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Croissance économique dans la zone de la Communauté économique des États de l'Afrique de l'Ouest : soutenabilité, durabilité et inclusivité[1]

Dimitri Sanga* & Mamoudou Sebego**

Résumé

Dans l'objectif d'appréhender le caractère pro-pauvre et inclusif de la croissance économique au sein de la Communauté économique des États de l'Afrique de l'Ouest (CEDEAO), il est montré à travers une analyse stylisée, puis quantitative en données de panel non équilibré, que la croissance au cours de la dernière décennie au sein de l'espace enregistre les signes d'un profil pro-pauvre et inclusif dû en partie aux activités agricoles. Par ailleurs, le dynamisme observé dans la croissance a été principalement imputable à la production de la branche commerce, restauration, hôtellerie, télécommunications, industries extractives et de construction. Aussi la baisse du poids de l'agriculture dans le Produit intérieur brut (PIB) ne traduit-elle pas un processus de transformation structurelle des économies, comme soutenu par certains décideurs de la CEDEAO.

Mots-clés : contribution sectorielle, transformation structurelle, diversification des exportations, productivité du capital, croissance pro-pauvre, croissance inclusive

Abstract

In order to understand the pro-poor and inclusive nature of economic growth within the Economic Community of West African States (ECOWAS), it is demonstrated through a stylized, and then quantitative, analysis of unweighted panel data, that over the last decade growth within the zone is

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showing signs of building a pro-poor and inclusive profile, due in part to agricultural activities. In addition, authors show that the dynamism observed in growth in the region can mainly be attributable to production in the commercial, catering, hotel, telecommunications, mining and construction industries. Thus, the decline in the contribution of agriculture to Gross Domestic Product (GDP) does not necessarily mirror economic processes of structural transformation, as argued by some ECOWAS decision-makers.

Keywords: Sectoral contribution, structural transformation, export diversification, capital productivity, pro-poor growth, inclusive growth

Introduction

Selon le modèle de croissance de Robert Solow (1956), l'économie parvient toujours à une situation de croissance équilibrée lorsque le taux de croissance du capital devient identique à celui du travail qui n'est autre chose que le taux de croissance démographique, avec l'investissement et le progrès technologique comme facteurs clés de la croissance économique. Cette confirmation théorique recherchée empiriquement par les États est-elle réalisable dans les économies de la Communauté économique des États de l'Afrique de l'Ouest (CEDEAO) au regard des niveaux de croissance économique enregistrés par la sous-région au cours de la dernière décennie et de leurs répercussions sur l'amélioration des conditions de vie des ménages ?

Depuis 2000, malgré les multiples crises économiques et financières enregistrées, l'économie de la CEDEAO affiche un profil favorable de croissance économique avec 5,7 pour cent en moyenne sur la période 2000-2015 (5,5 % pour l'Afrique et 3,5 % pour le monde). Cette performance classe la CEDEAO au deuxième rang des sous-régions de l'Afrique en termes de niveau de croissance économique après l'Afrique de l'Est (5,9 %). Cependant, plus de 40 pour cent de la population de la CEDEAO vit toujours dans l'extrême pauvreté (CEA 2016) et les taux de mortalité infantile et maternelle figurent parmi les plus élevés sur le continent (CEA *et al.* 2015).

En outre, la problématique de l'emploi, notamment celui des jeunes, est de plus en plus préoccupante, non seulement pour l'amélioration du cadre socioéconomique, mais aussi pour la stabilité politique et les considérations sécuritaires. Les taux de chômage apparemment faibles cachent un état de sous-emploi criant et de chômage déguisé. Par ailleurs, la lenteur dans la réduction de la pauvreté et la réalisation des autres objectifs de développement durable (ODD) est aussi le reflet des caractéristiques de la récente croissance économique (UNCTAD 2012). Cette divergence entre l'évolution favorable des indicateurs macroéconomiques et celle défavorable des principaux

indicateurs de développement social dans la zone CEDEAO soulève des interrogations sur la qualité des performances macroéconomiques de la sous-région. Aussi l'objectif de cet article est-il d'analyser le caractère soutenu, durable et inclusif de la croissance économique de la zone CEDEAO au cours de la dernière décennie. Cette analyse porte essentiellement sur la dynamique des principaux déterminants de l'offre et de la demande globale au cours des périodes 1990-2000 et 2001-2014, ainsi que sur l'impact de cette croissance économique sur le développement social dans la sous-région.

À partir des données extraites de sources internationales et nationales, la méthodologie, basée sur une analyse stylisée et quantitative, a consisté à prioriser les instruments de la statistique descriptive et l'économétrie en donnée de panel respectivement. Ce travail de recherche vise à alimenter les débats sur la problématique de la qualité de la croissance économique au sein de la CEDEAO et à contribuer à la prise de décision de politique économique des États membres en matière de développement économique et social. Le reste de l'article est essentiellement structuré en quatre parties : (i) l'évolution de l'environnement économique sous régional, régional et mondial, (ii) l'analyse de l'évolution de la croissance économique de la sous-région à partir de la dynamique de l'offre et de la demande, (iii) l'examen du caractère pro-pauvre de la croissance économique, et (iv) l'évaluation de l'impact de la croissance sur le développement social. Une conclusion et des recommandations de politique viennent clôturer l'article, avec une ouverture sur de potentiels sujets qui méritent d'être examinés afin d'appréhender le paradoxe entre performance macroéconomique et développement social dans les pays de la CEDEAO.

Fondements théoriques sur les déterminants de la croissance économique

Une revue de quelques importants travaux de recherche fondamentale et empirique en rapport avec les modèles de croissance économique a montré que la dynamique de la croissance est essentiellement guidée par des facteurs endogènes et exogènes. Toutefois, au regard de la finalité de notre travail, la priorité sera donnée aux facteurs endogènes, économiques ou non, sur lesquels le décideur politique a un contrôle.

S'agissant des facteurs économiques, les modèles de croissance, dont le dynamisme des travaux a été fortement impulsé au milieu du XXe siècle, sont soit de source néoclassique et basés sur le modèle de croissance de Solow (1956) qui met l'accent sur l'importance des investissements[2], soit des modèles de croissance endogène, tels que développés par Romer (1986) et Lucas (1988) qui mettent l'accent sur le rôle du capital humain et des capacités d'innovation pour une meilleure qualité de la croissance économique.

Par ailleurs, d'autres travaux ont démontré qu'une croissance économique de qualité ne saurait se fonder uniquement sur des facteurs économiques, notamment l'accumulation du capital, du travail et de l'innovation. Ces facteurs économiques doivent impérativement s'accompagner d'un environnement favorable, généralement déterminé par des facteurs non économiques, qui dans le cadre de notre travail reflètent la réalité du contexte des économies africaines en général et de l'Afrique de l'Ouest en particulier. Il s'agit notamment des facteurs institutionnels (Matthews 1986 ; Jutting 2003), sécuritaires et politiques (Brunetti 1997), socioculturels (Knack & Keefer 1997), démographiques (Kalemli-Ozcan 2002) et géographiques (Gallup *et al.* 1999). Dans le cas spécifique de l'Afrique de l'Ouest, la qualité des institutions, en rapport avec la gouvernance économique ; la situation sécuritaire et politique, en rapport avec la gouvernance politique, la violence, les guerres et les conflits ; les dynamiques démographiques, en rapport avec les taux de mortalité et de fécondité élevés, ainsi que la situation géographique, en rapport avec les coûts élevés de transactions pour les pays enclavés, constituent des facteurs hautement déterminants pour la réalisation d'une croissance économique forte, durable, inclusive et partagée.

Sur la base des travaux de Romer (1986) et Lucas (1988) sur l'importance des progrès technologiques pour la croissance à long terme, plusieurs travaux ont par la suite convergé vers trois principales sources de la croissance économique : les nouvelles connaissances (Romer 1990, Grossman & Helpman 1991), l'innovation (Aghion & Howitt 1992) et les infrastructures publiques (Barro 1990 ; Petrakos *et al.* 2007).

En outre, la stabilité[3] macroéconomique, domaine dans lequel les économies africaines ont enregistré des performances satisfaisantes au cours des deux dernières décennies, influence significativement le dynamisme de la croissance économique. Cette influence des politiques macroéconomiques se fait soit directement à travers l'accumulation du capital, soit indirectement à travers l'efficacité dans l'utilisation des facteurs de production. Ce dernier canal est déterminant pour la création de la richesse nationale dans la mesure où ses manifestations donnent une information au secteur privé sur les capacités des autorités du pays à gérer l'économie et, par ricochet, à créer un environnement favorable à une amélioration de la rentabilité des investissements (Alin *et al.* 2009).

Évolution de l'environnement économique sous régional, régional et mondial

L'environnement économique sous-régional, régional et mondial a été caractérisé au cours de la dernière décennie par des crises multiples, dont les plus importantes sont la crise économique et financière mondiale de 2007-2009, la crise d'endettement de 2011-2013 dans certains pays de l'Organisation de coopération et de développement économique (OCDE), dont les États-Unis, les fluctuations des prix du pétrole (2008-2010 et depuis 2015) et des prix des autres matières premières et minières, la crise alimentaire de 2008-2011, de même que les crises d'insécurité dans le Sahel et les crises politico-militaires au Moyen-Orient. Ces différentes crises ont affecté à des degrés divers les performances économiques de la sous-région. Toutefois, il convient de souligner que les activités économiques des États membres de la CEDEAO sont restées plus résilientes aux chocs exogènes que celles de l'Afrique dans son ensemble et du monde (Figure 1). Aussi, en termes de stabilité, la croissance économique de la CEDEAO a-t-elle été moins volatile (variance 0,5) au cours de la dernière décennie que dans l'Afrique (variance 1) et le monde (variance 2,5).

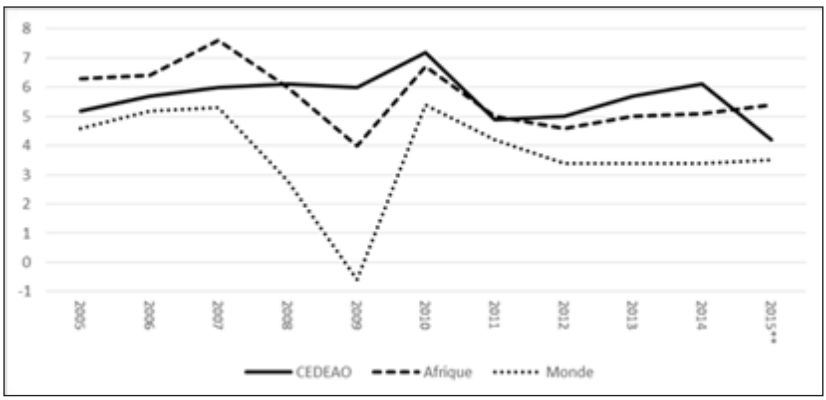


Figure 1 : Évolution de la croissance économique de la CEDEAO, de l'Afrique et du monde sur la période 2005-2015 (en %)

Source : CEDEAO 2016 et FMI 2016 ; (**) dénote une estimation

Le revenu par habitant de l'espace CEDEAO a aussi crû plus vite que celui de l'Afrique et du monde dans son ensemble, mais en deçà de la moyenne de l'ensemble des pays moins avancés (PMA), même si le rythme est resté timide (oscillant entre 2 % et 4 %). La relative bonne résilience de la dynamique de l'activité économique de l'espace CEDEAO aux chocs exogènes laisse

penser, toutes choses étant égales par ailleurs, que le déficit de robustesse et de durabilité dans la croissance économique de la sous-région serait davantage d'origine endogène qu'exogène.

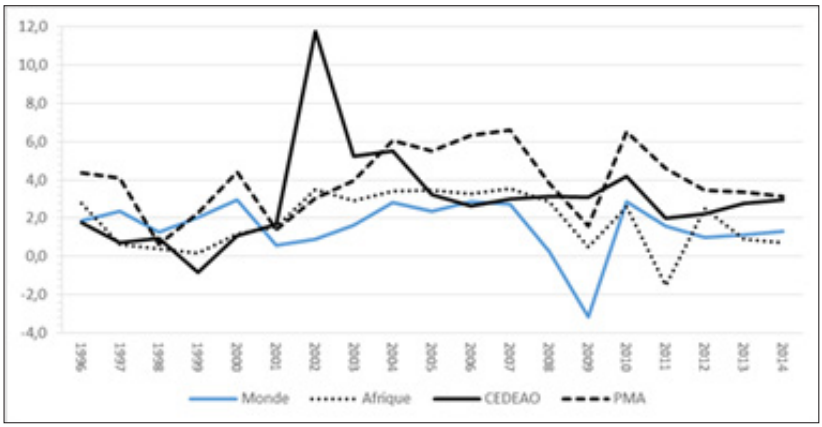


Figure 2 : Croissance du PIB par tête de la CEDEAO, des PMA, de l'Afrique et du monde (en %)

Source : Données extraites de la base de données UNCTADSTAT du CNUCED 2016

Dynamique des secteurs de production réelle dans la croissance économique de la CEDEAO au cours de la dernière décennie

En dehors de quatre pays (Bénin, Cabo Verde, Guinée et Libéria), le reste des pays de la CEDEAO a réalisé une bonne performance en termes de croissance économique au cours de la dernière décennie, comparativement à la décennie précédente. Une analyse annuelle montre que le Bénin a enregistré de fortes tendances à la hausse de sa croissance au cours des 4 dernières années avec plus de 6 pour cent de croissance. Le Libéria et la Guinée ont été affectés en 2014 et 2015 par l'épidémie à virus Ebola. Ces deux pays, qui affichent également des niveaux de croissance inférieurs à 4 pour cent sur les deux périodes à l'étude, ont été exposés à une longue période de crises politiques et sécuritaires majeures, qui ont eu un impact négatif sur leurs performances macroéconomiques. Quant au Cabo Verde, la décélération de sa croissance économique depuis 2009 est, entre autres, liée à la baisse des investissements publics, des investissements directs étrangers (IDE), ainsi que des transferts des revenus des Capverdiens de l'étranger de même qu'aux contre-performances du secteur du tourisme.

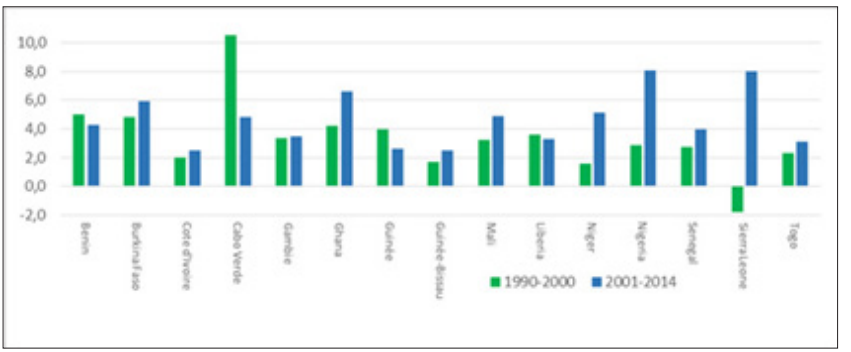


Figure 3 : Évolution moyenne du taux de croissance du PIB des États membres de la CEDEAO sur 1990-2000 et 2001-2014 (en %)

Source : Données de WDI-Banque mondiale, octobre 2016

L'appréciation de cet important bond de croissance économique enregistré par les économies de l'espace CEDEAO au cours de la dernière décennie nécessite plus d'explorations dans ses principales sources, notamment du côté de l'offre de production et de la demande.

Changement de la structure de production

En ce qui concerne de l'offre, l'analyse de la dynamique des données du tableau 1 montre que le bond quantitatif de la croissance économique de l'espace CEDEAO serait en partie dû à un gonflement de la contribution des activités du secteur des services (droits, impôts et taxes exclus) de 42,0 pour cent à 46,0 du PIB consécutif à une baisse de la contribution des activités du secteur de l'agriculture (34,0 % à 31,4 % du PIB) et de l'industrie au sens large (24,0 % à 22,6 % du PIB).

Il ressort de l'analyse du tableau 1 que les fortes croissances économiques enregistrées par les économies de l'espace CEDEAO au cours de la dernière décennie seraient principalement induites par le secteur des services hors administration dans 70 pour cent des pays, de l'industrie dans 54 pour cent des pays, et, dans une moindre mesure, de l'agriculture dans 23 pour cent des pays.

Tableau 1 : Évolution de la structure de la contribution sectorielle au PIB au sein de pays de la CEDEAO (en % du PIB)

	1990-2000			2001-2014		
	Agriculture	Industrie	Services	Agriculture	Industrie	Services
Bénin	33,0	16,3	50,6	26,2	27,5	46,3
Burkina	34,0	21,3	44,7	36,1	23,4	43,2
Côte d'Ivoire	27,1	22,7	50,1	23,9	22,6	53,5
Cabo Verde	12,5	27,3	60,1	8,9	18,2	72,9
Ghana	42,3	24,9	32,8	32,3	25,2	42,4
Guinée	20,3	30,4	49,3	23,1	38,4	38,5
Guinée-Bissau	55,1	12,7	32,2	44,5	14,5	41,0
Mali	39,3	18,8	41,9	38,4	22,8	38,8
Niger	39,2	17,4	43,4	37,1	16,6	46,3
Nigeria	32,8	43,8	23,4	31,1	34,4	34,5
Sénégal	19,7	23,5	56,8	16,2	24,1	59,7
Sierra Leone	48,8	32,0	19,1	53,4	11,4	35,1
Togo	37,2	20,7	42,1	36,8	17,5	45,7
Moyenne CEDEAO	34,0	24,0	42,0	31,4	22,6	46,0

Source : Calculs des auteurs à partir des données WDI-Banque mondiale, octobre 2016

Dynamiques des sous-secteurs d'activités

Secteur des services

La forte contribution de la valeur ajoutée du secteur des services dans les performances de croissance économique des pays de la CEDEAO au cours de la dernière décennie est en partie due aux activités spécifiques du commerce, de la restauration, de l'hôtellerie, des télécommunications et, dans une moindre mesure, du transport. Toutefois, il convient de souligner que les activités de commerce, de restaurant et de transport dans les pays de la CEDEAO constituent des segments d'activité à forte dominance informelle et peu productive. Un tel profil économique joue défavorablement en faveur du processus de la transformation structurelle économique de l'Afrique en général et de la sous-région en particulier (CNUCED 2014).

Tableau 2 : Contribution des sous-secteurs du secteur des services à la constitution du PIB au sein de la CEDEAO où des données existent (en % du PIB)

Pays	1990-2000			2001-2013		
	Commerce, restaurant, hôtel	Transport, communication	Autres activités	Commerce, restaurant, hôtel	Transport, communication	Autres activités
Cabo Verde	13,2	14,0	27,9	18,0	17,6	32,0
Côte d'Ivoire	18,3	6,4	23,5	13,3	5,4	27,1
Ghana	10,7	15,8	20,8	11,3	14,3	23,3
Guinée-Bissau	18,5	3,5	10,6	19,4	3,9	15,0
Niger	18,4	5,8	23,4	15,2	6,7	19,2
Nigeria	17,5	10,4	22,0	17,2	11,9	22,1
Sénégal	20,9	7,3	29,1	20,6	11,2	28,0
Sierra Leone	9,8	7,1	25,9	9,3	6,2	21,5
Togo	11,5	4,6	19,7	11,2	5,8	20,1
Moyenne CEDEAO	15,4	8,3	22,5	15,1	9,2	23,1

Sources : Calculs des auteurs à partir des données de UNCTADSTAT, octobre 2016

Industries

Tableau 3 : Contribution des activités du secteur des industries à la constitution du PIB au sein de la CEDEAO où des données existent (en % du PIB)

	1990-2000			2001-2013		
	Activités extractives	Manufactures	BTP	Activités extractives	Manufactures	BTP
Bénin	1,4	8,4	3,8	1,4	8,5	4,4
Burkina	2,0	15,1	5,3	4,2	10,1	5,1
Ghana	4,0	11,1	4,3	5,6	8,8	7,6
Guinée	18,3	3,1	8,9	18,9	6,1	8,8
Guinée-Bissau	0,6	7,7	4,8	0,5	11,9	1,5
Mali	4,5	8,5	4,7	10,1	7,4	5,3
Nigeria	39,6	5,4	2,4	26,8	6,1	2,5
Sénégal	3,6	16,7	3,5	4,4	14,9	4,8
Sierra Leone	3,3	3,5	2,4	6,5	2,6	1,8

Sources : Calculs des auteurs à partir des données de UNCTADSTAT, novembre 2016

Les activités extractives (mines et pétrole) et les BTP ont constitué les activités locomotives de la dynamique du secteur industriel dans les bonnes performances de croissance économique de la CEDEAO au cours de la dernière décennie. L'industrialisation, notamment manufacturière, identifiée comme la politique préconisée pour une croissance économique inclusive et durable, commence à produire des résultats encourageants dans certains pays de la sous-région (Bénin, Guinée-Bissau, Guinée, Nigeria).

Globalement, la contribution de l'offre de production réelle à la forte croissance économique de la CEDEAO au cours de la dernière décennie est majoritairement tributaire du développement des activités de commerce, de restaurants/hôtels, de télécommunications, du BTP et des activités extractives (mines et pétrole). En revanche, le dynamisme de la production agricole et manufacturière en termes de contribution au PIB a été résiduel au cours de la décennie. Seulement trois pays (Burkina Faso, Guinée, Sierra Leone) de l'espace CEDEAO ont pu réaliser des progrès dans les activités agricoles et, dans une moindre mesure, la production manufacturière dans quatre pays (Bénin, Guinée-Bissau, Guinée, Nigeria). La contribution de la production manufacturière au PIB dans les onze autres pays est en baisse, traduisant ainsi un processus de désindustrialisation en cours dans la sous-région.

Cette exploration du côté offre montre qu'en dépit de la croissance économique élevée et régulière de la CEDEAO au cours de la dernière décennie, la quasi-totalité des pays n'a toujours pas amorcé le processus normal de transformation structurelle[4].

Le modèle de changement structurel en cours (baisse de la contribution de l'agriculture accompagnée d'une hausse de celle des activités extractives (mines et pétrole) et des activités de services à dominance informelle) est différent de ce à quoi on s'attendrait au regard de l'actuel niveau de développement de la sous-région. Par ailleurs, les institutions panafricaines, notamment la Commission économique pour l'Afrique (CEA), la Commission de l'Union africaine (CUA) et la Banque africaine de développement (BAD), dans leur mission d'appui aux États membres vers la transformation structurelle des économies, continuent d'encourager les réformes de stimulation de la croissance par l'amélioration de la productivité agricole et de l'industrialisation.

Dynamique des agrégats de la demande globale dans la croissance économique de la CEDEAO au cours de la dernière décennie

Cette section explore la dynamique de la consommation finale, de l'investissement et des exportations au cours de la dernière décennie afin d'appréhender leur incidence effective sur les bonnes performances de croissance économique de l'espace CEDEAO sur la période sous revue.

Cette dynamique est considérée comme l'un des principaux moteurs de la croissance en Afrique au cours de la dernière décennie (CNUCED 2014).

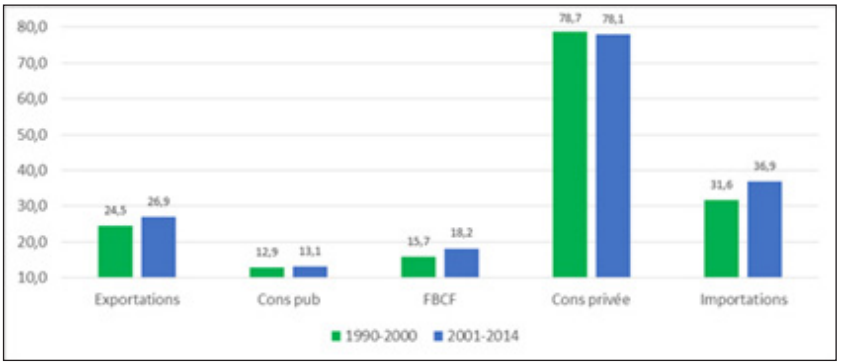


Figure 4 : Dynamique des agrégats de la demande globale dans la CEDEAO (en % du PIB)
Source : À partir des données de WDI-Banque mondiale et calculs des auteurs, novembre 2016

La dernière décennie de forte croissance économique dans l'espace CEDEAO a été soutenue par une augmentation du taux d'investissements de 15,7 pour cent à 18,2 pour cent du PIB, des exportations de biens et services de 24,5 pour cent à 26,9 pour cent du PIB et, dans une moindre mesure, par la consommation finale de l'administration publique. Les importations ont connu une plus forte augmentation qui serait en partie constituée de biens d'équipement en réponse au dynamisme des industries extractives (mines et pétrole) et des BTP, comme montré plus haut.

Au cours de la dernière décennie, la quasi-totalité des pays de l'espace CEDEAO (Bénin, Burkina Faso, Gambie, Ghana, Niger, Nigeria, Sénégal, Sierra Leone et Togo) a accru substantiellement leur taux d'investissement en moyenne d'au moins 5 points de pourcentage (Figure 4). En revanche, d'autres ont plutôt vu leur taux d'investissement baisser substantiellement (Guinée, Guinée-Bissau et Mali), avec la Guinée-Bissau qui a régressé de 19 points de pourcentage. Il a été démontré que l'Afrique doit atteindre au moins un taux d'investissement de 25 pour cent du PIB pour réaliser un taux de croissance économique de 7 pour cent à moyen et à long terme afin de pouvoir réduire sensiblement la pauvreté (Clarke 2013 ; ECA 1999).

Tableau 4 : Dynamique des agrégats de la demande globale dans les économies de la CEDEAO où des données existent (en % du PIB)

	1990-2000					2001-2014				
	Cons publique	Cons privée	FBCF	Exporta-tions	Importa-tions	Cons publique	Cons privé	FBCF	Exporta-tions	Importa-tions
Bénin	14,4	76,1	17,1	24,3	33,2	14,8	74,0	22,5	22,5	34,0
Burkina	22,4	69,0	21,2	11,0	24,6	21,4	66,8	22,7	15,6	28,3
Côte d'Ivoire	14,2	68,1	11,6	37,6	31,1	13,4	66,7	10,9	47,4	39,4
Gambie	12,1	84,4	10,0	28,5	35,0	9,2	85,8	22,3	23,5	41,0
Ghana	11,5	81,1	20,0	27,3	40,3	13,6	77,3	24,5	34,9	50,8
Guinée	8,1	73,8	19,9	23,9	27,1	9,0	84,4	15,7	29,7	39,2
Guinée-Bissau	9,3	90,0	24,0	14,0	37,3	13,6	90,1	5,8	19,1	28,8
Mali	14,1	80,1	19,6	19,1	32,6	17,2	64,8	19,2	25,9	29,9
Niger	14,8	82,3	9,2	16,6	23,1	14,4	74,6	27,0	18,5	34,9
Nigeria	9,5	68,7	10,1	36,2	24,5	8,2	71,3	10,8	32,5	23,0
Sénégal	14,8	79,2	20,1	26,5	33,9	14,2	77,9	24,2	26,4	43,0
Sierra Leone	10,0	88,9	6,3	22,4	27,7	10,6	90,4	13,2	14,3	28,6
Togo	12,6	81,1	15,5	30,6	40,5	10,9	91,0	17,2	39,9	59,3
Moyenne CEDEAO	12,9	78,7	15,7	24,5	31,6	13,1	78,1	18,2	26,9	36,9

Source : Calculs des auteurs à partir des données WDI-Banque mondiale, novembre 2016

Par ailleurs, l'accumulation de capital a été établie dans les différents travaux de recherche comme facteur clef de la croissance à long terme d'une économie (Turnovsky 2011). Ce rôle de l'investissement dans le processus de développement doit être compris par les décideurs des États membres de la CEDEAO comme une étape incontournable vers le développement durable. Les conclusions d'un certain nombre de travaux récents ont confirmé ce postulat. Il s'agit, entre autres, de Mijiyawa (2013), Ghazanchyan et Stotsky (2013), Fedderke *et al.* (2006) qui considèrent que les investissements dans les infrastructures économiques et sociales sont non seulement positivement corrélés à la croissance économique, mais constituent le principal levier de la croissance économique.

L'augmentation des taux d'investissement au cours de la dernière décennie a été proportionnellement tirée par la composante privée (+ 4,1 points de pourcentage en moyenne) plus que par la publique (+ 0,5 point de pourcentage en moyenne). Cette augmentation a été effective dans sept pays (Bénin, Burkina Faso, Ghana, Niger, Sénégal, Sierra Leone, Togo) avec un accroissement de 1,5 point de pourcentage au Togo à 16,2 points de pourcentage au Niger. Les pays ayant enregistré une baisse de leur taux d'investissement (Côte d'Ivoire, Libéria, Guinée, Guinée-Bissau, Mali) ont dans leur majorité traversé des crises sociopolitiques difficiles qui ont certainement inhibé les initiatives d'investissements publics et privés.

Comme illustré à la figure 5, il y a une prédominance des investissements privés dans les pays de la CEDEAO. Le niveau des investissements publics est resté quasiment stable au cours des vingt dernières années (entre 6,0 % et 8,0 % du PIB).

Les résultats empiriques des différents travaux de recherche sur l'influence relative de la composante privée et publique des investissements sur la croissance économique sont d'une manière générale mitigés. Certains travaux concluent que l'investissement public a tendance à stimuler l'accroissement de l'investissement privé, tandis que d'autres constatent l'effet inverse. L'effet positif de l'investissement public sur la croissance, en augmentant l'efficacité de l'investissement privé, semble toutefois être privilégié dans le contexte africain (CNUCED 2014).

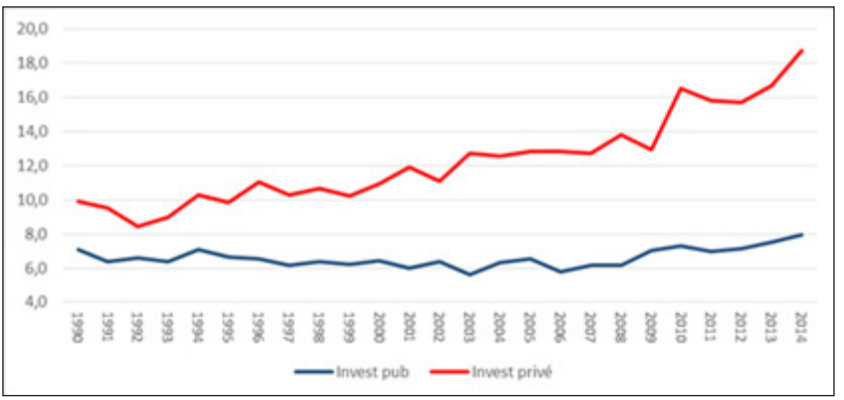


Figure 5 : Évolution du taux d'investissement public et privé au sein de la CEDEAO (en % du PIB)

Source : À partir des données de WDI-Banque mondiale, et calculs des auteurs, novembre 2016

Au-delà du niveau des investissements, la qualité ou l'efficacité des investissements sont des leviers d'une croissance économique forte et durable. Afin d'apprécier l'efficacité des investissements, l'analyse de l'évolution du coefficient marginal de capital est privilégiée. Plus le coefficient marginal de capital est élevé, moins le capital est efficace ou productif. Dans le modèle fondamental de croissance de Harrod et Domar (1956) fondé sur le modèle keynésien, le taux de croissance économique dépend fortement du coefficient marginal du capital et de la propension marginale à épargner. Ils démontrent que les pays pauvres ont un coefficient marginal du capital plus élevé que les pays développés à cause essentiellement : (i) de la mauvaise utilisation et du gaspillage du capital dus à un manque d'entretien et à des insuffisances dans le choix des investissements ; (ii) d'importants besoins en investissements sociaux et en infrastructures économiques et (iii) des effets d'entraînement inexistants étant donné que le capital a de particulières affinités pour les régions déjà soumises à une exploitation capitalistique.

De l'analyse des données du tableau 5, il ressort que huit pays (Bénin, Cabo Verde, Côte d'Ivoire, Gambie, Guinée, Niger, Sénégal et Togo) ont vu leur taux marginal de capital augmenté, traduisant ainsi une absence ou une faiblesse dans l'utilisation des capitaux. Même si des pays comme le Nigeria, le Ghana, le Libéria, le Burkina Faso, le Mali et la Guinée-Bissau ont amélioré l'efficacité de leurs investissements au cours de la dernière décennie par rapport à la précédente, il convient de souligner que l'efficacité dans les investissements demeure une préoccupation majeure dans la sous-région, notamment à cause du gaspillage, du déficit de choix et de la corruption.

Ces résultats renforcent la problématique de la faiblesse de la productivité des capitaux et du facteur travail en Afrique et appellent à une utilisation plus efficace des capitaux, notamment des investissements publics, car selon Dabla-Norris *et al.* (2011), l'efficacité des investissements publics est un défi en Afrique. Cette situation a tendance à réduire les complémentarités entre les capitaux publics et privés, et, par ricochet, à limiter le rendement des investissements privés, rendant ainsi leur attraction plus incertaine.

Tableau 5 : Dynamique moyenne du coefficient marginal du capital au sein de l'espace CEDEAO

Pays	**Moyenne 1990-2000**	**Moyenne 2001-20114**
Bénin	3,3	5,0
Burkina Faso	4,4	3,7
Cabo Verde	6,2	6,4
Côte d'Ivoire	4,1	27,1
Gambie	6,5	6,8
Ghana	3,3	3,1
Guinée	7,0	10,8
Guinée-Bissau	23,8	3,2
Libéria	24,5	2,9
Mali	4,4	4,0
Niger	4,7	5,7
Nigeria	3,9	1,0
Sénégal	5,9	6,1
Sierra Leone	-1	1,6
Togo	**5,9**	**7,5**

Source : CNUCED 2014

Figure 6 : Évolution de l'indice Herfindahl de diversification des exportations au sein de la CEDEAO

Source *:* À partir des données extraites de UNCTADSTAT, et calculs des auteurs, novembre 2016

N.B. : plus l'indice tend vers zéro, plus sont diversifiées les exportations.

Le niveau des exportations de la majeure partie des pays de la CEDEAO a augmenté au cours de la dernière décennie par rapport à la précédente (cf. Tableau 4), passant ainsi de 24,5 pour cent du PIB à 26,9 pour cent du PIB en moyenne dans la sous-région, avec des niveaux supérieurs à 30 pour cent (Côte d'Ivoire, Togo, Ghana et Nigeria) pour certains. En dépit de cette tendance à la diversification observée au cours de la dernière décennie, les exportations de l'ensemble des pays de la CEDEAO sont structurellement caractérisées par une concentration sur les produits bruts agricoles et extractifs (cf. Figure 6). Il reste que les efforts de diversification des exportations en cours en Côte d'Ivoire, au Bénin, au Sénégal, au Ghana, au Libéria et au Togo devraient être renforcés à travers la mise en œuvre de politiques industrielles et commerciales audacieuses et sélectives. Cette orientation stratégique de changement structurel de l'économie, avec un accent particulier sur le développement de l'industrie manufacturière, doit être impérativement une règle d'or de politique économique dans la sous-région au cours de la décennie à venir.

Tableau 6 : Évolution de l'indice Herfindahl de diversification des exportations au sein des pays de la CEDEAO

Pays	**1995-2000**	**2001-2005**	**2006-2010**	**2011-2014**
Bénin	0,80	0,80	0,76	0,75
Burkina Faso	0,79	0,81	0,81	0,79
Cabo Verde	0,67	0,68	0,70	0,71
Côte d'Ivoire	0,79	0,76	0,72	0,71
Gambie	0,78	0,70	0,71	0,76
Ghana	0,82	0,83	0,81	0,75
Guinée	0,83	0,85	0,81	0,79
Guinée-Bissau	0,64	0,67	0,74	0,77
Libéria	0,81	0,83	0,77	0,77
Mali	0,82	0,85	0,84	0,83
Niger	0,78	0,79	0,79	0,82
Nigeria	0,89	0,87	0,83	0,81
Sénégal	0,79	0,73	0,73	0,73
Sierra Leone	0,72	0,69	0,66	0,80
Togo	0,76	0,75	0,73	0,71

Source : UNCTADSTAT et calculs des auteurs, novembre 2016

La consommation des ménages est l'élément dominant de la demande intérieure dans les économies africaines en général et dans la CEDEAO en particulier (cf. Figure 4). Cependant, une stratégie de croissance fondée sur la consommation n'est pas viable à moyen et à long terme, car elle entraîne souvent une dépendance excessive à l'égard des importations de biens de consommation dans un contexte de faibles capacités productives. Il en découle en outre une détérioration de la balance courante qui doit être corrigée à terme pour assurer la viabilité des comptes extérieurs (CNUCED 2014). Il est également admis que la hausse des investissements, qui peut également dégrader les comptes courants, est associée à une croissance plus forte que lorsque le déficit est imputable à une vigoureuse expansion de la consommation (Klemm 2013).

La consommation finale de la sous-région représente en moyenne 78,1 pour cent du PIB au cours de la dernière décennie, contre 78,7 pour cent du PIB à la décennie antérieure, avec une tendance à la baisse entretenue par huit pays (Bénin, Burkina Faso, Côte d'Ivoire, Ghana, Guinée-Bissau, Mali, Niger et Sénégal). Les autres pays ont enregistré une hausse de la consommation finale des ménages (cf. tableau 4) au même titre que la croissance économique sur la même période. Il en ressort que la performance structurelle du taux de consommation dans l'orientation de la croissance économique en Afrique au cours de la dernière décennie à travers le canal de la demande globale est suscitée par l'amélioration de la confiance des consommateurs et l'élargissement progressif de la classe moyenne (ECA 2015).

Croissance économique et réduction de la pauvreté dans la zone CEDEAO

Cette section examine la qualité de la croissance économique à travers son profil pro-pauvre.

Cadre théorique

Les travaux de recherche sur le phénomène de croissance pro-pauvre ont pris de l'ampleur dans le contexte de la mise en œuvre des stratégies de réduction de la pauvreté impulsées en Afrique en début 2000 par les institutions de Bretton Woods (Philippe 2008).

Pour Kakwani et Pernia (2001), ce sont les non pauvres qui bénéficient en premier temps des retombées de la croissance économique à cause de leurs avantages en termes de capital humain et financier ; dans un second temps, les pauvres en bénéficient à travers les dépenses faites par les non pauvres. Des auteurs ont mis en évidence l'hypothèse d'une croissance plus pro-non pauvre, voire appauvrissante[5] (Dorothée *et al.* 2009).

Le concept de la croissance pro-pauvre a donné lieu à une multitude de définitions de la part des économistes du développement. Toutefois, il convient de retenir que la croissance pro-pauvre se réfère à la croissance inclusive. En d'autres termes, il s'agit de constituer la croissance à partir de la base, c'est-à-dire des pauvres, et d'en faire profiter l'ensemble de la population par un flux de bas en haut afin d'accélérer des mécanismes de réduction de la pauvreté. Même si des divergences existent sur la significativité de l'influence de la croissance sur la réduction de la pauvreté et le degré d'influence à partir duquel elle est qualifiée de pro-pauvre, tout le monde s'accorde sur le fait qu'on ne parlera de croissance pro-pauvre que quand cette croissance entraîne une réduction significative de la pauvreté (Lopez 2004). Il s'y ajoute que l'évaluation du caractère pro-pauvre de la croissance est fonction de sa définition.

Il ressort de cela que la croissance sera pro-pauvre de façon relative lorsque le taux de croissance du revenu des individus pauvres consécutif à une période de croissance économique sera supérieur à celui des individus non pauvres (White *et al.* 2000 ; Klasen 2003). De façon plus absolue, la croissance sera qualifiée de pro-pauvre lorsqu'elle entraîne une réduction du taux de pauvreté en termes absolus (Ravallion *et al*. 2003 ; Kraay 2004).

Suivant cette double approche relative et absolue, trois grandes étapes sont considérées dans l'analyse de la croissance pro-pauvre. D'abord, la démarche consiste à choisir un indicateur de bien-être. Ensuite, à définir un seuil de pauvreté permettant de séparer les pauvres des non pauvres. Enfin, à utiliser une ou plusieurs mesures de la croissance pro-pauvre afin d'obtenir la répartition de la pauvreté pour l'ensemble de la population ou pour différents sous-groupes (Dorothée *et al*. 2009).

Dans le cas de notre présent travail de recherche, l'approche dite « relative » de White et Anderson (2000) et Klasen (2005) est privilégiée pour apprécier le profil pro-pauvre ou non de la forte croissance économique de la CEDEAO au cours de la dernière décennie. Le choix de cette approche est lié à la disponibilité des données sur la distribution de revenus (par centile, décile, quintile, etc.) dans les bases de données de certaines institutions internationales comme la Banque mondiale.

Sur le plan méthodologique, deux mesures permettent de mettre en évidence une vision moyenne de la relation entre croissance et pauvreté. Un premier indice qualifie la croissance de pro-pauvre lorsque le taux de croissance du revenu moyen des pauvres est supérieur à celui de l'ensemble de la population. Un second suggère une croissance pro-pauvre si la part

des pauvres dans la variation des dépenses ou du revenu excède le ratio de pauvreté (Dorothée *et al*. 2009). Sur cette base, il est mené dans la section suivante une analyse de la dynamique dans la distribution des revenus des pauvres et des non pauvres sur la base des enquêtes ménages réalisées avant et au cours de la dernière décennie. Les données d'analyse sont extraites de la base de données de la Banque mondiale. Toutefois, l'absence de données n'a pas permis la prise en compte du Libéria dans notre analyse.

Évaluation du profil pro-pauvre et inclusif de la croissance économique de la CEDEAO

L'analyse du tableau 7 révèle trois catégories de pays selon l'évolution de la distribution des revenus des deux extrêmes de la situation de bien-être des ménages, à savoir les plus pauvres et les plus riches, en considérant le décile et le quintile correspondants. Un premier groupe (Burkina Faso, Cabo Verde, Guinée, Mali, Niger, Sierra Leone) où la part de revenu des plus pauvres au cours de la dernière décennie a augmenté et celle des plus riches a baissé. Un deuxième groupe (Bénin, Ghana, Guinée-Bissau, Nigeria, Sénégal, Togo) qui concerne les pays où la part de revenu des plus pauvres a baissé et celle des plus riches a augmenté au cours de la dernière décennie. Un troisième groupe (Côte d'Ivoire, Gambie) qui est caractérisé par une baisse concomitante des revenus des plus pauvres et des plus riches au cours de la dernière décennie.

En guise de conclusion, nous pouvons dire que la forte croissance des économies de la CEDEAO au cours de la dernière décennie a été plus en faveur des ménages plus riches que des pauvres. Elle a été non pro pauvre et non inclusive dans plus de 43 pour cent des économies de la sous-région. Les performances macroéconomiques ont été plus à l'avantage des plus riches, notamment en rapport avec l'augmentation du coefficient marginal du capital dans la sous-région au cours de la période en revue. Des réformes allant dans le sens de l'amélioration de la productivité du secteur agricole, qui est le secteur contribuant le plus à la pauvreté et à la constitution du PIB, sont nécessaires. L'amélioration du caractère inclusif des activités des secteurs émergents de la dernière décennie, notamment les industries extractives, les BTP et les télécoms, constitue également une piste vers la réalisation d'une croissance pro-pauvre dans la sous-région.

