Introduction: The Global South in a "Compartmentalized World"

The Global South is relatively neglected in research about our "compartmentalized world." The volume of publications on inequality has increased fivefold since 1992, but many of these focus on the top 1 per cent of households located in the Global North (International Social Science Council, 2016), much like Thomas Piketty's work (e.g., Piketty, 2014), and others published in leading journals and magazines such as *Social Forces* (see, for example, Kwon, 2016), *Regional Studies* (see, for example, Kane and Hipp, 2019), and *The Economist* (see, for example, *The Economist*, 2019). Yet, both spatial and social inequalities are widespread and increasing within and between groups in Africa and between Africa and the rest of the world (Obeng-Odoom, 2013b, 2014a; Smet, 2019).

So, in this book, my focus is on stratification in the Global South or what Frantz Fanon (1961) called "the wretched of the earth"; their experiences of appalling economic inequalities; the dire implications for society, economy, and environment; why this compartmentalization continues to deepen; and what can be done about it. Analytically, the focus on stratification provides a more comprehensive approach to studying the Global South because the concern about stratification leads to additional questions about inequality in relation to whom, what, where, why, and how, and hence throws the searchlight on the bigger question of "economic backwardness" in the Global South.

According to Alude Mahali and her colleagues (2018, p. 3), we should understand the Global South to be "the countries of Africa, Central and Latin America, the Pacific and Carribean islands, and most of Asia." I accept this geographical interpretation of the phrase, but I apply it in a broader sense to include those social relations in the Global North that resemble or shape conditions that pertain to geographical Global South (think of, for example, black Americans and the Indigenous peoples of Australia). Politically, the focus on the Global South emphasizes its revolutionary potential, as Samir

Amin repeatedly stressed (see, for example, Aly Dieng, 2007). Analytically, focusing on the Global South more widely addresses the widespread problem of methodological nationalism (Gore, 1996; Connell, 2007; Marois & Pradella, 2015) in explaining development, underdevelopment, and alternative development. Although there is the danger of overgeneralizing, the countries in the Global South share many experiences, including chattel slavery.

Yet, almost all the political-economic analyses of the current extreme global economic inequalities focus mainly on capitalism quite a recent economic system, as the root of the problem and neoliberalism as the conveyor belt. Indeed, Alfred López's (2007, p. 1) introduction to the journal, *The Global South*, delimits the periodical's mission to only "three areas: globalization, its aftermath, and how those on the bottom survive it." Although useful, this diagnosis must be situated in a broader view of the nature of Western civilization and its aggressive expansion into the Global South. Historically built on a philosophy of exclusion, monopoly, and a superiority complex, Western civilization fueled chattel slavery, imperialism, colonialism, neo-colonialism, environmental pillage, and shocking forms of patriarchy (Ince, 2018). Its "discourse upon the origin and foundation on the inequality among mankind," to quote Jean Jacques Rousseau (1776), is patronizing. Its apostles tend to claim that the root of inequality can be either nature or nurture and that even conventions impelling inequality are patterned after natural forces (Rousseau 1776). These claims are insidious and toxic, but they continue to be accoladed when disguised as academic research, seeking to 'prove' that all these forces are 'history' (see, for example, Maseland, 2018).

The Euro-American historical experience recalls the penetrating analysis by Frantz Fanon (1961) of the compartmentalization of the world in which nobody cares about "the Wretched of the Earth," Fanon's version of the Global South. Slaves were disproportionately colored and the colonizer subjected colored peoples to the most degrading forms of work only to force them out into townships and shanty towns as they were considered "subhuman" (Beckles, 2013), or, as tools, human capital (Hodgson, 2014). The justifying veil of "cultural difference" used as the logic for compartmentalization was eventually torn apart and burnt by fiery revolutions which, for a while, appeared to disrupt the shocking levels of compartmentalization and appeared to be bringing the "wretched of the earth" to the fore. Yet, with the rails and the chains of the veil and the system unbroken, racialized compartmentalization continues to reassert its ugly soul moulded in the furnace of neo-colonialism, capitalism, and imperialism.

Further, the drama of compartmentalization continues, and is arguably magnified, in today's gilded age. With some prevarication, the International

Social Science Council appears to jubilate that the number of publications on the issue has increased in recent times, However, inequality was always an issue: as has been evident in the plunder of resources in Latin America and Africa and the underdevelopment of the Pacific, the Middle East, and many parts of Asia. Many in Indigenous communities have been living in traumatic conditions while many of their white neighbors have so much more to eat than they need and more than is healthy to consume. Such stark contrasts have been the focus of Latin American scholars and many others researching the "development of underdevelopment" (e.g., Frank, 1966). So, why has the intense interest in inequality reemerged? The simple answer is – as Thomas Piketty's *Capital in the Twenty First Century* (2014) demonstrates – inequality is increasingly becoming a major issue in the West. The West has always had a fever of compartmentalization, but this increase in temperature has reached threatening levels, which many fear that it could undermine continuing class- and race-based privileges. For once, it appears that there is some sort of shared interest with "the Wretched of the Earth" for a genuinely global approach to fight a common enemy. But even then, the focus continues to be placed on "the top 1 per cent" in the global core.

In principle, the field of "development economics" has adopted a mandate to broaden this narrow focus. Indeed, the idea of "development" was, for a long time, understood as a general social change in societies everywhere (for a brief history, see Obeng-Odoom, 2013a). However, in practice, development economics is quite limited even in terms of its sources of inspiration. Often drawing mainly on narrow neoclassical and new institutional economics (Akbulut et al., 2015), it has often tended to focus on how rich countries can help poor ones, usually through producing a cadre of Western-educated development specialists who travel from their homelands to help or criticize other nations and peoples. These self-appointed prophets, in turn, tend to train national and global cadres to develop local plans for local progress or pontificate on global ideals without any detailed understanding of local processes (Currie-Alder, 2016). Indeed, in many cases, development economics has created a situation where "public discourse has become public disco" with comedians and musicians performing on stage using preposterous stories to solicit aid to help the poor (Moyo, 2009: chapter 2). In the slums of Indonesia, development has created a theater where the poor recite poems about their poverty as entertainment for the rich who pass some crumbs to them for being able to artistically describe their material deprivation (Peters, 2013).

It seems that the "New Directions in the Political Economy of Development" (Rapley, 1994) in the 1990s have been rolled back. There is an emergent emphasis on "postdevelopment." Characterized by the celebration of localist interventions and ways of life, postdevelopment seeks to write the obituary of development itself because the life of development is the death of many (Rapley 2004; Ziai, 2015). Universalist claims popularized by celebrities often create cacophonous noise in the ears of diligent students of development genuinely pondering alternatives, but does a retreat to self-help, tradition, and pre-industrial society ideals address unresolved issues? A minute of silence is needed to ponder the words of the late Aime Césaire:

> It is not a dead society that we want to revive. We leave that to those who go in for exoticism. Nor is it the present colonial society that we wish to prolong . . . It is a new society that we must create with the help of all . . ., a society rich with all the productive power of modern times, warm with all the fraternity of olden days. (Césaire, 1972: 52)

In my own contribution to the *Journal of Developing Societies* (Obeng-Odoom 2011), I tried to highlight some of the dangers of self-help and localism, including affinities between localism and some mainstream economic thought, the tendency of localist analyses to misdiagnose the development malady as a gigantism issue, and the penchant for localist advocates to overlook the power of reconstructing social relations and institutions across the globe. How do we close the gap, if we focus only on basic needs 'in the Global South' and do nothing about the startling high ceilings in the Global North and across the world (Stilwell, 2019)?

With all its weaknesses, development economics has been the source for insights on global economic inequalities. A focus on inequality started in the 1960s, as demonstrated in H. W. Arndt's work, *Economic Development: The History of an Idea* (1987, pp. 97–100). However, this emphasis on inequality quickly petered out. Economists put the case for growth instead because 'something must be grown before it is redistributed'. Since then, "inequality" has crawled on but more often slipped off the development agenda. Currently, development economics pays more andmore attention to inequality, but only as "risk," as a brake on economic growth, or as a hindrance to poverty reduction; not because it is the root of what W. Arthur Lewis, in analyzing economic development, called "racial conflict" (Lewis, 1985) or other conflicts in the Global South (Obi, 2009; Obeng-Odoom, 2019); not because inequality kills more than disease or limits the potency of healthcare programs (Obeng-Odoom & Marke, 2018; Wilkinson & Pickett, 2010; 2018); not because inequality helps explain the current socioecological crises and, indeed, undermines the struggle for a green and clean planet (Stilwell, 2017, 2019); and certainly not because inequality is unjust.

The relentless pursuit of economic growth is, in essence, the Holy Grail in development economics. As exemplified in the contribution of economists to the special issue of *Foreign Affairs* (vol. 95, no. 1, 2016) on "Inequality: what causes it, why it matters, what can be done," if growth can be sustained then inequality will take care of itself (see Bourguignon, 2016). Indeed, even without exploring different types of growth and how they arise (Gore, 2007), or whether commonly utilized notions of well-being in the West are similarly useful in the Global South (Mahali et al., 2018), mainstream economists like David Dollar and Aart Kraay (2002) hastily declared that "growth is good for the poor", an argument which, more recently, has been emphasized as "growth still is good for the poor" (Dollar et al., 2016).

