by the global anti-racist and anti-fascist forces that were building new networks for reparations, peace, social justice and the repair of the natural environment. In the particular cases of the Black Lives Matter movement in the US and the broader reparations for slavery movement, these movements were strengthened by the activism and calls for health care for all. The push to link anti-racist struggles internationally reached the US armed forces to the point where the US announced in December 2018 a formal retreat of its planned deployment of forces for the US Africa Command (Cooper et al. 2019). At the same time, sections of the US foreign policy establishment determined to focus on rewriting the narrative on national engagement with Africa, focusing primarily on control of the electromagnetic spectrum of African states – i.e. the manipulation and exploitation of electromagnetic frequencies such as telecommunications, wave technology and infrared. Ghana and Kenya are two countries that are caught in this new web of the Pentagon’s deployment of new command cells for electromagnetic spectrum operations (Munoz 2020). The 2018 military agreement between Ghana and the US, for example, whereby the US military will have free access to Ghana’s radio spectrum, has exposed the direction of the so-called ‘light footprint’ for the US military in Africa.

The Pentagon is seeking to refine capabilities in electronic warfare where it failed in its promotion of the 3Ds – ‘development, diplomacy and defense’ – for a more prosperous and secure Africa. The Trump administration had rolled out its strategy of ‘Prosper Africa’ to clarify their relationship with ‘responsible regional stakeholders’, meaning collaboration with the servile allies of US militarism in Africa. These African allies of empire were, however, caught in the middle of challenges to US hegemony as the multiple wars against the peoples of Iran exacerbated and sharpened

broader opposition to US military power. This includes the killing of Islamic Revolutionary Guard General Qassim Suleimani, Iraqi commander of the Popular Mobilization Forces (PMF) unit Abu Mahdi al-Mohandes, and eight others at Baghdad airport at the beginning of 2020. This assassination of Suleimani was indeed a unilateral act of war in violation of international law, but it was a logical step in a long-standing US strategy and not just a personality quirk of Donald Trump's impulsive action (Hudson 2020; see also Bergman and Mazzetti 2019). In the analysis of Michael Hudson, who had earlier written on 'Finance as Warfare', 'the assassination was intended to escalate America's presence in Iraq to keep control of the region's oil reserves, and to back Saudi Arabia's Wahabi troops (Isis, Al Qaeda in Iraq, Al Nusra and other divisions of what are actually America's foreign legion) to support U.S. control of Near Eastern oil as a buttress of the US dollar' (Hudson 2020). African peoples of all regions were drawn into this battle between Iran and the US and no declarations on changing the objectives of the US military in Africa could mitigate the increasing weaponisation of everything by the US political establishment (Brooks 2016; Wright 2017). This weaponisation is failing as the logic of militarism comes up against global resistance in the context of the systemic fragility in the global economy (Rasmus 2016). This fragility has become even more pronounced in the appearance of the COVID 19 pandemic and the accompanying economic depression. Within a month of the pandemic economists such as Nouriel Roubini, Jayati Ghosh and the IMF were predicting a worse downturn than the Great Depression giving ten reasons why this downturn will be unprecedented. (Roubini 2020)

African historians have documented how in the last great depression, Western Europe transferred some of the costs on to the backs and shoulders of Africans. (Rodney 1976) That experience occurred in another era before the struggles for independence and the fight against apartheid. Deep divisions within the ranks of the US military have also brought to the fore the Achilles heel of a leadership that is seeking to expand the spread of US military bases, full spectrum warfare, military clients, surrogate armies and imperial social science during the demise of the unipolar world. It is the militarism in Africa that undergirded this world and its quicksand that will be the focus here.

Militarism has been defined as 'the pervasiveness in society of symbols, values and discourses validating military power, and preparation for war' (Hutchful and Bathily 1998). Usually North American scholars point to Third World societies with authoritarian leaders as examples of militaristic societies. These manifestations of militarism represent one brand, but the militarism of the imperial state is even more formidable than the powers of Third World dictators. Since 1945 the US has exceeded pre WWII Germany

with its militaristic focus (Crawford 2019). Karl Liebknecht, the German revolutionary, had recognised the long history of warfare in all modes of production but understood the specific relationship between ‘warfare and capitalism’ (Kaldor 1982; see also Gelot and Sandor 2019). The impact of German militarism and the interconnections between warfare, eugenics and fascism is still being studied to grasp the ways in which capitalist competition and greed fuelled war, imperial expansion and genocide. With the rise of white nationalism and neo-fascism, Besteman (2019) has determined that this form of militarism is an expression of ‘militarized global apartheid’. Just as the intellectuals of the global pan-African struggles inspired the world to oppose apartheid, so the current Black Lives Matter movement is inspiring another generation to resist this global apartheid (Ransby 2018; Kelley 2016).

This paper starts out by providing the broader context and consequences of the quagmire of US militarism, then analyses how US military planning conforms to the objectives of stabilising both racial capitalism and the full spectrum dominance of militarised global apartheid.¹ The weaponisation of finance and the assassination of the Iranian military leader are introduced to sharpen the centrality of African peoples and resources in the growing opposition to the military management of the international system. For many intellectuals, where the US military management of the international system was unclear, the more than US \$6 trillion that has been pumped into the US economy in the past three months is a clear manifestation of how the US is simply printing money to maintain military and financial hegemony. Michael Hudson explained the “US CORONAVIRUS ‘BAILOUT’ SCAM IS \$6 TRILLION GIVEAWAY TO WALL ST,” noting, “the US government and the Treasury, through the backing of military force, force countries around the world to buy US bonds, Treasury bonds, and how there’s basically just a con scheme where countries pay for their own US military occupation through buying US Treasury bonds.” (Hudson 2020b; Martens and Martens 2020)

In the context of the US printing trillions of dollars, many central banks are now seeking to hoard gold. The hoarding of gold internationally has placed greater importance on African sources of gold, especially new gold fields in the Sahel. (International Crisis Group 2020) For example, the surge in artisanal gold mining in the Sahel and the criminalisation of artisanal miners have brought to the fore how states such as the United Arab Emirates (UAE) are embedded in the plunder of African resources while financing extremists (Lewis, McNeill and Shabalala 2019). Similarly, the role of the US and France in West Africa is examined in the context of the duplicitous ‘War on Terror’ and the efforts to link African resources to the Euro in the competition between the Euro and

the US dollar. Countries such as Saudi Arabia and the UAE are hoarding gold and strengthening networks to illegally export gold from Africa. These states, along with the US, are therefore terrified of peace and reconstruction in Africa. With the creation of the Instrument in Support of Trade Exchanges (INSTEX) in the midst of trade and currency wars, the European Union and Russia in particular have emerged as key players seeking to weaken US hegemony. The conclusion seeks to harness the anti-racist memories of the global solidarity spawned in the anti-apartheid struggles to fertilise the movements for peace and reconstruction in Africa in the twenty-first century.

Context and Consequences of US Militarism in Africa

When four US military personnel were killed in Tongo Tongo, southwest Niger, as a result of 'enemy fire' on 4 October 2017, it was revealed to the world that the US had deployed over 800 military personnel 'as part of a joint US and Nigerien train, advise and assist mission' to conduct reconnaissance with Nigerien counterparts, several of whom were also killed and injured (CRS 2017:1). For many members of the US Congress, the incident exposed their ignorance as to the objectives of the US military in Africa.

The recriminations and lack of transparency by the US military and security establishment on what the US was doing in Niger was further compounded by the disrespect of the widow of the African American soldier, Sgt La David T. Johnson, whose body had been left behind to rot when the US soldiers had fled the scene of the ambush. Florida Congresswoman Rep Frederica Wilson (D-FL) accompanied Johnson's widow, Myeshia Johnson, during the services for her husband and reported that President Trump insultingly informed Myeshia that 'he knew what he signed up for' when he enlisted in the military, adding that this was 'insensitive' and that he 'should not have said that' (Daily Beast 2017; Alcindor and Hirschfeld Davis 2017).

Seven months later the Pentagon published a report stating that the killing of the four soldiers was due to 'individual, organisational and institutional failures and deficiencies.' The Congressional Research Service (CRS) published a study, 'Niger: frequently asked questions about the October 2017 attack on US soldier', which avoided the burning question of the strategies that necessitated US military presence in Niger. These strategies have in turn facilitated the quagmire of US militarism in Africa (and indeed elsewhere) – a quagmire that is rooted in the exhaustion of the vaunted ideas of white supremacy, the racism that stifles technological innovation among African descendants in the US, the decline of the military management of the international system and the reality that the rest of the world will not continue to subsidise the massive military expenditures of the US.

From the outset of the establishment of the genocidal thinking and actions of the US state, the military has been central to the reproduction of state power. The global struggles against racism, apartheid and imperialism had placed the peoples of Africa in an objective confrontation with white supremacy and the projection of military power in Africa and among African peoples. One of the tasks of the ideological institutions has been to mask the objectives of the ruling elements of the US and to erase the historical memory of the alliance between the US establishment and the apartheid regime. African Americans have been caught inside the US and have been exposed on a daily basis to the scourge of police brutality and racist violence, while simultaneously being called on to serve the interests of US foreign policy. Cedric Robinson's (1983) work on racial capitalism has developed the analytical framework for understanding how the apartheid state structured relations of race, class and accumulation. According to Professor Robin D.G. Kelly, who elaborated on the idea of racial capitalism:

In the South African context, it made sense to add the adjective "racial" to capitalism, not to distinguish it from other kinds of capitalisms but rather to pose a political question: whether dismantling apartheid without overthrowing capitalism would leave in place structures that reproduce racial inequality and the super exploitation of non-white workers. (Black Ink 2020)

It was inside the global anti-racist struggles where the concept of racial capitalism had emerged to signal that capitalism developed and operates within a racialised and gendered order. Earlier scholars such as Archie Mafeje (1992), Bernard Magubane (1979) and Walter Rodney (1972) have written on the interplay between race, class and empire. The post-apartheid era new scholarship by Ed Baptist's (2014) *The Half has Never Been Told: Slavery and the Making of American Capitalism* and Ibram Kendi's (2016) *Stamped from the Beginning: The Definitive History of Racist Ideas in America* brought to the fore the role of racism in the formulation of US policies and the accumulation of capital. This kind of understanding of the nature of US society is very different from the body of scholarship that has been emerging in *Why Europe Intervenes in Africa* (Gegout 2017) and *Foreign Intervention in Africa after the Cold War* (Schmidt 2018). US think tanks and policy centres such as the America Enterprise Institute, Brookings Institute, the Center for Strategic and International Studies (CSIS), the Council on Foreign Relations (CFR), the Rand Corporation and the Congressional Research Service (CRS) continue to downplay the role of failures of the US since 2001 as well as the place of global apartheid in the arena of US politics and society. The revolving door between universities, think tanks, intelligence organisations, military planners and mainstream political operatives render

these policy makers unable to grasp the racialised political culture that produced the 'America First' mantra of the Trump administration.

The Congressional Research Office record of the events in Niger and Mali became talking points for academic contractors of the military and temporarily turned media attention away from the demand for the full Pentagon report on the Tongo Tongo ambush. The summary of the Pentagon report, which was released to the public in May 2018, cited multiple failures of the military with recommendations to 'improve mission planning and approval procedures, re-evaluate equipment and weapons requirements, and review training that U.S. commandos conduct with partner forces' (Baldor 2018). The key formulation that reflected the quagmire in this context was the repetition of the word 'failure' – a word that had also been used to describe the half billion-dollar expenditure of the US military on counter terrorism in Mali, the Pan Sahel Initiative and the Trans-Sahara Counter Terrorism Partnership (TSCTP).

The US troops had been deployed in West Africa by AFRICOM – the United States Africa Command – when the US had been waxing lyrical about maritime and energy security in the Gulf of Guinea, violent extremists and combating HIV/AIDS with PEPFAR (the President's Emergency Plan for AIDS Relief. What was significant about PEPFAR was that a plan to support the US pharmaceutical industries was run through the Pentagon). The reasons for the AFRICOM deployment had thus been muddled by the imprecise definitions of US military objectives in Africa. Nonetheless the emergence of the Trump administration in 2017 had given clarity to the objective of great power competition in Africa side by side with militarised borders for the interdiction of would-be immigrants (Sieff 2015).

Building a very large base at Agadez had been justified to the US Congress on the grounds of fighting terror in the Sahel region of Africa. Niger is a major terminus in the global trafficking of African labour to Western Europe through Libya and an important space for the US and Europe to monitor and surveil would-be immigrants ensnared in the world of both illegal mining and human trafficking. However, it was understood by sections of the Nigerien military that one of the reasons for the US presence in the northern part of Niger, close to Algeria, was to manage the political transition process in Algeria.² In December 2019, the US government announced that it would be vacating Nigerien Air Base 201 in Agadez, which had just become operational in November at a cost of US\$ 110 million (Cornell 2019). Reports on the planned disengagement of the US from Africa noted that US assistance to French forces – numbering some 4,500 troops – in Mali, Niger and Burkina Faso might also be rescinded.

US militarism in Africa for the past two decades had been justified on the basis of fighting terror and countering violent extremists, but the declarations of the Pentagon after the killing of the Special Forces in Niger revealed the duplicitous nature of US military engagement with Africa. There is currently a body of scholarship that seeks to portray a 'massive' US military presence in Africa with forward operating bases (FOB), cooperative security locations (CSL) and contingency locations (CL), which conveys the impression that with under 6,000 troops deployed, the US can control African spaces and over one billion Africans (Turse 2018; Gelot and Sandor 2019).³ Every agreement including programmes such as the traditional International Military Education and Training (IMET) is represented to demonstrate the image of a massive US military presence across the continent. There is no distinction between the US military role in a country such as Tanzania and a country that has been integrated into Western strategic interests, such as Kenya, in this mapping of US military facilities in Africa.

After the killings in Niger, the efforts at a cover up within the Pentagon brought out recriminations to the point where two years after the killings, the Defense Secretary could not release to the public the full report on the details of the encounter. The US soldiers had been killed a few dozen kilometres from the border with Mali, while the justification for building the Agadez base had been to fight violent extremists in the north of Niger. By the end of 2017, the White House's National Security Strategy proclaimed that the US had almost totally crushed the major threat of terror and must turn its focus on a new threat: the return of the 'great power competition' that defined earlier geopolitical eras, this time against Russia and China.

It is the focus on Russia and China that is embedded in the Africa policy of Donald Trump. After two years, the Trump administration had unveiled its Africa policy through the voice of then-National Security Advisor John Bolton. The *Wall Street Journal* reported that 'Mr. Trump is angling to strengthen ties with like-minded African allies and isolate uncooperative leaders who work with America's biggest adversaries... "The predatory practices pursued by China and Russia stunt economic growth in Africa, threaten the financial independence of African nations, inhibit opportunities for U.S. investment, interfere with US military operations and pose a significant threat to U.S. national security interests"' (Nissenbaum 2018). The 'Prosper Africa' plan is now part of a broader policy change to shift US focus from counter-terrorism efforts to a fight for global supremacy with Russia and China. Prosper Africa signalled a retreat from the deployment of Special Forces in Africa that had failed, reinforcing the recursive anatomy of

US military failures (Ullman 2017). This hit or miss militarism in relation to Africa arises in the face of the constellation of the anti-austerity resistance in Africa and the anti-racist struggles in the US. US military failures were especially significant in the information operations of the Pentagon in Africa. The Black Lives Matter movement had exposed the ‘humanitarian’ agenda that had been rolled out to legitimate the US Africa Command. The symbolism of Colin Kaepernick kneeling instead of standing at American football games and his banishment from the National Football League (NFL) had not gone down well in the military. The fact that Kaepernick was being denied a leadership role in the NFL resonated with black officers of the US military who understood that in spite of the fact that soldiers of colour comprise over 43 per cent of the US armed forces, but soldiers of colour comprised 4.8 percent of the 41 senior commanders. (Cooper 2020).

Stung by the anger within Black America over the treatment of Sgt David Johnson, US Army Africa commander Major General Roger Cloutier in a statement to the media in February 2020 noted that, “The US depends especially on French and various African partner forces in West Africa in field operations, but the US strategy has changed from trying to degrade, or reduce the effectiveness, of those extremist groups in the Sahel to trying to keep them from growing their membership and spreading into new areas, AFRICOM told the Pentagon inspector general in the quarter ending Dec. 31.” (France 24, 2020) What was especially significant in this report was the exclusion of southern Africa or the Democratic Republic of the Congo (DRC) in the counter-terror strategy.

As ominous as the killing of the four US service persons in Niger was the killing of staff Sgt Logan Melgar – a soldier of colour who was found dead of strangulation on 4 June 2017, in housing he shared with three other Special Operations forces personnel in Bamako, Mali. By November 2018, the Military Times news outlet reported that ‘Two Navy SEALs and two Marine Raiders will face murder charges in the June 2017 death of an Army Special Forces staff sergeant in Mali. The four personnel face UCMJ [Uniform Code of Military Justice] charges that include felony murder, involuntary manslaughter, conspiracy, obstruction of justice, hazing and burglary in the strangulation death of Army Staff Sgt Logan Melgar, according to a release from Navy Region Mid-Atlantic public affairs’ (South 2018).

The fact that Sgt Logan Melgar was killed by other soldiers of the elite Special Forces brought to the public domain the large presence of neo-Nazis within the US armed forces. For nearly thirty years, the myth had been propagated that the US military was one of the most ethnically diverse and integrated institutions in the nation that long promoted racial equality.

Images of General Colin Powell (former Chairperson of the Joint Chief of Staff) and General William 'Kip' Ward (first head of AFRICOM) had been used to advance this multi-racial military myth. However, new studies are emerging that highlight how the military has become a recruiting ground for neo-Nazis and white nationalists (Phillips 2019; see also Shane 2019). There are now numerous examples of the explosion of white nationalism in the US military and the emergence of organisations such as the Atomwaffen Division, a violent white supremacist group. So emboldened have these white nationalists become that at the annual army navy football game in 2019, many posing with President Trump flashed the white supremacist hand signal that is now used to build solidarity among white racists in the military (Steib 2019).

On Memorial weekend 2020, the leading newspaper of the United States, the *New York Times* came out with two lengthy articles about racism in the US military. The first was an editorial on Sunday May 24 entitled, "Why Does the U.S. Military Celebrate White Supremacy? It is time to rename bases for American heroes – not racist traitors." (NYT May 24, 2020) The second on May 25 was entitled, "African-Americans Are Highly Visible in the Military, but Almost Invisible at the Top, Seventy-five years after integration, the military's upper echelons remain the domain of white men.' Taken together, these two articles represented a stunning acknowledgment of the extent of racism within the ranks of the US military establishment.

The military establishment did not take this accusation of racism sitting down. One day later Defense Department officials eviscerated the piece and said that it was in especially bad taste to run it over the Memorial Day holiday.

"On a solemn day for remembering those that have given their lives for our country fighting against tyranny and subjugation, the NYT has more than a million possible stories of the ultimate sacrifice by American patriots that they could tell. But they don't," Pentagon spokesman Jonathan Hoffman tweeted late Sunday. "Instead they chose to attack the US military – the most diverse meritocracy in the country and the most powerful force for good in world history. We have many stories of valor still waiting to be told this Memorial Day weekend." (Washington Times (2020).

From their response, the military was not disputing the fact that the US military celebrated white supremacists, what angered the leadership was that the articles were carried on the Memorial Day weekend.

The recalibration of the US Africa Command after the deaths of Sgts David Johnson and Logan Melgar is exposing the ambivalent tactics of the US in Africa where the US is torn between presenting itself as mobilising Africans to confront Russia and China while deploying forces to criminalise international flows of migration. These tensions are accentuated by

the reality that inside the US and black communities, many ex-military personnel serve on police forces that are associated with the wanton killing of black youths. Henry Giroux captured the linkages between militarised global apartheid at home and abroad when he wrote after the killing of Michael Brown in 2014 (see also Alexander 2010):

The police have been turned into soldiers who view the neighborhoods in which they operate as war zones. Outfitted with full riot gear, submachine guns, grenade launchers, assault rifles, night vision equipment, armoured vehicles, body armor, and other lethal weapons imported from the battlefields of Iraq and Iran, their mission is to assume battle-ready behavior...Is it any wonder that violence rather than painstaking neighborhood police work and community outreach and engagement becomes the norm for dealing with alleged "criminals", especially at a time when more and more behaviors are being criminalized?...What we are witnessing in this brutal killing and mobilization of state violence is symptomatic of the neoliberal racist punishing state emerging all over the world, with its encroaching machinery of social death. The neoliberal killing machine is on the march globally. The spectacle of neoliberal misery is too great to deny any more and the only mode of control left by the corporate-controlled societies is violence, but a violence that is waged against the new precariat, such as immigrant children, protesting youth, the unemployed, and black youth...[N]eoliberal states can no longer justify and legitimate their exercise of ruthless power and its effects under casino capitalism. (Giroux 2014:10–11)

It was in the period of the COVID 19 pandemic, economic depression and the heightened consciousness about system racism when the police in Minnesota killed George Floyd precipitating one of the most intense uprisings in the history of the United States. The demonstrations spearheaded by the BLM movement registered itself as the largest movement in the history of the United States. (Buchanan et al 2020) These insurrections in every part of the USA deepened the quagmire of US militarism to the point where the top brass of the military refused the deployment of military personnel in the streets against peaceful protesters. The vaunted War on Terror returned to the USA with special recruited elements from Homeland Security deployed in cities.

The Quagmire

The US military seeks to project itself as a racially inclusive organisation while the overt racism and chauvinism of the leadership ensured opposition to the US military in Africa and deep divisions within the ranks to the point where the government could not call out the troops on the streets. The soft underbelly of US racism and militarism shattered in Africa where the US

military resorted to relying on Special Forces and drone warfare. My use of the term quagmire – an awkward, complex or hazardous situation – is not new in relation to the US military: it was used very early in the war against the Vietnamese peoples by The New York Times reporter David Halberstam (2007), who wrote *The Making of a Quagmire: America and Vietnam during the Kennedy Era*.

America's military quagmire deepened in Afghanistan, where the US has been fighting an endless war since 2001. Studies and reports now called 'the Afghanistan papers' have detailed how the military and political establishment lied about the war against the people of Afghanistan. In these papers former military officers stated, 'We were devoid of a fundamental understanding of Afghanistan – we didn't know what we were doing. What are we trying to do here? We didn't have the foggiest notion of what we were undertaking' (Whitlock 2019).

The *Costs of War Project* at Brown University has estimated that the US has spent over a trillion dollars on the war in Afghanistan. 'Since 2001, the Defense Department, State Department and US Agency for International Development have spent or appropriated between \$934 billion and \$978 billion. Those figures do not include money spent by other agencies such as the CIA and the Department of Veterans Affairs, which is responsible for medical care for wounded veterans' (Whitlock 2019). What came out of these reports was the extent to which the information warfare that was being waged in Afghanistan was also being waged against the US populations. "Every data point was altered to present the best picture possible... Surveys, for instance, were totally unreliable but reinforced that everything we were doing was right and we became a self-licking ice cream cone" (Army colonel Bob Crowley, quoted in Whitlock 2019).

The four main takeaways from the quagmire in Afghanistan were: (1) year after year, US officials failed to tell the public the truth about the war in Afghanistan; (2) US and allied officials admitted the mission had no clear strategy and poorly defined objectives; (3) many years into the war, the US still did not understand Afghanistan; and (4) the US wasted vast sums of money trying to remake Afghanistan and bred corruption in the process (Whitlock 2019). Other commentaries similarly lamented the more than a trillion dollars had been spent to maintain a lie. In this regard, corruption and lying marks the twin character of the US military. Another internal Pentagon study on the US military intervention in Iraq since 2003 used the same language of failures, corruption and lies to characterise US military activities. A 1,300-page, two-volume history, complete with more than 1,000 declassified documents, concluded that Iran was the only winner in this US intervention in Iraq (Rayburn and Sobchak 2019a, 2019b).