Tableau 7 : Variation de la part de revenu des ménages plus pauvres et plus riches au sein de la CEDEAO (en point de pourcentage)

Pays	Année	Distribution part de revenu			
		Les 10 % plus riches	Les 20 % plus riches	Les 10 % plus pauvres	Les 20 % plus pauvres
Bénin	03-11	3,4	4,5	-0,4	-0,9
Burkina Faso	98-03	-9,0	-6,8	0,3	0,6
	03-09	-1,7	-2,8	0,5	0,9
Côte d'Ivoire	98-02	2,6	2,3	-0,3	-0,3
	02-08	-0,1	0,5	-0,5	-0,9
Cabo Verde	01-07	-5,5	-4,7	0,4	0,8
Gambie	98-03	-0,1	-0,6	0,0	0,0
Ghana	98-05	3,1	2,4	-0,3	-0,5
Guinée	94-02	-2,1	-2,6	0,2	0,6
	07-12	-3,7	-4,8	0,6	1,3
Guinée-Bissau	93-02	-6,3	-6,5	0,7	1,6
	02-10	13,9	13,6	-1,3	-2,8
Mali	94-01	-10,4	-9,7	0,8	1,7
	01-09	-4,6	-4,8	0,8	1,5
Niger	94-05	3,8	2,7	-0,1	-0,1
	07-11	-4,9	-4,9	0,6	1,2
Nigeria	96-03	-10,9	-10,5	0,8	2,0
	03-09	2,9	3,0	-0,1	-0,3
Sénégal	94-01	-0,5	0,0	0,1	0,1
	05-11	1,0	1,1	-0,1	-0,2
Sierra Leone	03-11	-5,1	-5,4	0,6	1,3
Togo	06-11	1,9	2,5	-0,6	-1,2

Source : Calcul des auteurs à partir des données WDI de la Banque mondiale et calculs de l'auteur, décembre 2016

Quelle a été l'influence de la croissance économique dans le développement social des États de la CEDEAO ?

Les relations entre les performances macroéconomiques et le développement social ont été au centre des réflexions des chercheurs et acteurs du développement sur le paradoxe du modèle de développement de l'Afrique. La trilogie croissance économique-pauvreté-inégalité a été grandement explorée par les chercheurs pour appréhender la dynamique théorique et empirique qui existe entre elles afin de proposer les politiques économiques appropriées

(Thorbecke 2013 ; Go Delfin *et al.* 2007 ; Bigsten 2014 ; Berg *et al.* 2003 ; IMF 2015). L'essentiel des travaux de recherche ont ciblé trois niveaux : (i) la relation entre croissance économique et inégalité (et vice versa), (ii) l'impact de la redistribution sur la croissance économique, et (iii) la dynamique entre le revenu moyen global et le revenu moyen des ménages pauvres (Mamoudou *et al.* 2014). La croissance en Afrique a plus que proportionnellement profité aux plus riches. Par ailleurs, la mise en œuvre des stratégies de réduction de la pauvreté en Afrique n'a ni réduit l'effectif des pauvres ni augmenté la part des revenus des plus pauvres (IMF 2015).

Dynamique entre pauvreté, inégalité de revenu et croissance économique au sein de la CEDEAO (variation 2003-2011 en %)

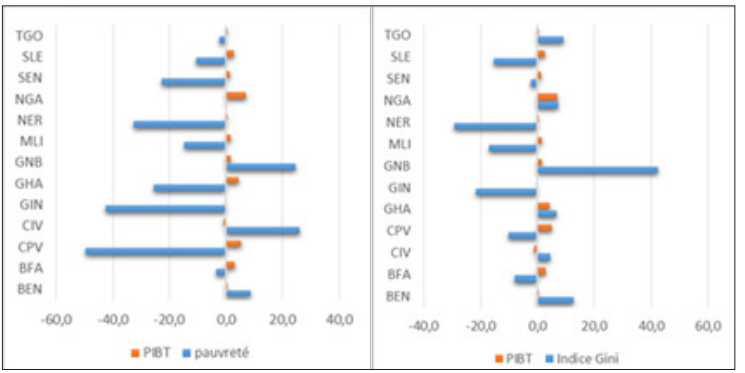
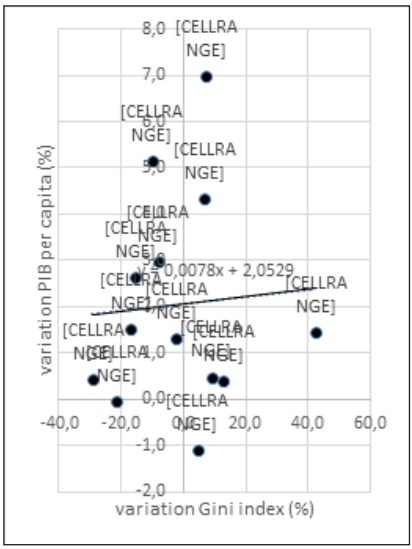


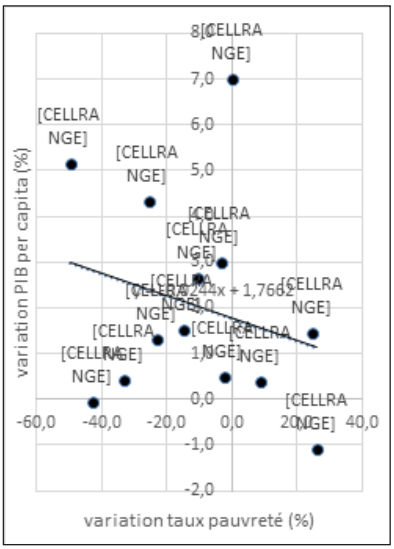
Figure 7 : Évolution PIB par tête et pauvreté - Évolution PIB par tête et inégalité revenu

Source : Données extraites de WDI, Banque mondiale, février 2017

L'analyse de la dynamique de la croissance économique, pauvreté et inégalité de revenu au cours de la dernière décennie révèle que les bonnes performances macroéconomiques des pays de la CEDEAO n'ont pas été potentiellement accompagnées d'une réduction substantielle des inégalités et de la pauvreté de la population. En effet, 70 pour cent des pays ont vu leur croissance économique accompagnée de réduction de pauvreté et des inégalités, mais cette baisse n'a pas été suffisante. Par ailleurs, la croissance économique s'est accompagnée d'une aggravation de la pauvreté dans quatre pays (Nigeria, Guinée-Bissau, Côte d'Ivoire et Bénin) et d'une augmentation des inégalités dans six pays (Togo, Nigeria, Guinée-Bissau, Ghana, Côte d'Ivoire et Bénin). Les longues périodes de crise politique pourraient expliquer la forte contre-performance de la Côte d'Ivoire, de la Guinée-Bissau et du Togo. Le Nigeria et le Ghana, malgré l'importance de l'exploitation de leurs ressources naturelles (pétrole et or notamment) dans la création de la richesse nationale, n'ont pas pu empêcher l'aggravation de la pauvreté et des inégalités.

Dynamique entre indice de Gini et PIB per capita	Dynamique entre pauvreté et PIB per capita





Dynamique entre pauvreté et indice de Gini

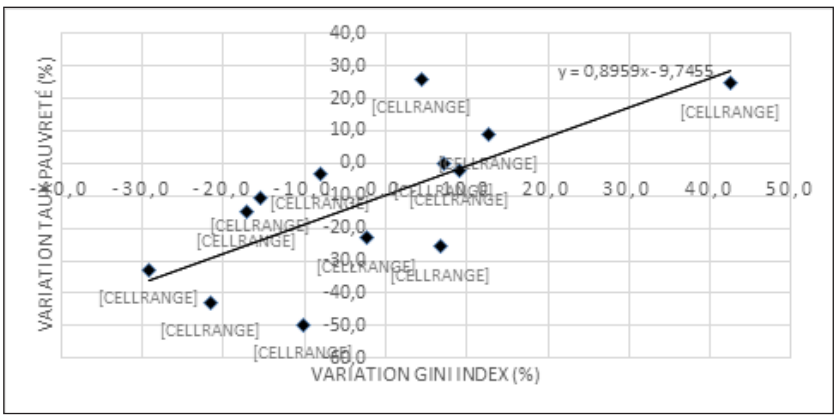


Figure 8 : Dynamique de la croissance économique, inégalités-revenu et pauvreté dans la CEDEAO (en %, 2003-2011)

Source : WDI, Banque mondiale et calculs des auteurs, février 2017

Ces résultats nous permettent, dans le développement suivant, de pousser plus loin notre analyse exploratoire des effets de la bonne croissance économique sur le développement social dans les pays de la CEDEAO.

Globalement, les bonnes performances macroéconomiques enregistrées par les pays de la CEDEAO ont pu influencer légèrement à la baisse la pauvreté, mais pas suffisamment pour induire une réduction significative et durable de la pauvreté et, par conséquent, une amélioration substantielle du bien-être des populations. Par ailleurs, cette croissance économique a été accompagnée d'une augmentation des inégalités. Ceci corrobore l'analyse faite plus haut sur le caractère pro pauvre de la croissance qui relève que cette forte croissance économique a été plus à la faveur des plus riches (quintile des plus riches) qu'aux plus pauvres (quintile des plus pauvres). En outre, la résilience de la pauvreté face à la croissance économique serait renforcée par l'augmentation des inégalités, notamment les inégalités-revenu des ménages. Cet état de fait nous amène à nous interroger sur la qualité de la croissance économique enregistrée par la sous-région, malgré les multiples réformes, politiques et stratégies de développement mises en œuvre dans l'ensemble des pays de la CEDEAO au cours de ces deux dernières décennies. Partant de cette analyse, deux hypothèses fortes se dégagent : (i) soit la croissance économique n'a pas été suffisante pour pouvoir impacter significativement à la baisse la pauvreté et les inégalités de revenu et/ou (ii), soit cette croissance économique qualifiée de satisfaisante n'a pas été générée à partir d'une transformation structurelle des économies.

Évidence empirique du profil pro-pauvre et inclusif de la croissance économique dans la zone CEDEAO

Fondements de la modélisation et données

Dans le but d'approfondir l'analyse stylisée faite précédemment, la situation mitigée relative au profil pro-pauvre et inclusif de la croissance économique dans la zone CEDEAO est testée à travers des régressions en données de panel (panel non équilibré) avec effets fixes. La spécification des différentes équations visant à appréhender le profil pro-pauvre et inclusif de la croissance économique est inspirée des travaux de Balakrishnan *et al*. (2013).

L'approche Ravallion et Chen (2003) est utilisée dans le cadre de la présente recherche. Elle stipule que la croissance est dite pro-pauvre lorsqu'elle est accompagnée d'une réduction de l'incidence de pauvreté. Par ailleurs, selon l'approche Dollar et Kraay (2002), la croissance est inclusive lorsqu'elle n'est pas associée à une augmentation des inégalités ou à une réduction de la part de revenu du quintile le plus pauvre de la population (Rauniyar et Kanbur 2010).

Les estimateurs des moindres carrés ordinaires (OLS) et des doubles moindres carrés (2SLS) sont concomitamment utilisés afin, d'une part, d'apprécier la robustesse des estimations (stabilité des paramètres estimés entre OLS et 2SLS) et, d'autre part, de prendre en compte les biais d'endogénéité en adjoignant des variables instrumentales aux régressions (avec l'estimateur 2SLS). Pour le cas de la présente recherche, les valeurs passées (variables retardées) de l'ensemble des variables explicatives dans chaque modèle, considérées efficaces dans la correction des biais d'endogénéité, sont utilisées comme variables instruments (Balakrishnan *et al.* 2013). L'introduction de variables instrumentales avec l'estimateur 2SLS permet d'absorber les effets d'éventuelle corrélation entre les variables explicatives et les termes des erreurs. Par ailleurs, les équations sont linéarisées avec la fonction Log afin de facilement capturer les impacts à travers les élasticités pour une aisance dans les interprétations.

Les données associées aux différentes variables (PIB per capita, incidence de pauvreté, coefficient de Gini, part de revenu des quintiles plus pauvres et plus riches, le PIB agricole et les investissements) des 14 pays[6] de la CEDEAO considérés dans le panel ont été entièrement extraites de la base de données « World Development Indicators » de la Banque mondiale afin de s'assurer de l'harmonie dans la définition et la mesure des variables.

Spécification, estimations et analyse des résultats

La spécification vise principalement à évaluer le profil pro-pauvre et inclusif de la croissance dans l'espace CEDEAO à partir d'une modélisation en données de panel non équilibré. L'utilisation d'un panel non équilibré se justifie par le fait que les données issues essentiellement des enquêtes ménages et par ailleurs associées à nos variables d'intérêts (taux de pauvreté, coefficient de Gini et la structure des revenus des ménages par quintiles) ne sont disponibles que pour quelques années dans les pays étudiés.

Par ailleurs, les régressions des trois équations dont les résultats sont présentés dans les tableaux ci-dessous sont réalisées en s'assurant du respect des hypothèses élémentaires associées, aux termes des erreurs, notamment l'homoscédasticité, l'absence d'auto-corrélation et d'endogénéité par l'utilisation de variables instrumentales avec l'estimateur 2SLS. La magnitude des coefficients estimés est de ce fait bien plausible, avec les signes attendus et statistiquement significatifs.

- **Qu'en est-il exactement du profil pro-pauvre de la croissance économique de la CEDEAO ?**

Selon les analyses stylisées faites dans la section précédente, une présomption de croissance non pro-pauvre a été révélée dans plus de 43 pour cent des économies de la sous-région. Pour approfondir cette analyse, en se fondant sur les spécifications de Balakrishnan *et al.* (2013), nous estimons l'équation suivante :

$$\mathbf{Inpauv}_{i,t} = \alpha \mathbf{lny}_{i,t} + \beta \mathbf{lnGini}_{i,t} + \delta \mathbf{lnx}_{i,t} + \varepsilon_{i,t} \quad (1)$$

Où $\mathbf{pauv}_{i,t}$ désigne l'incidence de pauvreté associée à la ligne de pauvreté internationale de $1,90 US du pays i à la période t, $\mathbf{y}_{i,t}$ dénote le revenu per capita du pays i à la période t, $\mathbf{Gini}_{i,t}$ désigne le coefficient de GINI du pays i à la période t, $\mathbf{X}_{i,t}$ désigne un certain nombre de variables économiques et socioéconomiques potentiellement déterminantes de la pauvreté du pays i à la période t. Ces variables économiques et socioéconomiques jouent également le rôle de variable de contrôle dans le modèle. Ainsi, le PIB agricole et l'investissement ont été retenus comme variables de contrôle. Les effets spécifiques individuel ($\mathbf{v}_i$) et temporel ($\mathbf{u}_t$) sont capturés par la perturbation ou le terme d'erreur $\boldsymbol{\varepsilon}_{i,t}$ avec $\boldsymbol{\varepsilon}_{i,t} = \mathbf{v}_i + \mathbf{u}_t$. Étant donné que l'équation est une fonction log, $\boldsymbol{\alpha}$, $\boldsymbol{\beta}$ et $\boldsymbol{\delta}$ sont des élasticités qui permettent d'apprécier l'impact en termes de changement du revenu per capita, de l'inégalité revenu et des autres variables économiques et sociales respectivement sur la pauvreté. Selon les résultats des travaux théoriques (Ravallion et Chen 2003) et empiriques similaires (Balakrishnan *et al.* 2013 ; Daouda 2015 ; Augustin 2014) antérieurs, nous nous attendons à un signe négatif associé à la croissance et à un signe positif associé au coefficient de Gini (World Bank 2008). Les signes associés aux investissements et au PIB agricole sont attendus tous négatifs. Il faut noter que pour éviter les effets de corrélation entre les variables explicatives, le PIB per capita et le PIB agricole ne sont pas utilisés concomitamment comme variables explicatives dans les différentes équations.

Par ailleurs, au regard de l'importance de l'agriculture dans la création du revenu global et individuel, de même que dans la détermination de la pauvreté dans la sous-région, le PIB agricole est inclus dans le modèle. Outre l'agriculture, l'investissement est également ajouté au modèle pour tenir compte, sur le plan théorique et empirique, des économies de la CEDEAO, de son rôle capital dans le renforcement du socle de production réelle et de développement social, et, par ricochet, dans la réduction de la pauvreté.

Les résultats présentés dans le tableau[7] ci-dessous révèlent que la croissance économique au sein de la CEDEAO a été accompagnée d'une baisse significative de la pauvreté. Elle a donc été globalement pro-pauvre, comme montré dans 57 pour cent des pays à travers l'analyse stylisée. En effet, un accroissement du revenu par tête de 1 pour cent est associé à une baisse de l'incidence de pauvreté de 1,607 pour cent. Cependant, l'aggravation des inégalités s'accompagne d'une augmentation de la pauvreté : une hausse du coefficient de Gini de 1 pour cent est associée à une hausse de l'incidence de pauvreté de 2,42 pour cent. Par ailleurs, les résultats nous enseignent également que les effets positifs de la croissance économique sur la pauvreté sont réduits par les interactions avec les inégalités ; les effets bénéfiques étant quasiment inhibés (réduction de 1,607 % vs 0,158 pour cent pour 1 % d'accroissement du revenu per capita[8]).

Tableau 8 : Régression du caractère pro-pauvre de la croissance

Variable dépendante : Log taux de pauvreté au seuil international de $1,90 par jour (Lnpauv)				
	OLS		2SLS	
Variables	(1)	(2)	(1)	(2)
Log PIB per capita	-1,607*** (0,366)	-0,250 (0,309)	-1,607*** (0,366)	-0,223 (0,310)
Log Gini	0,589 (0,446)	2,427*** (0,242)	0,589 (0,446)	2,437*** (0,242)
Interaction PIB-Gini		-0,150* (0,010)		-0,158* (0,888)
Observation	61	61	61	61
R-squared	0,80	0,80	0,80	0,50
Nombre Cross-sections	14	14	14	14
F-stat	11,039		11,039	

Source : Estimation des auteurs

(1) = sans effet fixe et (2) = avec effets fixes ;
(***)(**)(*) dénote une significativité à (1 %)(5%)(10%) ;
OLS = Ordinary Least Squares et 2SLS = Two-Stage Least Squares

- **Qu'en est-il exactement du caractère inclusif de la croissance économique de la CEDEAO ?**

L'analyse stylisée a révélé que 70 pour cent des pays de la CEDEAO ont vu leur croissance économique accompagnée d'une réduction de pauvreté au cours de la dernière décennie. Sur la base de la spécification de Balakrishnan *et al.* (2013) et de Daouda (2015), l'équation (2) est estimée pour évaluer quantitativement le profil inclusif de la croissance économique.

$$lnRevq1_{it} = \delta lny_{i,t} + \phi lnx_{it} + \varepsilon_{i,t} \qquad (2)$$

Où $Revq1_{it}$ désigne la part de revenu du quintile le plus pauvre dans le pays i à la période t, $y_{i,t}$ dénote le revenu per capita du pays i à la période t et x_{it} désigne les mêmes variables définies dans l'équation 1. δ mesure l'influence de la croissance économique sur la part de revenu des plus pauvres, et nous nous attendons à un signe positif en lien avec les résultats de travaux théoriques (Dollar & Kraay 2002) et empiriques similaires (Balakrishnan *et al.* 2013), Daouda 2015 ; Augustin 2014) antérieurs. Compte tenu de l'importance de l'activité agricole pour les conditions de vie des ménages en général et des pauvres en particulier dans la sous-région, nous nous attendons à un signe négatif associé au PIB agricole ainsi qu'aux investissements.

Par ailleurs, selon l'approche Dollar and Kraay (2002), le caractère inclusif de la croissance peut être appréhendé par son influence sur les inégalités – tel qu'exprimé par l'équation (3) :

$$InGini_{i,t} = \gamma lny_{i,t} + \sigma Inx_{i,t} + \varepsilon_{i,t} \qquad (3)$$

γ et σ mesurent l'influence (l'élasticité) respectivement de la croissance et des autres variables de contrôle sur l'inégalité dans la distribution de revenu à travers le coefficient de GINI. La croissance sera dite inclusive lorsque γ est significativement de signe négatif.

Les résultats de la régression de l'équation (2) et (3) présentés respectivement dans les tableaux 9 et 10 montrent que la croissance économique dans sa globalité n'a pas été profitable aux plus pauvres, mais que seul l'accroissement de sa composante agricole l'a été. En effet, un accroissement du PIB agricole de 1 pour cent est accompagné d'une augmentation de la part des revenus des plus pauvres de 1,02 pour cent.

Tableau 9 : Régression du caractère inclusif de la croissance par le canal des revenus des plus pauvres

Variable dépendante : Log revenu quintile plus pauvre (revq1)				
	OLS		**2SLS**	
Variables	(1)	(2)	(1)	(2)
Log PIB per capita	-0,505 (0,341)		-0,505 (0,341)	
Log Agri		1,028** (0,386)		1,028** (0,386)
Observation	61	44	61	44
R-squared	0,73	0,83	0,73	0,83
Nombre Cross-sections	14	12	14	12
F-stat	1,58	1,58	1,58	1,58

Source : Estimation des auteurs

(1) = model avec revenu per capita et (2) = model avec PIB agricole ; (***) (**)(*) dénote une significativité à (1 %)(5%)(10%) ; OLS = Ordinary Least Squares et 2SLS = Two-Stage Least Squares

Le profil de la croissance économique dans l'espace CEDEAO que nous pouvons qualifier de « partiellement inclusif » est renforcé par les résultats issus de la régression de l'équation (3) présentés dans le tableau ci-dessous. En effet, la baisse des inégalités consécutive à la croissance économique est intrinsèquement due à l'augmentation du PIB agricole, car l'accroissement du PIB agricole de 1 pour cent implique une baisse des inégalités de 0,44 pour cent, contre 0,22 pour cent pour le PIB global per capita.

Ces résultats démontrent, d'une part, l'importance des activités agricoles dans l'amélioration des conditions de vie des ménages et, d'autre part, le profil rural de la pauvreté dans la sous-région. Ainsi, le renforcement du caractère inclusif de la croissance économique dans la CEDEAO passe nécessairement par l'amélioration de la productivité des activités agricoles et, par ricochet, l'amélioration du revenu des ménages agricoles.

Tableau 10 : Régression du caractère inclusif de la croissance par le canal des inégalités

Variable dépendante : Log Gini				
	OLS		2SLS	
Variables	(1)	(2)	(1)	(2)
Log PIB per capita	-0,223** (0,117)		-0,223** (0,117)	
Log Agri		-0,448** (0,210)		-0,448** (0,210)
Observation	61	44	61	44
R-squared	0,35	0,82	0,35	0,82
Nombre Cross-sections	14	12	14	12
F-stat	1,63	1,46	1,63	1,46

Source : Estimation des auteurs

(1) = model avec revenu per capita et (2) = model avec PIB agricole ; (***) (**)(*) dénote une significativité à (1 %)(5%)(10%) ; OLS = Ordinary Least Squares et 2SLS = Two-Stage Least Squares

Recommandations de politiques et conclusion

Les bonnes performances dans la croissance économique au sein des États de la CEDEAO au cours de la dernière décennie n'ont pas suffisamment contribué à améliorer les conditions de vie des populations, du fait d'un déficit de durabilité et d'inclusivité dans le processus de création de la richesse. En effet, les résultats issus des analyses stylisées, confortés par l'analyse empirique, révèlent les traces d'un profil pro-pauvre et partiellement inclusif dans la croissance économique au sein de la sous-région CEDEAO au cours de la dernière décennie. En outre, le caractère inclusif de la croissance traduit par la baisse des inégalités et la hausse de la part de revenu des plus pauvres est généré par les activités agricoles et non par le PIB dans sa globalité. Ce qui réaffirme la place centrale de la production agricole dans la réduction de la pauvreté et des inégalités au sein des pays de la CEDEAO en dépit de la réduction de son poids dans le PIB au cours de la dernière décennie.

Par ailleurs, les bonnes croissances économiques au sein de l'espace au cours de la dernière décennie ont été en partie entretenues par une forte contribution des activités du secteur des services à fort potentiel informel, principalement le commerce de détail et de gros, les restaurants et les activités du secteur de l'industrie dominées par la production de la branche

extractive. Sont également mis en évidence des signes de réduction de la part de l'agriculture dans le PIB, qui est accompagnée par un gonflement de la part du secteur des services à dominance potentiellement non moderne. Cependant, un début de développement de l'industrie manufacturière (produits manufacturiers) et du BTP, de services modernes (hôtellerie et télécommunication) et de diversification des exportations est en cours dans certains pays de la sous-région, et cette tendance mérite d'être renforcée par des politiques de modernisation (du secteur des services) et d'industrialisation ciblées et courageuses. La part des activités agricoles dans le PIB a été globalement réduite, mais pas dans le sens souhaité en termes de dynamiques de transformation structurelle. Des efforts dans le développement des chaînes de valeurs agricoles avec l'amélioration de la productivité et des rendements agricoles et surtout la transformation de la production (l'agro-industrie) sont plus que nécessaires. En absence de tels efforts, le risque d'aboutir à long terme à un décrochage du secteur agricole des deux autres secteurs (secondaire et tertiaire) est potentiel. En un mot, créer les conditions de la réalisation de la transition économique.

Aussi, pour renforcer le caractère pro-pauvre et inclusif de la croissance économique des économies de l'espace CEDEAO à travers une transformation profonde de la structure de production et une demande intérieure stabilisatrice, les orientations de politiques suivantes doivent-elles être promues et intensifiées :

- renforcer la modernisation des activités du secteur des services, notamment en ses branches commerce, restaurant et transport ;
- réorienter la progression du secteur de l'industrie vers le développement de la branche manufacturière par la réduction de la forte dépendance des économies à la production des industries extractives ;
- renforcer la qualité contributive des activités agricoles au PIB par l'amélioration de la productivité, y compris la migration vers le développement et l'exploitation des chaînes de valeur agricoles ;
- renforcer dans la durée l'élan de diversification des exportations en cours dans la sous-région par la mise en œuvre de politiques d'industrialisation adaptées aux potentialités industrielles de chaque pays.

Au regard des résultats des analyses qui précèdent et pour répondre à nos interrogations sur les fondements de la divergence entre la croissance économique et le développement social, les prochains travaux de réflexions devraient porter sur le processus de transformation structurelle et son évaluation au sein de la CEDEAO.

Notes

1. Les opinions exprimées dans cet article sont personnelles. Elles ne représentent en rien celles de la Commission économique des Nations unies pour l'Afrique ni de ses organes subsidiaires.
2. Les hypothèses de base du modèle sont : rendement d'échelle constant du capital, baisse progressive de la productivité marginale du capital, progrès technique déterminé exogène et substituabilité entre le capital et le travail. En guise de résultats, l'épargne ou l'investissement sont déterminants pour la croissance à court terme et le progrès technologique pour la croissance à long terme.
3. La stabilité macroéconomique se traduit par : un déficit budgétaire et extérieur (compte courant) soutenable, une inflation faible et stable et un régime de change favorable avec un taux de change équilibré.
4. La transformation structurelle est définie comme un processus de développement qui est caractérisé par quatre évolutions étroitement liées : (1) une baisse de la part de l'agriculture dans le PIB (même si la production absolue de l'agriculture continue de croître), (2) une augmentation de la part de l'industrie moderne et des services modernes dans le PIB, (3) une urbanisation rapide et (4) une transition démographique traduite par le passage d'un taux de fécondité et de mortalité élevé à des taux bas (Timmer 2012).
5. Dénotant une situation où l'accentuation de l'inégalité est si forte que l'impact positif de la croissance économique est plus que contrebalancé par l'effet négatif de l'augmentation de l'inégalité.
6. Le Cabo Verde a été exclu du panel pour insuffisance de données pour plusieurs variables.
7. Nos résultats corroborent fortement ceux de Balakrishnan *et al.* (2013) et Daouda (2015) dont les travaux portent également sur un échantillon de pays africains.
8. Effets de la croissance uniquement = - 1,607 et effets interaction entre la croissance et les inégalités = - 0,158.

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Tax Reform, Tax Compliance and State-building in Tanzania and Uganda

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Abstract

This article sets out to provide a comparative analysis of the effect of tax administration reform on tax performance and quasi-voluntary compliance in Tanzania and Uganda. It aims to reveal two findings via the comparison. Empirically, it is claimed that Tanzania achieved better outcomes in terms of both tax performance and quasi-voluntary compliance in general compared to Uganda. Despite the introduction of similar tax administration reform, the tax administrations of Tanzania and Uganda have developed quite differently. Tanzania's tax administration effectively changed the strategic and normative factors that enhance quasi-voluntary compliance, whereas Uganda's tax reforms have been stuck in a muddle. Theoretically, it is proposed that tax performance and quasi-voluntary compliance are interconnected. Quasi-voluntary compliance is necessary for achieving high tax performance in an efficient and sustainable manner. High tax performance from competent and fair tax administration improves taxpayers' willingness to comply voluntarily. Tanzania's success in tax administration reform led to positive prospects for directing and cementing the processes of state-building with the maturity of state capacity and the concomitant advancement of state–society relations.

Résumé

Cet article tente de fournir une analyse comparative de l'effet de la réforme de l'administration fiscale sur la performance fiscale et le respect quasi volontaire des obligations fiscales en Tanzanie et en Ouganda. Il révèle deux résultats de comparaison. De manière empirique, il est vrai que la Tanzanie a obtenu de meilleurs résultats en termes de performance fiscale et de conformité

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quasi volontaire en général par rapport à l'Ouganda. Malgré l'introduction d'une réforme de l'administration fiscale similaire, les administrations fiscales de la Tanzanie et de l'Ouganda ont connu une évolution assez différente. L'administration fiscale de la Tanzanie a efficacement modifié les facteurs stratégiques et normatifs qui renforcent le respect quasi volontaire, tandis que les réformes fiscales en Ouganda restaient embrouillées. Théoriquement, il s'agit d'associer performance fiscale et conformité quasi volontaire. La conformité quasi volontaire est nécessaire pour un rendement fiscal élevé, efficace et durable. Les grandes recettes fiscales obtenues par une administration fiscale compétente et équitable renforcent la volonté des contribuables de se conformer volontairement. Le succès de la Tanzanie dans la réforme de l'administration fiscale a ouvert de bonnes perspectives pour orienter et consolider les processus de construction de l'État, avec la maturité de ses capacités et la progression concomitante des relations entre l'État et la société.

Introduction

The centrality of taxation in wider state-building processes for developing countries has received considerable attention from various academic circles in recent years (IMF 2015; Bräutigam, Moore and Fjeldstad 2008). Taxation is a strategic asset for the state to carry out state formation and capacity building, whereas it also provides a vital mechanism for taxpayers to hold their governments accountable for public goods provision. Seeing taxation as a prerequisite of state-building requires taxpayers' compliance which is defined as 'meeting legal obligations imposed by the tax system' (IMF 2015: 7). Furthermore, quasi-voluntary compliance (QVC) implies that compliance comes from a mixed set of taxpayers who comply with taxes voluntarily or unwillingly due to the disadvantage of non-compliance. A wide range of compliance levels represents both the effectiveness of the government's tax administration and taxpayers' perception of taxation and the government's responsibility for public expenditure. Accordingly, facilitating compliance is the primary task of any tax administration along the lines of effectiveness and accountability (Bird and de Jantscher 1992). Indeed, tax administration reform directly and indirectly affects tax performance and compliance, thereby aiming to improve the tax authority's capacity to detect and punish the non-compliant, enforce fair and equitable taxation, and provide benefits in return for tax payment. The achievement of tax administration reform, therefore, crafts a positive trajectory of state-building by enhancing state capacity and improving state–society relations (Chazan 1988).

In the Global South, sub-Saharan African countries record seriously impaired taxation systems, which are caused by the lowest level of tax performance and compliance (Fjeldstad, Kolstad and Lange 2003). Low

tax outcomes and corrupt tax administrations aggravate severe fiscal stresses in sub-Saharan Africa where domestic resource mobilisation is the most urgent and achievable solution to tackle the lack of development financing. Particularly, the domestic desire for a better tax system combined with financial support from international donors – mainly, the International Monetary Fund (IMF) and the United Kingdom – has led over 20 years of tax reforms in East Africa since 1990. Reform of tax administration was classically stressed in this region, often under the slogan, 'tax administration is tax policy' (de Jantscher 1990: 197). More precisely, this meant that launching the Tanzania Revenue Authority (TRA) and the Uganda Revenue Authority (URA) was the logical outgrowth of such a combined push for administrative reforms in East Africa.

Among sub-Saharan African countries, Tanzania and Uganda demonstrate significant variation in tax administration reform and its associated results, thereby having high validity for comparison. At the initial stage of tax reform, both countries were seen as good models for tax administration reform in this region, due to their initial successes under similar conditions such as political systems, economy and societal features (Ayoki 2008).[1] While they commonly faced challenges in taxation and adopted similar policies for tax administration reform which revolved around the establishment of semi-autonomous revenue authorities (ARAs), the two countries interestingly achieved different outcomes of their government's extractive capacity in the end. Less scholarly attention has been paid to comparative perspectives on tax administration reforms in Tanzania and Uganda, allowing the plethora of existing analyses to focus on advanced economies in developed countries (Levi 1988; Bergman 2002). The predominance of writing that examines them from an advanced country's perspective also trigged this study to be embarked (Cheibub 1998; Ongwamuhana 2011).

This study examines how differently tax administration reform, with a special focus on ARAs, has contributed to tax performance and quasi-voluntary tax compliance in Tanzania and Uganda. Tax administration reforms in Tanzania and Uganda show mixed outcomes, both with similar and different patterns compared to each other, whereas one of the initial goals for establishing ARAs was commonly aimed at improving poor tax performance and compliance. Accordingly, this comparative analysis is carried out with the following focal points: (1) attempting to detect how tax administration reforms resulted in different tax performance and compliance although similar reforms were applied respectively; and (2) providing further implications of the positive effect of tax reform for state-

building via strengthening state capability and state–society relations. In so doing, this study proceeds in three steps. First, it presents an analytic framework whose components are blended between the political-economic contexts and structural motivations behind tax compliance. Second, it provides the political-economic contexts and tax administration reforms of the selected countries – Tanzania and Uganda. Third, tax performance, compliance outcomes via reformative measures and different aspects of tax administration, all of which contribute to the different outcomes in each country, are examined.

Framing QVC in the Political Economy Contexts of Developing Countries

It has been long argued that bargaining between taxpayers and governments over the collection of tax revenue can provide a foundation for the development of responsive and accountable governance and its entailing positive shape of state-society relations (D'Arcy 2011; Bräutigam 2008). Such a model of these relationships in contemporary developing countries, however, remains fairly limited. Linking taxation, responsiveness and accountability in the developing world, therefore, calls for the minimum level of tax reforms – how to induce tax compliance from citizens – as the first step to forging accountable governance between the state and society. It is not an exaggeration to contend that any single success of a government's tax reform in developing countries relies upon the degree of taxpayers' compliance which can be perceived as a basic platform of the whole reformative processes. It is also worthwhile to take it into stronger consideration that such tax compliance is variedly constructed by its embeddedness in political economic contexts. Thus, framing tax compliance within a particular set of political economic contexts in developing countries is required as the principal kernel of the analytical framework designed for this study.

On the issue of tax compliance, Margaret Levi (1988) developed her conceptual lexicon, 'quasi-voluntary compliance (QVC)', for the analysis of how the motivations for tax reform are formed and affect the outcome of the reform. QVC functions properly under the assumption that all actors in the polity, including policymakers and taxpayers, are rational and self-interested, and rulers try to maximise the collection of taxes whereas taxpayers try to avoid tax payment if possible. Rulers could depend on a repressive apparatus, but it is very expensive and often causes huge amounts of political resentment, undermining revenue collection as a result. Therefore, rulers look for a way to create and maintain QVC to minimise the costs

of enforcement and to maximise tax revenue. Rulers provide an optimal mixture of coercion and positively valued goods instead of specialising in either one of them (Frohlich and Oppenheimer 1974).

QVC per se varies considerably in content and quality. It has no universal shape or principle of its application to varieties of local contexts; rather, it is requested to adapt itself to the moving frontiers of local contexts. Such an adaptive calibre of QVC in the context of developing countries can be further sophisticated by reflecting the five approaches that Deborah Bräutigam (2008) undertakes in order to understand how political economy influences a government's taxation in a multifaceted fashion. The five factors include: (1) economic development and structural improvement in the sense that tax revenue increases with higher income levels and additional tax enables the expansion of trade and new technology for collecting taxes; (2) societal factors, such as sense of moral obligation, perceived fairness and trustworthiness of the tax system, and potential benefit from paying taxes, affect willingness to pay taxes (Allingham and Sandmo 1972; Andreoni, Erard and Feinstein 1998); (3) the role of threat, based on the historical experience of European countries, in which the modernisation of tax administration was a response to threats such as wars (Tilly 1990); (4) political institutions that partly explain variation of tax systems among countries (Steinmo 1996); and (5) the reciprocal fiscal contract between the government and taxpayers, given that the government provides benefits in exchange for taxpayers' compliance.

Table 1: Factors affecting QVC

Type	Factors
Strategic	Coercion: monitoring, detection and punishment
	Incentives: tax exemptions and easy tax payment
Normative	Social factors: fairness and tax morale
	Commitment to providing benefits in return

Sources: Bräutigam (2008); Levi (1988) (Modifications added by the authors)

Such possible variations of QVC make us see the notion of compliance as an 'ever-present mix of norms, incentives, and sanctions', embedded in its social and economic contexts (Bräutigam 2008: 13). Indeed, taxpayers decide whether to comply with taxes or not on the basis of a dual combination of strategic and normative considerations – the 'cobweb' of factors affecting taxpayers' compliance (see Table 1). First, taxpayers strategically consider the calculated probability of detection and punishment, and the provisions of

incentives. Coercion is required to install some forcible apparatuses such as monitoring, detection and punishment. When rulers do not have the capacity to detect and punish the non-compliant, taxpayers' willingness to comply with taxes becomes weaker. Governments seek efficient levels of enforcement to deter law-breaking with low costs, while individual taxpayers calculate net utility from non-compliance. Nevertheless, the supply of economic deterrence alone is insufficient in explaining all non-compliance (Stigler 1971). Together with coercion, rulers can improve taxpayers' compliance by providing incentives and encouraging cooperation. As the most straightforward way to provide assurance that other taxpayers also pay is to get them to pay voluntarily; this solution includes the provision of selective incentives and the promotion of conditional or general coordination.

Second, taxpayers also normatively consider social factors related to tax payment and potential benefits in return (Levi 1988; Bräutigam 2008). Rulers can enhance compliance by affecting social factors such as perceived fairness, trustworthiness of tax systems and sense of moral obligation. Demonstrating a fair tax system encourages compliance by providing sufficient public goods and services in return for taxes and distributing the burden of the tax payment fairly (D'Arcy 2011). However, any rational individual, without perceived benefits in return, would not even consider paying taxes. The existence of positive gains for taxpayers, by contrast, increases the probability of QVC without direct coercion (Alm 1992). In this vein, it can be contended that a common cause for collecting tax revenue is to fund national development plans.

In a nutshell, the analytic framework, adapted as an integrated approach for the comparison of tax compliance in the local contexts of developing countries, covers not only political and economic aspects of tax administration reforms at both macro- and micro-levels, but also fathoms the complex reality of strategic and normative factors in forging QVC. This integrated framework further intends to link the outgrowth of tax administration reforms with state-building in the sense of how tax reforms can improve state capacity and state-society relations via tax revenue and voluntary compliance. Having said that, it should be undertaken with deep caution, given the fact that the framework per se is derived from advanced capitalist economies without the consideration of developing countries (Brewer 1990). Nonetheless, it should provide great momentum for heuristic experiments via a comparative perspective of Tanzania and Uganda, with particular reference to their political economic contexts, tax administration reforms and tax performance.

Political Economy of Tanzania and Uganda

Construing the political economy of Tanzania and Uganda as background for understanding the further impacts on tax reforms and compliance requires setting out each country's generic political economy context. Accordingly, each analytical sketch of the political economy of Tanzania and Uganda comprises two components: a short summary of general background; and political economy dynamics underpinning tax reforms, based upon the analytical framework with the five focuses of economic development, societal factors, bureaucratic modernisation, political institutions and the fiscal contract.

Tanzania: General Settings of Political Economy

It is important to note that the United Republic of Tanzania, founded in 1964, has been enjoying political stability since its independence from British colonial rule in 1961. On political stability, Tanzania successfully embarked on economic and social development during socialist government rule in the 1960s (IMF 1999a). However, the two oil crises in the 1970s ignited a serious economic downturn, and thereby a wide range of policy restructuring including economic liberalisation was implemented until the mid-1990s in order to overcome its continued recession. Tanzania adopted Structural Adjustment Programmes (SAPs), prescribed by the IMF and the World Bank, and set out the Development Vision 2025 as its future roadmap for economic development (African Development Bank 2011; World Bank 2011).

By the late 1990s, most of the public sector reforms that Tanzanian governments had been pushing turned out to be fruitful, thereby triggering Tanzania's economy to grow remarkably. As a result, the GDP growth rate of Tanzania between 2000 and 2008 averaged from 5 to 7 per cent. The economy also went through significant structural change: the proportion of agriculture's contribution to GDP became smaller as construction, mining, manufacturing and services grew significantly. In 2010, agriculture accounted for 26.6 per cent of GDP while industry and service respectively accounted for 23 and 50 per cent (African Development Bank 2011). However, it is fair to state that the agricultural sector still dominates Tanzanian economy and its dominance generates fiscal problems. In terms of Tanzania's sources for development financing in the 1990s and 2000s, exports were placed as the largest source, private savings were the second, and domestic revenue including taxation was the third. While tax revenue has significantly increased since the mid-1990s, foreign aid has still remained critical for Tanzania's development trajectories. Foreign aid amounted to 13.2 per cent of GDP and an estimated 34 per cent of the government budget between 1996 and 2007 (African Development Bank 2011).

Political Economy Dynamics Underpinning Taxation

Against the historical backdrop, the potential of political economy dynamics for tax administration in Tanzania can be recapitulated as the following five factors. First, the economy of Tanzania remains largely agrarian. Despite its agrarian economic structure, the expansion of industry and service sectors enhanced economic growth and led to increases in employment in the modern sectors. As the Tanzanian economy grew, the scope of taxation has considerably and steadily improved over the last 15 years. Second, Tanzania has an egalitarian and camaraderie culture due to tradition and the remaining legacy of the socialist government. Such a high level of trust in Tanzanian society contributed to holding the corruption ratio relatively low. In reality, extensive foreign assistance and exemptions from paying non-salary income taxes have resulted in low tax morale and its associated high possibilities of tax evasion and avoidance among elites (African Development Bank 2011). Thirdly, after the collapse of the East African Community (EAC) in the 1970s, Tanzania no longer benefited from the robust revenue mobilisation bureaucracy mutually set up by the defunct EAC. Tanzania's state-building efforts were deviated from the normative track, and the government therefore sought overseas assistance instead of relying on its own citizens in mobilising resources for the total war against poverty (Tanzania Development Initiative Program 2010). High inflow of external resources tempted policymakers to make the easy choice not to develop an effective tax system, which also underlies the low tax morale in Tanzania. Fourth, given that the TRA was designed to be a semi-autonomous public organisation, generally insulated from politics, bureaucrats in the TRA and external consultants were basically given a free hand in the operation of tax administration (Mukandala *et al.* 2005). Fifth, neither the state-building process nor the necessity of taxation contributed to creating an explicit fiscal contract in Tanzania. We now know that the major source of tax revenue was large taxpayers, given the fact that 80 per cent of tax revenue in 2010 came from 400 large taxpayers, which accounted for 0.08 per cent of total taxpayers. This narrow tax base resulted in undermining tax compliance in Tanzania. Consequently, there is no explicit fiscal contract between the government and taxpayers in place at present, even though a majority of Tanzanians are willing to engage in such contracts (Fjeldstad, Katera and Ngalewa 2009).