In practice, whether it is growth, poverty, inequality, or any of the many changing goals and ends of development, development has become a patronizing notion that creates an idealized image of the West in the South or a unique/exotic image of the South as an "other." Development has become an orgy of *Orientalism* (1978), to recall Edward Said's masterpiece. Helping the poor is a common language, as is "sympathy," whether it is in terms of evaluating interventions (program/project aid), or goals – be they Millennium Development Goals (MDGs), Sustainable Development Goals (SDGs), or both. The award of the 2019 Nobel Prize in Economics for what the awardees call "the experimental approach to development economics" (see Banerjee and Duflo, 2009) further legitimizes the zeal to come across as "helping the poor". Much less attention is paid to nuanced conceptualization of these goals (on SDGs, see Gore, 2016; on MDGs see Obeng-Odoom, 2012; and Obeng-Odoom & Stilwell, 2013). Questions about the growing power of unaccountable NGOs and foundations are seldom asked and even more rarely answered. As Clifford Cobb (2015) has recently publicized, without the accountability and scrutiny to which national bodies are subjected, foundations set the agenda and frequently divert attention away from structural causes of inequality to effects such as corruption of national governments, backward cultures, and differential levels of human capital.

POLITICAL ECONOMY, INEQUALITY, DEVELOPMENT, AND UNDERDEVELOPMENT

The political economy of development is sometimes seen as a salvation for these deficiencies in mainstream development discourses and practices. On the one hand, this optimism is appropriate. Political economists have offered analytical studies that show that what purports to foster development, in fact, could lead to its very opposite, underdevelopment. The "development of underdevelopment" happens on a world scale but also within and across countries. From this perspective, undeveloped (a state of being untouched) is distinct from underdeveloped, which is a state of suppression and oppression (Frank, 1966). Many dependency theorists take the view that development is, in fact, underdevelopment. Geovanni Arrighi, for example, argues that development is an illusion (Arrighi, 1991; Reifer, 2011). He demonstrates that the pursuit of development leads to inequalities through assumptions and practices that reinforce a global system of dependency.

This development-inequality nexus, then, is structural. As a modernizing project, characterized by a compartmentalized world in which the "West" is "modern" and the rest is "traditional" and the latter has to look to the former (Njoh, 2009a, 2009b), the vision of development makes princes of the West and servants of the South. Similarly, within the West, development glorifies opulent white privilege, while downgrading other ways of life. The emphasis on GDP, as the ultimate measure of economic progress, for example, elevates commodified and wasteful ways of life detailed in J. K. Galbraith's book, *The Affluent Society* (Galbraith 1958/1998), by measuring them positively. In contrast, as I note elsewhere (Obeng-Odoom, 2013a), the many informal economies that characterize economic organization in the Global South such as the nurturing and useful roles of caring for the home, the elderly, and the weak are overlooked in GDP estimates.

Thus, although its claims to superiority have often been scrutinized by scientific studies such as J. M. Hobson's *The Eastern Origins of Western Civilization* (2004), this philosophy continues to destroy and extend its very logic of inequality. It creates dependency and mimicry that reinforces the privilege. According to Arrighi (1991), as the dominant groups set the agenda, they hide the fact that not all wealth can be democratically appropriated. Most wealth is oligarchic and, hence, is monopolized by a few. Even in terms of wealth supposedly obtained using some time-honored market principles, the few who control it actively seek to block the widespread access to its acquisition. This is what University of Cambridge political economist Ha-Joon Chang has called *Kicking Away the Ladder* (2002).

On the other hand, a new political economy is flourishing. Preaching social justice, a much bigger goal than to be found in mainstream development economics, the inclination of this new political economy is to seek respectability, technical correctness, and conventional policies for redistribution. Examples can be seen in Thomas Piketty's important work and, curiously, in many of its critical reviews, including those published in the *Review of Radical Political Economics* (Reitz, 2016), *Metroeconomica* (Skillman, 2016), *Cambridge Journal of Economics* (Rowthorn, 2014), and *After Picketty*: *The Agenda for Economics and Inequality* (Bousehey et al., 2017). The focus on big data and technical formulae is commendable but their neglect of class, race, gender, and space not only as individual constructs but also their intersectionality, indeed linkage with the wider problem of uneven development obfuscates (Crenshaw, 1991). As an historical example, Engels' book, *Origin of the Family, Private Property, and the State* (1884), gave us only a partial insight into patriarchy as it is centered on class formation and dynamics in capitalism without due consideration of precapitalist forms of patriarchy and how they shape patriarchy in diverse forms of capitalism. Simone de Beauvoir's *The Second Sex* (1949/2009) brilliantly broadens the terms of the debate by examining patriarchy in other modes of production preceding capitalism, but forgets or downplays race. It is correct, then, for the black feminist, bell hooks, to ask in her 1981 classic, *Ain't I a Woman?* (1981). Since that historic question, first posed by the black feminist Sojourner Truth, in 1851, the situation has worsened, or in optimistic analyses, remained the same or changed little as black feminists are recurrently marginalized, their work devalued, and their voices stifled in the major publications on feminism (Crenshaw, 1989; Medie & Kang, 2018). Such neglect weakens any *avant-garde*, as it did when Aime Césaire – a prominent black scholar and, notably, Frantz Fanon's teacher – resigned from the French Communist Party, citing, as his reason, an insensitivity in left circles to everything other than class.

Yet, these forces intermingle, whether in *favelas* (Brazil), *aashwa'I* (Egypt), *bidonvilles* (France), or ghettoes (USA). These spaces of color are created, (allowed to) exist, and expand to contain the colored peoples who served the colonial empire and to absorb the "reserve army of labor" after bouts of economic depression (resources extracted from colored peoples and their land) to its own race (UN-HABITAT, 2003; Njoh 2009a, 2009b; Milliar & Obeng-Odoom, 2012; Peters, 2013; Obeng-Odoom, 2015b; Fondevila and Quintana-Navarrete, 2019). It is, thus, futile to seek to explore – as mechanistic economics does – whether it is race or class that is more important in this drama of life. Truly dialectical and intersectional analysis can only show that it is both (for a detailed discussion, see Chibber, 2013; Warren, 2017) in addition to other forces. The slums of the "wretched of the earth" play an important role in absorbing redundant labor that simultaneously reduces the cost of the privileges enjoyed by white capitalist society. When this analysis cascades up, the entire Global South, the wretched of the earth, can be seen as the slums of the world. It is pertinent to ask why "the wretched of the earth" persist not in spite of but because of their subjection to the modernizing and patronizing logic of Western civilization, as this is at the heart of the compartmentalization of the world in which we live.

From these considerations, five key questions beg for answers; namely (1) what are the patterns and dimensions of inequality across the world? (2) What are the causes of inequality? (3) Why does inequality persist? (4) Why is inequality an important focus for political economic analysis? (5) What can and is being done about inequality and by whom? I seek to answer these questions with reference to Africa as a point of departure for preparing the ground for a new political economy of the global south.

THE PROBLEM, CONVENTIONAL DIAGNOSIS, AND MAINSTREAM PRESCRIPTIONS

Why Africa? Africa is the poorest continent in the world. Of the twenty-six poorest countries globally, twenty-four are in Africa (Harrison, 2011). More than 40 per cent of the population in sub-Saharan African (SSA) lives in extreme poverty. Although this represents a decline from the 1990 level of 57 per cent, the rate of poverty reduction in SSA is the slowest in the world. Poverty in Africa's growing urban centers is on the rise (UN, 2015). Across the continent, inequality is also on the rise within and between countries, groups, and classes. In spite of great expectations that Africa will "catch up" and, until recently, the recent resurgence of economic growth, the effect of growth has not consistently reduced poverty levels nor increased the share of Africa's GDP in the world economy. While Africa's largest economies, Nigeria and South Africa, grew substantially, their poverty levels remained either unchanged or increased (Lawanson & Oduwaye, 2014, see also Chapter 6). This "progress and poverty," as Henry George ([1879] 2006) once described the co-existence of affluence and want, can also be seen in the global sphere where, in spite of rising economic growth in Africa, Africa's contribution to world GDP has remained stagnant at 2 per cent since 2005 (United Nations Office of the Special Advisor on Africa (OSAA) and the NEPAD-OECD Africa Investment Initiative, ca. 2016).

Persistent inequality and poverty in Africa is typically explained as a function of the scarcity of human capital, the lack of physical capital, and natural capital problems. It is common to lump these problems together as a cultural problem (Gĩthĩnji, 2015). Theoretically, this "culture of poverty" idea – first developed by the anthropologist, Oscar Lewis (Wilson, 1992) – can be explained in two ways. The more conservative view, perhaps best presented systematically by the political scientist Edward C. Banfield (1976a) in *The Unheavenly City*, is that Africans have a culture that keeps them impoverished and, hence, no amount of public intervention such as decent schooling facilities for Africans can address their problems. The only solution is to assimilate the black populations into white groups or to get blacks to copy the whites. A more liberal interpretation is that the "culture of poverty" arises from poverty itself. The poor devise this culture as a survival mechanism and, hence, public policy that is able to remove poverty can also remove the culture of poverty (Banfield, 1976b; Marmor, 1976). The work of African economist, Eiman Zein-Elabdin (2016), provides a detailed account of how economists treat culture in their analyses of Africa (see also Ramnarain, 2016), a point to which we shall return in Chapter 1.

At this stage in the analysis, it is sufficient to peel off the cultural label and unpack its contents. Figure I.1 attempts to do so.