Indeed, it was in the wars against Iran that the deployment of new tools exposed the new military strategies of the US. The current war against Iran is being fought on multiple fronts involving information warfare, economic warfare, cyber warfare (for example, the Stuxnet computer worm), psychological warfare and skirmishes in Syria and Yemen (with spillovers in the Horn of Africa) (Sanger 2018).

The weaknesses of the US military are particularly manifest in radio spectrum management. Across [the Horn of/north/north-east] Africa and the Middle East, the US has heavily invested in electromagnetic spectrum as a separate domain of warfare with the emplacement of resources in Djibouti and Kenya. However, the lack of coherence in its military strategy has brought the Europeans, especially the Germans, to reconsider their deep alliance with the US. This reconsideration has implications for Africa.

INSTEX and the Weaponisation of Everything

The Trump administration is continuing the use of the Treasury along with the International Monetary Fund and the World Bank as the frontline institutions to ensure that the rest of the world subsidise US militarism. The current administration is dominated by the faction of US policy circles that is totally aligned with Israel, Saudi Arabia and the UAE in the war against Iran. When the Trump administration announced that it was pulling out of the Joint Comprehensive Plan of Action (JCPOA) agreement on Iran's nuclear program, re-imposing sanctions, then-National Security Advisor John Bolton remarked that the push was to ensure that Iranian oil exports would be reduced to zero.⁴ European states vowed to resist the sanctions by establishing a special purpose vehicle so that they can continue to do business with Iranian companies.⁵ In January 2019, three countries of the EU – Germany, France and Britain – established the Instrument in Support of Trade Exchanges (INSTEX). The system, which has started slowly, is based on the Euro, the second most-used currency in international trade. For the first year, INSTEX provided cover so that countries as far and wide as South Korea, Japan, India, Russia and China along with EU members could trade with Iran in goods not covered by new US sanctions, such as consumer products and medicine. Under the sanctions regime of the US Treasury, these sanctions bar dollar transactions with Iranian banks, even on deals for unsanctioned goods. By the end of 2019, six other European states – Belgium, Denmark, Netherlands, Norway, Finland and Sweden – joined this special purpose vehicle. Between 2018–19, the US government granted eight waivers so that some of her allies such as Korea, Turkey and Japan could continue purchasing Iranian oil, but

the US tightened its sanctions and intensified its war against Iran, unleashing what it termed 'maximum pressure' on Iran. One element of this pressure was intense engagement with Saudi Arabia and the UAE.

The Congressional Research Service report on the US-Iran conflict noted the following:

On May 24, 2019, the Trump Administration notified Congress of immediate foreign military sales and proposed export licenses for direct commercial sales of defense articles – training, equipment, and weapons – with a possible value of more than \$8 billion, including sales of precision guided munitions (PGMs) to Saudi Arabia and the United Arab Emirates (UAE). In making the 22 emergency sale notifications, Secretary of State Pompeo invoked emergency authority codified in the Arms Export Control Act (AECA), and cited the need “to deter further Iranian adventurism in the Gulf and throughout the Middle East”. (CRS 2020:2)

The intensification was manifest in the expansion of the war against Iran with the killing of General Qassim Suleimani in early 2020. The military actions of the USA impelled the Iranians to deepen relations with states such as China, Venezuela and the EU. It was reported in the media in July 2020 that Iran and China drafted a sweeping economic and security partnership paving the way for up to US\$400b of Chinese investments in banking, telecommunications, ports, railways and dozens of other sectors of the Iranian economy. This connection in the context of the Belt and Road Initiative of China undermined the efforts of the USA to isolate the Iranian government. This partnership between Iran and China strengthened the alliance that is growing for the payment system in which INSTEX is inserted.

The German, Chinese, Iranian initiatives laid the foundations for new international alliances with implications for Africa.

Africans Societies and the War against Iran

It was in eastern Africa and in the Indian Ocean region where US militarism was most intense in relation to its global projection of force. All of the states and societies of eastern Africa were in one way or another caught up in this global tug-of-war as the war in Yemen and struggles in the surrounding region brought new military interventions by Saudi Arabia, the UAE, Qatar and Turkey. These states had backed different sides of wars in Somalia. From the period of the Obama administration, the US government had outsourced its relationship to Africa to the governments of Israel, Saudi Arabia, France and the UAE. While conventional work of the US AFRICOM had focused on the 'vast network of bases in Africa' (Turse 2018), the US Treasury had been

far more concerned with ensuring that African states remained in the US dollar orbit, despite the social costs to Africa. In this orbit billions of dollars were siphoned out of Africa in the illicit capital flows that were facilitated by the Bretton Woods Institutions. The Trump administration added another concern with its 2017 ‘travel ban’ –, commonly referred to as the ‘Muslim ban’ – affecting citizens from Iran, Iraq, Libya, Syria, Yemen, Somalia, Sudan, Venezuela and North Korea. In 2020 the US added four other African countries – Nigeria, Sudan, Tanzania and Eritrea – to this ban.

The peoples of Somalia have been caught up in this Islamophobia with an endless war that has now blossomed into a lucrative business enterprise for the African partners of the US military in Africa. A report by the International Crisis Group (2018) noted that ‘Competition between the United Arab Emirates (UAE), on the one hand, and Qatar and, by extension, Turkey on the other has aggravated longstanding intra-Somali disputes: between factions in the capital; between Mogadishu and the regions; and between it and the self-declared Republic of Somaliland’. The energetic activities of the Emir of Abu Dhabi have fomented instability and destabilisation from Libya to Somalia and from Chad to Djibouti (Worth 2020). The leadership of the Emirates along with Saudi Arabia and Israel has filled the breach in the face of the quagmire of US militarism in Africa. In order to harness African support for the multiple wars against Iran, the leader of the UAE played a key role in the brokering of peace between Eritrea and Ethiopia (Fick and Cornwell 2018).

Yemen, Djibouti and the Red Sea

In December 2018 *The Guardian* newspaper reported that former National Security Advisor John Bolton claimed that ‘Djibouti had also fallen into overwhelming debt to China, which had established a military base, close to the US base Camp Lemonnier, and recalled an incident in which laser beams coming from the Chinese base had targeted US pilots, inflicting eye injuries on two of them. He added that Djibouti may soon also hand over the Doraleh container port on the Red Sea to Beijing, which would tilt the balance of power on the Horn of Africa in China’s favour’ (Borger 2018).

In terms of those who focus on geo-strategic locations, Djibouti is considered a strategic position on the Red Sea, less than 30km away from Yemen. Older scholars will remember when Aden was the most important base for the British navy east of Suez. Djibouti has replaced Aden and every major power has since sought to have a presence in Djibouti and in Africa. The US boasted its largest military facility at Camp Lemonnier. France (the

former colonial power), Japan, China and the US have all established a naval presence in Djibouti. It is, however, the Chinese who have established the most robust commercial, transportation and naval presence in Djibouti. The Chinese facility in Djibouti has been constructed in the context of a developing financial and commercial relationship between China, Djibouti and Ethiopia, as demonstrated by the construction of the Ethiopia-Djibouti Railway, the Ethiopia-Djibouti Water Pipeline and, most significantly, Chinese investment in the development of the Doraleh Multipurpose Port, phase one of which opened in May 2017. The Chinese naval presence in Djibouti involved a strategic investment in Africa and continues to be a major part of its Belt and Road Initiative. The experience of the building of the massive Doraleh Multipurpose Port by China in Djibouti is seen by the US government as one of the opening salvos of great power competition and probably one of the clearest expressions of the fragility of the economic wherewithal of the US in Africa.

In 2001, the Government of Djibouti had leased Camp Lemonnier to the US, which became a US naval expeditionary base. For nearly twenty years, the US had built up the camp as its principal military facility in Africa in order to monitor and control the Arabian Peninsula and eastern Africa. After the launch of the failed war against the people of Afghanistan, the US launched Operation Enduring Freedom-Horn of Africa (OEF-HOA) in October 2002 as a military mission to counter both militant Islamism and piracy. The Combined Joint Task Force-Horn of Africa (CJTF-HOA) was established at the same time as OEF-HOA to carry out the operations aims. The official CJTF-HOA area of responsibility comprises Djibouti, Eritrea, Ethiopia, Kenya, the Seychelles, Somalia and Sudan. Outside this area, the CJTF-HOA has also conducted operations in the Comoros, Liberia, Mauritius, Rwanda, Tanzania and Uganda. The military contractor KBR provides full spectrum base operations supported services at Camp Lemonier. Camp Lemonnier also became the only permanent US military base in Africa, although numerous semi-permanent facilities exist. Although this base is a major staging area for drone warfare and information warfare, through the 2010s the camp became prison-like for its US troops because they dared not travel into the city without heavy military escort (Vandiver 2014).

We know from the SIPRI papers that the US expended more than a billion dollars since 2001 to upgrade Camp Lemonier to be its prime staging area in Africa:

In January 2007, as part of the plan to establish Camp Lemonnier as a permanent facility, it was announced that the base would be expanded from 97 acres (39 hectares) to nearly 500 acres (202 hectares). In 2012, the US

Department of Defense initiated a \$14 billion plan to develop the base. The administration of US President Barack Obama also entered into a 30 year lease for Camp Lemonnier in 2014, at an annual cost of \$63 million. In October 2018, as part of the long-term development of the base, the US military announced contracts worth \$240 million to expand base facilities and provide infrastructure to support the US Air Force's largest cargo jets. (Melvin 2019)

Successive Defense Secretaries have travelled to Djibouti to warn against the expanded relations with China. The Dubai-based DP World in 2004 had been granted a 25-year concession to run the Doraleh Container Terminal, but caught in the midst of the Iran/US squabbles, the government of Djibouti cancelled the contract to DP World to operate the Doraleh Container Terminal. During the 2010s, China intensified its relationship with Ethiopia and Djibouti, building a rail line between Djibouti and Addis Ababa and expanding new port facilities. Despite warnings from the US military, Djibouti went ahead with the infrastructure planning. It was in the midst of this tussle between Djibouti and the US that the leaders of Israel and the UAE were deployed to suborn Ethiopia away from China and firmly into the orbit of the Israel/US/Saudi/UAE alliance.

High-level visits by the Prime Minister of Israel to eastern Africa and the diplomatic manoeuvres of the UAE were part of this broader US strategy against China. In the particular case of the rapprochement between Eritrea and Ethiopia, the Emirates had spent billions of dollars to similarly suborn the Eritrean leadership while building their own military facility in the Somaliland and Puntland regions in Somalia and in the port city of Assab, Eritrea. The US Africa policy is to deepen the involvement of Africa in the anti-Iran wars by focusing on China. John Bolton (2018) had been explicit in his remarks when he stated that, 'The predatory practices pursued by China and Russia stunt economic growth in Africa; threaten the financial independence of African nations; inhibit opportunities for US investment; interfere with US military operations; and pose a significant threat to US national security interests'.

Deepening Instability and Counter-revolution in East Africa

It is in Kenya, East Africa, where the quagmire of US militarism has nurtured an alliance with a class of Africans who had been involved in the Global War on Terror as a business. (Campbell 2020) From the period of the anti-colonial and anti-racist struggles, the British and the US military planners had earmarked Kenya as a base for Western military and naval

planning. Chester Crocker, the former Assistant Secretary of State for Africa in the Reagan Administration, conducted his doctoral research entitled *The Transfer of Power in Africa: A Comparative Study of the British and French System of Order* and outlined the role delegated for the Kenyan military in keeping order for empire in eastern Africa. Ryan Schaffer, in his article on the continuities in the role of the Kenyan military and intelligence services, has documented how in spite of changes in names, the mandate of serving Western interests from the colonial era to the present era remained consistent in Kenya (Schaffer 2019).

The research work of the collaborative role of the Kenyan leadership from the time of the Congo crisis of the 1960s to the anti-apartheid struggles has been adequately documented to bear repetition here (Attwood 1967). From the subversion of genuine self-determination to the alliance with French, Saudi and Israeli intelligence in the Safari Club, Kenyan politicians and military leaders were ensnared in militarised global apartheid. What is of special importance in relation to the quagmire are the ways in which the ruling elements of Kenya collaborated with the US intelligence services to prolong the suffering of the peoples of Somalia (Khamisi 2018). Research on the role of Kenya in US militarism in East Africa has brought to the fore the primary role assigned to Kenya in assassinations, cyberwarfare, electronic warfare, rendition and surveillance projects of the US (Usiskin 2019). In the analysis of Catherine Besteman (2019:28), ‘Somalia is but one example of the effect of policies in the global north that incarcerate and traumatize people in the global south in the name of security and profit in the global north’.

The historical evidence now reveals that the US bureaucracy was deadly afraid that the Islamic Courts Union (ICU) could have brought stability to Somalia. In 2006, Dr Jendayi Frazer, then the Assistant Secretary of State for African Affairs, in her meeting with Rear Admiral Richard W. Hunt (Commander of the Combined Joint Task Force, Horn of Africa), had stated that ‘the best-case scenario posits that the ICU and TFG [Transitional Federal Government] would go into dialogue, and as a result, moderates would emerge thus leading to stability in the country and the rebuilding of the state’; whereas, the worst-case scenario would ‘result from a total control by the ICU over Somalia’ (Model 2014). In keeping with the view that a worst-case scenario would be the ICU bringing stability to Somalia, the US intelligence services orchestrated the financing of the Alliance for the Restoration of Peace and Counter-Terrorism (ARPTC) to ensure that Somalia was destabilised (Mazzetti, Gettleman and Schmitt 2016). Elements from the ARPTC evolved into the movement that is now called al-Shabaab.

That the US military needed Somalia to be destabilised and be a propaganda tool for the global war on terror has now been documented by many sources, bringing to the fore how organisations such as Bell Pottinger were central to the projection of the information that Kenya was a hotbed of terror (Al-Bulushi 2019). It was from Kenya where testing of the Information Operations (IO) of Operation Objective Voice (OOV) were rolled out. Significantly this milieu of OOV provided the context for a robust psychographic operation by Cambridge Analytica. The cognitive hacking of millions of Kenyans to undermine democratic participation is now being reported internationally (Madowo 2018).

Kenya as a base for surveillance, cognitive hacking, rendition and disinformation is now being reinforced with the role of Kenya as a theatre to strengthen electromagnetic superiority to assure military advantage across all domains. In January 2020, three US military personnel were killed at Manda Bay and in the aftermath it was revealed that they were specialists in co-ordinating drone warfare. The electronic requirements for drone warfare capabilities, which were being refined in the context of the Somalia Operations by the Kenya Defence Forces, has integrated the Kenyan military and the US with the Saudi and Emirati intelligence services. At the time of the reformulation of the US military policies when the US had rolled out the Africa Growth and Opportunity Act (AGOA) in 2000, Kenya had been chosen as a base for the unleashing of a new trade relationship with Africa. Twenty years after AGOA, the Trump administration chose Kenya as the launch pad for concluding bilateral deals with African countries.

For more than a decade the hearings at Capitol Hill had noted that AGOA was a failure (Helfenbein 2015), but in the specific case of Kenya, it was a good cover for the operations of the US military in eastern Africa. Numerous publications have revealed the commercial, educational, military and political axis between Kenya, the US and countries of the Gulf Cooperation Council (GCC). Information on the business ventures of the Kenyan barons in charcoal and sugar remains in the library of the United Nations from the periodic Reports of the Secretary General of the United Nations to the Security Council on African Union Mission to Somalia (AMISOM) because Somalia had become so important in the international framing of the global War on Terror. It was estimated that the business of fighting terror was worth over US\$ 400 million per year for the Kenyan security and political establishment (Allisson 2015).

Security Sector Reform and the Quagmire in East Africa

With the Kenyan army trapped in garrison mode in Somalia, Kenya is now ensnared in the US's global apartheid. This garrison mode is part of a wider East African effort to support the international military activities in Somalia under the banner of the African Union Mission to Somalia (AMISOM). AMISOM has been deployed in Somalia since 2008 and the lack of moral authority behind AMISOM can be seen from the two principal countries that have supplied troops – Burundi and Uganda. Both countries have been exposed for the massive violation of basic rights for citizens, thus it is a testament to the kind of alliances that the US could count on in Africa that they had to turn to leaders with clear record of human rights violations.

The other major method of deepening the alliance with the discredited leaders of many African countries is through a programme called Security Sector Reform (SSR). In theory, SSR involves bringing security agencies under civilian control and aligning their operations to international best practices. In practice, it has meant the jockeying of US and European countries to line up African states to purchase outdated ordinance from their military industries. According to the textbook definitions, 'SSR also means transforming the underlying values, norms, and politics that guide the operations of security agencies. The tenets of SSR include establishing effective governance, oversight, and accountability within the security sector and improving and promoting the sustainable delivery of security and justice, with a view toward peace and respect for the rule of law' (Gitari 2019). Kenya is a classic case of the deterioration of security relations with civilians since 2002. Governance, oversight and accountability have been precisely those aspects of democratic control that have been missing in countries such as Burundi, Kenya, Rwanda and Uganda – four countries that have been involved with SSR and the array of private military contractors that has grown during the War on Terror. In her book *American Covert War in East Africa*, Clara Usiskin (2019) has documented how surveillance technologies, specifically those allowing unauthorised access to devices, have contributed to increased surveillance and unlawful detentions. Hacking tools such as FinFisher and Remote Control System have also been used by East African governments, apparently in an attempt to monitor and silence opposition forces. Private military contractors who have been central to privatised intelligence gathering now dominate the relations between the US and number of African states. Kenya has also accepted the digitalised forms of surveillance that has been promoted by the US military apparatus (Nyabola 2020).

Popular Opposition and the US Military Contractors

One of the essential questions that confronts African leaders who are allied with the US military establishment is the following: can the demands of an informed and increasingly radicalised and disaffected movement of citizens – many of whom are young, impatient and networked with the Black Lives Matter movement internationally – be managed and controlled by a political class that has shown itself blind to the needs of the majority of the people? The popular uprisings all over Africa in the late 2010s, especially in Algeria, Mali and Sudan, have demonstrated the protracted nature of the opposition to oppression. The Sudanese transition in particular has registered itself as a major failure of the US manipulation of the Global War on Terror. It is in the face of these forms of opposition that the US State Department had rolled out a new ‘democracy promotion initiative under the rubric of Office of Transition Initiatives ‘(OTI). Future research will reveal the role of the OTI in Kenya after the massive post-election violence in Kenya in 2008. Select private contractors such as AECOM, Casals and Associates, Chemonics International, Creative Associates International, DAI, International Relief and Development, International Resources Group/Engility, Management Systems International, and RTI International were at the top of the contracting work for the SWIFT (Support Which Implements Fast Transitions) awards of the State Department (Lawson 2009). This future research will be able to compare the ‘transition’ work of OTI in Cuba (Bigwood 2014) and that of a US contractor such as Dyncorp in Liberia (McFate 2008).

The Travel Ban and Militarised Global Apartheid

That Tanzania was placed on the US travel ban in early 2020 was one indication of the ways in which digitalised discrimination is now interwoven with US militarism and information warfare. While Kenya acted as a base for information warfare and cognitive manipulation, the government was also speeding up the process of establishing a biometric ID system. Tanzania had not completed its national identification process by the end of 2019, whereas Kenya was working overtime to meet US standards, regardless of whether the process excluded millions of Kenyans. Even *The New York Times* had to wade in to critique this Kenyan ID system in its digital discrimination of hundreds of thousands of its own citizens (Dahir 2020).

The slowness of countries such as Nigeria and Tanzania to speed up the integration and inter-operability of their surveillance techniques has rendered these two countries open to pressure that is manifest in their inclusion on the travel ban. The Trump administration claimed that the ban was a national

security measure and that the added countries failed to meet US security and information-sharing standards. One indication of how subjective this ban has been could be seen from the way in which Sudan was included in 2017 but after massive lobbying by the UAE was subsequently removed. Following the uprisings in Sudan in 2019, however, the country was once again included in the ban. Commentaries from the mainstream media pointed out that the ban on Nigerian citizens represented racism at its worst and was a clear manifestation of global apartheid. Those who have linked racism and racist immigration practices defined militarised global apartheid as follows:

Militarized global apartheid is a loosely integrated effort by countries in the global north to protect themselves against the mobility of people from the global south. The new apartheid apparatus takes the form of militarized border technologies and personnel, interdictions at sea, biometric tracking of the mobile, detention centers, holding facilities, and the criminalization of mobility. It extends deeply into many places from which people are attempting to leave and pushes them back, it tracks them to interrupt their mobility, stops them at certain borders for detention and deportation, pushes them into the most dangerous traveling routes, and creates new forms of criminality. (Besteman 2019:26)

In the name of security the US government was now criminalising more than a quarter of the population of Africa. As noted by the British Newspaper the Guardian, Feb 16, 2020, ‘Trump started out by scapegoating Muslims in 2017. Now, it’s not just the Muslim ban. It has turned into an African ban’ (Levin 2020).

The contradictions between the goals and the stated strategic objectives of successive US governments brought to the fore the tensions and contradictions between the goals of planners and the limitations of the military management of the international system. The travel ban on Africans reinforced the understanding of the racism of the international system when both Europeans and the US were using immigration issues to justify their racism. For example, Libya in North Africa became a focal point of militarism, immigrant control and racism following its destruction instigated by the North Atlantic Treaty Organization (NATO).

US Militarism – Failure and Retreat in North Africa

In 2007, the Bush administration had rolled out the brand new combatant command, AFRICOM. The hype of the positive developmental goals of AFRICOM was shattered by the US participation in the war to destroy Libya in 2011. This author has detailed the role of the banks and financial houses such as Goldman Sachs in the destruction of Libya in the book *Global*

NATO and the Catastrophic Failure in Libya: Lessons For Africa in the Forging of African Unity (Campbell 2013). In August 2003, the Association of African Central Bank Governors announced plans to create a single African market – an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured – and also establish a common central bank that would manage a single African currency by 2021. At the AU summit in 2007 in Ghana the President of Libya had committed to mobilize the massive reserves of his country to underwrite the launch of the common African currency.

France and Britain had led the way to oppose the Libyan effort to mobilise its reserves to underwrite the common currency for Africa. French President Nicolas Sarkozy was the most explicit when he maintained that the intervention in Libya had been undertaken to save the Euro.

In the months after the NATO invasion, the USA had loudly launched plans for security sector reform in Libya to be carried out alongside the ‘transition’ to democracy. The planning of the US government received a setback less than one year later when the US ambassador to Libya was killed at an intelligence facility in Benghazi in September 2012.

Despite seeking to plan for security sector reform and ‘transition’ in Libya, the realities of the ambitions of France and the EU to dominate Africa as part of the arc of European security brought deadly competition between different members of the Gulf Cooperation Council and the EU with disastrous consequences for Africa. Briefly, the so-called Libyan National Army (LNA), led by General Hiftar, was supported by the UAE, Saudi Arabia, Egypt, France, Russia and elements from the Sudanese military (before the removal of the Bashir regime in April 2019). The other side of this war led by the interim Libyan Government of National Accord (GNA) – recognised by the United Nations and the African Union (AU) – was supported militarily by Qatar, Turkey, Italy and the US. During the Obama administration, the US Treasury supported the GNA because the gold reserves of Libya were held in the vaults in Tripoli. The LNA and its government had printed its own currency in 2014 but the US Treasury refused to recognise it; Haftar thereafter went on an all-out push to capture Tripoli. In April 2019, his forces announced that they were on the verge of capturing Libya but this boast had not materialised one year later. However, the Trump administration gave tacit support to the Hiftar side of the destruction after the UAE and Saudi Arabia beseeched them to support Hiftar. In December 2019, Turkey deepened the contending alliances by joining Qatar in providing military support to the GNA. The government of Turkey then signed a massive gas deal with the GNA government.