Uganda: General Settings of Political Economy

In general, political turmoil and war defined Uganda for nearly 30 years after its independence in 1962. Economic growth was either dismal or negative during this period of time. In the late 1980s, Uganda began its recovery from prolonged economic crisis by adopting economic liberalisation policies

and SAPs in exchange for international aid. In spite of various exogenous shocks, Uganda showed an average of 7 per cent GDP growth in the 1990s, which accelerated to over 8 per cent from 2001 to 2008 (IMF 2011). The structural reshuffling of economic reforms was another significant feature of Uganda's economy, particularly with the notion that the service sector outpaced agriculture and became the largest contributor to GDP. In consequence, the sector composition of GDP in 2009 was transformed into being 22.2 per cent from agriculture, 25.1 per cent from industry and 52.8 per cent from services (African Development Bank 2011). However, just like Tanzania, agriculture still remains important in the Ugandan economy. The overall pattern of macro-economic recovery and steady growth via the support of aid donor countries in the 1990s can be seen as a common feature across Tanzania and Uganda. Meanwhile, development financing of Uganda in the two decades 1990s–2000s mainly consisted of gross private savings, exports and domestic revenue in order of scale. Gross private savings grew considerably during the post-Monterrey period following 2002, whereas the liberation of the economy facilitated the growth of exports. While domestic taxes became one of the significant sources for national development, foreign aid still played a critical role as an important source for financing development, which contributed an average of 10.7 per cent of GDP (African Development Bank 2011).

Political Economy Dynamics Underpinning Taxation

Against the historical backdrop that Uganda has experienced, the analysis of political economy that underlies taxation involves the following five characteristics. First, Uganda's economy still highly depends on subsistence agriculture and less on sectors with high-productivity. Despite the fact that the contribution of agriculture to GDP is only a little over 20 per cent, 70 per cent of the population works in agriculture. What is even worse is that the agricultural sector has not made any significant contribution to government revenue as it is by nature difficult to tax (Department for International Development 2008). Second, Uganda, unlike Tanzania, has demonstrated a culture of conflict and distrust with low tax morale. Ugandans have resisted the in-flow of Western culture and modern monetary economy, thereby are relying still on informal institutions for economic transactions. A long history of civil war, ethnic conflicts and government scandals related to public expenditure also left Uganda with 'a culture of conflict and distrust' (African Development Bank 2011). Accordingly, the citizens lost trust in their government and showed very low tax morale. Third, Uganda had difficulty developing its tax administration system in the aftermath of the

EAC's collapse, akin to Tanzania. The following civil war exacerbated this disruption, in that the Amin regime relied on overseas countries to finance the war instead of developing its own tax system. After President Museveni came to power, however, the government gave a high priority to taxation to maintain its operation as a modern state and achieve regime legitimacy. This explains why Uganda became a pioneer in establishing the ARA. Fourth, the URA was strictly controlled by the supervision of political leadership (Fjeldstad 2005). At an inceptive stage, political leaders in Uganda strongly supported the autonomy of the URA, but fatal distrust and conflict arose over time between the URA and high level political elites (Robinson 2007). The political leaders significantly impaired the URA's performance through ad hoc decision on tax policies and administration (IMF 2011). Fifth, the opportunities for establishing 'even a semblance of a fiscal contract' have been strictly curtailed in Uganda. It is mainly because a small number of companies comprised a large proportion of taxpayers, thereby creating a very narrow tax base. Another reason is the high dependence on external resources, which have taken up 20 to 50 per cent of the public expenditure budget for the past two decades.

Tax Administration Reforms

Under the given conditions of political economy dynamics in Tanzania and Uganda, the two governments embarked respectively upon reformative planning for tax administration, tax policies and bureaucratic institutions to pursue them. Despite similar inceptions of tax reforms, each government's institutional efforts eventually boiled down to different results of success.

Tax Administration and Policy Reforms: Tanzania

In the field of tax administration reforms, the lasting fiscal crisis of Tanzania motivated a series of tax reforms in the 1990s, particularly putting huge efforts into increasing the tax base and making tax collection more efficient (Fjeldstad 2003). At the beginning of the 1990s, the Tanzanian government consecutively took actions on tax reforms: firstly, focusing on modernisation of the tax system; and then expanding the managerial and technical capacity within the TRA for more efficient and effective tax administration (IMF 2003). From the late 1990s and onwards, the main weight of tax reforms has been heavily placed on how to enhance the capacity of the TRA. At the first stage of TRA reform (from 1998/99 to 2002/03), Tanzania aimed to enhance the TRA's capacity for handling massive financial supports from aid donor countries to increase tax revenue and the capacity of tax

administration. Accordingly, the TRA achieved the establishment of a taxpayer identification number (TIN), installment of the Large Taxpayers Department (LTD) and unified the tax appeals system (BMZ 2003: 27). At the second stage (from 2003/04 to 2006/07), the primary goal of tax reforms was to strengthen competence and accountability of the TRA. Such an internal reform enabled the TRA not only to significantly increase tax revenue and the number of large taxpayers up to 370, but also to initiate consultation with stakeholders through quarterly forums in 2004 and adopt new risk-based VAT refund measures (Child 2008). As a result, 13,300 more people were added to the taxpayer registration via the Block Management System (BMS) for physical identification and mapping of taxpayers (TRA 2008). The major goals of the third wave of reform were similar to those of the second one. Lastly, the main achievement of the third stage (from 2008/9 to 2012/13) can be marked by the successful institutionalisation of risk-based operations in tax administration such as specialist audit capacity in certain sectors with high risk. To this end the Seven Tax Centres were newly launched for the registration of taxpayers, the examination of returns and tax collection (African Development Bank 2011).

Likewise, major tax policy reforms in Tanzania failed to be materialised until the 1990s (IMF 2015). The 1990s, however, witnessed a series of policy reforms on taxation: lowering both the personal income tax (PIT) and the top marginal corporate tax rate to 30 per cent in 1990; simplifying the customs tariff structure in 1992; and launching VAT in 1998 (Osoro 1993). In 1996, the government proactively established a Task Force on Tax Reform (TFTR), consisting of a wide range of stakeholders from public and private sectors and providing policy proposals which were employed as a key source of policy changes (African Development Bank 2011). What is more, large taxpayers' demands were increasingly reflected by revising tax laws and changing tax policies accordingly throughout the 2000s (Rakner 2001). In 2004, a new Income Tax Act was enacted to broaden the tax base and lower the tax burden. The government also introduced self-assessment and anti-avoidance measures, began to impose heavy interest charges and penalties for compliance failures and offences, implemented a concessionary corporate tax rate in 2005/06, and lowered further the marginal PIT rate in 2006/07. On the other hand, the oppressive and highly unpopular poll tax was abolished and the VAT registration threshold was further increased (Fjeldstad and Therkildsen 2008). All in all, Tanzania can be evaluated as a success case in pursuit of tax administration and policy reforms.

Tax Administration and Policy Reforms: Uganda

It is not surprising to note that Uganda, similar to Tanzania, commenced a series of administrative reforms via the establishment of the URA. It is, however, surprising to uncover the fact that the main target of Uganda's tax administration reforms, unlike Tanzania's, was limited to the eradication of administrative corruption only (Fjeldstad 2005). With this limited but clear direction, the URA activated modernisation efforts in order to streamline its top-heavy hierarchical structure and staff integrity in 2004/05. The Integrity Enhancement Programme, set up to investigate reported wrongdoings, retrained administrative staff on ethics, institutionalising a code of conduct. In 2006, the URA (2009) introduced the so-called 'Modernisation Plan' whose major objectives involved how to renovate internal capacities of the URA: simplified, cost-effective and transparent processes; open and responsive customer service; a highly skilled and motivated workforce; and modern management and analytical tools. Such a modernisation reform resulted in the reengineering of business processes in customs and domestic tax, and the introduction of ASYCUDA++, RADDEX and the eTax system. In 2009, the URA not only developed a whistle blowing policy for enhancing internal integrity, but also installed tax clinics to get feedback from taxpayers, disseminating the taxpayer charter on standards of service in multiple languages (African Development Bank 2011). Nevertheless, tax administrative reforms in Uganda continued to face inherent drawbacks which restrained its reform from going beyond the eradication of corruption. This fatal impediment severely hampered the URA to direct specific performance outcomes such as widening the tax base and conducting in-depth analysis on its tax system and policy environments (Cawley and Zake 2010).

In the 1990s, the Ugandan government joined other sub-Saharan African countries in carrying out major tax policy reforms (Mansour 2014). One of the major changes in Uganda's tax policies developed from the introduction of VAT in 1996, aimed to improve tax compliance, but this VAT-based renovation was stuck in an inner lapse of the exemption of basic goods and services from VAT (IMF 1999b). The government also steered a new income tax policy in 1997 by levying tax on a residence basis, ensuring simplicity, and encouraging a flat tax rate scale (Holmes 2006), whereas it phased out some tax holidays, exemptions and deductions, especially those for public organisations and parastatals (Fjeldstad, Kolstad and Lange 2003). Coming into the 2000s, Uganda's tax policy reforms expanded the purview of targets from VAT and income tax to tax compliance. The government allowed companies operating in export processing zones to receive various

tax exemptions in 2003 and provided non-compliant taxpayers with an amnesty on penalties and interest for principal taxes, requesting voluntary disclosure and compliance in 2007/08 (Therkildsen 2004). In a nutshell, Uganda's tax reforms can be fairly assessed by stating that they achieved some degree of tax policy reforms, in spite of the internal obstruction embedded in the corruption-restrained administration reforms.

Institutional Reform

The most remarkable advancement of tax reforms in sub-Saharan Africa in the 1990s converged on the institutional establishment of ARAs. Institutionalising ARAs was a critical process which contributes to stabilising tax administration reforms not only by securing their autonomy from the central government but also by operating as single-purposed agencies for taxation and personnel management (Taliercio 2004). In this regard, the institutional reform with ARAs was viewed as a necessary condition to create effective tax administration working for reinforcing tax revenue and compliance, detecting non-compliance effectively, treating taxpayers fairly and improving tax services (Kidd and Crandall 2006; Fjeldstad 2003). Indeed, a comparative perspective on institutional reforms for the TRA and the URA is useful for us to understand the underlying cause of different results in tax reforms across Tanzania and Uganda.

In general, there are few dissimilarities between the TRA and the URA, and both ARAs share almost all institutional aspects of structure and management. The TRA, established in 1996, and the URA, launched earlier in 1991, are both financially funded by the parliament's annual budget allocations. Both institutions, commonly comprised of the Head, Commissioner General and the Board of Directors, are the logical outgrowth of governmental attempt to achieve better coordinated tax administration (Ayoki 2008). The Commissioner General, directly appointed by the President, provides institutional leverage to operate the TRA and the URA independently from political pressure and governs the major functions of the two ARAs (Fjeldstad, Kolstad and Lange 2003). The Board of Directors is held responsible commonly by the Ministry of Finance (MoF), in that the Minister of Finance and Economic Affairs has authoritative power to hold the TRA to be accountable and the MoF determines and supervises annual revenue targets for the URA.[2] Another commonality can be clearly confirmed by not only the TRA's tax training centre providing various courses on tax issues in parallel with the URA's school for technical training (African Development Bank 2011) but also in both of the ARAs' offer of higher salaries to staff in comparison to other public governmental organisations

(TRA 2008; Therkildsen 2008). Finally, the TRA and the URA commonly attempted to introduce new techniques for tax administration reforms, such as the TRA's ICT-based modernisation plans and the URA's eTax system for better data management under the 'Tax Modernization Initiative'.

Conversely, considering the differences in nuance between the TRA and the following contentions can be endorsed. First, it is contended that the TRA has more favourable and accountable relationships with its principal, the MoF, compared to the URA (Clarke and Wood 2001). The TRA is more responsive to the call of the MoF than the URA, given that the former is much more closely incorporated under the direct guideline of the MoF. Second, a Tax Appeals Tribunal (TAT), established within the URA in 1998 but nowhere found in the TRA, provides a legal opportunity and benefit for the private sector. It is simply because the Tribunal only accepts complaints and questions from businesses in written form, rather than from ordinary taxpayers (Rakner and Golpen 2003). Third, unlike the TRA, the URA lost ground on its sovereign offer of higher salaries to staff in the mid-2000s, in the face of government's strong intervention in the operation and recruitment processes of the URA (von Soest 2008). Albeit seemingly marginal, such small differences are able to reveal the diverging paths of tax reforms in Tanzania and Uganda.

Tax Performances

Whether government's efforts at tax administration reforms in the two countries are successful depends upon the corollary of tax performance whose components can be divided into tax revenue and administrative performance. For the visualisation of the comparison, numerical indicators on tax revenue and administrative performance are given to demonstrate how differently tax administration reforms have affected tax performance in Tanzania and Uganda.

Tax Revenue

Neither the TRA nor the URA sustained initial success in tax administration reforms and transformed them into positive results of tax revenue by the mid-2000s when they split into two different trails. The tax to GDP ratio in Tanzania increased after the establishment of the TRA, but this ratio soon stagnated; likewise, Uganda achieved a steady increase in tax collection for several years after the establishment of the URA, but Uganda also showed stagnation in the tax to GDP ratio in the late 1990s. However, since the mid-2000s, the TRA has revived revenue performance while the URA has still been in stagnation. Tanzania's tax to GDP ratio began to recover from 2002,

and continued to increase up to 16.4 per cent of GDP in 2008 (see Figure 1). By contrast, the tax to GDP ratio in Uganda went through ups and downs over the ten years from 1996, finally reaching only 11.8 per cent in 2010.

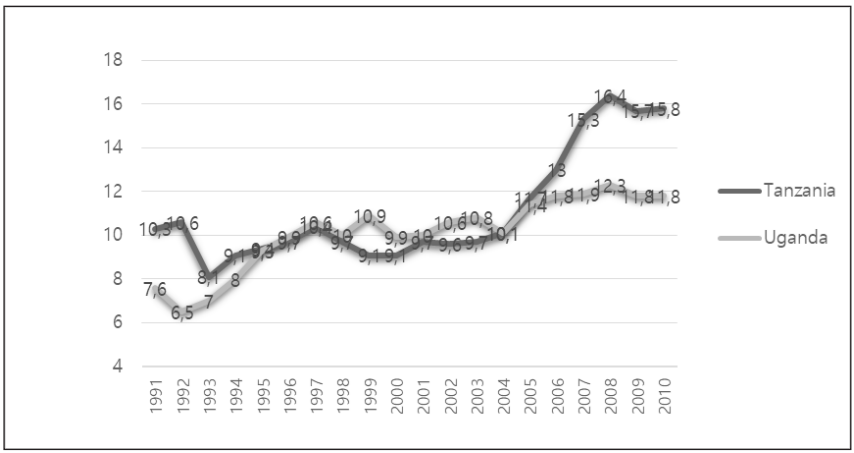

Figure 1: Tax revenue as a percentage of GDP, 1991–2010

Source: Mansour (2014)

In the case of Tanzania, apparently, establishing the TRA in 1996 triggered tax revenue as a proportion of GDP to stay around 10 per cent until the mid-2000s. Soaring over 15 per cent in the late 2000s resulted from further extensive reforms to broaden the tax base from 2003/04 to 2006/07. According to the IMF's evaluation, the best performing tax sources in Tanzania over the 2000s included VAT via the lifted threshold for its registration, income tax contributing to domestic tax collection and the expansion of large taxpayers through a booming macro-economic environment (IMF 2004). Nonetheless, extensive exemptions and fiscal corruption caused substantial revenue loss, which most likely explains the majority of the tax gap in Tanzania (Ndulu *et al.* 2007).

Uganda demonstrated a much worse departure of tax revenue as a proportion of GDP, 7.6 per cent, than Tanzania in 1991 when the URA was established. A series of tax reforms in the 1990s enabled Uganda to achieve a relatively steady improvement in the tax to GDP ratio, but the ratio remained stagnant again in the mid-1990s (Therkildsen 2004). Prevailing tax evasion contributed to this disappointing result, given that Uganda's average annual revenue loss from evasion caused by trade mis-invoicing between 2002 and 2011 accounted for 12.7 per cent of government revenue while the counterpart in Tanzania was only 7.4 per cent (Ayoki 2008). As discussed above, the erosion

of the URA's autonomy and increase in corruption slackened the growth of tax revenue, and widespread smuggling also caused leakage in tax collection. Of its tax revenue, Uganda is still the most heavily dependent on import and excise taxes. Inland tax revenue was the second biggest contributor to total revenue. VAT revenue was growing due to administrative improvement and the entry of large taxpayers into the market. However, the expansion of exempt or zero rating items and tax amnesty undermined the effort to increase revenue (Crawley and Zake 2010).

Administrative Performance

Tax administration reforms in Tanzania and Uganda eventually induced a positive or negative triad of effectiveness, efficiency and accountability of their tax administrative performances. Characteristically, a comparative evaluation of the two governments' administrative performances can be attempted by using these five indicators: performance effectiveness, performance productivity, performance efficiency, performance equity and allocative efficiency.

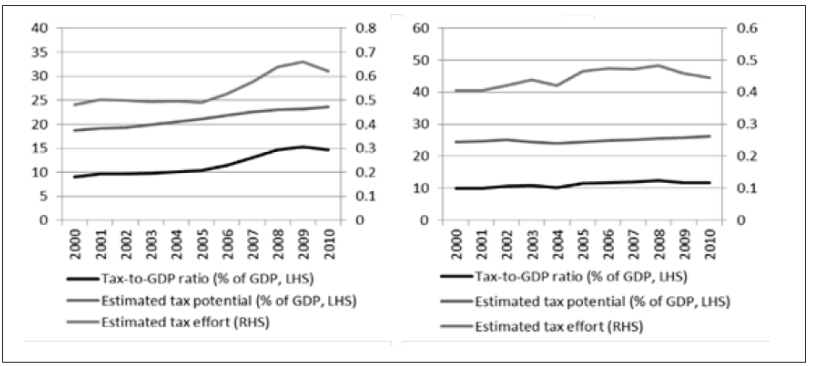

Figure 2: Tax to GDP ratio, estimated tax potential and effort in Tanzania and Uganda, 2000–10

Source: Langford and Ohlenburg (2016)

First, performance effectiveness can be identified as the estimates of tax effort and tax gap. As Tanzania significantly raised tax effort 25.1 percentage points between 2001 and 2008, the TRA successfully closed the gap between the official tax ratio and the realised ratio from 5 per cent of GDP in the late 1990s to 2.4 per cent in the early 2000s (Levin 2005: 29). Uganda's tax effort and tax gap also gradually improved, thereby raising tax effort by 6 percentage points and narrowing the tax gap up to 7.8 per cent

of GDP between 2001 and 2005 (African Development Bank 2011). As shown in Figure 2, Langford and Ohlenburg (2016) provide an interesting comparison between Tanzania and Uganda's tax potential and tax efforts throughout the 2000s by observing that Tanzania performed a larger increase in tax potential and effort than Uganda. It is in this context that Tanzania achieved the significant improvement in its tax to GDP ratio, as opposed to Uganda's marginal increase.

Table 2: Comparison of VATGCR, CITPROD and PITPROD in Tanzania and Uganda, 2007/08–2012/13

Indicator	Year	Tanzania	Uganda
VATGCR	2007/08	38.3	27.5
	2008/09	27.0	26.5
	2009/10	35.2	28.6
	2010/11	35.2	16.4
	2011/12	45.7	28.6
	2012/13	44.2	26.2
CITPROD	2007/08	0.08	0.06
	2008/09	0.05	0.03
	2009/10	0.06	0.03
	2010/11	0.06	0.01
	2011/12	0.06	0.03
	2012/13	0.07	0.12
PITPROD	2007/08	0.07	0.06
	2008/09	0.08	0.11
	2009/10	0.09	0.07
	2010/11	0.17	0.04
	2011/12	0.16	0.08
	2012/13	0.12	0.07

Source: USAID Collecting Taxes Database 2013

Second, performance productivity typically contains the following three components for its assessment: VAT Gross Compliance Ratio (VATGCR), Corporate Income Tax Productivity (CITPROD) and Personal Income Tax Productivity (PITPTOD). All factors represent how well a certain tax produces revenue in a given tax structure.[3] Tanzania's VATGCR grew significantly over time and remained higher than that of Uganda at all times. As for CITPROD, Tanzania's score continued to be slightly higher

than that of Uganda, except for the year 2012/13, but remarkably, Uganda's CITPROD doubled over five years. In terms of PITPTOD, the gap between two countries grew larger over time, leading Tanzania's PITPORD to stay at almost twice the level of Uganda's after 2010/11. Overall, it can be claimed that Tanzania outdid Uganda in the light of performance productivity from 2007/08 to 2012/13 (see Table 2).

Third, performance efficiency is used as a reliable indicator for comprehending the cost of collection, the ease of paying taxes and the management of tax arrears. The average cost of tax collection was estimated at 3 per cent of tax revenue throughout the 2000s in both countries. The share of costs declined quite gradually while the absolute cost grew. Regarding the ease of paying taxes in 2010, Uganda rather excelled Tanzania by reflecting the fact that Tanzania was ranked 120th while Uganda was ranked 61st out of 183 countries. However, the TRA pursued a fairly proactive approach to the collection of tax debt, empowering the Large Taxpayer Department and the Domestic Revenue Department to collect 100 and 68 per cent of tax arrears respectively in 2008. In stark contrast, the URA's tax arrears rather proliferated by 439.8 per cent between 2006 and 2007 despite the write-off of tax arrears in 2006 (African Development Bank 2011).

Fourth, performance equity representing the fairness of taxation diverged markedly between Tanzania and Uganda. Tanzania, which kept increasing the lowest PIT threshold and cut down the lowest marginal tax rate, planned and implemented more progressive income tax rates than Uganda. Such a rigid pay-as-you-earn tax in Uganda failed to reflect the fully inflationary effect on wages, thereby maintaining a flat rate after a low threshold, which was unfavourable to low income earners (Sennoga, Matovu and Twimukye 2009). Considering that the total tax rate on the profits of private firms was respectively 45.2 per cent in Tanzania and 35.7 per cent in Uganda, we can assume easily that corporate taxpayers in Uganda take a relatively lower burden than in Tanzania.[4]

Lastly, allocative efficiency is closely intertwined with tax incentives and exemptions as it relies on an optimal distribution of goods and services in an economy.[5] Undoubtedly, a moderate tax rate with a broad tax base and few exemptions is always more efficient than a high tax rate with numerous exemptions. In Tanzania, various tax exemptions given under the Tanzania Investment Act turned out to be ineffective in attracting investment and contributed to the loss of 6 per cent of GDP in 2008. Meanwhile, as the investment code was abandoned and various exemptions were granted in Uganda, corporate tax collection declined in the 1990s and Uganda finally lost at least 2 per cent of GDP from such tax incentives and exemptions (African Development Bank 2011).

In a nutshell, a clear-cut message from the comparison of both tax revenue and administrative performances described above tells us that Tanzania has been taking a relatively superior position to Uganda. This message leads us to take a deep look at how tax administrative performance could be linked with tax compliance.

Tax Compliance

It can be reasonably assumed that improving tax administration positively generates a higher level of tax compliance. Presumably, effective, efficient and fair taxation encourages taxpayers to comply with tax authorities voluntarily, thereby creating self-reinforcing effects for tax performance and compliance (OECD 2014; IMF 2015). It is critical to compare the varying degree of QVC between Tanzania and Uganda, and then examine how tax administration reform in each country led to those different outcomes.

To identify the overall outcomes of tax compliance in Tanzania and Uganda, various survey results on public attitudes toward tax payment, tax authorities' mandates and functions can be mobilised together. Although this multiple approach to measuring tax compliance has been preferably used in the previous studies of non-African regions, applying such measurement to a cross-country analysis on Africa is a fairly new attempt (Ali, Fjeldstad and Sjursen 2014). Indeed, varieties of survey results provide a combined insight for understanding tax compliance and its underlying motivations in Tanzania and Uganda. The overall survey results are mainly obtained from the research by Aiko and Logan (2014) and the Afrobarometer survey (particularly, Round 5 (2011/13) and Round 6 (2014/15)).[6]

Table 3: Variations of tax compliances between Tanzania and Uganda

	Tax compliances		Tanzania %	Uganda %
Afro-barometer Round 5 (2011/13)	Tax compliant attitudes		47	32
	Non-compliant attitudes	Wrong but understandable	33	46
		Wrong and punishable	45	32
		Not wrong at all	20	20
Afro-barometer Round 6 (2014/15)	Tax compliant attitudes		63	44
	Non-compliant attitudes	Wrong but understandable	25	36
		Wrong and punishable	63	44
		Not wrong at all	8.4	15

Sources: Afrobarometer Round 5 and Round 6

As shown in Table 3, the first comparison via survey results engages the tax complaint attitude by referring to the Afrobarometer Round 5 (Ali, Fjeldstad and Sjursen 2014). The respondents are asked whether they deem avoiding income taxes is 'not wrong at all', 'wrong but understandable' or 'wrong and punishable'. The results show that the respondents are divided into two groups: a group with tax compliant attitudes, and another group with non-compliant attitudes. The question is intentionally phrased as an indirect question to avoid the direct implication of 'wrongdoing' by the respondents and capture more accurate attitudes towards taxation. In general, 47 per cent of Tanzanian respondents supported a tax compliant attitude while 32 per cent of Ugandan respondents did. The fraction of people answering that not paying taxes on income is 'wrong but understandable' turned out to be lower in Tanzania than in Uganda (33 and 46 per cent respectively). The tendency for people to prefer the answer of 'wrong and punishable' was also higher in Tanzania than in Uganda (45 and 32 per cent respectively). On the other hand, both Tanzania and Uganda shared the parallel ratio (20 per cent) of people's choice for 'not wrong at all'. In the Afrobarometer Round 6, the proportion of respondents with tax compliant attitudes in Tanzania took a sweeping upturn to 63 per cent, which engaged in a bigger gap with 44 per cent of Ugandans (see Table 3). The ratio of non-compliant attitudes for the option of 'wrong and punishable' in the two countries was equivalent to that of tax compliant attitudes in direct proportion. In Round 6, Tanzania and Uganda both witnessed the decreasing tendency towards taxpayers' attitudes of regarding tax non-compliance as a 'wrong but understandable' behaviour, compared to in Round 5. Also, the Round 6 discloses that Tanzania's ratio of taxpayers' preference for 'not wrong at all' was much lower than that of Uganda, despite the fact that both countries positively experienced decline in their general trends. It is fair to conclude that taxpayers in Tanzania had much higher tax compliant attitudes compared to Uganda in both Round 5 and Round 6 of the Afrobarometer survey.

Secondly, public support for tax authorities' mandate is another vital dimension to measure comparative variation regarding tax compliances between Tanzania and Uganda. The Afrobarometer survey and its associated research estimated the level of public supports for tax authorities by collecting answers to the question of whether respondents agreed that the tax authorities always have the right to make people pay taxes. Using the same question for the five rounds of surveys throughout the 2000s is of great help to identify and trace the change in tax compliance over time (D'Arcy 2011). In 2012/13, 71 per cent of Tanzanians responded that they 'agree' or 'strongly agree' with tax agencies' right to collect taxes while 66

per cent of Ugandans did so. Despite the small difference of 5 per cent, it is important to confirm that Tanzanians generally showed stronger support for the legitimacy of the tax authorities than Uganda, and it is more important to note that this tendency was a longstanding growth which has been continuously stronger over time: from 57 per cent in 2003 to 71 per cent in 2012. The ratio of the respondents who 'disagree' or 'strongly disagree' fluctuated, but was restored to 24 per cent in 2012, which was similar to the level of 2003 (23 per cent). In contrast, the proportion of respondents in Uganda who 'agree' or 'strongly agree' gradually declined from 87 per cent in 2003 to 66 per cent in 2012, whereas the respondents who 'disagree' or 'strongly disagree' increased from 9 per cent in 2003 to 21 per cent in 2012.

Additional feedback on tax compliances stems from public recognition of taxes as resources for development. In the Afrobarometer Round 5, Tanzania and Uganda presented similar results in their answers about the importance of taxes as development resources: in Tanzania, 55 per cent agreed that citizens should pay taxes for national development, while 43 per cent wanted the government to find other resources; and in Uganda, 51 per cent agreed with the need to pay taxes for development, while 47 per cent responded negatively (Aiko and Logan 2014). In Round 6, citizens' duty to pay taxes for national development gained 62 per cent assent in Tanzania and 58 per cent in Uganda. On the other hand, 22 per cent of those surveyed in Tanzania agreed that the government needs to find other resources for development without levying taxes while 28 per cent agreed in Uganda. In addition, 64 per cent of Tanzanian respondents preferred higher taxes and more services in return, while 41 per cent in Uganda responded so. The ratio of respondents favouring lower taxes with less services recorded 27 per cent in Tanzania but 48 per cent in Uganda. In short, it can be concluded that Tanzanians showed a higher preference for a tax-for-service trade-off, compared to Ugandans.

Lastly, generating tax compliance often requires the integrity of tax authorities, based on the transparency and accessibility of tax systems, as well as government corruption. The Afrobarometer Round 5 confirms that Tanzania and Uganda shared a similar level of difficulties with transparency and accessibility of tax systems: around 70 per cent of Tanzanians and Ugandans answered that it is 'difficult' or 'very difficult' to get information about tax liabilities. Even worse, 85 per cent of respondents in both countries responded that it is hard to know how the government spent tax revenue. Although there were no big gaps between the two countries, the perceived corruption of the tax authorities was greater in Uganda than in Tanzania: 38 per cent of Tanzanians and 45 per cent of Ugandans respectively reported

that 'most' or 'all' tax officials are corrupt. In this vein, we now know that the most serious obstacle to enhance tax compliance in Tanzania and Uganda commonly develops from the lack of integrity of the tax authorities.

In general, a main finding from the four comparisons described above reconfirms that Tanzanians show a higher level of QVC than Ugandans in many aspects (see Figure 3). On top of this, our analytical journey would come to an end if the varying mechanisms for how to link administrative tax reforms with tax performance and tax compliance could be engendered by strategic and normative factors in the context of state-building in Tanzania and Uganda.

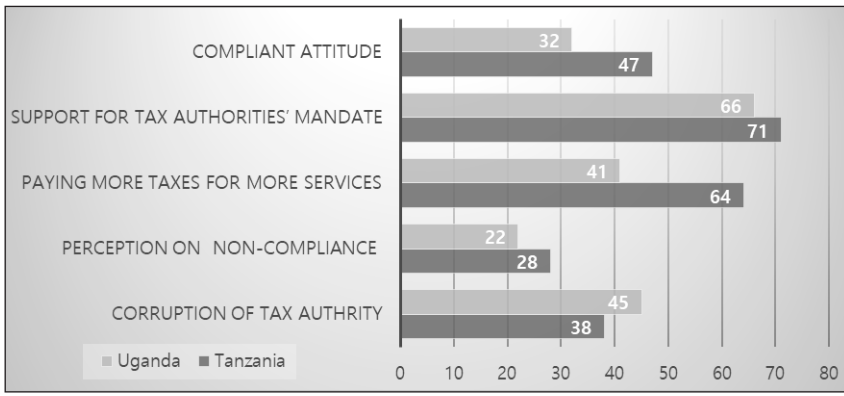

Figure 3: QVC in Tanzania and Uganda, 2011/13

Source: Afrobarometer Round 5 and Round 6

Tax Reform Factors Differentiating QVC

A missing link in identifying the associational relation between administrative tax reforms and QVC is to elaborate how differently the government's tax reforms affected the density and direction of QVC in the state-building process in Tanzania and Uganda. For this issue, tax reform factors described in Table 1 – coercion and incentives as strategic factors, social factors and benefits provisions as normative factors – need to be brought back into our discussion on how to translate their differentiated impacts on QVC between Tanzania and Uganda given the facts we have hitherto explored. A new version of Table 1, modified by adapting the key conditions of tax administration reforms in the context of state-building, can be transformed into Table 4.

Table 4: Factors in tax administration reforms affecting QVC

Type	**Contents**	**Tax administration reform**
Strategic	Coercion	Tax authority's capacity in detection and punishment
	Incentives	The quality of taxpayer services
Normative	Social factors	Broadening the tax base An opportunity for negotiation and feedback
	Commitment to providing benefits	Political support towards tax authorities Competent staff in tax administration Corruption in tax administration Different focus in tax administration reform

Strategic Factors

The coercion factor as part of the strategic factors mainly involves the tax authority's capacities in detection and punishment of non-compliant taxpayers. Obviously, the varying ability to detect tax evasion and enforce punishment between Tanzania and Uganda results in the different level of tax compliance. The TRA took proactive measures to collect tax debts and charged heavy interest rates and penalties for compliance failure and offences. As efficient detection and punishment underpinned tax administration strategies in Tanzania, audits and inspections have become the usual work of the tax administration (Ongwamuhana 2011). On the contrary, the URA's strategic moves towards detection and punishment often degenerated into extreme and inefficient public interventions. The militarisation of its tax collection to prevent smuggling and evasion brought forth strong public backlashes, thereby undermining enduring Ugandan efforts to build QVC. Even worse, the Ugandan government's rash provision of tax amnesty to non-compliant taxpayers motivated domestic corruption and weakened the enforcement capacity of the tax authorities (African Development Bank 2011).

Endowing proper incentives via high quality-based taxpayer services is also treated as a critical strategic factor for inducing QVC. Complicated legal regulations in tax payment, and the low quality of taxpayer services and education, ultimately undermine tax compliance. In fact, various efforts for simplifying the tax structure and payment systems in Tanzania enabled taxpayers to pay much more easily than in Uganda where there were no serious

reformative actions that the government took. Another contributing factor for strategic incentives comes from taxpayer education in Tanzania, which equips taxpayers with more knowledge about their obligation and the use of tax revenue, whereas the URA failed to consolidate the positive educational effects for QVC.

Normative Factors

First, social factors as normative ones normally encompass the expansion of the tax base and opportunities for negotiation and feedback with taxpayer groups. Such social factors entail the social construction of normative factors affecting positive mobilisation of QVC. The TRA's efforts to broaden the tax base via BMS have been so effective as to affect taxpayers' perception of the fairness of the tax system and give confidence that other taxpayers would comply as well. In contrast, the URA's tax reforms neither produced nor directed specific performance outcomes, including widening the tax base, as it had keen interests in the fulfilment of revenue only (Ayoki 2008). On the other hand, the second element of social factors is characterised by society's voices and organised responses to taxation, which lead to positive influences on QVC. Tanzania had a unique organisation, the TFTR, specialising in its mission to consult with various stakeholders (Child 2008). The TRA also endeavoured to embrace complaints of large corporate taxpayers by channelling them to the official legal system and leading to the eventual revision of laws. Particularly, the formation of constructive conversations between the government and private firms should be taken into consideration as a remarkable change, given that the Tanzanian government had protected the private sector so as to completely shun its taxation through the use of illegal and personal connections in tax assessment (Fjeldstad and Moore 2009). Tanzania's TFTR, which is an oral forum, contributed to social change in taxation more effectively than Uganda's TAT which only accepts written complaints and questions (Rakner and Goplen 2003). In contrast to Uganda, Tanzania's consultation mechanism was able to reinforce taxpayers' support for the tax authorities to levy taxes, increasing opportunities to create a fiscal contract between the government and taxpayers.

The second normative factor converges on the commitment to providing benefits, envisaged in political support for the tax authorities, competent administrative staff in taxation, control of corruption, and the variation of administrative tax reforms. First, proactive support from high-level political leaders is a crucial prerequisite for pursuing tax administration reforms, which otherwise would become a source of vulnerability to political interference. Although political interference has been a common phenomenon in both

countries, political leaders took different approaches to enhance QVC. In Tanzania, political leaders espoused TRA's effective functioning, as Tanzanian politicians, with great concerns about the danger of high aid dependency, put lots of effort into building an effective tax administration. In Uganda, however, the political leadership's ad hoc decisions significantly damaged the effectiveness of the URA. Indeed, numerous tax exemptions were approved without a specific deadline or target, thereby impeding vastly the operation of the URA and allowing additional room for tax evasion (Gauthier and Reinikka 2006). Uganda's weak political support signalled to taxpayers that the tax authority would not keep their promises about benefits in return for tax payment, whereas stronger political support in Tanzania led to a better compliance outcome.

Second, high competency of the tax authority contributes to its public image that it collects taxes successfully and returns the benefits to taxpayers. Although both Tanzania and Uganda struggled in sustaining high salaries for their staff, the TRA did a relatively better job in recovering its high salary level and maintaining professional personnel in the organisation. The TRA is now recognised as a professional agency filled with experts in relevant fields; conversely, the URA failed to maintain specialised experts within the organisation. This difference also explains the higher level of tax compliance in Tanzania.

Third, widespread corruption in tax administration harms its public legitimacy and the fairness of tax administration reforms, because corrupt administration prompts taxpayers to view the taxation process as just a waste, stealing personal assets, thereby undermining QVC (Adebisi and Gbegi 2013). Corruption within the URA became chronic and pervasive by the mid-2000s as the government's anti-corruption efforts lacked sufficient resources and capacity. Accordingly, the URA was ranked the fourth most corrupt organisation among the East African agencies while the TRA was ranked the 32nd (Transparency International Kenya, Tanzania Transparency Forum and Transparency International Uganda 2009). Given the fact that the issue of corruption is seen as a political scandal, the erosion of political support towards the URA also aggravated the inner corruption and its predatory behaviour in dealing with taxation in Uganda (Robinson 2007).

Fourth, the different focus of tax administration reforms between Tanzania and Uganda shapes different levels of QVC. Tanzania conducted various research and analyses to find the best policy prescriptions, and implemented comprehensive administration reforms including institutionalisation. On the contrary, Uganda lacked comprehensive and in-depth analyses of its tax system and policy environment, rather concentrating on the issue of

how to curb the URA's corruption. Uganda's wrong path of tax reform eventually hindered the prospect of tax administration reforms, ignited public anxiety that the tax authorities would remain ineffective and corrupt, and significantly damaged QVC in Uganda (Robinson 2007).

Conclusion: Tax Reforms for State-building

This article provides a comparative analysis of how differently the two decades of tax administration reforms in Tanzania and Uganda witnessed the enhancement of tax performance and QVC for their own state-building progression. Comparing the politico-economic processes of tax reform in Tanzania and Uganda involves a specific focus on semi-autonomous revenue authorities and their outcomes in comparative perspective. The study finds that tax administration of Tanzania generally achieved better outcomes in terms of both tax performance and QVC in comparison to Uganda, despite the fact that the latter introduced similar tax administration reforms. It is fair to state that Tanzania's tax administration, compared to Uganda's, was more effective and accountable in forging strategic-normative institutional assurance, which transformed taxpayers in a conforming manner.

Tanzania's success in tax administration reforms led to positive prospects for directing and cementing processes of state-building with the maturity of state capacity and the concomitant advancement of state–society relations. As Margaret Levi (1988: 1) declared, 'the history of state revenue production is the history of the evolution of the state'. Significant increases in tax revenue and administrative performance in Tanzania have increasingly contributed to strengthening state capacity and the improvement of QVC has positively affected the relationship between the Tanzanian government and taxpayers. This can be expanded to state–society relations in Tanzania, because the development and maintenance of QVC demand a well-designed tax system supporting the basic values that taxpayers cherish. In a nutshell, tax administration reform in Tanzania has a higher potential to consolidate a stable and accountable path for state-building by improving state capacity and state–society relations in comparison to Uganda.

Nevertheless, it is obvious that Tanzania, along with Uganda, requires more tax revenue in order to finance the expanding demand for public goods and services in the process of state-building. Main lessons from this study argue that tax reforms can transform tax performance and the compliance of taxpayers. Therefore, Tanzania and Uganda must not stop making an effort to achieve effective, transparent and accountable tax administrations. Challenges and obstacles of tax administration observed in Tanzania and Uganda are not limited to these two countries. Most sub-Saharan African

countries and other developing countries around the world have similar missions in administrative tax reforms. As a task ahead, the examination of how tax administration reforms affected tax performance and QVC in Tanzania and Uganda needs to be comparatively extended to provide other valuable lessons from developing countries for future tax reforms.

Notes

1. Tanzania and Uganda, both of which were liberated from British rule in the early 1960s, are both presidential republics. Economically, the two countries share very similar extents of economic indicators such as GDP (US$4.23 billion for Tanzania, and US$4.3 billion for Uganda), and GDP annual growth (7.05 per cent for Tanzania and 6.47 for Uganda). Socially, they demonstrate almost identical routes of development, for instance in terms of the population growth rate (3.4 per cent in Tanzania and 3.5 per cent in Uganda), life expectancy at birth (49.9 years for Tanzania and 45.1 years for Uganda), and infant mortality rate (exactly same in both).
2. URA, 'URA mandate, strategic direction, mission, vision & core values', https://www.ura.go.ug/readMore.do?contentId=9990000000000199&type=TIMELINE, accessed 2 November 2016.
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Targeting Practices and Biases in Social Cash Transfers: Experiences in Rural Malawi[1]

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Abstract

Social cash transfer (SCT) programmes involve direct financial support to vulnerable households. Vulnerability, as a social condition, is often correlated with low income and food insecurity. Cash transfers augur well with neoliberal welfarism in contrast to the traditional relief approach associated with food-based safety nets. The aim of this article is to examine targeting processes and its challenges in Malawi. Proxy indices of ultra-poverty used in the design of SCT programmes are correlated in some way to parameters such as gender, education, structure of livelihoods and type of durable assets owned by beneficiaries. The data demonstrates that beneficiaries tend to be women and persons with very little or no formal education. The authors argue that gender and education are critical parameters that are easier to determine and apply with reduced scope for bias for identifying vulnerable groups and with valuable lessons for replication of success nationwide.

Résumé

Les programmes de transferts monétaires sociaux (*SCT*) impliquent un soutien financier direct aux ménages vulnérables. La vulnérabilité, en tant que condition sociale, est souvent liée au faible revenu et à l'insécurité alimentaire. Les transferts monétaires vont bien avec le « *welfarism* » néolibéral, contrairement à l'approche traditionnelle d'assistance associée à l'assistance alimentaire. L'objectif de cet article est d'examiner les processus de ciblage et leurs enjeux au Malawi. Les indices de substitution d'extrême pauvreté utilisés dans la conception des programmes *SCT* sont corrélés d'une manière

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ou d'une autre à des paramètres tels que le sexe, l'éducation, la structure des moyens de subsistance et le type de biens durables détenus par les bénéficiaires. Les données démontrent que les bénéficiaires sont généralement des femmes et des personnes ayant très peu ou pas d'éducation formelle. Les auteurs soutiennent que le genre et l'éducation sont des paramètres importants, plus faciles à déterminer et à appliquer, avec une possibilité réduite de biais pour identifier les groupes vulnérables et avec des enseignements précieux en cas de reproduction à l'échelle nationale.

Social Cash Transfers

Social cash transfers (SCTs) are a neoliberal welfare approach to rural and community development involving direct and regular non-contributory cash payments targeting low income and vulnerable communities with the expectations of raising their income levels and smoothing cash challenges encountered at household level (Kalebe-Nyamongo and Marquette 2014). Vulnerability implies some hidden or less overt processes at play. These involve challenges that lead to either inactivity or inadequate prospects and lack of opportunities to improve the social and economic situation at individual, household and societal levels (Jimu 2016). At the household level, vulnerable households are those that are in a state of deprivation and lack prospects of ever improving their lot. They are poor and for reasons related to poverty unable to meet basic necessities of life such as food, clothing, shelter, primary health care and sometimes security of life and property. The underlying motivation shared by international donors and NGOs on the one hand and governments on the other hand has been to offer social protection such that cash transfer programmes have emerged to be one way of delivering aid directly to the poor. Malawi, Tanzania, Kenya, Zambia, Burkina Faso, Cameroon, Ethiopia, Guinea and Senegal have active programmes and evidence from these countries suggests cash transfers can contribute positively towards reducing inequality and the severity of poverty as demonstrated adequately by case studies in Zambia (Matandiko 2010) and Kenya (Ressler 2008).

