Sub-Saharan Africa’s current economic crisis calls for a reassessment of the role of the state in shaping patterns of postcolonial economic development. This reassessment requires a departure from the structural and instrumental models of the state that now dominate the literature on capitalism in Africa. These models are predicated on the assumption that the state in Africa performs functions necessary for the reproduction of “structural features” of neocolonial or dependent capitalist economies. In the face of the pervasive process of economic decay which is a striking feature of Africa’s current crisis, this functionalist assumption becomes difficult to sustain. The contours of the current crisis suggest that structural and instrumental models have directed attention away from aspects of state power and its use that play an important role in shaping economic structures in contemporary Africa.

This paper focuses on internal political variables long considered to be of marginal relevance in the theoretical literature on the state and economic change in Africa. It argues that postcolonial mechanisms of governance play an important role in determining patterns of continuity and change in African economies. The argument is based on an analysis of the economic crisis that emerged in Senegal in the 1980s. The study suggests that development of patronage networks in Senegal reorganized the institutional structure of state power and that this reorganization eroded the capacity of the Senegalese state to sustain patterns of economic activity established under colonial rule. Since postcolonial mechanisms of governance observed in this case are not unique to Senegal, the analysis provides the basis for broader propositions about the role of internal mechanisms of governance in shaping the contours of the economic crisis that now affects much of sub-Saharan Africa.

The Departure from “State-as-Actor” Models

Underdevelopment theory and other studies of capitalism in Africa have produced a vast literature on the role of the state in structuring patterns of economic development in contemporary Africa. One of the many strengths of this work is its success in demonstrating the extensive impact of the development of capitalism and of colonial and postcolonial state power on African economies and social structures. Analysts highlighted the ways in which states facilitate and promote capitalist development, integrate national economies into worldwide systems of production and exchange, promote the interests of the social groups that control the state, and ensure the kind of domestic political order that makes this possible. The problem with this work is the assumption that these projects are complementary and that they can be performed simultaneously.

Analysts concerned primarily with patterns of capitalist development in Africa tended to
assume that state power would be used to sustain, and perhaps build upon, patterns of economic activity established during the colonial period. Some viewed the state as an “instrument” of social groups that control state power. They characterized the state as the institutional expression of an alliance between dominant foreign interests and subordinate local private interests or as an instrument used to advance goals defined primarily by a corporate body of state agents (bureaucratic bourgeoisie, political class). Other analysts of the African state operated at a higher level of abstraction, seeing the state as a social actor responding to the structural imperatives of dependent capitalism. Both groups of analysts viewed state power in Africa as a force that worked to guarantee the political and economic underpinnings of dependent capitalism or the process of underdevelopment. The interests of those who control the postcolonial state and the state actions required to sustain peripheral capitalism were assumed to be complementary.

In the context of the economic crisis affecting much of Africa, it has become exceedingly difficult to define the state as an effective agent or actor promoting the general interests of capital or the corporate interests of a domestic political class. Many African states are not performing the basic “function” of sustaining the conditions necessary for the maintenance of capitalist production. Economic infrastructure and basic social services have deteriorated. For foreign corporations, state intervention in economic activity has become unpredictable; for peasants, it has become both unpredictable and predatory. Investment has become exceedingly risky. Industrial production is dropping as a result of firm bankruptcies, foreign exchange shortages, transport bottlenecks, and shrinking domestic markets. Production of commercial crops is declining as peasants turn to subsistence agriculture. In the public sector, government personnel have privatized state resources at an impressive rate. The treasuries which pay state employees near bankruptcy. In much of sub-Saharan Africa, it has become difficult to ensure the survival of the state as a bureaucratic organization, let alone to finance government efforts to sustain production in the industrial and export-oriented agricultural sectors.

The assumption that state power in Africa will necessarily be used to reproduce established economic structures is clearly untenable. The functionalism embedded in structuralist models of the postcolonial state must be abandoned. It is not necessary, however, to recast the issue entirely, as some analysts have in arguing that the reach of the postcolonial state and the scope of its authority were too limited and narrow to meet the demands of sustaining established economic structures. The case study presented here suggests that the ability of the postcolonial state to sustain patterns of economic activity established during the colonial period was compromised by the domestic political agenda that guided the extension of postcolonial state power. The argument rests on identifying contradictions that emerged as postcolonial regimes were consolidated within the structures of neocolonial economies.

In Senegal, as in much of sub-Saharan Africa, decolonization transformed the colonial state into a site and means for consolidating a postcolonial regime. The social base of the postcolonial regime was built within the bureaucratic structures of the colonial state. The economic prerogatives of the colonial state became political resources that were strategically distributed by the postcolonial regime to build patronage networks. In Senegal, this process reconfigured the institutional structure of state power. A defining feature of the colonial state—coherence as a centralized, hierarchical, bureaucratic organization—gave way to a
Mounting external debt service payments and Sahelian drought created necessary but hardly sufficient conditions for the emergence of generalized and profound economic crisis in Senegal in the 1980s. State revenues from Senegal’s groundnut export sector continued to dwindle in the mid 1980s even as agricultural production recovered from the drought. The privately owned import-substitution industrial sector plunged into crisis in the late 1970s and stayed there, even as the level of protective tariff barriers and state subsidies reached all-time highs. The government has been unable to emerge from insolvency even as it cuts expenditures and financial commitments under the pressure of its external creditors. Government debts suffocate the public and private financial sectors, leading to credit contraction and deepening of the economic recession. Conjunctural economic factors explain the timing of this crisis, but not its scope, depth, or persistence. Explaining the nature and scope of the current crisis requires an analysis of the changing role of the state in structuring economic activity in Senegal. The analysis presented here views these changes through a study of patterns of state intervention in Senegal’s internal markets.