With the debacle in Libya and the isolation of the US, the German government began to seek an augmented global role by calling a Berlin Conference in January 2020 to bring all sides of the destruction to the table. At this time of writing the so-called ceasefire and negotiations are on-going, but the re-emergence of Germany and the EU largely stemmed from the failure of the duplicitous policies of France in West Africa that deepened militarisation of the region. The energetic intervention of Germany and the sidelining of France came from the exhaustion of options for the French in West Africa.

The US and its Comeuppance in Mali

At the height of the folly of the invasion of Iraq, the Bush administration had launched a massive propaganda campaign to intensify military operations in Mali and West Africa. Academic planners came up with the 'banana theory of terrorism' that pointed to an arc of terror from Afghanistan through Iraq to the Sahel region of Africa (Keenan 2007). By the time the racists in the Special Forces of the US military killed Green Beret Staff Sgt Logan Melgar in 2017 in Mali, the US government had long been embedded in a corrupt and contradictory counter-terror operation. The broad outlines of the corruption involved in the more than US\$ 700 million spent on the Trans-Saharan Counter Terrorism Partnership (TSCTP) was elaborated on in Jeremy Keenan's (2013) book *The Dying Sahara: US Imperialism and the War on Terror*. The US had entered into a trans-Saharan quicksand of human and arms trafficking with the support of intelligence and military officials from Algeria and France. This alliance had been justified in the name of countering the threats of violent extremists. With over half a billion dollars expended in support of a 'regional security approach' that spanned the 3Ds – diplomacy, defense and development – this programme covered ten countries in the Sahel and Maghreb: Algeria, Burkina Faso, Chad, Mauritania, Mali, Morocco, Niger, Nigeria, Senegal and Tunisia. The sequences of the failures of the US intervention were accentuated after the Libyan debacle when France decided to profit from the largesse that had been invested in counter-terror operations.

Mali was the epicentre of the TSCTP with military officers from all across the region from Morocco to Nigeria jumping on the gravy train. US officials heralded the 'Malian military as an exemplary partner' while sections of the US counter-terror operations were implicated in prostitution and drugs. The press reports of 'sex, drugs, and dead soldiers' in Mali were only the tip of the out-of-control counter-terror operations in Africa (Turse 2015).

Malian society was further corrupted by the trafficking, militarisation and influx of refugees from the Libyan debacle. The collapse of the Malian military, including units trained by US Special Forces, was followed by a coup led by an American-trained officer, Captain Amadou Sanogo. After the coup, French intrigue provided the enabling environment for soldiers from the Libyan army from among the Tuareg to enter northern Mali.

France and the Sequences of the Quagmire

Jeremy Keegan (2007) has identified two sequences of operational failures by US counter-terror operations in the Sahara. A third sequence unfolded after the Libyan intervention by NATO in 2011, when Tuareg fighters who had been recruited by the Gaddafi regime were deployed in the region by France. Later France turned to the same Security Council of the United Nations to seek assistance to fight the Tuareg. France intensified its manipulation of the fight against terror in 2013 and 2014 when elements supported by France in Mali formed distinct groups that were later deemed terrorist organisations. The French intervention, codenamed Operation Serval, was highly supported by the US and the UK and given the imprimatur of the UN Security Council.

The idea that al-Qaeda in the Islamic Maghreb (AQIM) was on the verge of taking over Mali and West Africa had been promoted by France to justify military intervention under the banner of Operation Serval. France had dispatched approximately 4,000 troops to repel Jihadists who had taken over northern Mali. After these Jihadists seized a number of towns and desecrated important cultural centres, international opinion was sufficiently outraged to mute criticisms of the French intervention. Progressive African opinion was divided over this invasion of Mali as France promoted the idea through a massive propaganda and disinformation campaign that it was 'invited' by the government of Mali. Furthermore, select pictures of Malian citizens celebrating the routing of the Jihadists from towns that had been seized since 12 January 2013 gave legitimacy to the idea that Africans welcomed the French military intervention. After this 'successful' intervention, Western media outlets were replete with stories that it was the alliance between France and her allies along with the US that protected – and could continue to protect – this region of Africa (from Mauritania to Sudan) from being overrun by terrorists. The leadership of Chad, ever beholden to France, joined in this operation.

On January 11, 2013, France had launched operation "Serval" with 1,700 soldiers, planes and helicopters to stop the progression of 'jihadist' columns which controlled northern Mali. This was the period when the citizens

of Bamako were supposed to have come out to cheer for the French forces of 'peacekeeping.' A year and a half later, on August 1, 2014, this "Serval" mission was replaced by Operation "Barkhane" and extended to the entire Sahelo-Saharan strip, an area as large as Europe. Five countries are concerned: Mali, Mauritania, Niger, Burkina Faso and Chad. To be able to financially support this deployment, France used its position on the P5 of the Security Council to lobby for the deployment of UN troops. The United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA), was deployed from July 1, 2013, following the International Support Mission in Mali (Misma) formed by the Economic Community of West African States (ECOWAS/CEDEAO).

Even before the UN setting up MINUSMA, France had lobbied the EU to send troops to Mali so that the European Training Mission of the Malian Army (EUTM Mali), was launched in February 2013, bringing together 620 soldiers from 28 European countries, with a training mission for Malian soldiers, without participating in the fighting.

The mission, named United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA), grew to be the third-largest UN peacekeeping mission reaching 12,644 military and 1,734 police personnel, 454 staff officers and 39 experts deployed from more than 50 UN partner nations. Its annual budget was more than US\$ 1 billion. The French military personnel are supported within the context of MINUSMA. The US military supported this French foray in five ways: (1) intelligence, surveillance, and reconnaissance (ISR) activities; (2) support for French counter-terrorism operations; (3) support for MINUSMA; (4) development assistance; and (5) aerial refuelling.

Targeted Sanctions

France was not content with the incorporation of the UN and used its position in the Security Council to seek to displace the Nigerian-led Multinational Joint Task Force (MNJTF) fighting Boko Haram in the Lake Chad region. The head of the Lake Chad Basin Commission (LCBC) as well as other officers accused France of supporting Boko Haram and extending the crisis in the Lake Chad region. According to Professor Jibrin Ibrahim of the Centre for Development and Democracy in Nigeria (CDD):

France has become very unpopular in the Sahel because of widespread belief that it was pretending to fight the jihadists in public while supporting them in secret. People are saying that with its vast array of drones, planes and satellite cover, how are convoys of hundreds of terrorists able to drive over hundreds of kilometres and attack soldiers without any warning from the French. (Ibrahim 2019)

In seeking to replace the MNJTF of the LCBC, in 2014 France proposed to the UN the creation of the G5 Sahel force to fight terror in the Sahel, comprised of five states of West Africa: Burkina Faso, Chad, Mali, Mauritania and Niger. This G5 joint military force was endorsed by the African Union and recognised by the UN Security Council (resolution 2359) on 21 June 2017. In June 2017 when France went to the Security Council of the United Nations to pitch this G5, there was heated debate in the United Nations Security Council and the United States opposed France setting up this G5. The US had opposed it on the grounds that the G5 was a duplication of MINUSMA. Unable to get support for the G5 initiative from the UN Peacekeeping operations, France turned to Saudi Arabia who provided €100 million. Though the US opposed support via the UN Security Council, the US ultimately contributed US\$ 60 million to French efforts. By this time the German government had decided to deploy support for MINUSMA. In the aftermath of the killing of the four US military personnel in Niger in October 2017, the US relented and supported the French call for the UN peace keeping operations to bankroll the force.

In 2017, the US AFRICOM had declared five lines of the future of the US;

1. Neutralize al-Shabab
2. Degrade violent extremism in the Mahgreb
3. Contain and degrade Boko Haram
4. Interdict illicit activity in the Gulf of Guinea and Central Africa with willing and capable African partners
5. Build peacekeeping, humanitarian assistance and disaster response capacity of African partners

By 2018, the US military decided that the volatile nature of the West African deployment, dissension within the ranks between black and white soldiers and with the Germans becoming more emboldened to oppose the US over Iran, the Trump administration started to pull troops out of West Africa and began to focus on great power competition. The Trump administration trumpeted the slogan ‘Make America Great Again’ and former Trade Administrator Rosa Whitaker opined that the US should make itself great again in Africa:

If President Donald Trump is to “Make America Great Again” he cannot afford to ignore Africa. It is in this region of over one billion people – the world’s second-fastest growing continent – that the rise of China and the relative decline in U.S. power is more stark than in any other. China surpassed the United States as Africa’s largest trading partner in 2009. Since then Britain and France have also passed America by. (Whitaker 2017)

The arrival of the Trump administration brought a more white nationalist and racist administration that vowed to humble China and to bring Africa firmly under the control of the US dollar. However, the contradictions of racism and jingoism ensured that the resistance to the Trump administration in the US was joined with the global resistance against the oppressive conditions of accumulation.

Imperial Rivalries in Africa

It is well known that capitalist competition leads to war. In the present fragility of capital, Africa has become the battle ground for great power competition. For the Trump administration the policy of the US is to wean African states away from trade and economic collaboration with China and this was explicitly stated to the government of Kenya when Uhuru Kenyatta visited the White House to negotiate a new Trade Deal in February 2020. Notwithstanding the visibility of the US cultural products in Africa, the reality has been that the actual trade in commodities between Africa and the US has been very thin and declining in the past five years since the US became the number one producer of petroleum products. (USITC, 2020) The Russian government, suffering under sanctions from the US, has intensified its military activities in Africa and in 2019 called the Russia Africa summit to deepen and strengthen its ties with African states. Notwithstanding the fact that white racism has now blossomed in Russia, select African leaders ignore the white supremacists ideas that now emanate from Russia.

This new battle over Africa has been most intense in Europe where the German government has decided to take over the push for European interests in Africa. The bankruptcy of France in the Sahel and the unpopularity of France in West Africa energised the German government to be more aggressive in Africa. After the vote by the British electorate to support the Conservatives to leave the European Union, the need for continued EU/Africa relations became more urgent and it was after the Brexit vote that France made the agreement with Alassane Dramane Ouattara of Ivory Coast to leave the West African CFA franc, but retain the link of the West African currency to the Euro. The leadership of Germany has dropped its reticence to oppose the US in Africa and signalled this new boldness by calling the Berlin Conference on Libya in January 2020.

The German government has made two clear strategic moves in its confrontation with the US in Africa. The first is for the wider EU to slowly take over from the French in managing the former French satellites in Africa. The delinking of the CFA is designed to bring African currencies

and natural resources (especially gold) under the control of the Euro. The second is to move to a closer alliance with Russia, especially after Turkey made the deal with the GNA in Libya for the sharing of gas production in the Mediterranean. There are, however, four areas of contention between the Germans and the US.

The first is over energy and the gas pipeline, the Nord Stream 2, to Germany from Russia. The US opposes this deal and want the Europeans/Germans to purchase more expensive natural gas from the US.

The second is the trade war and promised sanctions by the Trump administration against the German automobile industry. After the loud and inconclusive trade war against China, which was partially resolved in 2019, the US government has accused German automakers of unfair competition.

The third is the technology battle between the US and China with Huawei. The US is behind in 5G technology and has threatened the world not to collaborate with the Chinese technology giant, arguing that Huawei will provide a backdoor for Chinese intelligence. Notwithstanding this warning, German car companies such as Audi have entered into advanced collaboration with the Chinese. For African states, the use of Chinese technology threatens the planned control of African spectrums for electronic and information warfare.

The fourth contention is with the establishment of INSTEX – the special purpose vehicle that has been established so that Iranian products can bypass US sanctions. For the moment, INSTEX is for medicine and oil but countries such as China and Russia will likely turn to INSTEX as the currency war intensifies.

These four issues are all linked to the cutthroat war between the Euro and the dollar. As of early 2020, 65 per cent of reserves are held in the dollar and only 20 per cent in the Euro. One hidden component of this currency war is that all sides are hoarding gold and the region of West Africa has become important because of the massive gold fields that are now being worked from West Africa through to the Sudan.

Alternatives to US Militarism in Africa

In the midst of the US military planning for great power competition, the peoples of Africa have not been complacent. Despite the sluggishness of the AU and its support for French initiatives, the AU had declared its intention of silencing guns by 2020. The intent did not literally mean that all guns would be silent by 2020, but that trade and commercial relations between African states would take precedence of military relations. In the process, a

number of African states ratified the African Continental Free Trade Area (AfCFTA)⁶ agreement. These governments were finally seeking to catch up with the traders and ordinary citizens of Africa who believed in Africa for the Africans and did not adhere to the borders that prevented trade and kinship relations. The very same traders were forcing the issue of a common currency and in a region such as East Africa there are now advanced plans for the return of the East African currency by 2024 (*Citizen Tanzania*, 29 Jan 2020). This prospect requires political will in so far as prior to 1977 there had been a common currency and a common monetary policy in East Africa and the integration of East Africa was more advanced than what exists in the EU at present.

US and European strategists are focused on how to stabilise accumulation in Nigeria in favour of US or European capitalism. Nigeria, like most African countries, has been integrated into the security sector reform of the UK and the US but the incoherence of the Nigerian capitalist class ensured that there was segmentation in their relationship with private military contractors and that no particular sector of the security apparatus has a monopoly over providing electronics or weapons to the security services of Nigeria.

Racism compounds the alliance between sections of the Nigerian capitalist class and the US security establishment. This contradiction strengthens the forces inside Nigeria that historically supported the anti-apartheid struggles and refused to be drawn in as an ally of white supremacy. Former Nigerian President Murtala Mohammed had provided crucial leadership in 1975 when Henry Kissinger was pressuring Nigeria to oppose the frontline states that supported the freedom fighters in Angola. This experience demonstrated that the Nigerian political leadership could take positions that would be in the interest of pan-African solidarity. According to the constitution of Nigeria, the foreign policy of the state is guided by five key concepts:

- a. promotion and protection of the national interest;
- b. promotion of African integration and support for African unity;
- c. promotion of international co-operation for the consolidation of universal peace and mutual respect among all nations and elimination of discrimination in all its manifestations;
- d. respect for international law and treaty obligations as well as the seeking of settlement of international disputes by negotiation, mediation, conciliation, arbitration and adjudication; and
- e. promotion of a just world economic order.

Despite these clear objectives, thus far since the era of Murtala Mohammed, the political leadership has worked against the promotion of African

integration and support for African unity. Nonetheless, this leadership cannot escape the unforeseen consequences of the US currency wars with China. The Nigerian state has earned the wrath of the US financial class because the rulers have decided to place 10 per cent of their currency reserves in the Chinese currency, the RMB. As one component of great power competition, the US remains very nervous about currency swap arrangements between African states and China (Prasad 2016). Popular opposition forces are calling for uprisings while former military officials are now calling for 'People-centred Security Sector Reform'.

The other cogent feature of the US/Africa military relationship can be found in the historical relations between the states of southern Africa and the US military. Throughout the years of the anti-apartheid struggles, Tanzania had taken the lead within the Organisation of African Unity (OAU) liberation committee to give coherence to the military, diplomatic and political alliance that had emerged in the region. The current disinformation campaign that is carried out from Kenya and supported by AFRICOM's social science research platform is more difficult in the states that had fought against apartheid. Notwithstanding the fact that the US had spent US\$ 1 billion after the defeat of apartheid to harness the energies of the youth to join 'conflict management' fronts (Hearn 2000), it had been difficult to convince the peoples of the region of southern Africa that the principal impetus for US engagement with apartheid was to fight communism in Africa.

Sustainable peace and a transformation of the militarised institutions that have been established in Africa since the colonial era requires a break with the old US security policies. This author has joined in the forces of peace that are working to build a new pan-African peace infrastructure for Africans and peace-loving peoples all over the world. Such an infrastructure project must break with the pre-occupation with strategic minerals and energy that is based on the extraction of petroleum resources. Peace and transformation in Africa is inseparable from a break with environmental destruction in Africa. Just as how there is now an understanding in the US that the society needs an economic recovery programme that is based on the green collar economy, there is also an understanding in Africa that African economic transformation must be built around the provision of food, clothing, shelter and health care for its citizens. This also involves the fight against militarised global apartheid.

In the midst of World War I, Dubois had warned the peace movement of the relationship between racism, war and the plunder of African resources:

What, then, are we to do, who desire peace and the civilization of all men? Hitherto the peace movement has confined itself chiefly to figures about

the cost of war and platitudes on humanity. What do nations care about the cost of war, if by spending a few hundred millions in steel and gunpowder they can gain a thousand millions in diamonds and cocoa? How can love of humanity appeal as a motive to nations whose love of luxury is built on the inhuman exploitation of human beings, and who, especially in recent years, have been taught to regard these human beings as inhuman? I appealed to the last meeting of peace societies in St. Louis, saying, "Should you not discuss racial prejudice as a prime cause of war?" The secretary was sorry but was unwilling to introduce controversial matters! (Dubois n.d.:712)

The appeal of W.E.B Dubois to the peace movement in 1915 is just as urgent for the environmental justice and peace movement today and it is important to restate his basic claim:

We, then, who want peace, must remove the real causes of war. We have extended gradually our conception of democracy beyond our social class to all social classes in our nation; we have gone further and extended our democratic ideals not simply to all classes of our nation, but to those of other nations of our blood and lineage – to what we call "European" civilization. If we want real peace and lasting culture, however, we must go further. We must extend the democratic ideal to the yellow, brown, and black peoples. (Dubois n.d.:712)

After the struggles against apartheid, US foundations inundated Africa with programmes for governance, human rights and democracy, but the essence of these projects were to denude democracy of real content. In societies such as Kenya and Egypt, the US has worked tirelessly to support anti-democratic and militaristic elements. Humanitarian NGOs working under the banner of the Office of Transition Initiatives now serve the interests of US militarism.

The global peace movement is faced with two choices: deepening the quagmire or making a break with the logics of US military interventions and the European competition with the dollar. David Halberstam and *The New York Times* had identified the US quagmire in Vietnam as the drip-drip policies that pushed the US deeper and deeper into Vietnam until it was defeated. Arthur Schlesinger summed up the process of drip-drip decision-making in this way:

In retrospect, Vietnam is a triumph of the politics of inadvertence. We have achieved our present entanglement, not after due and deliberate consideration, but through a series of small decisions. It is not only idle, but unfair to seek out guilty men. Each step in the deepening of American commitment was reasonably regarded at the time as the last that would be necessary. Yet, in retrospect, each step led only to the next, until we find ourselves entrapped today in that nightmare of American strategists, a land war in Asia – a war which no president...desired or intended. (Schlesinger 1967:37)

This assessment of how the US became bogged down in Vietnam ignored the imperial role that the US had assigned itself in the context of maintaining the international capitalist system and the reality that the logic of the military management of the international system propelled the US into the quagmire of East Asia. Studies on the US quagmire also ignore the flourishing of the civil rights movement, the peace movement, the women's movement and the environmental justice movement in the wake of the war against the Vietnamese people. After all, it was Dr Martin Luther King Jr who, in his opposition to war and racism, called upon citizens to oppose war in order to escape spiritual death.

The salient lesson was that the US could only get out of the quagmire through the intense work of the peace movement and the black liberation movement. The peace movement was thus allied with the forces fighting for basic rights in the US and the anti-apartheid movement. This alliance between the peace movement and the black liberation movement was one of the highest points of the struggles for social justice and a new social system in the US. The current struggles by the environmental justice movements, affordable health care for all, the reparations movement and the peace movement provide another opportunity to rekindle the kind of grassroots alliance to oppose US militarism at home and abroad. The reparations movement is one front where the struggles can converge.

Conclusion: Reparations, Peace and Justice

It is on the question of reparative justice and the building of a strong union of the peoples of Africa where the progressive forces will begin to link the struggles for peace in Africa with the anti-racist forces of the Black Lives Matter movement. Through the Africa Command social science research projects and the new German financing of research in Africa, there has been a push to isolate African scholars from the global claims for reparations and peace. The coming to power of the Bolsonaro government in Brazil and the white supremacist ideas of Making America Great Again has placed more urgency in pan-African co-operation for peace. As a holding operation, the government of France has accepted that it committed crimes in the past and committed itself to returning all cultural artefacts to Africa. There was one caveat – these could not be returned because the African states do not have the infrastructure to maintain their own cultural heritage. The scourge of the COVID 19 pandemic and the visual images of hundreds of thousands of people dying because of the business model that placed profits before human health has galvanised the call for pan-African solidarity, indeed, global solidarity and cooperation.

The experience of the solidarity of Cuban doctors supporting health services in Africa, the Caribbean, Europe and elsewhere has exposed one window of international cooperation when the United States has sought to intensify sanctions against Cuba. The Caribbean islands have stood firm in opposing US sanctions and military threats against Venezuela and Cuba. The Caribbean Reparations Commission has approached the African Union to support Cuba and Venezuela, while advancing the educational work within the African descendant caucus of the UN African descendants' decade. Intellectual work on collective reparations and the pressures inside the US have brought about recognition of the centrality of African labour to the wealth of the US. This is now manifest in the 1619 project of *The New York Times*, which seeks to re-examine the legacy of slavery in the US. As one component of the intellectual energy behind the 1619 project, the editors of the NYT called on the US military to change the names of the US military installations that celebrate white supremacy. Thus far, sections of the old left who have diminished the role of racism in the evolution of capitalism have recoiled from linking reparative justice to peace and health.

However, the depth of the suffering and complete incompetence of the US political leadership has fully exposed the racist nature of the present ruling faction of US capitalism. The sustained pressures that brought about the 1619 initiative came from progressive intellectuals and these same energies have exposed the shibboleths of 'governance, democracy and human rights' with 'security sector reform' that supported the militarisation of Africa. It is the same kind of intellectual and political work that is needed to expose and oppose US militarism in Africa. This same energy by progressive journalists led to the clear editorial of the New York Times bemoaning, *Why Does the U.S. Military Celebrate White Supremacy? It is time to rename bases for American heroes – not racist traitors.*"

Racism in the US military led to racist US soldiers killing non-white soldiers in Mali and the US announcing a retreat from Africa. This military retreat is stillborn because the US is seeking to impose unequal trade agreements on the peoples of Africa, even while the results of the US AGOA has proven to be a failure. Despite this failure, the US government is seeking to mobilise Kenya into a special trading relation in order to break the possible momentum of the African Continental Free Trade area in a moment of capitalist depression. From South Africa where society fought against apartheid, the trade minister warned the US that materials such as ferrosilicon manganese (required for the production of steel) can only be procured from Georgia and South Africa.

The social movements for better quality of life in societies in Africa and the US have accumulated experiences since the fight against apartheid. Rebellions and uprisings have occurred from The Gambia to Burkina Faso and from Tunisia to Egypt. African women in particular are very clear that the direct violence of militarism feeds and reproduces structural gendered violence all over the African world. Hence, grassroots African women are at the forefront of the struggles against militarism. These women want peace, bodily integrity, universal and affordable health care, free movement and a common African currency. In 2018, the women of Algeria and Sudan have pointed the way. In Sudan, women took the leadership to fight against the government that was an ally of Saudi Arabia and ally of Israel. The Sudanese army under Bashir had been hired out to fight for Saudi Arabia and the UAE in Yemen. Alaa Salah, a 22-year-old activist and journalist, became an icon when she got on a motor car and called for people to fight for peace. Africans at home and abroad must inspire a new mind-set so that all of the differing social forces of the oppressed, agencies for peace and progressive academic institutions in the US can move to a new vision of relating to Africans as full human beings.