In Kenya, for example, cash transfer programmes have been functioning for several years and the target has been people lacking access to food sufficient enough to meet daily needs and people affected by the HIV/AIDS crisis (Ressler 2008). The transfer aims also to improve the socio-economic situation of vulnerable children, the elderly and persons with various forms of disability. In some cases the transfer of resources is conditional for the fulfilment of education, health or nutrition targets by the recipients. It has been shown that transferring resources directly to vulnerable people in the

form of cash, food vouchers or subsidised access to goods and services is attractive for many reasons, including the potential benefit of empowering the recipients. There is evidence from numerous countries that cash transfers contribute to leveraging access to health and education services.[2] UNICEF sees social cash transfers as a form of indirect empowerment of the people towards becoming active participants in improving their own lives, unlike handouts such as food and clothing which might reinforce dependency (UNICEF 2004 cited in Save the Children (UK), HelpAge International and Institute of Development Studies 2005).

In addition to impacts on human development and poverty alleviation, other studies suggest that social cash transfer programmes may also have broad development impacts, for instance, through changes in household behaviour and through impacts on the local economy of communities where the cash transfers operate. Zezza *et al.* (2010) have shown that household level impacts follow three main channels: (1) changes in labour supply of different household members; (2) investments in productive activities that increase revenue generation capacity; and (3) prevention of detrimental risk-coping strategies such selling productive assets, taking children out of school, engaging in transactional sex and begging and theft. On the basis of data from Kenya and Malawi, Zezza *et al.* (2010) noted that often beneficiary households seem more likely to invest in durable goods, in small animals and tools (hoes, axes and sickle) bicycles and kitchenware. Also, in Kenya they reported a decrease in child labour as a result of improved income earning levels while in Malawi adults in beneficiary households tended to become less dependent on casual agricultural labour. Given the predominance of smallholder farming they could only surmise that social cash transfers permit adults to concentrate on working on their own farm land. Beyond these household level benefits, Zezza *et al.* (2010) further reported three other types of local economy benefits such as transfers between beneficiary and non-beneficiary (eligible or ineligible) households, effects on local goods and labour markets and multiplier effects. Writing on multiplier effects, Save the Children (UK), HelpAge International and Institute of Development Studies (2005) noted that regular cash injections to poor households can contribute to pro-poor growth and poverty reduction, both directly and indirectly (*ibid.*: 3). Zezza *et al.* (2010) emphasised the perception of multiplier effects for local businesses in intervention areas, despite some of the interviewees reporting inflated transport and market prices on social cash transfer payday.

Other arguments surrounding cash transfers have at times vacillated on dichotomies such as conditional versus unconditional, targeted against universal transfer schemes and the impact of transfers on health,

consumption, human development and income growth. Devereux placed emphasis on protection and promotion effects and the role of safety nets in reducing chronic poverty (Devereux 2002: 657). Others, however, have observed that cash transfers implemented during situations of serious economic crises can significantly alleviate a disastrous situation by working as local automatic stabilisers (Soares 2009: 1). It has been observed also that social cash transfers reduce inequality especially in very imbalanced communities and countries and they do go a long way towards helping poor households to break intergenerational cycle of poverty (Fiszbein *et al.* 2009: 29). Where social cash transfers have been provided with conditions such as school enrolment, school attendance on a specified percentage of school days and performance, the transfers have led poor households to spend more on education services. It is obvious, however, that conditional transfers may not be effective on outcomes in education or health where supply of these social services is constrained (Handa and Davis 2006: 514).

Among the challenges to date is that many African and low-income countries elsewhere in the world cannot afford cash transfer programmes funded from domestic resources (McCord 2009). Governments are therefore implementing programmes relying largely on donor funds. There are also technical questions about programme design, targeting, transfer levels and affordability. On targeting, it has been suggested that universal programmes have the advantage of extending benefits to everyone while targeted programmes discriminate against other segments of the population. However, targeting allows saving of resources by excluding people who are not poor. These matters call for serious consideration of the targeting process and its associated challenges as Malawi is seeking to expand and ensure access and sustainability of the cash transfer programme.

Overview of Targeting Practices in Social Cash Transfers

Targeting is in simple terms a process of determining how eligible individuals and households are identified and reached in practice. As Slater and Farrington (2009) put it, targeting seeks to ensure that the resources of social transfer programmes are directed only to intended beneficiaries, so as to minimise the coverage of those not intended to be beneficiaries (errors of inclusion) and the non-coverage of intended beneficiaries (errors of exclusion). They noted further that targeting is therefore crucial to the efficient use of scarce resources in social transfer programmes since the purpose is to identify those most in need and ensure they are covered in the most efficient way. In this regard targeting involves two aspects: *whether* to target, and *how* to target. According to Save the Children (UK), HelpAge International and Institute

of Development Studies (2005) the case for targeting is usually made on cost-effectiveness and equity grounds. On cost effectiveness, it has been suggested that with a limited public budget for SCTs, it seems sensible and fair to allocate the transfers to those who need them most. By implication this approach entails excluding non-needy individuals or households. Doing so, however, it raises the problem of *how* to target?

Coady Grosh and Hoddinott (2004) identified six main targeting methods used to identify eligible recipients for transfers as follows: (1) means testing based on income; (2) proxy means testing based on some indicator of poverty; (3) community-based targeting (CBT), based on local knowledge of poverty; (4) geographical targeting based on location; (5) demographic targeting, based on some characteristic such as age, gender, or orphanhood; and (6) self-targeting, where the transfer is available to all who apply or offer themselves. For Samson (2009) there are three options: individual or household assessment, categorical approaches, and community based approaches. Individual or household assessments involve testing a person's or household's means for survival, usually with a procedure which verifies an individual's or household's income or assets. Categorical approaches on the other hand rely on easily observed traits – usually demographic or geographic – that are associated with a higher incidence of poverty. For example, social pensions and child support grants are examples of categorically targeted programmes. Categorical approaches often aim to serve two objectives:

1) to target the poor by including groups characterised by criteria associated with poverty, and
2) to provide transfers to groups considered by society to be universally entitled.

Categorical approaches, however, run the risk of excluding very poor households who do not fit the profiles conventionally associated with poverty.

Community-based mechanisms delegate the responsibility for the identification of beneficiaries to community groups or agents. The assumption is that community representatives are in a better position to assess poverty more appropriately in their local context, and they would frequently have access to better information about the poor with whom they live. Community targeting also involves greater local participation in the process, potentially strengthening a sense of programme ownership. Higher levels of community participation, shareholder buy-in and empowering of marginalised community members that result from the processes mentioned above are all benefits arising from transparent processes that may

also entail equity (Conning and Kevane 2002). The approach suits well the participatory paradigm and bottom-up approach to social development. However, local elites who may be opinion leaders in some cases may skew the allocation of transfers away from the poorest (Samson 2009). While acknowledging the benefits of CBT such as an increase in local participation and the empowerment of marginalised community members, thereby improving targeting effectiveness, Hypher and Veras (2012) claimed that elite capture can undermine targeting effectiveness, with a few community leaders allocating resources to community members on a basis other than actual need, or more politically active communities crowding out less vocal communities in need. They observed that genuine community involvement in identifying beneficiaries and in ensuring the process is fair and transparent could be time consuming and resource-intensive. Further, a community's poverty assessment may be subjective, may not correspond with the poverty characteristics as defined in programme design and are unlikely to be comparable across communities; therefore, there may be challenges operating CBT on a national scale.

Devereux, writing on cash transfers in Southern Africa, noted that although there is convincing evidence that cash transfers have significant positive impacts on the lives and livelihoods of the poor and the well-being of the household, the impact of cash on local markets, gender relations and social networks of the household is not fully understood, and therefore the total and long-term well-being of the household could also be in question (see Ressler 2008). It has been suggested that impacts of transfers on enterprise development is less understood. It has been shown that effects of giving 'ultra-poor' rural dwellers livestock, skills training and short-term income support increase assets and food security, but effects on production and earnings are mixed.

On the other hand, targeting has been criticised on the account that it tends to be expensive to achieve accurately and can be socially divisive. It has been pointed out that wealthier people are quite likely to resent paying for such programmes through their taxes when they know that they are not bound to benefit them. It has been suggested that the solution is a universal transfer programme, reaching an easily identifiable vulnerable group including older people or young children for example. The advantages of such an approach include coverage, administrative simplicity and acceptance.

In practice, Save the Children (UK), HelpAge International and Institute of Development Studies (2005) have observed that that many programmes adopt a compromise between narrowly targeted and untargeted (universal) transfers. For instance, Lesotho's Old Age Pension is universal for all citizens over 70. Other programmes, such as the Kalomo Pilot Scheme and

Mozambique's Food Subsidy, have a number of complex proxy indicators and means testing procedures to define and identify eligible beneficiaries. The next section looks into approaches to targeting in different programmes in sub-Saharan Africa.

Targeting has the advantage of promoting political will because targeted transfers reduce beneficiaries while improving programme impact. In contrast, universal schemes provide freedom. Targeting demands more administrative resources than universal schemes. In targeted schemes, indirect costs arise as beneficiaries change behaviour to become eligible. Other social costs could include stigma, deteriorating community cohesiveness and potential erosion of formal support networks. The other challenge is that of exclusion and inclusion errors. Exclusion error is a situation where those who should receive a transfer do not, and inclusion error is a situation where those who should not receive the benefit do so. This is the case where means testing is used. From an administrative point of view it is extremely difficult to accurately measure an individual's or household's income and wealth. This is complicated by the insufficient capacity to maintain and update information systems required to accurately target the poor and vulnerable. At the community level it has also been shown that communities find it hard to accept that the 'ten poorest households' will receive free transfers while the eleventh poorest household will not. This is especially problematic where poverty rates are high and logically most people 'should' objectively receive assistance; but because of budget constraints only the 'poorest of the poor' are registered for transfer programmes. The inevitable results of exclusion errors include resentment of the programme and the administration processes by those who feel excluded.

It has been show that targeting itself can be costly in a number ways. The most direct costs are administrative, that is, the bureaucratic costs of assessing the means of programme applicants, and re-assessing participants on an ongoing basis. Added to this government cost are the private costs applicants incur when applying for benefits and these may include time and transportation costs to the respective government offices, queuing, and also the fees (and sometimes bribes) required to process necessary documentation (Samson 2009). It has also been shown that assessments which exclude beneficiaries that receive in excess of a specified income can create disincentives to achieve increases in reportable income. Further, targeting transfers to people residing in specific areas may lead to increased in-migration, which can be costly for the beneficiary but nevertheless preferable to destitution. Social costs from targeting include stigma, the possible deterioration of community cohesiveness, and the potential erosion of informal support networks (Samson 2009).

There are challenges regarding choice of methods to be employed in targeting. Slater and Farrington (2009) have shown that of major concern where implementation capacity is limited is what levels of cost and sophistication of design and implementation can be allowed in the quest to include all intended beneficiaries. They have argued that approaches relying on means-testing or the use of a poverty threshold are expensive in terms of the need for frequent updating of detailed datasets, and so they pose complex problems of interpretation for enumerators. By contrast, approaches identifying the poor on geographical criteria or according to social category such as older people, orphans and vulnerable children or women-headed households etc. have strong potential appeal to the governments of poor countries, not least because their implementation is low-cost relative to that of means-tested approaches.

Successful targeting must be both technically robust (accurate) and socially acceptable (Save the Children (UK), HelpAge International and Institute of Development Studies 2005). On the one hand, to satisfy programme administrators, it must correctly identify the intended beneficiaries. On the other hand, to be acceptable to the communities in which beneficiaries live, it must appear fair and must not generate resentment. It has also been shown that communities are more likely to accept an intervention that targets categories of people who face obvious disadvantages: orphans, older people, people with disabilities, and people who are chronically ill.

With regard to 'exclusion errors' it has been suggested in the study of Save the Children (UK), HelpAge International and Institute of Development Studies (2005) that one way around this problem and others simultaneously is to complement cash transfer with other forms of assistance that people can access if they do not fall into the group defined as eligible for a grant. An example is given of a cash transfer programme in Ethiopia that took a two-pronged approach. Those who can work do public works for food or cash, while those who cannot work (usually 20 % of individuals) receive 'gratuitous relief'. It has been suggested also that this approach makes social protection more comprehensive and the targeting system more socially acceptable. The following paragraphs provide insights into targeting in Africa drawing on case studies from Botswana, Burundi, Ethiopia, Tanzania and Zimbabwe.

Botswana has various SCT schemes in place such as the universal, non-contributory old age pension scheme targeted at all citizens over the age of 65, the Orphans' Allowance, which is targeted at orphans, the World War II Veterans' Allowance and the Destitute Person's Policy (Save the Children (UK), HelpAge International and Institute of Development Studies 2005).

The last scheme targets the poor and vulnerable using the following criteria: people with less than four livestock units (LSU) or earning less than P120 per month; those unable to work due to disability; any child under 18 without parental support and not receiving orphan support; and people affected by an emergency declared a natural disaster or by a temporary emergency.

Various initiatives are also in place in Burundi. According to Save the Children (UK), HelpAge International and Institute of Development Studies (2005) Burundi's Poverty Reduction Strategy Paper (2002) indicates a general shift in government emphasis from food aid and food-for-work schemes towards cash aid. Cash transfers are provided by the government to older people, children and people with disabilities. Another scheme known as the National Children in Distressing Situations Scheme is funded by UNICEF and provides cash allowances to 12,000 demobilised child soldiers. World Vision is also managing a scheme targeted at demobilised child soldiers.

In Ethiopia a government funded project targets beneficiaries who are chronically food insecure, who cannot provide labour to participate in public works and who cannot participate in, or contribute to, other community-based activities and initiatives, e.g., lactating and pregnant mothers, orphaned teenagers, labour-poor households; households without family support or other means of social protection; those suddenly vulnerable due to a drastic loss of assets and unable to be self-supportive (Save the Children (UK), HelpAge International and Institute of Development Studies 2005).

The Tanzania Pilot Community-Based Conditional Cash Transfer Program was launched in February 2009 through the Tanzania Social Action Fund to target the most vulnerable households and improve education and health outcomes in the long run. Community organisations are expected to carry out the screening of potential beneficiaries, communicating programme conditions to potential beneficiaries, transferring funds to individual beneficiaries, and applying peer pressure for compliance with programme conditions (Redko 2013).

The Tanzania Social Cash Transfer has been a conditional programme. The criteria for inclusion and exclusion require that the households be: (1) very poor, (2) not receiving similar benefits in kind or cash from another programme and (3) home to an elderly person (60+) or an orphan or vulnerable child (Redko 2013). In terms of operationalisation, 'very poor' has been defined by stakeholders as a household meeting at least three of the following characteristics: (1) lack of a basic dwelling or *shamba*; (2) difficulty obtaining two meals per day; (3) no adult member has worked in the last month; (4) children with clothes/shoes in poor condition; (5) the family does not own livestock; and (6) the family does not own land.

A comparative study on SCTs in Kenya and Malawi demonstrated that both programmes target the poor using CBT complemented with a proxy-means test in the case of Kenya. They therefore successfully reach the poor, with the Malawi programme reaching those among the most destitute (Zezza *et al.* 2010). Apparently the same study showed also that demographically the beneficiary households in Malawi are older, smaller but with a higher dependency ratio than their Kenyan counterparts. They were also much poorer and orphans and vulnerable children are more frequent. In this regard, from a targeting point of view, the methods used are therefore quite effective.

In Zimbabwe, a review of a Save the Children project combing school feeding cash transfer showed that the project sought to provide support to orphaned children in grades 0–3 living in child-headed households, elderly-headed households (65 years and above), households living with a terminally ill or disabled member and other vulnerable children in that specific priority order. This selection criterion, as applied to the cash transfer programme, implied targeting the most vulnerable of households in the community (Innovative Minds 2011).

Vulnerability and Social Cash Transfer at Rural Household Level in Malawi

The term 'household' is an important factor in SCT regimes. How it is defined and used, however, is subject of serious contestation. As Gregory and Altman (1989) suggested, while it is important to define the household, definitions have to be multidimensional with respect to residential, commensal, genealogical and occupational criteria. As they write, there is a need to ascertain by empirical investigation and observation what physical structure constitutes the house and the relations between the people who occupy it. Definitions must further take cognizance of the change in household composition over time and also cross variations between households. The alternative view, though not unnecessarily contradictory, was provided in Wilk and Netting (1984) (cited in Narotzky 1997: 115) who suggested that when speaking of a household, it is always important to distinguish between morphology and function. In other words, between what a domestic group is and what it does. In their view morphology is a material and cultural concept defining the spatial boundaries and binding links between people forming a household, while function relates to the recurring agency among morphologically defined household members. Turning to the notion of function, there is debate on the pattern of change and of the composition of the household through time, what is called the

domestic cycle. The notion of domestic cycle suggests that relationships between members of the household are continually being re-negotiated along basic categories of gender and age, which are also cultural and social products (Narotzky 1997: 115). Sahlins suggested that in the domestic mode of production decisions are taken primarily with a view toward domestic contentment and for that reason for the benefit of the producers (Sahlins 1974). He loosely equated the domestic group of the household to the family, though he acknowledged that production units are not always family-like in nature.

In rural Malawi household forms vary from nuclear to extended, and within the extended category from polygynous through matrilocal, patrilocal and other arrangements. Each one of these aspects implies differentiated production and consumptions arrangements. Although household members, as would be expected, are mainly kin, other non-kin people may share the same space and are linked by other means than kinship relationships. In some cases, non-kin members may be related to members of a household by wage relations (see Narotzky 1997).

Vulnerability is a serious challenge as the Malawi's Integrated Household Survey (IHS) of 2010 showed where around 24.5 per cent of the population was reported to be ultra-poor and vulnerable to natural disasters such as climate change, flooding and droughts. Within disaster prone areas there was a strong correlation between vulnerability to food insecurity and poverty in general but a substantial proportion of the population experienced extreme forms of food insecurity with 33 per cent of the population experiencing very low food security (Republic of Malawi 2012). It has also been shown from the IHS that the proportion of food insecurity is higher in rural areas compared to urban areas, and for female-headed households compared to male-headed households and households headed by widowed persons. Regional variations however show that very low food security is prevalent in the southern region (36 %) followed by the northern and central regions (30 %).

The above scenario has been used to justify the introduction of SCTs countrywide as one of the social protection interventions (safety nets) to cushion vulnerable people from extreme poverty. Other examples of social protection measures implemented recently include the fee waiver in primary school (free primary), school feeding programmes, food for work, targeted input supply and cash for work schemes. Of these forms of social support, SCT programmes are a recent innovation. However, in terms of scholarly interest, the targeted farm input supply has received a lot of attention much of which has been informed by donor and political

interests that are implicated in the politics of farm input supply. The safety net programmes employed in this connection have included the Targeted Input Programme involving free packs of inputs to resource poor farmers implemented from 1998/99 to 1999/2000 seasons; the Agricultural Productivity Improvement Programme sponsored by the European Union and providing inputs on credit to resource poor farmers in 1998; and the Farm Inputs Subsidy Programme funded by the government of Malawi, the UK Department for International Development and other international agencies (Jimu 2016). Despite the challenges encountered over the year with respect to targeting effectiveness in many rural communities (Lawson *et al.* 2001) much of this has been due to the difficulty in correctly identifying the poorest families, unwillingness of local communities to single out the poorest families, and apparently the feeling that differentiation among the poor is culturally unacceptable.

Since its inception in 2006 the SCT scheme uses a community based, multi-stage, participatory targeting process (Miller, Tsoka and Reichert 2008). The scheme is unconditional but education bonuses for school-going children make it at least partly conditional (Chinsinga 2009). According to Save the Children (UK), HelpAge International and Institute of Development Studies (2005) 'unconditional cash transfers' refers to transfers of cash made by government or non-governmental organisations to individuals or households identified as highly vulnerable, with the objective of alleviating poverty, providing social protection or reducing economic vulnerability.

Until recently, the SCT programme in Malawi was in a pilot phase. It was launched in Mchinji in 2006, and this pilot phase covered a few districts, eight in particular, out of 28 districts of Malawi, reaching between 1 and 4 per cent of the poor. Kalebe-Nyamongo and Marguette (2014) have shown that only 2 per cent of eligible households receive cash transfers. By February 2009, 8,980 households in Mchinji District were receiving transfers, with a total programme expenditure of US$112,388 per month. By December 2009, the SCT scheme was operational in seven districts, reaching 23,651 households and 92,786 beneficiaries. It was planned to scale up the programme to 300,000 households at an expenditure of US$60 million per year by 2012 (Miller, Tsoka and Reichert 2010). To date, 18 out of the 28 districts have a social cash transfer programme.

The SCT programme is largely financed by donors, mainly the Global Fund through the National AIDS Commission. UNICEF provides significant support for capacity building. Besides providing salaries for both national and district government officers, there is little commitment

from the government itself to finance cash transfers (Kalebe-Nyamongo and Marguette 2014). However, the government is slowly embracing the programme. Between 2006 and 2010 the government was simply an implementing agent with all the resources coming from donors. From 2010 the government started to put in money for actual transfers. The government provides 10 per cent of the funding and the donors are looking forward to an increase. Resource bottlenecks make a serious case for targeting.

Study Design

The survey upon which this paper is based was largely a qualitative study, employing survey, key informant interviews and focus group discussions (FGDs). The approach adopted involved identifying key stakeholders in the process of targeting such as the Ministry of Gender, United Nation Children Education Fund (UNICEF), district and local community level leaders and the target groups or beneficiaries. A survey was carried out involving a total of 335 beneficiary households from the three participating district as follows: Balaka in the Southern Region of Malawi, Chitipa in the north and Salima in the Central Region of Malawi. Out of 335 beneficiaries interviewed, 126 (representing 37.61 % of the respondents) were from Balaka; 105 (representing 31.34 % of the respondents) were from Chitipa; and 104 (representing 31.04 % of the respondents) were from Salima. The selection of participating households was by purposive and snowball sampling.

The data collection methods that were used ensured that both qualitative and quantitative data were collected. This was to ensure that issues were captured in a more comprehensive and adequate way. The methodologies were largely participatory involving various stakeholders at household, community, district and national levels. Three FGDs were held in each district. In total nine FGDs were carried out. FGDs were held as a means of gathering group opinions on particular issues of the evaluation. These FGDs were designed in such a way that community members and district level teams were able to share their views as regards issues on targeting that the evaluation sought to investigate. Key informants were also identified and interviewed representing the Ministry of Gender and UNICEF. The analysis captures both qualitative and quantitative findings. Qualitative summaries of information provided by different target groups have been developed through the collation of the most frequent responses but also of unique responses.

Targeting Processes and Experiences from the Field

Targeting processes comprise steps such as planning, training, data collection, entry and analysis all of which are required to identify households and determine their eligibility. Some of the processes are carried out at national, district or community levels. The national level involves the establishment of programme criteria and guidelines as well as identification of eligible beneficiary districts. The district level comprises the District Social Welfare Officer, Social Welfare Assistants, and other officers engaged to facilitate the programme. At the community level the focus is the identification of qualifying households. In this regard the community level is the lowest but also the most crucial targeting level. It is at this level where decisions and recommendations are coined about the ultra-poor and labour-constrained households. Proxy indices of ultra-poverty included: members could only afford one meal a day, were unable to purchase essential non-food items (such as clothes, soap and school materials) and were without a reliable source of income. The household should also be labour-constrained: that is, having no able-bodied members fit for work between the ages of 19 and 64, or having an able-bodied member who has caring responsibilities for more than three dependents. Age and illness (such as HIV/AIDS) have been used to determine the ability of individuals and households to support themselves through paid work. In practice labour-constrained households have been operationalised as those whose breadwinners have died, which have no able-bodied person of working age, have old, very young, disabled or sick persons in the household, or have a dependency ratio of 1:3. It is evident from the findings from the FGDs at district and community levels and from the surveys and key informant interviews with traditional leaders that targeting is sometimes made more subjective and difficult to implement due to gaps in information, capacity and social dynamics involving holders of the traditional rank of village chief. SCT beneficiaries tend to manifest certain demographic and household characteristics which are examined below.

Gender of the Beneficiaries

A total of 272 respondents out of 335 respondents were females. This represents 81.19 per cent of the respondents while 63 out of 335 respondents were males representing 18.81 per cent of the respondents. From this factor alone it is evident that SCT favours female recipients.

Education Levels of Beneficiaries

Out of 335 respondents, 159 respondents (which represents 47.46 % of the total) had no formal education; 105 respondents (representing 31.34 %) had attained primary 1–5 (junior classes); 54 respondents (which represents 16.12 % of the respondents) had attained primary 6–8); nine respondents (representing 2.69 %) had attained secondary forms 1–2 (junior forms) and a further eight respondents (representing 2.39 %) attained secondary form 3–4 (senior forms). Therefore the majority of the respondents had no formal schooling (47.46 %) followed by those who attained primary education. In other words, education levels per district and by gender suggest that most of the beneficiaries have no or lower formal education, with fewer beneficiaries among those who have attained secondary education. In all the three districts, the numbers of beneficiaries decrease with increasing level of education from 'none' meaning no formal education through primary 1–5, primary 6–8 and into secondary. Although this observation cannot be overgeneralised to the whole population this linkage suggests on the surface that the incidence and propensity of ultra-poverty is likely to fall with increasing levels of literacy and education. This is also true given that education is eventually and increasingly becoming recognised as a major determinant of living standards.

In total out of the 335, 159 beneficiaries in the three districts had no formal education (representing 47.5 %), followed by those with primary 1–5 at 105 (representing 31.3 %). With a combined percentage of 78.8 the first two categories command an enormous share of beneficiaries. In terms of actual numbers by gender, a total of 62 beneficiaries in Balaka had no formal schooling and out of these, 52 were female and ten were male. For Chitipa 48 beneficiaries had no formal education and of these 43 were female and five male, while for Salima 49 had no formal education and 38 were female against 11 who were male. The disparity across the gender divide underscores gender imbalance with respect to access to education, economic opportunities on and off the farm and the increasing burden on women of poverty and the need to care for growing numbers of dependent children.

Marital Status of the Beneficiaries

While the data on education attainment gives a clear picture of who is targeted, the data on marital status suggests that widows and widowers form a significant subcategory of beneficiaries (55.22 %), followed by those who are married with one spouse (25.07 %), divorced (14.63 %), married and

in a polygamous situation (2.39 %) and finally single (never married) (1.79 %). The results also show that out of 49 respondents who are divorced, 30 were from Balaka, two were from Chitipa and 17 were from Salima. Overall 14.63 per cent of the respondents were divorced, 2.39 per cent of the male respondents had more than one wife (married, polygamous), 25.07 per cent were married with a single spouse, 1.79 per cent were single and not married, 55.22 per cent, which was the majority, were widows/ widowers, and about 1 per cent did not disclose their marital status. Chitipa had the largest number of widows/widowers who took part in this survey (75 respondents) and were beneficiaries.

Livelihood and Assets of Beneficiaries

The majority of beneficiaries are involved in farming or a combination of farming and piece work. Those engaged in farming/agriculture (152 respondents out of 335 respondents representing 45.37 %) are followed by those that are engaged in farming and piece work (118 of all respondents representing 35.22 %). Some beneficiaries own various kinds of assets. A random combination of various assets own by beneficiaries shows that the majority of beneficiaries own land which they use for their own food production and as sites for their own self-provisioning of housing. From the sample, 186 out of 335 respondents owned land only and have temporary housing making up 55 per cent of the respondents. In terms of prominence as a social category this group was followed by those who owned land, some poultry and a house at 26 out of 335 respondents making up about 7 per cent of the respondents. The land which these people own is acquired and held mostly through customary inheritance. These observations underscore the importance of self-provisioning as a livelihood strategy whereby households provide their shelter and attempt to produce what they consume as staples such as maize and cassava. While customary land tenure arrangements have been known to provide relative security of tenure, the level of security is however weakening as a result of the commodification of customary land relations in many peri-urban areas. Commodification of land and dispossession of the same especially among those with tenuous land rights is likely to contribute to rising vulnerability (Jimu 2016). In this context social cash transfers serve as a direct form of social protection designed to mitigate the negative impacts of being ultra-poor and labour-constrained. The transfer can be used as a safety net but may also allow families to build assets to protect themselves against shocks and make them less economically vulnerable to exploitation and dispossession of productive assets like land.

Conclusion: Synergies with Previous Studies

Previous studies on SCTs in Malawi found that Malawi's cash transfers have led to increased nutrition and food security, local trading, school enrolments and attendance, and household disposable incomes, while substantially lowering teenage marriage and pregnancy rates (see Kalebe-Nyamongo and Marquette 2014). An earlier study by Miller, Tsoka and Reichert (2008) observed that the cash transfer scheme is an effective instrument of social protection. In their view, SCTs allowed beneficiary households to protect themselves from economic, demographic and seasonal shocks; to improve nutrition and food security; and increase asset ownership and expenditures on basic necessities. This was the case with Malawi's maiden SCT scheme in Mchinji where beneficiary households were reported to use SCT receipts to reduce poverty and hunger and improve school enrolment among other measurable benefits. Despite the positive results, as Kalebe-Nyamongo and Marguette (2014) observed, elite support for social cash transfer is relatively negative. In their view most elites in Malawi would favour policies that widen benefits, or support the 'active' poor such as micro-finance programmes (selected as viable and desirable by 77 % of survey respondents), public works programmes (selected by 71 %) and fertiliser subsidies (selected by 59 %). Free and universal education (selected by 70 %) and healthcare (by 59 %) were seen as likely to support people to contribute to national economic growth. Social protection strategies are far less popular; for example, cash transfers (selected by 31% per cent, child benefits (by 29 %) and unemployment insurance (by 15 %). Only an old age pension (selected by 48 %) came close to majority approval. The perception among the elites was that recipients 'consume' rather than invest cash transfers, and that SCTs support the 'inactive' poor (Kalebe-Nyamongo and Marguette 2014).

Our findings show that targeting is effective and this confirms findings of previous studies though a careful reading would lead one to suggest that extension of the programme would require adjustments not only in financial input but also to the design of the programme. This is a position shared by Miller, Tsoka and Reichert (2008) who conducted an external evaluation of the first scheme in Mchinji with funding provided by the US Agency for International Development through the Child and Family Applied Research Project and by UNICEF. They observed that effectiveness of the programme was compromised by shortfalls such as ad hoc and uncoordinated implementation, inadequate funding, inherent programme design problems and capacity constraints. These shortfalls tend to be compounded by the lack of a policy to guide stakeholders implementing programmes and projects to reduce poverty and vulnerability (Republic of Malawi 2012).

A reading of other studies, for example of Kalebe-Nyamongo and Marguette (2014), shows clearly that SCTs reach a very small percentage of those that meet the criteria of ultra-poor and labour-constrained. By design, disbursements from the programme target only 10 per cent of the 'ultra-poor'. It has been demonstrated that targeting fails to take into consideration small economic differences among the overall percentage of the population who are poor.[3] No wonder that cash transfers have been divisive because there is very little difference between beneficiaries and the rest of their communities in well-being, access to assets and income and real consumption (Ellis 2012; McCord 2009; Chinsinga 2009; all cited in Kalebe-Nyamongo and Marguette 2014). Miller, Tsoka and Reichert (2008) observed already that cash transfer programmes in Malawi create jealousy and conflict within communities. As a result, some authors (Chinsinga 2009; Ellis and Maliro 2013) have argued for change in targeting to address exclusion and inclusion errors, for instance, through better categorical targeting as in child grants and pensions.

Gender and education attainment are easier to determine and if used well could invite less criticism. The survey data shows that most beneficiaries tend to be female and those with very little to no formal education. Small scale producers who are likely to combine their own production with temporary paid wage labour but also possessing fewer assets than others in their community make a significant proportion among cash transfer beneficiaries. A combination of these characteristics could be used fairly easily and avoid the overt biases in the identification of vulnerable groups.

Notes

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2. See e.g. https://www.gov.uk/government/news/dfid-research-exploring-the-impact-of-cash-transfers-in-africa.
3. A point reiterated by social policy specialists at UNICEF, Sophie Shawa and Louisa Lippi.

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Challenges of Regulating Financial Service Provision in Cameroon in the Digital Age and a Globalised World

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Abstract

This article identifies some of the challenges of the digital revolution and globalisation to the regulation of financial services in Cameroon. It provides a reading of records from data collected from documentary and online sources. The results show that to be relevant, the regulation of especially the provision of financial services must take into account evolving concepts about the basis of the operation of the economy and business models. The concepts of 'time', 'space' and 'being', which are central to the ascription of legal responsibility, are also undergoing a re-definition as well as diverse challenges couched *inter alia* as state politics, globalisation and trade, money laundering and the financing of terrorism. The results are significant in alerting to the dire need for reform of the rules governing the provision of financial services. The pre-digital age rules on the ascription of legal responsibility as well as the basis on which the regulation of such services was founded have been profoundly redefined by the information, communication and technology (ICT) revolution and globalisation.

Keywords: Financial service provision, business model, time, being, space money, sovereignty, globalisation.

Résumé

Cet article relève, à partir d'une lecture des données issues des sources documentaires et en ligne, certains nouveaux concepts qui représentent des défis de la révolution numérique et de la mondialisation pour la réglementation des services de prestation financière au Cameroun. Les résultats démontrent que pour la pertinence, une réglementation des services de prestation financière doit tenir compte des nouveaux concepts du fonctionnement de l'économie et les

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modèles d'affaires. En plus, les concepts de « temps », « espace » et « être », qui sont au cœur de l'attribution de la responsabilité juridique, font actuellement l'objet d'une redéfinition ainsi que de divers défis posés notamment par la politique des États, la mondialisation et le commerce, le blanchiment d'argent et le financement du terrorisme. Les résultats sont significatifs dans la mesure où ils appellent à un besoin urgent des réformes portant sur la règlementation des services de prestation financières. Les règles y afférentes de l'ère pré-numérique en matière d'imputation de la responsabilité juridique, ainsi que les bases sur lesquelles lesdites règlementations étaient fondées, ont été profondément redéfinies par la révolution des TIC et la mondialisation.

Mots-clés : Prestation de services financières, modèles d'affaires, temps, espace, l'être, monnaie, mondialisation, souveraineté

Introduction

Regulating the provision of financial services in a globalised world necessarily connects law and economics. Indeed, it is argued that 'a rational system of law played a crucial role in economic development … by allowing individuals to order their transactions with some predictability' (Weber 1978: 334). In other words, law guarantees economic interests and 'economic interests are among the strongest factors influencing the creation of law' (*ibid.*). Besides Weber, current acclaimed literature[1] buttresses the importance of a strong legal and institutional framework to the life of vibrant economies:

> law penetrates the very foundations of economics, for it is by means of legal institutions that prices are agreed upon, wages are in fact set, business organisations are in fact formed and so forth. A theory of socialist economics assumes the existence of a system of administrative law. Berman (1958: 14)

On the other hand, economic development needs stable money and is defined by the circumstances in which it is produced. The attainment of stability involves and requires the rule of law. Whether law can be functional or not to serve development is determined by its responsiveness to the social environment, which invariably comes with challenges that do not exclude the regulation of the provision of financial services. Stable money requires eternal vigilance by the monetary authorities together with – vitally – the cooperation of an informed public who handle powerful new tools. In today's globalised world, the information, speed and the convenience provided by digital technologies so enhance the possible volume of economic and financial activity that monetary authorities that are not alert to and fail to constantly adapt to these developments could simply become irrelevant. As if Moore's law[2] is not enough, thanks to nanotechnology today, the

computer chip continues to have a phenomenal memory with the effect of enabling humans to practically turn William Blake's poetic vision into virtual reality:

> To see a world in a grain of sand ...
> Hold infinity in the palm of your hand
> And eternity in an hour[3]

Indeed, the extent to which the digital revolution might affect the way things are done and their regulation remains unfathomed. In addition to these technological advances, the challenges of regulating the financial sector are peculiar, owing to the fact that the provision of services is operated by financial groups. These 'large financial groups operate on an increasingly global basis; however the legal and institutional framework to resolve these groups are distinctly national in scope' (Lagarde 2017). These large groups operate as businesses with personalities on which legal responsibility is conventionally reposed. The problem however is that both the bases on which businesses operate, including business models and their conventional legal responsibility foundations, seem to be labouring under severe challenges. This article seeks to show that the pre-digital age business and legal responsibility basis on which the regulation of the provision of these services was founded has evolved. It has been profoundly redefined by the information, communication and technology (ICT) revolution and globalisation; thereby presenting regulatory challenges. The challenges may be loosely classified into four categories: those related to the operation of business, those that touch on the fixing of legal responsibility, those veiled in globalisation and trade and those that impede the enforcement of regulations.

Challenges Relating to the Operation of Business

These are key concepts on which the regulation of the business of financial service provision is founded. They include the changing basis of the operation of the economy and new business models.

Changing Basis of the Operation of the Economy

For centuries now, the industrial era has operated on the basis of market exchanges as a means of allocating resources and distributing income. The input market, if efficient, provides those who have some resources (such as labour) to trade it for other resources (such as money) so that other goods and services can be purchased. Demand for goods and services at lower prices justifies the need for the firm, a consolidator of resources, including

labour, but also justifies investing in technology and capital to produce such goods in exchange for money with some profit. This state of affairs drove the research and knowledge generated by the academic disciplines of business, economics, manufacturing, engineering and computing, largely schooled in the role of each discipline and its contribution, towards the logic of markets and the economy the way we know it (Ng 2013).

In the last 30 years, however, there has been a subtle shift in the way the economy has been operating, much of it spurred by the internet. The internet started as a medium to reach out to unserved markets, with the message or product largely unchanged. Gradually, the medium began to change the nature of the message: 'mobile phones have become personal electronic companions, combining computer, GPS, telephone, camera, projector, alarm-clock, research assistant, music player, flashlight, newspaper, translator and TV'.[4] Millions of smart phone applications are listed in online stores. As more products become connected to the internet through the internet-of-things, physical products are set to incorporate more of such pervasive add-ons.

Progressive manufacturing firms and financial service providers will engage in repackaging their services as well as the redesigning of the physical and digital boundaries of their products to create greater value both in their use and in their connectedness to other objects. To be relevant, regulation must keep pace with this technological evolution or there will be chaos in the market place. Keeping this pace presents diverse challenges especially in the regulation of the provision of financial services where especially new business models seem to indicate where the law should go.

New Business Models

The regulation of the provision of goods and services is broadly founded on the business model. Depending on which discipline one speaks to, business models are defined differently. Broadly, to quote Ng, 'the business model consists of three components – *the value proposition* (that which the firm is responsible for) which could be a product or a service; the *value creation* which is the experience of the product or service by the customer; and the *revenue/resource stream,* that which Osterwalder and Pigneur (2009) refer to as value capture, which is the manner in which the firm derives benefit (monetary or otherwise) (Ng 2013). While a business model has three components, it may be nested within another business model for a different customer community. A clear example of this in the Cameroonian context is the case of the mobile phone (a value proposition initially targeting customers wishing to transfer data (orally or via text)

and mobile money nested on the phone, which now enables the phone subscriber to reach out to a different customer community by way of banking services under certain conditions.

Conventionally, money and its management has been the business of banks because as credit institutions, banks traditionally store money in registered cards and servers and would normally have limitations supervising and controlling the issuing of electronic money by a third party whose core business is that of electronic mobile communication. On the other hand, Mobile Telephone operators (MTOs) facilitate the communication of data (and semantically speaking, money is data) in their business of mobile transmission of oral and printed data. Banking procedures are without more, strange to the latter. However, in the age of the Internet-of-things, given the resulting changing business model that favours coupling, as well as the wide reach of MTOs on their subscribers, the current trend is that all MTOs in Cameroon are integrating Mobile Financial Services (MFS) into their service platforms[5]. There are no indications however that the converse (banks buying into MTOs in order to tap into the wide MTO customer base) is true. MTOs are invading the banking sector through mergers and acquisitions (M&A), buying into the shareholding of banks and entrenchment into digital banking by the reinforcement of their human resource bases through an increasing recruitment of new staff from the traditional banking sector.

The business model has seen greater discussion of late because of its systemic nature and the linkages between the components. In the past when firms sold products or services, the linkages between the value proposition (the offering), the value creation (the experience) and the resource benefit (the money) were rather loosely coupled, especially for physical products. In a traditional product economy, value propositions, value creation and resource/revenue streams were therefore loosely coupled and from a systems perspective, each component could be analysed, improved upon or changed without much impact on the other. Consequently, even while their relationship was investigated in some domains such as supply chain and revenue management, consumption, market and manufacturing spaces could often be studied as well as regulated separately and many academic disciplines and their research have progressed on this basis. The regulation of financial service provision in Cameroon seems to have been caught in these divisions and, operators have been licensed in 'silos'. Banks,[6] micro finance institutions[7] and mobile telephone networks[8] in Cameroon are today licensed and governed by separate pieces of legislation even though they all have 'money' as a common stock in trade.

The connected digital economy is changing this. Beginning with the computer and moving quickly into smartphones, devices and other objects, the way value is created by the mobile phone customer within their use contexts is changing the mobile phone operator's relationship with the customer into one that is longer, more enduring and intricately linked to other firms.[9] As indicated earlier, using money stored in the phone as 'data', the customer can make better use of time without leaving their seat and yet *inter alia* pay bills with utility companies, provide pocket money to relatives in distant lands, locate eating places etc. Yet the service provider's licence issued by the regulator may have been for the provision of mobile phone services for making calls and the transfer of 'data' (oblivious of the fact that money too is now stored in the phone as 'data' and eventually used as money). In other words, the dynamism in new business models today constitutes a challenge which the regulator in the licensing of financial service provision must grapple with.

In Cameroon, this challenge is evident in the current multiplicity of money transfer business disputes pitching microfinance institutions such as Express Union and Express Exchange, against Orange and Mobile Telephone Network (MTN) over jurisdiction relating to electronic money transfer activities. This is because mobile phone operators (MTOs) were initially not involved in money transfer or the mobile money business and microfinance institutions relied on the bandwidth of MTOs to carry out this activity. The recent entry into the electronic money transfer business without much ado by multinational (MTOs) (Orange, Nexttel and MTN) has presented the regulator with a challenge regarding the outreach of their licences.[10]

From an academic and legal standpoint, a new business model is not therefore just about product or service innovation (the value proposition), or the changing revenue/resource streams, such as money from ads or subscriptions of music instead of buying music (value capture), or the customer experience enabled through a digital medium (value creation), but potentially all three, due to the tighter coupling of the components. To be relevant and functional today, regulation must be alert to and contend with this.

Challenges that Touch on the Ascription of Legal Responsibility

The digital age and globalisation have altered aspects of human existence through a subtle revisiting of the concepts of time, space and being; all of which, it is submitted, are philosophical notions that lie at the heart of rules relating to fixing of legal responsibility in the provision of financial services. In the digital age, just as virtual space that is simulated and time that seems to be elastic, there is the virtual and artificial being, with diverse

consequences on rule-making and its enforcement. Time, space and being present important similarities, differences and features on questions of the regulation of the quality of evidence like identification and proofs of the violation of rules by operators.

