Africa’s Development beyond Aid: Getting Out of the Box
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This article argues that Africa’s development rests not on aid, but on three key pillars: knowledge, entrepreneurship, and governance. Africa needs to think outside of the box when establishing these pillars. However, to make these three levers work, a change in mindset is a prerequisite. Africa has to start dreaming big dreams that empower it to see long-term. Africa must restructure societies so that networks beyond closed ethnic networks are more prominent. The larger social capital that will result will build a foundation for development. Africa also needs to incorporate new actors in its development agenda, including faith-based organizations, the diaspora, and the business class; and it must encourage immigrant entrepreneurs, especially Asians, to come in as chase rabbits. Better governance will come from the transformation of people from subjects to citizens. For success in international trade, Africa needs to learn the lessons of the Savannah, where the effective pack is the king.

Keywords: development; social transformation; inclusive business; trade; governance; aid; diaspora

Underdevelopment has been the reality for Africa over the past 50 years. The development projects undertaken after independence and underpinned by Western aid have largely failed to deliver. Aid has been disbursed in the trillions, but the statistics have deteriorated in tandem. For instance, the high income per capita growth of 2.2 percent experienced in the

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1960s plunged to 0 percent by the end of 1970s, averaged −1.76 percent between 1981 and 1985, and stayed in negative territory until 1995 (Fosu 2009). Aid is now seen as the very reason for Africa’s underdevelopment (Easterly 2005; Moyo 2009). However, proponents of aid have argued that Africa would have been worse off without it because of the many unfortunate circumstances that Africa inherited upon independence. Such circumstances have put Africa in an under-development trap (Sachs et al. 2004; Collier 2006).

Aid has been pushed to the center of the debate about development in Africa, with extreme positions for and against it. This is unfortunate, as development is not about getting a helping hand to get out of a trap (Sachs et al. 2004) or being denied largesse and thus forced to act responsibly (Moyo 2009). Countries have received massive amounts of aid and done poorly, (e.g., Afghanistan); countries have also received little or no aid and also done poorly (e.g., Somalia). There are also countries that have received aid and done spectacularly well, such as Germany and South Korea. Aid is thus not central to determining the development path that a country will take. A beggar retires a beggar, but a borrower retires rich: two people who are doing similar things but with different mindsets. Development is about mobilizing resources, acquiring the capacity to utilize the resources, and allocating those resources appropriately. But what mindsets prevail determine what path development takes.

For Africa to develop, it has to think in ways that defy conventions. This means that Africa will need to think beyond aid as the central plank of its development plans. It will need transformations in its mindsets. This article seeks to expound on the theme of transformation, drawing from successes in Africa—present and past—to come up with out-of-the-box ideas for how Africa should forge ahead.

**Social Transformation**

*From beggar to borrower*

Behavioral economics points to how individuals make economic decisions. Individuals are not necessarily rational; Kahneman (2003) shows that individuals can make different decisions when the same choice is presented in different ways. How concepts and ideas are packaged is a powerful driver of economic behavior (a fact well known to marketers). When offered something for free, as in the case of aid, people tend to undervalue it.

Africa will need to finance its development, and it can find such finances from many sources. The cheapest sources, in terms of interest rates, grace periods, and length of time for repayment, will always be grants and concessionary loans, which are collectively called aid. But the effectiveness of aid hinges on how it is framed. Aid to Africa is currently given as a way of assuaging the guilt of the West and because of outright pity (Collier 2007; Zachary 2009). These are also the same reasons people give to beggars. The very word *aid* reinforces the beggar mentality. This mentality is the key challenge for development in Africa. It creates a
situation where lenders can give money and also dictate what one should do with that money.

Banks do not give based on charity but on the potential for return. The borrower, being an empowered partner, is not obliged to take all the business advice that the bank gives. The borrower has the space to craft a strategy and implement it in the way he or she sees fit. Africa is viewed more as a beggar than a borrower. Acting like a beggar, Africa has sometimes conceded policy space to its lenders, who have at times forced it to implement harmful policies (Action Aid 2005). It is the transformation from a beggar to a borrower mindset that will allow African policymakers to recover their policy space and begin thinking for themselves. Malawi has demonstrated this kind of change: it has managed to move from a food deficit of 43 percent in 2005 to a 53 percent food surplus in 2007 by thinking for itself (Denning et al. 2009). This surplus was a result of government-subsidized fertilizer given to Malawian farmers against the advice of donors (Dugger 2007).