Notes

1. Scholars from varying ideological backgrounds such as Samir Amin (2004), Ali Mazrui (YEAR), Manning Marable (2009) and Lebohang Pheko (2015) have all written on global apartheid. See also Salih Booker and William Minter's (2001) definition: 'Global apartheid, stated briefly, is an international system of minority rule whose attributes include: differential access to basic human rights; wealth and power structured by race and place; structural racism, embedded in global economic processes, political institutions and cultural assumptions; and the international practice of double standards that assume inferior rights to be appropriate for certain "others," defined by location, origin, race or gender'.
2. Personal communication from the former Minister of Defense in Niger in N'guigmi, Diffa Region, May 2018.
3. In his 2015 article, Turse disclosed that there are dozens of US military installations in Africa, besides Camp Lemonnier in Djibouti. These numerous co-operative security locations (CSLs), forward operating locations (FOLs) and other outposts have been built by the US in Burkina Faso, Cameroon, the Central African Republic, Chad, Djibouti, Ethiopia, Gabon, Ghana, Kenya, Mali, Niger, Senegal, the Seychelles, Somalia, South Sudan and Uganda. According to the American journalist, the US military also had access to locations in Algeria, Botswana, Namibia, São Tomé and Príncipe, Sierra Leone, Tunisia, Zambia and other countries.
4. US sanctions were re-imposed in November 2018 on Iran's auto industry, as well as trade in gold and other metals. The sanctions also covered Iran's energy sector – the mainstay of its exports and government finances – along with shipping and insurance and central bank transactions.

5. A special purpose vehicle (SPV), also called a special purpose entity (SPE), is a subsidiary created by a parent company to isolate financial risk. Its legal status as a separate company makes its obligations secure even if the parent company goes bankrupt. Many US financial houses created these SPVs during the financial crisis in 2008. See Johnson and Kwak (2001) for an elaboration.
6. The AfCFTA, which was signed in 2018 and officially began on 30 May 2019, will remove tariffs on at least 90 per cent of the goods traded among member countries. This is expected to proliferate intra-African trade, which accounts roughly for 17 per cent of all the continent's exports. The UN Economic Commission for Africa (UNECA) has estimated that intra-African trade would likely increase by 52.3 per cent by 2020.

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Illicit Capital Flows and Money Laundering in Botswana: An Institutional Economic Analysis

Patricia K. Mogomotsi*, Goemeone E.J. Mogomotsi**
and Wame L. Hambira***

Abstract

Despite the success story of Botswana's economy, the country is among other southern African countries that are highly prone to money laundering and illicit financial flows. Botswana has been regarded as one of the global conduits for illicit economic activities. Approximately US\$ 1.1 billion and US\$ 1.2 billion illicit financial flows were recorded in 2004 and 2013 respectively. However, there is a dearth of literature on the illicit financial flows in Botswana that takes into account the peculiar institutions, transactions and markets in Botswana. This study therefore aims to contribute to the body of literature by using document analysis and an institutional approach to analyse illicit financial flows in Botswana. The results show that over the years, tremendous efforts have been made to respond to money laundering and related offences. However, some deficiencies still remain. It is essential for financial institutions to carry out remedial exercises in their customer due diligence data in order for them to have useful profiles for risk management purposes. Furthermore, inter-agency co-operation and co-ordination should be enhanced and promoted in order to combat illicit capital flows and money laundering.

Résumé

Malgré la réussite économique du Botswana, il compte parmi les pays d'Afrique australe très affectés par le blanchiment d'argent et les flux financiers illicites. Le Botswana a été considéré comme un conduit mondial des activités économiques illicites. Des flux financiers illicites d'environ 1,1 et 1,2 milliard de dollars américains ont respectivement été enregistrés en 2004

* Associate Professor (Natural Resources Economics), Okavango Research Institute, University of Botswana. Email: finkymadigele@gmail.com; pmadigele@ub.ac.bw

** Senior Research Fellow (Environmental Law & Policy), Okavango Research Institute, University of Botswana.

*** Senior Research Fellow (Climate Change Adaptation Economics), Okavango Research Institute, University of Botswana.

et 2013. Cependant, la littérature sur les flux financiers illicites au Botswana, qui prenne en compte les institutions, transactions et marchés singuliers au Botswana est rare. Cet article contribue donc à cette littérature en utilisant l'analyse de documents et une approche institutionnelle de l'étude des flux financiers au Botswana. Les résultats montrent qu'au fil des années, des efforts considérables ont été déployés pour lutter contre le blanchiment d'argent et les délits connexes. Cependant, certaines lacunes subsistent. Il est essentiel que les institutions financières procèdent à des exercices de correction dans leurs données-client afin d'avoir des profils utiles à leurs besoins de gestion des risques. En outre, la coopération et la coordination entre institutions devraient être renforcées et encouragées dans la lutte contre les flux de capitaux illicites et le blanchiment d'argent.

Introduction

It is estimated that Africa has lost over US\$ 1 trillion in illicit financial flows since just over half a century ago (Kar and Leblanc 2013). According to the High Level Panel on Illicit Financial Flows (HLP) report (2016), the estimated amount of money lost by the continent due to illicit financial flows is over US\$ 50 billion annually. However, it is argued that the estimates fall way below the real amounts because they do not include such forms of illicit financial flows as bribery and trafficking (HLP 2016). The opportunity costs of illicit financial flows include economic growth and improved well-being for the citizenry.

Africa has high levels of poverty in both absolute and relative terms. According to the United Nations (UN 2013), the number of people living below the poverty datum line is estimated to have increased by a staggering 43 per cent between 1990 and 2010. The estimated amount of money lost by Africa to illicit financial flows between 1970 and 2008 is almost equal to all of the official development assistance received by the continent within the same period (OECD 2012). The substantial illicit financial flows in Africa are largely attributed to global shadow financial systems that include, though are not limited to, disguised corporations, trade mispricing, tax havens and money laundering (Salomon and Spanjers 2017). Risks likely to be experienced by shadow banks, such as large and unexpected sales of assets that may have a direct effect on financial assets prices, may be transmitted to the traditional banking system, leading to instability in the financial system (FSB 2012; Madigele 2014). Highly unregulated shadow banks can be easily used as a gateway to avoid supervision designed for regular banks. This sets a potential risk for the financial system if left unchecked (Madigele 2014). Essentially, institutions can propagate illegal economic activities.

Institutional deficiencies and weaknesses impede the adequate enforcement of illicit financial flows strategies and laws. Thoumi and Anzola (2012) show how institutions, formal and informal, can shape extralegal economies that are immune to conventional mechanisms for combating illegal economic activities. However, there is a dearth of academic research analysing the role of institutions in combating or promoting illicit financial flows. There is a need, therefore, to understand the institutions and institutional arrangements that shape and/or govern economic activity.

Background and Theoretical Framework

Economic theorists and other scholars of various disciplines have, over the years, given increasing attention not only to understanding the position of institutions in the economic systems' web, but also to developing paradigms necessary for evaluating problems of resource mismanagement, misallocation and scarcity from an institutional perspective (see, for example, works by: Drobak and Nye 1997; Saleth and Dinar 2004; Rossiaud and Locatelli 2010). This interest has been encouraged by, among other factors, the fact that economists have come to appreciate that the discipline does not fully define and describe how various factors relate to one another in a complex interconnected system. Hence, it has failed to satisfy the effectiveness in policy implementation (Furubotn and Richter 1991; Saleth and Dinar 2004; Evensky 2004).

This argument finds support in Matthews' (1986:903) work, wherein Marshall was quoted as follows, 'The chief fault in English economists at the beginning of the [nineteenth] century was... that they did not see how liable to change are the habits and institutions of industry'. In his article titled 'The new institutional economics: taking stock, looking ahead', Williamson made the following reflection:

I open my discussion of the new institutional economics with a confession, an assertion, and a recommendation. The confession is that we are still very ignorant about institutions. The assertion is that the past quarter century has witnessed enormous progress in the study of institutions. The recommendation is that, awaiting a unified theory, we should be accepting of pluralism. (Williamson 2000:595)

A wide variety of literature has since emerged, with its primary interest being establishing how factors such as property rights, community participation and transaction costs affect economic development, human behaviour and incentives in any given economy (Furubotn and Richter 1991; Macher and Richman 2006). The literature has found the influence of institutional economics in other fields of economics such as environmental, natural resource, ecological and financial economics to be more apparent over the years.

It has been observed that institutional economics has become one of the most interesting and liveliest areas in economics (Matthews 1986; Chang 2010), and this is because this field of economics has turned on two propositions: first, 'institutions do matter'; and second, 'the determinants of institutions are susceptible to analysis by the tools of economic theory' (Matthews 1986:903). Institutional economics seeks to demonstrate how institutions influence public choice and human behaviour. According to North (2003:1), 'institutions are incentive systems that structure human interaction'.

Institutional economics is hence the field of economics that uses a wide range of literature from other fields of study such as law, sociology, ecology, socio-biology and many others in an effort to establish the role played by institutions in defining the direction of economic development and behaviour (Brousseau and Glachant 2008). This field of economics seeks to demonstrate how formal and informal institutions such as contracts, property rights, firms and other social arrangements may lead to positive economic growth and a reduction in transaction costs (Williamson 1998).

There is much interesting scholarly literature about the 'old' and 'new' institutional economics (Rutherford 1994 and 1995; Nee 2003; Rossiaud and Locatelli 2010). The point of intersection of these two approaches is that they both relax some of the assumptions adopted in neo-classical economics analysis. Some of the proposed assumptions used in the neo-classical economics approach are the availability of perfect information for all economic agents, zero transaction costs, rationality in human behaviour and markets being viewed as the only mechanism of allocation, and hence ignoring the role of institutions in the economic system (van de Poel et al. 2005).

New institutional economists argue that factors such as the opportunistic behaviour of agents, transaction costs that are greater than zero, information asymmetry and property rights should be infused into the economic analysis as they could affect the conclusions of the study (Rossiaud and Locatelli 2010). These economists view institutions as key structures necessary for moulding the behaviour of economic agents in the real world of imperfect information (Ferrari-Filho and Conceição 2005).

The main emphasis of the new institutional economics is to illustrate the role played by transaction costs and information in influencing human and economic behaviour (Williamson 1998). The core distinction between the 'Old Institutional Economics' (OIE) and the 'New Institutional Economics' (NIE) is that the old fails to embrace the concept of self-interest, thereby earning itself a label of 'anti-theoretical' (Castle 1999:297). Rationality and the self-interest hypothesis from the neo-classical economics framework

are applied in the public choice field as well as in NIE, while the OIE tends to reject the majority of the propositions of neo-classical economics including that of rational economic actors (Castle 1999; North 1990, 1991; Rutherford 1995, 2001).

Rutherford (1995, 2001) argues that while OIE abandoned the assumption of unbounded rationality of economic actors, NIE scholars, on the other hand, instead extended and modified the assumption. This shortcoming ultimately led to the failure of OIE in its bid to shape the direction of modern economics (Nee 2003). According to Coase (1984:230), OIE produced a 'mass of descriptive material waiting for a theory, or a fire.' In line with this argument, Williamson quotes Kenneth Arrow as follows:

Why did the older institutionalist school fail so miserably, though it contained such able analysts as Thorstein Veblen, J. R. Commons, and W. C. Mitchell? I now think that... [one of the answers is in the] important specific analyses... of the New Institutional Economics movement. But it does not consist of giving new answers to the traditional questions of economics-resource allocation and the degree of utilization. Rather, it consists of answering new questions, why economic institutions emerged the way they did and not otherwise; it merges into economic history, but brings sharper [micro-analytic]... reasoning to bear than had been customary. (Williamson 2000:596)

Figure 1 below shows a causal model hypothesised by NIE adapted from Williamson (1995:213) and Nee (2003:4). According to the model, the main drivers of the institutional environment are the rules of the game (North 1991; Williamson 1995; Nee 2003). 'Institutional environment' in Figure 1 refers to a set of core principles that govern the production, exchange and distribution processes in the economy (Davis and North 1971; Williamson 1995). The shift parameters of the institutional environment include conventions, contract laws, property rights, norms and customs (Williamson 1995; Nee 2003; Menard and Saleth 2011).

Changes in governance structures are prompted by changes in parameters of the institutional environment, represented by the downward arrow in Figure 1. These changes are a result of the interaction processes of a number of factors that are both exogenous and endogenous to, for example, the financial sector. For instance, if there are changes in social norms, legal directives and property rights, relative prices for firms will change and this will likely lead to changes in the governance structures of the firms (Nee 2003; Menard and Saleth 2011). In summary, 'the model includes a purposive actor whose behavioural attributes' – self-interest seeking with guile – 'lie behind many of the transaction costs governance structures are designed to address' (Nee 2003:5).

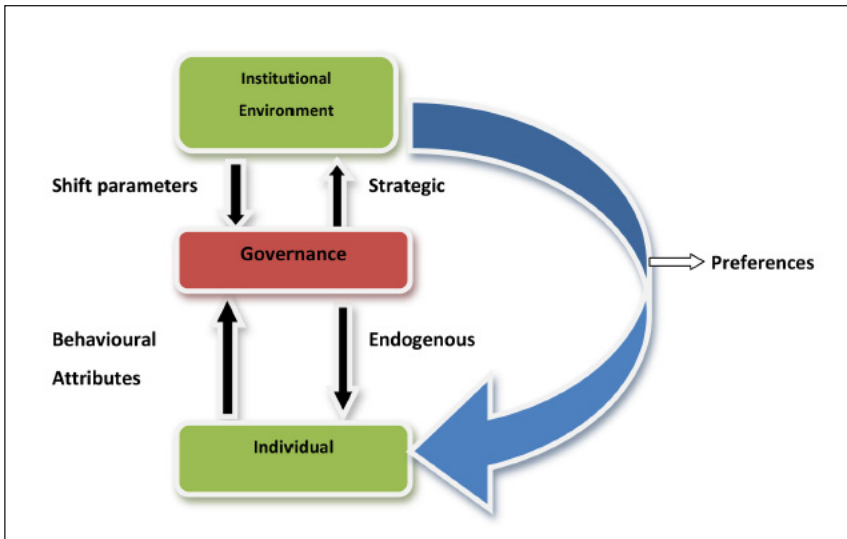


Figure 1: A causal model hypothesised by the new institutional economics
Source: Williamson 1995; Nee 2003

In the absence of effective institutions, the illicit financial flows and other forms of illegal economic activity are likely to be propagated, leading to undesirable outcomes such as negative economic growth, heightened criminal activities and poverty.

Problem Statement

In Africa, as in other continents, the illicit flow of financial resources contributes to the reduced levels of resources available to finance and promote African countries' development goals. Estimates have shown that without illicit financial flows from Africa, the continent's GDP would have been at least 16 per cent higher (UNECA 2013). The illicit flow of financial resources in resource-rich countries in Africa reduces revenues and other fiscal benefits from the mining sector (UNECA 2015). Several case studies in Africa indicate that the natural resource sector is prone to illicit financial flows (see generally UNECA 2015; HLP 2016). This is in part due to the high degree of discretionary power and political influence inherent in countries reliant on extractive industries export earnings (HLP 2016).

Prior to the discovery of diamonds and other minerals in Botswana, the country was one of the poorest countries in the world (Taylor 2006). Subsequent to the discovery of minerals, Botswana's economy made significant and remarkable growth to an 'upper-middle- income country'

(Martin 2008). Botswana's economy is heavily dependent on the exploitation of minerals and the use of revenues derived from mineral production for investment in economic and social infrastructure. The country is the world's largest producer of gem diamonds.

Despite the success story of Botswana's economy, the country is among southern African countries that are highly prone to illicit financial flows (Kar and Spanjers 2017). Botswana has been regarded as one of the global conduits for illicit economic activities. About US\$ 1.1 billion and US\$ 1.2 billion illicit financial flows were recorded in 2004 and 2013 respectively (Kar and Spanjers 2017). According to a report prepared by Kar and Spanjers (2017), the illicit financial inflows in Botswana are primarily due to organised syndicates that produce goods and service and/or attract both legally and illegally from the country. Furthermore, trade misinvoicing outflows are prevalent in Botswana, with over US\$ 12.3 billion cumulatively recorded in 2003 and 2013 (Kar and Spanjers 2017). The catalyst factors for illicit financial flows in Botswana include weak enforcement institutions, corruption and existence of tax havens (Kar and Spanjers 2017).

Despite the alarming statistics, there is a dearth of academic research on the illegal financial flows in Botswana that takes into account the peculiar institutions, transactions and markets in Botswana. Therefore, this study aims to contribute to the body of literature through an institutional approach to analysing illicit financial flows in Botswana. The specific objectives of this study are to: analyse the influence of institutions in combating illegal economic activities in Botswana; evaluate the role played by institutions in propagating illegal economic activities in Botswana; and determine challenges faced by institutions in combating illegal economic activities in Botswana.

Methods

A narrative approach using literature and document analysis was used to provide an insight into the institutional arrangements and structures shaping the flow of financial resources in Botswana's economy. Available literature sources were systematically identified in electronic databases such as Google Scholar, EBSCO Discovery Service and African Journal Index using keywords such as financial institutions, money laundering, illicit financial flows, illegal financial flows, and financial integrity institutions among others. The systematic reviewing technique entailed employing a rigorous and transparent approach to the identification, quality appraisal and synthesis of studies (Best, Manktelow and Taylor 2014). According to MacDonald (2003:3), a systematic review is 'designed to provide a reliable picture of "current best evidence" relevant to a particular question'.

In addition to the systematic review technique, this study also relied on a purposive selection of documents for review and analysis. The documents included such institutions as Botswana's Corruption and Economic Crimes Act, Proceeds of Serious Crimes Act and Financial Intelligence (Amendment) Act among others.

Results and Discussions

The Formal Regulatory Framework for Combating Illegal Economic Activities in Botswana

Botswana is one of the countries that responded late to the criminalisation of illicit financial flows and other illegal economic activities, notwithstanding its flourishing economy and growing financial industry since the 1980s. Nonetheless, the country has criminalised illicit financial flows and other financial crimes in various pieces of legislation. These legislative enactments empower various regulatory bodies and law enforcement agencies to combat illegal economic activities.

The origin of the criminalisation of illicit financial flows and other illegal economic activities in Botswana is traceable to the promulgation of the Corruption and Economic Crimes Act (CECA) in 1994. The CECA played a key role in the anti-money money laundering institutional framework for quite some time. Section 3 of CECA establishes the Directorate on Corruption and Economic Crimes (DCEC) with a mandate to investigate any alleged or suspected contravention of any of the provisions of the fiscal and revenue laws of the country (Republic of Botswana 1994). It is interesting to note that none of the forty-six sections of the CECA makes any specific reference to the offence of money laundering. It appears that the legislature has not made much thought of the ultimate act of money laundering as a necessity to clean the proceeds of corruptions. Furthermore, the CECA was not promulgated as a domestication of the United Nations Convention Against Corruption (UNCAC).

Botswana acceded to the UNCAC on 27 June 2011. The UNCAC was adopted ten years after the passing of CECA. This has resulted in a legislative gap between the two. The said lacuna is a compelling basis for the amendment of the CECA to make a clear link between corruption and illicit financial flows such as money laundering. It is thus recommended that the legislature should embark on reviewing and amending this important piece of legislation. This is important in ensuring that Botswana continues being viewed as one of the least corrupt countries in Africa and to prepare the country to efficiently deal with new threats, specifically the money laundering risk.

The mandate to investigate suspected illicit financial flows and money laundering activities was specifically given to DCEC in 2000 through the amendment of the Proceeds of Serious Crimes Act (POSCA). Following the amendment of POSCA, a specialised unit within DCEC called the Financial Intelligence Unit (FIU) was established. The Unit was tasked with the responsibility to receive Suspicious Transaction Reports (STRs) and Cash Transaction Reports (CTRs) and to consider, investigate and prepare dockets to the Directorate of Public Prosecution if they were of the view that a *prima facie* case of illicit financial flows exists (Republic of Botswana 2007). It was observed that the DCEC was incapacitated to execute the functions of an FIU envisaged by Financial Action Task Force (FATF) (Republic of Botswana 2007).

The role of the DCEC as an FIU fell away following the enactment of the Financial Intelligence Act, which established a dedicated FIU known as the Financial Intelligence Agency (FIA) (Republic of Botswana 2009). Although the DCEC has been relieved of the duties to act as an FIU, it cannot be totally divorced from playing a role in the combating money laundering in Botswana.

In addition to the aforementioned institutions, Banking (Anti-Money Laundering) Regulations as subsidiary legislation to the Banking Act were enacted in 2003. These regulations were intended to operationalise Section 14 of the now repealed POSCA. Following that, the Financial Intelligence Act (FI Act) was enacted and passed in 2009. The purpose of the FI Act is to establish a National Coordinating Committee on Financial Intelligence. This institution also intends to provide a framework for the reporting of suspicious transactions. It also introduces a concept of mutual assistance with respect to other FIUs pertaining to financial information and related issues. Most importantly, the long title of the FI Act states that it establishes the Financial Intelligence Agency (FIA). The FIA is mandated to transmit to the supervisory authorities, investigatory authorities or comparable bodies related information relating to suspicious transactions, any financial information required to counter financial crimes, and such information concerning the financing of terrorism (Republic of Botswana 2009). In order to fulfil the functions detailed in Section 4(1), the FIA shall collect, process, analyse and interpret all the information before it obtained in terms of the FI Act from specified parties obliged to submit information (Republic of Botswana 2009). The legislation establishing FIA provides for a two-way flow of information between it and the specified parties.

Most of the legislative enactments referred to above were passed following the first in-country mutual evaluation, which was conducted by the Eastern

and Southern African Anti-Money Laundering Group (ESAAMLG) in 2007. The 2007 report, which was produced out of this process, concluded that the Botswana criminalisation of such illegal economic activities as money laundering in Botswana was generally in line with international standards and its material elements are consistent with the Vienna and Palermo Conventions. Critically, it was concluded that there was no effective implementation and systematic enforcement of the POSCA and several predicate offences were not covered under Botswana law.

In enacting the now repealed POSCA, the parliament of Botswana recognised the extra-territorial nature of illicit financial flows and money laundering, and consciously defined them as such. This was quite necessary to comply with the principle confirmed in the case of *State v Jacobs* (Republic of Botswana 1974). In *casu*, the accused was charged with the offence of rape, which was instigated in Botswana but during the assault the accused had chased the complainant through the border fence into South Africa where he had sexual intercourse without the complainant's consent. Upon hearing an appeal from the magistrate court, the High Court held that in order for the courts to exercise jurisdiction over the criminal offence committed outside Botswana, Parliament should confer such jurisdiction in clear and express terms.

The penalties for engaging in money laundering and related economic crimes in terms of the repealed law were imprisonment *not* exceeding three years or to a fine or both. If an offender is a corporate entity or business association, those holding positions of director, manager or partner of such entity became criminally liable for a fine (Republic of Botswana 2007). These sanctions were quite inconsequential by any standards for white-collar crimes that provide more incentives to engage on. It is important for legislators to ensure that the laws passed with the intention of combating organised crimes have hefty and deterrent sanctions that take out profits from crime.

The criminalisation of illegal economic activities such as money laundering in this statute was couched in similar language with that used in the Zambian Prohibition and Prevention of Money Laundering Act No.14 of 2001. The similarities existed in the sense that the two statutes recognised and created different categories of economic crimes. In the case of the Zambian statute referred to above, five offences are created, the first one being the actual money laundering as defined under section 2 of the Prohibition and Prevention of Money Laundering Act (Okogbule 2000). That offence is the same one that was provided for under section 14(2) of POSCA. The second category of the money laundering offence created under the repealed statute is the conspiracy

to commit, conceal or abet the commission of money laundering, or dispose, covert or transfer proceeds of crime.

As stated above, the main criticism made against POSCA was its non-detering sanctions for the commission of the organised and specialised crime of money laundering. The financial sanctions available for those convicted of committing money laundering offence were low by all standards. This rendered the legislation ineffective and had the potential to incentivise those involved in money laundering to consider Botswana as a safe haven.