This figure shows the interaction of three forms of capital that, the argument goes, individually, and in their relationships, spell doom for Africa. Africa lacks physical capital or the humanly produced factor of production. Human capital, considered to be analogous to health, education, and experience, is held by many leading economists to be the principal driver of productivity, wage levels, and whether there is a convergence of incomes and wealth across, within, and between social groups, but this human capital is also lacking in Africa (Schultz, 1951, 1961; Gylfason, 2001, 2011). Natural capital, or "natural stocks that yield flows of natural resources and services without which there can be no production" (Daly, 1990, pp. 249–250), are abundant in Africa yet Africa has not been able to utilize them for any special advantage.

The reasons for this state of affairs can be found in how the forms of capital relate to one another. These forms of capital are considered substitutable (Salih, 2001). That is, one could be used to obtain the other in the process of production. In this sense, total capital can be maintained by expanding physical capital, which is typically considered as the limiting factor. While ecological economists hold natural capital to be "special," as

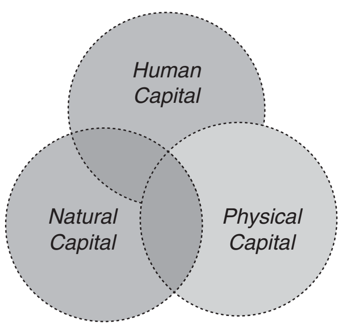

Figure I.1 Conventional diagnosis of poverty and inequality in Africa it is the foundation of our existence, and the link between environment and development (Daly et al., 1994), mainstream economists tend to consider natural capital as an ordinary factor of production that must be utilized to increase the share of the other forms of capital to bring about economic growth.

Africa's natural capital, however, drives out all the other forms of capital. So, the natural capital problem has become a widely discussed issue in the study of Africa. Drawing on a wide range of theoretical positions, from "resource curse," "neopatrimonialism," to the "tragedy of the commons," the rich, diverse, and vast natural resources of Africa are seen as fundamental to the explanation of the continent's poverty and inequality problems (Hardin, 1968; Collier, 2006, 2009a, 2009b; Handelman, 2010; de Soto, 2011). Most of the existing work on minerals in Africa is framed around the resource curse thesis, which connotes the direct relationship between resource boom, and economic, social, as well as ecological pillage (for reviews, see Obeng-Odoom, 2014a, 2015a).

The original explanation for this paradox of abundance was framed around the so-called "Gregory Thesis" (Murray, 1981) after Robert George Gregory who showed how a boom in natural resources led to deindustrialization in Australia. The idea was recalibrated as "Dutch Disease" by *The Economist* magazine when it was describing how the Dutch economy experienced deindustrialization, following the dependence on the oil and gas sector in the North Sea (*The Economist*, 1977). Subsequently, Max Corden and Peter Neary (1982) provided a more systematic explanation of this paradox. According to them, in resource-rich economies, resources, including capital and labor, tend to move away from the manufacturing sector to the booming sector which can, in turn, cripple all other sectors – a process they called "resource movement effect." A "spending effect" sets in when, with the demise or contradiction of sectors other than the booming one, prices of goods and services in the non-booming sector rise as demand outstrips a declining supply. This spending effect can also set in when the sudden inflow of resources increases the purchasing power of some locals who, in turn, demand more of certain services – a process that tends to push up the prices of such services.

Either way, relative prices of goods and services increase in the booming economy. This, in turn, increases the *relative exchange rate.* While this process does not automatically affect the *nominal exchange rate*, it usually does in the sense that spending processes lead to the purchase of more local currency either because foreigners are buying more local currency in order to buy the country's natural resources or that foreigners are paying the country international currency which is used to buy local currency. As more local currency is bought, the price or exchange rate of that currency appreciates. A strong currency is usually viewed positively, but not so for manufactures that are exported because they become too expensive. Similarly, as the country obtains strong currency, it is cheaper for people to import more but that, too, can adversely affect manufacturing as fewer local manufactures are bought. Paul Collier, the University of Oxford-based development economist, has been a leading voice in the application, and further development of this idea. In his work, environmental problems, and socioeconomic and political tensions are all driven by resource booms, as exemplified in his vast scholarship on the subject (Collier, 2006, 2009a, 2009b).

Regarded as a "breakthrough," because it went against the prevailing "big push" approach to development at the time (Fosu & Gafa, 2018), the natural capital problem is not only restricted to minerals: it is much wider, usually extending to features of African land culture that inhibit investments and economic growth. Specifically, African communities have open-range land rights systems which are alleged to be inefficient and insecure, to impede access to credit, and to be inappropriate for the purpose of public administration, planning, and the provision of schooling. Indeed, the ready availability of land resources ostensibly drives out self-investment in human capital because working in such resource-based sectors requires little education and training (Gylfason, 2001). This strange case of natural capital driving out human capital serves as the basis for the argument that Africa has natural resource advantages (abundance of landed resources), but its customary land tenure system creates economic disadvantages (lack of human capital, lack of physical capital) (Collier & Venables, 2012).

Sharply critical of this view is a range of social scientists, especially social anthropologists and political scientists, who argue that it is precisely the erasure of African land culture that is the problem. What we have, then, is a debate in which one side condemns, while the other side romanticizes culture and traditions. Table I.1 contains a summary of the principal polarized positions in the debate.

The approaches summarized in Table I.1 are culture-centric, but they differ substantially in detail. Economists, especially those at the World Bank, frequently utilize cultural approaches to understand Africa in their engagement with the continent. In its seminal report on land, *Land Reform* (World Bank, 1975), the World Bank put forward the case for the use of formal title registers, individual tenure, and promoting market exchange in land.

Its lead economist with responsibility for land and development economics, Klaus Deininger, later coauthored a paper reporting that the

Table I.1 *Diverse cultural approaches to development*

	Economists	Political Scientists	Anthropologists and others
Unit of analysis	Customary institutions	Individuals and their clientelist relationships	Social identities, cultural groups, communities and community practices
Theories	Transactions costs	Public choice, neopatrimonialism	Social capital
Vision	Formalization and growth	Formalization and managing cultural expectations/results	Preservation of culture but also accepting that cultures change
Key proponents	Hernando De Soto, Klaus Deninger, Erica Field, Douglas North, Ronald Coase	A. K Onoma, Michael Ross	Carola Lentz, Liz Alden Wily

World Bank had changed its views (Deininger and Binswanger, 1999). The revised World Bank position is stated in its 2003 report, *Land Policy for Growth and Poverty Reduction* (Deininger, 2003). Like the 1999 paper, the World Bank stresses its change in orientation, but a critical reading reveals that the basic argument remains the same or similar. Marketization of land is viewed as the key for economic development and poverty reduction. The report claims that customary land requires recording and state backing to be secure. Secure tenure is given by government through enforcing formal land rights. Women's rights are better guaranteed by formal rights. More formal tenure is the only reason credit can be given; customary tenure ought to evolve to individual tenure in the process of economic development; and land must be regarded as an "asset" and its exchange encouraged (Deininger, 2003, pp. xvii–xlvi).

Various agencies of the United Nations (e.g., FAO and UN-HABITAT), USAID, and an assortment of German development institutions (e.g., KFW Development Bank and GTZ) consistently have promoted this type of land reform. They offer the additional reason that it protects people from capricious and arbitrary evictions (Obeng-Odoom & Stilwell, 2013; Ehwi and Asante, 2016; Bertrand, 2019). In fairness, some economists, even in the World Bank, are more cautious about the pursuit of formalization, as is evident in the work of Hanan Jacoby (Jacoby & Minten, 2007).

Academic economists can be more nuanced too, but the tendency to emphasize titling is prevalent, often creating tensions between local context, inherited ideals, and imposed practices (Akiwumi, 2017). Duke University economist Erica Field, in several papers on the theme, seeks to demonstrate that the formalization of property rights leads to economic growth and redistribution of wealth and income, not only across the general population, but also between gender and ethnic groups. Registration is the route to access credit, to generate entrepreneurship, to improve urban housing, and to reduce urban poverty (Field, 2005). Some Asian economists also have given forceful support to this argument: the colonial adoption of registration that South Korea copied from Japan has been used to explain the rapid development of South Korea (Yoo & Harris, 2016) and the greater degree of liberation of its women (Yoo & Steckel, 2016).

Others, like MIT economist Daron Acemoglu and Harvard University economist James Robinson, take the approach to the global stage in explaining the social conditions of the poorer nations in their tome, *Why Nations Fail* (Acemoglu & Robinson, 2012). In doing so, their explanation draws heavily on the idea that the lack of clearly registered and formalized property rights holds African nations back and hence an aggressive marketization of landed property is the sure path to economic prosperity. This optimism is buoyed by research that appears to show that titling and hence security of tenure free idle labor by making it possible to draw people into the labor market who previously had wasted time taking care of unregistered land (Field, 2004). Indeed, these gains in efficiency arise from switching the role of guaranteeing security of tenure from local communities to the state. Also, titling leads to "substitution of adult for child labour" (Field, 2007, p. 1561).

Although widespread in academic circles and influential among policy makers, as Dan Bromley's (2008) review shows, this tendency to formalize has caused more harm than good (see Manji, 2006; Chapter 3). Not only are its assumptions unrealistic, its predictions are not borne out by real-world experiences in Africa. More fundamentally, the "social costs" (see Kapp, 1950/1971) of tearing apart property systems that have been communal for ages have manifested in widespread displacement and, hence, expulsion. Perhaps, the worst part of this process has been the transfer of landed wealth from the poor to the affluent, many of whom are also key advocates of this particular type of land reform.