Time

Humans in the digital age are in need of time and information as never before. Conventionally, *time* (Markosian 2003) is a part of the measuring system used to sequence events, to compare the duration of events and the intervals between them, and to quantify rates of change such as the motions of objects. The temporal position of events with respect to the transitory present is continually changing; future events become present, then pass further and further into the past. Time is also an expression of the changing state of matter. This is revealed even by the way we talk about time. In common parlance, it is said that 'time passes' or flows whereas only material fluids can flow, displace or be displaced from point 'A' to point 'B'.

Two contrasting viewpoints on time divide many prominent philosophers.[11] One view is that *time* is part of the fundamental structure of the universe, a dimension in which events occur in sequence. Sir Isaac Newton subscribed to this realist view, and hence this position is often referred to as *Newtonian time*. The opposing view is that, time does not refer to any kind of 'container' that events and objects 'move through', nor to any entity that 'flows', but that it is instead part of a fundamental intellectual structure (together with space and number) within which humans sequence and compare events. This second view holds that time is neither an event nor a thing, and thus is not itself measurable nor can it be travelled.[12]

The foregoing philosophical divide does not however deter a submission to the effect that, in the digital age, *Newtonian time* is of the essence in the regulation of provision of financial services. Deals in the age of the internet of things are struck by Newtonian time; enabling a buyer, for example, to identify an article displayed on their mobile phone, select, pay for it and direct delivery to their address in real time by using the same phone through a simple click; all of this without going to the bank (for money with which to pay) or the shop/warehouse (to collect the goods) or having to meet the courier (to arrange for delivery to their address). Moreover, in terms of the occupation of geographical space, the seller may only have displayed the article on a URL, thus dispensing with geographical occupation and presence on a high street shopping space. The Cameroonian regulator is missing out on all of this business, because, for example, its licensing rules only target businesses that have the conventional high street address. This is

because to today's client, closing the time gap is determinant of the client's use of the service and in the enforcement of the law. This is one challenge the regulator must be alert to for regulation to be relevant.

Space

The concept of '*space*' in the digital age constitutes the law-maker's nightmare. Conventionally, law is passed and enforced within the framework of a fixed and identifiable geographical area primarily on a being who may be a physical or moral person. '*Space*' does not however seem so straight-forward in the digital age because cyberspace is borderless and regulating it is a quandary.

Conventional 'Space'

Generally, the concept of space is considered to be of fundamental importance to an understanding of the physical universe. Space may be considered as public, personal, abstract or concrete. Public space is a term used to define areas of land as collectively owned by the community, and managed in their name by delegated bodies; such spaces are open to all. Private property on the other hand is the identifiable land culturally owned by an individual or company, for their own use and pleasure. Personal space is the region surrounding a person which they regard as psychologically theirs. Most people value their personal space and feel discomfort, anger or anxiety when their personal space is encroached upon (Hall 1966: 199). Permitting a person to enter personal space and entering somebody else's personal space are indicators of perception of the relationship between the people. 'Abstract space' is a phrase used in geography to refer to a hypothetical space that is characterised by complete homogeneity. The foregoing has all along constituted the law-maker's comfort zone; especially considering that the passage and enforcement of laws has traditionally targeted persons and life in a predicatable geographical space.[13]

Disagreement still looms among philosophers over whether space is itself an entity, a relationship between entities, or part of a conceptual framework. For example, Kant in his *Critique of Pure Reason*, rejected the view that space must be either a substance or relation. According to Kant, space and time are part of an unavoidable systematic framework for organising our experiences.[14]

'Space' in the Digital Age

Notions of national identity grounded in geography are problematised in relation to the internet (Tofts 2004: 149). The concept of '*space*' is scuttled and blunted or obfuscated in the digital age by the apparently elastic and

fictional concept of '*virtual space*'. 'V*irtual space*' is a digital or non physical environment. It is a phrase that refers to computer-simulated environments that can mimic physical presence in places in the real as well as in imaginary worlds. This simulation is today stretched even further by the creation of a 'being' devoid of the body as well as the acceptance and current use of virtual money such as Bitcoin[15] albeit in the real world.

Important Similarities, Differences and Features of Time and Space

Space can express change, as in change of the global positioning system (GPS). Matter exists and moves through space. But the number of directions in which this can occur is infinite: forwards, backwards, downwards or indeed in any direction. Movement in space is reversible but movement in time is not. They are two different ways of expressing the same fundamental property of matter – change. In fact, according to Critchley (2009) on *Being and Time*, this 'change' is the only 'absolute' that exists.

Space and time are abstractions that enable humans to understand and measure the material world. All measurement is related to space and time and regulation from the perspective of jurisdiction is tied to local, national, regional or international geographical space or all of the above. Space is otherwise three dimensional, but time has only one dimension.

To the regulator, important features of the virtual world include shared space, immediacy (as interaction takes place in real time), interactivity (users can alter, develop, build or submit customised content), persistence/endurance (as the world exists in perpetuity irrespective of whether individual users are logged in or not) and community/networking.[16] In today's world where time and information are invaluable commodities, immediacy for example, enables the user to maximise the use of transaction time and cause identification, payment, and delivery of merchandise by a simple click, say on the smart phone. The regulator must tap into this medium today or miss out on the gains of the transaction which may include the identification of the type of business and place of transaction, tracking the activities of miscreants for security purposes etc. Failure to harness, master and regulate life in cyberspace might spell the end of human life.

The Difficulty of Regulating 'Space'

Based on the foregoing, the borderlessness of space creates a lawless cyber space that may be harmful to life in the real world. This is because, law constitutes one source of legal rational authority (Bower 1971). For authority to emanate from the law, the lawmaker must have the mandate so to do.

Who has power to regulate life in space if virtual space is a jurisdiction with no territorial boundaries and out of bounds to humans? If humans have power to regulate life in cyberspace, from where do they draw legitimacy and who can withhold the same, under what conditions and within what time-frame? Were life in cyberspace to remain unregulated (because space is a world of its own) and activities here hurt humans (for example a meteorite from space that explodes on earth and causes damage) who is liable? Who picks up the financial tab for the prejudice caused to humans by this object from space; considering that cyberspace is a world of its own?

Being

The word 'being' is used for conceptualising subjective and objective aspects of reality, including those fundamental to the self, related to, and somewhat interchangeable with terms like 'existence' and 'living'. In its objective connotation, a 'being' or a human being, refers to a discrete life form that has properties of mind. In its abstract usage, 'the being' or 'one's being' is the mind's concept of the self as a whole entity – including mind and body – wherein the being is all sensory aspects within the being. According to Heidegger[17] 'being and time' is relatively simple. In other words, 'what it means for a human being to be is to exist temporarily in the stretch between birth and death. Being is time and time is infinite, it comes to an end with our death or is according to Heidegger, 'being-towards-death'" (Critchley 2009). Being is often linked to identity which in turn is traditionally understood as 'aligned with notions of presence, of the embodiment and location' (Tofts 2014: 152 in Goggin 2014). The disembodied virtual being questions this linkage with dire legal consequences.

The 'Virtual Being'

The internet permits the creation of a bodiless 'being', an identity that is used by scammers to exploit the naivety of others.[18] This is in spite of the fact Tofts (2014) claims that 'the duality of actual self and digital representation, or avatar (be it text, graphic or image) is the anchor that smoothes out and reconciles the ambiguous split that seems to occur between the worlds of the body and virtuality, when we communicate across a network'.[19] It is however submitted that the validity of the claim by Tofts here assumes the creation of innocent and traceable innocuous beings in the cyberworld!

Where for example, as is currently the case in Cameroon, national security law is unenforceable on diaspora-based drivers of the on-going conflict in Cameroon's Anglophone regions, because they are bodiless and virtually untraceable, Toft's assertion regarding the duality of actual self is

untenable. Today's creation of the cyber being with untraceable or even dead roots[20] transforms the duality of the self-alluded to by Tofts into an interesting subject in the digital age. Today, it is possible to hide the'body'by using cryptographic dissimulation or veil all traces by using multiple chains, avatars[21] or multiple platforms in the transmission of messages. Evans (2001) discusses this duality in relation to virtual reality. In *Sum Res Cogitans* (I am a Thinking Being) Descartes claims that 'I am a being whose whole essence or nature is to think, and whose whole being requires no place and depends on no material living'.[22] This reflects the duality of mind and body which is interesting to consider in relation to virtual reality which is a place for the disembodied mind (Evans 2001:199).

Legal Consequences of the Disembodiment of the Being

The human body is an important part of our understanding of our identity and of the world. Bodily awareness is closely linked to human knowledge (Evans 2001 (Merleau-Ponty 1962). Therefore, its disembodiment in virtual reality necessarily has an effect on our understanding of being and of law enforcement.

The foregoing makes a powerful case for mastering and regulating the 'virtual being'. The reverse might spell doom for the human race. When (as is the case in the digital age), during a man's lifetime, his thoughts are collected, stored in a database and used when he is dead to generate and direct his activities as he would have done had he lived, who is legally responsible for these actions? Accepting that the tech-savvy (a small minority) are behind the initiative, how does the majority ensure that they are not manipulated by this small group through their results that are virtual beings? What forum exists for use by the non-tech-savvy to influence the process *after* the virtual being is born? In the event of prejudice suffered by a person from the execution of the dead person's directives, who grants redress to the victim; especially considering the bodiless mind and inexistent being that generated the directive?

In addition, today's bodiless being educated by humans has knowledge and 'knowledge is power'.[23] Today's human is capable of identifying their knowledge limitations and making up for this through advances in digital sciences which end up demonstrating that the strength of the human being constitutes their weakness. For example, IBM's Deep Blue[24] proved through a chess tournament between a machine and World Chess Champion Kasparov (the chess game case) that the educated virtual being is capable of beating the human being. Ray Kurzweil[25] takes this further in his theory of the age of singularity; where artificial intelligence is independently taking

over human thinking. In other words, since the chess game case proved humans are capable of creating objects that enhance life but eventually show human limitations, who is the other's subject for the purposes of regulation, the virtual being or the human being? Who takes responsibility for the actions of this super virtual being in financial service provision, for example? Does this not, and without more, eventually mark the end of mankind and the futility and needlessness of regulation by humans, of human activities?

On the positive side, the anonymity of the internet also provides people with the possibility of engaging in new relationships and to reveal hidden aspects of themselves (thus providing criminal researchers with helpful leads). Subject to the proviso that the virtual being as a subject of the law remains at all times traceable for the purposes of law enforcement, the visionary design of virtual environments may be used to extend basic human rights into virtual space, to promote human freedom and well-being. It may also be used to promote, enhance and ensure transition from one stage of socio-political development to another. With the improvement in the technology of data collection, serious concerns emerge about their potential misuse such as the invasion of the user's privacy by hackers. This is because the internet functions by sending data from computer to computer in bundles or packets until the data reaches its destination. Anything could happen to this bundle in the process as the Snowden[26] disclosures or the Cambridge Analytica data harvesting scandal[27] have shown. In this way, almost all personal information is available online and can be used and abused without difficulty by the tech-savvy.

What the foregoing implies is that the digital age invites a revisiting of regulations on financial service provision that are founded on those concepts which, in the digital age, enjoy new meanings and dimensions in their linkage of humans, the law, regulation and its enforcement. Most urgent for law enforcement by humans while they are still able to control machines is the need for an international institution of a digitalised user identity card for access to the internet by all users.

Challenges Couched in Globalisation and Trade

There has always been a connection between the state, politics, trade, security and money; which does not ease the task of its regulation. Based on the 2011-2016 report of the Central Back of Central African States (BEAC) of which Cameroon is part, mobile money is at the centre of the Cameroon's involvement in globalisation and trade.[28] On the strength of this report, 95 per cent of electronic money transfers were effected through mobile money.[29] In addition, BEAC has recognised that mobile money is a tool for

financial inclusion, which is still clogged by some regulatory setbacks.[30] This, to quote the Governor of BEAC, is however because, 'innovations always precede legal framework'.[31] As at March 21, 2018, BEAC is in the process of fine-tuning the legal framework on new rules governing mobile money transactions 'which will include the fight against money laundering'[32] This is especially because trade and globalisation, that are otherwise legitimate, provide a conduit for money laundering and the financing of terrorism. Here, the regulation of financial service provision must strike a balance that facilitates globalised trade without jeopardising the security of the state or trade-based money laundering (TBML).

Reconciling Money, State Politics and Security Interests

The regulation and management of money is always and everywhere political. Every choice about money privileges some interests over others. Money is politics and indeed back in the seventeenth century, John Locke was quick to equate money with property which was the express duty of government to protect when he stated in the Letter Concerning Toleration that:

> Civil Interests I call Life, Liberty, Health, and Indolency of Body; and the Possession of outward Things, such as Money, Lands, Houses, Furniture, and the like. It is the Duty of the Civil Magistrate, by the impartial Execution of equal Laws, to secure unto all the People in general, and to every one of his Subjects in particular, the just Possession of these things belonging to this Life. (Locke 1689 quoted by Carey 2013)

Inevitably too, international money is international politics.[33] As long as there are states, there will be international rivalry between them; currencies are instruments of the state and extensions of state power, occasionally serving as weapons but always representing political interests. Modern history shows that most states in a position to extend their monetary influence have attempted to do so. And in so doing, they have sought to achieve political ends. For example, from the 1860s, France's attempts to establish arrangements like the Latin Monetary Union were political projects designed to enhance its power and to exclude and isolate its German rival; Nazi Germany and Imperial Japan extended their monetary influence in support of their inter-war grand strategies; Britain supervised the sterling area, which facilitated its financing of World War II; in the context of the Cold War, the US bankrolled the dollar-centric Bretton Woods system.[34]

In addition, throughout history, states have managed their international monetary relations with an eye towards the security implications of such arrangements. The link between currency and security is often explicit. For example, US exploitation of the weakness of sterling forced Britain to

abandon its invasion of the Suez Canal Zone in 1956. More recently, between the two Gulf wars the Iraqi dinar was subject to politically-motivated attacks, and at the same time the Baghdad regime engaged in its own currency warfare against the Kurds of northern Iraq. But such highly visible episodes represent the tip of an iceberg of the exercise of monetary power. In fact, states have routinely sought to advance their security interests through the exercise of monetary power – via the practice of currency manipulation, the fostering of monetary dependence, and the exercise of strategic disruption[35] – techniques that remain active and relevant for contemporary politics.[36]

The economies of small participants in monetary arrangements become increasingly conditioned on the economy that provides the centre of gravity for their external macroeconomic orientation. The world is currently living this experience, for example, in the Greek crisis; where finally'a war' is raging between the representatives of the 'old' financial powers and representatives of a vocal and solidarity-oriented minority. Thus, although states may fear offending their larger patrons, a more consequential effect of monetary dependence is that over time, they quite voluntarily come to recalculate the definition of their own national interests. Increasingly, satellite states come to see their own interests as progressively more consonant with those of their most intimate economic associates. This political conditioning is the prize sought out by would-be monetary leaders. This in turn affects, influences and is reflected in the regulation of the provision of financial services by satellite states; an example of which is the 1972 '*Convention de coopération monétaire entre les Etats Membres de la Banque des Etats de l'Afrique Central et la République Française*'. By this treaty and for the purpose of the convertibility of the currency, the French treasury grants unlimited guarantee for money issued by BEAC and deposits held by the latter in the French Treasury against all the foreign reserves of BEAC member states like Cameroon, who undertake financial activities based on the BEAC Statutes. These interests are not to be ignored in the regulation of the provision of financial services in the ICT era.

Globalisation

Globalisation presents a serious challenge to law enforcement agencies and financial regulators, because this apparently legitimate dimension of trade has turned the international financial system into a money launderer's dream. It provides a web that constitutes a conduit for siphoning off billions of dollars a year from economies around the world, extending the reach of organised crime and enhancing terrorism. This represents a challenge for the regulator of the provision of financial services.

Because globalisation represents an overarching international phenomenon, the international community's response to the challenge posed by money laundering has to address the financial, legal and enforcement issues in a universal manner, through harmonisation of remedies.

Money Laundering and the Financing of Terrorism

Money laundering is generally the process by which one conceals the existence, illegal source or illegal application of income to make it appear legitimate (Shroeder 2001). It is the process of choice used by criminals through which they make dirty money appear clean. It constitutes an effective source of legitimisation of dirty money such that dirty money flows naturally, mingling confidently with money from legitimate sources and activities as an integral part of these operations. Though initially considered an aspect integral to only drug trafficking, laundering represents a necessary step in almost every criminal activity that yields profits.

Consequently, money laundering presents not only a formidable law enforcement problem, but also a serious national and international security threat. Criminals quickly transfer large sums of money to and from countries through innocuous looking trade or through financial systems by wire and personal computers (*ibid.*). Such transfers can distort the demand for money on a macroeconomic level and produce an unhealthy volatility in international capital flows and exchange rates.[37] This indeed has led the United Nations and the Organization of American States (OAS) to determine that the laundering of money derived from serious crime represents a threat to the integrity, reliability and stability of financial, as well as government, structures around the world.[38]

The global threat of money laundering poses unique challenges to the law enforcement community. To pursue the evidentiary trail of a money launderer, law enforcement agencies must identify and use tools and techniques that can help them when crossing international boundaries. Multilateral agreements that require participants to adopt anti-laundering measures, and the regional and world organisations that have developed and encouraged a standardised approach to addressing laundering, all have contributed to the strides made in addressing the challenges posed. Nevertheless, efforts undertaken by nations independent of the international community often result in significant variations from the accepted standard and have the effect of facilitating laundering activity rather than combating it (Quillen 1991). For example, the government of Antigua and Bermuda weakened its laws relating to money laundering by introducing changes in the law, which strengthened bank secrecy, inhibited the scope of laundering

investigation, and impeded international cooperation. This resulted in the U.S. Department of the Treasury issuing an advisory warning banks and other financial institutions to be wary of all financial transactions routed into, or out of, that jurisdictions.[39]

Trade based money laundering (TBML) on the other hand is widely regarded as a global challenge (Friedman 1999). Estimates for the amount of money laundering through the abuse of the international trade system range from US$5 billion for Colombia alone to 'hundreds of billions' worldwide (*ibid.*). TBML not only threatens legitimate businesses in both the developed and developing world by undermining legal import and export operations, it also impacts one of the largest sources of income for many developing countries: customs duties. Beyond the threats to legitimate businesses, economic development and the rule of law, the U.S. State Department and U.S. Treasury Department have directly linked TBML schemes with Hezbollah, the Afghanistan drug trade, and al-Qaeda (Delsten and Walls 2003). So TBML represents a challenge that must be addressed in the regulation of the provision of financial services.

Challenges that Impede Law Enforcement

Challenges that constitute obstacles to the enforcement of regulations on the provision of financial services are diverse. They range from the cost to the private sector and the traditional view of sovereignty, through the diversity of national legal systems, to the practical ability/capability to enforce and keep international cooperation agreements.

Cost of Regulation to the Private Sector

The regulatory burden and related costs on the private sector of the enforcement of financial regulations in response to security concerns have increased over the years such that governments need to remain acutely aware of the importance, burdens, and reliance on private sector actors. This means that governments need to check their regulatory practices and increase collaboration and useful information sharing so as to enlist (as opposed to alienate) financial institutions. This also means that governments need to work closely to build consistent regulatory requirements and regimes across borders in order to assist international financial institutions to operate effectively and efficiently. This need will be exacerbated as governments continue to create new regulatory structures and requirements in the wake of the 2008 financial crisis (the effects of which are still being felt) and global security threats that now spare no continent.

The Traditional View of Sovereignty

Sovereignty today can be an obstacle to the international enforcement of criminal law (Nadelmann 1990; see also Simonovic 2000: 384). The way any state understands the notion of sovereignty can affect the effectiveness of inter-state cooperation. Some states are very sensitive with their sovereign right whilst others are not. The former follow the traditional notion of sovereignty while the latter are concerned with a new form of sovereignty. With regards to the traditional view of sovereignty, a state is solely responsible for the creation and implementation of international law. It is the highest level of authority for the state and no other state is allowed to interfere in the way the state treats its inhabitants (Simonovic 2000: 384). This perception discourages states in conducting international cooperation. In this context, the state feels its sovereignty threatened by another state.

The lack of bilateral as well as multilateral agreements is one reason for the hesitation of nation states to cooperate with each other. The way nation-states understand the notion of sovereignty can encourage or discourage them in conducting inter-state cooperation. On the contrary, nation-states that are concerned with the new sovereignty are actively conducting international cooperation in law enforcement matters. This is due to the fact that the state is seen as having a partial role within a network of countries that help address global and regional problems (Chayes and Chayes 1995).[40] Pursuing international cooperation actually is a manifestation of modern states which take into account sovereignty as a process to support each other in combating crimes. In other words, new sovereignty focuses on the dependence of one state to cooperate and collaborate within the international community (*ibid.*). To quote Richard Haass[41]

> In the age of globalization, states should give up some sovereignty to world bodies in order to protect their own interests. Some governments are prepared to give up elements of sovereignty to address the threat of global climate change. Under one such arrangement, the Kyoto Protocol, which runs through 2012, signatories agree to cap specific emissions. What is needed now is a successor arrangement in which a larger number of governments, including the US, China, and India, accept emissions limits or adopt common standards because they recognize that they would be worse off if no country did. Globalization thus implies that sovereignty is not only becoming weaker in reality, but that it needs to become weaker… The goal should be to define sovereignty for the era of globalization to find a balance between a world full of sovereign states and an international system of either government or anarchy. Sovereignty is no longer a sanctuary.

The Diversity of National Legal Systems

A crucial obstacle that discourages cooperation in international law enforcement efforts is the problem of differences in legislation among countries (Nadelman 1990: 44). Sovereignty takes precedence over any possible homogenisation of international law enforcement, which results in differences between legal traditions, procedures, evidence-gathering mechanisms, bureaucracies, legal cultural norms and methods used in criminal investigations (Ronderes 1998: 384). These conditions lead to obstacles in conducting inter-state cooperation as they lead to the conflict between those countries in question and exacerbate the difficulties encountered in fighting transnational money laundering.

Ability to Enforce International Cooperation Undertakings

Another obstacle that is present in cooperating internationally for law enforcement matters is the inability of the requested state to perform requests of the requesting state. This is particularly so for several states that lack financial and technical resources, administrative and language barriers, lack of necessary expertise, and lack of clarity on the nature and relevance of the information that is requested. The lack of coordinated law enforcement efforts can also impede the success of cross-border information-sharing in prosecuting transnational money laundering. Furthermore, lack of political will of the requested countries is also a loophole that is an impediment to efficient international cooperation in fighting money laundering.

It follows from the above that inter-state cooperation in countering the cross-border nature of money laundering is extremely important. This means that no country can solely deal with the problem of transnational money laundering using unilateral action. In other words, the problem of cross-border money laundering cannot be solved without effective international cooperation in law enforcement. The state-nation concept might be put into question as a whole, because all future development in finance, business IT and artificial intelligence are global and unlimited. Even the best inter-state cooperation might not be quick enough to adequately respond to these developments. Indeed the UN governance architecture might have to be pushed forward to a kind of global government with provision made for participatory, democratic processes.

Conclusion

The foregoing review shows how the changing basis of the operation of the economy and the coupling of business models are rendering complex the regulation of the provision of financial services. The ICT revolution is changing the basis of the operation of business. Just as this is inspiring

new business models, it is dictating where the law should go. The digital revolution is also altering aspects of human existence through revisiting the hitherto stable legal concepts of time, space and being; all of which are central to the ascription of legal responsibility. These are no small challenges to which the law must adapt for relevance.

Trade in a globalised world is as legitimate an activity today as it was yesterday but it today presents a conduit for TBML and terrorism. This presents challenges to the regulator that require concessions over sovereignty and striking a balance that facilitates globalised trade without jeopardising security or facilitating TBML.

The challenges thus exposed constitute an indication to the Cameroonian regulator of the dire need for a reform today of the rules governing the provision of financial services.

Notes

1. For example, Acemoglu and Robinson (2012).
2. Whereby the number of transistors per integrated circuit was predicted in 1965 to double every 18 months, see http:// www.mooreslaw.org/.
3. William Blake in 'Auguries of Innocence', http://www.artofeurope.com/blake/bla3.htm, accessed 31 March 2015.
4. Jerome C. Glenn, Elizabeth Florescu et al. *State of the Future* (2015–16), The Millennium Project, 4421 Garrison Street, NW Washington, p. 67.
5. Thus Mobile Telecommunications Network (MTN) issues 'mobile money' by agreement with *Afriland First Bank*, Orange Cameroun (another operator) does the same under an agreement signed with the *Banque Internationale de Crédit et d'Epargne du Cameroun*, (BICEC) and Nexttel (a third operator) issues 'mobile money' by agreement with *Union Bank of Africa* (UBA).
6. *Réglement N° 02/00/CEMAC/UMAC/CM du 20 avril 2000 portant Harmonisation de la réglementation des changes dans les Etats membres de la CEMAC.*
7. *Réglement N° 01/02/CEMAC/UMAC/COBAC du Comité Ministériel de l'UMAC relative aux conditions d'Exercices et de Contrôle de l'Activité de Microfinance dans la CEMAC*
8. Cameroon LAW N° 98 / 014 OF 14 July l998 to govern telecommunications in Cameroon
9. *ibid.*
10. The genesis of this challenge lies in the fact that the rules of BEAC (Cameroon's financial regulator) governed 'electronic money' as the preserve of banks who, to increase their market share, contracted with microfinance institutions like Express Union: https://www.investir au Cameroun.com/../1407-9141.
11. e.g. Rynasiewicz (2004). Newton did not regard space and time as genuine substances (as are, paradigmatically, bodies and minds), but rather as real entities with their own manner of existence as necessitated by God's existence.

12. Gottfried Leibniz (1646–1716), Metaphysics 7, Space, Time and Indiscernibles *in Internet Encyclopedia of Philosophy*; Immanuel Kant (1724–1804), Metaphysics 4, Kant's Transcendental Idealism in *Internet Encyclopedia of Philosophy*. accessed 21 August 2017.
13. It is conventional that laws passed by the Cameroon parliament are applicable and enforceable only on geographical space delimited as Cameroon's.
14. ibid., *Critique of Pure Reason*, see also Lucas, John Randolph, Space, *Time and Causality*, p. 149.
15. On which see: Vigna and Casey (2014).
16. Virtual worlds: today and in the future, http://www.bcs.org/content conWebDoc/3336.
17. Martin Heidegger (1889–1976) in Being and Time (1927), translated version (1996) by Joan Stambaugh, State University of NY Press.
18. A.-M. Johannes, Virtual Reality and the Understanding of Being, 27 October 2005, amjohannes.wikidot.com/virtual-reality-and-the-understanding-of-being, accessed 12 January 2015.
19. *ibid*., p. 152.
20. For example, Eterni.me collects almost everything that you create during your lifetime, and processes this huge amount of information using complex artificial intelligence algorithms. Then it generates a virtual 'you', an avatar that emulates your personality and can interact with, and offer information and advice to your family and friends even after you pass away. See also: Ray Kurzweil, 2045 Initiative, 2045.com; BBC - Future - Back-up brains: the era of digital immortality, accessed 19 February 2015.
21. Geographical representations in computing.
22. http://www.mala.bc.ca/~johnstoi/descartes/descartes1.htm. Indeed, Descartes in his 'Discourse on Method' said '*Je pense, donc je suis*', which translates exactly into the familiar Latin and English phrases. The same principle is laid out more fully in his later 'Meditationes', which he wrote in Latin, but without using the exact phrase 'cogito, ergo sum'.
23. Francis Bacon in *Meditationes Sacrae* (1597), www.monticello.org, accessed 19 August 2017.
24. http://en.wikipedia.org/wiki/Deep_Blue_(chess_computer), accessed 14 August 2017. Deep Blue was a chess-playing computer developed by IBM. On 11 May 1997, the machine, with human intervention between games, won the second six-game match against world champion Garry Kasparov, two to one, with three draws. Kasparov accused IBM of cheating and demanded a rematch. IBM refused and retired Deep Blue.
25. www.youtube.com/watch?v=1uIzS1uCOcE; Ray Kurzweil was at the time of writing, Google's Director of Engineering. He is a successful technologist, entrepreneur and inventor of devices like the flatbed scanner, the first computer programme to recognise a typeface, first text and speech synthesizer etc.
26. Edward Snowden, the Untold Story, www.wired.com/2014/08/edward-snowden/, 22 August 2014, accessed 30 March 2017; Edward Snowden: The 10 Most Important Revelations From, mashable.com/2014/06/05/edward-snowden-revelation, accessed 30 March 2017.

27. where the firms are alleged to have obtained Facebook users' private data to develop 'political propaganda campaigns' in the UK and the US. Cambridge Analytica is a British political consulting firm which combines data mining, data brokerage, and data analysis with strategic communication for the electoral process. https://cambridgeanalytica.org/
28. http//:investirauCameroun.com/bic/2803-10526-la-beac-peaufine
29. ibid
30. there is still the impossibility by users to undertake payments between the Central Afican Economic Community (CEMAC) member countries according to the 2011-2016 BEAC Report.
31. Governor of BEAC, March 21, 2018, http//:investirauCameroun.com/bic/2803-10526-la-beac-peaufine
32. ibid. See also, https// :www.digitalbusiness.AfriqueCentrale
33. Jonathan Kirshner for ISN in http://www.isn.ethz.ch, accessed 19 August 2017.
34. ibid.
35. For example, France was the foremost practitioner of strategic disruption in the inter-war years, taking advantage of its ability to force gold to flow from London in order to strong-arm Britain over international security affairs, raising demands with regard to negotiations with Germany and for recognition of France's geo-political interests in Eastern Europe.
36. Jonathan Kirshner for ISN in http://www.isn.ethz.ch, accessed 18 August 2017.
37. See remarks of Michel Camdessus, Managing Director of the International Monetary Fund, at a plenary meeting of the Financial Action Task Force on Money Laundering, 10 February 1998.
38. United Nations Declaration and Action Plan Against Money Laundering, United Nations Resolution S-20/4 D (10 June 1998); and the Ministerial Communiqué, ministerial Conference concerning the Laundering of Proceeds and Instrumentalities of Crime, Buenos Aires, Argentine (2 December 1995); http://www.oecd.org/fatf/Initiatives_en.htm; accessed 13 November 2016.
39. Press release issued by the US Department of the Treasury, RR-3066 (April 1999) http:www.ustreas.gov/press/releases, accessed 10 January 2015.
40. Cited in Slaughter (2004: 286).
41. www.conspiracyarchive.com/2013/11/28/richard-haass, President of the US Council on Foreign Relations (CFR), the most powerful think tank in the US and practically an antechamber of the US Presidency.

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Development of Human Capital for Industrialisation: Drawing on the Experiences of Best Performers

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Abstract

The experience of most industrialised countries indicate that part of their success was achieved through massive investment in developing human capacity, with particular focus on technical skills that are relevant for industry. Although Africa has a clear agenda to achieve the goal of an inclusive and transformative industrialisation, it has not been very successful in building the requisite skills base. To achieve its industrialisation goal as laid out in Agenda 2063, the Action Plan for the Industrial Development of Africa (AIDA) and the Sustainable Development Goals (SDGs) 2030, a more transformative approach to human capacity development must be a top priority. The continent can also draw lessons from high performers in industrialisation such as Germany, Singapore, Japan and the Republic of Korea. The article therefore examines the strategies that such countries have implemented to achieve success. It draws from the work of Friedrich List which argues that mental power or accumulation of knowledge and experience is the main element of productive power and industrialisation. A qualitative research methodology is applied.

Keywords: Developmental state, industrialisation, 'upper-tail' knowledge, human capacity development

Résumé

L'expérience de la plupart des pays industrialisés indique qu'une partie de leur succès a été obtenue grâce à des investissements massifs dans le développement des capacités humaines, particulièrement sur les compétences techniques pertinentes pour l'industrie. L'Afrique a un programme clair

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pour atteindre l'objectif d'une industrialisation inclusive et transformatrice, mais elle n'a pas tout à fait réussi à créer la base de compétences requise. Pour atteindre l'objectif d'industrialisation énoncé dans l'Agenda 2063, le Plan d'action pour le développement industriel accéléré de l'Afrique (AIDA) et les Objectifs de développement durable (ODD) 2030, une approche plus transformatrice de développement des capacités humaines doit être une priorité absolue. Le continent peut également profiter des enseignements des pays les plus performants en matière d'industrialisation tels que l'Allemagne, Singapour, le Japon et la République de Corée. L'article examine donc les stratégies mises en œuvre par ces pays pour réussir. Il s'inspire des travaux de Friedrich List qui soutient que le pouvoir mental ou l'accumulation de connaissances et d'expériences est l'élément principal du pouvoir productif et de l'industrialisation. Une méthodologie de recherche qualitative est appliquée.

Mots-clés : État et développement, industrialisation, connaissance de la couche supérieure, développement des capacités humaines

Introduction

Industrialisation is one of the key pillars of the African development agenda. Its importance is reflected in its inclusion in Agenda 2063, the continental blueprint for long-term development. The African Union Commission (AUC), in its First Ten-Year Implementation Framework 2014–23 for Agenda 2063, includes a goal on sustainable and inclusive economic growth. One of the outcomes from this goal is 'well educated citizens and a skills revolution underpinned by Science, Technology and Innovation (STI)' (AUC 2015: 18). Another goal of the strategy is to achieve transformed economies of which some of the outcomes are 'STI-driven manufacturing, industrialisation and value addition, economic diversification and resilience' (*ibid.*). The AU has also introduced the Africa Mining Vision of 2009 which, among other objectives, aims to achieve value addition through minerals processing. In recognition of the key role that regional integration can play in industrialisation, the AU's Ten-Year Strategy also includes the establishment of Regional Industrialisation Hubs by 2023. These are to be linked to global value chains and commodity exchanges (*ibid.*: 22).

The experience of industrialised countries demonstrates the important role of human capital development. Industrialisation is generally defined as a process of transforming raw materials, into consumer goods as well as new capital goods. It is also considered as a change in the structure of economic activity whereby the share of industry (particularly manufacturing) in total economic activity is increased. This structural shift normally results in an increase in income (Effiom and Udah 2014: 1744).

With the exception of a few countries such as South Africa, Mauritius and Morocco, the level of industrialisation in Africa is generally low. Furthermore, the continent has a deficit in the human capital that is required for that agenda.

The objectives of this paper are, firstly, to assess the current state of industrialisation and the human capacity development challenges facing the continent. Secondly, to review the experiences of best performers in industrialisation with a focus on their approaches to human capacity development, and finally, to propose strategies to fast-track human capacity development for industrialisation on the continent.

Building on initiatives such as the (AU) Science, Technology and Innovation Strategy for Africa (STISA-2024), which seeks to transform Africa into a knowledge-based and innovation-led society, the paper argues that the continent has to transform its human capacity development approach towards building more Science, Technology, Engineering and Mathematics (STEM), STI and practice-oriented skills for industrialisation.

A qualitative research methodology is applied based on analysis of secondary data on the selected countries, namely, Germany, Singapore, Japan and the Republic of Korea (RoK). Selection criteria consisted of status on industrialisation (as measured by the Competitive Industrial Performance (CIP) Index[1]), development status based on the Human Development Index (HDI) and approaches to and performance on Human Capacity Development (HCD).[2]

The CIP index consists of indicators such as Manufacturing Value Added (MVA), MVA per capita, share of the country in Manufactured Exports, and share in Medium to High Technology Exports. The Human Development Index (HDI) is a proxy for human development. Human capital contributes significantly to a country's labour productivity and competitiveness and that is why this index was selected. This measures human development in three dimensions, namely, life expectancy, education and income. Industrialised countries are characterised by their high GDP which has enabled most of them to improve education and health, resulting in the long life expectancy which most of them enjoy.

Statement of the Problem

The United Nations Industrial Development Organisation (UNIDO) indicates that developing countries in Africa remain on the margins of industrialisation (UNIDO 2016: 14). The very low and declining shares of their MVA to GDP ratio since 1970, and also in their MVA per capita, attests to this. Africa's MVA accounted for only 1.6 per cent of the global total in 2014, and its growth has lagged far behind that of all other regions

since 1990 (*ibid.*). The continent also has the lowest regional medium – and high-tech share of manufactures among global regions.

Using the Human Capital Index (HCI), Table 1 indicates that while the average score for the four case countries was around 72 per cent, it was about 60 per cent in the case of the top ranked in Africa. Figure 1 is a graphic presentation of Table 1.

The World Economic Forum (WEF) in its report on the Global Human Capacity Index (GHCI) also makes a similar observation. Figure 2 shows that, in 2017, while North America and Western Europe have narrowed their gap to 26 and 28 per cent respectively, Africa has the largest gap at 47 per cent, implying that the continent had only covered 53 per cent of its human capacity requirements.

Table 1: Human Capital Index (HCI) rankings for selected countries, 2017

Country	Overall score	Rank	Capacity sub-index	Deployment sub-index	Development sub-index	Know-how sub-index
Germany	74.3	6	76.33	69.52	79.38	71.96
Singapore	73.28	11	76.45	70.52	73.62	72.52
Japan	72.05	17	80.96	66.32	73.92	67
Korea	69.88	27	76.59	66.73	73.34	62.87
Republic of Rwanda	61.06	71	47.92	90.06	55.69	50.57
Ghana	61.01	72	64.83	77.35	55.04	46.82
Cameroon	60.76	72	65.43	60.09	55.57	49.6
Mauritius	60.34	73	61.85	76.03	64.59	51.25

Source: (Author) Based on data from WEF, The Global Human Capital Index, p. 9

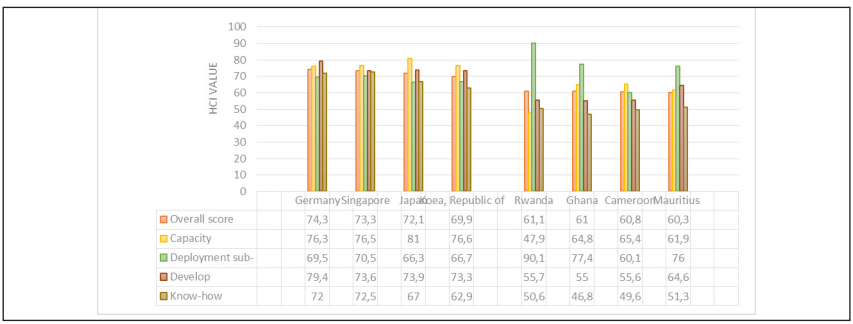

Figure 1: Human Capital Development Index (HCI) by country, 2017 (selected)
Source: (Author) Based on data from WEF, The Global Human Capital Index, p. 9

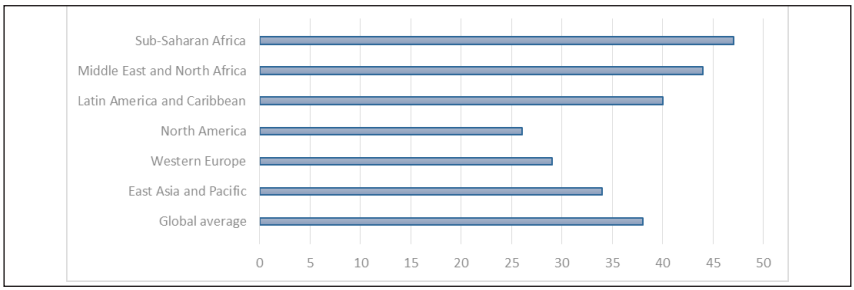

Figure 2: Human Capital Index (per cent) by region, 2017

Source: (Author) Based on data from WEF, The Global Human Capital Index, p. 7

Furthermore, Africa's productivity in manufacturing falls far below that of developed countries. For example, it was 40 per cent of that of the US in 2013 (UNIDO 2016: 9). About 90 per cent of Africa's manufacturing exports are in natural resource–based sectors (*ibid.*: 17).

While STEM education is a key pillar in developing the technical skills and human capacity required for industrialisation in sub-Saharan Africa (SSA), despite progress made, it is relatively lower than in other regions. Even though from 2003 to 2012, the continent registered an improvement in both the quantity as well as its share of global research from 0.44 to 0.72 percent, SSA accounted for less than 1 per cent of the world's research output (Blom, Lan and Adil 2016: 4). SSA also still lags behind other regions in terms of STEM research output. For example, research in the Physical Sciences and STEM constitutes only 29 per cent of all research on the continent (excluding South Africa). In sharp contrast, Malaysia and Vietnam's share in relation to total output was 68 per cent (*ibid.*: 4).

The African Capacity Building Foundation (ACBF) highlights the low state of development of STI on the continent and observes that education is still largely skewed in favour of humanities and social sciences. As evidence, in 2015, while an estimated 3 million African students were enrolled in non-critical technical skill areas, only 1.7 million were in critical technical skill areas (Africa Capacity Building Foundation 2017: 1).

The quality of education is largely poor. For example, in 2016, only five of the world's top 500 universities were in Africa as compared to six in Brazil and 32 in China (*ibid.*: 1). It is also noted that higher education in SSA is still an elite system with participation rates of below 10 per cent in most countries (Cloete, Maassen and Bailey 2015: 6).

Migration of professional personnel is also a challenge. Between 2007 to 2011, for example, close to 450,000 professionals migrated from the continent (*ibid.*).

Other challenges include lack of engineering capacity that has led to import of such skills; curriculum at universities and vocational training institutions which fails to produce problem-solvers; and an absence of partnerships between educational and research institutions and employers, resulting in a mismatch between industry needs and skills-levels of graduates and the underfunding and poor quality of students from vocational and educational training institutions (World Bank 2014).

Theoretical Framework

The relationship between human capacity development and industrialisation is generally conceptualised in the context of long-run economic growth. Whereas traditional market economics tends to focus on the importance of physical capital (such as machines and quantity of human resources) as factors of production, new growth theories emphasise the importance of human capital. Friedrich List, a German political scientist and philosopher, was one of the early scholars to articulate the role of human capital in the growth process. He was critical of classical economic thinking because he felt that it overlooked or ignored the idea of 'productive power' which determined the potential of a country to develop and industrialise.

Freeman (1995: 5) explains List's conception of 'the National System of Political Economy' which was written at a time when Germany embarked on its industrial revolution and was trying to catch-up with earlier industrialisers like Britain. He synthesises List's firm conviction that:

> There scarcely exists a manufacturing business which has no relation to physics, mechanics, chemistry, mathematics or to the art of design. No progress, no new discoveries and inventions can be made in these sciences by which a hundred industries and processes could not be improved or altered. In the manufacturing state, therefore, sciences and arts must necessarily become popular (*ibid.*: 6).

It was this principle that propelled Germany to develop one of the best technical education and training systems in the world, a factor which contributed to its success in overtaking Britain on industrialisation. Freeman also points out that 'today, it is the foundation of the superior skills and higher productivity of the German labour force in many industries' (*ibid.*).

Daastol (2011: 13) also elaborates on List's concept of 'mental or intellectual capital', or '*Geistiges Kapital*' which he considers to have shaped modern approaches to industrialisation *ibid.*: 14). He argues that it is intellectual capital which drives a people's innovative mentality and ability for cooperation, that economic progress depended on building up the mental capital and productive powers of a nation (*ibid.*). Intellectual capital 'creates

innovation and constitutes and reshapes collaboration, which constitutes and reshapes nations and (defines and) creates wealth' (ibid.).

These ideas are also supported by other authors based on their analysis of the industrial revolution. They argue that although much of the historical evidence on the relationship between human capital and industrialisation appears to suggest a weak link, the results are different when human capital is disaggregated into literacy and 'upper-tail' knowledge. Squicciarini and Voigtländer (forthcoming).