The case study is presented in three parts. The first section focuses on the colonial administration of French West Africa. It emphasizes the state’s role in creating and maintaining monopolistic markets which ensured the profitability of agricultural and industrial production in colonial Senegal. The second part focuses on the political bases and economic policies of the postcolonial regime. Under the leadership of Léopold Senghor, the regime was consolidated through a process of selective repression and the development of extensive patronage networks. Meanwhile, Senegal pursued an economic development strategy based on a commitment to “continuity” with the colonial period. The viability of Senegal’s neocolonial economy was predicated on the maintenance of the monopolies established under colonial rule. The third section shows how the consolidation of a regime based on patronage networks transformed the institutional structure of state power. This process eroded the state’s capacity to sustain the monopolies underpinning the neocolonial economy. The changes were evident by the late 1970s, when the Senegalese government proved increasingly unable to encourage export-oriented agricultural production, to
appropriate resources from the rural sector, and to enforce the protectionist trade policies which ensured the profitability of the industrial sector.

**Colonial State and Economy** The colonial state, not “the invisible hand of the market,” defined the system of economic incentives and pressures that gave rise to the industrial and agricultural sectors that constitute the core of the Senegalese economy. This fact is central to explaining the course of economic change after independence. Not only the structure of this governing institution, but also the economic role it performed proved to be specific to the colonial situation.

The colonial state was a highly centralized corporate entity that was autonomous vis-à-vis broad-based and particularistic interests arising within Senegalese society. The colonial bureaucracy was an administrative and military branch of the French state. At the level of broad policy, it was controlled from Paris through a hierarchical chain of command staffed by professional civil servants and military officers. Broad colonial policy was fashioned within the French national bureaucracy and the Assemblée Nationale. At both sites, the rather narrow segments of French industry and commerce interested in West Africa exercised a degree of influence over colonial economic policy disproportionate to their importance within the French political system at large. At the level of policy implementation, colonial state power was deployed within narrow parameters set from above. Where the colonial administration enjoyed room for maneuver and discretion in economic policy implementation, decisions were shaped by a constellation of private French and bureaucratic interests operating at both the metropolitan and local levels.

The relationship between colonial state power and the colonial economy was decidedly nonliberal. From the imposition of direct colonial rule in the 1890s onward, state power was used to insulate uncompetitive French trading and manufacturing interests active in the African colonies from the pressures of international and local market forces. France imposed an economic regime of imperial preference on its West African territories and devised a complex regulatory apparatus governing trade, investment, and monetary flows that molded the French empire into an autarchic bloc. French West Africa was a *chasse gardée* for France, a national monopoly to be exploited by private French interests.

Within the autarchic bloc, colonial economic policy promoted what the French defined as “complementary” forms of production and exchange. State power was used to ensure that the economic development of the colonies and the private economic activities of Africans did not pose a competitive threat to metropolitan interests. In French West Africa, the colonial administration directly controlled private access to land, credit, urban property, and trading opportunities at virtually all stages of the commercial circuit. It imposed a strict system of import licensing based on product categories, and it licensed individual traders to operate in market niches defined by the regime. Investment in industry was controlled through yet another licensing regime. The colonial administration fixed prices on internal markets for consumer goods and agricultural commodities, created and enforced crop purchasing oligopolies, and granted and enforced private monopolies over importation and the distribution of consumer goods. Manipulation of these controls undermined the precolonial Senegalese trading class and ensured the uncontested dominance of French trading and industrial interests.
The economic system that developed under colonial rule was the product of pressures and incentives created by state manipulation of markets, state control over access to land, and state control of investment opportunities. Its defining structures were peasant export crop production, oligopolistic control of the import-export trade by a handful of huge French trading combines, and, by the 1950s, a French-owned import-substitution industrial sector. Taxation of the import-export trade financed the colonial administration and its investments in economic infrastructure (for example, railways, the port of Dakar).10

Production of groundnuts for export was the core of the colonial economy and of the rural social order forged under direct colonial rule. Export crop production was organized around a new group of Islamic leaders, the marabouts, who established a governing alliance and economic partnership with the colonial state.11 The administration granted the most important marabouts vast tracks of land along railways, credit, and farming equipment. The Islamic leaders established groundnut estates of their own and allocated land for groundnut cultivation to their followers. Extensive state regulation of rural commercial circuits assured a handful of French trading combines oligopolistic control over the purchase of the export crop and near-exclusive control over the sale of basic manufactured goods (textiles, hardware) and imported foodstuffs (rice, sugar, tomato paste) in groundnut producing areas.12 This structure of control over trade produced an integrated and oligopolistic trading circuit. State regulation of internal markets restricted competition at the level of crop purchases and at the level of consumer goods sales. Chronic indebtedness to rural trading posts tied peasants to groundnut production and to the French commercial houses.

