Africa’s Third Liberation examines how the continent could finally liberate itself from degrading poverty. Mills and Herbst contend that Africa’s first two liberations, liberation from colonialists and liberation from the liberators, would remain incomplete unless Africa is able to ensure development that provides decent life to its people and jobs to the restless youth. The third liberation, according to the authors, should also free the continent from the deeply entrenched politics of patronage and corruption.

The volume starts with a note of optimism about the prospects of African economic transformation. Indeed, in the period spanning 2000-2010, six of the ten fastest growing economies in the world were African, including Angola, Chad, Ethiopia, Mozambique, Nigeria, and Rwanda (p. 1). In addition to economic growth, many sub-Saharan African countries saw remarkable expansion of infrastructure and social services. For instance, there has been a phenomenal growth of the telecom sector in the continent. This remarkable development also changed the way the continent is viewed by foreign observers. A good testimony to this change is how The Economist, the ‘stalwart mouthpiece of laissez-faire capitalism’, changed its branding of Africa from ‘hopeless’ to ‘hopeful and rising’.

In addition to economic growth, political and governance reforms, the decline of conflicts and the consensus among African leaders that development cannot be achieved through aid (p. 14) provide important ingredients for Africa’s third liberation. In other words, the volume under review aims to identify ways and means that would help African leaders to bring about long-term development.

Economic development, the authors contend, should ensure jobs to the youth. As Africa is home to one quarter of the world’s population under 25 (p. 2), failure to produce jobs, Mills and Herbst caution, would have detrimental consequences for the continent’s future. Africa’s Third Liberation is an informative volume and, unlike many books examining the predicaments of African economic development, does not shy away from making recommendations. The volume begins with an examination of the problems that African economies face by drawing on the experiences of 12 countries. It then considers broadly the development experiences of five Central American, four Asian, and two Middle Eastern countries with the aim of bringing lessons to Africa. The authors, by covering a large number of countries (23 to be precise), have shown their preference to breadth rather than depth. The sheer size of the countries covered in this volume also raises an important question – which country’s experience is more relevant to Africa?

The volume comprises five chapters (excluding the introduction and the conclusion). The first chapter provides an overview of growth and liberalisation at the continental level. Before identifying some of the key features of the recent growth in Africa using statistical data, the chapter draws attention to the long-standing impacts of the two lost decades of African development – the 1980s and 1990s.

Since the mid-1990s, there has been positive continental per capita growth. This sustained growth brought some crucial changes. One of these changes, according to this volume, is the widening of the ‘gap between high and low performing African countries’.

Shopping for Ideas to Unlock Africa’s Economic Potential

Asnake Kefale

Africa’s Third Liberation: The New Search for Prosperity and Jobs
by Greg Mills and Jeffrey Herbst
The second chapter examines the economic performance of 12 African countries (namely, Angola, Burundi, Cote d’Ivoire, DRC, Ethiopia, Kenya, Lesotho, Malawi, Mozambique, South Africa, Zambia and Zimbabwe) with an expressed intention of highlighting policy bottlenecks that created obstacles for growth and job creation. The third, fourth and fifth chapters examine lessons that Africa could draw from the developmental experiences of countries like South Africa, Malawi and Zimbabwe to draw on the experiences of countries like Costa Rica, where horizontal redistribution policies. They give a sobering example of the problem of productivity by looking at the case of South Africa, arguably the most advanced economy in sub-Saharan Africa. Thus, ‘between 1990 and 2009, multi- factor productivity increased by 0.4 per cent per year while unit labour costs rose 5.7 per cent’ (p. 59). Because of this, Mills and Herbst contend, South African companies have been investing in capital-intensive technologies and outsourcing jobs. Thirdly, Mill and Herbst show how ‘vested political-economic interests’ continue to hamper job creation and growth in Africa. Angola, which has indeed emerged as a ‘land of ironies’ (p. 64), could serve as a good example to show how vested political interests frustrate inclusive development and bring massive inequality. The figures about Angola are indeed damning. In a country where average per capita income is nearly SUS 9000, more than two-thirds of the approximately 8 million Angolans live under the SUS 2 per-day poverty line’ (p. 97). It is a matter of no surprise then that people hold the view that the ruling party, the People’s Movement for the Liberation of Angola (MPLA), remains a hegemonic distributor of wealth, which creates millionaires (p. 98). As clearly narrated in the volume, similar patterns of croniyism and patronage are seen in countries like DRC, Zimbabwe and Kenya. Fourthly, the volume discusses how the crowding out of the private sector and government control regimes under- mine growth and the creation of jobs. However, the authors said about Mozambique, where the private sector is not only over-regulated but also crowded out by state-linked actors, reflects the situation in many other African countries (p. 103). In Ethiopia, for instance, as a foreign economist whom the authors interviewed in Addis Ababa said, ‘every law is extremely complicated. They [the foreign economist] would like to follow China, and micro-manage the economy, but they do not have the quality of the administration’ (p. 115). Mills and Herbst also showed how Ethiopia’s unfriendly visa regime undermines the development of the tourism sector in the country, despite serious official commitment to expand the industry (p. 113).