They indicate that during the industrial revolution, the development of industry was achieved through unskilled or low-skilled labour since technological development at the time was very limited. However, during subsequent phases of growth, and with technological advances, there was demand for more skilled or 'upper-tail' type of labour. In their study, when they analysed the relationship between upper-tail human capital and growth, they found a significant and positive relationship. They concluded that growth of industry required investments in the development of higher level skills to drive the use of technology.

The concept of 'upper-tail' or 'elite' knowledge is defined as knowledge which is embodied in scientific advances and progress (*ibid.*: 4). In these authors' view, it was 'this density in the upper-tail' that was instrumental in advancing the industrial revolution. They argue that the industrial revolution was carried 'not by the skills of the average or modal worker, but by the ingenuity and technical ability of a minority' (Daastol 2011: 1).

New Growth Theories that emerged from the works of economists like Romer (1990: 71) also recognise the importance of endogenous initiatives and efforts to achieve growth through investments in human capital. Similar views are echoed by Hanusheck (2018). Focusing on the composition of human capital, he contends that while basic or initial levels of education are important for 'imitation', higher education is more important for innovation (Hanusheck 2018: 41) He further argues that a more skilled society leads to higher levels of labour productivity as firms are able to introduce new and better production methods. It also makes it relatively easier for firms to introduce new technologies. It also enhances capacity for innovation.

More recently, speaking at the WEF in Davos about the greatest challenges of the Fourth Industrial Revolution, Founder and Executive Chairman, Karl Schwab, argued that 'in the future, *talent*, more than capital, will be the critical factor of production'.[3]

In short, human capital development is closely linked to economic growth through its impact on production, which is the outcome of the industrialisation process.

Review of the Evidence: Human Capital Development Experiences of the Four Country High Achievers

The analysis of the four country cases consists of a review of the performance of each country based on the indicators referred to above, namely, the HDI, CPI and HCI. They are also analysed with respect to the strategies which they have implemented in order to achieve success in HCD.

Performance Based on Selected Indicators

Using the HDI, all four countries are categorised under Very High Human Development (VHHD).[4] They are also among countries with the highest per capita incomes in the world. Singapore has one of the highest per capita incomes in the world (PPP $980,192) and had a HDI value of 0.925.[5] Japan's per capita GDP was 35,804 (US$PPP) and the HDI has increased from 0.814 in 1990 to 0.903 in 2015 and it ranked 17th globally in 2016.[6]

In terms of CIP, using the Medium to High Technology MVA, the share is higher in all four countries (81.2 per cent for Singapore; 63.1 per cent for South Korea, 59.9 per cent for Germany and 54.9 per cent for Japan). These countries performed better than both the US and China whose share was 50.6 and 44 per cent respectively, and in the case of Africa, the relatively more industrialised countries such as Nigeria, Tunisia, South Africa and Botswana, for example, recorded much lower shares of 33.4, 28.8, 24.4 and 16.8 per cent respectively. When the share of MVA in GDP indicator is used, the four countries also perform better, at 29 per cent for the RoK, 26 per cent for Singapore, and 21 per cent for both Germany and Japan. In comparison, the share ranges from 4 to 17 per cent in the African countries that are relatively more industrialised at continental level.

In terms of the overall CIP index, Germany is the most competitive at over 0.5, followed by the RoK and Japan. China is next, followed by Singapore (Figure 4). In Africa, the most competitive is South Africa (0.08) but this is way below the selected four countries. The rest of the listed African countries have CIP values of below 0.03, evidence of low global competitiveness (Figure 5).

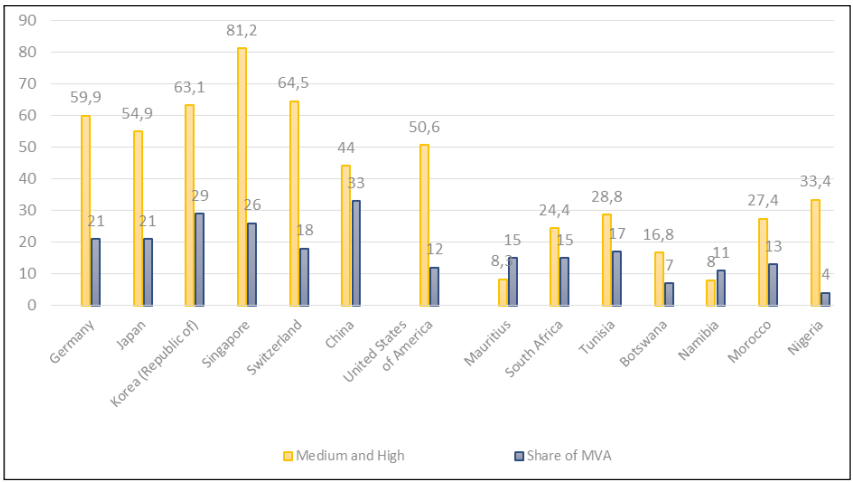

Figure 3: CIP using the Medium to High Technology MVA
Source: (Author) Based on data from UNIDO (2015: 224–7; 2016)

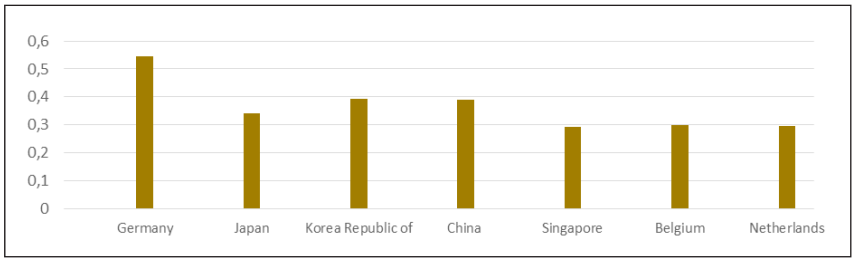

Figure 4: Overall CIP index
Source: (Author) Based on data from UNIDO (2015: 224–7; 2016)

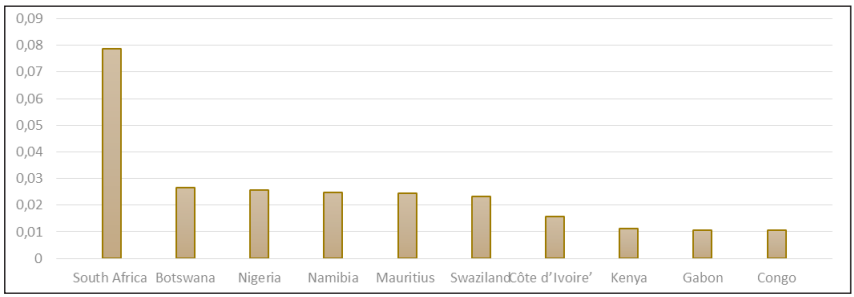

Figure 5: Evidence of low global competitiveness
Source: (Author) Based on data from UNIDO (2017; 2016: 94)

A Review of Human Capital Development Strategies and Successes of the Case Countries

This section summarises the human capacity development strategies used by the selected countries.

Germany

Germany is among the top industrialised countries in the world (UNIDO 2015; 2017). It is also among the world's largest producers, a significant exporter of passenger cars and the third largest exporter of manufactured products after China and the US. Its top manufacturing industries include machine and plant and electronics manufacturing (Deloitte & Touche 2018). One of the major factors behind the country's success are investments in both physical and human capital as well as the kind of model it used. The country's dual Vocational Education and Training (VET) system is cited as one of the key success factors. Germany is considered to have one of the best models of VET, developed on the philosophy of Friedrich List on the role of 'upper-tail' knowledge in economic growth. The VET system emphasises a practical learning/experiential approach to complement classroom learning. It is a dual system in that it combines classroom learning (theory) with practical experience. Apprentices are contracted to work at a company for a period of two to three years during which they also attend theory classes at some vocational school. On completion, they are either hired by the host company, or search for a job with other employers or proceed to university.

The VET is a highly structured system in which the government plays a central coordinating role, providing the regulatory framework and setting standards for quality assurance. The government introduced a skills development levy and a legal mandate for companies to contribute 1 per cent of their payroll towards the fund. It has also established collaborative networks with business chambers or associations who organise companies to deliver the training and vocational schools (Baethge and Wolter 2015). VET has the advantage of matching skills development to demand by employers. In 2012, it is estimated that 500,000 private companies trained about 1.6 million apprentices, and that every year, around 60 per cent of German youth opt for dual training in one of the 350 recognised occupations (Deloitte and Touche 2018: 47). Chambers of skilled crafts and chambers of commerce and industry are mandated by law to coordinate the private companies who deliver training to ensure that they comply with the standards set within regulated qualifications frameworks (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ) 2012: 16). In 2012, more than 800,000 German students participated in an apprenticeship programme in the manufacturing sector (Baethge and Welter 2015: 34).

Human capacity development for industry is not only anchored in its VET system but also in its higher education or tertiary institutions which are among the best in the world in terms of quality and, also their orientation towards STEM-related education. The Times Higher Education (THE) (2018) in its World University Rankings[7] provides evidence on this. It ranked 20 German universities among the top 200 most prestigious in the world (THE 2018). These are listed in Table 2 below.

Table 2: World University Rankings 2018 / List of universities among top 200 globally

Name of University	Ranking	Name of University	Ranking
Ludwig Maximilian	34	Technical University of Berlin	92
Technical University of Munich	41	University of Bonn	100
Heidelberg University	45	University of Gottingen	113
Humboldt University of Berlin	62	University of Mannheim	125
RWTH Aachen University	79	University Charite-Universitätsmedizin	126
University of Freiburg	82	Karlsruhe Institute of Technology	133
Free University of Berlin	88		

Table 3: German universities among top 125 globally in Engineering and Technology 2018

Name of University	Rank
Technical University of Munich	20
RWTH Aachen University	24
Technical University of Berlin	43
University of Stuttgart	77
University of Freiburg	88
Technical University of Dresden	93
University of Erlangen-Nürnberg	95
Technical University of Darmstadt	101-125

Source: THE (2018)

Table 4: German universities among top 100 in Physical Sciences (globally) 2018

Name of University	Ranking
Ludwig Maximilian University	26
Technical University of Munich	30
Heidelberg University	32
University of Bonn	56
RWTH Aachen	59
Karlsruhe Institute of Technology	61
Technical University of Berlin	65
University of Gottingen	70
University of Freiburg	99

Source: THE (2018)

Most of the institutions listed above are renowned in the fields of STEM (*ibid.*). For example, Heidelberg University (rated for space science, neuroscience and physics); RWTH Aachen University (rated for natural sciences and engineering); University of Freiburg (rated one of Europe's top research institutions). The Technical University of Berlin has a reputation for mechanical engineering and engineering management, as well as mathematics and chemistry. Other statistics[8] show that 40 per cent of first-year students in Germany's tertiary sector – mainly comprising university studies and master craftsman programmes – opted for subjects in the STEM fields in 2015. This is significantly higher than the OECD average of 27 per cent. At approximately 35 per cent, Germany also leads the OECD countries in terms of 25 to 64 year-olds with qualifications in the areas of mathematics, science and technology, compared to the OECD average of 25 per cent. The country has also translated research into new products due to its rich base of graduates in STEM fields.

Some authors also observe that German's education system has shifted from 'elite' to mass and now to 'universal' higher education (Hippach-Schneider *et al.* 2017: 31–3) in that, whereas traditionally, higher education tended to be more academic than practice-based, a growing number of higher education institutions are now integrating vocational and academic elements into their programmes, hence the concept of 'dual higher education programmes' (ibid.: 32). These programmes have grown from 512 to 1,505 (*ibid.*: 34) since 2007.

Clearly, through vision, efficient and decentralised management of VET and the higher education system as a whole, Germany has succeeded in

developing a high quality human capacity development system that is demand-driven, diversified, funded sustainably and producing a pool of highly skilled workers with requisite knowledge and technical skills for industry.

Singapore

Despite its natural resource constraints, Singapore has built a hub for high-value manufacturing and become a leader in aerospace, semiconductors, chemicals, and biomedical sciences. Five of the world's top ten drugs are manufactured here. Furthermore, despite not having any hydrocarbon reserves of its own, Singapore's integrated energy and chemicals complex – Jurong Island – is the world's fifth-largest producer of refined oil and ranks among the top ten globally in terms of chemicals exports by volume (Ministry of Communication and Information, Singapore 2017:7) Human capital development (HCD) has contributed to that success.

HCD in Singapore became a priority in the 1960s during 'the survival phase' of the country's industrialisation programme (Tan, Koh and Choy 2016). The path to an export-oriented industrialisation demanded a pool of sufficiently skilled workers. To meet that demand necessitated a shift in emphasis from academic to technical education. The government achieved that by developing post-secondary technical and vocational education at the polytechnics. In the 1970s, Singapore embarked on a more systematic, efficient and planning-based approach where it could project its human resource demands in the various sectors of the economy and then plan on the delivery of training that matched those needs (*ibid.*).

Like Germany, Singapore also introduced a VET system which is funded through a skills levy. Unlike Germany, its success in HCD was attained mainly through FDI, large-scale MNCs (mostly from US) rather than domestic enterprises (Siddiqui 2010: 10). The rationale was lack of capacity as the workforce had low levels of education (*ibid.*: 2). By 2001, it is said that the country had close to 5,000 MNEs, accounting for three-quarters of manufactured output and 85 per cent of the country's exports. Because these MNEs required highly skilled labour, the Economic Development Board (EDB) aggressively embarked on strategies to attract FDI. Later on, the government started to demand that the MNEs should share their technologies with local enterprises.

Osman-Gani (2004: 276) emphasises the critical role played by the government through the EDB. He adds that development of a long-term planning framework, in which skills needs are identified and projections into the future estimated, contributed to the success of the HCD. The Strategic Economic Plan (SEP) in 1991 is said to have been one of the first

comprehensive initiatives for human capacity development of local workers in that regard (Siddiqui 2010: 10). The government also created effective tripartite institutional infrastructure linking government, employers, unions, educational and vocational institutions to support HCD.[9]

Writing on the success of this country, Ibata-Arens writes:

> Singapore has become a city-state to emulate, as communities all over Asia (including Okinawa, Japan) try to copy its success. Decades of smart national policy –prioritizing infrastructure and human capital investment while attracting foreign direct investment – are the basis of Singapore's success (2012: 14).

Singapore has also invested significantly in the development of STEM education through the university system and technical colleges. Some of its universities and technical colleges are also among the best in terms of the Times Higher Education World Ranking of Universities (see Table 5).

Table 5: Singapore THE World University Rankings 2017

Name of Higher Education Institution	Ranking			
	Top 200 globally	in Computer Science	in Physical Sciences	in Engineering and Technology
National University of Singapore	22	31	16	8
Nanyang Technology University	52		42	16

Source: THE (2018)

The government's adaptive approach to HCD has recently been demonstrated by its response to the Fourth Industrial Revolution or Industry 4.0. The EDB, anticipating intense competition from this development, has started on a national strategic response to prepare for the revolution (Open Government Asia 2018). In January 2016, the government created a Committee for Future Economy (CFE). The Committee has been tasked with developing economic strategies for the next decade and with 'building deep capabilities' in response to those changes. The adaptiveness of the government is reflected in the statement:

> The world is going through a period of great uncertainty. Significant structural shifts are taking place in many countries. Industries and jobs are changing rapidly. Amidst the disruption, there will also be opportunities. We cannot be sure which industries will perish and which will flourish. What is certain

> is that Singapore must stay open to trade, people and ideas, and build deep capabilities so that our people and companies can seize the opportunities in the world (*ibid.*).

Japan

Japan has established a globally competitive industry in automobiles, auto parts, semiconductors, robots and electronics industries and so, traditionally, it has been ahead of the rest of the world in automation and implementation of best practices in manufacturing operations (Deloitte & Touche 2018: 49). Like Singapore, the country was faced with the challenge of scarcity of natural resources but saw opportunity in medium to high technology manufacturing for export. Yoshida (2010: 31) gives a detailed account of the evolution of human capacity building in Japan. He indicates that during the early phases of industrialisation, Japan, like Singapore, also depended heavily on imported foreign experts and importing plant and equipment. For example, in 1875, 500 foreign experts (mainly in engineering and academics), were hired from the UK, France, Germany and the US engineers and skilled workers to manage those plants (*ibid.*: 36).

However, over time, the government replaced them with local workers who had subsequently acquired skills either through the skills transfer agreements between the government and the foreign companies or through the government's scholarship programmes which sponsored many Japanese students to study abroad (mainly in the UK, US, Germany and France).

Japan has developed an education system which ranks among the best in the world and is also patterned along the German system in terms of integration of theory and practice in learning. It was ranked among the top performers in the OECD 2012 Programme for International Student Assessment (PISA) in mathematics, science and reading. The Japan Ministry of Education, Culture and Sport (MEXT) has been the chief architect behind the development of a successful education system designed to ensure that students are well equipped in numeracy, mathematics, science and literacy by the time they exit secondary school. Learners are assessed and channeled into different career paths depending on their competencies and aptitudes. In 2002, the Japan Science and Technology Agency, part of MEXT, started the Super Science High School (SSH) programme to improve student performance in maths and science. These schools are selected and funded by MEXT. They are expected to foster close linkages with research and innovation institutions. Students conduct research to find solutions to real life problems. By 2010, there were 126 Super Science High schools in Japan (Ibata-Arens 2012: 15). Details of these schools are provided by Sumida (2013: 277–89) and Tsuneyoshi (2018).

Japan has also established a comprehensive VET system. The Ministry also certifies vocational and practical professional courses. Furthermore, the country has also established universities of world standing. For example, considered the Japanese equivalent of the US Ivy League, its top universities include the universities of Tokyo, Tohoku, Kyoto, Nagoya, Osaka, Kyushu and Hokkaido. It has also established institutes of technology, for example, the Tokyo Institute of Technology (THE 2018). The tertiary education system and technology institutes have enabled Japan to advance in science, mathematics, engineering and computer science and ICT-related education. Table 6 below shows that some of its universities and institutes are among the best in the world in these fields.

Table 6: Japan THE World University Rankings 2017

Name of University	Ranking		
	Among top 100 universities globally	Computer Science	Physical science
University of Tokyo	76	50	36
Kyoto university			62

Source: THE (2018)

Seven of the country's universities were among the top 125 in the THE rankings as Table 7 shows.

Table 7: Japan's universities listed among the top 100 globally (Engineering and Technology)

Name of University	Rank
University of Tokyo	35
Kyoto University	42
Tohoku University	61
Tokyo Institute of Technology	65
Osaka University	98
Kyushu University	101-125
Nagoya University	101-125

Source: THE 2018

It is no wonder that Japan is also at the forefront of Industry 4.0. In June 2014, it established the Robot Revolution Realization Council to coordinate the advanced manufacturing of robots.[10] This should be another indicator of its success in building the human capacity for industrialisation.

Republic of Korea

In the Republic of Korea (RoK) human capital development became a priority in the 1960s as the country embarked on industry development. The depth and sophistication of the skills system varied with the economic cycles of the Korean economy. In the early 1960s and 1970s when the focus was on export-oriented light industries, to the shift towards heavy and chemical industries in the late 1970s and 1980s, government intensified efforts to develop technically more advanced and knowledge-based industries in the 1990s and 2000s. The purpose of the skills drive was to increase the supply of a skilled workforce in response to a growing industry.

The government used a training levy to create a Vocational Training Promotion Fund in 1996. Korea first adopted the skills development system in 1967 by an enactment of the Vocational Training Act to provide a skilled workforce for industrialised and semi-independent organisation to produce highly skilled trainees and technicians.

As evidence of success in building human capacity for industry, higher education/tertiary institutions and institutes of technology of the Republic of Korea are also ranked among the top 200 global performers (according to the THE World University Rankings for 2017). Table 8 lists those institutions which were included on that list. Three of its universities were listed among the top 200 universities globally; one institute of science and technology was among the top 100 institutions in Computer Science and six universities and institutes were among the top 125 universities in Engineering and Technology.

Table 8: Republic of Korea institutions in top universities THE World University Rankings 2017

Name of higher education institution	Ranking			
	Top 200 globally	Computer Science	Physical Sciences	Engineering and Technology
Seoul National University	74			32
Korea Advanced Institute of Science and Technology	95	40	92	27
Sung Kyunkwam University	111			47
Phang University of Science and Technology				52
Karee University				101-125
Ulsan National Institute of Science and Technology				101-125

Source: THE (2018)

Lessons from the Country Experiences

Some lessons can be drawn from the review of the four country cases. Firstly, the primacy of a capable state in providing vision and leadership for a transformative approach to human capacity development. In all four countries, the government was central in the building of an education and skills base that was tailored to the needs of industry. Secondly, the creation of an ecosystem of multi-stakeholder actors within public, private sectors and academia to collaborate in the identification of needed industry skills (demand) and provision of services for human capacity development (supply side), is fundamental to success. Thirdly, integration of theory learning into practice in the context of a well-designed, well-funded vocational education and training system to ensure production of a workforce with requisite technical skills for industry. Fourthly, establishment of a tertiary education system which has a strong component of science, mathematics and technology education and also of a high standard both domestically as well as internationally. Finally, the ability to adapt a nation's strategy to the local context even though, on the surface, it may be construed as politically 'unpalatable'. For example, Singapore, Japan and the RoK, based on their initial capacity challenges, did not hesitate to harness FDI to support their HCD strategies until they had developed their own local capacities.

Conclusion and Recommendation

The successful experience of these four countries with respect to HCD provides useful lessons that African countries can draw from. However, it must be emphasised that they are not a blueprint for what Africa should do to develop the human capital skills for its industrialisation agenda. That is because the social, political environmental and cultural contexts are different.

Nonetheless, those experiences can be useful as a framework to guide the continent in forging new strategies that will transform the current system towards greater orientation to a bias for STEM and STI as well as a comprehensive practice-based skills development approach in the form of a new and expanded VET model. Africa can also build on the STISA-2024 framework by strengthening the integration of HCD in their national development planning frameworks, increasing the allocation of budgets to VET, primary, secondary and higher education and prioritising STEM and STI. Intensive efforts to mobilise domestic and external resources (particularly diaspora remittances) and exploring the possibility of training levies to finance HCD should be considered. It is also critical to forge partnerships within the continent, South–South and North–South Cooperation and enter into agreements on skills and knowledge transfer.

Notes

1. For a full definition of the CIP, see UNIDO (2016).
2. WEF Report, Global Human Capacity Development Index.
3. World Economic Forum. (2018: 2016)
4. Even when using the Inequality Adjusted Human Development Index (IHDI), which is adjusted for income inequality, they have still performed relatively better than the developing world.
5. United Nations Human Development Report 2016.
6. *ibid.*: 202, 214.
7. According to *Education at a Glance 2017*, published by the Organisation for Economic Co-operation and Development or OECD.
8. Kuruvilla, Erickson and Hwang (2002) corroborate these authors on the success of Singapore's education system.
9. Japanese companies currently garner 50 per cent of the global market for factory robots.

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Sustaining Global Skills Inequality? Skills Development and Skills Protectionism in the Nigerian Multinational Corporate Sector

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Abstract

The vital role of skills for socio-economic transformation is well espoused in the literature; however little scholarly attention has been paid to the international dichotomies in skills and the dynamics that underpin them. In many countries in the Global South, there is a plethora of liberal policies that seek to attract industrial investment by corporations in the Global North, the hope often being that the development of vital skills will result from such investments. Yet, studies have shown that in many developing countries, years of active business involvement by multinational corporations have not had the desired effects. Against this backdrop, this article examines the skills development programmes and strategies in Nigeria's multinational corporate sector vis-à-vis the dominant national discourses on skills development in Nigeria. The focus is on the extent to which multinational corporations (MNCs) operating in Nigeria have facilitated the acquisition of vital skills. From interviews conducted in key Nigerian national manpower policy agencies and two multinational companies, with long active industrial operations in Nigeria, the article argues that despite their long existence, MNCs operating in Nigeria still source vital skills from their home countries. Besides, the levels of investment in skills development in the local economy suggest a possibility of skills protectionism – an active or unwitting process of 'hoarding' vital skills. The article thus highlights the challenges and contradictions of economic calculations of corporations and national human capital development imperatives.

Keywords: Skills, Skills development, skills protectionism, skills inequality, development, Multinational Corporations, Nigeria

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Résumé

Le rôle essentiel des compétences pour la transformation socio-économique est bien en évidence dans la littérature, mais, les chercheurs ont accordé peu d'attention aux dichotomies internationales sur les compétences et à la dynamique qui les sous-tend. Dans de nombreux pays du Sud, il existe une pléthore de politiques libérales visant à attirer les investissements industriels des entreprises du Nord, dans l'espoir que le développement de compétences essentielles découlera de tels investissements. Cependant, des études ont montré que, dans de nombreux pays en développement, les entreprises multinationales n'ont pas apporté les effets escomptés depuis des années. Dans ce contexte, le présent article examine les programmes et stratégies de développement des compétences dans le secteur des entreprises multinationales au Nigeria par rapport aux discours nationaux dominants sur le développement des compétences au Nigeria. L'accent porte sur le niveau de facilitation d'acquisition de compétences essentielles par les compagnies multinationales opérant au Nigeria. D'après des entretiens menés dans des agences nationales nigerianes chargées de la politique de main-d'œuvre et dans deux sociétés multinationales actives depuis longtemps au Nigeria, l'article affirme que, malgré leur longue présence, les entreprises multinationales opérant au Nigeria continuent de se procurer les compétences essentielles dans leur pays d'origine. En outre, les niveaux d'investissement dans le développement de compétences dans l'économie locale laissent supposer une possibilité de protectionnisme des compétences – un processus actif ou involontaire de « thésaurisation » de compétences essentielles. L'article met ainsi en évidence les défis et les contradictions des calculs économiques des entreprises et des impératifs nationaux de développement du capital humain.

Mots-clés : compétences, développement de compétences; protectionnisme des compétences, inégalité des compétences, développement, sociétés multinationales, Nigeria

Introduction

The global environment depicts that there is not only inequality in access to the basics of life but also to political and economic resources. The globalisation process has further widened the disparity in access to societal resources including skills. Indeed, skills have become the twenty-first century global currency of modern society that is skills and knowledge driven (Khilji, Kakar and Subhan 2012; Brewer 2013). Conscious of the skills challenge in developing countries such as Nigeria, efforts are made through policy statements and diplomatic shuttles to attract investment from multinational corporations. This, in the main, is in recognition of

the vital role of the multinational corporation (MNC) sector in national economic and technological development. Beyond providing employment and generation of income, it is believed that MNCs promote skills development and facilitate technology spillover. Therefore, a number of laws have been enacted aimed at maximising the benefits of multinational business activities. Such legislation or enactments in Nigeria include the Expatriate Quota Regime/Regulation and Local Content among others. These are official policies formulated to optimise multinational investment benefits beyond the economic imperative. These initiatives arose as a result of consciousness by the Nigerian government of the need to initiate appropriate policies aimed at ensuring that the gap between the advanced countries of Europe and America, often referred to as the 'North', is reduced.

The classification of countries as 'North' and 'South' describes the different level of economic development of countries in the world. According to Arrighi, Silver and Brewer (2003), these concepts emerged after the Second World War when the need arose to incorporate the developing countries of Latin America, Africa and parts of Asia into development agenda, for these countries not to remain mere suppliers of raw materials – a peripheral role they have played for centuries – to the advanced countries of the world. The North describes the developed countries of Europe and North America that are rich, technologically advanced, and therefore act as the beacon for the rest of the world. The developed countries' technological advantage is used to sustain their dominance. The North controls a significant proportion of global wealth and investment and still continues to invest significantly in research and development (R&D) for the generation of new ideas. On the other side are the developing countries referred to as the South that are characterised by low level of investments, a low level of education and technological know-how, and remain dismally underdeveloped. They are poor countries and are therefore engaged in low levels of production with the use of relatively simple tools at subsistence level. These countries are generally lacking in skills. The South therefore looks to the North for technology and finance, skills and expertise to engage meaningfully in productive activities. Thus, the superior-subordinate relationship is perpetuated to the detriment of the South, as experienced especially in Africa, with specific focus on Nigeria presumed to be Africa's biggest economy (*The Guardian* 2014). The Global North has been able to attain a pre-eminent position as a result of its skills advantage which has been deployed for wealth creation and improvement in the quality of life. Conscious of the potential of its skills advantage, such skills are now being protected to maintain a competitive advantage through patents and other instruments of multilateral and global

institutions such as the Trade Related and Investment Measure (TRIM), the General Agreement on Trade and Tariffs (GATT) and the World Trade Organization (WTO) among others (Greenaway 1992). Notwithstanding its skills advantage, the North continues to invest heavily in education, research and capacity building to make advancements. This is how the North–South divide has been sustained and the South has not been able to bridge the gap.

In light of the above, this paper examines the unending global skills inequality with specific focus on the MNC sector in Nigeria. It argues that despite the long existence of MNCs in Nigeria that are custodians of modern skills, the anticipated development of skills by the locals has remained largely unattainable. Despite monitoring frameworks and legislation, it concludes that due to specific dynamics within the MNC sector, there seems to be some forms of skills protectionism that helps in sustaining the skills divide and thereby perpetuating global skills inequality. It therefore advocates that concerted efforts are required to reverse the trend and close the skills gap. The paper is anchored in the protectionist narrative as against the free trade narrative and thus provides a thoughtful explanation for subtle practices inherent in the MNC sector that tend to perpetuate inequality. The paper is based on qualitative data sourcing and analysis, through detailed interviews with government establishments concerned with skills development and utilisation. The two MNCs are Lafarge Cement Wapco Nigeria and Unilever Nigeria Plc; these are among the dominant MNCs in Nigeria with several decades of successful business operations.

Skills and Socio-economic Development

Scholars agree that skills are important or a necessary ingredient for socio-economic development for both individuals and nations (see Page 1994: 180; Spero and Hart 1997: 249–55; Agbodike 1998:168; Blomstrom and Kokko 2001: 9). Skills transform lives and are an important driver of economies and development in the current technological age. Skills affect people's lives and the well-being of nations in ways that go far beyond monetary value (Ejere 2011; see also Kapstein 2002). Skills contribute to economic growth both directly, through increased productivity, and indirectly, by creating greater capacity of workers and firms to adopt new technologies and ways of working and to spur innovation (OECD 2010; Martinez-Fernandez and Sharpe 2010). Empirical evidence is consistent across a wide range of countries confirming that skills have a profound relationship with economic and social outcomes in different contexts and institutions (OECD 2012:10–11). Conversely, however, Quintini (2011)

found skills shortages and mismatches between the supply of and demand for skills as impediments to socio-economic transformation which tend to lower potential for growth and amounting to a waste of important resources.

Developing skills is critical for developing countries, particularly in Africa, for the much desired technological transfer, domiciliation of technology and emergence of indigenous technology among other reasons. The global economic crises and associated unemployment, which has been on the increase particularly in Africa, have more than before increased the urgency for pursuing a better skills development agenda (OECD 2012). There is need for a new skills development pathway that will make for wider employment opportunities, stem rising income inequalities, generate employment and reduce the disparity between the North and the South.

The desire for skills development has also propelled the government to look outwards for foreign direct investment (FDI) through MNCs. The government is conscious of the potential contributions of FDI to economic development as FDI is now widely recognised due to declining concessional aid to developing countries (Muogbo and Kayar 2012:1). FDI through MNCs potentially boosts the growth of a country by crowding in other investments with an overall increase in total investments, as well as hopefully creating positive 'spill-over effects' from the transfer of technology, knowledge and skills to domestic firms (Dulupçu and Demirel 2009). It can also stimulate economic growth by spurring competition, innovation and improvements to a country's productivity. The indirect impacts of FDI through MNCs on the domestic economy, particularly in the area of developing local skills, are the main reasons for the intense political focus on MNCs in Nigeria; and this may well account for the high levels of public subsidies and promotional activities to attract investors, especially after the return to democracy rule in 1999. Among the incentives are tax holidays, tariff protection, accelerated depression allowances and import duty relief for imported inputs (Aniekan 2011: 182; Fouda 2012).

On the flip side are scholars who view skills development and a whole range of other activities of MNCs as a form of neo-colonialism. This has led to calls on governments to regulate the activities of MNC subsidiaries in their territories as a way of curbing 'negative' activities (Prasad, Pisani and Prasad 2008; Erunke and Kigbu 2012). Some scholars suspect that these companies are not necessarily concerned with 'real' socio-economic transformation of the host country, but are driven by the desire for profit, even if this is by exploiting institutional and policy weaknesses in the host country (see Kapstein 2002; Stiglitz 2002; Bakan 2004). MNCs are big organisations and some have investments that are higher than the GDP of

many developing countries, especially in sub-Saharan Africa (Stiglitz 2007: 17). With this development, how could the vital skills and technological know-how anticipated to accrue from MNCs to assist in the socio-economic transformation of host countries be readily available? Scholars emphasise, for instance, that skills development for the transformation of society must incorporate technology and be geared towards the empowerment of people, reducing inequalities, alleviating poverty and promoting economic growth (Akpomuvie 2011; Siyanbola *et al.* 2012).

Based on these divergent and seemingly contradictory arguments, this paper examines the discourse and practice of skills development in the MNC sector. The focus is on the skills development programmes and strategies of Lafarge Cement Wapco Nigeria and Unilever Nigeria Plc. The paper aims at highlighting the relevance of their skills development programmes and strategies to the developmental aspirations of the country towards bridging the gap in skills disparity between the North and the South. In addition, the paper also seeks to ascertain whether the MNCs' training and skills development programmes being implemented in Nigeria have wider social and economic application in the national quest for skills in order to reduce the global skills disparities.

Protectionism Narrative

Protectionism is an amalgam of economic policies, usually adopted by different countries, with the aim of restraining trade between nations in the national social and economic interest. It is usually implemented through methods such as increasing tariffs on imported goods, restrictive quotas, import restriction and a number of other restrictive government regulations specifically designed to discourage imports, and protect local markets and emerging local companies from foreign competitors who already have a comparative advantage (Baier and Bergstrand 2001; Jing and Yuduo 2012; Fouda 2012).

Skills protectionism, therefore, explains the root of the contentious debate on multinational operations especially in developing countries of the world, perhaps because of the safeguards and protection often sought for business advantage that are detrimental to the economy of host countries. The WTO and other member countries, especially from the North, have identified aspects of the TRIM, many of which are considered inadequate for the economies of developing countries and have advocated for liberalisation. Yet a number of these developing countries have advocated for the retention of TRIM while developed countries want it abolished (Malhotra 2003: 238). Abolition of TRIM will result in uninhibited access of developed countries

to the economies of developing countries and could result in untoward consequences for developing countries. The technological advantage of developed countries could be deployed to crowd in cheap goods that could culminate in the collapse of local production initiatives.

Japan, and some emerging economies, have however emphasised the use of regional arrangements as alternative measures of protection and control. The argument is that regions are better equipped than multilateral or global institutions to ensure safeguards and protection (Latif 2011). Regionalisation of TRIM requires governments within regions to make binding commitments rather than relying on global multilateral ideas of TRIM and other global instruments (Chase 2004:1). It is argued that TRIM is a political economic agenda that is rooted in tariffs and other border barriers, despite the existence of individual nations' industrial policies (Guisinger 1986). Guisinger (1986: 86) further emphasises that TRIMs are 'confidential undertakings negotiated between foreign investors and host governments on a case-by-case basis; and such arrangements between foreign investors and host governments are neither published nor made public'.

The secrecy surrounding TRIM is an indication that it would likely be negatively inclined and detrimental to the socio-economic environment of developing countries. In the opinion of Greenaway (1992:145), TRIM 'interacts with other interventions' to manipulate the environmental conditions in favour of foreign investors. Entry restriction of other firms is another form of protectionism which MNCs also enjoy in order to further their interest motive in host countries (Chase 2004). According to Chase (2004: 12), protectionism in multinational operations manifests in a number of ways including transitional protection to enable MNCs to recoup investment. In addition, other forms of protectionism noted by scholars are: lobbying and 'paradiplomacy' to ensure that state laws, institutions and government policies sustain their businesses (Stopford 1998–1999: 12–24; Boddewyn 1988: 341–63; Hammarlund 2005:240), and coding of productive technology and inventions of their R&D outcomes to ensure non-replication for the company's maximum advantage (Kapfer 2006:7).

The protectionism narrative helps explain some of the unspoken aspects of why MNCs are established in some locations and how they ensure monopolies in such environments. It equally points to the reality, or perhaps inability, of governments to act against MNCs even when they are involved in activities considered to be at variance with collective interests. Examples abound in Nigeria's Niger Delta region where many oil companies have been accused of neglect, environmental pollution and

degradation. The Nigerian government has not been able to act against the oil companies despite agitations from the host communities and NGOs. It equally explains why, despite so many skills development institutions and long years of multinational operations in the Nigerian oil sector, it is still dominated largely by expatriates. Notwithstanding the expatriate quota regulation, enactment of local content legislation and setting up of local content commission, foreign oil companies are still the custodians of skills in the oil sector, Nigeria's main source of foreign earnings.

The protectionist narrative is fully business-oriented; it is pro-investors. However, from the profit drive of the narrative, an inference could be drawn that MNCs will protect skills from competitors and the host environment if it will facilitate the maximisation of business interests in both the short and long run. In addition, it could also be deduced that R&D investments and innovative activities of MNCs in the home country are meant to ensure protection of such inventions. Also, patent rights which MNCs enjoy for a long time as a result of innovation, are equally meant to ensure that the investments in R&D and the emerging inventions are protected to rake in extensive profits. Whilst skills protectionism reveals some of the underlying philosophy behind the MNCs' activities, it also provides the basis for understanding the North–South dichotomy and the underlying factor of inequality within the global environment.

Therefore, the Nigerian government has adopted different strategies aimed at attracting MNCs that are regarded as the custodians of modern skills and technology as a way of tapping their skills advantage. The concern of this paper is that after several years of MNC operations in Nigeria, the development of skills necessary for anticipated socio-economic transformation and development has remained a challenge. Skills protectionism therefore provides a useful analytical model to unravel the dynamics of skills development in the MNC sector (from the perspective of the developing world), which accounts for the sustenance of global inequality.

Methodology

This article examines training and skills development programmes within the Nigerian MNC sector. The aim is to be able to draw inference as to whether skills are being developed in line with national aspiration for skills development in Nigeria. In addition, it will ascertain whether perhaps there are practices contrary to national aspirations that point to some forms of protectionism in the skills development practice of MNCs which perpetuate global skills inequality. As noted above, the MNCs in

the study are global player in the MNC sector with several decades of business operations across the globe.

The article draws from a completed doctoral thesis and a qualitative research methodology was adopted in gathering and analysing the data. The fieldwork for the collection of the data covered a five months period between the months of February and June 2013. Qualitative methods of research seek to explain a phenomenon of study from the contextual perspective of the research participants. It is flexible and allows for interactions with the research participants (see Pope and Mays 2000; Babbie and Mouton 2001). In addition, a qualitative method allows for in-depth probing on issues that might arise; and allows for complexity and unanticipated discoveries to be factored into a qualitative interpretive research approach which will in turn enrich analysis and explanation. Important attributes of this research approach are that the research is conducted in the natural setting of participants; the focus is on process rather than outcome; and the actors' perceptions and views or 'emic' perspectives are emphasised. The primary concern is to understand social phenomenon in relation to the specific context rather than attempting to generalise (Babbie and Mouton 2001: 270).

Both primary and secondary data were collected. Primary data were collected by means of key informant and in-depth semi-structured interviews. A review of relevant literature also provided useful secondary data. Five key informant interviews were held with the government policy making establishment concerned with skills development and utilisation in Nigeria. The key informants helped to shed light on the government's orientation on training and skills development as expected by employers of labour. In order to unravel the training programmes and strategies in the Nigerian MNC sector, a total of 19 in-depth interviews were held with organised labour, organised private sector and MNCs. All the organisations were purposely selected because they are household names in the different sectors of the Nigerian economy with long periods of business activities. They are not only vital to the issue of skills development and utilisation, but they have a large labour force with a high level of attraction to job seekers. The participants were senior officials whose responsibilities were central to skills development and utilisation in their respective companies and organisations.

Data collected from these skills development and utilisation constituencies were very useful as they are all vital agencies through which skills development programmes and strategies in the Nigerian MNC sector could be unravelled holistically. The state, through the numerous institutions and agencies, sets

the platform through the enactment of a policy framework for other skills development constituencies to operate. The MNCs take advantage of the enabling environment created to set up enterprises. With the establishment of enterprises, organised labour provides the manpower to make these organisations function. The organised private sector is the umbrella association for all operators in the business environment of a country. The interviews in these relevant skills development and utilisation constituencies aimed to ascertain the level of their involvement in multinationals' employee training and skills development with the aim of highlighting the inherent contradictions in their programmes. The data analysis followed the thematic discourses that emerged, an approach suitable for qualitative interpretive discourse analysis (see Babbie and Mouton 2001; Mason 2002). This method of data analysis allowed for reflections on the key issues of skills for empowerment; skills for employment and job mobility (portability of skills); skills for entrepreneurship and skills for lifelong usage. Other vital issues that emerged from the literature are also reflected in the interview responses. The discussion of findings was presented based on important responses from the different interviews.

Multinational Corporate Sector and Skills Development: State Discourse and Expectation

The findings are presented and analysed according to the themes that emerged from the data obtained from the different categories of respondents as indicated in the previous section. In addition, relevant secondary data are utilised to ensure substantive data analysis.

Skills for Technology Transfer

Part of the strategy of the Nigerian government to foster skills development is partnering with and encouraging MNCs to come into the country and establish industrial ventures with the hope that these companies will come with their advanced technologies into the country. It is believed that technology transfer will occur through MNCs as the employees in this sector will be trained while working with expatriates. Employees would therefore acquire relevant skills. This is the idea embedded in the concept of 'technology transfer'. A senior official of the Federal Ministry of Trade and Investment in Abuja said:

> What the Ministry is concerned about is trying to get Foreign Direct Investment as well as create domestic industries. So, we are trying to create conducive environment for that. When these investors come in and get

> started, there are some incentives in place for them. Agreeing to come and set up in Nigeria and not other places is the first step. Through their businesses, they create jobs for our people. Apart from employing our people, they are expected to transfer skills to these people. The idea is: don't just bring your own people and evacuate the money out back there and leave us the way you met us. After a while let our own people be able to do these things rather than relying on expatriates.

To further highlight the government's effort in the area of skills development, the official added:

> The government inaugurated a committee on communication called Digital and it is responsible for switch over from analogue to digital. The cut-off date has been fixed for June 2015 by the International Telecommunication Union (ITU). The committee is to work out how to manufacture set top boxes. There was the concern that we might not have a Nigerian company with the capacity to do that, we are looking forward to collaborating with foreign investors to get it done in Nigeria such that the company will be established here in Nigeria to manufacture these boxes; they will also be required to train our people on how to produce these set top boxes and also how to repair them. This is a practical example of skills technology transfer and skills development because there is going to be a whole market by the time we move to that stage of production of set top boxes. We will have people who can fix the digital boxes, people who can install those devices. We don't have those skills now but we would need to have them before 2015.

The above response by a senior government official clearly depicts the hopes and aspirations of government towards ensuring that there is technology transfer to the country through MNCs. Another view on the transfer of technology to the locals was expressed by a senior official of the ITF, one of the government agencies concerned with the process of ensuring technology transfer:

> The staff of ITF, most especially those that are involved in training are trained in developed and developing countries worldwide so that the skills that are being practised outside there can be brought home. Those that are trained, when they come back, they make sure that whatever they learnt, they replicate it and ensure that it suits our own work here. That is the reason why most of our centres of the Industrial Training Fund are equipped. Some of them are equipped as what you have outside the country so that the technology that is being practised in developed and other developing countries are also available within Nigeria.