Through tariffs, commercial licensing, and import bans, the colonial state captured French West African markets for uncompetitive French exporters of manufactured goods.13 When the colonial government began to encourage French investment in light industry in the French West African colonies in the 1950s, it underwrote the viability of new textile, food processing, and household goods industries by granting production monopolies.14 The high-cost local manufacturers were sheltered from international competition by newly fortified tariff barriers and franc zone monetary controls. The profitability of light industry in Dakar was predicated on the use of state power to minimize the competitive pressures of international and local markets.

Under direct colonial rule, French and Lebanese immigrants moved into the service sector, small-scale business, retail trade, and urban transport. As avenues for indigenous capital accumulation in the private sector narrowed, relatively privileged elements of Senegalese society sought advancement within the municipal political structures of Senegal’s quatre communes and the low ranks of the colonial civil service. The political-bureaucratic strata created within the French administration and the rural religious elite emerged as dominant forces in internal political struggles set in motion by decolonization.

Political Consolidation within the Constraints of “Economic Continuity” Neocolonial economic constraints were institutionalized in Senegal’s decolonization arrangements with France. The independence that France granted to Senegal perpetuated French control over Senegal’s monetary policy, preserved French exporters’ privileged access to Senegalese markets, and guaranteed that existing French investments in industry would not be
threatened by the transition to self-rule. The decolonization arrangement was constructed to ensure “economic continuity and close ties with France.”15 This meant that there would be no state-engineered restructuring of the economy that would compromise French interests.

Léopold Senghor, a skilful politician committed politically and ideologically to “economic continuity,” became president of Senegal at the time of independence. The electoral victories of Senghor and the Union Progressiste Sénégalaise (UPS), the postindependence ruling party, reflected France’s efforts to ensure a conservative decolonization arrangement and the strength of the Senegalese religious elite. In the electoral contests of the 1950s, the colonial administration used its juridical and coercive powers to fragment, marginalize, and demobilize political movements calling for restructuring of the colonial economy.16 Meanwhile, the most powerful marabouts delivered rural electoral support for Senghor with the understanding that their political and economic hold on the rural areas would not be challenged.

The consolidation of the Senghor regime in the 1960s involved the development of strategies of political control designed to guarantee the position of Senghor, unify and ensure the hegemony of the UPS, institutionalize the conservative economic agenda by silencing radicals and reformers, and provide some basis for legitimizing the system. In the immediate postcolonial period, repression narrowed the scope of political participation and debate, defining the parameters of the political arena.17 Within this arena, the neocolonial situation shaped the strategies that were employed to entrench and legitimize the positions of Senghor and the UPS. The commitment to economic continuity ruled out a range of strategic options for mobilizing political support. It meant that there would be no appeal to broad-based constituencies with a stake in economic reforms such as “indigenization” of the modern sector or land reform. At the same time, however, the neocolonial situation offered resources and opportunities that were used to fortify the regime and shore up the political status quo.

The system of economic dirigisme set in place under colonial rule ensured the new regime not only a financial base, but also a great deal of discretionary control over access to resources and opportunities in the domestic economy. The revenue base of the postcolonial state was constituted through the system of import-export taxation inherited from the colonial administration. It was augmented by loans, grants, technical assistance, and military support from the French government. The Senghor regime also inherited the extensive array of regulatory mechanisms that allowed the state to manipulate competitive forces on domestic markets. These arrangements offered immediate political advantages. The neocolonial situation enabled the regime to spend, hire, and allocate rents generated through state intervention in markets in ways that, as Robert Bates says, could “enhance its ability to remain in power.”18 In postcolonial Senegal, state resources and rents were distributed on the basis of political patronage. The strategic use of patronage created clientelistic structures of political control. Clientelism, coupled with the threat of repression, was a mechanism of exclusion, cooptation, and political manipulation that became a primary means for consolidating the Senghor regime.

Observers of Senegalese politics over the course of the last fifteen years provide a remarkably consistent portrait of how this process worked.19 Through the mechanism of clientelism, the Senghor regime was consolidated as a network of patronage-based political factions. Factions coalesced around Senghor loyalists ensconced in positions of bureaucratic
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and political power: party barons, labor leaders, political appointees, high-ranking bureaucrats, government ministers, the managers of parastatal companies, and local level UPS operatives. These subcomponents of the larger party-administrative political machine were organized pyramidically along the lines of patron-client relationships. Votes, political support and acquiescence, and kickbacks were exchanged for administrative favors and access to the economic resources controlled by those holding the levers of bureaucratic power. The strategic allocation of government jobs coopted restive intellectuals and professionals and incorporated them into political factions anchored in the state bureaucracy. Factions based within the party/state apparatus reached outside the bureaucracy, extending clientelistic networks downward into the urban support base and electoral constituencies of the UPS. Rank-and-file supporters of the UPS were tied into the sprawling political machine through the trickling-down of government expenditures and bureaucratic favors. The structure extended to the rural areas via the most important *marabouts*, who mediated the flow of government resources to the rural world and continued to deliver at least half of all votes the UPS received at election time.20

The political structure which emerged was an amalgam of “spoils-oriented factions” that were based in regionally and functionally defined divisions of the ruling party, various branches of the bureaucracy, and the rural religious organizations. The central task of the top political leadership, especially Senghor, was to manipulate factional rivalries to check challenges to the president himself and to close off all possibilities for maneuver outside the structures of the government and the party. Within these structures, patrons positioned at various levels of the factional pyramids enjoyed a degree of discretion over the use of bureaucratic power that was roughly proportional to their standing in the hierarchy, contingent on loyalty to the more powerful patrons about them. A loose form of political control was achieved through the dual mechanism of exclusion and cooptation.