**Dream and dream big**

Great leaders have known that grand visions are important and that the images they conjure can drive a country to great heights. The manifest destiny of the United States is a great example, while the idea of the middle kingdom (China as the center of the world) served China well for millennia and is probably at the heart of China’s current resurgence on the world stage. Africa needs to dream and to dream in ways that defy current imagination. Most successful people in Africa at one time shared their rooms with livestock, wore shoes for the first time in high school, had their first taste of cereal at university, and so forth. The story of Obama Sr. and his son Barack Obama is the norm in Africa. What Africa needs to do is to move from great individual dreams to great national dreams.

We are seeing a bit of dreaming currently in Africa. The dreams, though, are not grand enough. For instance, Kenya has its Vision 2030 to make it a middle-income country by 2030 on the back of 7 percent annual growth. Rwanda’s Vision 2020 program aims to grow its income per capita to $900 by 2020. These are laudable efforts and may be realistic, but they are still constrained in the box of what is thought of as success in the African context. For the past two decades, China has been growing at about 12 percent and from a much higher base than Africa. The growth rates suggested in the cases above do not reflect a desire to get out of the box. We are yet to hear of 15 percent sustained growth rates in Africa.

It is audacious dreams that will remove Africa from its underdevelopment trap. History shows great examples of the kind of audacity in which Africa must indulge. In dreaming of weaving the Abyssinian (Ethiopian) Empire, in the midst of a rising Europe, Emperor Twedoros kidnapped Europeans (detained them as his “guests”) and forced them to build a number of cannons for him and teach his people cannon-making skills. Anticipating the Europeans’ arrival, Twedoros built a road to move the huge cannons to a formidable, defensive position on the Magdala mountain. A British expeditionary force finally rescued the Europeans in 1868 using a large contingent of soldiers brought from all over the empire and elephants.
from India, but Twedoros’s accomplishments had a powerful impact on the Europeans and other Ethiopians (Mardsen 2007). Twedoros understood that getting critical technology (military technology) from potential adversaries required audacity. Twedoros’s audacity earned him respect and inspired generations that followed and may have saved Ethiopia from colonization. This is the “can do” spirit that needs to be imbibed in Africa if it is to develop.

Eritrea: The little train that could

Eritrea is blazing the trail of audacity. Though some of its dreams are misguided, it has demonstrated the power of vision. Eritrea has managed to bring back to life a train system that had been abandoned for more than 25 years, which includes pre–World War II trains. The trains are now a tourist attraction, apart from serving Eritrea. This system was revived using local ingenuity, including recalling engineers in their 70s who had already retired (Orr 1996). The same ingenuity has been shown in the country’s maintenance of 1930s Fiat cars, which are now coveted so much by car collectors that Eritrea has banned their export. Eritrea has displayed the right attitude toward technology that all of Africa should. Africa must demystify technology before it can start developing. The sheer hunger for knowledge is a more powerful driver of technology acquisition than any elaborate technology transfer that any donor (or China) may design.

From closed ethnic networks to open society

The wealth of individuals in any society is largely a factor of the social capital embedded in the society that they live in. Social capital is the sum of all networks and the trust within those networks. Nobel laureate Herbert Simon has estimated that social capital is responsible for at least 90 percent of what people earn in wealthy societies like the United States, and more recently, Warren Buffet has been emphatic about the role of social capital in individual wealth (Singer 2006). But these networks and the trust become beneficial only when group membership does not lead to discrimination or exploitation of nonmembers. Trust between members of the group must extend to other groups in society so that beneficial transactions can take place and ideas can be diffused from one group to another. However, social capital is productive only when groups are powerful. Africa suffers from low social capital mainly due to failure of states to deliver their promises of security and opportunity. In the face of weak states, people have turned to ethnic and clan networks for security and opportunity. The result has been fragmented societies.

Closed networks limit interactions and especially entrepreneurship, as value-creating activities tend to be confined to closed communities. The result is that certain ethnic groups dominate certain businesses, such as the Kikuyu in Kenya and Ibo in Nigeria, both of which dominate trading in their respective countries. This domination has the effect of limiting the flow of talent to various sectors, curtailing these sectors’ potential. Furthermore, as certain communities grow in
wealth, on account of closed information networks, resentment usually follows. This resentment over time can lead to destruction, such as in the case of the expulsion of Indians from Uganda in the early 1970s or Kenya’s near implosion following its 2007 elections. Closed ethnic networks create a poisoned political landscape that emphasizes differences between people rather than their commonalities. A country is seen as a commons to be exploited by the various groups, and politics then becomes a vicious competition for state capture to tip the distribution of the commons to the winners. The impact of this uneven distribution is huge on the economic growth rate, contributing up to 35 percent of the observed growth differential in Africa and fostering a culture of corruption (Easterly and Levine 1997; Shleifer and Vishny 1993).