There are, of course, major exceptions in the research on the economics of land reform. The work of economists such as Jean-Philippe Platteau, William Darity Jr., and Dan Bromley are clearly respectable exceptions. However, the *tendency* in the field is to pursue formalization, often in insidious ways of looking for – indeed creating – the precise conditions under which different types of formalization may produce beneficial effects. This "continuum" approach is also advocated by United Nations agencies such as UN-HABITAT. That is, there is a tendency – indeed a conceptual bias – to pursue formalization and to underestimate the power of other systems (Elahi & Stilwell, 2013).

In political science, this cultural approach is exemplified in A. K. Onoma's book, *The Politics of Property Rights Institutions in Africa* (2009). Onoma endeavors to show how patronage and clientelist relationships define the distributional effects of land reform. More fundamentally, he seeks to explain the nature of land reform primarily in terms of demographic and other internal factors such as ethnically informed ideologies. It is this approach to political science that is the source of inspiration for economists who pass some political comments about Africa, as exemplified in W. Arthur Lewis' (1965) book, *Politics in West Africa.* More recently, Ernest Aryeetey, a leading development economist, deployed this approach in his lecture at the United Nations University World Institute of Development Economics Research when he sought to answer the question, whether "democracy has failed African economies."[1] Although very closely linked to the public choice school of economics, the approach is, however, steeped in political science cultures that carry over to various "African Studies" departments.

Extreme forms of such analyses can be found in the idea of neopatrimonialism widely espoused by American political scientists. Highly influential, because it guides the approach of many key actors in the international community in dealing with African states, neopatrimonialism provides the basis for predicting the economic performance of Africa, and, reigning as the dominant political science approach to studying Africa (Mkandiwere, 2015), neopatrimonialism rests on the methodological claim that African politics is shaped by the "personality, management skills, and governing institutions of the incumbent ruler" (Bratton & van de Walle, 1994, p. 465). More fundamentally, this politics is inherently African:

[1] Aryeetey, E., 2018, "The political economy of structural transformation – has democracy failed African economies?", WIDER Annual Lecture 22, September 14, Helsinki, www.wider.unu.edu/event/wider-annual-lecture-22-political-economy-structural-transformation-has-democracy-failed (accessed 28 January 2019).

> Our thesis is as follows: embedded in the ancien regime. Authoritarian leaders in power for long periods of time establish rules about who may participate in public decisions and the amount of political competition allowed. Taken together, these rules constitute a political regime. Regime type in turn influences both the likelihood that an opposition challenge will arise and the flexibility with which incumbents can respond. It also determines whether elites and masses can arrive at new rules of political interaction through negotiation, accommodation, and election, that is, whether any transition will be democratic. (Bratton & van de Walle, 1994, p. 454)

Even if the specific theories used in these analyses differ, the essence of the analysis – the emphasis on culture, difference, and internal factors to the fundamental neglect of international neocolonial and neoimperial factors, global markets, contexts, and the economic structure of the world system – makes this approach similar to the public choice theories used by diverse economists such as Duncan Black (Mueller, 1976). Indeed, the pre-analytic commitment to show that patronage and clientelist behavior is "rational" and the result of "self-interest" is often cast in terms of the new institutional economics credo of "transaction costs," as a reviewer of Onoma's book correctly points out (Lund, 2012).

The fundamental ontological, methodological, and empirical errors in neopatrimonialism have been systematically demonstrated. According to Thandika Mkandawire (2015, p. 602), "The attribution of all African ills to neopatrimonialism simply undermines internally driven change by occluding the real problems." Such problems, including Africa's unequal position in the world system, are conveniently glossed over by appealing to cultural defects in African leaders and hence building a framework that inevitably leads to Afro-pessimism founded on claims of causality that are suspect, metaphors that are better defined by their exceptions, false paradoxes, and non-sequiturs. A teleologically functionalist approach, neopatrimonialism has created what Mkandawire (2015, p. 602) calls "ontological despair" which, in popular parlance, has also fuelled much Afro-pessimism.

Many anthropologists of Africa have developed the opposite ontological and epistemological positions, which lead to quite different arguments. Drawing on ideas of "social capital," they contend that it is authentic African culture that will liberate the continent from the shackles of poverty, want, and inequality (for a critical review, see Fine, 2010). What is puzzling about this seeming challenge to the "cultural approach" is that, although it is not cast in "a general equilibrium framework . . . for the analysis of a host of issues related to property rights enforcement, corruption, and investment" (Acemoglu & Verdier, 1998, p. 1382), the standard trope for mainstream economists, it is also a variant of cultural determinism.

By focusing on cultural practices without systematically linking them to their evolution over time mediated by the economic system – especially the creation and distribution of rents locally and globally – this type of anthropological work produces another cultural "fetishism" (Alden Wily, 2011). Francis Nyamnjoh, the Chair of Anthropology at the University of Cape Town, famously pointed out that anthropology is guilty of failing the standard of social science scholarship; that is, engaging all possible evidence on an issue. Instead, the standard practice is to ignore major global structures and look, rather, at local stories – gleaned from interviews, whether done over two or a million years – without a wider political-economy engagement (Nyamnjoh, 2012a, 2012b, 2013).

One of the articles in which he made these points (Nyamnjoh, 2012b) drew prompt responses (or more precisely "defenses" of anthropology) from his fellow anthropologists (see, for example, Gordon, 2013, Niehaus, 2013, Teppo, 2013). However, as Nyamnjoh (2013) pointed out, they did not engage the cultural tokenism, mystification, and romanticization that, to this day, characterizes most anthropology of Africa.

Furthermore, the neoclassical conception of human capital problem – widely shared and promoted by the World Bank – manifests in the analysis of how Africa's mineral resources are governed. Here, the typical claim is that not only do Africans lack education but they also lack experience to govern their resources. It is in this sense that many African states are being directed to adopt "local content" in their minerals policy (see Chapter 4).

Within this framework, transnational resource corporations are the preferred governance institution for African resources. However, these corporations are required to support learning programs in the extractive industries and offer employment to this new cadre of specialists. In this way, such transnational corporations provide not only education but also experience to Africans in order to enhance the quantity and quality of human capital on the continent (Ovadia, 2016a).

According to the standard narrative, Africa's "capital problems" are mutually reinforcing. While different in their proximate theories, there are some crossovers. For example, the premises of conventional public choice theory are shared by economists and political scientists. More fundamentally, these approaches are influenced, more or less, by the intertwining theories of John Locke, Garrett Hardin, and Robert Lucas.

Locke's labor theory of property states that when land is not put to its highest and best use through private property investment and large-scale commercial agriculture (of the kind not historically typical in African societies), we should expect poverty and economic stagnation (Andrew, 2012). For Hardin, the consequences of common land are degradation, pollution, and social chaos. Robert Lucas, the Nobel Prize winner in economics, famously argued that capital is not moving to poorer regions through trade and hence the regions are stagnating and falling behind other regions because of low levels of human capital and a culture of property relations that is too communal (Lucas, 1990). Indeed, such regions could lose the limited human capital to richer regions and hence become even more disadvantaged because of inadequate human capital. Centrally focused on national, not global, factors, the Lucas model gives no room to explain international inequalities based on initial historical conditions. Rather, the incomes of economies with similar levels of human capital are expected to converge (Darity & Davis, 2005). These prescriptions require additional comments to flesh them out.

Mainstream Prescriptions

Centered on a three-way emphasis on "local content" minerals policy, an expanded role for transnational corporations (and free trade), and the formalization of land, advocates of mainstream prescriptions claim that these economic reforms – diagrammed in Figure I.2 – will deliver Africa from its crippling poverty and inequality problems.

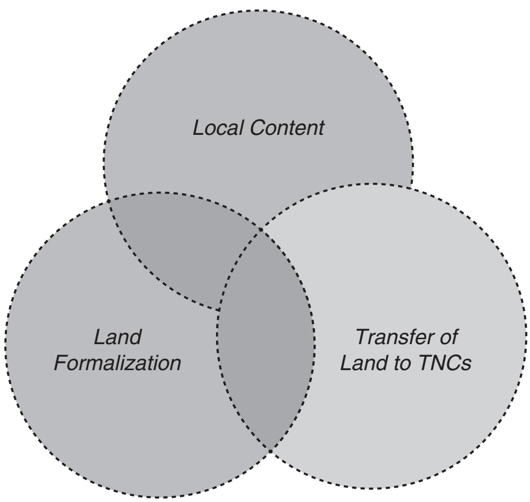

Figure I.2 Mainstream prescriptions

Designed as a rapprochement between Euro-American mission of "helping" Africa and "preserving" Afro African culture, the spirit behind this range of prescriptions is quite similar to the indirect rule system developed by imperial Britain. However, whether this mode of governance promotes "integration" or "assimilation," it resembles the French colonial policies around such genre (Njoh, 2007; see also Chapter 5).