Particularism and clientelism within the framework of the one-party state blocked the organization of interests outside the corporatist institutions set up by the government. Resources trickled down through patron-client channels, undercutting broad-based political demands while controlling access to state resources.21 Jobs, contracts, business licenses, loans, schooling opportunities, exemptions from taxation, and the like were distributed on a particularistic basis to government employees, state agents, and their constituents and clients. The process welded clients of the state into a de facto support base for the regime and provided the state with some claim to legitimacy.

As a strategy for political consolidation, clientelism was particularly opportune because it could be pursued within the structures of the (neo)colonial economy. The circle of beneficiaries of the economic status quo could be widened without compromising vested interests. The commitment to these vested interests was manifest in the Senghor regime’s concerted efforts to sustain colonial patterns of economic production and growth. In the case of Senegal, decolonization did not come when the reproduction of colonial economic structures could be assured by primarily economic (that is, market) forces. The viability of economic structures created under colonialism remained dependent on maintenance of colonial patterns of state intervention in markets.

The government encouraged the import-substitution industrialization process initiated during the last decade of colonial rule. Industrialization was based, as before, on direct foreign investment. Production monopolies granted by the colonial administration in the
1950s were renewed, and new monopolies were reserved for foreign investors. Protectionist trade barriers established under colonialism were reinforced. The growth and profitability of domestic industry continued to depend on the use of state power to restrict competition on the internal market. In the agricultural sector, the marabouts retained control over the organization of groundnut production. As critics of neocolonialism in Senegal have shown, the economic policies of the Senghor government were designed to preserve the structure of control over industrial and agricultural production that was established during the colonial period.

Meanwhile, the postcolonial government parlayed transitions underway in the commercial sector into domestic political capital. The scope of the French trading combines' commercial activities began to contract in the 1950s as the profitability of the international groundnut trade began to decline. The companies moved to consolidate their import-export activities at the wholesale level. In 1960, the government of Senegal accelerated this process by placing the export of groundnuts under state monopoly. Monopoly over the groundnut trade gave the state direct control over export revenues and strengthened its internal revenue base.

The state monopoly placed the domestic side of the groundnut marketing circuit under direct or indirect control of the government bureaucracy. In the 1960s, individuals were licensed by the government to fill commercial niches at all levels of the groundnut trading circuit. Senegalese traders, along with politicians, bureaucrats, and other would-be entrepreneurs received licenses and state-financed credit. They became private businessmen operating on their own account in the state-managed commercial sector. In effect, the reorganization of the groundnut trade created politically mediated avenues of private accumulation that were allocated within the framework of patronage networks to clients and agents of the regime. The commercial licensing system and the political ends it served conform to Bates' model of "divisible benefits" allocated through political channels. State agents exercised discretion over the allocation of trading opportunities and selectively bestowed benefits on themselves and on the faithful.

The state-controlled commercial sector became the primary avenue for local private accumulation in Senegal's neocolonial economy. The only important exception was large-scale groundnut production, which remained the province of the most important marabouts. The state-controlled reorganization of trade allowed for the dramatic expansion of the domestic accumulating "class." This group was composed of clients of the state who collected politically generated rents: bureaucrats, politicians, UPS bigwigs and operatives, and their relatives and clients. As a social group, it had no economic base that offered autonomy from direct state control: it was tied to the discretionary and particularistic exercise of state power. The expansion of the accumulating class promoted the consolidation of the regime and fortified its social base.

As the 1960s drew to a close, the economic strains and political limits of strategies pursued during the first decade of independence became increasingly apparent. As the growth of the economy and of the state bureaucracy slowed, labor unions, students, and the growing local business community began to criticize economic policies that served French firms at the expense of national interests. Meanwhile, increasingly powerful political factions within the regime began to resist what was viewed as excessive centralization of power at the top level of government. In 1968, smouldering dissatisfaction with the status quo erupted into a political crisis which shook the foundations of the Senghor regime.
The Senghorian political system survived the political crisis of 1968–1970 through a liberal dose of the political formula worked out over the course of the first decade of independence: repression plus cooptation. Once the streets were cleared, the serious challenge to the regime was managed by increasing the autonomy, bureaucratic prerogatives, and state resources at the disposal of powerful faction leaders within the government. Powers that had been centralized in the president’s office were shifted to various branches of the bureaucracy. Foreign borrowing enhanced the distributive capacity of the state, and the resources under the discretionary control of various government agencies (banks, public works, urban transport, parastatals, rural development agencies) increased. “Senegalization” of administrative posts at all levels created jobs that incorporated a new generation of graduates into the political machine. Government expenditures benefiting target groups grew, and there was a dramatic expansion of politically mediated opportunities for local private accumulation, especially in the commercial sector.27 The effect of these changes was the accommodation of a broader range of private interests, contingent on acquiescence in the political status quo, without reforming basic economic structures. The clientelistic structure of internal political control was broadened and reinforced.

The relative stability and longevity of the Senghor regime is testimony to the effectiveness of clientelistic structures of political control in Senegal, at least during the first two decades of independence. This system of governance, however, had important and unintended consequences for an economic system built upon patterns of market competition established during the colonial period.