The two interview responses revealed the strong desire of government to ensure that the country makes advancements in technological acquisition by tapping from the advanced countries of the world. This is a strategy of

bridging the skills gap and reducing skills disparity and inequality. With the establishment of MNC ventures, it is hoped that technical know-how and skills transfer will accrue to the country.

Skills for Empowerment

The expectation of government is that partnering with MNCs will culminate in the development of the skills of Nigerians such that they will be empowered. Through empowering Nigerians, inequality within the country and by extension the global arena will be reduced. This was explicitly stated by a senior official of the Federal Ministry of Employment and Productivity:

> The idea of establishing the various industrial skills centres in different parts of the country is to create wider avenues for many Nigerians to acquire vocational skills, craft or trades to empower themselves and make them productive. Government can no longer provide jobs for everybody. A person trained in carpentry, mechatronics, auto-mechanics, automobile repairs or plumbing is empowered and competent to set up his own business and even employ others.

A similar line of thinking was picked up at the ITF during an interview with a senior official, he said:

> Through the training at the industrial skills centres, the trainees are empowered. In addition, the Centre is in collaboration with the Nigerian Employers' Consultative Association (NECA) through a programme known as 'Start Your Own Business Plan'. Under this programme, trainees at the Industrial Skills Centres will be required to write their own business plans. These plans will be scrutinised and the trainees with the business plans considered viable are supported with the basic requirements to start their own businesses. In this way, it is not only imparting skills for empowerment but also assisting the trainees to be self-employed and even generating employment for others, possibly.

As highlighted above, these strategies of government are to ensure inequality is reduced through the empowerment of Nigerians, especially youth who constitute a substantial proportion of the country's population.

Skills for Employment and Job Mobility (Portability of Skills)

Among the discourses in human capital formation aspiration in Nigeria is the issue of skills development for employment mobility. It is a vital discourse that has attracted the attention of the global body concerned with labour issues – the International labour Organization (ILO). Developing skills

that have wider applicability and employment choices has the potential of reducing inequality and enabling the economic and social transformation of any nation. The quest for skills that would facilitate employment mobility has been necessitated not only by rapid changes in the application of productive technologies in organisations, global market trends and high levels of unemployment especially among youths, but by a rising trend of migration as well. Portability of skills gives access to employment for skilled employees who can be deployed productively in different jobs, occupations or industries. Skills that are portable are of immense value as they contribute to human development, empower people, broaden individual employees' choices and capabilities, and empower employees to realise their potential (Simatele 2015).

Considering the importance of skills development for employment mobility (portability of skills), a key-informant of the Federal Ministry of Employment and Productivity stated that:

> The various Industrial Skills Centres being operated by the parastatals under different ministries provide holistic training to the trainees. Besides specific vocational and technical skills that make them professionals, towards the end of their programmes they are usually exposed to management and entrepreneurial skills which will help facilitate adaptation of their technical skills. It will also facilitate self-employment.

This statement obtained from the Ministry was in line with the view of a senior official of the ITF, who said:

> A person trained in auto-mechanics will be able to apply the knowledge in different organisations with mechanical equipment. Not only are they given entrepreneurial skills to be able to manage businesses, they are also encouraged to form cooperative societies as avenues of sourcing credit facilities for individuals' establishment of businesses.

The above responses revealed the aspirations of the Nigerian government towards ensuring that Nigerians, especially the youth, acquire skills that are portable and adaptable for use to ensure their survival within the economy. The entrepreneurial skills incorporated help to ensure holistic acquisition of technical skills and management ability to advance in life. With this training, those who successfully go through the programme will not be subjected to the challenge of protectionism which those who are unskilled are more vulnerable to, and which perpetuates inequality.

Multinational Corporate Sector: Discourse and Practice of Skills Development

Skills for Technology Transfer

The issue of skills for technology transfer emerged from the interview responses from MNCs. The expectation in Nigeria, as in other developing countries, is that with the establishment of MNC ventures, technical knowledge and skills transfer to the country will be generated (Akpomuvie 2011; Rugraff and Hansen 2011). However, despite the number of MNCs operating in Nigeria and the existence of different government and private establishments promoting skills development, the reality on the ground is that the skills challenge is persistent. This then raises several questions: could something be missing between the programmes of skills development institutions and MNCs skills development strategies in Nigeria? The researcher probed this issue during an interview with a Manager at Lafarge. He responded:

> There are two processes through which technology transfer could happen in Lafarge. In the first instance, Lafarge has two highly developed technical centres in Paris, France, the headquarters of Lafarge, and Cairo, in Egypt. Officials are sent to those technical centres to acquire knowledge about latest developments within the industry. When they return, they are expected to train others about such innovations. Secondly, a 'Coach' could be requested or sent down to an area of operation to train the people on ground. With these, the newest knowledge is imparted in an area of operation.

The response of the Lafarge official was in agreement with that of a manager in Unilever Nigeria Plc:

> Whenever a new machine is to be brought into the company for production, the core staff that will be working with the machine are usually sent to the manufacturer of the equipment who will train them on how to use the equipment before it is brought into the factory. This affords them opportunity of interacting with manufacturers acquiring knowledge about the equipment.

The two responses are approaches through which employees of local subsidiaries of MNCs in Nigeria could tap skills and technological advantages from the companies' international operations.

Skills for Empowerment

For the MNCs, skills development and training of employees was an important objective and critical to the functioning of the companies. It was a significant part of corporate citizenship. The MNCs claimed enormous involvement and credit for developing skills of their employees. A manager in Lafarge Cement Wapco pointed out:

> Here in Lafarge, our workers are multi-skilled as they work in different sections of the factory and that is how uninterrupted production is ensured. And beyond the company, some of these skills could be put into practice at micro level. An electrical technician can still work in small scale organisations as consultants or set up his own technical services. Indeed knowledge acquired from the training school is very relevant beyond Lafarge.

Lafarge's idea of empowerment echoed that of Unilever. One manager said:

> In Nigerian environment, Unilever is called a training school because of the high number of people that have passed through the company to allied companies. For example, I know of a man that worked here before and he had to leave; but I don't know the circumstance of his leaving the company. He started his own small manufacturing company and he produces some of our products for us on contract basis. For example, if we can't meet market demand, we contract him to supplement. Apart from that, the skills acquired in Unilever, can actually enable an individual to stand on his/her own and become an entrepreneur. The employees who work in the factory know the process of soap making and other allied products. They can work on their own and become small scale manufacturers.-

The discourse among the MNCs painted the picture of a sector that places a high premium on training and a skills development agenda that encouraged entrepreneurship and employment generation in Nigeria.

Skills for Employment and Job Mobility (Portability of Skills)

The global economic climate has made it expedient for skills to be mobile and amenable to different productive activities (Simatele 2015). This is an important human capital formation discourse and it aligns with the orientation of the MNC sector as revealed by different managerial officials of the companies selected for this study. The MNCs claim that their training and skills development programmes facilitated job mobility. A manager with Lafarge Cement Wapco said:

> We are in a dynamic world and you cannot tie people down from moving, especially to where they feel they will have fulfilment. It is healthy within the economy. It's really normal that we still maintain a healthy attrition rate. What we have going for us is the fact that we are a multinational, we are really not competing that much, others rather look for trained employees from us. Some of our staff do go to Cadbury; they are going to Nestlé. We have people going to Chevron, we have people going to Shell, and we are also taking people relevant to us from other places as well.

Another view was expressed by a manager at Unilever Nigeria Plc:

> Unilever has a long history of success in Nigeria. So many new companies in the home care sector have employees who have worked here. In fact, they know that these employees are competent with the work. Hardly will you find an employee of Unilever who is not doing something outside. In the Nigerian home care product environment, Unilever is actually called a training school.

The views obtained from the multinational corporate sector organisations showed that their skills programmes were amenable and applicable to other sectors. Some of the employees moved from one job to another easily, especially within the telecommunications sector.

Discussion and Conclusion

The findings of this article reveal that the Nigerian government views MNCs as a veritable avenue for acquisition of high level skills and technical know-how. With the acquisition of high-level skills by Nigerians through working with multinationals, the country will be on a pathway towards sustainable industrial productivity. In addition, the high-level skills will generate economic spinoffs – the highly trained could set up industrial enterprises, become entrepreneurs and employers of labour for the teeming youth. Achieving all this will reduce skills inequality between expatriate and local employees and position the country on the much-desired development pathway.

However, the article revealed that within the MNC sector, there is distinction between '*high-level* skills' and '*strategic* skills'. While corporate skills development policies of the MNC sector supports the 'transfer' of *high-level* skills to locals, these are not necessarily the skills that sustain the companies' competitive advantage (cf. Bakan's (2004) 'profit pathology'). The companies place a special value on *strategic skills.* There seemed to be a deliberate reluctance to 'transfer' those skills that may well be deemed *strategic.* The companies maintain mechanisms for ensuring that *strategic* skills remain closely guarded, even kept outside the host country. For instance, Lafarge coaches operated like a 'standby force' deployed for a maximum period of six months for technical emergencies in the areas of operations from the company's headquarters. In addition, the idea of contracting highly skilled former employees of Unilever to supplement production for the company is another subtle way of censoring the skills and expertise of such experienced former employees from being diffused beyond Unilever control. Such company policy ensures that these productive technical skills are protected and kept under control.

While both the state and MNCs agree on the need to use MNCs to drive industrial development through training and development of high level skills in order to reduce inequality, the state may have missed out on a crucial nuance in that the high level skills being developed are not the strategic or critical skills that sustain these companies over the years. They develop high level skills but shield the critical or strategic skills from locals by policy design. While operations of Lafarge are in over a hundred countries, strategic skills of the coaches could be required from headquarters in Paris and the technical centre in Cairo. The two centres coordinate the activities of the coaches who are embodiments of the company's strategic skills. It should be noted that it is not planned for these coaches to be domiciled in Nigeria as in other countries, despite long years of operations. This points to protectionism of critical skills from the developing host countries of MNCs.

Note

1. An earlier version of this article was presented as a paper at the 18th ISA World Congress of Sociology with the theme 'Facing an Unequal World: The Challenges for Global Sociology', Yokohama, Japan 13–19 July 2014. Appreciation to the University of Fort Hare, South Africa.

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The Evolution of Accountancy to Accountability: Acknowledging Africa's Contribution

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Abstract

While the primary objective of this article is to consider whether accounting has adequately responded to the expectations of contemporary society for increased corporate accountability, it simultaneously questions the Eurocentric view that attributes the development of contemporary accounting practices to Western development. Although the article links financial reporting practices to shareholder primacy, and corporate social responsibility and integrated reporting to shareholder theory, it also questions whether companies were truly embracing the fundamental principles of responsible corporate citizenship, suggesting that some companies may only be instrumentally providing non-financial reporting as a tool to entrench shareholder primacy. Without disregarding the contribution of the West to the development of accounting practices, it argues that Africa's role, especially relating to early accounting developments, may have been deliberately ignored to perpetuate Eurocentric dogma.

Keywords: accountability, accounting, accounting history, Africa, Eurocentric, *ubuntu*

Résumé

L'objectif principal de cet article est de déterminer si la comptabilité a répondu de manière adéquate aux attentes de la société contemporaine en matière de plus de responsabilisation des entreprises, mais il remet en question la vision euro-centrique qui attribue le développement des pratiques comptables contemporaines au développement occidental. Bien que l'article

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associe les pratiques de reporting financier à la primauté des actionnaires, à la responsabilité sociale des entreprises et au reporting intégré à la théorie des actionnaires, il questionne l'adhésion réelle des entreprises aux principes fondamentaux de la responsabilité sociale des entreprises, suggérant que certaines entreprises ne fournissent, qu'instrumentalement, le reporting d'avantages non financiers comme outil pour asseoir la primauté des actionnaires. Sans négliger la contribution de l'Occident au développement des pratiques comptables, il fait valoir que le rôle de l'Afrique, en particulier en ce qui concerne les premiers développements comptables, aurait pu être délibérément ignoré pour perpétuer le dogme euro-centrique.

Mots-clés : responsabilité, comptabilité, historique de la comptabilité, Afrique, euro-centrique, *ubuntu*

Introduction

Although the question posed by this article examines whether the role of accounting has adapted sufficiently to accommodate the reasonable expectations of contemporary society, at the same time it questions Africa's role in these evolutionary developments, which historically have largely been attributed to the developed economies of the West. Despite its ostensibly Eurocentric origins, the evidence suggests that Africa has always been, and continues to be, at the forefront of advances in the accounting sciences.

Conventional accounting history traces the origins of accounting to archaeological collections of clay artefacts originating around 10,000 years ago. During the Middle Ages, Luca Pacioli introduced the principle of double entry bookkeeping, which still underpins contemporary accounting practices. The traditional role of accounting was arguably to quantitatively use numbers to financially account for how an organisation used its resources to generate profits, or add value to the providers of capital, and upon which taxes could be levied. This shareholder-centric or shareholder primacy approach, suggests that businesses are only accountable to the owners (and accordingly to the tax authorities), to whom they are obliged to report.

John Elkington's (1994) concept of the 'triple bottom line' in the 1990s, questions whether businesses exist solely for the benefit of their owners, or whether they had a contemporaneous obligation to protect society and the environment from the residual fallout of their operational activities. It is suggested that this stakeholder orientation has given rise to recent developments in global corporate reporting practices, which are not confined to the interests of the owners, but also take the legitimate interests of a broader range of stakeholders into account.

Positing that the role of the accountancy profession should adapt to the changing expectations of a more informed and more demanding knowledge economy (Powell and Snellman 2004), this article uses extant literature to explore how corporate reporting has evolved in response to societal expectations. In particular, it examines the extent to which contemporary corporate reporting reflects this new perspective on accountability to a wider range of stakeholders. At the same time, it questions the conventional view of accountancy as a Eurocentric innovation. Instead, it provides evidence that accounting may have had its origins in ancient Africa. This article asserts that Africa's leadership in corporate governance, accounting and reporting practices continues today, as evidenced by the various iterations of the King Codes of Governance for South Africa, as well as its role in recent advancements in non-financial disclosures, integrated reporting and assurance. While the article finds that companies have indeed responded positively to societal expectations, it simultaneously finds that adopting this form of expanded corporate reporting may not necessarily be because it may be 'the right thing to do', but rather that it may be an instrumental attempt to use impression management to enhance corporate legitimacy (Ackers 2017b).

This article aligns its primary theoretical frameworks to corporate reporting developments. It commences by considering a shareholder primacy perspective and describing the historical development of accounting practices – from when it was primarily concerned with determining the historical profits or losses incurred by an organisation, and/or the extent to which it has created or destroyed value for its owners. It continues by introducing a stakeholder inclusive accountability model – arguing that companies do not exist solely to generate profits for their shareholders; but that they have an obligation to consider the interests of their legitimate stakeholders as well. It suggests that recent developments in corporate reporting practices illustrate this changing accountability paradigm by attempting to describe how companies create and sustain value, not only from the perspective of company owners, but also of broader society. It concludes, by reflecting on whether contemporary corporate reporting truly achieves this broader accountability objective, or whether it simply represents another mechanism to drive shareholder value, with the accrual of any benefits to 'non-owners' being merely tangential. Finally, it considers whether Africa was an active participant in the evolution of accounting practices, the original initiator of accounting practices, or passively watched as global accounting developed.

Literature Review

It is important to reflect on the meaning of certain interrelated terms. In particular, the following descriptions (as per the Oxford dictionary[1]) are used in the context of this article:

- Account – refers to '*a report or description of an event or experience; or a record or statement of financial expenditure and receipts relating to a particular period or purpose*'.
- Accountancy – refers to '*the profession or duties of an accountant*'.
- Accountant – refers to '*a person whose job is to keep or inspect financial accounts*'.
- Accounting – refers to '*the process or work of keeping financial accounts*'.
- Accountability – refers to '*the fact or condition of being accountable; or responsibility*'.
- Accountable – refers to being '*required or expected to justify actions or decisions; responsible; or able to be explained or understood*'.

While the above definitions may have similar meanings, they strongly identify the conventional role of the accounting profession as being related to the process of financial accounting – in other words, relating to the organisation reporting on its financial performance and position, primarily for the benefit of its shareholders. By contrast, the accountability concept more broadly refers to the acceptance of responsibility for actions and decisions – in other words, the organisation disclosing its acceptance of responsibility for the non-financial impacts on its operations, specifically in relation to its non-owner stakeholders. The fundamentally different meanings of these two groups of interrelated terms appear to mirror the evolution of externally oriented corporate reporting practices. They commence by reflecting on the traditional role of financial accounting, before considering the interests of a broader stakeholder group by introducing corporate social responsibility (CSR) or sustainability reporting. They conclude by reflecting on the integration of financial and non-financial information, as illustrated by the recent developments in global integrated reporting practices.

Theoretical Underpinning of Accounting

The primary theoretical frameworks associated with corporate reporting include shareholder primacy, stakeholder theory, legitimacy theory, agency theory and instrumental theory. These theories, which are not necessarily mutually exclusive, contribute to explaining the different responses to corporate reporting.

Shareholder Primacy

Shareholders are the parties holding legal title to a company's equity share capital (Freeman 1994). The fundamental principle underpinning shareholder primacy is that companies are expected to use their resources to engage in activities to increase profits and/or wealth for the benefit of their shareholders, but while operating within society's predefined rules and norms (Friedman 1970; Kok *et al*. 2001). In this way, it may be normatively argued that profitable companies contribute to the social agenda, albeit indirectly, *inter alia* by creating employment opportunities, stimulating the economy and uplifting neighbouring communities.

The principle of shareholder primacy is embodied in both the corporate and common laws of most countries. Private capital ownership is the 'foundation stone' of capitalism, partially explaining the reason that in most jurisdictions, legislation tends to be skewed in favour of maximising shareholder returns (Driver and Thompson 2002). In terms of this approach, the company's primary (and arguably only) function is to improve the economic well-being of its owners, or to serve as a vehicle through which they can exercise their free choice (Freeman 1994). When profits are aligned with public interests, a company's profitability simultaneously contributes to social welfare. However, where profits and public interests are in conflict, management is unlikely to voluntarily act in the public interest, or against the interests of the shareholders (Driver and Thompson 2002). On the assumption that the primary purpose of business is the creation of shareholder value, company management may regard social and environmental issues as peripheral challenges (Davis 2005; Zenisek 1979). Atkins (2006) even argues that management may be irresponsible when diverting corporate assets in favour of social causes.

Stakeholder Theory

The stakeholder concept dates back to the work of Barnard in 1938 (Rowley 1997). Ansoff (1965) identified critical company stakeholders, but viewed them as impediments to the achievement of the company's primary objectives. Freeman (1994) argued that normative business theories were inconsistent with shareholder primacy, and that stakeholder theory provided a much better fit. After Freeman formalised stakeholder theory in 1984, it evolved into a framework for analysing the manner in which companies interact with and manage their relationships with parties affected by their corporate activities. Within this context, stakeholders may be defined as any party affected by, or who are able to affect, a company's ability to achieve its objectives (Freeman and McVea 2001).

Stakeholder theory requires appropriate participants in the business environment to identify with the manner in which companies manage their stakeholder relationships, while simultaneously achieving their business objectives (Blair 2005). Stakeholder theory holds that business is responsible to various groups in society that may have a 'claim, ownership, rights or interest' in a company and its activities, irrespective of whether in the past, present or future (Freeman 1984). Makower (1994) concurs by arguing that business does not only exist to generate profits for shareholders, but also to provide goods and/or services required by society. Recognising that business sustainability depends on satisfying consumer expectations emphasises the need for companies to factor stakeholder expectations into their business decision-making.

Companies that treat social and environmental issues as an irritating distraction, or an unjustified vehicle for attacks on business, may be ignoring impending forces that could fundamentally influence their strategy (Davis 2005). In addition to considering shareholder interests, stakeholder theory also requires companies to recognise the legitimate interests of banks and financiers; non-executive directors; trade unions, existing and prospective employees, customers and suppliers; government, regulators and policy makers; political groups; trade associations; local communities; the public at large; future generations; and even competitors (ACCA 2005; Reuvid 2007).

Legitimacy Theory

Legitimacy may be defined as the perception or assumption that the actions of an entity are desirable, proper or appropriate within a socially constructed system of norms, values, beliefs and expectations (Palazzo and Scherer 2006; Suchman 1995). Stakeholders perceive legitimate companies as not only more worthy, but also more meaningful, more predictable and more trustworthy (Suchman 1995).

Balanced corporate reporting provides an excellent tool for enhancing company legitimacy amongst stakeholders, by improving communication and transparency, while proactively projecting a positive company image (Morimoto, Ash and Hope 2005). The underlying rationale is that customers may obtain improved products and services; supplier management may be improved; competitiveness may be enhanced; employees may have improved working conditions; local communities may live in healthier and safer environments; and stakeholders may have easier access to reliable social and environmental information, which collectively should improve company profitability. Conversely, failing to be perceived as responsible corporate citizens by stakeholders may impair the company's reputation, with the opposite effect (Hummels and Timmer 2004).

Agency Theory

Agency theory emerged from the separation of ownership and control of companies following the Industrial Revolution in the eighteenth and nineteenth centuries. In its most basic form, agency theory simply represents the mathematical relationship between two parties, one of whom (the principal) wants to hire the other (the agent) to carry out some task, or to act on its behalf (Blair 2005). The principal delegates responsibility for performing a task to the agent, creating a need for the agent to act in the principal's best interest. Dodd (1932) argued that the agent owed the principal more than a simple contractual duty, and had a fiduciary duty to diligently serve the principal's interests. The agency problem results from a situation where the owner of the company (the principal) knows less about the business than the manager (the agent) who has been employed (Blair 2005). This information asymmetry tends to be skewed in favour of the agent's self-interest, causing principals to inherently distrust the actions of their agent's (ICAEW 2005).

To reduce the information asymmetries arising from the agency problem, companies face an ethical challenge to ensure that 'outsiders' have the same access to pertinent company information as 'insiders' (Maury 2000). The decisions of owners (or the board of directors acting on their behalf) tend to be based on disclosures provided by management, who may be influenced by inherent conflicts of interest, as agents of the company. For example, the actions of management may be influenced by personal financial rewards, labour market opportunities and interpersonal relationships. Resolution of these conflicts requires the adoption of mechanisms to improve the alignment of the interests of agents and principals, reducing the impact and scope of information asymmetries, and neutralising the potential for opportunistic agent behaviour (ICAEW 2005).

Instrumental Theory

Just as business and ethics are interrelated, it is submitted that shareholder and stakeholder theory cannot exist separately (Freeman 1994). But, excessively focusing on shareholder value may impair the efficiency of the free market system, with the resultant economic inequality undermining the conventional capitalism model (Driver and Thompson 2002). Morimoto, Ash and Hope (2005) advance a more balanced approach to shareholder primacy, asserting that companies are increasingly incorporating social, economic and environmental dimensions into their business operations, while simultaneously building shareholder value. This instrumentalist

perspective, also known as the 'enlightened shareholder' or 'stakeholder inclusive' model of corporate governance (IoDSA 2009), suggests that accommodating stakeholder needs assists companies to achieve long-term success (Owen *et al.* 2000).

Since these theoretical frameworks are not mutually exclusive, with several theories possibly being applicable at the same time, this article primarily considers an enlightened self-interest or instrumental perspective. In terms of enlightened self-interest, companies typically consider the interests of stakeholders, but only to the extent that it is in their interests to do so, as implied by Friedman's (1970) assertion that the 'business of business is maximising shareholder wealth'. Companies producing the best results for both their business and society do not therefore necessarily regard social and environmental issues as moral or ethical matters, but rather pragmatic responses to challenges affecting their businesses. These companies may accordingly only be interested in capitalising on the benefits that could accrue to shareholders, and not because it may be the 'right thing to do' as implied by stakeholder theory.

The South African Regulatory Environment

Even though South Africa is the only the world's 33rd largest economy, contributing less than half of one percent to the global economy (World Bank 2016), it is widely acknowledged as having amongst the world's best corporate governance institutions. These governance practices have primarily been driven by the various iterations of the King Reports and Codes of Governance for South Africa released by the Institute of Directors in Southern Africa (IoDSA) (Ackers and Eccles 2015; de Villiers, Rinaldi and Unerman 2014). South Africa provides a relatively unique business environment, with the existence of a voluntary corporate governance code that all companies with primary listings on the Johannesburg Stock Exchange (JSE) must implement, albeit on an 'apply or explain' basis (Ackers and Eccles 2015; JSE 2011). These soft laws (Haji and Anifowose 2016; Olsen and Sørensen 2014) provide a controlled environment within which the corporate reporting phenomenon may be examined. Despite not creating legally binding obligations, soft laws remain non-binding interpretations of hard legal obligations (Guzman and Meyer 2009).

Confirming the dynamic nature of corporate governance and corporate reporting, the King Commission updated the King Code and report when the Institute of Directors released King IV on 1 November 2016. It is submitted that the decision to reduce King IV to only comprise 16 principles (plus one), compared to the previous 75 principles contained in King III, is an attempt to

reinforce the principles-based nature of governance, and to avoid perfunctory 'tick box governance' (Ackers 2017a). An unintended consequence of King III was that its principles were formulated in a manner that could be misinterpreted as being rules, in a sense encouraging 'mindless compliance' (IoDSA 2016: 7). Reducing the number of principles, and adapting the 'apply OR explain' approach espoused by previous iterations of King, the 'apply AND explain' approach now advocated by King IV, requires organisations to not only confirm that they have applied the King IV principles, but, more importantly, requires them to also describe exactly how they had implemented these good governance principles (IoDSA 2016: 7).

Despite the various iterations of the King Codes strongly favouring an inclusive, stakeholder-centric approach, the definition provided in King IV's glossary of terms nevertheless appears to confirm the prevalence of a strong instrumental orientation. This nuanced paradox may be illustrated by King IV defining stakeholder inclusivity as an approach that accommodates the legitimate and reasonable needs, interests and expectations of stakeholders, but only to the extent that it is in the organisation's best interest over time (IoDSA 2016: 17, 23).

Corporate Reporting

This article considers whether changes in corporate reporting practices mirror the development of corporate governance interventions. It specifically explores whether the role of accounting has evolved from accounting to shareholders about the company's financial performance and position to include reporting on accountability to broader corporate stakeholders for non-financial performance as well. In particular, it explores pertinent aspects of financial, CSR and integrated reporting.

The variability in global corporate reporting practices is influenced by the context, circumstances, conditions and location of the specific reporting company (Okoye 2009). Even though people in developing countries may tend to trust their governments (and the associated regulatory regimes) more than they trust the willingness of companies to 'do the right thing', these companies in turn, usually tend to oppose strict regulatory regimes, arguing that the imposition of mandatory reporting interventions would increase operating costs, without any concomitant benefits accruing. These companies usually prefer perfunctory and relatively weak governance codes; often only complying with the minimum prescripts, but without incurring any 'unnecessary costs' (Jenkins 2001).

Mandatory or voluntary practices represent two opposite ends of the corporate governance continuum. Anand (2005: 7) distinguishes between the two – defining 'mandatory' as meaning 'legally mandated with penalties imposed on those who fail to comply with the legal rule' and 'voluntary' as the 'adoption of corporate governance practices or standards in the absence of a legal requirement to do so'. It should, however, be noted that voluntary codes are not intended to replace, but rather to complement, existing corporate governance practices. In essence, a legal regime represents a command and control structure where public officials promulgate and enforce laws and regulations – companies in turn, either comply with the regulatory and legislative prescripts, or face penalties for non-compliance (*ibid.*: 4). The rationale for compliance with a mandatory regime is fear of the consequences of non-compliance (*ibid.*: 8). Until fairly recently, corporate governance practices, and within the context of this article, non-financial reporting, have typically been excluded from such a regime.

The fundamental objective of financial reporting is essentially to assist shareholders with investment decision-making, with a secondary role to provide information to other interested parties such as financial institutions, taxation authorities, bankers and relevant government departments and agencies. By comparison, the objective of non-financial reporting is to provide information of interest to the company's broader stakeholders (Eccles 2010). Non-financial reporting represents a company's acceptance of its responsibilities as a corporate citizen to a wider range of stakeholders. It reflects the company's commitment to improving community well-being that extends beyond legislative and regulatory compliance by including normative moral or ethical behaviour that takes society's expectations of business into account (Kotler and Lee 2005). Unlike financial reporting, which is usually a mandatory requirement, non-financial and integrated reporting usually remain voluntary interventions (Ackers 2009). This lack of standardisation has produced disparate and inconsistent corporate reporting practices.

Financial Reporting

Paganelli (2012) posits that primitive man already understood that he received 'revenue' from the rest of the world, that what he gave to the rest of the world was an 'expense', and that the 'surplus' left over was the difference between revenue and expenses. In fact, early man's very survival was dependent on this surplus. Since accounting essentially involves recording, classifying, and summarising costs, revenues, profits and losses, it is not possible to determine precisely when it was first recorded. In any event, it is highly likely that initial accounting practices were informal with

their origins being independent of the development of written language. Moreover, given the various origins attributed to accountancy, this article suggests that this development occurred simultaneously across the known world and did not happen sequentially.

Accounting historians such as Denise Schmandt-Besserat (1992: 7–8) and Ezzamel and Hoskin (2002) have traced the origins of accountancy to archaeological collections consisting of clay artefacts stored in museums in the Near East, North Africa, Europe and North America dating from 8000 to 6000 Before Common Era (BCE). These clay tokens, which were introduced before the formal development of money and writing, symbolise the stage of human advancement from hunter-gathering to agriculture. Sometime later, around 3500 to 3100 BCE, referring to the practice of recording the contents on the outside of the envelope or sheath, Rudgley (1998: 54) postulated that 'accountants realised that the notation on the outside of the envelope made the tokens redundant'. The contemporary history of accounting suggests that daccounting was formally developed by the Sumerians and Assyrians around 2400 BCE, handed down to the ancient Egyptians, the Minoans and Mycenaeans, before being transferred to classical Greece and Rome (Paganelli 2012), and eventually to the West (Sy and Tinkler 2006). Confirming the non-sequential development of accounting practices, scholars have found that accounting continued to develop simultaneously under the Babylonians from 2285 to 2242 BCE (Gouws and Cronjé 2008), and the Chinese in the Hsia Dynasty between 2206 and 1766 BCE (Loots 1989).

When Luca Pacioli published his treatise on bookkeeping based on the Venetian system of double entry bookkeeping in 1494 Common Era (CE), which still underpins contemporary accounting practices, he posited that 'the present treatise … will serve all the needs of the subjects regarding accounts and recording'. He asserted that it would provide 'sufficient rules to enable businessmen to keep all their accounts and books in an orderly fashion'. Since the Eurocentric conception of 'progress' tends to be associated with the accumulation of wealth, the rise of Western civilisation is accordingly correlated with the introduction of double entry bookkeeping (Ezzamel and Hoskin 2002; Littleton 1933), especially during periods dominated by European colonisation of 'lesser-developed' countries and by institutionalised slavery by Western economies. Arguing that the colonisers deliberately and systematically obliterated the institutional values, culture and history of their new colonies, which did not fit the world-view that they were trying to inculcate, Sy and Tinkler (2006) assert that the West itself is actually heavily indebted to 'the conquered' for its own civilisation, including the development of its accounting systems.

Therefore, despite almost universal recognition of Pacioli as the 'Father of Accounting', Sy and Tinkler (2006) question this Eurocentric conception of the history of accountancy by suggesting that developments in Africa significantly predate European developments. For example, the Blombos Ochre, appears to be a primitive, 77,000 year old predecessor to the tallying found on the sachets by Schmandt-Bessera (1992); or the Ishango Bone which contains precise geometric markings suggesting that an advanced level of counting and mathematics existed in Africa more than 20,000 years ago (Sy and Tinkler 2006: 109). It is consequently argued that without the need to measure individual or collective performance and/or wealth accumulation (i.e. basic accounting), rendered the need to develop these counting systems as irrelevant.

Reflecting on some other African counting artefacts (some of which may have been used as money), the earliest dating back more than 40,000 years, Sy and Tinkler (2006: 16) argue that these findings provide further evidence of Africa's advanced accounting systems, which predate the development of accounting in medieval Europe. Sy and Tinkler (2006) cite several examples of large and prosperous ancient African states, such as Egypt, Ghana, Ethiopia and Mali, with sophisticated trading economies, many of which were subsequently decimated through the combined onslaught of Western colonisation and slavery. These African states had developed sophisticated systems of taxation, which they levied on their inhabitants. These systems in turn required the involvement of highly skilled accountants to develop the systems to determine the taxes due, as well as to collect and account for the taxes and other revenues due to the state.

It is therefore submitted that the traditional role of accountancy was to quantitatively use accounting numbers to financially disclose to the providers of capital how management has used the organisation's resources to generate profits or add value, and upon which taxes could be levied. This shareholder-centric or shareholder primacy approach, suggests that businesses are only accountable to the owners or providers of capital (and accordingly to the tax authorities), to whom they are obliged to report.

Corporate Social Responsibility Reporting

Despite its recent topicality, the origins of CSR reporting may be traced back to the sixteenth century (Mock, Strohm and Swartz 2007), with the contemporary CSR discourse dating to a series of articles between Adolf Berle and Merrick Dodd in the 1930s (Okoye 2009). While Berle (1931) argued that managers should exercise their corporate power for the exclusive benefit of company shareholders, Dodd (1932) posited that business did not exist simply to provide profits for its owners, but also to serve the community.

Suggesting that all businesses had a public interest, Dodd (1932) asserted that management could legally assume social responsibility objectives without violating their primary fiduciary responsibilities to shareholders. Towards the end of the twentieth century, the changing stakeholder expectations of business compelled companies to adapt their reporting strategies to also account for qualitative non-financial issues (Zorio, Garcia-Benau and Sierra 2013). As stakeholders increasingly demand access to relevant non-financial performance information (Morimoto, Ash and Hope 2005), CSR reporting has accordingly become a 'right to know' and consequently a priority for the reporting entity (Hibbitt 1999). It may therefore be argued that companies have both a legal and moral obligation to timeously provide stakeholders with pertinent information about their operational impacts (Archel, Fernández and Larrinaga 2008).

In today's knowledge economy, it is therefore no longer sufficient for companies to continue confining their reporting responsibilities to shareholders about their historical financial performance. Companies should be responsive to increasing stakeholder expectations that they also act responsibly and sustainably about the non-financial impacts of their operations on the economy, the environment and society (Aras and Crowther 2008).

While Owen *et al*. (2000) suggest that the emergence of triple-bottom-line accounting may complement similar financial functions, an inherent conflict emerges between a company's financial and CSR performance, with preference typically being given to financial performance (Gray and Milne 2002), illustrating the influence of instrumentalism (Owen *et al*. 2000). This incongruous situation appears inherently unsustainable, with the pursuit of growth and profits increasing throughput, and consequently, increasing their ecological footprint (Gray and Milne 2002). Since this conflict can only be resolved when financial, social and environmental accountability are attributed equal weighting, companies should comprehensively disclose the extent to which they have contributed to, or impaired, the planet's sustainability. This requires a detailed and complex analysis of the company's interactions with ecological systems, resources, habitats and societies, relating to the past, present and future impacts of their operations.

This however, does not mean that companies producing the best results for both their businesses and society necessarily consider CSR as a moral issue, but rather a pragmatic response to issues that affect their businesses (Karnani 2011; Owen *et al*. 2000). It is accordingly postulated that companies reporting on their CSR performance may only be doing so in order to derive the associated instrumental benefits, and not necessarily because it may be the 'right thing to do' as implied by stakeholder theory.

Historically, non-financial disclosures tended only to be provided for information purposes, and were perceived as less important than financial disclosures. However, since the numbers alone only present a partial or isolated picture of company operations, the bigger picture also requires the disclosure of non-financial information to provide the necessary context to meaningfully assess company performance. As such, contextual disclosures should complement financial accounting practices by comprehensively reflecting intangibles, opportunities and risks, as well as non-financial economic, environmental and social performance. While statutory financial disclosures are standardised by being provided according to the international financial reporting standards (IFRS), disparate accounting and reporting practices exist for non-financial information. Despite this lack of standardisation, the Global Reporting Initiative (GRI) indicators are emerging as the 'gold standard' used by companies to reporting on their CSR performance (Ackers 2014; FuenteI, García-Sánchez and Lozano 2017).

Stakeholders are beginning to appreciate that the availability of comprehensive CSR information improves the ability of stakeholders to assess a company's risks, enhancing their decision-making ability (Hummels and Timmer 2004). In this way, rating agencies and socially responsible, ethical or other institutional investors are increasingly utilising non-financial information for decision-making. Not only does improved non-financial reporting enhance company decision-making, it also assists in entrenching the desired corporate culture (Morimoto, Ash and Hope 2005). It is therefore necessary for companies to understand the needs of their different stakeholders and adapt their non-financial disclosures to accommodate the reasonable information requirements of each legitimate stakeholder group. It is accordingly important for companies to disclose any CSR information that legitimate stakeholders may consider material, which in turn requires extensive stakeholder engagement. However, to be credible, non-financial reporting should be undertaken with the same rigour as conventional financial reporting and as part of a broader integrated reporting framework (Force for Good n.d.).

Similar to the manner in which Africa's contribution to the development of financial accounting has been trivialised, if not deliberately ignored, to perpetuate the primacy of 'Eurocentric civilisation', Africa's role in the development of CSR, or an obligation to communal accountability, has also not been fully acknowledged. It is suggested that the historical origins of the '*ubuntu*' concept may be traced to the ancient 'African philosophy of unity in diversity', which anthropologically originated long ago in Egypt, possibly as far back as 1500 BCE (Nolte-Schamm 2006: 370–1). 'Africapitalism' holds

that the pursuit of financial profitability creates social wealth, with progress and prosperity not simply being represented by an absence of poverty, but rather by the presence of conditions that make life more fulfilling (Amaeshi and Idemudia 2015). Africapitalism, which emphasises the obligations of the private sector within the context of Africa's socio-economic development, is rooted in the values of *ubuntu* (Amaeshi and Idemudia 2015). Philosophically, the essence of *ubuntu* is articulated in rough translations such as 'a person is a person among other persons', 'I am because we are', 'since we are, therefore I am', 'I am related by blood, therefore, I exist' or 'I exist because I belong to a family' (Mangena 2016: 67).

The *ubuntu* philosophy essentially holds that individuals are only important in terms of the extent to which they contribute to the betterment of the group or community, and that the group or community are at the centre of all moral deliberations (Mangena 2012: 10). It is therefore not possible to isolate individual actions from the interests of the group or community. In other words, individuality is only meaningful when it serves the interests and needs of the group or community represented. However, *ubuntu* is not simply a principles or rules-based philosophy used to explain individual actions; instead it is a communal way of life where the interests, needs and well-being of the group are considered more important than the interests of individuals (Nolte-Schamm 2006: 371).

Interpreting the *ubuntu* philosophy within a corporate context, the responsibilities of management should not be confined to providing benefits to one group of individuals (as implied by shareholder primacy), nor to providing benefits to groups of individuals (as suggested by stakeholder theory). Instead, *ubuntu* imposes an obligation to contribute to the greater communities of which these companies are part (Lutz 2009). *Ubuntu* introduces a circular relationship in terms of which individuals do not pursue the common good rather than their own; instead, they pursue their own good by pursuing a common good (which aligns with the instrumentalist perspective advanced by this article).

Integrated Reporting

The recent introduction of the global integrated reporting initiative, comprising both financial and non-financial components (Eccles, Cheng and Saltzman 2010), represents a further step in the evolution of corporate reporting through which companies demonstrate their accountability to stakeholders (Adams 2015; Flower 2015). Integrating financial and non-financial information in a single document allows integrated reporting to reconcile the shareholder and stakeholder models of the firm (Eccles,

Cheng and Saltzman 2010). Effective integrated reporting improves the quality and scope of corporate reporting by disclosing pertinent organisational information in a more holistic manner, avoiding the insular or siloed manner in which traditional financial and non-financial reporting practices have evolved (Eccles Cheng and Saltzman 2010; Eccles, Krzus and Watson 2012; 2011).

Although integrated reporting consists of six dimensions (the 'capitals'), it may simplistically be defined as the convergence of financial and non-financial reports into a single document that holistically reflects how companies create and sustain value over time (Churet and Eccles 2014; De Villiers, Rinaldi and Unerman 2014). These capitals include financial, manufactured, intellectual, human, social and relationship, as well as natural capitals (Stent and Dowler 2015).

King III first introduced the concept of integrated reporting as 'a holistic and integrated representation of the company's performance in terms of both its finance and its sustainability' (IoDSA 2009:54). King IV, released in 2016, takes the concept further by defining integrated reporting as 'a process founded on integrated thinking that results in a periodic integrated report by an organisation about value creation over time' (IoDSA 2016:13). An integrated report may therefore be appropriately defined as 'a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term' (IoDSA 2016: 13).

Soon after King III introduced integrated reporting in 2009, the International Integrated Reporting Council (IIRC) was established in 2010, under the chair of Mervyn King, who was the chair of all the iterations of the King Reports. At the time, Mervyn King was the chair of the Global Reporting Initiative (GRI). The original goal of the IIRC, which represents a global coalition of regulators, investors, companies, standard setters, members of the accounting profession and NGOs, was to use corporate reporting to improve communication with stakeholders about how the company's strategy, governance, performance and prospects create value over the short, medium and long term (IIRC 2011). The longer-term objective of integrated reporting is the elimination of numerous, disconnected and static corporate communications.

The IIRC issued the final International Integrated Reporting Framework in December 2013. The integrated reporting framework, which provides principles-based guidance that organisations can use when preparing integrated reports, should act as a catalyst for greater innovation in global

corporate reporting practices (IIRC 2013: 2). By providing principles-based guidance on integrated report preparation, integrated reporting should improve the quality of information; more efficiently communicate material factors affecting the company's value proposition; enhance accountability and stewardship; and support integrated thinking, decision-making and actions that focus on value creation over the short, medium and long term.

Notwithstanding the objective of integrated reporting being to improve stakeholder communication by identifying the capitals for reporting companies to use in creating and sustaining value, the final published version of the integrated reporting framework specifically targets the 'providers of financial capital' (IIRC 2013: 7). While not completely disregarding the interests of broader stakeholders, the integrated reporting framework somewhat trivialises their importance, suggesting that 'all stakeholders interested in an organisation's ability to create value over time' should also benefit. Nevertheless, despite being an oxymoron, integrated reports should still provide stakeholders with sufficient information enabling their ability to assess how the company has influenced the economic life of the community (both positively and negatively) during the period under review (IoDSA 2009), albeit from an instrumental perspective.

Discussion

Even though the history of contemporary accounting practices tends to be attributed to Pacioli's introduction of 'double-entry' bookkeeping in the fifteenth century, and to the origins of 'Western civilisation' that emerged in the Mediterranean regions, other historians and archaeologists controversially suggest that the origins of accounting should actually be traced back to Africa during periods that even predate the formal development of writing (Bair *et al.* 2013; Ezzamel and Hoskin 2002; Sy and Tinkler 2006). These findings suggest that the contribution to accounting practices by the African continent, which has been ravaged by centuries of oppressive colonisation, slavery and other forms of institutional exploitation, was deliberately suppressed. Giving credence to the maxim that 'history is written by the victors'[2] (Bair *et al.* 2013), it is postulated that the European colonial powers systematically spread misinformation (today commonly referred to as 'fake news') in order to retain absolute control over their colonies, and subjugate the conquered to their 'Western civilisation'. In this manner, the colonisers deliberately created a sense of African amnesia about its own history, values, culture and achievements.