For example, Europeanized African land reforms export the practices of the "successful" Western countries to the poor Africans, keeping Africans in charge through institutions such as customary land secretariats. This system of land tenure relations, the argument goes, explains the success of those economies. If Westernized, the argument continues, African countries will escape from poverty and close the gap between their material conditions and those of the West (de Soto, 2000). The characteristics of these Euro-American tenurial arrangements include formal title registration, regarding land as an asset that must be traded to be efficiently managed, and subdividing customary land. Variations of these ideas, incorporating state planning, and intended to enhance the operation of land markets, have also been advocated (Lai & Lorne, 2006). I shall revisit these characteristics in Chapter 3.

Challenging the Mainstream?

Conceptual and empirical research in a variety of contexts (e.g., Darity & Williams, 1985; Folbre, 2012; Basu, 2017) provide a strong challenge to the mainstream lines of analyses in (development) economics. Their insights suggest that Africans may lack human capital, but mere credentialization does not eliminate discrimination based on color. Reasons for such discrimination vary. They include stereotyping, informed by past and continuing discourses about the backwardness of Africans, and deliberate biases intended to privilege non-Africans. Whatever the reasons, discrimination shapes agreements with Africans and informs assumptions about African practices and institutions. In turn, the conditions of Africans contradict the neoclassical view that markets only reward merit or human capital. Because social hierarchy, the divergence in wealth, the different and differential experiences among Africans (e.g., women and men; and Africans of different ethnicities) and between Africans and others, are shaped by social contexts and institutions, not only is the neoclassical human capital discourse not empirically verifiable, it also diverts attention from social provisioning and impedes efforts to interrupt the social contexts which reproduce disadvantage.

A rich body of literature challenges the idea of a "resource curse" on several grounds. Aspects of this body of work show that the nature of the neoliberal economic reforms imposed on African countries in the 1980s systematically led to a weakening of African states, the destruction of their social policies, and the creation of a generous tax climate for transnational corporations that led to a transfer of rent from producers to rentiers (Nwoke, 1984a, 1984b; Adésínà, 2012). In this sense, neoliberalism and neoliberalization could be seen as drivers of the resource curse rather than the panacea that its advocates contend they are.

Yet, it is a particular neocolonial type of neoliberalism that is in question here. Patterned after neocolonialism and imperialism, the reforms of the property rights system have privileged Western institutions and firms, giving them rights to exclude Africans from their own natural resources. With greater economic power and a global system that can shield powerful actors (compared with weakened African states) from being accountable, it is transnational forces and the institutions that support them rather than natural resources per se that create and sustain the present conditions in Africa (Rodney, 1972/2011; Harrison, 2008; Duchrow & Hinkelammert, 2010). The far more propitious experiences of resource-rich economies in the Global North give additional weight to the argument that a different set of institutions and property systems generate quite different outcomes.

Relying on the idea of "good governance," Paul Collier (2009a, 2009b), for example, argues that because strong institutions in the countries in the Global North were built *before* such countries discovered oil, they have tended to be blessed rather than cursed by oil. From this perspective, weak institutions are further weakened when economies become resource rich, a process which, in turn, creates a "natural resource trap". What is puzzling is that the Global North has benefitted substantially from these cursed minerals, allegedly because they have better institutions. Indeed, in contrast to the "natural resource traps" in Africa, countries with already strong institutions are said to be better able to govern fortuitous resources. Thus, some analysts have sought to argue that it is precisely the *staples* of mineral-rich economies such as Australia, Norway, and particularly Canada that best explain their higher standards of living (Watkins, 1963). These claims and Africanist responses are further explained in Chapters 5 and 8.

Yet, there is a danger in jumping from resource curse to resource blessing. Whether in Canada or Australia, resource optimism does not address the problems of resource pessimism. Historic and continuing dispossession of Indigenous or First Nations peoples, disastrous economic busts, wealth inequalities, and ecocide in these economies and the role of the extractive sector in this “accumulation by dispossession” (Harvey, 2003) cannot all be swept under the carpet of resource blessing (Rahnema & Howlett, 2002; Dow & Dow, 2004; Cahill & Stilwell, 2008; Mills & Sweeney, 2013). The nature of the institutions governing natural resources and how these institutions have been created, or are evolving within path dependencies established by historical processes, could be a more fruitful area of investigation.

However, the account of history in the conventional wisdom is far from satisfactory. Take the historical aspect of culture, as an example. Common to most of these analyses is a notion of history as “past” or as a “moment.” In this view, the continuing and cumulative influences of historical processes, either in terms of shaping current and future institutions or in terms of their effect on the psychology of present-day society and its peoples, take the form of an equivalent ailment to “post traumatic slavery syndrome/disorder” (Darity, 2009). Indeed, with respect to Africa at least, New York University professor of history Frederick Cooper has shown that the “history” in cultural approaches is highly superficial and too short term. Cooper shows that the history is read in such a way that mimicking Western institutions becomes the only salvation (Cooper, 2014). Such historical approaches tend to have both weak predictive and weak explanatory power in the sense that they are not able to explain the heterogeneity in the trajectory of groups that have experienced similar past trauma. Just as critically, such approaches tend to neglect contemporary and ongoing discrimination and the crucial question of which past events are more damaging. Even more fundamentally, such historical approaches struggle to illuminate how historical forces intermingle with present-day, ongoing political economic processes of marginalization (Green & Darity, 2010). This history is not only “compressed,” it is also based on highly problematic data-sets (Jerven, 2013, 2014, 2015).

While the challenge to mainstream development economics has been extensive so far, it has not as yet answered several important questions. Of these, three are particularly important because they raise fundamental issues about the structure of African economies. These questions are (1) how are rents generated and distributed, (2) what institutions maintain the current system, and (3) how best to recapture appropriated rents through expropriation of land, exploitation, and exclusion of black labor, particularly women and other minorities (e.g., migrants)? In short, as Rachel Kranton (2016) asks, “where do social distinctions and norms come from?”

The attempts to address these questions are unsatisfactory. Take the case of the economics of identity. As Ben Fine (2009) has shown, the nature of mainstream economics has clouded its vision and undermined its answers. The problem is that the economics of identity reduces fundamental questions to a narrow theory of social identity in which individuals select among identities without considering the social and economic structures and contexts within which such "free choice" must be made. Whether one of the sticks in the bundle of options is what is to be chosen or whether the choice is to be exercised over several bundles of choices, this approach to addressing the identity question is fundamentally flawed. A liberal alternative is to accept the status quo and the continuing production of inequality, social disadvantage, and poverty, and tax the advantaged classes for the purpose of redistributing their incomes to the marginalized. According to proponents, this approach is advantageous because it will ensure high levels of productivity, as only the best will be employed (Basu, 2017).

While an improvement over the economics of identity approach, this liberal alternative has the grave demerit of reinforcing the perception of inferiority of Africans, overlooking the grave psychological cost of unemployment, especially for women (Diette et al., 2015), and leaving unaddressed widespread inequalities in wealth *between* Africans and the rest and *among* Africans themselves. More fundamentally, these critical alternatives do not address the question of weak and strong sustainable development. Weak sustainable development is what is advocated by the mainstream. Informed by the idea of substitutability, the depletion of African resources is not a problem, as long as new technologies can be found and the externalities of ecocide can be internalized through putting a price on nature (Daly et al., 1994).

Yet, as Table I.1 and Figure I.2 suggest, this approach is highly inappropriate for studying Africa, not only because of the centrality of land to the identity of Africans and their economic systems, but also because of its inability to help in revealing the dramatic loss of biodiversity on the continent and its deleterious consequences for economy and society. Additional, more detailed and more nuanced analyses supporting these conclusions can be found in Chapters 3, 5, and 6, which go beyond the standard explanations of "Why development economics fails Africa" to which I now turn.

Why Development Economics Fails Africa?

It is commonly claimed that development economics has failed because of problems intrinsic to economics (see, for example, Keen, 2003) or because of the problematic practices of economists (see, for example, Mäki, 2018). A more comprehensive position, contending that the reasons why development economics fails Africa is a bit of both, is developed by Polly Hill and Morten Jerven.

Polly Hill's principal challenge to development economics is both conceptual and pragmatic. For Hill, development economics tends to make conceptual mistakes, tends to over-rely on official statistics, and tends to neglect inequalities. In her words, she sought "to expose what I see as the old-fashioned, stereotyped, Western-biased, overgeneralized crudity and conceptual falsity of so many conventional economic premises, as well as economists' complacent attitude to bad official statistics" (Hill, 1986, p. xi).

Conceptual mistakes are fundamental to Hill's critique. Consider the idea of "peasant". If it is conceived as someone struggling, then, according to Hill, the idea does not apply to most of the people called peasants because they have much income from non-agrarian sources, which they combine with incomes from agrarian activities. Likewise, peasants are so diverse that their presumed shared objection to a common enemy is not often apparent.