Fragmentation of the State, Decay of the Neocolonial Economy In the short run at least, the expansion of clientelistic networks increased the capacity of the political system for political accommodation, incorporation, and social control. The regime broadened its social base in an ad hoc way as the political machine grew. The dispersion of power and prerogative within the state apparatus facilitated cooptation because the state became more responsive to particularistic demands.

Incrementally, this process redefined the institutional structure of state power in Senegal. The centralized structure of the colonial administration gave way to a structure of bureaucratic control fragmented along the lines of vertically integrated political factions. Power within the state apparatus was dispersed; control over state prerogative and authority gravitated to increasingly autonomous political factions.28 Subunits of the state such as parastatal enterprises and government agencies gravitated outside the scope of central control as they were captured by powerful factions.

The most notorious example is that of ONCAD, the state agency responsible for the collection and export of groundnuts.29 In the 1970s, ONCAD became a vast and uncontrollable patronage combine, a political machine unto itself run by and for its 5,000 employees and their clients in “the quasi-total absence of internal auditing, financial control, and effective government oversight.”30 On a less spectacular scale, similar processes were at work in the National Development Bank, the ministry of rural development, and the ministry of commerce. Factions comprised of those running these agencies grew in political autonomy and strength at the expense of the agencies’ effectiveness in implementing their
formal mandates and official government directives. The coherence of the state as an administrative and bureaucratic organization, predicated on a hierarchical power structure and manifest in the coordinated action of subunits, diminished.

As these features of state power eroded, so too did the ability of the state to sustain neocolonial economic structures. The colonial economy was built on state-enforced monopolies that made colonial industry profitable and allowed French import-export houses (and the colonial administration) to extract surpluses from the rural sector. A myriad of bureaucratic tools was used to manipulate and constrain the competitive forces of the colonial market. The Senghor regime assumed control of these bureaucratic tools for market manipulation and took on the task of sustaining the restrictive pattern of market activity established during the colonial period. At the same time, bureaucratic discretion over who could buy and sell what, when, and where represented patronage resources which were used as a means of political consolidation. Rents generated by state manipulation of markets were deployed to fortify an ever-expanding network of political factions linked to the state through ties of clientelism. As state prerogative gravitated toward increasingly autonomous, spoils-based factions, the coordinated and restrictive system of market control deteriorated. The result was decay of the neocolonial groundnut economy and industrial sector.

In the rural sector, the rise of parallel marketing circuits undercut the state’s position as monopsony buyer and diverted rural trade away from the Dakar import-export circuit.\textsuperscript{31} In the 1970s, groundnuts destined for export and imported goods headed for Senegal’s rural areas passed illegally in growing volumes through the Gambia, escaping regulation and taxation by the Senegalese government. The most important marabouts not only engaged in parallel markets themselves (some even financing it at the wholesale level), but also used their clout to insulate rural parallel markets from effective government interference.\textsuperscript{32} The dramatic rise of parallel markets allowed peasants to default on debts to the government that were normally collected by the official groundnut marketing board. Turning their backs on these debts loosened the bonds that tied the peasants to groundnut production. Many began to devote more of their resources to production for family consumption and barter. In contrast with past practice, the government made no sustained effort to re impose state control over rural trade flows after the mid 1970s. By 1980, an estimated 65 percent of the total groundnut harvest was sold illegally in the Gambia.\textsuperscript{33} The reverse flow of illegally imported manufactured goods supplied rural consumers. The rural economy had gravitated outside the scope of government regulation. The primary source of state revenue—the groundnut trade—slipped away from state control.

These changes in the organization of the rural economy reflected a shift in the locus of power and prerogative within the authority structures of the state. Over the course of the 1960s and 1970s, the regime’s most important clients, the marabouts, had become more autonomous vis-à-vis the central government, gradually emerging as a parallel authority structure in the rural areas rather than one integrated into a centralized hierarchy controlled from Dakar.\textsuperscript{34} Paradoxically, this change grew out of the process of cooptation via clientelism itself. Both the colonial administration and the Senghor regime had coopted the most important marabouts and relied on them as the government’s rural agents. Both before and after independence, the central government had accommodated the marabouts’ demands for direct control of the peasantry and for resources to enhance their personal wealth. This governing strategy so enhanced the political and economic power of the rural elite that
ultimately the *grands marabouts* were able to distance themselves from their one-time patrons. Clientelism gradually transformed the institutional structure of power in the rural areas, strengthening the rural elite and their ties to the peasantry at the expense of the Dakar-centered political system.

Meanwhile, changes in the structure of bureaucratic power within the state apparatus began to transform the Dakar-centered import trade and, as a consequence, the industrial sector. On paper, Senegalese import policy in the 1970s was virtually identical to the highly restrictive colonial trade regime. In fact, however, inexpensive foreign manufactured goods—textiles, shoes, clothing, enamelware, cosmetics—began to flood the urban market in the mid 1970s. Government market surveys indicated that 60–70 percent of all textile goods sold on the Senegalese market in early 1980s were imported illegally.\(^{35}\) Meanwhile, no state agency made a concerted effort to crack down on smuggling and fraudulent importation. Long-protected, high-cost domestic industries could not withstand competition from these imports. In the late 1970s and early 1980s, bankruptcies, firm closures, and lay-offs swept through the industrial sector.\(^{36}\)

The breakdown of the import control system reflected changes in the locus of control over bureaucratic power. Over the course of the 1960s and 1970s, the rents generated by state manipulation of the import trade became resources for consolidating ever larger and more powerful political factions.\(^{37}\) In the 1970s, these factions operated increasingly outside the scope of central administrative control. Import licenses, government import contracts, and state-financed commercial credits proliferated in the 1970s as powerful networks of state agents and their clients capitalized on lucrative opportunities for legal and, increasingly, “quasi-fraudulent” importation.\(^{38}\) Prominent personalities made fortunes circumventing important bans, taxes, and quotas. Less important clients of the regime were able to engage in the same practices on a smaller scale. The highly restrictive system of import control that ensured the profitability of the industrial sector was undermined.