Some Challenges faced by Institutions in Combating Illegal Economic Activities in Botswana

One of the main weaknesses of the institutional framework for combating illicit financial flows and money laundering in Botswana as at the time of carrying the first in-country assessment and the release of the Mutual Evaluation Report in 2007 was the lack of co-ordination between different agencies and institutions with anti-money laundering responsibilities. In practice, the duties of monitoring and investigating suspected illicit financial flows and related offences was shared between the DCEC with various investigative agencies such as the Botswana Police Service, Botswana Unified Revenue Service (BURS) with little or no inter-agency co-ordination.

Inter-agency co-operation and co-ordination is an important element in the combating of money laundering and many other organised crimes. It allows for the effective leveraging of human and technical resources across agencies. Further, it allows for specialisation or division of technical expertise by agencies which naturally allows each one of them to excel in their narrow area of operational focus. It is important to note that inter-agency rivalry or competition in law enforcement is not necessary as it inhibits the attaining of the bigger goal of fighting crime.

The ESAAMLG, in its Botswana's Mutual Evaluation Report, recognised that section 10(2) of the FI Act required specified parties to carry customer accounts remediation in respect of those accounts established before the enactment of the FI Act and further prohibits any transactions within such business relationships unless verification has taken place. However, it was further observed that there was no statutory provision to conduct the remediation process on the basis of materiality and risk and that there are for adequate customer due diligence requirements (ESAAMLG 2007). Thus, it was concluded by ESAAMLG (2007) that Criterion 10.17 of the FATF Mutual Evaluation Methodology has not been met by Botswana because the legislative framework does not require financial institutions to apply

enhanced due diligence where money laundering and terrorist financing are higher.

As a direct response to the above concerns and weaknesses of the formal institutions discussed, an amendment to section 9 has been introduced to provide for framework pertaining to the conducting of the ongoing due diligence with respect to existing business relationships which are subject to know-your-customer (KYC) requirements. These relate to the maintaining of current information through a review of accounts and maintaining of records relating to the customer and beneficial owners concerned particularly for high-risk categories of customers. Further, the Financial Intelligence (Amendment) Act of 2018 has introduced the monitoring and reporting of complex and unusual transactions including an unusual pattern of transactions. These transactions can be identified for having no apparent economic or visible purpose and business relations and transactions, including legal persons and arrangements, from or in non-complaint or insufficiently complaint jurisdictions.

Conclusions and Recommendations

The general rationale behind domestic institutions for combating illicit financial flows in every jurisdiction is to make the country compliant with the international standards and to provide an effective framework of combating illegal economic activities. Because illegal economic activities are an ever-moving target, there have to be regular legislative amendments in order for the laws to be relevant. It is also necessary to create working inter-agency co-ordination and sharing of intelligence.

Illicit financial flows have a negative impact on the continent's aspirations for structural transformation because they discourage value creation. This contributes to economic problems such as unemployment, poverty and economic inequalities experienced by various countries within Africa. In addition to development consequences, illicit financial flows contribute to governance consequences. The illegal economic activities thrive from and contribute to constrained institutions. The success of combating the illegal economic activities is arguably dependent on a clearer understanding of regulatory formal financial institutions as well as the informal institutions shaping and/or promoting illicit financial flows. This study, therefore, contributes to a deeper and better understanding of the economic consequences of distorted and fragmented financial institutions.

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Le rôle de la fiscalité dans le financement du développement en Afrique

Fatou Niang*

Résumé

L'Afrique est dotée d'une capacité de mobilisation des ressources publiques qui ne suffit pas à lui permettre de contribuer à sa politique de développement. Après plusieurs décennies de souverainetés internationales (de 1960 à 2020), les pays africains restent encore tributaires de l'aide extérieure. Cependant, on observe que les recettes fiscales peuvent jouer un rôle important dans la mobilisation des ressources nationales, car elles donnent aux États les moyens financiers nécessaires à l'investissement dans le développement. La nécessité de mobiliser des ressources pour couvrir le financement des infrastructures, la couverture sociale, les soins de santé et l'éducation se fait de plus en plus sentir. Dans cette perspective, le présent article démontre la relation étroite entre la fiscalité et le développement et propose les meilleures solutions pour soustraire les pays africains à l'aide extérieure; il s'agit de les doter d'une fiscalité efficace, adaptée et utile.

Abstract

Africa is endowed with a capacity to mobilise public resources and contribute to its own development policy. After decades of international sovereignty (1960–2020), African countries are still dependent on foreign aid. However, we observe that tax revenues can play an important role in the mobilisation of national resources, because they provide States with the means to invest in development. There is an urgent need to mobilise resources to cover the financing of infrastructure, social security, health care and education. In this perspective, this article demonstrates the close relationship between taxation and development, and suggests solutions for freeing African countries from the grip of external aid; it is a matter of providing them with effective, adapted and useful taxation schemes.

* Juriste fiscaliste freelance, spécialisée en fiscalité internationale, droit des affaires internationales (OHADA), gouvernance et développement en Afrique.
Email : niangfatou7@yahoo.fr

Introduction

L'impôt est un instrument de politique économique. Il permet aux États de disposer des ressources nécessaires à leur action et de modifier, de façon indirecte, les structures économiques. La fiscalité est le poumon du développement.

Dans la plupart des pays africains, les recettes fiscales représentent une source indispensable pour le financement du développement. Le renforcement de ces recettes dans des pays comme les nôtres peut constituer la clé de voûte du financement du développement.

Il est temps que l'Afrique prenne son destin en main. La mobilisation des ressources nationales va permettre à nos gouvernants de limiter leur dépendance vis-à-vis de l'aide extérieure.

Plusieurs débats et conférences ont été menés par les organisations internationales, les bailleurs de fonds, les gouvernants, la société civile en vue de promouvoir le développement durable par la fiscalité. Le Fonds monétaire international apporte depuis longtemps un soutien primordial aux efforts que déploient les pays en développement pour mieux mobiliser leurs recettes. Selon le Fonds monétaire international, une meilleure mobilisation des recettes est importante, notamment parce que de nombreux pays en développement ont nettement besoin de recettes supplémentaires.

Au regard des objectifs du millénaire pour le développement, les gouvernements du monde entier admettent que la mobilisation des revenus est également importante pour éradiquer la pauvreté. Les questions de fiscalité se rapportent directement au huitième objectif du millénaire pour le développement, à savoir la mise en place d'un partenariat mondial pour le développement. Les objectifs du millénaire pour le développement sont huit objectifs adoptés en 2000 à New York par 193 États membres de l'ONU, et au moins 23 organisations internationales, qui ont convenu de les atteindre en 2015. Pour leur succéder, l'ONU a travaillé avec les gouvernements, la société civile et les différents partenaires pour exploiter la dynamique dégagée par les objectifs du millénaire pour le développement et élaborer un programme ambitieux pour l'après-2015 qui est de transformer notre monde : le Programme de développement durable à l'horizon 2030. Il s'articule autour de 17 objectifs mondiaux pour le développement durable.

Les questions de fiscalité sont citées au dix-septième objectif : renforcer les moyens de mettre en œuvre le Partenariat mondial pour le développement durable et le revitaliser. Pour les Nations unies, cet objectif doit s'articuler sur certains axes que sont la finance, le renforcement des capacités, etc. En termes de finances, il s'agit d'améliorer les capacités de mobilisation des ressources nationales des pays en développement (par les collectes d'impôts).

Une autre conférence internationale tenue en 2002 «le consensus de Monterrey» sur le financement du développement a reconnu le rôle essentiel de la fiscalité dans la mobilisation des ressources nationales.

Cette conférence onusienne sur le financement du développement a mis l'accent sur les questions de fiscalité et de gouvernance. Les acteurs, à cette conférence, ont soulevé deux éléments importants pour le financement du développement :

- l'augmentation de la mobilisation des recettes fiscales domestiques ;
- la réforme des systèmes fiscaux.

La corrélation entre fiscalité et développement a toujours été une question d'actualité dans les relations Nord-Sud et pour les bailleurs de fonds, tels que les institutions financières internationales. La mobilisation des ressources nationales permettra à nos pays de réduire leurs dettes étrangères, de financer leurs besoins infrastructurels aux niveaux matériel et social et de répondre aux besoins de la population.

La fiscalité est également liée à la bonne gouvernance financière, car un système fiscal équitable et efficace permettra un rapprochement entre l'État et les citoyens.

Malgré l'essor considérable de la fiscalité sur le développement, il demeure des problèmes spécifiques au système fiscal africain qui peuvent ralentir son développement.

L'objectif de cet article consiste à apporter des éclaircissements sur l'importance de la fiscalité comme levier de financement du développement.

Cet article offre un certain nombre de réflexions et suggère des pistes à approfondir par nos gouvernants pour adopter une meilleure stratégie de politique fiscale en diminuant fortement ou en mettant à zéro à long terme les flux financiers d'aide publique au développement.

Ces flux d'aide publique au développement influencent les politiques budgétaires des pays bénéficiaires. Cette dépendance vis-à-vis de l'aide étrangère conduit à un autoritarisme face à ces donateurs.

L'article se compose comme suit :

La première partie explique dans quelle mesure la fiscalité peut contribuer au financement du développement.

La deuxième partie décrit les problèmes propres au système fiscal africain.

La troisième partie suggère des perspectives pour une meilleure fiscalité au service du développement durable.

Dans quelle mesure la fiscalité peut-elle jouer un rôle dans le financement du développement ?

L'impôt est une prestation pécuniaire requise des particuliers par voie d'autorité, à titre définitif et sans contrepartie, en vue de la couverture des charges. À partir de cette définition, l'on peut dire que l'impôt a un double rôle : rôle de collecte des ressources financières pour la puissance publique et rôle d'instrument de politique économique.

Les finances publiques sont instables dans la plupart des pays africains. Nos pays ont tendance à recourir plus à l'appel à l'épargne extérieure englobant prêts publics, prêts privés, dons, etc. Pour réduire cette dépendance vis-à-vis des tiers, nos gouvernants pourraient renforcer leurs ressources nationales pour assurer un développement durable.

La fiscalité joue un rôle essentiel dans les programmes d'action actuels pour le développement. Elle permet d'intervenir dans plusieurs domaines qui sont déterminants en termes de développement, tels que la mise en place d'infrastructures, la couverture sociale, l'éducation et les soins de santé.

Les recettes fiscales suffisantes permettraient de renforcer la représentation politique des États africains. Lorsque les gouvernants dépendent davantage de leur épargne intérieure qui est l'impôt, leur responsabilité vis-à-vis des citoyens concernant l'utilisation des fonds publics est renforcée. Cette transparence entre gouvernants et citoyens est encouragée par la politique de bonne gouvernance financière. Cela s'explique par l'obligation de rendre compte aux citoyens. Cette transparence doit se manifester dans toutes les étapes du cycle budgétaire et la possibilité de prendre part au processus budgétaire peut être la composante fondamentale de la bonne gouvernance financière. Le public doit être pleinement informé de l'activité financière passée, présente et prévue de l'administration publique. Cette dernière doit s'engager à diffuser en temps voulu des informations sur les finances publiques.

La fiscalité est imbriquée dans le domaine de formalisation des activités économiques à la simulation de la croissance, via la promotion des petites et moyennes entreprises et des activités d'exportation et d'importation. En menant une bonne stratégie de politique fiscale, nos décideurs politiques peuvent promouvoir la croissance économique et l'investissement.

Le renforcement des taxes permettra à l'Afrique de mieux définir sa politique budgétaire.

La mobilisation de recettes intérieures adéquates, transparentes et durables permettra une autosuffisance et un meilleur assainissement des finances publiques. Cette autonomie financière favoriserait la stabilité du budget du gouvernement, étant donné que les recettes fiscales sont moins incertaines et imprévisibles que l'apport d'aide.

Lors de l'ouverture de la Conférence internationale sur la fiscalité, la consolidation et le renforcement des capacités des états africains à Pretoria le 28 août 2008, l'ancien président du groupe de la Banque africaine de développement (BAD), M. Donald Kaberuka, a déclaré que l'indépendance fiscale est un pilier du développement de l'Afrique. Les acteurs de cette conférence ont mis l'accent sur l'importance de la fiscalité pour financer le développement.

La fiscalité peut jouer un rôle inédit dans les États africains de la zone franc, comme levier sur lequel ils peuvent s'appuyer pour impulser leurs projets d'émergence économique.

La fiscalité peut être un stimulant de l'indice de développement humain en permettant aux États de mobiliser des ressources pour investir dans la santé, l'éducation, le logement, la protection sociale, la fourniture d'eau et d'électricité ou les infrastructures de transport.

Le développement ne peut être durable que dans la mesure où il est axé sur l'être humain. Autrement dit, les pouvoirs publics prélèvent une partie des revenus primaires par le biais des impôts qui assurent en retour la sécurité individuelle, la sécurité nationale, la mise en place d'infrastructures matérielles et de services sociaux. L'indice de développement humain (IDH) est une mesure composite de la santé, de l'éducation et du revenu pour évaluer le niveau de développement humain des pays du monde. L'IDH se fonde sur trois critères majeurs : l'espérance de vie à la naissance, le niveau d'éducation et le niveau de vie (le produit intérieur brut par habitant). Ces trois indices, qui sont un moteur de développement, peuvent être financés par la mobilisation des recettes fiscales d'un pays. En d'autres termes, lutter contre la pauvreté, améliorer les conditions de vie des populations et offrir des services de santé exigent des ressources financières suffisantes et stables. À cet effet, il est risqué de compter uniquement sur l'aide publique au développement. La mobilisation des recettes intérieures est apparue aujourd'hui comme un passage obligé pour financer de manière plus régulière et soutenue les dépenses publiques destinées à la fourniture des services essentiels et à la réduction de la pauvreté. Les recettes fiscales constituent une importante source de financement, car les gouvernements peuvent subventionner l'accès aux soins de santé pour tous et à l'éducation.

En règle générale, dans les comparaisons inter-pays, on remarque que les pays au revenu moyen plus élevé bénéficient également d'une espérance de vie plus longue, d'un niveau de vie et de taux de scolarisation supérieurs et que, par conséquent, ils ont un indicateur de développement humain plus élevé que des pays comme les nôtres. Plus un pays est riche par ses ressources nationales, plus l'État joue un rôle important dans ce pays.

Le rapport sur le développement humain 2019 a démontré les inégalités de développement humain au XXI^e siècle. Le rapport avance que la fiscalité ne peut pas être considérée isolément, qu'elle doit faire partie d'un système de politiques englobant les dépenses publiques en santé, en éducation. La fiscalité joue un rôle important dans la mesure où les politiques visant à renforcer les dépenses publiques en matière de santé, d'éducation et d'énergie verte doivent elles aussi s'appuyer sur une fiscalité équitable.

La fiscalité intègre les citoyens dans l'économie formelle en leur permettant de bénéficier des prestations offertes par l'État ou le secteur privé telles que les assurances pension et les cotisations sociales qui couvrent le droit aux soins de santé. Ces protections sociales pour les salariés sont accompagnées par des avantages fiscaux tels que des déductions ou réductions d'impôts.

Malgré le rôle important que peut jouer la fiscalité dans le financement du développement, il existe toujours en Afrique des problèmes fiscaux spécifiques, qu'il faudrait éradiquer par une meilleure réforme fiscale.

Les problèmes propres au système fiscal africain

Les problèmes fiscaux sont généralisés dans le monde entier. La plupart de nos pays font face à de nombreux problèmes fiscaux communs. Ces problèmes concernent, entre autres, les points suivants :

- des recettes fiscales insuffisantes pour couvrir le budget de l'État ;
- une administration fiscale inefficente ;
- le secteur informel : une économie souterraine défiscalisée ;
- la fraude fiscale et l'évasion fiscale ;
- l'incivisme fiscal.

Des recettes fiscales insuffisantes pour couvrir le budget de l'État

La plupart de nos pays sont caractérisés par un faible niveau de la pression fiscale. Leur ratio impôt/PIB est toujours insuffisant par rapport aux moyennes de l'Amérique latine et des Caraïbes (ALC). Le ratio impôts/PIB moyen pour les 26 pays participants à la nouvelle édition des statistiques des recettes publiques en Afrique est resté inchangé en 2017, à 17,2 pour cent pour la troisième année consécutive. Ce chiffre est inférieur aux moyennes de l'Amérique latine et des Caraïbes (ALC), s'élevant à 22,8 pour cent, et à celles de la zone des pays membres de l'organisation pour la coopération et le développement économique (OCDE), s'élevant à 34,2 pour cent. Les ratios affichaient de fortes variations d'un pays à l'autre, allant de 5,7 pour cent au Nigeria à 31,5 pour cent aux Seychelles.

L'assiette fiscale est étroite, du fait surtout de la faible participation du secteur informel, qui est le poumon de l'économie en Afrique. En outre, une part relativement faible de la population est soumise à l'impôt sur le revenu des personnes physiques.

La base d'imposition est restreinte du fait d'un nombre d'impôts limité; le secteur agricole et le secteur informel sont défiscalisés, ce qui réduit l'assiette fiscale.

La plupart des recettes fiscales sont tirées de l'impôt indirect (la taxe sur la valeur ajoutée). Mais cette forme d'impôt stagne du fait de la flambée des prix de première nécessité, ce qui conduit à l'affirmation du célèbre économiste : « Trop d'impôt tue l'impôt ». Arthur Laffer, conseiller économique du président Ronald Reagan, avait adopté cette formule. La courbe de Laffer est illustrée par un graphique, avec en abscisse le taux d'imposition (t) et en ordonnée le montant des recettes fiscales (T). Lorsque le taux d'imposition est de 0 pour cent, le montant des recettes fiscales est nul. De même, si le taux d'imposition est de 100 pour cent, il n'y a plus de recettes fiscales pour l'État. Au départ, la croissance du taux d'imposition augmente les recettes fiscales. Mais il arrive un moment où l'augmentation de ce taux produit l'effet inverse et conduit à une diminution des recettes fiscales. Le taux d'imposition conduit les agents à moins travailler et les entreprises à réduire leurs investissements. La baisse globale de l'activité économique engendre celle des revenus des agents, une progression du chômage, et conduit à une réduction importante des recettes fiscales et sociales. Durant la dernière décennie, les recettes tirées de l'impôt indirect (principalement la taxe sur la valeur ajoutée, la taxe sur les ventes et les droits d'accises) ont baissé à travers l'Afrique.

L'impôt sur les sociétés contribue massivement à l'assiette fiscale, mais demeure toujours réduit par la non participation du secteur informel et grignoté par les avantages fiscaux excessifs accordés aux multinationales.

Une administration fiscale inefficace

Une administration fiscale efficace participe au développement durable d'un pays. On remarque que certains pays ont des administrations fiscales entachées de corruption, un personnel non qualifié, insuffisamment formé ou sous-payé. Certaines administrations sont dotées d'une insuffisante capacité à exercer leurs pouvoirs d'investigation par voie de contrainte. Les pénalités sont insuffisantes ou absentes et parfois sont couvertes par des pots-de-vin.

La capacité restreinte de l'administration fiscale constitue un obstacle aux stratégies de la politique fiscale africaine.

Une réforme en profondeur de l'administration fiscale est cruciale. Les réformes doivent porter essentiellement sur les points suivants :

- le renforcement de l'organisation de ces administrations, notamment dans le cadre de l'approfondissement de la segmentation des contribuables, qui consiste à centrer principalement les fonctions de service et de discipline fiscale sur différentes catégories de contribuables (les grandes entreprises, les PME, les salariés et indépendants) ;
- le renforcement de l'efficacité du contrôle fiscal, l'amélioration de la gestion des arriérés fiscaux, une meilleure gestion des ressources humaines et l'informatisation, qui occupe une place de choix pour mettre en place une administration fiscale performante.

Le secteur informel : une économie souterraine défiscalisée

Le secteur informel regroupe l'ensemble des activités économiques qui échappent à l'administration fiscale. La plupart des États sont constitués par un secteur informel sous-taxé. Ce secteur est le poumon de l'activité économique et contribue pleinement au produit intérieur brut. Le secteur informel constitue le principal obstacle pour le recouvrement de l'impôt et l'élargissement de l'assiette fiscale. Il constitue un gisement fiscal dans le financement du développement en Afrique. Cinquante pour cent de l'emploi non agricole en Afrique relève du secteur informel. En Afrique, la fraude fiscale relève surtout de l'économie souterraine.

Les animateurs de ce secteur sont dépourvus de civisme fiscal, ils sont rétifs à s'acquitter de leurs obligations fiscales, la plupart de ces entreprises étant inconnues de l'ensemble des services de l'État ou non répertoriées. D'autres ne détiennent pas une comptabilité formelle et dissimulent une partie de leur chiffre d'affaires lorsqu'elles font l'objet d'un contrôle.

Il est impérieux pour les pouvoirs publics d'essayer de mieux connaître ce secteur informel dans l'optique de mieux stimuler la croissance. L'État doit faire des efforts à travers la simplification des taxes, la rationalisation des procédures de recouvrement, mais aussi en matière de collaboration plus étroite entre la douane et le fisc. Les autorités doivent mettre en place des programmes d'encadrement et des structures de contrôle pour les répertorier. Un important travail de sensibilisation et de communication entre les pouvoirs publics et le secteur informel serait un atout pour élargir l'assiette fiscale.

La fraude fiscale et l'évasion fiscale

La fraude fiscale et l'évasion fiscale constituent une véritable menace pour le financement du développement durable.

Ces infractions émanent en majorité des multinationales implantées dans nos pays en s'appropriant des techniques frauduleuses. Parfois, ces sociétés étrangères corrompent nos dirigeants, tout en échappant aux impôts ou en réduisant le montant de leur imposition.

Selon Tax Justice Network, des multinationales puissantes ont, sans aucune honte, mis la pression sur des gouvernements de pays pauvres pour obtenir des exemptions fiscales ou une fiscalité particulière afin d'exploiter des matières premières telles que le pétrole, le gaz naturel, le thé ou encore le café, le cacao et le coton. Pour ce groupe d'associations, « les exemptions fiscales et d'autres subventions cachées accordées aux multinationales dans des accords dissimulés privent des gouvernements et leurs citoyens de revenus fiscaux significatifs ». Le tout étant soutenu, explique Tax Justice Network, par une armée de banquiers, avocats et experts-comptables.

Ces multinationales profitent de nos pays, et parfois, avec la complexité de nos dirigeants, parviennent à dissimuler leurs revenus, pourtant indispensables à la mobilisation des ressources nationales.

La fiscalité constitue l'un des facteurs essentiels de l'indice de perception de la corruption (Corruption Perceptions Index) communément utilisé par Transparency International.

Certains dirigeants africains et certaines multinationales rapatrient leurs fonds dans des paradis fiscaux. Cette évasion concerne des fonds qui pourraient élargir l'assiette fiscale de nos pays.

L'île Maurice est un exemple parmi d'autres de paradis fiscaux qui privent des États africains de recettes fiscales. À quelques kilomètres des côtes africaines, en plein océan Indien, la République de Maurice s'est bâtie, depuis les années 1990, une solide réputation auprès des grands groupes internationaux qui cherchent à payer le moins d'impôts possible pour leurs activités en Afrique. Le pays facilite toujours l'évasion fiscale de multinationales. Les profits de grandes entreprises font les pertes de nos pays, à cause du cas de ce que l'on appelle « les Mauritius Leaks ». Les Mauritius Leaks ne sont qu'un exemple de plus de la manière dont les multinationales se jouent du système pour réduire leur facture fiscale, privant ainsi quelques-uns des pays les plus pauvres au monde des recettes fiscales vitales dont ils ont besoin pour scolariser leurs enfants ou veiller à ce que leurs citoyens puissent consulter un médecin.