The notion of "debt" is another conceptual faux pas. It is common to think of traditional money lenders as seeking to "rip off" other community members. However, Hill argues that, in many African communities, people tend to be simultaneously creditors and debtors. When a harvest is good, it is expected that one gives out credit in the form of seeds, for example. Also, even if there may be usurious conditions, much debt is not on usurious terms, as the debt relation is usually between friends, family members, and even lovers. It would help to have an estimate of the proportion of debt that is usurious to better understand the magnitude of the conceptual problem in the mainstream thinking. However, beyond expressions such as "invariably very high," Hill provides no clearer estimates. She notes that such exactness is itself problematic:

> As for the number of debtors, this is invariably very high . . . as I have just said, people often borrow with one hand (for one purpose) and lend with another . . . the tendency to differentiate negates any urge to aggregate in order to arrive at net indebtedness, which means that the bald terms *debtor* and *creditor* are often meaningless. This is one of many reasons (three others being the secretiveness of creditors, the short-term nature of much credit, and the likelihood of default) why, as I have earlier insisted, the incidence of . . . "indebtedness" cannot be measured. (Hill, 1986, pp. 87–88, italics in original)

This conceptual critique of development economics leads to Hill's second concern: development economists' blind faith in statistics and the techniques for analyzing it. For Hill, the concepts used by statisticians are usually meaningless and they often misrepresent the landless and the powerless in

Africa either by overlooking, or by undercounting, such groups (see, for example, Hill, 1986, pp. 43 and 48). In essence, the available official statistical information is not reliable. If this is so, regardless of the rigor in the technique for analyzing the data, the results are likely to be questionable. Indeed, Hill argues that the more sophisticated the techniques, the less meaningful the results. In her words:

> It is not fanciful to insist that as the sophistication of "data processing" increases, so the quality of the finished statistical product declines. Increasingly, so far as the rural third world is concerned, the power lies with those who have become so astoundingly proficient in manipulating the figures they receive "from below" – with the eager people who derive so much enjoyment from the advanced electronics. Infatuated by their technology, it is beneath their dignity to contemplate the *inherent unreliability* of their "basic data" – and their resultant impotence is never contemplated. Consequently, all the commands come from above, and the less ambitious, and far less clever, "data collectors" cower underneath. How can the international world be persuaded that the problems of collecting statistics, and allied material, at the ground level in the third world, are just as intellectually challenging, and far more important, than mere mathematical processing? (Hill, 1986, pp. 48–49, italics and quotation marks in original).

Hill is neither against econometrics per se nor is she against the use of data. Both are necessary for policy making and research. While modern political economists such as Ben Fine (2019) argue that, in practice, the elevation of big data and the use of econometrics as "better" research strategies lead to the crowding out of other strategies, what concerned Hill was rather different. She was against the reliance on problematic concepts, inadequately measured, and analyzed. As this problematic research design forms the basis of bold claims by those who know little or nothing about the African social context, this is a serious concern.

In developing this critique, Hill offers additional grounds for her analysis. She points out that the idea of "household" used in development economics is flawed fundamentally. Her reasoning is that there is substantial heterogeneity within the household. For example, Hill notes that in West African and South East Asian countries, even the standard definition that a household entails a group of people related by eating from the same bowl is mythical. Neither is the idea that everyone knows everything about other people in the household plausible because wives do maintain separate accounts, have separate economic activities, and sometimes live separately. In turn, the concept of perfect information, that belies much neoclassical development economics, is problematic. Indeed, in real-world households in Africa, information asymmetries can be regarded as the norm.

Long before Päivi Mattila-Wiro's (1999) review of the "economic theories of the household," Hill had shown that development economics tends to neglect (a) heterogenous complexities within the household, (b) the study of inheritance and the transmission of wealth, and (c) the peculiarities and complexities of women's experiences, including with land, men, and other women. Today, much research in home economics questions the unitary model of the household often associated with the economics of Gary Becker, but the resulting "new" models, such as the bargaining models, consensual models, and independent individual models (see Grossbard, 2010 for a detailed discussion), do not address the totality of Hill's critique, including the issue of wealth transmission. In this sense, development economics is centrally focused on growth, typically elides intergroup inequality, and obfuscates the nature of colonialism, neocolonialism, and imperialism, especially how their impacts are transmitted through generations.

Another serious defect of development economics is "The Golden Age Fallacy." This latter problem – elaborated in Chapter 6 of *Development Economics on Trial* – is what Hill calls "Aboriginal equilibrium" or the idea that there was "equality at the base" or that there was a pristine moment in the history of the poorer nations in which everyone was equal in rural society. Sometimes known alternatively as "the myth of Merrie Africa" (Hopkins, 1973, p. 10), this problematic explanation of African history (Emeagwali, 1980) leads neoclassical economists to suggest that it is not useful to study inequalities in rural areas because they do not exist, while Marxist economists only claim that, under precapitalist conditions, inequalities in rural areas are imposed by external factors.

The consequences of these conceptual and pragmatic problems are serious enough to unsettle society and economy. Hill identifies problems such as research that takes us nowhere, economics that misinforms or hides reality by neglecting it, and policies that make bad situations worse (see, for example, Hill, 1986, chapters 2–4). Development economics also peddles much misinformation, including the misleading claim that rural economies are entirely agrarian when, in fact, there are non-agrarian economic activities in such economies.

The policy mistakes identified by Hill are also important, particularly because they have had a more direct impact on Africans. For example, the bias of mainstream economists for mechanical farming – based on assumptions that small-scale farming is inefficient (Hill, 1986, chapter 2) – has led policy makers to neglect and to reject small-scale farming. Yet, as Hill (1963, 1966, 1986) shows, such farms can be – and often are – socially efficient. Indeed, cocoa farming of West Africa is done on a small-scale basis but it is able to supply the world's cocoa needs as well as meet the needs of the cocoa farmers.

Hill's criticisms (1) that mainstream development economics does not provide an effective approach to studying inequality, (2) that it is both Eurocentric and America-centric in both its concepts and vision of the good society, and (3) that these problems have contributed to worsening social conditions in Africa deserve the attention I have given them. They show the historical and continuing conceptual and epistemological limitations of development economics, a field that has supplied significant directions for policy-making in Africa.

However, Hill's diagnosis of the problems is limited. The problem is not just that the mainstream relies on problematic concepts and unreliable official statistics. Hill neglects questions about rent, space, and energy, overlooking how they are problematically treated in existing knowledge on stratification and, hence, treats lightly crucial conveyer belts of stratification in Africa (Mabogunje, 1980; Obeng-Odoom, 2013b, 2014a). Indeed, although modeled on the physics of energy (Mirowski, 1988a, 1988b), neoclassical economics has been unsuccessful in systematically theorizing energy, even in terms of narrow concerns about growth (Ayres et al., 2013) with much less to contribute about energy–space–rent and stratification interlinkages (Obeng-Odoom, 2014a). To neglect all these, as Hill does, is akin to discussing Catholicism without analyzing the papacy.

So, I caution against Hill's preference for an "indigenous economics" that is merely a marriage between anthropology and economics. While much stronger on analyzing entire economic systems (Marxist and old institutional economics versions), adapting methodological individualism to transaction costs (new institutional economics versions), and indeed addressing some of the problems identified by Hill (example, drawing on anthropological studies), *it does not succeed in probing inter-group inequalities shaped by multiple identities such as race, class, and gender and how these mould ecologically sustainable and inclusive development in poorer regions and among peoples of color.*

Similar problems characterize the book that answers the second question: Morten Jerven's (2015) *Africa: Why Economists Get It Wrong*. According to Jerven (2015), economists are entirely mistaken in their analyses of what is happening in Africa. Not only is their statistical information contrived, but also their description is wrong, their explanation is worse, and their policy advice is grotesquely awry. While this argument is not new, Jerven's book is the most recent, most extensive, and, perhaps, the most visible of the body of work that addresses these two interrelated questions, namely: the wrongs with development economics, especially in the African context, and why development economists get Africa so wrong.

Unfortunately, Jerven's contribution has been misunderstood. Some scholars, sensing his challenge to mainstream economics, confusingly regard his impressive oeuvre as Marxist or a rejection of market-based economic development. Others claim that even if his work is not Marxist, the book is a fundamental challenge to mainstream economics in its application to Africa (see Burbidge, 2016). Two contrasting interpretations of Jerven's book are common. On the one hand, some claim that Jerven's book "dismisses Karl Marx" (Wynne & Olamosu, 2015), but others such as Alfred Zack-Williams (2016) suggest that Jerven's work is Marxist, indeed equating it to the work of Andre Gunder Frank. Granted that Frank was influenced by Marx, it is debatable whether dependency theory, as constructed by Frank, was, in fact, Marxist.

Zack-Williams (2016) also suggests that Jerven's book is a radical green critique by pointing to some similarities with the work of René Dumont (see, for example, Dumont, 1966). Indeed, for the same book, some have interpreted it as showing that "if we can get the numbers right, we can help more people" (Gates, 2013), while others contend that Jerven's argument is "nice models ... do not tell the whole story" (Woodson, 2016, p. 579). Many others, who have correctly interpreted the book, have missed the political-economic context of his work, including Jerven himself (Jerven 2013b).

Therefore, it is important to set the record straight and provide a political-economic assessment of the book. According to Jerven, economists have been seeking to explain two things: first, a chronic failure of growth (first generation of economic growth literature, pre-2000s) and, second, slow growth trends (second generation of growth literature, post-2000s). By implication, they have been trying to explain uneven growth trends and the consequent "uneven development." However, neither of these trends is applicable to the African case in practice. In fact, Jerven argues, economists are chasing something that *never* happened. African economies grew recurrently after the continent gained independence (especially in the 1950s and 1960s) from various colonial regimes and, largely, have continued to grow since the 1990s. What economists frequently have done is use data collected in the late 1970s and 1980s (the period for which data are available and neoclassical economics became ascendant) and form impressions about Africa based on data sets that cover two decades when Africa experienced a major recession. Indeed, Jerven (2015, p. 4) argues that the first generation of economics literature confused the effects of the 1980s recession with an alleged general problem of slow African growth.