Basic structures of the (neo)colonial economy decayed in the later 1970s and 1980s because (neo)colonial patterns of state regulation of markets eroded. Over time, the development of a system of regime consolidation and governance that relied on cooptation and clientelism diminished the capacity of the state to restrict access to the trading circuit and to structure trade from above. Restrictive control over markets became nearly impossible to sustain in the late 1970s for institutional and political reasons. Institutionally, market restrictions were difficult to coordinate and sustain because the state agents responsible for enforcing import controls (for example, customs agents, ministry of commerce officials) were themselves involved in activities that breached formal trade policy. Politically, those most concerned about the revenue base of the state and the survival of Dakar’s industrial sector (such as the president, presumably) were hostage to the political factions which constituted their social bases of support. Clientelistic networks built through the distribution of politically generated rents, including those rooted in the illegal and quasi-legal import trade, were important components of the regime itself and its social base. The strength and autonomy of these factions increased over time, reducing the asymmetry of power that makes patron-client relations an effective mechanism of direct and hierarchically structured political control.

When patterns of state control over market activity that had been established under colonial rule broke down in the 1970s, so too did basic structures of the (neo)colonial
economy. Senegal’s current economic crisis is characterized by the “decay” of these (neo)colonial structures: the internal revenue base of the state constituted through taxation of the import-export trade, peasant production of export crops, and the import-substitution industrial sector.

Conclusions

Senegal’s current economic crisis is linked to the weakening of the state as a bureaucratic organization and as an administrative apparatus. The postcolonial system of governance fostered the rise of powerful political factions organized along the lines of particularistic, rent-seeking interests. State power was institutionalized in these informal structures of political control and administration. While reorganization of control over state power promoted regime consolidation and political control in the 1960s and 1970s, it also paralyzed the state as a corporate actor and undercut the effectiveness of programmatic economic initiatives.

Analysis of the emergence of economic crisis in Senegal suggests that changes in state forms and functions that evolved in the neocolonial context may have been inherently contradictory, reconfiguring state power in a way that worked to block structural change in the economy while reducing the capacity of the state to ensure the reproduction of existing neocolonial economic structures. The contradictions arise out of the basic parameters of the neocolonial context typical of much of postcolonial Africa.

In the neocolonial context, changes in the internal organization of state power resulted from efforts to consolidate an amorphous ruling coalition into a “political class” and from the efforts of this group to institutionalize and reproduce its political control and hegemony. Because the domination of the “political class” was neither derived from nor reproduced by a structure of social relations forged outside the arena of the state itself, its political hold depended on the ad hoc imposition of domination through the continual manipulation of the concrete prerogatives of the state. State coercion defined the limits of the political arena. Through the mechanics of patronage, political control was reasserted and recreated at each point of access to the extensive array of resources controlled by the state. Dominance and a fragile form of legitimacy were generated in an ad hoc way.

These very arrangements compromise the ability of the state to perform economic functions which sustain neocolonial patterns of capitalist (under)development. The emergence of clientelistic structures of political control erodes the capacity of the state to accumulate economic surpluses, invest, and organize internal markets in ways that sustain existing forms of production. As existing economic structures deteriorate, it becomes clear that the capacity of African states organized along clientelistic lines to transcend neocolonial economic arrangements is also severely limited. The administrative infrastructure needed for successful implementation of policies aimed at economic reconstruction does not exist. Clientelism and neocolonial economic policies blocked the rise of social classes that might have provided political impetus for such initiatives.

Systems of political control based on clientelism and state patronage are themselves weakened by the dynamics of this process. Strong patronage networks rooted in the state apparatus can exist only when the state controls resources and economic opportunities which
can be allocated to clients. In the context of economic crisis, diminishing state revenues limit the distributive capacities of regimes. The continuous expansion of parallel markets eventually brings about a de facto deregulation of trade. As smugglers compete for markets, rents once created by state restriction of competition are reduced and ultimately eliminated. In the long run, then, the system's capacity to generate patronage resources is exhausted. Meanwhile, for those outside the regime's circle of privileged clients, economic crisis and pervasive corruption erode the legitimacy of the state, both as a promoter of "development" and as an authoritative force structuring political competition. The economic crisis reflects and exacerbates the weaknesses of the state.

This study highlights problems inherent in "state as actor" models of African political economy. "The state" is not forced by structural imperatives to reproduce the conditions that sustain dependent capitalism. A state that functions in this way is controlled by a regime and social groups willing and able to do so. Similarly, the state may serve as an agent or "instrument" promoting the interests of a dominant social group or a coalition of capitalist interests, but this is not necessarily so. The defining feature of the instrumental view is not the claim that dominant groups use state power to promote particularistic interests, because this happens in all settings at all times. The instrumental view is distinctive because it assumes that the dominant group also uses state power to promote its corporate interests (which include reproducing conditions that sustain dependent capitalism) and to reproduce itself as a socially dominant stratum and that this pursuit reinforces the corporate coherence of the group and its hold on the state. In the Senegalese case, this model does not hold, because state agents' exercise of political power has weakened and fragmented the state, the source of their power, and therefore eroded the ability of this group to reproduce itself as a dominant stratum.