The main conclusions that emerge out of the second chapter are the need for Africa to move away from distributive policies and statist control regimes and provide more space to the productive private sector (p. 124). In other words, the authors recommend the reintroduction of policies of economic liberalization and free market to reinvigorate growth and job creation in the continent. However, before arriving at such a conclusion, Mills and Herbst should have made two things clear. First, what makes the recommendations of the first chapter different from the policies of economic liberalization that were promoted by donors and international financial institutions under the rubric of structural adjustment programmes (SAP) during the 1980s and 1990s? Second, in the face of the failure of earlier efforts to liberalize African economies, how can one be sure that the government would not get seduced by the politics of redistribution? Would liberalization be successful?

Lessons for Africa

After a thorough examination in the second chapter of the ailments of African economies and the deadlock that the reform movement faced, in chapter three, four and five of the volume, Mill and Herbst broadly explore the lessons that the authors collected from Central America, Asia, and Middle East could provide to Africa. Chapter three starts by mentioning the lessons that could be generated from the experiences of five Central American countries, namely, Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica. The survey of the five countries provides that first-hand experience about the difficulties and successes recorded regarding growth and jobs in Central America. The authors were not oblivious to the differences that exist between Africa and Central America. They, however, contend that as sub-Saharan Africa and Central America share profound similarities, there are lessons that the former could learn from the later. The records of the five Central American countries covered in this volume are well known drivers of growth. The region is agriculture, maquilas (duty-free export processing zones, which are also known as free zones/industrial parks) and tourism. The trailblazer in the region is Costa Rica, a country of 4 million people, which has succeeded uniquely in the region in many significant ways. As indicated in the volume, its ‘exports rose from US$870 million in the early 1980s to US$9.3 billion in 2010’ (p. 165). The country not only managed to expand its economy but also to successfully diversify its exports. Accordingly, Costa Rica exports thousands of high tech industrial goods as well as previously dominant agricultural products like banana and coffee. The reasons for the success of Costa Rica, according to Mills and Herbst, are the opening up of the economy, higher investment on education and research, and frequent political leaders to get the country out of patronage politics (p. 168). While Costa Rica was successful in diversifying its economy away from the maquila sector, the other four countries continued to rely on this sector for the creation of new jobs (p. 136).

The maquila sector, which plays a central role in the provision of jobs in Central America, faces a major challenge in the shape of rising production costs and minimum wages (p. 142). Hence, the countries of the region compete in order to attract foreign investment by reducing minimum wages and production cost. Honduras went further than the other countries by offering a tax incentive in providing incentives to international companies. Accordingly, ‘the maquilas have been completely exempt from all taxes, with no restriction on capital re- patriation or, unusually, on local sales taxes’ (p. 142). This made the fixed minimum wage under US$ 200 and allowed the employment of 40 per cent of the workforce on ‘part-time’ basis without benefits (p. 156). In its bid to win more investment, the Honduran government made the “… legal and tax environment in Honduras – or parts of it – akin to Singapore or Hong Kong…” (p. 157). For this purpose, the constitu- tion was amended in August 2011. Following the introduction of the maquilas in 1990, there were positive changes in the export performance of the country. Accordingly, ‘exports have grown from US$113 million per year in 1984 to over US$3.6 billion in 2008. By mid-2011, there were 253 companies producing goods and services within these free zones “parks” (p. 144).