Africa’s problems will never be resolved until all ethnic groups see their respective countries not as a common to be extracted for the benefit of their micro-nations but as theirs to develop. This national identity formation is critical in moving Africa ahead. Wangari Maathai (2009) has proposed teaching children at least one other language in school so that they can better appreciate other communities. South Africa has formally adopted 11 languages as its “official” languages. Other countries have proposed doing away with the tribe identification. Donors in Kenya advised the country to drop the question about tribe in the 2009 national population census (Siringi 2009). However, encouraging people to intermingle is the most effective way to forge a new national identity.

School is a good instrument for achieving a collective national identity. Governments should mandate that all secondary (high) schools enroll students from all ethnic groups on a quota basis. To make this more effective, all schools should be made boarding schools to allow closer contact among students and the development of new identities. Friendships formed at this stage will also create new networks, devoid of tribal identities, networks that will serve them in their youth as well as in their adulthood.

National youth service programs after high school graduation should further consolidate this identity building. National youth services should undertake public projects such as building roads or canals. This will also allow youth to travel to different parts of their countries (and even other countries) and appreciate other cultures. A country’s national youth service should serve as a medium for indoctrinating values of public service and nationalism and also provide youth an opportunity to feel valued and continue to develop nonethnic networks. Graduation from a national youth service should be the new rite of passage to adulthood, much as circumcision is in some communities today.

Urbanization is another powerful tool for integrating people. African governments should take an active role in urbanizing their countries. They should look to the example of Singapore, which broke ethnic networks through settling different ethnic groups in new urban centers (Yew 2000). Children growing up in these neighborhoods in Singapore will have nonethnic networks. African governments should also look to examples on their own continent. For example, this approach is being implemented in Rwanda under its Imidugudu program and was central in building the strong Tanzanian national identity under the Ujamaa
But urbanization in Africa inevitably means growth of megaslums, such as Kibera in Nairobi, Kenya. Slums are a health hazard and pose a serious threat to public safety as they are breeding grounds for crime. But many great cities had such beginnings. Dickens’s London was a huge slum, as were many parts of New York City. For example, the Five Points slum of 18th-century New York became a tourist attraction because of its degradation (Chamberlain 2003). In the twenty-first century, Kibera is also a tourist attraction, perhaps for the same reasons (Odede 2010).

Nevertheless, the social capital that will result, because of the greater integration of people in cities, will generate the necessary trust that is needed to grease development. Aid provided to countries with high levels of social capital means that the aid will be better utilized, rather than siphoned off to the group(s) in control. Social capital also makes it easier to mobilize local resources. For example, a national youth service could be deployed to dig an irrigation canal as a public service, rather than having to use aid to do so. Higher trust among people means that lending will be less risky, and thus resources to mobilize and fuel entrepreneurship will be released. Taxes and savings that are generated from increased entrepreneurship are more effective in raising development resources than is aid, as people paying taxes expect and get better services from governments. An integrated, multicultural society is more likely to pursue nationally beneficial projects as opposed to aid-driven projects, which are likely to be in the interest of donors. Integrated societies are also less likely to be skewed to benefit those groups that have the power.

**Faith will move mountains**

Faith is perhaps the biggest unexplored tool for development in Africa and is far more effective than aid. Beck and Ver (2002) point out that most people in the global South (Africa, Asia, and Latin America) are highly spiritual, and the failure to understand and explore their spirituality reduces the effectiveness of their countries’ development. Indeed, the Protestant Reformation has been credited with the rise of Europe. Can religion achieve a similar result in transforming Africa, especially now that Africa is actively shaping the direction of Christianity? Churches have been and continue to be at the forefront of providing education and health services in Africa. Dowden (2008, 16) argues that churches have supported more real development in Africa than all government and aid agencies combined. Faith groups have also influenced entrepreneurship in Africa. The Mouride Islamic Brotherhood of Senegal, with its central teaching emphasizing self-reliance and entrepreneurship, is a formidable global business force. It has enabled a support network, which links the diaspora and local members in a web that facilitates a global exchange of knowledge, goods, and credit (The Economist 2006). It has become one of the strongest communities, economically and politically, in Senegal.