La fraude fiscale et l'évasion fiscale se produisent à l'intérieur d'un pays et à l'échelle mondiale. C'est pourquoi un pays, à lui seul, ne peut pas trouver de solution au problème. L'Union africaine et ses États membres doivent travailler davantage ensemble et sur le plan international pour combattre le problème, chez eux et à l'étranger. Il faudrait mettre en place un système

d'échange automatique des données au niveau mondial. La coopération fiscale serait un élément indispensable pour traquer ceux qui font perdre des milliards à l'assiette fiscale.

Parmi les obstacles cités ci-dessus, l'incivisme fiscal s'invite également dans le milieu socioéconomique pour ralentir les efforts de développement. La mobilisation des recettes fiscales est mise à rude épreuve par un défaut d'éducation fiscale.

L'incivisme fiscal

L'incivisme fiscal est le non accomplissement volontaire par les contribuables de leurs obligations fiscales. Le comportement d'incivisme fiscal est très fréquent en Afrique. Le contribuable africain est rétif à s'acquitter de l'impôt. Autrement dit, il est soucieux de la destination et de l'utilisation de l'argent public collecté. Il se considère beaucoup plus comme un client que comme un citoyen qui est redevable de l'impôt.

En Afrique, l'incivisme a fait son lit, mettant à mal les finances publiques.

L'incivisme fiscal se manifeste sous plusieurs formes :

- les contribuables qui déclarent leurs revenus et paient des montants minorés par la fraude fiscale ;
- les contribuables qui déclarent leurs revenus, mais sont de mauvais payeurs ;
- certaines personnes (les acteurs du secteur informel) évitent de se faire enregistrer comme contribuables.

L'incivisme fiscal freine la mobilisation des ressources nationales, qui est un moyen, pour un pays, d'atteindre l'émergence économique.

En général, les contribuables cibles sont le secteur informel qui est constitué largement d'illettrés. Il y a également les ménagers, la population rurale.

Les causes de l'incivisme fiscal sont les suivantes :

- les populations, qui gardent toujours une idée négative sur les prélèvements de leurs revenus au profit de l'État ;
- la complexité du système fiscal et des procédures administratives ;
- l'inefficacité des services publics fournis, qui décourage les populations de continuer de payer des impôts.

Quelques pistes visent à encourager le civisme fiscal :

- il faudrait mettre en harmonie les lois fiscales et le contexte socio-économique ;

- l'administration fiscale doit être performante, transparente, ayant pour mission d'offrir aux contribuables des services de qualité et de conseil en aidant les contribuables à s'acquitter de leurs obligations fiscales ;
- il faudrait sensibiliser la population, surtout les illettrés, par des séances d'information fiscales faites en plusieurs langues.

Toutes ces pratiques telles que l'évasion fiscale, la corruption et le comportement de certains contribuables sévissent pour ralentir le développement de l'Afrique. Pour cela, nos dirigeants doivent relever des défis tant au niveau national qu'au niveau international pour faire face à ces contraintes.

Perspectives pour une meilleure fiscalité au service du développement durable

Une fiscalité véritablement orientée vers le développement durable exige que certaines conditions soient réunies sur le plan national et international.

Au niveau national

L'Afrique doit évoluer vers un système fiscal combinant une bonne gouvernance financière et une meilleure stratégie de politique fiscale.

Gouvernance financière

Une fiscalité efficace et équitable s'allie avec une bonne gouvernance financière. La bonne gouvernance rime avec le développement. Elle est un outil majeur pour le développement économique et social d'un pays.

Afin de promouvoir la croissance économique et le développement durable, nos gouvernants devraient être en mesure de mobiliser des recettes justes et équitables tout en justifiant l'utilisation de ces fonds et les résultats obtenus. Cette transparence des fonds publics permettra aux contribuables de participer activement au renforcement des ressources nationales. Une gestion saine des finances publiques constitue un pilier indispensable au développement.

Les autorités étatiques devraient s'atteler à appliquer les principes de bases suivants pour les réformes de la gouvernance financière :

- la transparence ;
- l'obligation de rendre compte ;
- le renforcement des institutions ;
- établir un équilibre entre les réformes et la croissance de capacités ;
- autonomie dans les choix de réformes.

Les principes cités ci-dessus permettent d'appliquer une bonne politique fiscale pour financer un développement durable et se passer de l'appel aux aides extérieures.

Une meilleure stratégie de politique fiscale

La fiscalité est un instrument de politique économique. Nos dirigeants doivent s'orienter en fonction des contextes économiques et sociaux du pays pour appliquer un système fiscal solide, équilibré et fiable. Ils doivent mener leurs politiques fiscales en réformant les systèmes fiscaux et fiscaliser le secteur informel.

Une réforme fiscale efficiente

Certains systèmes fiscaux africains sont en désuétude. Mais une réforme fiscale progressive a été menée par certains pays tels que le Sénégal, qui va connaître à l'année 2020 une véritable réforme fiscale. Dans les réformes visées, l'État du Sénégal veut compter, dorénavant, sur la mobilisation de ses ressources internes, avec notamment un taux de pression fiscale qui passera à 17,7 pour cent en 2020, l'objectif étant de le porter à 20 pour cent d'ici 2023.

Cette réforme vise à élargir l'assiette foncière et douanière et à combattre la fraude fiscale.

Il faudrait que nos décideurs politiques apportent de nouveaux dispositifs fiscaux pour l'élargissement de l'assiette fiscale. Monsieur Hamid Fall, inspecteur principal des impôts, a soulevé trois théories suivantes, qui sont des éléments clés pour une fiscalité de développement :

- *la théorie des niches* : une introduction de la fiscalité dans les zones dont elle est absente ou insuffisamment présente ;
- *la théorie de la traque* : une recherche de la matière imposable partout où elle se trouve, avec une forte dimension de contrôle fiscal ;
- *la théorie du consentement à l'impôt* : développement d'une véritable politique de rapprochement avec les contribuables.

Il serait également nécessaire d'élargir la base d'imposition sans pour autant entraîner une inflation, en créant de nouveaux impôts adaptables aux contextes socioéconomiques de notre continent.

De nos jours, il existe de nouvelles voies d'expansion de l'assiette fiscale. Par exemple, les nouvelles technologies de l'information et de la communication (les NTIC). Le secteur de la téléphonie mobile est en plein essor dans le continent africain. Les recettes puisent leurs sources dans les taxes sur les licences et les communications. Le développement de ces nouvelles technologies de l'information et de la communication constitue un outil puissant pour accélérer la croissance économique.

Un autre atout que nos gouvernants peuvent exploiter, c'est l'imposition massive des ressources naturelles (pétrole, gaz, minéraux, etc.). Le niveau des revenus collectés par l'Afrique demeure souvent inférieur à ceux réalisés par d'autres pays dans le monde.

La taxe foncière constitue également une ressource financière à exploiter davantage pour la mobilisation des recettes fiscales intérieures.

Fiscaliser le secteur informel

Fiscaliser le secteur informel, c'est lutter contre la fraude fiscale et l'incivisme fiscal. Nos gouvernants doivent réfléchir à la manière pratique d'amener ce secteur dans les normes légales. La théorie du consentement à l'impôt serait une solution pour créer une politique de rapprochement entre l'administration fiscale et les contribuables.

Au niveau international

De nombreux efforts ont été consentis par nos décideurs politiques et les organisations internationales. L'Organisation de coopération et de développement économiques (OCDE) et le Forum sur l'administration fiscale en Afrique (ATAF) ont signé un protocole de coopération et se sont ainsi engagés à collaborer en vue d'améliorer les systèmes fiscaux en Afrique. L'ATAF aide les gouvernants à mettre en place des systèmes fiscaux solides, efficaces et efficients, et à lutter contre l'érosion de leur assiette d'imposition. Nos dirigeants devront durcir les lois et prendre des mesures efficaces pour entraver et combattre la corruption dans le cadre des transactions commerciales internationales. Cette lutte au niveau international devrait être renforcée par une forte volonté politique de nos dirigeants.

Il serait nécessaire que nos dirigeants instaurent une politique d'accroissement de la recherche de la matière imposable dans un climat plus sain, juste et équitable, pour augmenter les recettes budgétaires et diminuer la dépendance à l'aide publique au développement.

Conclusion

Au terme de cette étude, nous remarquons que la fiscalité est un stimulant durable pour financer le développement de l'Afrique et diminuer la dépendance vis-à-vis de l'aide extérieure.

La stabilité des finances publiques constitue un élément essentiel du développement durable. Pour assurer une certaine stabilité, il est essentiel que les méthodes de financement de ces biens et services publics

proviennent, dans la mesure du possible, des propres ressources du gouvernement, à savoir les recettes fiscales. Un cadre budgétaire stable et prévisible favorise la croissance à long terme et réduit la dépendance envers l'aide au développement.

Les perspectives économiques en Afrique ont montré l'importance de la mobilisation des ressources internes pour le financement du développement. Le rapport de la Banque africaine de développement a démontré qu'entre 2016 et 2018, plusieurs pays africains sont parvenus à assainir leurs budgets en augmentant les recettes fiscales et parfois en réduisant les dépenses.

Plusieurs pays ont également mis en œuvre des réformes fiscales. La mobilisation des ressources nationales s'est améliorée, même si elle reste insuffisante par rapport aux besoins de développement du continent.

Les recherches menées par le projet du millénaire des Nations unies ont conclu que la fiscalité est un point crucial permettant à l'Afrique de tenir ses engagements pour financer les objectifs de développement.

Les impôts sont par ailleurs un élément essentiel du contrat social entre l'État et ses citoyens. En d'autres termes, les impôts contribuent, dans les pays en développement, aux processus de construction et de démocratisation. Ceci explique aussi pourquoi la question de la fiscalité joue un rôle toujours plus important dans la politique de développement.

Nos dirigeants doivent envisager une série de mesures dans la recherche de solutions pour réformer la fiscalité. L'accent devra être mis sur tous les facteurs susceptibles d'améliorer le système fiscal. Parmi ces mesures, la bonne gouvernance financière locale mériterait une attention particulière. Les états africains devraient renforcer les recettes fiscales locales pour financer leur développement par le biais de la décentralisation fiscale.

La gouvernance locale aurait sa place, puisqu'elle peut servir d'exemple dans les modes de financement du développement. Au Sénégal, par exemple, le système de décentralisation, avec l'existence de collectivités locales (régions, mairies, communautés rurales), peut offrir un champ d'études fécond pour étudier le financement du développement par la fiscalité réformée. La fiscalité foncière devrait être réformée puisqu'elle a été longtemps négligée en faveur des autres impôts. Cette réforme des impôts fonciers pourrait contribuer au financement des collectivités locales et améliorer l'équité des systèmes fiscaux.

Il faudrait également dégager des solutions adéquates pour une réforme fiscale optimale sur le plan international. L'organisation pour la coopération et le développement économique (OCDE) devrait intensifier son dialogue fiscal international avec nos dirigeants en encourageant la coopération

internationale sur l'échange de renseignements, la négociation, l'application et l'interprétation des conventions fiscales, ainsi qu'un large éventail de thématiques portant sur la politique et l'administration fiscale.

Même si la fiscalité demeure de la compétence de chaque pays, les États membres de l'organisation pour l'harmonisation en Afrique du droit des affaires (OHADA) devraient participer à la lutte contre l'évasion fiscale des multinationales pour assurer davantage la mobilisation des recettes fiscales.

L'harmonisation fiscale des États africains pourrait être un sujet d'étude à approfondir pour renforcer davantage le financement du développement en Afrique.

Dédicace

Je dédie cet article à feu le Professeur Mamadou Moustapha Niang, chercheur à l'IFAN, qui s'est consacré à la recherche en sciences sociales en Afrique.

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Understanding Shifts in Nigeria's Trade Policy: From Realism to Protectionism

Folarin Alayande*

Abstract

The reluctance of Nigeria, Africa's largest economy, to sign two major international trade liberalisation agreements in 2018 shocked many local and international observers. However, these trade policy postures were not unexpected. Undiscerned by many analysts, many subtle changes had happened to Nigeria's international co-operation architecture and foreign economic policy in a seemingly incoherent manner. In addition, the premise for expecting Nigeria to automatically consent to both agreements was faulty for two main reasons. First, the pretext of connectivity and market access as the underlying rationale for both agreements was allegedly hinged on the fallacy of composition, with the assumption that the whole was greater than the sum of its parts. This pretext was increasingly questioned by the influential, organised private sector in Nigeria, which had shifted from the altruistic foreign policy tenets of the 1970s to insulation from negative externalities of trade. Second, Nigeria's trade posture was erroneously considered separately from its foreign economic policy posture, which was increasingly hinged on beneficial concentricism and regaining internal capabilities. In this new dispensation, with a focus on strategic trade policy underpinned by economic pragmatism, understanding shifts in the domestic balance of power is critical to predicting Nigeria's trade policy responses.

Résumé

En 2018, la réticence du Nigéria, la plus grande économie d'Afrique, à signer deux accords majeurs de libéralisation du commerce international a choqué nombre d'observateurs locaux et internationaux. Cependant, ces positions de politique commerciale n'étaient pas inattendues. À l'insu de nombreux analystes, plusieurs changements subtils avaient, d'une manière qui semblait incohérente, été portés à l'architecture de coopération internationale et à la politique économique étrangère du Nigéria. En outre, l'hypothèse du

* Department of Economics and Development Studies, Covenant University, Nigeria
Email: falayande@yahoo.com

consentement automatique du Nigéria aux deux accords était erronée pour deux raisons principales. Premièrement, le prétexte de connectivité et d'accès aux marchés comme justification sous-jacente des deux accords reposait sur le caractère fallacieux de la composition, qui veut que l'ensemble soit plus important que la somme de ses parties. Ce prétexte a été de plus en plus remis en question par l'influent et organisé secteur privé du Nigéria, qui était passé des principes altruistes de politique étrangère des années 70 à la protection face aux externalités négatives du commerce. Deuxièmement, la position commerciale du Nigéria a, à tort, été considérée en dehors de sa politique économique étrangère, qui reposait de plus en plus sur un « concentrisme » bénéfique et la reconquête de capacités internes. Dans cette nouvelle configuration, qui met l'accent sur une politique commerciale stratégique appuyée par un pragmatisme économique, il est essentiel de comprendre les changements dans l'équilibre des pouvoirs intérieurs afin d'anticiper les réponses de la politique commerciale du Nigéria.

Introduction

Policy moves in the 2010s by Africa's largest economy, which constitutes approximately 15 per cent of Africa's population and generates 18 per cent of Africa's Gross Domestic Product (GDP), have indicated a radical shift in Nigeria's trade policy. The most deliberate move was signalled when the President of Nigeria, Muhammadu Buhari, declined to sign the treaty for the establishment of the African Continental Free Trade Area early 2018 (African Union 2018; BusinessDay 2018). A fortnight later, Nigeria declined to sign the Economic Partnership Agreement (EPA) between the European Union (EU) and the Economic Commission of West African States (ECOWAS). The justification for declining to assent to both agreements was largely to 'protect our industries' and avoid job losses, both premises of trade protection or infant-industry protection. (Aileman 2018).

While most foreign policy analysts, diplomats and international economic observers expressed shock and focused on the tactical issues of the potential benefits or demerits of Nigeria's non-signing of the agreement, the Federal Government of Nigeria moved on the following week to launch the Nigerian Economic Diplomacy Initiative (NEDI). According to Vice-President Professor Yemi Osinbajo, who also heads the nation's Economic Management Team:

Our national economic aspirations...in the Economic Recovery and Growth Plan ...emphasises sustained growth to generate the large number of jobs we urgently require. As designed, this initiative (NEDI) fits very well into...an enabling architecture...that facilitates business. (Osinbajo 2018)

This emphasis on beneficial concentricism and urgency to create domestic jobs was reinforced by the Federal Government's simultaneous tactic of 'consolidating efforts at training our diplomats on attracting foreign investments and in trade negotiation' (NEDI 2008). Previously, President Buhari (2018) had firmly declared in his new year address on 1 January 2018 broadcast to the populace that 'rice imports would stop this year', affirming the nation's backward integration programme that had worked for cement manufacturing, and was now being extended to staple crops such as rice, tomatoes, cassava and wheat. That era of tariff-led import-substitution and foreign exchange rationing for food imports had led critics such as Olu Fasan (2018) to support claims by the International Monetary Fund (IMF) that Nigeria's trade policy regime was one of the most restrictive in the world.

Beyond normative statements on trade restrictiveness that analyse Nigeria's trade policies strictly within the realm of idealist economic policy, authors such as Ubi and Akinkuotu (2014) advocate that trade policy analysis must be interpreted within the normative context of foreign economic policy. Foreign economic policy must also be analysed within the context of the foreign policy architecture and the capacity of the relevant agencies. Viewing Nigeria's apparent shift in trade policy from this framework would proffer alternative perspectives on Nigeria's recent trade pronouncements.

The Evolution of Nigeria's Foreign Economic Policy

How did a country that shaped the creation of ECOWAS and led the continent toward the Abuja treaty for the African Economic Community between 1991 and 1994 suddenly withdraw from the signing of the African Continental Free Trade Area? Contrary to speculations in the tabloid press that this was just a last-minute *volte-face* by the presidency in Nigeria, a review of the meanders in Nigeria's foreign economic policy provides a sneak insight as to the evolving patterns of Nigeria's trade decisions. As foreign policy is oftentimes shaped covertly behind closed doors (Abegunrin 2003) and thus shrouded in secrecy, its analysis could only be reasonably done by piecing together several movements and rhythms in the actions of key players and key agencies.

For the period from Nigeria's independence from 1960 through the early 1980s, the general sound bite was that the nation's foreign policy was African-centred in focus and altruistic in character and essence. While there were conflicting views on whether Nigeria's erstwhile foreign policy thrust of hegemony in Africa was at variance with optimal domestic economic

policy, most scholars broadly agreed that Nigeria's foreign policy was based on classical realism. Understandably, given their pedigree and professional training, most of Nigeria's foreign affairs ministers and influencers, from Gambari to Akinyemi rooted their philosophical leanings in the realist approach. Hence, the locus of their default posture or stance on Nigeria's behaviour towards the external environment was informed by an assessment of national interests defined as power and a sensitivity to the needs of foreign policy objectives and control of the national resources required for their implementation to be compatible. In the oil boom days of the 1970s, with growing foreign reserves and a healthy balance of trade, sponsoring hegemonistic ventures such as ECOWAS, which Nigeria bank-rolled, and the Organisation of African Unity was expedient both as a hegemonic play and a regional imperative. Indeed, in his inaugural speech in 1979, President Shehu Shagari had stated unequivocally that 'Africa shall remain the cornerstone of our foreign policy'. Needless to say, foreign economic policy or trade policy was not overtly articulated given that while Africa was the foreign-policy theatre of Nigeria, intra-African trade was miniscule, and Nigeria's external economic relations were primarily with Western countries, which provided technical and capital assistance. This dichotomy between the locus of foreign policy and the locus of trade policy inadvertently denigrated the role of foreign economic policy.

The *coup d'états* of the mid-1980s, the declining economic fortunes with the oil price crash, and the imperatives of the structural adjustment programme provided a gradual shift from the realist approach of the earlier two decades towards a variant of a neoliberal approach to foreign economic policy. It was in this new economic reality that the then-Minister of Foreign Affairs, General Ike Nwachukwu (Retired), surmised that it is the 'responsibility of Nigeria's foreign policy apparatus to advance the course of Nigeria's national economic recovery' (Ogwu and Olukoshi 2002). The new focus on economic diplomacy marked a gradual shift away from an altruistic pan-Africanist foreign policy predicated on politics and diplomacy as well as hard-line pan-Africanism. It was not however until the end of the sixteen years of military rule between 1984 and 1999, occasioned by ostracization in the international community, that the civilian President Olusegun Obasanjo assembled a professional economic management team to articulate and implement a comprehensive economic reform programme, anchored on international trade and investment. From 2003 to 2009 it was clear that the new economic team, comprised of high-profile economists from Ivy League schools who had international experience with multi-lateral institutions, such as Ngozi Okonjo-Iweala, Shamsuddeen Usman,

and Chukwuma Soludo, had a sound understanding of international trade policy. This was a major shift from the immediate past military era wherein military personnel acted as foreign affairs ministers and civil servants as finance ministers. As foreign economic policy involves not only the management but also the mediation of international trade and economic flows across borders, the trio of Okonjo-Iweala, Usman and Soludo subtly shaped a foreign economic policy that was evident in the harmony between fiscal and monetary policy on one hand, and with multilateral institutions on the other. Nigeria's foreign economic policy posture was therefore beginning to shift from the classical realism posture focused on regional hegemony in the mid-1980s towards a neoliberal posture in foreign economic relations as it entered the twenty-first century.

Transitioning from Classical Realism to Neoliberal Trade Policy

The transition from an African-centred foreign policy hinged on regional power, towards neoliberalism in Nigeria's foreign relations was driven partly by economic exigencies. By definition, the neoliberal school of thought in international relations is primarily concerned with absolute gains and not relative gains (Mearsheimer 1995), hence de-emphasises the focus on balance of power. Borrowing heavily from rational choice, game theory and axiomatic models in supply-side economics, the new neoliberal actors had realised that, like China (Linbo 2017), it was possible to adopt a neoliberal external trade policy without following a neoliberal domestic economic policy of full deregulation. Essentially, the deft economic team – whose members understood the international financial system – had perfected how to deploy a neoliberal trade policy as foreign economic policy without adopting neoliberalism in domestic economic policy. With the increase of Nigerian foreign debt to almost USD 36 billion by 2004, the post-apartheid foreign policy needed re-tweaking into a bipolar sub-Saharan African strategy, and the political aggrandisement of the 1980s and 1990s was glaringly atavistic. The new imperative was to mobilise external resources for domestic development through newer approaches to trade policy and optimising foreign policy levers to reduce the external debt. Early successes of rapid growth in foreign direct investment and a 60 per cent debt write-off by the Paris Club was sufficient to put the economy back on an even keel. Local economists such as Ayo Teriba, who have followed Nigeria's economic management practices for decades, induce that the performance of the economic management team is correlated with the professional economic skills and exposure of the team (Teriba 2014). The success of the team may have been due to the professional economics pedigree of the trio, under

the leadership of a visionary President, complemented by a fair balance of skilled macroeconomists on the board of the Central Bank of Nigeria. Indeed, it was difficult to dissociate the high points of economic policy and trade reform in the 2000s from the preponderance of professionally-trained economists who ran for several years both the Central Bank and the Ministry of Finance, in addition to the economic management team. However, while elements of trade liberalisation were pursued, with a simplification of the tariff structure and attempts at trade facilitation, there was still a two-speed policy thrust and a divergence between foreign trade policy and domestic economic policy. The structural rigidities that had been institutionalised during the several decades of military rule had created a weak industrial base on the one hand, and a rent-seeking, subsidy mentality in the oligarchy that was used to enjoying patronage, tariff waivers and concessions from government, on the other hand. In that dilemma, it was complex to fully implement a neoliberal domestic economic policy for three reasons: First, the elite, who had sponsored the civilian government into power, needed some infant-industry trade protection, consisting of tariff and non-tariff barriers, to ring-fence and safeguard their large manufacturing industries for a few years prior to fully liberalising the economy (Akinyoade and Uche 2018). Second, the infrastructure and utilities such as petroleum refineries and electricity stations required to support industry had been dilapidated during military rule, so buffers were still required before full liberalisation. Third, the economic architecture required to implement wide-scale reforms for a liberal domestic economic policy still needed some time to be institutionalised beyond the zeal of the principal actors. Overhauling this policy space was required to achieve any substantial changes in the extant trade policy.