The findings suggest that the three phrases of corporate reporting, starting with financial reporting, continuing with the development of CSR reporting and concluding with the emergence of integrated reporting, appear to be a pragmatic response by companies to the more demanding expectations of citizens of the global knowledge economy.

The original role of accounting was for organisations to quantitatively report to their owners and the state about the profits or wealth generated by the business, as well as to determine the taxes that are due to the fiscus or national treasury. Within an accounting context, the primary purpose of financial reporting relates to the process of keeping financial accounts, or providing a report or a record relating to the financial expenditure, revenue profits or losses over a particular period or for a specific purpose. Since the objective of financial reporting is arguably about accounting to the company's shareholders, it may be unambiguously associated with shareholder primacy.

It appears that CSR reporting may have originally been introduced to address society's concerns about the adverse impacts of operational activities and societal expectations that companies should be held accountable for the non-financial impacts of their operations. In this way, CSR reporting expands the company's responsibility beyond simply providing historical financial accounting information to its shareholders, by also requiring the company to demonstrate its accountability to its legitimate stakeholders about its non-financial operational impacts. While some may argue that by disclosing the non-financial impacts of their operational activity, this means that CSR reporting is clearly aligned to stakeholder theory, others suggest that this ostensibly responsible corporate citizenship could simply be an instrument that companies use to entrench the principles of shareholder primacy, through impression management and attempts at legitimisation.

The most recent development in corporate communication practices, namely integrated reporting, combines financial and non-financial information in one report, revealing how companies create and sustain value in the short, medium and long term. Integrated reporting achieves this objective by not only disclosing historical financial performance, but also by reflecting on the business model used, with specific reference to the six capitals that represent the value affected or transformed by the company's activities and outputs. Unlike financial accounting, which uses historical financial data to describe company performance, integrated reporting uses historical data to the extent that it contributes to improving the ability of report users to understand how the company's business model leverages these capitals to create sustainable value. However, even though the original

intention behind the introduction of integrated reporting, as advocated in the King III report of 2009, may have been aligned to stakeholder theory, the final integrated reporting framework published by the IIRC emphatically states that the primary beneficiaries of the integrated report are the providers of financial capital, even though it does suggest that other parties may also derive benefits. It is accordingly submitted that despite its original stakeholder-inclusive intentions, integrated reporting may simply represent yet another mechanism used by companies to entrench shareholder primacy, as subscribed to by *homo economicus* and advocated by Friedman.

Conclusion

The article set out to understand whether accounting and corporate reporting practices have evolved sufficiently to respond to societal demands for increased corporate accountability, from its origins of reporting to the company's shareholders about its historical financial performance and its financial position. It continued by examining the CSR reporting phenomenon as a response to societal expectations for companies to account to their broader stakeholders about their non-financial operational impacts on society, the environment and the economy. Finally, it explored the emerging integrated reporting phenomenon and questioned whether it was an accountability mechanism introduced for the benefit of stakeholders, or whether it simply represented yet another strategic tool to increase shareholder wealth.

Recent developments in corporate reporting practices reveal that accountancy remains a dynamic process, responsive to stimuli in the operating or business environment. While the evidence may appear to suggest that corporate reporting has evolved in response to the demands of contemporary society for companies to be held accountable for the impacts of their operations, this article suggests that this may simply be an illusion, and that recent developments in accountancy and corporate reporting practices may simply extend the shareholder primacy model. Despite the notably worthy objectives of both CSR and integrated reporting, it is submitted that these developments in corporate reporting and accounting practices could represent mechanisms used by companies to instrumentally leverage public perceptions about their ostensibly responsible corporate citizenship, and do not necessarily represent a meaningful response to the demands of society as expected in terms of stakeholder theory. Any benefits that may accrue to broader company stakeholders arising from recent developments in corporate reporting and accounting practices may therefore simply be coincidental.

This article also challenges the conventional dogma that attributes the advances in corporate accounting and reporting practices to Western civilisation, finding that the oldest forms of accounting may be traced back to the Blombos Ochre and the Ishango Bone artefacts, which originated in Africa over 20,000 years ago, or to the sophisticated ancient economies of Egypt, Ghana, Ethiopia and Mali, significantly predating the pervasive influence of Eurocentric values. Similarly, CSR reporting may be considered an extension of the African *ubuntu* philosophy which emphasises the achievement of communal goals, which in turn lead to the attainment of individual goals. Moreover, the various iterations of the King Codes and reports on governance for South Africa have strongly advocated for improved governance from a stakeholder perspective. Finally, a South African, Mervyn King, should be credited with the global integrated reporting initiative. Not only was he the chair of the various iterations of the King committees on corporate governance that introduced integrated reporting, at the same time he was also the chair of the Global Reporting Initiative and was appointed as the first chair of the International Integrated Reporting Council when it was established in 2010. Even though South Africa's role in both CSR and integrated reporting is readily acknowledged, it is submitted that the authentic traditional African communal values of *ubuntu*, as well as Africa's early contribution to the development of accounting practices, which does not fit into the dominant Eurocentric paradigm, have been deliberately ignored.

Notes

1. https://en.oxforddictionaries.com/, accessed 2 April 2018.
2. Often incorrectly attributed to Sir Winston Churchill.

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Effets socioéconomiques de la pêche continentale dans le Doublet Adjohoun-Dangbo au Bénin

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Résumé

La pêche joue un rôle important dans la lutte contre l'insécurité alimentaire, le chômage et la création d'emplois. Le présent article s'intéresse particulièrement aux effets socioéconomiques de la pêche dans le doublet Adjohoun et Dangbo au sud-est du Bénin. Huit arrondissements et 225 ménages de pêcheurs ont fait l'objet de cette étude. Les informations ont été recueillies à l'aide d'un questionnaire. Les résultats d'analyse ont montré que l'activité de la pêche est source d'emplois, de gains avec les activités post-capture, dont les transformations de poissons. Les prises journalières sont très variables en fonction des périodes de pêche où le pic est obtenu entre août et novembre, oscillant entre 20–50 kg pour les professionnels et avec un gain journalier variant entre 20 000 et 45 000 F CFA. Les activités post-capture absorbent plusieurs catégories de femmes en amont et en aval, dont (61,06 %) pour les femmes grossistes, les femmes fumeuses (24,66 %), les femmes revendeuses (18,58 %) et les écailleuses (5,7 %). Quant aux revenus issus de la vente des poissons, ils sont utilisés dans plusieurs domaines d'activité, dont 31,78 pour cent pour la scolarisation des enfants, 24,8 pour cent dans l'agriculture, 12,63 pour cent dans les cérémonies funéraires, 12,22 pour cent dans le mariage, etc. La consommation du poisson contribue à la satisfaction des besoins alimentaires des populations, à l'amélioration de la santé grâce aux apports en protéines, iode et vitamines.

Mots-clés : pêche continentale, effets socioéconomiques, doublet Adouhoun-Dangbo (Bénin)

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Abstract

Fishing plays an important role in the fight against food insecurity, unemployment and job creation. This article focuses on the socio-economic effects of fishing in the Adjohoun and Dangbo regions in southeastern Benin. Eight districts and 225 fishing households were studied. Information was collected using questionnaire. Results of the analysis showed that fishing is a source of employment, of beneficial post-fishing activities, including fish processing. Daily catches vary greatly depending on the fishing season, with peaks obtained between August and November, fluctuating between 20-50 kg for professionals and with daily profits of between 20,000 to 45,000 CFA francs. Post-harvest activities absorb several categories of women upstream and downstream, of which wholesalers account for 61.06 per cent, smokers (24.66%), retailers (18.58%) and 'scalers' (5.7%). As for income from the sale of fish, these are used severally, of which 31.78 per cent for the schooling of children, 24.8 per cent invested in agriculture, 12.63 per cent in funeral ceremonies, 12.22 percent for marriages, etc. Fish consumption contributes to satisfying the food needs of populations, and also for improvements in health thanks to its proteins, iodine and vitamins content.

Keywords : Continental fishing, socio-economic effects, Low Valley of Ouémé

Introduction

La pêche joue un rôle très important dans le monde, sur le plan social et économique ; outre son apport à la sécurité alimentaire, elle est source de revenus pour les acteurs et de devise pour l'État (FAO 2008). Elle demeure une activité de cueillette et représente une source de protéines pour l'ensemble de la population (Djessouho 2015). La pêche et les activités de post-collecte sont très importantes pour les populations puisqu'elles participent à la lutte contre le chômage des jeunes et l'insécurité alimentaire. Elle fait vivre environ 500 000 personnes et contribue pour 3 pour cent au PIB (Tossou 2010). En dehors du secteur de production primaire, de nombreux emplois sont offerts par les activités connexes telles que la transformation, le conditionnement, la commercialisation et la distribution, la fabrication de matériel de transformation du poisson, la confection de filets et d'engins, la production et la fourniture de glace, la construction et l'entretien des navires, ou encore la recherche et l'administration (Fiagan 2014). Plusieurs pays d'Afrique de l'Ouest mettent un accent particulier sur le développement de l'activité de pêche, la pisciculture. L'activité de la pêche

est un secteur privé dynamique et opérationnel source d'emplois, de nourriture pour des milliers de personnes, créateur d'activités connexes, dont la transformation de poisson, la commercialisation, la réparation des filets et des pirogues pour les populations qui s'y adonnent, surtout au sud du Bénin. Environ 60 pour cent des populations qui peuplent les littoraux des pays de l'Afrique de l'Ouest vivent de la pêche (Fiagan 2014), mais en tant que principale activité elle est complétée dans des proportions de plus en plus considérables par les échanges commerciaux avec certains pays frontaliers comme le Togo, le Niger et le grand voisin du Nigeria par voie lacustre, pour l'obtention de devises, au détriment de la satisfaction des besoins alimentaires des populations béninoises. Le poisson, source de protéines d'origine animale, permet d'assurer l'alimentaire et la santé des populations dans les foyers les plus pauvres de la Basse Vallée et du Bénin en général.

Milieu d'étude

La présente recherche a été conduite dans les communes d'Adjohoun et Dangbo situées dans la Basse Vallée de l'Ouémé. Il s'agit d'un milieu situé entre 6°35' et 6°45' de latitude nord et entre 2°25' et 2°35' de longitude est (Figure 1). Il couvre une superficie de 457 kilomètres carrés (INSAE 2002), avec une population de 171 749 habitants (INSAE/RGPH4 2013). La pluviométrie moyenne annuelle varie entre 950 mm et 1 300 mm et les mois d'avril, de mai, de juin et de juillet (grande saison de pluie), d'une part, et septembre, octobre (petite saison de pluie), d'autre part, les plus pluvieux de l'année, sont favorables, aux activités de pêche. Les températures moyennes mensuelles varient entre 25 °C et 33 °C. Le réseau hydrographique est très dense, le plus important cours d'eau est le fleuve Ouémé, auquel viennent s'ajouter le confluent Sô, les rivières Tovè, Togbodan, Sissè, les lacs Hlan et Hounhoun, propices aux activités de pêche parce qu'ils regorgent d'une diversité de ressources halieutiques. On y rencontre des sols ferralitiques appauvris localisés sur les plateaux, les tourbes argileuses et brutes des sols humiques à gley localisées au pied des plateaux, des sols hydromorphes, des sols ferrugineux tropicaux (Zannou 2016). Ils sont favorables à la rétention de l'eau et très propices à l'activité de pêche, aux techniques des trous à poissons et des étangs piscicoles.

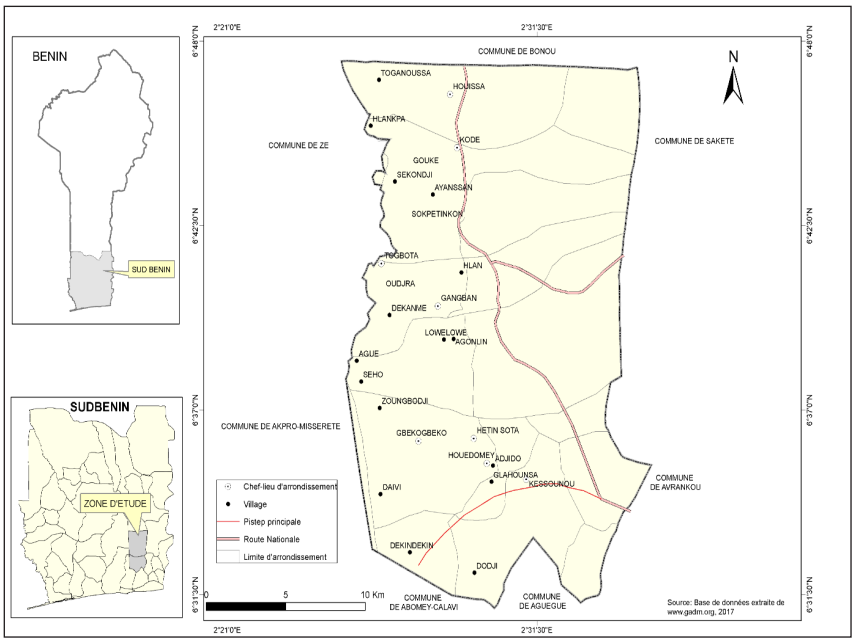

Figure 1 : Situation géographique du milieu d'étude

Méthodologie de recherche

Collecte des données

Pour avoir un échantillon représentatif, l'étude a été conduite dans huit arrondissements traversés par le fleuve Ouémé, les cours d'eau, ou situés dans les plaines inondables qui ont pour activités principales la pêche : Gangban, Togbota, Kodé, Akpadanou, Houedomey, Kessounou, Gbéko, Dékin.

Méthode d'échantillonnage

Plusieurs critères ont servi pour le choix des villages : on a privilégié l'importance des activités de pêche, la présence des plaines inondables et les villages traversés ou situés à proximité du fleuve Ouémé. La taille de l'échantillon est définie grâce à la formule de Schwartz (2002).

Ainsi, si *n* désigne la taille minimale de l'échantillon,

On a : $n = \mathbf{Z\alpha^2 \times pq/i^2}$, avec :

Zα = 1,96 : écart réduit correspondant à un risque α de 6 % ;

p = n/N avec p la proportion des ménages pêcheurs par rapport au total des ménages dans ces localités. Une enquête exploratoire auprès de 200 personnes choisies au hasard dans les deux communes a permis de déterminer la valeur de p à 70 pour cent .

i = précision désirée égale à 6 % ; **q** = 1- p

n = (3.8416 x 0,07 x 0,3)/0,0036 =**224** arrondi **225**.

Les 225 ménages sont répartis dans les villages choisis selon les critères définis.

Outils et matériels de collecte des données

Les données ont été collectées à l'aide d'un questionnaire structuré relatif aux variables suivantes : la production, la vente, les fluctuations des prix, les revenus, l'apport de la pêche dans l'économie nationale, l'apport du poisson dans l'alimentation et la sécurité alimentaire. Quatre entretiens par groupe cible de taille moyenne (8 personnes) ont été réalisés. À cela s'ajoutent les observations directes sur le terrain, qui ont essentiellement porté sur les marchés de vente des poissons.

Les outils et matériels utilisés dans le cadre de la collecte des données auprès des ménages pêcheurs sont la fiche d'enquête, le guide d'entretien, l'appareil photographique, la carte de la zone d'étude et le GPS (Global Positionning System).

Traitement des données et analyse des résultats

Les données qualitatives ont été codifiées et saisies à l'aide du tableur Excel. L'analyse des données d'enquêtes a été faite à l'aide du logiciel SPSS (Statistical Package for the Social Sciences version 16.0) pour les statistiques descriptives (effectifs, pourcentage des modalités).

Résultats

Périodes de pêche

Les périodes de pêche sont déterminées par le régime hydrologique de la commune. La figure 2 présente les débits moyens mensuels du fleuve Ouémé dans de la station de Bonou.

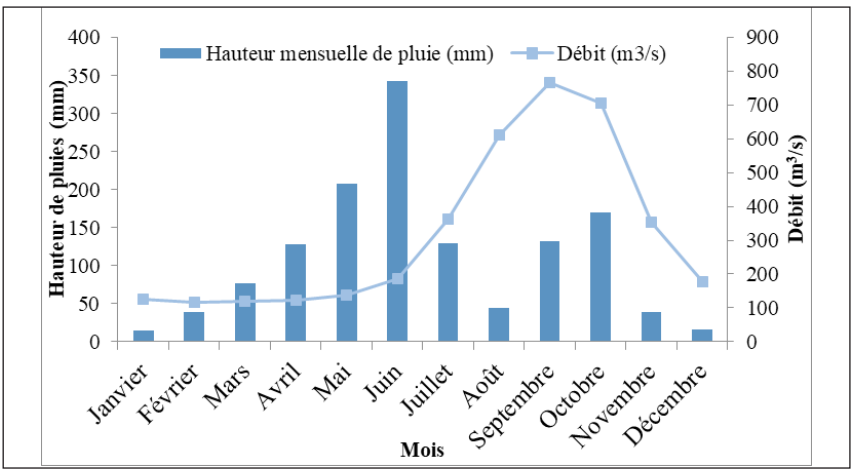

Figure 2 : Régime pluvio-hydrologique annuel du milieu d'étude

Source des données : ASECNA DGE 2017

La figure 2 permet d'identifier les périodes de crue, de décrue et d'étiage. Ces trois périodes correspondent aux différentes saisons de pêche à savoir: bonne, moyenne et mauvaise. Elle montre que dans la période de mai à septembre, le niveau d'eau augmente considérablement pour atteindre son maximum en septembre (765,25 m^3/s), c'est la période de crue qui correspond à la bonne saison des pêches. C'est une période très favorable aux activités de pêche, car les captures de pêche augmentent partout dans les zones de pêche. Pendant la période des mois d'octobre à novembre, il y a décrue, donc le niveau d'eau du fleuve commence par baisser et les eaux des plaines inondées se retirent progressivement. À partir du mois de décembre jusqu'avril, c'est l'étiage total, où le niveau de l'eau du fleuve Ouémé baisse considérable pour atteindre son minimum en mars (77,12 m^3/s). Au cours de cette période, la pêche se déroule pratiquement sur le fleuve Ouémé. À partir d'avril et jusqu'à juin, la saison pluvieuse démarre avec l'évolution des activités de pêche. Le tableau 1 présente les différentes captures par Commune.

Tableau 1 : Différentes saisons de pêche et les quantités de poissons capturés

Communes	**Variations de productions en kilogramme par jour**		
Périodes	**Septembre-Décembre**	**Avril-Juillet**	**Janvier-mars et août**
Saisons de pêche	Bonne saison	Moyenne saison	Mauvaise saison
Adjohoun	7 – 50	5 –12	1,5 – 5,5
Dangbo	6 – 50	5 – 10	1,5 – 5,5

Source : Résultats enquêtes de terrain, janvier 2017

Le tableau 1 présente trois saisons de pêche à savoir : bonne, moins bonne et mauvaise avec les différentes captures de poissons par saison de pêche. Il faut noter qu'entre septembre - décembre, l'intensité de captures augmente jusqu'à 25 kg par jour pour les pêcheurs. Cette période est très favorable aux activités de pêche et elle est qualifiée de bonne saison de pêche par 99 pour cent des pêcheurs. Ensuite, la période d'avril - juillet est dite moins bonne (5 – 12 kg par jour) tandis que celle de janvier à mars et août est très mauvaise (1,5 – 5,5 kg par jour).

Circuit d'écoulement des produits pêchés

Il est très actif dans les régions lagunaires en raison de la proximité avec les grands centres de consommation. Dès que le pêcheur débarque sa récolte, il la vend au premier maillon du circuit, sa femme ou les autres femmes. Celles-ci revendent le même poisson aux commerçantes venues très tôt le matin ou le soir au lieu de débarquement. Ce deuxième groupe d'intermédiaires peut être constitué des grossistes ou non. Quoi qu'il en soit, ils transportent le poisson au marché le plus proche dans des paniers munis d'un couvercle circulaire. À la suite de ces transactions, le prix du poisson se trouve majoré, car chaque groupe, en ce qui le concerne, tient à tirer le plus grand bénéfice possible ; mais certains pêcheurs préfèrent éliminer les intermédiaires, confient la vente directe à leurs épouses, qui se chargent à leur tour de la vente directe sur le marché local, régional ou transforment la marchandise avant la vente aux différents clients pour faire entrer plus de bénéfices.

Les clients

Les clients des pêcheurs sont nombreux et variés. Il s'agit d'abord des femmes, épouses des pêcheurs, des femmes fumeuses, des consommateurs, des restaurants de la place et des autres commerçants. La figure 3 montre le pourcentage de consommation par client dans les deux communes de recherche.

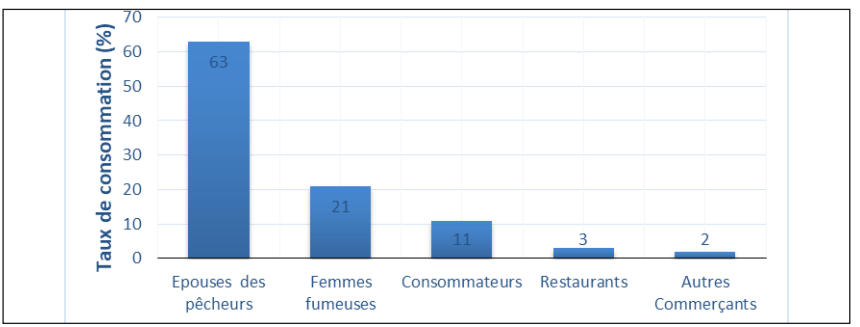

Figure 3 : Différents clients des pêcheurs

Source : D'après les résultats de nos travaux de terrain, août 2017

Les femmes épouses des pêcheurs (63 %) sont prioritaires et premières dans la chaîne de vente de poissons, ce qui traduit l'importance du commerce familial ; ensuite les femmes fumeuses avec 21 pour cent de ventes, les consommateurs (11 %), les restaurants (3 %), et enfin les autres commerçants (2 %). Le poisson assure les moyens d'existence de milliers de Béninois qui dépendent largement de ses ressources pour se nourrir. La figure 4 permet de comprendre le circuit de distribution du poisson.

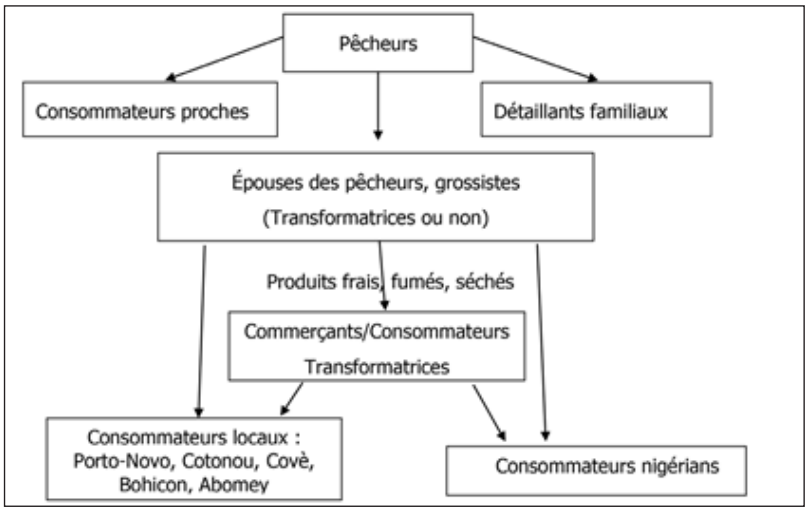

Figure 4 : Circuit de distribution des produits pêchés

Source : Résultats, enquêtes de terrain, août 2017

Le circuit de distribution de poissons comporte plusieurs étapes et implique divers acteurs avant d'atteindre le consommateur final. Les produits transformés sont convoyés par les femmes à l'intérieur du pays et vers le Nigeria.

Rôle de la femme dans le circuit du devenir des captures

Il s'agit de relever le rôle d'intermédiaire joué par les femmes en amont et en aval dans le circuit de distribution des produits pêchés. Elles sont en aval dans les activités de post-capture, à savoir les transformations et la commercialisation des produits de pêche. Les produits issus de la pêche sont livrés en première position aux femmes épouses qui jouent un rôle primordial dans la valorisation dans ce secteur d'activité ; ensuite viennent les autres clients. Cette activité post-capture se fait dans un cadre strictement informel. Plusieurs catégories de femmes interviennent dans ce circuit de distribution de poissons, selon la nature de la transformation du produit. On a les femmes épouses des pêcheurs et grossistes, les revendeuses, les fumeuses de poissons, les écailleuses dans les communes d'Adjohoun et Dangbo.

Méthode de transformation des produits issus de la pêche

Les méthodes de traitement ont pour but d'obtenir un poisson transformé capable d'être conservé pendant un délai plus ou moins long selon la loi de l'offre et de la demande. Cette transformation du poisson se présente comme une nécessité de rentabilité lorsque le goût des consommateurs est pris en compte et non un choix spéculatif. Plusieurs méthodes sont utilisées pour cette opération par les spécialistes, à savoir le fumage, le salage-séchage, le frit. Le fumage et le salage-séchage sont les méthodes courantes de traitement.

Fumage

Le fumage consiste à soumettre le poisson à l'action de fumées produites par la combustion du bois ou de la coque de noix de coco. Les femmes utilisent généralement des fumoirs traditionnels de taille moyenne, circulaires (diamètre de 80 à 100 cm, épaisseur du mur de 0 cm à 50 cm) et en banco (terre rouge ou terre de barre). Le four est muni d'une bouche-de-feu par où on introduit le bois de chauffage, les péricarpes (ou bourres de coco), les épluchures de manioc, les déchets de canne à sucre et autres herbes qui produisent une fumée permettant d'obtenir des produits fumés ayant un aspect luisant et attrayant. Des claies en grillages coupés de forme circulaire sont utilisées. La capacité totale du four est de 20 à 50 kg selon l'espèce et la taille du poisson frais sur trois claies. La particularité de ce four est qu'il est très efficace et économique pour la transformation de grandes quantités de poisson, mais ne présente aucun avantage, comparé au four traditionnel pour les petites quantités. Technique très ancienne, peu onéreuse, la fumaison, en même temps qu'elle donne une saveur agréable et un aspect particulier au poisson, permet une conservation assez longue d'un à trois mois, selon les femmes transformatrices. Cette activité de transformation est une entreprise familiale, car composée uniquement de la main-d'œuvre familiale, qui évolue avec des instruments de travail traditionnels et se transmet de génération en génération, de mère en fille pendant de nombreuses années de cohabitation, de dur labeur d'apprentissage sous le soleil et la pluie, ce qui permet surtout à la jeune fille en initiation de développer des automatismes dans la transformation du poisson et de devenir par la suite professionnelle dans le domaine. Grâce à cette activité, ces femmes épouses des pêcheurs se taillent une place et une réputation en société au côté de leurs époux et participent activement à la vie du foyer. D'autres unités familiales de transformation bien structurées disposent d'engins de pêche, tels que filets et pirogues, qu'elles louent aux pêcheurs, toutes catégories confondues, en cas de besoin. Cette stratégie est source de confiance entre les acteurs en présence, et permet aussi à ces femmes transformatrices de poisson d'être privilégiées

en approvisionnement au retour de la pêche par les pêcheurs. La quantité de poisson transformée varie selon la moisson journalière. Le profit tiré par jour varie entre 5 000 à 25 000 F, selon les résultats des enquêtes de terrain. Bien que l'activité soit rentable, les femmes transformatrices de poisson n'aiment pas que leurs enfants prennent la relève, car elles trouvent l'activité trop contraignante (exposition à la chaleur et à la fumée, maladies de peau et des yeux, absence de crédit institutionnel, difficultés d'approvisionnement en poisson frais).

Photo 1 : Fumage de poissons à Gangban
Prise de vue : Adéoti, août 2017

Four de fumage (fumoir)

Le fumoir est un four au mur de terre pétrie de forme circulaire ou rectangulaire, mesurant entre soixante-dix cm et un mètre de haut, muni d'un grillage soutenu par des baguettes qui servent à garder les poissons. Ce four de fumage a une ouverture qui permet d'introduire les combustibles pour le fumage.

Séchage

Le séchage est une opération de déshydratation qui consiste à exposer le produit au soleil et aux courants d'air. Ce mode de conservation est moins utilisé que le fumage. C'est une méthode qui consiste à exposer le poisson à la chaleur naturelle dans les conditions ambiantes de température, d'humidité et de vitesse de l'air. D'une manière générale, le poisson exposé à l'air ambiant à faible degré hygrométrique sèche progressivement. Les poissons maigres sont particulièrement adaptés à ce mode de traitement. Dans

l'ensemble, c'est une activité moins développée que le fumage. Des hangars de fortune constitués de branchages de cocotiers servent généralement de claies de séchage. Le poisson peut également faire l'objet de fermentation avant d'être exposé au soleil pour séchage.

Commercialisation des produits de la pêche

La commercialisation des produits de pêche est une activité réservée encore aux femmes des pêcheurs au sud du Bénin. Cette activité est marquée par la fluctuation des prix des produits sur le terrain du fait de l'absence des textes qui régissent le commerce de poissons. Cette activité permet aux femmes de gagner leur pain quotidien et de changer le niveau de vie de cette couche de population. La majorité des femmes qui s'adonnent à cette activité sont des personnes-ressources, âgées, qui ont de l'expérience dans le domaine. Le poisson est vendu en détail ou en gros sur les marchés selon la volonté, l'humeur de la vendeuse, et en fonction de la période. La plus grande partie des captures est revendue directement par les pêcheurs aux femmes, qui attendent le retour des pêcheurs et qui à leur tour les transforment en produits finis commerciaux dont elles tirent leur bien-être et leurs revenus.

La vente sur place ou sur l'eau

Cette partie concerne les échanges entre les pêcheurs et les revendeuses autour des produits halieutiques pêchés. Cet échange peut être effectué de deux manières : la vente sur place ou sur l'eau, et la vente après achat ou commerce des revendeuses. La plupart des pêcheurs vendent leurs produits de pêche sur l'eau à des commerçantes, mais aussi à leurs femmes (planche 1) et les prix de vente varient selon la période, l'espèce, la technique de pêche et les clients.

Planche 1 : Vente de poissons sur l'eau à Togbota
Prise de vue : Noutché, janvier 2017

Le commerce de poisson est en outre source d'emplois et de revenus pour les populations des communes d'Adjohoun et de Dangbo. Un commerçant permanent gagne par jour entre 5 000 F et 10 000 F pendant la mauvaise saison et au cours des bonnes saisons de pêche de 10 000 à 25 000 F. À chaque période de pêche, une vendeuse gagne par saison de pêche entre 75 000 F à 150 000 F et par an entre 200 000 et 500 000 F, selon les résultats de terrain, mais les conditions de vie de ces dernières demeurent misérables.

Le développement de la pêche peut aussi favoriser indirectement la sécurité alimentaire et la nutrition des populations pauvres. Cette activité se mène avec des moyens très limités, qui sont les congélateurs d'occasion, les bassines, paniers, glace, etc. Mais la majorité des commerçantes n'a pas accès aux services minimums s'agissant de la facilité de conservation de produits frais, de l'accès aux matériels de commerce, des facilités d'hygiène, de transformation des produits de pêches, ce qui occasionne d'importantes pertes de poissons, pourris et jetés par les femmes. Au total, la plus grande partie des captures est revendue juste à la descente des eaux par les pêcheurs. Dans l'ensemble, 98,5 pour cent des produits pêchés sont commercialisés et environ 1,5 pour cent est consommé par les ménages des pêcheurs. Dans les communes d'Adjohoun et Dangbo, les marchés intérieurs de ces deux communes sont approvisionnés par les épouses des pêcheurs dans une proportion relativement importante par les poissons. Les femmes, épouses de pêcheurs, vendent totalement ou en partie les captures aux autres femmes, qui se chargent à leur tour de la transformation avant l'écoulement à l'état frais ou fumé sur le marché local.

Planche 2 : Vente de poissons aux marchés de Dékin, Azovè et Gouti
Prise de vue : Adéoti, janvier 2017

Périodes de vache à lait ou meilleures ventes de l'année

Quatre périodes de vente de poissons dans la basse vallée de l'Ouémé ont été identifiées comme étant les meilleures, ce qui traduit le dynamisme des marchés de vente de poissons dans la basse vallée de l'Ouémé. On a les périodes de fête (décembre-janvier, mars-avril et jours fériés), les week-ends (samedi-dimanche), les vacances et fin du mois. Pendant ces périodes, les ventes et les achats varient d'un marché à un autre, mais n'ont pas la même intensité d'entrée, de sortie au quotidien, par semaine, par mois et par an. La figure 5 montre l'intensité de vente par périodes au cours d'une année.

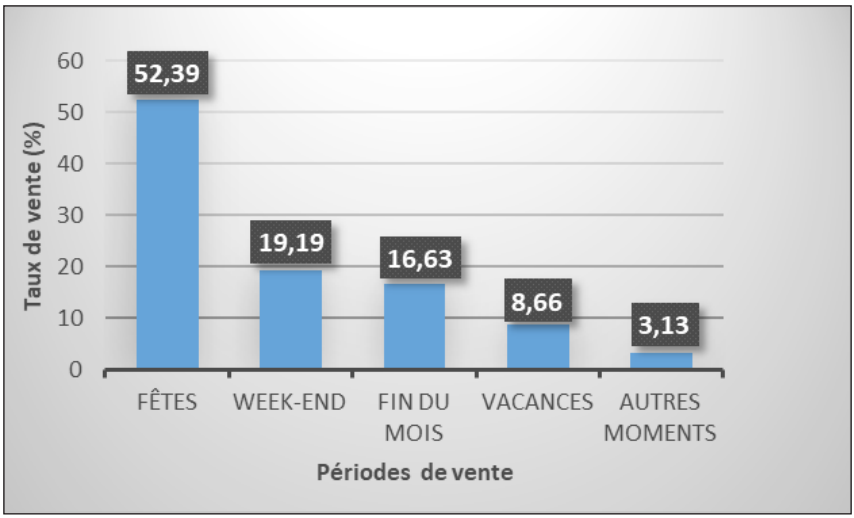

Figure 5 : Intensité de vente par année

Source : Résultats enquête de terrain, septembre 2017

Pendant les périodes de fêtes ou de très bonne moisson, de meilleure vente et de meilleures marges bénéficiaires, les chiffres d'affaires sont élevés : 52 pour cent. Les débuts des mois, les week-ends sont considérés comme les périodes de bonne moisson aussi avec 19 pour cent et 17 pour cent. Ces périodes sont marquées par un écoulement rapide des produits et un taux de bénéfice élevé qui s'explique par l'augmentation du pouvoir d'achat des consommateurs, surtout des fonctionnaires qui reçoivent leur salaire et en profitent pour libérer l'argent de popote qui permet à leurs femmes de se ravitailler. La période de vacances permet aussi de faire les chiffres d'affaires, mais en dehors de ces périodes, nous avons les moments de soudure de 3 pour cent avec une diminution considérable du taux de vente où les stocks sont à peine écoulés.

Avantages liés aux activités de pêche et à la consommation du poisson

La pêche continentale créatrice d'emplois

Les énormes difficultés auxquelles les populations sont confrontées, en particulier les jeunes, les poussent à s'adonner davantage aux activités de pêche depuis quelques décennies. Une situation qui a conduit un grand nombre de personnes à devenir des pêcheurs afin de juguler la crise économique, l'insécurité alimentaire et financière. Dans la Basse Vallée de l'Ouémé, le nombre de pêcheurs ne cesse de s'accroître, opérant à temps plein, à temps partiel. La transformation et la commercialisation du poisson offrent des emplois à des milliers de jeunes dans la Basse Vallée de l'Ouémé. Dans chaque ménage de huit personnes dans la zone d'étude, en moyenne deux ou trois personnes travaillent dans les activités de la pêche soit comme pêcheurs ou conducteurs de pirogues, soit comme transformateurs de produits de pêche. Des emplois directs et indirects sont créés dans ce secteur, dont les commerçants des produits de pêche, les transformateurs de produits de pêche, les tisserands et vendeurs de filets de pêche, les transporteurs de poissons, et permettent à de nombreuses personnes de satisfaire les besoins fondamentaux du foyer. La main-d'œuvre familiale constituée des enfants des pêcheurs et des parents proches n'est pas à négliger dans les emplois générés par ce secteur. L'acheminement des paniers à poissons pour le marché de gros nécessite la sollicitation d'un taxi-moto ou des pousse-pousse de la maison à la station ou au bord de la route. Cela donne du travail aux conducteurs de taxi-moto de la zone. Les taxi-voitures tirent leur part dans le transport aux marchés (Porto-Novo, Cotonou, Covè, Bohicon, Abomey, etc.).

Apport nutritionnel des poissons dans la santé

Le poisson a une valeur nutritionnelle importante, comme alimentation saine, il est reconnu comme grand pourvoyeur de protéine animale, dont l'organisme humain a besoin pour maintenir équilibre et santé, surtout chez les enfants, les femmes enceintes et les malades. La part réservée à l'autoconsommation est très faible et de peu de valeur commerciale, car il s'agit des poissons immatures, les fretins, les crevettes, les crabes, mais très importante pour la sécurité de la famille à cause de ses valeurs nutritionnelles. Dans les communes d'Adjohoun et Dangbo, 98,5 pour cent des produits issus de la pêche sont destinés à la vente et à peine 1,5 pour cent à la consommation, et ceci s'explique par le fait que la principale source de revenus est la pêche, d'où est tiré le gain journalier pour satisfaire aux besoins fondamentaux familiaux. La pêche participe à la satisfaction des besoins alimentaires, donc contribue à la sécurité alimentaire. Elle entre

dans la préparation journalière de plusieurs plats chez les Béninois, surtout dans les sauces graines, légumineuses, frit au poisson, poissons braisés dans les restaurations, très appréciés par les populations qui l'accompagnent de pâte de maïs et de riz, d'ablo, de manioc. La consommation du poisson a des effets bénéfiques sur la santé, car elle facilite l'amélioration de la santé et le bon fonctionnement du métabolisme, des cellules et des organes. La présence de l'iode dans les produits d'origine aquatique fait qu'ils sont conseillés pour le traitement des maladies liées à la carence en iode. Le poisson est riche en protéines, en acides aminés et acides gras essentiels, micro-nutriments, en oligo-éléments, en vitamines et en minéraux. Il est en outre riche en protéines de grande qualité et en de très nombreux micro-nutriments essentiels, notamment des vitamines (A, B, D), des éléments minéraux, dont le calcium, l'iode, le zinc, le fer et le sélénium, et des acides gras longs polyinsaturés (Ago Tchemé 2014).

Devenir des revenus de pêche

Après une bonne saison de pêche, les revenus issus de la vente des poissons sont utilisés dans plusieurs domaines d'activité par les pêcheurs : 31,78 pour cent dans l'éducation et la scolarisation des enfants, 24,8 pour cent dans l'agriculture, 12,63 pour cent dans les cérémonies funéraires, 12,22 pour cent pour le mariage ou remariage, 7,04 pour cent dans l'achat de motos, 5,66 pour cent pour l'acquisition de parcelles ou la construction de maisons, 5,07 pour cent dans le commerce, 0,8 pour cent pour le téléphone. Quant aux femmes transformatrices et commerçantes, les revenus issus de leur activité sont divisés en quatre parties non égales, dont 50 pour cent pour l'acquisition des biens de travail, 25 pour cent dans le foyer pour aider ou soutenir les maris dans les dépenses quotidiennes du foyer ou pendant les moments de soudure, porter assistance au mari pour l'achat des engins ou leur réparation, 15,5 pour cent pour les biens de beauté de la famille tels que les chaînes, bijoux, chaussures, pagnes, chaussures et la dernière partie, 9,5 pour cent, est réservée à l'épargne ou aux prêts aux pêcheurs servant à garantir le poisson en tout temps chez les pêcheurs. Avec cette activité, elles contribuent aux dépenses du foyer et à aider le mari à rembourser en cas de prêt non payé.

Discussion

Le secteur des pêches apparaît aujourd'hui comme porteur d'un grand espoir pour les collectivités locales en termes de satisfaction des besoins de développement local. Son importance dans le développement socio-économique local et son importance nationale dans la lutte contre la faim, la malnutrition, l'insécurité alimentaire, le chômage des jeunes sont non négligeables dans la perspective de

l'amélioration des conditions de vie des populations. La pêche génère des emplois pour plus de 41 millions de personnes dans le monde (FAO 2006). Des milliers d'emplois sont créés par les activités connexes directes et indirectes (capture, achat, commercialisation), permettent d'avoir des revenus, des ressources alimentaires suffisantes, une alimentation saine, et font entrer des devises à l'exportation. Environ 60 pour cent des populations qui peuplent les littoraux des pays de l'Afrique de l'Ouest vivent de la pêche (Fiagan 2014). L'activité de pêche participe à l'assurance d'une sécurité alimentaire aux populations. Le poisson fumé constitue une source importante de protéine, accessible aux ménages à faibles revenus, surtout dans les pays en voie de développement où le prix de la viande demeure hors de la portée du consommateur moyen (FAO 2009). La consommation du poisson chez les femmes et les enfants favorise également la croissance et le développement, en particulier pendant la période de gestation et la petite enfance, pour un développement optimal du cerveau de l'enfant (FAO 2003, 2006, 2012 ; WORLDFISH CENTER 2005). Ils contiennent entre 15 et 20 pour cent des protéines (en poids) et ont une valeur biologique comparable à celle d'autres produits d'origine animale tels que la viande et le lait (Gole *et al.* 2005). Le poisson fournit 150 grammes de protéines animales, ce qui correspond à 50 à 60 pour cent des besoins journaliers d'un adulte. Le poisson assure dans le monde 15 pour cent de l'apport de protéines animales à 4,3 milliards de personnes (FAO 2012). Dans le doublet Adjohoun-Dangbo, les captures sont destinées à plusieurs formes de l'autoconsommation, de la transformation et de la commercialisation. En ce qui concerne la commercialisation, certains facteurs interviennent dans la chaîne de distribution et handicapent son bon fonctionnement avec la fluctuation des prix sur les marchés en fonction des lieux d'approvisionnement en poissons frais ou transformés ou selon les périodes. De même la production de la pêche continentale reste encore mal maîtrisée, est mal évaluée en termes de tonnages par les pêcheurs – ce qui pose un problème lié au manque de données statistiques fiables – et connaît aussi une baisse de sa production. La pêche est une activité d'une importance capitale pour les populations et pour l'économie, et donc mérite d'être bien gérée et préservée pour les générations présentes et futures.

Conclusion

La pêche continentale joue un rôle non négligeable dans l'amélioration des conditions de vie des populations des communes d'Adjohoun et Dangbo. Aujourd'hui, son apport à la sécurité alimentaire, sa capacité à nourrir l'homme, à fournir des protéines à l'être humain et son apport en termes d'emplois engendrés sont énormes. Source d'emplois pour des milliers de jeunes ou vieux, elle assure une alimentation saine et une disponibilité en

protéines animales aux populations les plus pauvres. Mais malgré son apport à la croissance humaine, les pêcheurs vendent 98,5 pour cent des produits et environ 1,5 pour cent seulement est consommé par les ménages des pêcheurs. Les revenus issus des activités de la pêche permettent aux acteurs de répondre aux besoins fondamentaux de l'homme. Cette activité renforce le statut social et confère à l'acteur de la pêche le rôle primordial de chef de famille, aussi bien chez la femme que chez l'homme.

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