Religious organizations also create broad transethnic and transnational communities, so that when a person moves from city to city or country to country, there is a
sort of surrogate family structure already in place (Lester 2002). It is this power that can be used to break ethnic networks that stifle Africa and prevent movement of people and the flow of ideas. By creating new information networks, religious groups also provide means by which the poor or excluded can become part of mainstream business. Equity Bank in Kenya is using such networks to vet the creditworthiness of people who are otherwise outside the conventional creditrating mechanisms, tapping the huge market of the unbanked in Africa.

The role of faith-based organizations in development could be enhanced further if governments embraced them and channeled public resources through them. A significant percentage of a country’s health and education services budget should be channeled to them. This flow will have a tremendous impact on service delivery, as religious organizations have proven to be more efficient than governments in providing services, and the former also tend to better serve the poor.

**Brand Africa: Image is key to transformation**

Image is an important arsenal in changing mindsets. People’s self-images determine what they will aim to achieve (Kebede 2004). Africa’s image is a highly confused one. Writers have simultaneously portrayed Africa as innocent and corrupting, savage and pure, and irrational and wise (Zachary 2009). While there are many narratives on Africa (see Zachary 2009), the one that is most harmful to the continent is the victim narrative. This narrative drives the current relationship between Africa and the world and is at the heart of Africa’s development policy. In particular, it underpins its aid policy.

Great efforts have been made to make Africa look like the harmless and hapless victim, especially by donor agencies keen to keep their budgets running (Pineau 2005). There is also the general feeling among Africans that some nations want to take advantage of Africa. First, it was the Europeans under colonialism and, later, neocolonialism. Now it is the Chinese who want our commodities. We now hear complaints such as, “The danger is that China will politely rip off Africa, just as the West did” (Mbitiru 2006). And “Chinese investments in Africa are a ploy for the Asian nation to take away Africa’s natural resources” (Kamndaya 2010).

Few commentators take note that it is in Australia that China has the biggest mining interests. For instance, in 2007, Chinese companies were funding more than 15 minerals and energy projects in Australia worth US$10 billion, mainly in iron ore, coal, natural gas, and bauxite ore. In 2007, Australia was the biggest supplier to China of iron ore, coal, and alumina (International Herald Tribune 2007). Between 2000 and 2006, China’s investments in Africa totaled only US$6.6 billion (Wang and Bio-Tchané 2007). The reason we do not get a huge outcry about Chinese investments in Australia is probably because Australia is seen as being able to take care of itself. While there continues to be friction over China’s increasing desire to control mining companies in Australia, the language used when discussing this partnership is very different from the language used when discussing China’s appetite for African minerals. Words such as “exploitation,” “neocolonialism,”
and “new scramble” are more likely to be used in reference to Africa; whereas words such as “business,” “increased tax revenues,” and “mutual benefits” are more likely to be used in reference to Chinese dealings in Australia (see International Herald Tribune 2007; R. Taylor 2009).

This victim mentality also hampers Africa’s policymaking. Opportunities are seen as full of hidden threats that Africans have no way of deciphering without the help of those who are invariably Westerners, advisors, journalists, and NGOs (see Blas and England 2008). This creates a paralysis in Africa’s decision-making, increasing the disempowering dependency that has defined Africa.

This victim mentality is currently reflected in the incessant criticism of China’s activities in Africa, which is mainly that they are not leading to transfer of know-how and, thus, sustainable development. But why should Africa complain that China is not transferring know-how? Who transferred know-how to China? The image of “victim” attracts sympathy and charity, but it takes away something important for Africa: human agency.

Human agency is people’s beliefs about their capabilities to exercise control over events that affect their lives. Unless people believe that they can produce desired effects by their own actions, they have little incentive to act or to persevere in the face of difficulties (see Bandura 2006). The lack of African agency has allowed rock stars and Western leaders to take it upon themselves to eradicate Africa’s poverty without African involvement (Mugabane 2007). The message that is lacking is that Africans have the will, however constrained by the past, to change their societies for the better (Lonsdale 2005).

History is the most powerful and unused tool in Africa’s arsenal. Africans are currently taught a history that is overtly and covertly focused on European achievements and their domination of Africa, peppered with some triumphs from African independence struggles, followed by African failures during neocolonialism, cold war struggles, and debt burdens. It is a story that is at the very least disempowering. Few Africans know of Africa’s contribution to the current global civilization, from Egypt’s transmission of civilization to the Greeks (Davidson 1994; Bernal 1987); to saving the Judeo-Christian religion, the foundation of the Western civilization (Aubin 2002); to the more recent trans-Sahara gold trade, which fueled the rise of Europe via Genoan and Venetian merchants (Davidson 1994).