Structural and instrumental views generate hypotheses about how state power is used in Africa. These hypotheses prove inadequate to explain the course of political and economic change in cases of profound economic crisis such as one finds in Senegal. In these settings, state power is clearly not working to reproduce structural features of the African economy, and the reproduction of the state itself is not assured. The issue that structuralists and instrumentalists address, however, remains valid and central to the analysis of African political economy. How do economic and emergent class structures condition the exercise of political power in postcolonial Africa? This issue can not be pursued within the framework of state-society models that ignore the social underpinnings of state power and the interests of the social strata that use state power to their own advantage.

This paper presents an argument about the implications of a system of political control based on clientelism for African economies predicated on colonial forms of state dirigisme. The clientelistic structures of political control that emerge in the neocolonial setting can work to fracture the state as a bureaucratic organization and as a "social actor." These changes can undermine the capacity of the state to function in ways that reproduce neocolonial economic structures. The weakness of the state proves to be more than a residual variable in the analysis of African political economy, more than a simply indicator of dependency and neocolonialism. The Senegalese case suggests that the weakening of the state is one reflection of patterned struggles for power, control, and advantage that emerged in the postcolonial period. The struggles themselves are working to reshape African economies. The contours of the current crisis reflect this process.

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NOTES

An earlier version of this paper was presented at the 1988 Annual Meeting of the American Political Science Association, September 1–4, 1988. Comments on an earlier draft offered by Paul Cammack, Robert Vitalis, Crawford Young, and Peter Trubowitz improved the paper.

1. The instrumental view of the African state differs from the classical instrumental model of state power. In the classical model, the state is the tool of a national capitalist class. The “instrumental” models of the African state referred to here take account of the fact that the postcolonial African state is not an outgrowth of, nor is controlled by, a dominant African capitalist class. The task of the “instrumentalists” analyzing the African state is to define who, precisely, controls the state apparatus. Patterns in the exercise of state power are explained in terms of the corporate interests of this group. For an analysis of the alliance of African state managers, local capitalists, and foreign capitalists which was institutionalized in the postcolonial Kenyan state, see Colin Leys, Underdevelopment in Kenya (Berkeley: University of California Press, 1975). Leys later argued that the balance of power began to shift in favor of local capital at the expense of foreign interests. In this, he followed the work of Nicola Swainson, The Rise of Corporate Capitalism in Kenya (Berkeley: University of California Press, 1980), and other analysts of Kenyan capitalism. For further discussions of the “class” interests, consciousness, and objective class position of African state managers, see Issa Shivji, Class Struggles in Tanzania (New York: Monthly Review Press, 1976). Richard Sklar, “The Nature of Class Domination in Africa,” The Journal of Modern African Studies, 17 (1979); Irving Leonard Markovitz, “Continuities in the Study of Power and Class in Africa,” in Irving Leonard Markovitz, ed., Studies in Power and Class in Africa (New York: Oxford University Press, 1987), pp. 10–11.


4. There is a growing “weak state” literature which conceptualizes the state as the public domain and argues that this domain is narrower than previously assumed. These analysts argue that the failure of the postcolonial state to transform societies in accordance with elites’ aspirations reflects the continuing, and growing, gap between state and society. See, for example, Donald Rothchild and Naomi Chazan, eds., The Precarious Balance: State and Society in Africa (Boulder: Westview Press, 1988). I have not adopted this perspective. In this study, I retain the instrumentalists’ concern with the social bases of state power and its use. I also retain the structuralists’ concern with identifying the economic arrangements that condition the nature and use of state power.

5. In contrast to many now contributing to the “weak state” literature, I do not take postcolonial political consolidation to be the antithesis of decline in state capacity. Rather, I argue that, in the case of Senegal, the former contributed to the latter.

6. This situation is described in World Bank, “Report and Recommendations of the President of the IBRD and the IDA to the Executive Directors on a Proposed Structural Adjustment Loan and Development Credit to the Republic of Senegal” (unpublished document, Washington, D.C., November 26, 1980).


10. France adhered strictly to the doctrine that the colonies “pay their own way” until 1946, when the French government began to finance limited investments in colonial economic infrastructure.


13. Until the late 1940s, the state provided French industrialists that were supplying the colonies with additional
protection by discouraging and in some cases outlawing the creation of manufacturing plants in French West Africa. Marseille, L’empire coloniale et capitalisme français; Pierre Moussa, Les chances économiques de la communauté franco-africaine (Paris: Librarie Armand Colin, 1957).

14. This shift in strategy occurred in the context of declining profitability in the groundnut trade, the post-World War II intensification of competitive pressures on world markets for manufactured goods, and ultimately the spectre of decolonization. See Thompson and Adloff, French West Africa, and Michael Crowder, West Africa under Colonial Rule (Evanton: Northwestern University Press, 1968). French industries that created manufacturing subsidiaries in Senegal in the 1950s forged partnerships with the dominant French import-export combines. State regulation of all imports made these partnerships desirable and viable. Price fixing and market sharing agreements worked to eliminate conflicts between French industrial and commercial interests in the French West African market.


