REVIEW ESSAY

AFRICA UNVEILED

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Franklin Obeng-Odoom,

Property, Institutions, and Social Stratification in Africa

Cambridge University Press, Cambridge, 2020, 376pp., hardback, $175.

In Franklin Obeng-Odoom's telling, Africa has been a battleground for different varieties of development economics, one where reputations are made and unmade, but where the goal - explaining the underdevelopment of the continent - remains elusive. Obeng-Odoom, currently Associate Professor at the University of Helsinki, takes us on a tour of the rise of different paradigms and how they have been found wanting, patiently but unflinchingly pointing out where they have stumbled or have been humbled by the reality of Africa.

Obeng-Odoom's acknowledges that, despite exposes of their blind spots, varieties of orthodox development economics continue to veil the realities of Africa, even among African economists. He brings up as an example a conference at the University of Witwaterstrand that he helped to organize, where 'all but one paper gave the nod to a heterodox challenge, albeit a soft one: new institutional economics,' and in which 'neither institutional economics nor stratification economics, let alone Marxist economics, was even given a polite mention.' While his book is meant for a much wider audience, both in Africa and outside Africa, it is clear that he seeks mainly to critically engage 'seasoned and young African economists' such as those who attended the Witwaterstrand meeting.

More than many of these economists, the taxi driver ferrying Obeng-Odoom from the airport when he first stepped into South Africa had a

Bello, W. (2021)
'Africa Unveiled'
Journal of Australian Political Economy
No. 87, pp. 145-52.

sense of the fundamental problem. The driver compared South Africa pejoratively to Zimbabwe, where land reform had been carried out. Even if Zimbabwe was poor, it 'was far safer than South Africa, where crime, grime, and strife' was rampant. The reason for the difference, the driver told him, was land: 'We do not have any land.'

Abundance as curse?

To the western economists who serve as mentors to the African economists at Witswaterstrand, land is also a problem, but it is not a real on-the-ground problem as it is for most Africans. Rather, it is a conundrum that has to be fitted somehow to their theories about the underdevelopment of the continent. Africa is often compared to East Asia in pejorative terms, and nowhere is this comparison more flagrantly displayed than by those proclaiming the theory of 'Africa's resource curse.' Proponents of this faddish idea theorize that Africa's misfortune is to be blessed with bountiful natural resources and land since this has brought in its train the 'Dutch disease', the appreciation of the currency resulting in massive trade deficits, and rapacious governments that try to corner royalty payments from transnational oil companies. The East Asian newly industrializing countries, on the other hand, were left with cheap labor alone, it is alleged, and they made good use of it, building up their capital painstakingly through export-led manufacturing. It is an argument with which I am familiar, since my country, the Philippines, has been unfavorably compared to South Korea and Taiwan in exactly the same manner.

Obeng-Odoom shows, however, that the mismanagement of Africa's resources is not an inexorable law of development since the ability of governments emerging from colonialism in the period 1950 to 1970 to control the use of their resources was gravely weakened by neoliberal reforms imposed on them by the World Bank and the International Monetary Fund in the 1980s, in exchange for structural adjustment loans that favored the private sector, discouraged effective regulation and government involvement in production, and provided western oil companies with the leverage to dictate the terms of extraction of oil and distribution of its profits. Moreover, the resource curse thesis is not only ahistorical but also lacks appreciation of the imperatives of the global political economy, among which is the necessity of keeping corporate profits high, government control weak, the price of oil low, and environmental controls non-existent to sustain the prosperity of the fossil-fuel-driven capitalist economies of Europe and the United States.

In the case of the Philippines, deregulation, trade liberalisation, and privatization imposed by the World Bank and the International Monetary Fund were the price exacted for multilateral loans needed to service the country's debts to western banks after the 1982 Third World debt crisis. It was this deadly grip of the Bretton Woods institutions that deprived the country of the strong government leadership and resources for capital expenditures in infrastructure and state or state-supported enterprises that were the trademark of the East Asian 'newly industrializing countries.' These NICs deliberately got 'relative prices wrong', to use the provocative words of Alice Amsden to describe the NIC technocrats' calculated disregard for neoliberal prescriptions that produced the positive developmental outcomes that eluded the compliant Philippines.

Land reform as commodification, not liberation

Another faddish theory that Obeng-Odoom deconstructs is the various 'lack of capital' theories – meaning Africa's move towards sustained growth or capital accumulation has been frustrated because it lacks human capital, or its capital is 'dead' or frozen in traditional communal land tenure systems in the countryside or in land without title in the slums. Coming in for withering criticism in particular is Hernando de Soto's influential theory that land can be liberated to serve as an engine of entrepreneur-led growth in the slums and the countryside if people have private rights to it. De Soto's strategy has prompted land titling schemes funded by the World Bank, but these have not lived up to the expectation that they would create thousands of bustling African entrepreneurs.

The problem lies not only in costly land registration procedures but in flaws in the idea of privatizing land itself. Titling makes land a 'fictitious commodity', writes the author, following Karl Polanyi, one that is marketable, and this triggers a process that ends, more often than not, in the accumulation of land by a few. Whether it is releasing land from communal tenure or selling rights to natural resources like oil to transnational companies, the result of land and resource privatization is the same: the enrichment of a few at the expense of the many.