People with great histories set the bar for achievement very high. Indeed, the West has gone to great efforts to hide its huge export of Anglo-Saxon slaves to the more advanced Middle East at the height of Islamic civilization (Harris 2004). Few Europeans know of the more than 700 years of Arab colonization of parts of Western Europe and the Arabs’ role in passing on knowledge that was the basis for the European Renaissance.

Building Africa’s Knowledge Base

Human capacity is needed to formulate and implement development plans. Africa has suffered from lack of capacity, relying heavily on technical assistance
that is part of aid packages. Africa needs to rethink how it acquires human capacity and accelerate that process. Increasing skills that are needed to develop Africa will come from expanding access to knowledge and stemming brain drain.

Quantity first versus quality later

Africa has limited resources for the education of its people. The result is a tension between increasing access and increasing quality, especially in higher education. For instance, Kenya has seen explosive growth in university education. This growth has been fueled by intensification in use of university facilities, such as running parallel degree programs in the evenings and geographical expansion, mainly by franchising degree programs to non-degree-granting training institutes. This growth, however, has also been said to have lowered the quality of education in Kenya. While this is probably the case, low quality may not be so costly. A 2005 McKinsey study reports that human resource managers in multinational companies consider only 10 percent of Chinese engineers and 25 percent of Indian engineers as even “employable,” compared with 81 percent of American engineers (Pei 2009). Yet China and India are seen as models of growth.

Apart from imparting skills, the other key advantage of higher education is that it confers higher aspirations and expectations (and also frustrations). Ghana's independence was hastened by agitation from a huge number of educated Ghanaians who could not get a job; they were the foot soldiers of Kwame Nkrumah (Rodney 1973). As more people get university degrees—even low-quality ones—they expect better lifestyles and become uncomfortable with the status quo. Education, even if it is of low quality, goes a long way in transforming mindsets. Africa needs a huge number of people refusing to accept poverty as a way of life.

Follow the drain and recover the brain

Africa suffers from a huge brain drain to the West, especially in the areas of science and technology. It is estimated that Africa loses an average of 70,000 skilled personnel a year to developed countries in this brain drain (Commission for Africa 2005). The West lures them with better professional development opportunities and better lifestyles. African countries can recover the lost brains through innovative thinking. Countries can create research institutes in global centers of research and send their scientists to work there. This is the approach that Cuba has taken in the past. Crippled by an economic crisis after the fall of the Soviet Union, Cuba sent its scientists to Sweden, Germany, and Spain so that they could continue working (Yee 2003). If African scientists can work on African problems in African-funded labs established in more advanced countries, this will turn brain drain on its head.

Knowledge can come from unusual places

Africa needs to take lessons from Asia’s success stories. Korea received skills training in management from the Philippines and Pakistan. Malaysia trained its
administration staff in Kenya, and more recently, Vietnam obtained its expertise in coffee growing from Kenya. These lessons are being learned. Kenya tax authorities have acquired a state-of-the-art national revenue collection computer system from Senegal. Nigeria has been able to develop a drug to cure sickle cell anemia by studying traditional herbal remedies (The Economist 2007). Knowledge can, thus, come from unusual places.

Building Entrepreneurship

There is gold at the bottom of the pyramid

Entrepreneurship is the key engine of growth. While subsistence has generally defined the landscape of Africa, this is not a reflection of lack of entrepreneurial capacity. Bates (1984) notes that the African zeal for entrepreneurship so scared the colonial powers that they went to great efforts to kill it. Generally, lack of access to credit and unsupportive legal and business environments have limited the growth of entrepreneurship in Africa. However, the key obstacle to entrepreneurship is poverty. The majority of Africans subsist on less than $2 per day. However, to an entrepreneur, $2 means 700-million-plus Africans spending more than $1.4 billion per day. This provides a huge opportunity, since the poor tend to pay more for goods and services than the rest of a society. The poor provide a huge market (a fortune) for those with the right models (see Prahalad 2006).

But this is a market that is extremely difficult to crack for conventional businesses, mainly due to lack of credit and access. Innovations are, however, making it possible to profitably do business with the poor. Microcredit and micropayments are making it easy to include the poor in financial systems. Social marketing, where NGOs, community organizations, and governmental agencies work together with business organizations to educate and inform communities about products that can improve their lives, is providing easier access to poor markets. The result is inclusive business where the poor get to be part of business chains as suppliers and as consumers. The net impact is growth of entrepreneurship, resulting in more empowered people and higher taxes.