The fourth chapter examines what Africa could learn from the Asian experience. The chapter starts by making a comparison of the economies of Nigeria and Ghana with Indonesia and South Korea, respectively. The comparison gives a good glimpse of the economic decline that had taken place in Africa. Both Nigeria and Ghana had higher per capita income than the two Asian countries during the 1950s and 1960s.

Much of Southeast Asia, according to the authors, follows a similar pattern of growth: ‘agricultural revolution based on land reform segues into progressive industrial development through garment, light manufacturing and electronics, and then into services’ (pp. 173-174). The volume also acknowledges that the success of the region has been the attention given to girls’ and boys’ education and diversifying economies – from agriculture, to light industry, and to service and knowledge based industries (p. 175).

Having presented this general trend, the authors discuss the experiences of economically dominant Chinese market (DRC), Ethiopia and Nigeria (p. 37). This insight is not only interesting, but also defies the long-standing notion that population and geographic size are crucial for economic transformation due to economies of scale and large markets. The factors that the authors give to explain the better economic performance of smaller countries include lower political transaction costs, dependence on resources like oil, and better economic and political governance. In contrast, the large countries continue to face problems of insecurity (pp. 37-38).

Economic Development:

Secondly, the volume discusses how low productivity hampers economic growth. Mills and Herbst convincingly argue that the need to enhance the skill and productivity of the African worker if Africa is going to attract investment. They give a sobering example of the problem of productivity by looking at the case of South Africa, arguably the most advanced economy in sub-Saharan Africa. Thus, ‘between 1990 and 2009, multi-factor productivity increased by 0.4 per cent per year while unit labour costs rose 5.7 per cent’ (p. 59). Because of this, Mills and Herbst contend, South African companies have been investing in capital-intensive technologies and outsourcing jobs.

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four Asian countries, namely, Malaysia, the Philippines, Vietnam and Bangla-
desh. Malaysia followed a develop-
ment trajectory like the other Southeast
Asian countries. Immediately after
independence, Malaysia revolutionized
its agriculture and then ventured into
manufac
turing industry (p. 178). First, it
developed import substitution industries
then it proceeded to heavy industries (p.
179). With the advent of the information
age, Malaysia began to invest heavily in
information technology (IT) industries
(p. 182). Using a series of five-year
development plans, Malaysia was able
to transform its economy. Policies of
economic redistribution and government
support to selected industries, which
were identified by Mills, and Herbst as
counter-productive to African growth,
became effective by using Malaysia to
bring about economic transformation
and reduce inequality. The relatively
successful use of redistribution policy
and support to selected industries by Ma-
laysia shows the difficulty of dismissing
such policies outright in Africa.

In comparison to the other countries
of the region, the economic performance
of the Philippines has been low. This
is despite its huge potential in terms of
duced human resource and also minerals.
Due to its weak economic performance,
the country earned the unenviable title
of the ‘sick man of Asia’ (p. 187). But
in recent years, the country has emerged as a “service leader” using free zones (p.
186). While free zones of Central
America specialize in the production of
consumer goods, Philippine’s free zones
specialize in the provision ‘back-office’
services for multinational corporations.
The Philippine government banked on
its citizens’ English language skills and
low wages to attract foreign companies
to export their back office work to the
country. As a result, the Philippines
overtook India in 2011 in what is called
Business Process Outsourcing (BPO)
and the sector generated US$9 billion
in 2010 (pp. 190-1).

Vietnam, which is still governed by a
Marxist-Leninist party, managed to turn
around its economy through policies of
economic liberalization. The government
uses tax incentives, low minimum
wages and export processing
zones (EPZs) to encourage investment,
particularly in the apparel and textile
industry. In 2011, the industry employed
about five million people and generated,
more than 80 per cent of annual export
ers. Total annual export value was estimated at about US$18 billion (p. 203).

Chapter five examines lessons that Af-
rica could learn from two Middle Eastern
countries, Dubai and Israel. Actually,
the authors themselves admit that what Af-
rica could learn from the experiences of
Dubai and the other oil rich countries of
the Gulf is limited (p. 221). But the effort
of Dubai and the other Gulf countries in
diversifying their economies, which are
heavily reliant on oil and gas, is instruc-
tive to those African countries whose
dependence is dependent on mineral
resources (pp. 213-214).