For Jerven, economists get Africa wrong because, although they pick ideas from history, they cherry-pick history and hence do not really understand the totality of African experiences. They seek, instead, to use shortcuts to become African experts but, depending on downloaded data sets often without knowing either the contexts within which the data were generated or the processes that are captured in the data, they become, instead, empty barrels.

Relying on unreliable data concerning countries they know little about and, hence, are unable to determine how much confidence to put in the data, their models are also ahistorical. They do not conduct detailed, careful long-term studies; they ask the wrong questions; and they err in interpreting social and economic phenomena. Even worse, these problems cannot be remedied easily because they are structural to the field. Unless economists are prepared to abandon years of perfecting a flawed approach, Jerven argues, the problems can only get worse.

Indeed, for Jerven (2015, p. 8), addressing the problem is only possible if the grand question asked about Africa changes. The question needs to move from why Africa has not grown/has grown slowly to how Africa grows and why African economies first grew, declined, and have regained growth. This reframing gets the history right, which, in turn, leads to focusing on the right contemporary policy issues. The focus for this rebirth of development economics should be on approaching Africa as a continent experiencing recurring growth, not newly occurring growth. And, of course, growth is not necessarily development.

Jerven (2015, p. 10) seeks to challenge African development economics by questioning its assumptions, evidence, interpretations, and the plausibility of the resulting "technical" economic advice. While non-economists will find Jerven's book helpful in empowering them to judge the work of the development economists, economists also will gain from reading this book, especially if they will take the author's advice: economists need to show "a bit more humility; in particular, a better understanding of the limits of their own datasets and statistical testing" (Jerven, 2015, p. 10). Indeed, economists and non-economists alike will learn that "A useful piece of general advice for cross-disciplinary work is that assumptions, data points and observations should roughly match the state of knowledge in other disciplines. It could be argued that this is not only useful advice but a fundamental principle" (Jerven, 2015, p. 70).

Political economists may well say, "we told you so," however, they would recoil at the near total absence of "the political economy of growth," to use Paul Baran's (1957) expression, from the analysis in Jerven's book. The book gives little attention to whether social progress is, in fact, accurately measured by GDP, in what ways GDP actually leads to a devaluation of labor given large informal economies in many African societies, the widespread existence of social enterprises whose activities are undervalued by an emphasis on growth or devalued by growth, and the direct link between GDP addiction and the brazen destruction of the environment in Africa (Fioramonti, 2013, 2014, 2017). Even worse, the book overlooks the invention of GDP as a springboard to enhance the power of Western countries, to force Africa to open its doors to plunder by transnational corporations, and massive displacements in Africa owing to the promotion of "growthmania," an idea developed at length in E. J. Mishan's (1967) book, *The Costs of Economic Growth*, let alone engage the debates generated by such ecological concerns, including Africanist concerns about "just transition" (Agyeman, 2013).

There is little discussion of the growing inequality within Africa and much less discussion of inequality between Africa and the global economy. Indeed, even in Jerven's own narrow framework of technical, data-based analysis of GDP, neither the limited contribution of Africa to global GDP nor its implications for society, economy, and environment are analyzed. In fact, as Matthias Schmelzer (2016) shows in his book, *The Hegemony of Growth,* the history of GDP says something completely different. There is nothing African about the political manipulation of GDP statistics nor the political manipulation of the conditions generating actual levels of GDP. This political number has always been manipulated to win wars, to maintain imperial power, to include some in, and to exclude others from, powerful clubs. The manipulation of the conditions that generate actual levels of GDP distract attention from pressing issues that confront power structures, as Lorenzo Fioramonti discusses in his book, *Gross Domestic Problem* (2015). Instead, Jerven's book adopts an idealist and technocratic epistemology that neglects materialist and historical concerns. In turn, it seeks paradigmatic change on the assumption that better quality technical power and quality numbers alone can save Africa.

The evidence, however, shows that growth – indeed the entire economics establishment – owes its success not to its superiority of ideas or methodology at all. Economics has attained its imperial status not just because of strong and rigorous methodology or even its better use of data, but also because it serves an ideological role of obfuscating interests such as class, race, and gender. As Michel de Vroey (1975, p. 416) famously noted: "in a class society, the ruling class cannot be indifferent to the type of social science developing in the society in which it holds power." This point has also been established systematically by Krisha Bharadwaj

(1986) in his book, *Classical Political Economy and the Rise to Dominace of Supply and Demand Theories*. More recently, John Weeks (2014) has put the case against economics differently, as expressed in the title of his book, *The Economics of the 1%*, emphasizing how the application of economic doctrines reinforces the wealth divide in favor of the owners of capital. It is, of course, important to study technical quality and Jerven does so brilliantly, but technical acuteness cannot be fully understood without an analysis of the political economy of measurement or of ideas more generally.

The far sightedness of Jerven is eclipsed by two cataracts. First, he does not link the turn to institutions and good governance in the 2000s to the rise of new institutional economics. In turn, he makes no analytical distinction between what Boettke, Fink, and Smith (2012) have called mainstream (neoclassical) and mainline (new institutional) economics, in turn, between the economics of individual choice and the economics of institutional exchange respectively. So, he conflates orthodoxy and heterodoxy in the form of new institutional economics. In this sense, the book does not succeed in showing that what has been happening in the economics of Africa is echoed in what is happening in the economics discipline more generally, as the account of Harold Demsetz (2002), a leading new institutional economist, suggests. The cataract is an unwillingness to extend his analysis from the doxy (orthodoxy of neoclassical economics and the so-called heterodoxy of new institutional economics) to the doxa (real world political economy), to use Pierre Bourdieu's nomenclature recently utilized for the analysis of global trade by Bill Dunn (2015).

Chapter 3 of Jerven's book, which is supposed "to focus less on aggregate growth and more on the political economy of growth, asking who benefits" (Jerven, 2015, p. 4), is centrally focused on growth with no analysis of inequality at all. Chapter 4 (p. 102) promises to go deeper than statistical issues, but the analysis remains data- and technique-driven – without attention to conceptual matters. Pertinent issues such as whether to take the ecological critique of growth seriously and deduct environmental bads (and other bads) from the gross measure to arrive at a net national product (NNP) are overlooked entirely. More fundamentally, the meaning of progress, its measurement, and how congruent it is with well-being are not even contemplated. Yet, as argued elsewhere (Obeng-Odoom, 2013a), these issues constitute crucial pieces in the jigsaw of analyzing African economies.

These concerns, in the wider context of the Global South, led scholars, such as Amartya Sen, Gustav Ranis, and Paul Streeten, working under UNDP Project Director, Mahbub ul Haq, to construct a human development index (HDI) (United National Development Programme [UNDP], 1990). Sen was later to develop the conceptual foundations of the HDI in the book, *Development as Freedom* (Sen, 1999). Nevertheless, this effort generated further questions about the measurement of economic performance. Indeed, writers such as Charles Gore (1997) suggest that many of the weaknesses that were raised against the GDP oozed into the estimation of HDI. Indeed, a critical ingredient in the estimation of the HDI is the GDP.

It is certainly important to deal with the statistical limits of GDP, but equally important are three additional aspects of GDP: first, its conceptual underpinnings; second, its philosophical basis; and, third, its historical journey to becoming what Fioramonti (2015) calls "the world's most powerful number." Trying to resolve these issues leads to questions about the relationship between GDP and inequality, GDP and poverty, GDP and environment, indeed GDP and happiness; and GDP and the structure of African urban economies, especially the dominance of informal economies (Obeng-Odoom, 2013a).

By ignoring the conceptual aspects of GDP, Jerven's work misrepresents the structure of African economies, especially the prevalence of informal economies. He misses how the most comprehensive improvement in techniques, benchmarks, and data quality in formal economies will overlook such economies and hence contribute to further misrepresenting African economies. Indeed, these neglected issues necessarily mean that we will need to focus on GDP and the idea of economic development itself, how it has evolved, and in what ways it has been measured over time.

Why did development change from being regarded as a colonial project to exploit resources in Africa to becoming a methodologically nationalist project for countrywide change? What led to this shift from being too economic to being socioeconomic?

Some of these issues are raised in H. W. Arndt's (1987) book, *Economic Development: a History of an Idea*, and, in more recent work (Rist, 2008; Obeng-Odoom 2013a), so Jerven had much work on which to build. Yet, he made a conscious choice that leads to the view that the growth problem is technical in nature. Questions of power, imperialism, patriarchy, and racism, even Eurocentrism, are missing in the book.

Not surprisingly, Jerven's reading list is seriously wanting in political economy research in Africa. There is little engagement with research in political economy journals – the exceptions being few indeed: two *New Left Review* articles by Arrighi (2002) and Lawrence (2010), and one *Cambridge*

Journal of Economics article by Mkandawire (2001). Research published in such journals as *Review of African Political Economy* and the *Review of Black Political Economy* do not get even a polite nod. There are a few references to the work of political economists such as Fantu Cheru, Cyril Obi, Frederick Cooper, Walter Rodney, and Mahmood Mamdani, but no preponderance toward political economy or even postcolonial analysis.