African governments can do more to promote inclusiveness. Governments are usually the biggest buyers of goods and services in most African countries. They have huge leverage in developing the model. Governments can, for example, mandate that a certain portion of business be reserved for the disadvantaged, as is the case with the 2003 Broad-Based Black Economic Empowerment Act in South Africa (see Republic of South Africa 2004). Governments can create incentives such as tax breaks to entice businesses to adopt inclusive business models.

Wake up the dead capital

Africa has vast amounts of capital that De Soto (2001) refers to as “dead capital.” This is capital that cannot be mobilized because property rights are nonexistent.
For most people in Africa, land tenure is nonexistent. The figures for customary land ownership in Southern Africa are as follows: Mozambique, 93 percent; Zambia, 89 percent; Angola, 88 percent; Tanzania, 84 percent (United Nations Environment Program 2006, 107). These numbers indicate that land is not an asset that can be mobilized for entrepreneurship; therefore, people are locked in subsistence. This also makes real estate, a huge sector in many developed economies, nonexistent in Africa. This is the low-hanging fruit that can be reaped at the stroke of a pen through legal reforms.

**Immigration: Let the chase rabbits come in**

For many in Africa, emigration is about leaving Africa for greener pastures. But Africa for some is the greener pasture. Indians and Chinese in particular see Africa as a place of opportunity. The use of bribery (Kenya) and subterfuge (Rwanda)\(^ {17} \) and other tricks used to stay in African countries is a testimony to this.

Immigrants are important for the countries to which they immigrate because they bring an entrepreneurial spirit, managerial and technical skills, and new networks. The coming of Chinese, Indians, and other Asians to Africa should be welcomed. Immigrants may compete with the locals for jobs and raise tensions, but it is these tensions that finally awaken locals and force them to learn and to imitate. Immigrants may have better international networks, but locals have better local networks. Local peoples, with time, will demystify the immigrants and learn how to compete. The immigrants are really the equivalent of a chase rabbit that encourages athletes to break world records. The relative sophistication of countries such as Mauritius, South Africa, and even Kenya is due to the presence of significant groups of immigrants.

**In the diaspora we have a powerful unexploited web**

“When the spider webs unite, they can tie up a lion”

—Ethiopian proverb

The African diaspora, the recent and not so recent, is the vast resource that Africa must exploit. African immigrants are already sending more resources back to Africa than total aid flows; their impact is such that for some countries, such as Lesotho, remittances stand at 28 percent of GDP (Gupta, Pattillo, and Wagh 2007). It is less well studied that the diaspora is playing a powerful role in demystifying the West, transferring key skills back home, and creating important networks that link Africa to the larger world.

Africa can also benefit from the African-American communities that have historical ties to it. In African-American communities, we have personalities that have run big cities and big corporations, we have renowned scientists and engineers, yet in Africa we have a dearth of skills. Developing mechanisms to tap into these communities’ knowledge bases could be a powerful driver of development in
Africa. Indeed, the Chinese community abroad, particularly the Guanxi network, has contributed greatly to the rise of China, mainly through knowledge and skills transfers and patriotic investments (Fenby 2008).

Africa needs to do more to incorporate the African diaspora in its communities. As a start, it should provide citizenship or special status to all Africans living away from Africa, much as India has provided special status to its diaspora irrespective of how many decades they have been away. Africa must assiduously court African-American investors, tourists, students, and so forth. Ghana has embarked on this journey (Quist-Arcton 2006). Kenya has a special school for at-risk students from a predominantly African-American Baltimore City public school system (Daly 2005).

Globalization means new and many opportunities for the hunters

Africa supplies a huge proportion of the commodities needed to power the world economies, yet it accounts for less than 3 percent of the global trade. This small percentage partly stems from the way that Africa was integrated into world trade by the colonial powers. The key reason, however, is that Africa has failed to diversify and compete. But this very small share of global trade also means that Africa has huge room to grow. Africa can do this by learning a few lessons from its backyard: the Savannah.

In the Savannah the pack is the king

Animals, whether the mighty lion or the lowly hyena, often hunt in packs. They are also highly focused once they make the choice to hunt. In the global marketplace, Africa has to implement these lessons. Trade is all about forming effective packs and negotiating the terms of trade as a pack. It is also about focusing on developing key competencies, traditional or new, as need be. Africa does not have effective packs, with many countries belonging to at least four trade bodies (Economic Commission for Africa 2004). Being part of too many packs is a sure way to lose focus. This situation is further compounded by African countries’ lack of resources to negotiate and to staff their many trade missions (Schiff and Winters 2003).