The Trade Policy Regime in Nigeria

Nigeria's trade policy is coordinated administratively by the Federal Ministry of Industry, Trade and Investment, a merger of the erstwhile Ministry of Commerce and Industry, and the Ministry of Trade and Investment. The new Ministry of Industry, Trade and Investment provides oversight for the government's Nigeria Office of Trade Negotiations. The development and implementation of trade policy is done in conjunction with the Ministry of Budget and National Planning and the Federal Ministry of Finance that supervises the Nigeria Customs Service. Ultimately, trade policy decisions are discussed and ratified by the National Economic Management Team, and chaired by the Vice-President of the Federal Republic of Nigeria. The

National Economic Management Team (NEMT) has overall responsibility for coordinating economic policy, including trade policy, among responsible ministries. The NEMT also has the Ministers in charge of Finance, Budget and National Planning, Industry, Trade and Investment; the Governor of the Central Bank; and a Special Advisor on Economic Affairs, as members. The Federal Executive Council comprising all cabinet ministers then review on trade policy proposals before final approval by the President of the Federal Republic of Nigeria.

Operationally, the Federal Government of Nigeria also has a Trade Policy Advisory Council (TPAC) that performs advisory roles and provides political direction on trade policy formulation. Chaired by the Vice-President, TPAC comprises representatives from the Federal Ministries in charge of Foreign Affairs, Industry, Trade, Investment, among other ministries and government agencies. Policy proposals on trade policy typically emanate from the Federal Ministry of Industry, Trade and Investment (FMITI). In addition, the Enlarged National Focal Point on trade matters (ENFP), established in 2001, helps co-ordinate and makes recommendations on World Trade Organization (WTO) and other trade related matters. Given the federal nature of Nigeria, the National Council on Industry, Trade and Investment (NCITI) is a statutory body established for the sensitisation, consultation, de-briefing as well as monitoring of trade policy between the Federal Government and the various State Ministries in charge of trade and industry matters. The NCITI membership comprises the Minister of FMITI as Chair; States Commissioners in charge of trade and industry matters; Heads of Parastatals on trade and trade-related matters; and representatives of the organised private sector. Technically, however, there is a Tariff Technical Committee with a secretariat in the Ministry of Finance that reviews initial proposals on tariff revisions and changes before forwarding to cabinet ministers.

Despite Nigeria's trade policy regime being increasingly oriented towards a liberal policy since the mid-1980s, there remains a very high level of trade protection for certain sectors, (Oyejide, Bankole, Adeleke and Olowookere 2013) discretionary incentives and outdated laws (WTO 2017). Based on extant policy documents including the Economic Recovery and Growth Plan (MBNP 2017), Nigeria's main trade policy objective is to substantially increase the contribution of trade to its GDP (National Planning Commission, 2009), the country's share of global trade, as well as to contribute to promoting intra-African trade, so as to accelerate economic growth and national sustainable development (WTO 2017). Nigeria is an original member of the WTO, a founding member of ECOWAS and was

fully instrumental in initial negotiations to establish a continental free trade area (AfCFTA) under the African Union. While Nigeria attempts to abide by many of the trade treaties to which it is a signatory, Nigeria is reported to collect several additional taxes and levies on imports and exports, not in line with its WTO agreement, while granting concessions to various imports such as fertilizer, seeds and machinery for agriculture, and allowing duty-free imports of plants and machinery for the mining sector (WTO 2017). In March 2018, when Nigeria postponed its assent to the Africa Continental Free Trade Area treaty, thereby reinforcing the international perception of a cautious approach to further trade liberalisation (Fasan 2018).

Most of the trade policy incentives currently active in Nigeria are reinforced with investment incentives targeted towards ensuring that industrialists enjoy not only trade protection but also fiscal incentives. Investment incentives are centred on the 'pioneer status' scheme that allows tax rebates or companies income tax (CIT) holidays. In addition, several industrial policy incentives exist to promote local content, local raw materials utilisation, and local value added/manufacturing. In addition, the use of import prohibition is a key active instrument in Nigeria's trade policy with stated objectives of achieving domestic self-sufficiency in certain staples such as rice and selected products such as cement (Alayande 2019). Due to the government's desire to achieve rapid industrialisation (MBNP 2017), there were possible instances of the Federal Government offering to provide additional incentives beyond the published basic incentives, thereby increasing the discretionary space in trade and industrial policy administration (FMITI 2015). This reduces the transparency in the implementation of trade and industrial policy incentives in Nigeria (Rapu, Sanni and Akpan 2013). All of these factors led to the country's initiative to develop a new policy called 'A 21st Century Trade Policy for Nigeria – A Welfare and Prosperity Trade Agenda that Works for All' (NOTN 2018a, 2018b).

Strengthening the Trade Policy Architecture

Understanding the shifts in the new trade policy architecture for decision-making in Nigeria, post-2010, would require an overview of the operational improvements, tactical reforms and strategic changes. Between 2010 and 2016, the Federal Government continued to implement a number of reforms in the area of trade policy. These included several operational reforms at the Nigeria Customs Service to ease customs procedures and documentation by deploying technology and process improvements. According to the

WTO (2017), significant progress has been made in privatisation and price controls have been largely removed for most products, therefore opening most sectors for even competition between local and foreign companies. Tactically, Nigeria maintains some industrial policies to promote local raw materials utilisation and local value added in manufacturing. In addition to the forty-one categories of imports for which access to foreign exchange from CBN is banned, Nigeria also maintains import prohibitions and restrictions on various grounds, including protection of domestic industries. In fact, Nigeria has two lists of import prohibitions; moreover, it also prohibits imports of specified goods (such as rice since 2013 and vehicles since 2016) through land borders in order to combat smuggling. Beyond the merging of the federal ministries of industry and that of trade and investment to co-ordinate the domains of industrial policy, trade policy and investment promotion, the Nigerian Office for Trade Negotiations (NOTN) was also set up in 2017. NOTN is the institutional framework and foundation for Nigeria's trade policy infrastructure. It is expected to develop and periodically update Nigeria's trade policy in a rapidly changing global economic landscape, so as to maximise Nigeria's gains from trade. Part of the mandate for NOTB was also to align the country's domestic trade policy priorities to changing global realities. In addition, NOTN was empowered to lead, manage and co-ordinate all trade negotiations (NOTN 2018a). Some minor organisational alignment was done by strengthening the erstwhile National Planning Commission or Ministry of National Planning, responsible for international economic co-operation, by adding the Budget Office of the Federation to form the Ministry of Budget and National Planning.

On the tactical level, two major changes of significant impact are of overriding importance. First is the re-composition of the economic management team in 2016 to comprise only government functionaries. This radical departure from the practice of 1999–2015 was ostensibly to avoid giving any private sector members unfair advantage to government's economic policy making, at least not officially. The second is a noticeable shift to implementing a Strategic Trade Policy (Linbo 2017) formally defined in international economics as government policy that attempts to shift excess profits from large foreign players in international market towards the home country firms.

Earlier on in the Obasanjo military regime of 1999 to 2007, there had been a deliberate effort to support the development of a select few large multinationals owned by Nigerians (Akinyoade and Uche 2018). The indigenisation and state-controlled enterprises policy of the 1970s had

not been as successful due to managerial gaps and also because it was a hasty, horizontal policy devoid of sector-specific considerations. The new industrial policy of the new Obasanjo civilian regime that was now more politically savvy and circumspect was to serve as a platform for the evolution for a strategic trade policy. Cement manufacturing was the first protected industry to benefit from this new trade strategy, though critics highlight concerns that the incentives were neither transparent nor evenly distributed (Oyejide, Bankole, Adeleke Olowookere 2013; Fasan 2015).

Implementing the strategic trade policy vertically-focused on a few industries appeared administratively easier to implement than cross-cutting reforms in a large economy (UNECA 2016, 2017), hence leading to various pronouncements on higher import tariffs on some staple crops and several import prohibitions. Though not clearly articulated in any government document, policy insiders suggested that picking a few industries to build local giant multi-nationals was a key consideration of some policy-makers. Coincidentally, the relatively high double-digit inflation that had increased to about 19 per cent by 2014 and 2015, and a deteriorating real effective exchange rate (REER) made domestic manufacturing more burdensome and domestic goods less export-market competitive. Accordingly, when the Economic Partnership Agreement (EPA) was reaching its final rounds before ratification, local economists – who had now mastered leading tools in trade policy analysis such as the computable general equilibrium (CGE) modelling of trade impact (Adenikinju and Bankole 2014; Oyejide, Kwanishie, Adenikinju, Bankole, Adegbenro, Oghayei, and Ogwuche 2009) – could prove scientifically that the EPA as proposed was not favourable to local industries.

Four years later in 2018, the same concerns and the lack of an analytical framework with statistical evidence to support the beneficial impact of the African Continental Free Trade Area truncated Nigeria's ratification of the AfCFTA. While connectivity or access to a larger market is oftentimes a compelling rationale for the smaller or mid-sized economies in an economic union, the incremental access provided to the larger countries could be proportionally lower, and therefore less attractive. The pretext of connectivity and market access as the underlying rationale was allegedly hinged on the fallacy of composition – that the whole was greater than the sum of its parts (Saltz, Cantrel and Horton 2002). Indeed, three out of the eleven countries that declined signing the AfCFTA were among the largest countries in Africa by population and domestic market. This was not inconsistent with findings by trade economists such as Osabuohien, Beecroft and Efobi (2018) on the correlation between country size and the

tendency for trade protection on the one hand, and the inverse relationship between a country's institutional quality and protectionist tendencies on the other hand. Representing the local industrialists, who had witnessed large firms from OECD (Organisation for Economic Co-operation and Development) countries and more recently from China and South Africa enter the Nigerian market and steal market share, the Manufacturers Association of Nigeria had stated its prerequisites to supporting the AfCFTA as follows: government fixing the infrastructural deficits, enforcement of rules of origins, and the market access of 10 per cent (*Thisday News* 2018). Coming soon just a few quarters after Nigeria exited the recession, with many industrialists struggling to sell their products profitable, amidst an exchange rate that had doubled, it was not unexpected that any hint of further trade liberalisation would be killed at first reading. While analysts such as Deloitte (2018) argued about whether Nigeria had a lucid trade strategy, it was not lost on other discerning analysts that trade liberalisation agreements brought for ratification shortly before presidential elections, for 2015 and 2019, would be tricky to sell given the need to court the good-will of industrialists a few months thereafter.

Conclusion

Subtle shifts in Nigeria's fiscal position following the return to civilian rule in 1999, and the deteriorating economy had encouraged a gradual drift from the hegemonic Afro-centric foreign policy stance of the military era to one of economic diplomacy and then to a pragmatic approach to trade policy. The tight fiscal position of the Federal Government of Nigeria that had not only adversely affected the funding of its embassies and foreign missions (Aremu 2016) was beginning to translate to a more pragmatic foreign economic policy and trade policy, where trade proposals needed to be supported with analytical rigor away from the politically correct diplomatic niceties that held sway in previous decades. As popularly quoted in Nigerian conversations, 'charity begins at home', which reinforces the domestic view that Nigerian citizens and businesses must first be the beneficiary of any trade policy ahead of any concerns for integration into the global economy or ratifying treaties out of political correctness. The pragmatism behind the constant state of evolution of Nigeria's trade policy, and the apparent paradox that outsiders strain to understand, was manifest by the divergent view of former President Obasanjo who had pursued a tariff-led industrial policy during his regime in the 2000s now insisting that all African leaders must sign the AfCFTA (Akinfenwa 2018).

Like the ship of Theseus in Theseus's paradox, the piecemeal reconstruction of Nigeria's foreign economic policy from the 1960s through to 2018 had left many observers of the country's trade policy struggling as to what the identity of the new trade policy was. While critics still ruminate over the dimensions of Nigeria's trade policy, what is evident is that the Aristotelian material cause has changed, even though the final intent or final cause remains the same. Indeed, while many planks of classical realism had been replaced from the ship of Nigeria's trade policy, the policy architecture required to deploy a neoliberal foreign economic policy is still missing. In the interim, the temporary planks of protectionism are being deployed to keep the ship from sinking, and to avert the risk of dumping of foreign goods. The final outcome regarding whether the reconstructed ship would be more like a neoliberal trade policy or a coherent strategic trade policy would be dependent on the character of the NEMT in the 2019-2023 political administration, and the rigor underpinning Nigeria's on-going twenty-first century trade policy.

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Africa's Economic Transformation and Global Value Chains: An Analysis of the Platinum Value Chain in South Africa

Asanda Fotoyi*

Abstract

This article is concerned with the transformation of the African continent beyond the supply of raw materials towards the expansion of productive capabilities in ways that meet the needs of the African people. The article assesses the platinum value chain in South Africa to examine how the sector has impacted on economic transformation in the country. The analysis shows that South Africa is the biggest supplier of platinum globally but continues to miss economic opportunities presented by its platinum endowment. This is due to very weak forward or upstream linkages between the platinum sector and the related manufacturing sectors. Additionally, even though the platinum sector captures a notable share of both production and employment in the mining industry, when it comes to wealth redistribution, gender and race relations, the sector is lagging. Arguably, a country's mineral resources ought to bring about economic transformation required to meet the needs of its people, by leveraging sector specific legislations. This requires deliberate determination to ensure that such a form of resource mobilisation transitions into economic self-sufficiency for the African continent, by also leveraging regional value chains and the African Continental Free Trade Agreement (AfCFTA).

Résumé

Cet article traite de la transformation du continent africain, au-delà de l'approvisionnement en matières premières, vers l'expansion des capacités de production de manière à répondre aux besoins des populations africaines. Le document évalue la chaîne de valeur du platine en Afrique du Sud et examine comment le secteur impacte la transformation économique du pays. Cela est dû à de très faibles liens en amont ou en aval entre le secteur du platine et les secteurs manufacturiers connexes. De plus, même si le secteur du platine

* PhD candidate and lecturer, Department of Economics, Nelson Mandela University, South Africa.
Email: afotoyi@gmail.com

capte une part notable à la fois de la production et de l'emploi dans l'industrie minière, en ce qui concerne la redistribution de la richesse, le genre et les relations raciales, il est à la traîne. On peut soutenir que les ressources minérales d'un pays, tirant parti de législations sectorielles spécifiques, devraient entraîner la transformation économique nécessaire pour répondre aux besoins de sa population. Cela exige une détermination délibérée de garantir qu'une telle forme de mobilisation se transforme en autosuffisance économique pour le continent africain en tirant également parti des chaînes de valeur régionales et de l'Accord de libre-échange continental africain (ZLECAF).

Introduction

Throughout human history, Africa has made significant contribution to the advancement of the global economy. In pre-colonial times this contribution ranged from the trade of natural resources through to the exchange of knowledge production. It was during the period of colonisation that Africa was subjugated to serve as a provider of raw materials to European imperialists who partitioned the continent for their interests following the Berlin Conference in 1884. During the period of colonisation and expansion of finance capital, the emphasis was to place Africa at the lower means of production. At best, Africa has since largely remained at the bottom of global production.

In recent years, there has been growing interest to transform the continent beyond the supply of raw materials towards the expansion of productive capabilities in ways that meet the needs of the African people. One of the ways to understand Africa's level of application of its existing productive capabilities and the factors that shape the advancement of these capabilities is to examine global value chains (GVCs). A value chain describes the full range of activities that are required to bring a product or service from conception, through the different phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final consumers, and final disposal after use (Kaplinsky and Morris 2002:4). The concept of a global value chain means that the production of goods and services has become globalised such that, for example, 'a shirt may be designed in New York, cut in India, assembled in Kenya, and sold to a consumer in Los Angeles' (McCormick and Schmitz 2001:17). Given the intensification of GVCs where the production of products is geographically fragmented such that value is added in multiple countries before products make their way to consumers, it is important to examine the implications of GVCs for Africa's economic transformation.

Theoretical Framework

This article is premised on the recognition that housing, healthcare, better working conditions, food, a clean environment and democratic social relations are fundamental needs for productive socio-economic development. It is therefore necessary for any transformation on the African continent to address these needs in order to uphold the dignity of the African people. Centring and preserving their humanity is integral to the emancipatory framework, which places emphasis on the democratic rights of peoples to undertake autonomous transformational actions to address their needs. It is anchored on ideas regarding the fundamental freedoms of humanity and thus questions diverse forms of oppression in society that have been characteristic of capitalist modes of accumulation across the world, and in Africa specifically. The emancipatory framework draws its foundations from philosophical theorists such as Kwame Nkrumah (1961), Walter Rodney (1973) and Bob Marley (1980).

At this point, it is important to distinguish economic transformation from economic development. According to Gumede (2015:33), economic transformation refers to processes aimed at changing economic relations for the better so as to benefit more people. Economic development, however, is understood as economic growth and benefits associated with social development, which is in turn concerned with improvements in the well-being of people.

Problem Statement and Objectives of the Study

African economies are endowed with rich natural resources, both in agriculture and mining clusters. Arguably, if these resources were optimally mobilised, through democratic productive means, this would bring about the economic transformation required to meet the needs of the African people. Such a form of resource mobilisation is also critical for transitioning the African continent into economic self-sufficiency. Walter Rodney (1973) articulates how Europe underdeveloped Africa and it is important to recognise the impact left on Africa by colonial imperialists and the ways in which it has greatly hindered the realisation of economic self-reliance across the continent. Furthermore, the nature of finance capital accumulation throughout colonial and pre-colonial times has meant that the global economy is not structured in ways that promote the involvement of Africa in more beneficial aspects. In the context of GVCs this has meant that Africa remains at the bottom of value chains as a supplier of raw materials and a consumer of imported finished products.

South Africa can be viewed as one of the glaring examples of how African countries have been positioned in the global mining economy and the resultant impacts on economic transformation. The most obvious have

been de-industrialisation in favour of financialisation¹ and exurbanite illegal capital flight (see, for instance, Fotoyi 2016). This is why, in its 2017 Economic Transformation Discussion Document, South Africa's governing party, the African National Congress (ANC), declared as part of its economic transformation agenda for the country that there is a need to 'transform the mining sector with the aim of widening the benefits of South Africa's abundance of minerals, including the creation of safe and decent work on the mines as well as benefits for near-mine local communities, as well as give particular focus to mineral beneficiation' (ANC 2017).

Therefore, this article examines the impact of mining GVCs on Africa's economic transformation by looking at the platinum value chain in South Africa. The article focuses on how the platinum mineral GVC impacts on various aspects of South African society that are crucial to economic transformation, in particular wealth redistribution and racial and gender relations.

Methodology

The article primarily relies on available data on platinum GVCs and, in particular, those that focus on the platinum mineral sector in South Africa. The information obtained is subject to value chain analysis.

The article is cognizant of the fact that some of the key analytical constructs that inform value chain analyses focus on the manner and trajectory in which producers enter and then participate in wider markets (Kaplinsky and Morris 2002:24). Accordingly, mainstream value chain analyses focus on questions about governance, barriers to entry and challenges for catch-up on the GVC, i.e. innovation and upgrading. This contemporary approach to GVCs analysis is arguably neoliberal, primarily because the mainstream approach views value chains from the perspective of markets and not the needs of people. It therefore has limitations in answering the question of how the platinum mineral GVC impacts on various sections of South African society, crucial to economic transformation, particularly with regards to wealth redistribution, race and gender relations. Therefore, an emancipatory-centred approach to value chain analysis is adopted in this article, and the analysis framework guided by questions that examine wealth redistribution and racial and gender gaps.

Platinum Value Chain

Platinum is part of the Platinum Group Metals (PGMs), which also include palladium, rhodium, iridium, osmium and ruthenium. PGMs are known for their purity, high melting points and unique catalytic properties. In addition to their oxidation and reduction properties, they are also extremely resistant to

corrosion. PGMs are consequently utilised in a number of industrial processes, technologies and commercial applications. Their unique chemical and physical properties make PGMs an excellent raw material, catalyst and ingredient for manufacturing processes.²

Figure 1 shows the platinum value chain divided into five broad sections: exploration, mining, processing through milling and concentrating, smelting and refining of base metals and precious metals and fabrication.

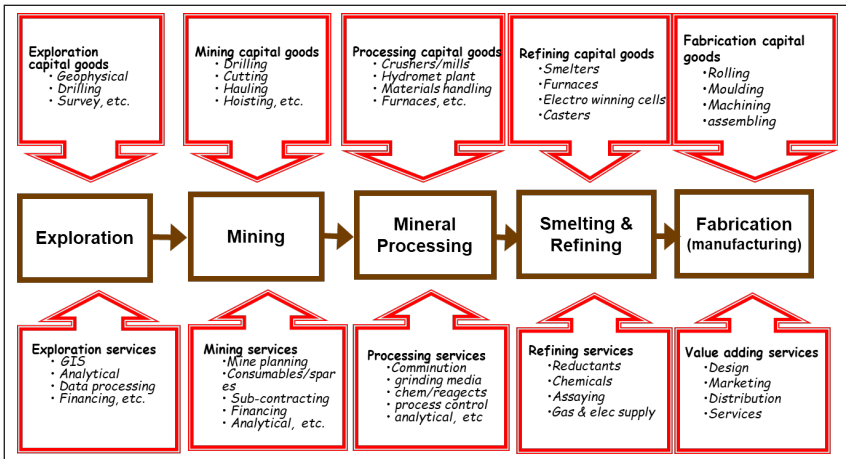


Figure 1: Platinum value chain

Source: Jourdan (2013)

Platinum Global Supply and Demand

This section looks at the global supply and demand for platinum. For a detailed breakdown of the data see Tables 1 and 2 in the Appendices section.

As seen in Figure 2, South Africa produces the largest output of refined platinum in the world. The structure of platinum supply remained fairly unchanged between 2013 and 2018, except for a one per cent decline from Russia in favour of Zimbabwe.

Platinum is applied to a number of consumer and industrial products (see Table 3 in the Appendices for a detailed description of platinum application). Figure 3 shows that in 2018, auto-catalyst, jewellery and chemical application made up over 80 per cent of global platinum demand. Notably, platinum demand for investment declined from 11 per cent in 2013 to 0.2 per cent in 2018.

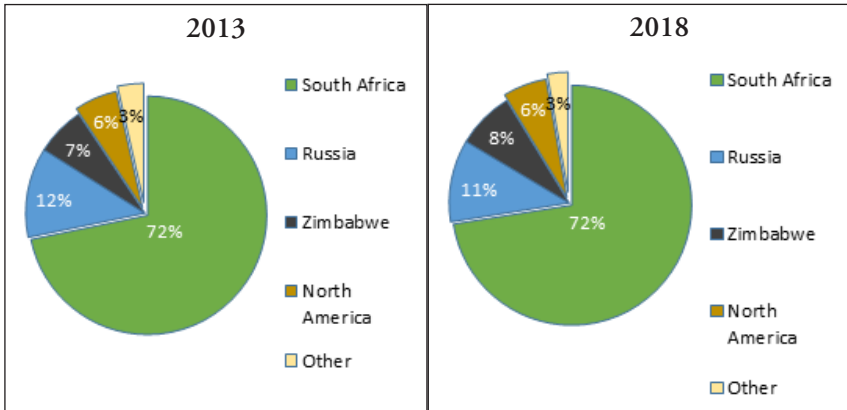


Figure 2: Global platinum supply by country, 2013 and 2018
Source: Data from World Platinum Investment Council (2019)

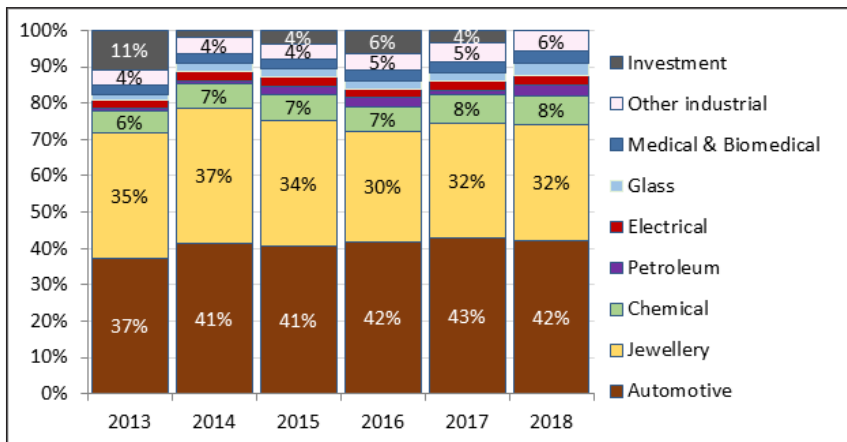


Figure 3: Global platinum demand by application, 2013 to 2018
Source: Data from World Platinum Investment Council (2019)

Figure 4 presents platinum demand by region. In 2018, the biggest automotive demand for platinum came from Western Europe. China demands platinum for jewellery, chemicals, electrical products and glass. Petroleum and medical demand for platinum came from North America.