So, the question arises about where Jerven is going with his critique? He makes no appeal to justice or oppression. In turn, his critique is open to many interpretations. For instance, African statisticians worry that Jerven's work is aimed at dismissing the effort of African professionals in the many statistical bodies in Africa. Indeed, some African institutions have had to issue public statements against Jerven's work and, at least in one case, Jerven has been prevented from travelling to Africa by power brokers on the continent (Jerven, 2015, pp. 121–123). Part of the reason is, of course, that Jerven's book is centrally focused on state capacity – without acknowledging any significant improvement and certainly without looking at the structure of African economies (importantly, informal economies).

However, any claim that Jerven's intentions are to undermine African statistical bodies will also need to take into account some crucial observations he makes: for instance, on page 111, where he explicitly makes the case against those Bretton Woods institutions responsible for reducing the capacity of African institutions and, at the same time, asks them to work more effectively, while implicitly suggesting that the statistical authorities require more support.

Similarly, Jerven (2015, p. 125) also notes, "Africa's growth failure happened because of a combination of external economic shocks and a less-than-perfect policy response, from both international donors and national economic policy makers. But laying the blame solely on institutions and policies was a costly mistake."

However, many mainstream economists make similar claims. Daron Acemoglu, for example, makes the Eurocentric new institutional economics claim that settler colonies have developed precisely because of colonialism, while neo-colonial societies in which extractivism was the key focus of the colonialists, have lagged behind. Even if Acemoglu seeks to place the explanatory emphasis on how settler colonialism triggers incentives for investment rather than on the identity of the colonizers themselves, by prioritizing institutions of private property, allegedly the driver of greater economic development in the West, while downplaying the effects of slavery on draining Africa of its resources which helped build the West, Acemoglu's analysis is Eurocentric (for a detailed discussion, see Darity & Triplett, 2008, pp. 266–270).

Some of this Eurocentricism can be found in Jerven's own analysis. For example, he argues that Africa struggles because of colonial problems. However, it appears that, in his earlier book, *Poor Numbers* (Jerven 2013a), Jerven singled out, or focused almost entirely, on what, in his extensive review of that book, Michael Lipton summarizes as "Africa's national-accounts mess." Jerven critiques national institutions on the grounds that they are not sufficiently independent, the statisticians are poorly trained, and the other members of staff are not up-to-date on the use of the latest software, among others (see Lipton 2013 for a detailed review). So, in the book under discussion, Jerven might really be seeking to shut the stable doors when the horses have already bolted! That is why a clearer political commitment is needed from him. Yet, it is interesting to read how Jerven himself thinks the struggle can be won, including "getting African economies right":

> The solution is to refocus the study of economics on the study of economies. The increasing distance between the observers and the observed has created a growing knowledge problem. With the move to cross-country studies based on macro-analysis, country-level nuances have been lost. In other words, cross-country growth regressions can take us only so far. [pp. 130–131] . . . It is the job of scholars to give tempered assessments that navigate between what is make believe and what passes as plausible evidence. That's how you avoid a statistical tragedy. (Jerven, 2015, p. 123)

Similarly, he states, "I hope I have shown that simply by asking questions – How good are the numbers? What are the assumptions? How convincing is the story? – one can engage critically with mainstream economics" (p. 132).

So, for Jerven, there is no place for power and ideology. Here, we see a non-materialist, positivist basis for social ideas: the view that ideas rise and fall only because they are "true." Yet, there are ideological elements in, for example, the fall of Ricardian economics (as Michael Reich showed in his work published in the *Review of Radical Political Economics* in 1980) and ideological elements in the rise of neoclassical economics (see, for example, the work of Mason Gaffney and his editor Fred Harrison in *The Corruption of Economics*, 1994).

Another example is the idea of the resource curse. As noted earlier, Jerven is critical of this concept. He says:

> When I wrote my own master's thesis at the London School of Economics in 2003–04, I was struck by the focus thus far on explaining only lack of growth, but I thought it was just a legacy of the 1990s. I was surprised to find that in 2007, three years later, major publications such as *The Bottom Billion* still stuck with the old line – there is no growth to explain here. (Collier 2007, cited on p. 25)

Jerven continues, commenting "The bottom line is that there is no "bottom billion." The evidence shows that the so-called traps are escapable and the so-called curses are not destiny" (Jerven, 2015, p. 132).

But the real problem with the idea of a resource curse is not so much that the calculations are wrong – important as that is. Rather, the idea – drawing on the metaphor of metaphysical forces of a curse and hence the impossibility of nations being able to do much about it – diverts attention from property and class relations as well as rent capture by transnational forces and corporations, the challenges of globalization, and the nature of uneven and unequal exchange, even imperialism (Emmanuel, 1972; Elhadary and Obeng-Odoom, 2012; Njoh, 2013; Obeng-Odoom, 2014d, 2015b). The resource curse analysis, in effect, is a grand scheme to undermine national authority and mercantilism, and it calls for more and more deepening of neoliberal globalization.

Of course, it is crucial to know why economists get Africa wrong. However, stopping at this stage without a radical political-economic analysis of the foundations of Africa's past, present, or future prosperity is insufficient. Jerven focuses on technical arguments, but GDP is more a political tool than a technical measure. The GDP has always been manipulated and contested for that reason. The Soviet Union was a victim of GDP manipulation, as Lorenzo Fioramonti shows in *Gross Domestic Problem* (Fioramonti, 2015, pp. 33–40). China, the USA, and others have all manipulated or refrained from correcting their GDP calculation for political reasons rather than technical ones.

The issue with the GDP is, therefore, not only technical, but also political. Africa's development has not always been tied to GDP: it has evolved from one matrix to another – for political-economic reasons intricately interwoven with matters of expediency. The GDP anoints the globalization turn, it promulgates a particular vision of progress, and it institutionalizes a particular type of power. This foundational focus is necessary to understand and transcend the roots of the complex social conditions in Africa. There are certainly more structural issues, including the appropriation of the African commons, the dynamics of the vast informal economies in Africa and their insertion into the global economy, and the growing inequalities within Africa and between Africa and the rest of the world. Neglecting these foundational matters and fine-tuning GDP only endorses – indeed worsens – the ongoing world order which tries to spit Africa out to the margins and tie it there. The technical, databased analysis of GDP can – indeed should – be part of a holistic political-economic critique of mainstream economics, especially in its deployment to understand Africa.

In short, although economic ideas are largely political, spread and sustained by various interests ((Schmelzer, 2016), leading J. K. Galbraith

(1979) to once claim that development economics emerged as a field to legitimize certain interests in Western nations, both Polly Hill and Morten Jerven provide idealist critiques, assuming that ideas are free-floating, unattached to any organizations, institutions, or interests. Analytically, this idealism is problematic because, as Michel de Vroey (1975, p. 416) famously noted, "in a class society, the ruling class cannot be indifferent to the type of social science developing in the society in which it holds power." Alternatives, beyond currently existing ones, are needed.

Mainstream development economics, conceptualized in this book as neoclassical development economics and its variants such as new institutional economics, is clearly limited. However, existing Marxist alternatives provide no panacea either. Both treat inter group and intra group stratification problematically. Both hide serious institutional processes with the mask of culture, as Eiman Zein-Elabdin's (2016) book, *Economics, Culture, and Development*, shows; and both neglect, or treat superficially, the questions of space, rent, gender and energy (see, for example, Obeng-Odoom, 2009, 2014a, 2014e, 2014f; Gore, 2017). The solution to these problems, however, cannot be further stretching the favored, but already overstretched, explanatory framework, what J. K. Gibson Graham (1996/2006) called "capitalocentricism." Ironically, it is this capitalocentric framework that guides the latest books on African political economy, including Lee Wengraf's (2018) excellent book, *Extracting Profit: Imperialism, Neoliberalism and The New Scramble for Africa*.

"The Beautyful Ones Are Not Yet Born"

The state of the literature, then, demonstrates the Ayi Kwei Armah paradox. During the decolonization period, there was much hope for a new Global South. Revolutionary leaders arose, promising a new world, and offering powerful ideas. Yet, colonial compartmentalization remained and, in many cases, birthed neoliberal compartmentalization. The reason was that the social relations bequeathed by the colonizer's philosopher (slavery, feudalism, capitalism, and imperialism) had not been repudiated. Instead, the logic was that the more that legacy or outgrowth of its roots in the form of capitalist and other modes of production could be embraced through forces of modernization/denied through "villagization" projects, the more developed/post-developed the ex-colonies would be. It is this limitation that the novelist Ayi Kwei Armah captured in his now classic novel, *The Beautyful Ones Are Not Yet Born* (1968).

The real problem of the existing knowledge on stratification in Africa is not that it fails in its exposition, but that it succeeds in obfuscating reality. It conveniently overlooks what R. T. Ely called "the ground under our feet." It strenuously claims that we now live in an era when fundamental questions about land and rent no longer matter; such an emphasis, we are told, is "too narrow." In short, it obfuscates the crime of stratification.

Like other crimes, deflecting attention is a defensive strategy of the crime of stratification. The appeal to culture is to mask shocking forms of rentierism, the view of Africa rising serves to legitimize the status quo, while the stubborn insistence on only capital serves as a strategy by both the left and the right, progressive and mainstream writers, to hide their complicity as beneficiaries of the historical and ongoing system of land, property, and rent appropriation.

It is insufficient to call for a change. What is needed is not just change; but a just change. I propose stratification economics as one route toward that change. Pioneered by black economists and other economists of color, the field aspires to be a formidable alternative to both the orthodoxy and existing heterodoxies (Darity et al., 2015). The nature of this sub-field together with its features is discussed in the next chapter.