The hare cannot represent the tortoise

Africa must do more to develop its own negotiating capacity. In international negotiations, especially in the World Trade Organization (WTO), it has been noted that African negotiations are supported by international NGOs (Jensen and Gibbon 2007). WTO negotiations are about fighting for concessions from the West, which has traditionally skewed trade to its own advantage. The West funds most of the NGOs operating in Africa. Therefore, any negotiating advice that the NGOs offer cannot be fully objective.
In the Savannah there are many water holes

Though Africa’s share of global trade is small, the trade patterns for Africa seem to be improving. Asia, especially China, is becoming a more important trade partner. This partnership is good, but only if Africa relates strategically to Asia as well as to the rest of the world. Africa should find ways to integrate strongly with all the regions of the world. Fixating on any one country or bloc, as seems to be happening with China, is wrong. Africa should think about what it can get from where and do what is needed to make it work. For instance, Brazil, an agriculturally successful tropical country, can provide agricultural or agro-processing technology to Africa, while Cuba has great lessons to share in improving the health sector.

Putting Governance Basics in Place

Africa’s poor performance can largely be attributed to governance. Governance is central to a country’s development. It allows the optimal allocation of resources and also creates the environment needed for development activities to take place. The foundation of governance is having a proper principal-agent relationship where the principal (the citizen) has the ability to monitor the agent (the ruler) and ensure that the agent delivers. The key prerequisite for this is a justice system that allows agents to act cooperatively and in a stable environment.

From subjects to citizens

Good governance in Africa will come from the transformation of people from subjects to citizens. The master-subject relationship is a colonial legacy that still exists (Mamdani 1996). The very word for “government” in Kiswahili, Serikali, literally means “great secret.” This is what the government is in many African countries, a great secret. This mindset allows a lack of accountability and a culture of impunity to thrive. The transition from subject to citizen will be greatly aided by transitions from highly centralized governments to more empowered local governments. Local governments allow citizens to more effectively participate in decision-making because local issues can be more easily grasped. The Kenyan experiment of distributing a proportion of the national budget to constituencies under the Constituency Development Fund (CDF) program is a step in this direction. Though systems for making it work properly are yet to be put in place, it has greatly improved people’s level of participation in governance—transforming them into active citizens—and forced greater accountability of leaders at local levels (see Maathai 2009).

Back to the future

Africa has constitutions that are rooted in either Anglo-Saxon or French models, which create poor foundations and continue the legacies of colonialism. They
are not rooted on any ancestral standards and thus do not draw from the many institutions of leadership Africa had before colonialism; in that sense they lack legitimacy (Mazrui 2002). Justice systems that have emerged have strange formalities and lengthy procedures far removed from the African reality and experience. These systems require substantial resources in terms of court officers, courthouses, and so forth—resources that many countries find it hard to afford. The result is highly inefficient justice systems. For instance, in 1991, of the 60,000 inmates in Nigeria’s state prisons, at least half had never seen a judge (Bach 2006, 76); while at the time of this writing, the number of pending court cases in Kenya was greater than 800,000 (Daily Nation 2010).

Inefficient justice systems encourage people to seek justice through private institutions. However, private protection systems are limited in that they can operate only in small networks, and as they grow they can easily morph into mafias (Leeson and Boettke 2009). This has already happened with the Mungiki mafia in Kenya. Frustration with inefficient justice systems has led some Nigerian states to adopt the Islamic Sharia legal system (Bach 2006).

Africa needs to rethink its legal system. Rwanda, faced with a huge number of cases as a result of the genocide, has pointed the way forward by reviving a traditional justice system called Gacaca. The Gacaca has tried more than 1.1 million genocide cases in Gacaca courts, while similar trials in Arusha under international law have tried fewer than 44 suspects since 1994, using close to 12 percent of Rwanda’s annual budget (Hirondelle News Agency 2006; BBC News 2008).

The Gacaca system has been viewed with skepticism, especially in the West, due to its use of laypeople as judges. Rwanda has shown great courage in going back to its traditional systems of justice, knowing that justice existed before the advent of colonialism and Western legal code. It is this kind of courage that Africa needs.

### Conclusion

Aid has been the key lever for getting Africa out of its development trap. The application of aid in Africa has, however, not eradicated its poverty. As Africa faces the next 50 years, it needs to reexamine existing orthodoxies and develop new mindsets that will underpin its development path. This is not to say that Africa should take a dogmatic position against aid or the West but that it should have the view that new ideas can come from anywhere, and traditional approaches will not be enough. Africa must get out of the box that has informed its development policies. The key to development is developing mindsets that bring back agency to Africans.