16. The strategy of decolonization through political balkanization of the federation, the legal framework for electing internal regimes before independence, French financial backing of select parties and candidates, the elimination of Marxist-oriented political parties in Senegal from the election rolls and the subsequent outlawing of these parties, the fragmentation and manipulations of the trade union movement, and the use of military and police force to crush urban protest movements all worked to ensure the initial and subsequent electoral victories of Senghor and his party, the UPS. See George Martens, “Révolution ou participation: Syndicats et partis politiques au Sénégal: Première-quatrième partie,” Le Mois en Afrique, nos. 205–206, 209–214 (1983). After independence in 1962, the French committed financial and military resources to protect and stabilize not only the Senghor regime, which faced opposition from organized and vocal urban groups (labor unions, the intelligentsia), but also the personal power of Senghor, which was challenged by rivals within the ruling coalition. See Donal Cruise O’Brien, “Political Opposition in Senegal: 1960–1967,” Government and Opposition, 2 (1967).

17. Avenues of political participation and debate narrowed as organized groups pushing for economic reforms, such as labor unions and Marxist-oriented political parties, were outlawed or marginalized. The military and financial backing of France facilitated the institutionalization of the one-party state and strengthened it against domestic challenges.


20. Over 50 percent of the votes cast for the UPS in the elections of the 1960s came from the groundnut basin (the regions of Thiès, Diourbel, and Sine-Saloum). Zucarelli, Un parti politique africain, p. 147.


22. The Senegalese Investment Code, promulgated in 1961, reaffirmed all the advantages and rights granted to French firms under colonial investment law. SONED, Eléments d’Intégration Industrielle, vol. 1 (Dakar, 1977). Monopolies were only granted under the terms of the Investment Code, and this code was designed explicitly to attract foreign direct investment. Special regimes governing local private investment were added to the Investment Code in 1977.


26. For an account of the 1968 general strike and the demonstrations, riots, and protests that accompanied it, see Martens, “Révolution ou participation.”
27. On the exponential increase in the number of Senegalese importers operating in government-controlled circuits after 1970, see IDET-CEGOS, Études des circuits de distribution au Sénégal (Dakar: May 1974); Régine Nguyen Van Chi-Bonnardel, Vie de relations au Sénégal: La circulation des biens (Dakar: IFAN, 1978). The analysis of the expansion of the trading “class” and of the role of political patronage in this process that is presented here is based on Senegalese Central Bank studies of credit distribution; internal reports, memos, and policy papers of the Senegalese ministry of inter nal commerce; policy implementation analyses of the ministry of finance; ministry of industry reports of growing misuse of trade controls by clients of the regime; the commentaries, editorials, and analyses of this process that filled Dakar and Paris business publications after the early 1970s; and interviews with Dakar traders, industrialists, and bureaucrats in 1984–1986.


29. ONCAD (Office National de Commercialisation Agricole et de Développement).

30. The number 5,000 is an estimate. Caswell suggests that there was no definitive head count of ONCAD employees in the late 1970s. Caswell, “Autopsie de l’ONCAD”. See also Africa Confidential, May 7, 1980. In 1978, a World Bank audit disclosed far-reaching corruption in ONCAD. The quote is from Gellar, Senegal, p. 56.


32. The mourir marabouts organize and protect the extension of these rural circuits into the urban areas and the largest markets of Dakar. See M. C. Diop, “Les affaires mourides à Dakar,” Politique Africaine, 1 (1981).


36. See note 27. For documentation provided by a Senegalese government source, see SONED, Le textile au Sénégal (Dakar: 1978). The situation deteriorated after 1978. The index of industrial production which compares yearly changes in the total volume of textile goods produced in Senegal reflects this. Using 1959 as the base year (100), the index of textile production in Senegal reached about 250 in 1972. In 1982, the index indicated that textile production had dropped to near its 1959 base. Gouvernement du Sénégal, Direction de la Statistique, Indice de la production industrielle (published annually).

37. Taxes, tariffs, the inefficiency of the local industry, and the wide profit margins of foreign-owned industries inflated local prices, making local industry quite vulnerable to competition and generating windfall profits (rents) for those able to circumvent formal import restrictions. As Robert Bates argues, “Market intervention establishes disequilibrium prices. These, in turn, generate rents. (T)he rents . . . represent political resources—resources which can be used to organize political support and to perpetuate governments in power.” Bates, Essays on the Political Economy of Rural Africa, p. 129.

38. Critiques of the powerful “smuggling lobby” filled the Dakarois press, in opposition newspapers on the left and the “right” (Taxaw, Liberté) and in news periodicals oriented to the French business community (Africa). Criticisms of influential smugglers (fraudeurs) which appeared in internal reports issued by the ministries of industry, development, and finance were less direct than press accounts, yet biting nevertheless. French and Lebanese importers and industrialists were the most public and vocal critics of smuggling and fraudulent importation because their interests were hurt the most. By the later 1970s, the situation was so pervasive and widely recognized that the progovernment
daily newspaper, *Le Soleil*, ran a series of articles on "politically influential" fraudeurs in the textile business, arguing that these people were undermining the national patrimony, the industrial sector. *Le Soleil*, Nov. 6-9, 1978.