The discussion on Israel brings good
insights in several respects. The main
lessons for Africa include the Israel
experience in creating closer collaboration
among the government, research institu-
tions and business and its heavy invest-
ment on human resource development.
As explained in the volume, the secret
behind Israel’s massively successful
horticulture industry is the use of innova-
tive farming methods developed by its
agricultural research organizations (p.
232). Israel has also a good experience
regarding innovation. The government
provides seed money for start up projects
on a competitive basis. The seed money
will be repaid if the projects become suc-
cessful and make it to the market. This
success was one of the key reasons
for the success of Israeli high tech and
IT industries (pp. 228-9).

Instruments for Africa’s Third
Liberation

The exploration of the experiences of
the eleven countries covered in this
volume undoubtedly gives ample les-
sions for Africa. The chief message
that Mills and Herbst want to send to Afri-
can policymakers is the need to adopt
what they call ‘conventional model of
development’, which empowers a private
enterprise and opens markets (p. 240).
As noted above, however, it is not clear
how this key recommendation is dif-
ferent from the policies of economic
liberalization that were forced upon
African states in the name of structural
adjustment programmes.

One of the most important policy
instruments that were used to spur
growth and create jobs both in Central
America and Asia, as discussed in this
volume, has been the development of
free zones. In recent years, countries like
Ethiopia have shown strong interest in
the development of free zones/industrial
parks to create employment and raise
the needed foreign exchange. This
the limitations of this policy option are
not adequately discussed in the volume.
The most important challenge regard-
ing free zones is the incessant desire
of multinational corporations (MNCs) to
reduce cost. As a result, MNCs relocate
their operations where the cost of pro-
duction is lower and incentives are the
greatest. This puts developing countries
at a disadvantage; they compete to attract
foreign investment by lowering wages
and reducing production cost. Moreover,
free zones do not have a particularly stel-
lar record in creating decent jobs and in
respecting workers’ rights.

The main shortcoming of this volume
is, however, the lack of a discussion on
the ‘ideology of development’. This is
in spite of the authors’ claim that the
lack of ‘ideology of growth’ is one of
the key reasons that explains the dif-
ficulty in sustaining economic reforms
in Africa (p. 3). One important missing
point in this regard is a discussion of the
ideology of the developmental state. In
recent years, the developmental state,
which emphasizes the strategic role that
the state plays in economic transforma-
tion, has become influential in African
development discourse. 3 In light of this,
it would have been helpful to examine
how this ideology worked in Asia and
what Africa could learn from the Asian
experience.

The volume also overlooks the issue of
how intra-African economic cooperation
could contribute to Africa’s economic
transformation. Nor are the challenges
and opportunities that the rise of China
and India in Africa provides to Africa’s
Third Liberation discussed. 4

In spite of such limitations, Africa’s
Third Liberation is an important con-
tribution to the issue of African devel-
opment. Its chief strength lies in the
provision of first hand experiences of
countries from which African
leaders can draw lessons to reinvigo-
rate the continent’s hopes for economic
transformation and the creation of jobs.

Notes
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Dani Nabudere’s Afrikology
A Quest for African Holism

By
Sanya Osha
ISBN: 978-2-86978-753-7

Dani Wadada Nabudere, the illustrious Ugandan scholar, produced a diverse body of work on various aspects of African
culture, politics, and philosophy. Toward the end of his life, he formulated a theoretical construct that he termed
“Afrikology.” Unlike most other Africanists, who have stopped with the task of proving the primacy of the Egyptian
past and its numerous cultural and scientific achievements, Nabudere strenuously attempts to connect that illustrious
heritage with the African present. This, remarkably, is what makes his project worth of careful attention. The corpus is
multidisciplinary, although a major preoccupation with Africa is discernible in virtually all his works. His writings deal
with critiques of imperialism, African political systems, processes of globalization and Africa’s location within them,
and finally the ideological and existential imperatives of Afrocentric discourse.

Sanya Osha has written a deeply profound study of one of Africa’s most brilliant thinkers. Osha is a towering figure among
leading social scientists and intellectuals of this generation. I am truly excited about this book and believe that it will further
clarify Nabudere’s outstanding contribution and remarkable achievement.

Molefi Kete Asante

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