### Notes

1. Richard Dowden of the Royal African Society puts the figure at around $1 trillion in aid over the past 50 years, roughly $5,000 for every African living today, if distributed evenly at 2005 prices (I. Taylor 2005). But others have put it at around $500 billion (Easterly 2005).
2. In the past eight years, upwards of $32 billion has been given (The Economist 2009, 21).

3. The beggar mentality has become so ingrained in the African mindset that when Kenya was removed from the Heavily Indebted Poor Countries list, rather than celebrate its graduation from kindergarten to elementary school in the Western development paradigm, it complained bitterly because this meant that it could not qualify for debt relief and new grants.

4. Africa is full of stories of dreams come true. Most of the people in high positions come from very humble backgrounds. A person familiar with the chief justice of Kenya told me that the chief justice dressed for one year in a girl’s school uniform, because the tailor had made a mistake and mistook him for a girl when his mother went to fit him for his first uniform. Given the level of poverty at this period in Kenyan history, he had to endure the school year dressed as a girl because his mother could not afford to buy another uniform. Unfortunately for Africa, many Africans tend to view their humble past as an embarrassment, rather than seeing their rise as an achievement, and such inspiring stories are never told. Obama Sr. went from being a goat herder to Harvard. This is not spectacular for those who live in Africa. Any African president, CEO, or judge, for example, is more likely to come from an even more difficult background than that of Obama Sr.

5. Oil-rich Angola and Equatorial Guinea have attained growth rates of more than 20 percent per annum in the recent years that saw huge surges in oil prices.

6. Twedoros, however, was defeated and committed suicide from the humiliation of defeat. But his memories and accomplishments continued to inspire Ethiopians. Menelik, a protégé of Twedoros, embraced the technology and gadgetry of Europeans and was able to humiliate the Italians at the battle of Adoa in 1896, putting an end to Italy’s ambition of colonizing Ethiopia (see Mardsen 2007).

7. Eritrea shuns aid, foments the rebellion in Somalia, and has a tense relationship with Ethiopia.

8. Note that aid is also channeled through religious organizations. So the argument here is not for one against the other but that religion provides a good foundation for building development programs. If aid is channeled through faith-based organizations, it is more likely to be effective. Even without delivering aid, these organizations are good at mobilizing people and developing social capital.

9. The second most powerful person in the Anglican Church, the archbishop of York, is a Ugandan, while Nigeria has a papal contender in Cardinal Arinze (Jenkins 2002).

10. In some instances, especially where grants are involved, China imports all materials and labor. It delivers the final product without the involvement of local workers at any level.

11. Mugabane (2007) argues that this harkens back to the colonial period, when it was believed that Africa was for the white man to shape.

12. Universities have now adopted a fast-food-like franchising model in Kenya.

13. Kahl (1998) argues that the high expectations among educated urban youth in Kenya caused frustration and antistate grievance when unemployment hit this group at the end of the 1980s.

14. In Kibera slums, for instance, slum dwellers pay 10 times more for water than do their wealthy neighbors.

15. An illustration of this would be if a soap manufacturer, NGOs, and government agencies concerned with health worked together to inform the poor about the importance of washing hands. In this case, if the social marketing campaign were successful, the poor would benefit from better health, and the business would benefit from higher sales of soap. The sale of the soap could be initially done through micro-businesses. The NGOs and government agencies benefit from tapping the business organization’s experience in communication, logistics, and management; while the business mutually benefits from using the NGOs’ and governments’ infrastructures and specialized local knowledge to access these difficult markets. See Prahalad (2006) for examples of inclusive business. This cooperation also increases understanding between these key agents of development, leading to better coordination and higher impact of development efforts.

16. The overarching stipulation of this 2003 act is to “promote[ ] economic transformation in order to enable meaningful participation of black people in the economy.” For its other objectives, see Republic of South Africa (2004).

17. Rwanda has a zero-tolerance policy on corruption, but it has very lax rules on investments. It costs about $5 to register as an investor, and using this status, one can get a residence permit. Chinese and others are exploiting this system to masquerade as investors, while their real intentions are to become traders. The minister in charge of immigration in Kenya has also been accused of fraudulently giving stay permits to Indians.
18. Many judges in Africa still wear horsehair wigs, and mayors have worn 16th-century English hats to display authority. We are likely to laugh at a judge dressed in headwear and a robe made from a Colobus monkey skin, the traditional mark of authority in the Kikuyu tribe in Kenya (see Mwai and Muriuki 2003), because that is seen as primitive, but we find it acceptable to don centuries-old English attire.

19. Private institutions embedded in societies are governed by trust, expectations, and norms. They rely on reputation systems and cultural sanctions, such as ostracism.

References


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