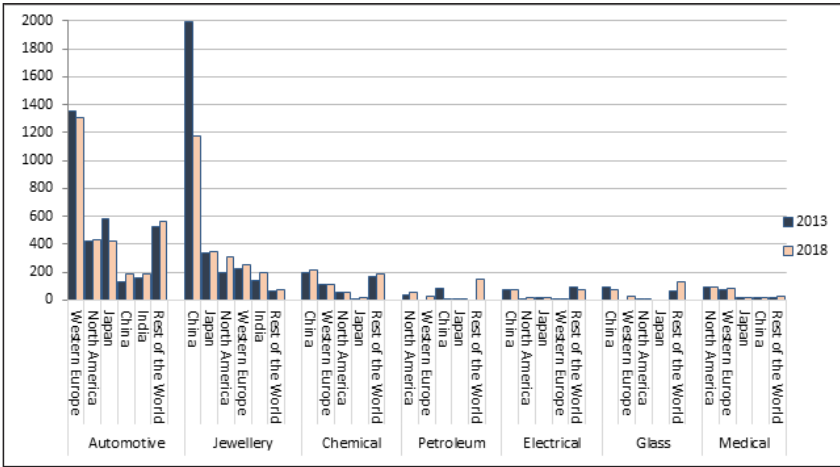


Figure 4: Global platinum demand by region, 2013 and 2018

Source: Data from World Platinum Investment Council (2019)

South African Platinum Sector

South Africa’s platinum sector is dominated by the three largest platinum producers in the world – Anglo American Platinum (Amplats), Impala Platinum (Implats), and Lonmin. There are several smaller companies in the sector that focus on exploration and operate joint ventures with the larger companies (Conradie 2016: 1). South Africa’s platinum mines are integrated such that exploration, mining of the minerals, processing through milling and concentrating, smelting and refining of base metals and precious metals are undertaken by the mining companies. For some of these companies this process occurs on mining property. The refined platinum is then supplied to customers in the form of sponge, bars or grain (Conradie 2016:1).

This section focuses on the South African platinum sector in order to examine the impact of platinum value chains on South Africa’s economic transformation. It is the real economy (which include agricultural, mining, manufacturing and construction industries) that can bring economic transformation to Africa, and not the financial economy that gives rise to financialisation.

As seen in Figure 5, the mining sector is the second biggest contributor to the South African real economy. This signifies the importance of the sector in this economy.

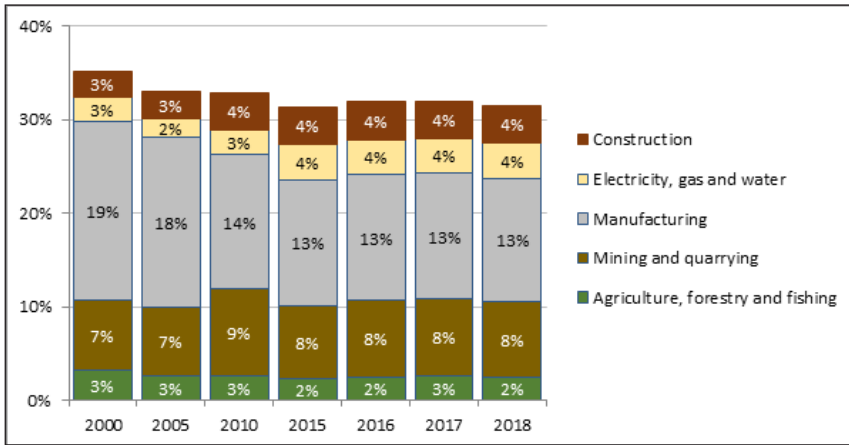


Figure 5: The South African real economy, 2000 to 2018

Source: Data from Statistics South Africa (2019a)

The structure of the South African mining economy has become more diversified over the years. The biggest shifts are shown in Figure 6, where the dominance of gold has declined from 67 per cent in 1980 to 14 per cent in 2018; and PGMs have increased their share from 5 per cent in 1980 to 21 per cent in 2018, and coal from 10 per cent in 1980 to 29 per cent in 2018.

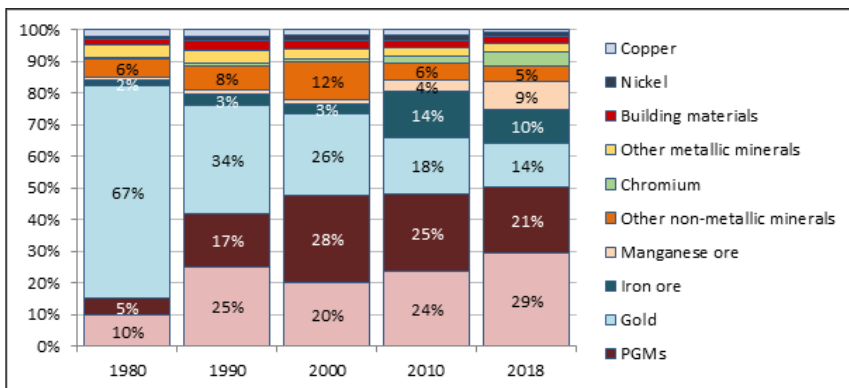


Figure 6: Structure of the mining sector (sales at current prices), 1980 to 2018

Source: Data from Statistics South Africa (2019b)

Figure 7 shows that platinum sales dominate PGMs sales with an average share of 65 per cent. As a percentage of total mining sales, platinum sales have been on a steady decline since 2016.

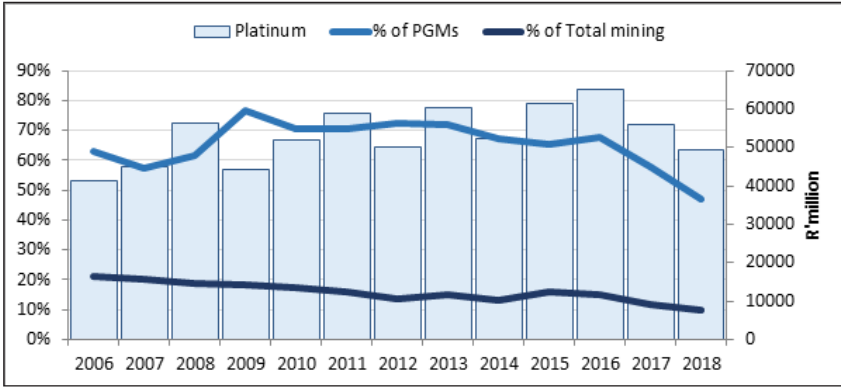


Figure 7: Platinum sales as a percentage of PGMs and total mining sales
Source: Data from the Department of Mineral Resources (n.d.) and Statistics South Africa (2019b)

Even though South Africa is the world's biggest producer of platinum, the country's sales of the mineral are dominated by exports as seen in Figure 8. The share of demand by the local manufacturing sector is very low.

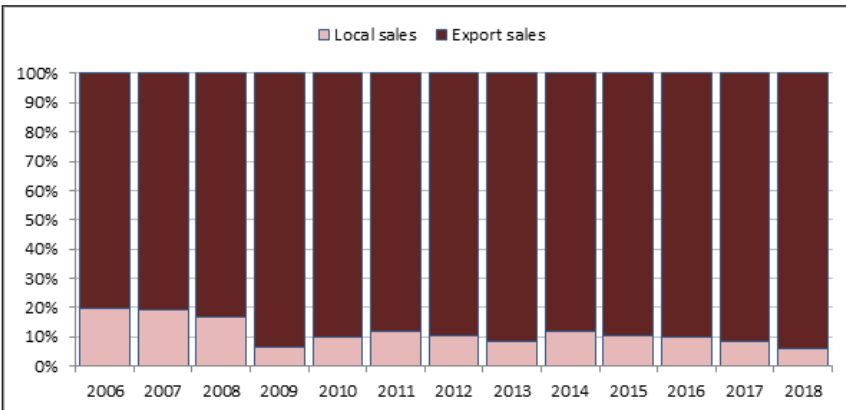


Figure 8: Platinum sales – local vs exports
Source: Data from the Department of Mineral Resources (n.d.)

Platinum co-exists with palladium, rhodium, iridium, osmium, and ruthenium as PGMs. Figure 9 shows that platinum captures a significant share of employment within the mining industry.

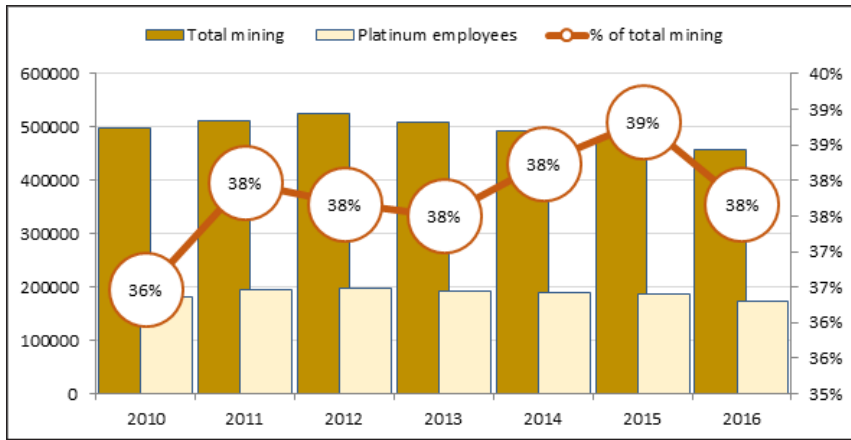


Figure 9: Platinum employment as a percentage of total mining employment
Source: Data from the Department of Mineral Resources (n.d.) and Quantec EasyData (2019)

The platinum industry remains a male-dominated sector, both in permanent and contract employment, as shown in Figure 10. Yet, platinum captures a significant share of female employment within the mining industry, averaging 35 per cent as seen in Figure 11. In terms of earnings from the platinum sector, male employees take the lion’s share, as seen in Figure 12.

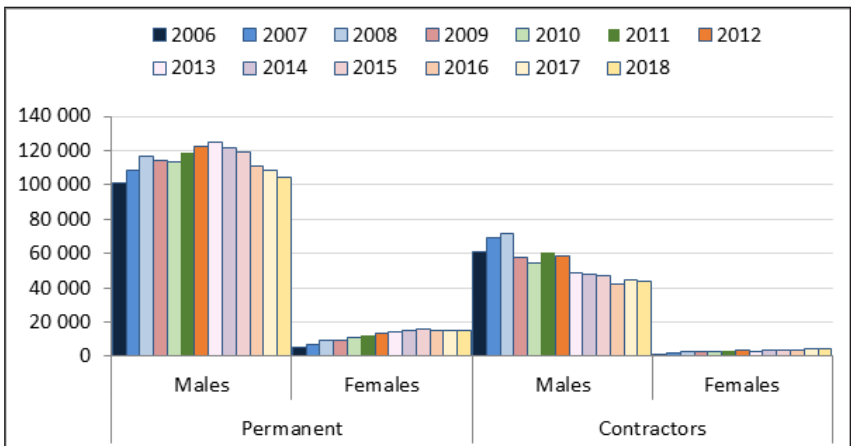


Figure 10: Platinum industry employment by gender
Source: Data from the Department of Mineral Resources (n.d.)

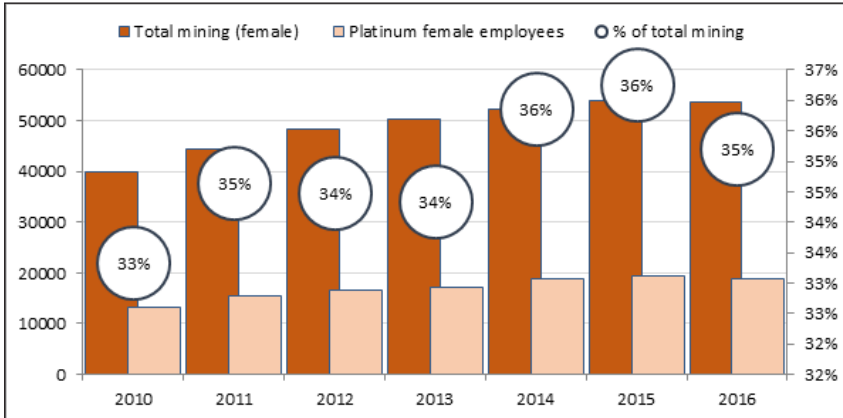


Figure 11: Platinum female employees as a percentage of total female mining employees
Source: Data from the Department of Mineral Resources (n.d.) and Quantec EasyData (2019)

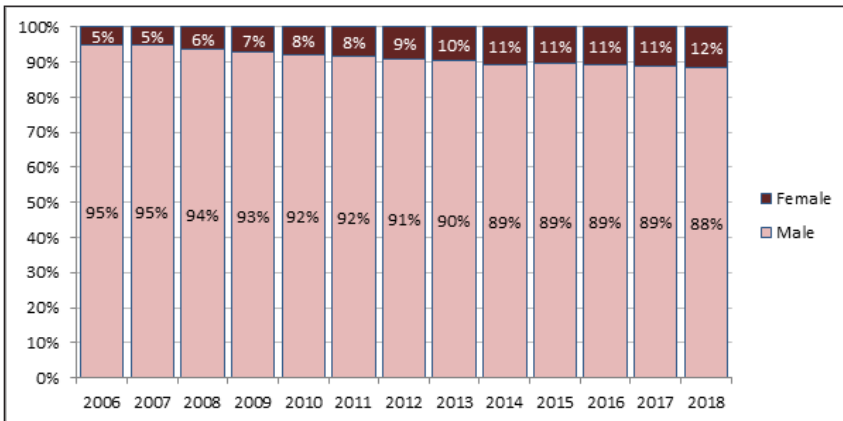


Figure 12: Share of earnings by gender
Source: Data from the Department of Mineral Resources (n.d.)

As part of European colonial rule, South Africa endured a racial and gendered apartheid system that institutionally benefitted the white minority in terms of high-ranking jobs and wealth creation. Since 1994 the first democratically elected ANC-led government has championed affirmative action, under the Employment Equity Act of 1998, to ensure that ‘previously disadvantaged’ groups have equal opportunities to employment and are equally represented in all job categories and levels within the workplace. As well, the goal is to distribute wealth across as broad a spectrum as possible of ‘previously disadvantaged’ South Africans through the Broad-Based Black Economic Empowerment Act of 2003.

Figure 13 shows that platinum mines have a Broad-based Black Economic Empowerment (BBBEE) recognition level that is lower than the overall mining industry average. Platinum mining is lagging behind in terms of redistributing equity assets to foster economic inclusion and black participation (ownership), implementing an affirmative action plan (employment equity), funding the up-skilling of black people, and purchasing from BBBEE compliant companies. However, when it comes to identifying black directors and managers and developing small black-owned companies, as well as fostering social investment initiatives, the platinum mines out-perform the overall mining industry average.

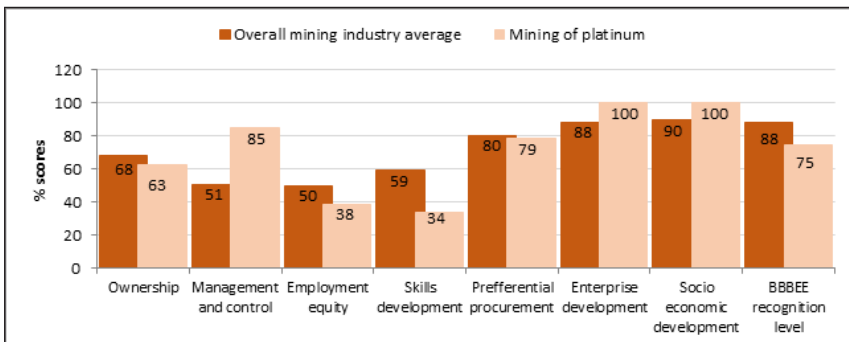


Figure 13: Broad-based Black Economic Empowerment

Source: Conradie (2016)

Conclusion

South Africa is the biggest supplier of platinum globally. Yet, the country's forward or upstream linkages (processing and transforming extractive produce into manufactured products) between the South African platinum sector and the related manufacturing sector are very weak. Arguably, South Africa continues to miss the economic opportunities presented by the country's platinum endowment due to lack of demand across all categories of application. This is unfortunate because South Africa's platinum sector has great potential to foster economic transformation in the country. The sector captures a notable share of both production and employment in the mining industry. Still, in terms of wealth redistribution, gender and race relations, the sector is lagging and can do more to bridge these gaps by leveraging mining industry specific sector regulations such as the:

- Mineral and Petroleum Resources Development Act (MPRDA), No. 28 of 2002;

- Mineral and Petroleum Resources Development Amendment Bill, 2013;
- Broad-based Socio-economic Empowerment Charter for the Mining and Minerals Industry (Mining Charter);
- Mine Health and Safety Act, No. 29 of 1996;
- the Mineral and Petroleum Resources Royalty Act, No. 28 of 2008; and
- Precious Metals Act, No. 37 of 2005.

This requires that the South African government enforces strict compliance and conducts ongoing monitoring and evaluation to ensure the widening of benefits from platinum value chains. Furthermore, there needs to be shared understanding between all stakeholders, through dialogue and advocacy, that the country's mineral resources ought to bring about economic transformation required to meet the needs of the people, and thus where required regulations need to be amended. Finally, there needs to be a deliberate drive to ensure that such a form of resource mobilisation transitions into economic self-sufficiency for the African continent, by also leveraging regional value chains and the African Continental Free Trade Agreement (AfCFTA).

Notes

1. Stockhammer (2010:2) explains that financialisation is the term used to summarise a broad set of changes in the relation between the 'financial' and 'real' sectors which give greater weight than heretofore to financial actors or motives. Stated differently, the undertakings of fictitious capital and operations of the 'shadow economy' cannot address the economic transformation question.
2. See, for example, <http://www.platinumgroupmetals.net> for the range of processes and projects in which it is used.

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Appendices

Table 1: Platinum refined production

	2013	2014	2015	2016	2017	2018
South Africa	4355	3115	4480	4255	4380	4410
Russia	740	740	710	715	720	675
Zimbabwe	405	405	405	490	480	470
North America	355	400	385	395	365	360
Other	215	195	180	180	180	170
Total	6070	4855	6160	6035	6125	6085

Source: World Platinum Investment Council (2019)

Table 2: Platinum gross demand

		2013	2014	2015	2016	2017	2018
Automotive		3170	3310	3380	3465	3325	3100
	Auto-catalyst	3025	3165	3240	3320	3180	2960
	Non-road	140	150	140	135	140	145
Jewellery		2945	3000	2840	2505	2460	2355
Industrial		1485	1565	1760	1780	1700	1895
	Chemical	535	540	595	560	590	575
	Petroleum	50	65	205	215	100	240
	Electrical	195	205	190	185	195	190
	Glass	145	175	200	205	185	235
	Medical & Biomedical	220	220	225	230	235	240
	Other	340	360	345	385	395	415
Investment		935	150	305	535	275	15
	Change in bars, coins	-5	50	525	460	215	280
	Change in Exchange Traded Funds (ETFs) holdings	905	215	-240	-10	105	-245
	Change in stocks held by exchanges	35	-115	20	85	-45	-20
Total demand		8535	8025	8285	8285	7760	7365

Source: World Platinum Investment Council (2019)

Table 3: Description of platinum demand by application

Demand	Application
Automotive demand comprises auto-catalyst demand and non-road engine catalyst demand.	The auto-catalyst is installed in a vehicle's exhaust line where it converts pollutants from the combustion of fuel into harmless gases. Auto-catalysts used with diesel engines contain higher amounts of platinum than those used with petrol engines.
Jewellery demand	Due to its rarity, purity and natural white colour, and its enduring quality and resistance to tarnishing, platinum is a very popular metal for bridal jewellery in many countries and for fashion jewellery in Asia in particular.
Industrial demand comprises chemical, petroleum, electrical, glass, medical and biomedical, and other applications.	<p>The use of platinum in chemical applications includes catalysts used in the manufacture of certain silicones, catalysts used in the synthesis of raw materials for the production of polyethylene terephthalate (PET) for the production of polyester textile and plastic containers, and catalysts for the conversion of ammonia to nitric acid used in fertilisers and explosives.</p> <p>Platinum is used in catalysts for the refining of petroleum in a process called catalytic reforming.</p> <p>In the electrical industry hard disk drives use platinum-containing disks to store data in personal computers, DVD players and other devices. Platinum is also used to coat some electrodes and multi-layer ceramic capacitors.</p> <p>Platinum is used in the fabrication of vessels that hold, channel and form the high-quality molten glass that is used, for example, to produce LCD and plasma screens.</p> <p>Platinum's usages in medical and biomedical applications include implants and tools such as aural and retinal implants, pacemakers, defibrillators, catheters and stents, as well as being the active ingredient in chemotherapy drugs and in radioactive implants for radiation therapy.</p> <p>Another application where platinum is used is in fuel cells where it is the catalyst that converts hydrogen and oxygen to heat, water and electricity.</p>
Investment demand includes coins, bars and ETFs.	A number of different retail investment products have been introduced to meet demand for platinum, which can be bought and kept as a repository of value, often for long periods.

Source: Conradie (2016)

Table 4: Platinum demand by region

Application	Region	2013	2014	2015	2016	2017	2018
Automotive	Western Europe	1350	1440	1550	1705	1560	1305
	North America	425	465	485	445	415	430
	Japan	580	590	510	455	440	420
	China	130	120	125	165	195	190
	India	160	160	175	165	165	190
	Rest of the World	525	535	535	530	550	565
Jewellery	China	1990	1975	1765	1450	1340	1175
	Japan	335	335	340	335	340	345
	North America	200	230	250	265	280	305
	Western Europe	220	220	235	240	250	255
	India	140	175	180	145	175	200
	Rest of the World	60	65	70	70	75	75
Chemical	China	195	215	255	225	225	215
	Western Europe	110	105	100	110	120	110
	North America	55	55	65	50	55	50
	Japan	10	10	10	15	15	15
	Rest of the World	165	155	165	160	175	185
Petroleum	North America	40	25	-25	90	55	55
	Western Europe	-45	-15	70	10	5	25
	China	80	-5	45	80	45	10
	Japan	10	-35	5	0	-40	5
	Rest of the World	-35	95	110	35	35	145
Electrical	China	75	70	65	75	80	75
	North America	10	15	15	10	15	15
	Japan	15	15	15	15	15	15
	Western Europe	5	10	10	10	10	10
	Rest of the World	90	95	85	75	75	75
Glass	China	90	85	95	100	85	75
	Western Europe	-10	15	10	5	10	30
	North America	5	10	0	20	5	5
	Japan	0	-25	-5	-10	-10	0
	Rest of the World	60	90	100	90	95	125

Medical	North America	90	90	90	90	95	95
	Western Europe	75	75	75	80	80	80
	Japan	20	20	20	20	20	20
	China	15	15	20	20	20	20
	Rest of the World	20	20	20	20	20	25
Other industrial		340	360	345	385	395	415
Investment		935	150	305	535	275	15
Total demand		8535	8025	8285	8285	7760	7365

Source: World Platinum Investment Council (2019)