Here, again, the example of the Philippines is relevant. In 1986, one of the most ambitious land-to-the-tiller programs was initiated – one intended to transfer ownership of some 1.8 million hectares of rice land to peasants. 34 years later, the program is now widely acknowledged to be a failure, with lands titled to small farmer beneficiaries finding their way back to the hands of big landlords or to those of real estate tycoons or shopping mall conglomerates. Formal titling in the midst of mass poverty has not prevented powerful interests from gaining or regaining informal control over reformed lands. What Obeng-Odoom writes about the experience of land tenure reform in Ghana is strikingly similar to that of the Philippines:

> [I]t has not succeeded in 'protecting the rights of landowners and their descendants from becoming landless,' and not succeeded in curbing the incidence of land encroachment and multiple land sales. Consequently, real estate developers now market gated housing estates as a haven for security.

The absence of a government that can enforce the rights of land reform beneficiaries is part of the problem, in the Philippines as well as Ghana. But the bigger cause of land accumulation in the hands of a few are the dynamics of a market capitalism that is increasingly linked to the transnational market for land in a global capitalist economy.

Paradigm curse

His analysis of the failure of land titling leads Obeng-Odoom to conclude that Africa's land and natural resources are not a curse but offer a tremendous opportunity for most Africans, given the right social and economic context, the right policies and the right institutions. The curse is a system of production and exchange that promotes the concentration of land and resources in the hands of a few. Here he follows the Nineteenth Century economist Henry George who elevated land as the main source of value, along with labor – a truth that was understood by the colonial powers in the past and by the oil giants and agribusiness interests today. It is the drive for rent, or massive unearned income from ownership and control of land, that is at the heart of the 'the new land grab' whereby the integration of Africa into a global land market has facilitated the leasing to foreign and local corporate interests of an astounding 71 million hectares of land as of 2010.

This truth about Africa is veiled by the different varieties of neoliberal development economics which, in Obeng-Odoom's view, function objectively to keep Africa at the bottom of the global hierarchy. This structural position that neoliberal ideology conceals has been created historically and is inexorably reproduced by a global political economy driven by the needs of capital accumulation in the global North. It emerged, 'as a function of three interdependent factors, namely, slavery, colonialism, and the international financial system.'

Slavery, colonialism, and reparations

Central to this process was slavery, and here Obeng Odoom surfaces the subliminal assumptions that today underlie western development economics, the psychological blind spots around which different theoretical fads revolve:

> Slavery has provided the framework for how Africa and Africans have been engaged to this day. A system in which Africa and Africans counted for little or nothing, the slave framework cast Africans as providers of free energy for the world and nothing for itself. The world's 'Wretched of the Earth,' […] Africans are seen as the cheap labor to be used and abused, their resources to be plundered, their spaces to be utilized for experiments and speculation, and their lands to be confiscated without compensation. That was evidently what John Locke's theory or property and slavery taught.

As 'subhumans,' Africans could not possess land, Obeng-Odoom notes, so that dispossessing Africans of their land was just because 'the slaver could put the land to better uses, including ensuring the prosperity of slave economies such as England whose economic prosperity was tied to the appropriation of slave land and the use and abuse of slaves.' In this system,

> the world was indebted to Africa for its contribution of human labor and energy. The world owed Africa the cost of its resources. The world owed Africa ideas. The world owed Africa the opportunity cost of

> enslavement. In a faux repayment, the Global North claimed to officially abolish the slave system. Yes, what it did was to blank out the debt owed to Africa and, in its place, rewrite a new code to enslave Africans and to get them indebted in a new colonial division of labor.

The structural legacy of slavery makes it imperative to provide reparations for the accumulated damage done to Africa over five centuries. Reparations are not only a moral demand. They have 'a sound economic basis,' argues Obeng-Odoom, building on the work of prominent African scholars like Sir Hilary Beckles and William Darrity, Jr. But it is not only Africans who have argued the case for reparations. Thomas Piketty contends, in his *Capital and Ideology*, that accumulations of wealth in the past, whether amassed 'legally or illegally, morally or immorally, begin to follow an accumulative logic of their own once they attain a certain value.' Noting the 'extreme weakness of the arguments raised by those who refused to reopen the Haitian case,' he endorse Piketty's advocacy of France 'paying substantial reparations to Haiti'. This is a demand of 'transnational' and 'transgenerational' justice that should have been met long ago. Few western economists, however, would go as far as Piketty, with most probably simply willing to acknowledge the immorality of slavery but dismissing the call for reparations as a no-no, as French, British, and American politicians have done.

Towards stratification economics

Neoliberal development economics is not the only target of Obeng-Odoom's critique. Uncritical calls for the preservation of traditional forms of communal land tenure are not the answer, he says, since these have their own limitations and, under the lash of market forces, they may remain communal in form but are being stratified in reality, with chiefs taking on the power to alienate land and monopolizing the income from this. Classical Marxism, with its focus on the leading role of capital and neglect of land, is also critically assessed, as are socialist proposals that rely on statist solutions like nationalization to every problem.

Yet, it is Marxist thinkers like Frantz Fanon and Walter Rodney that receive the greatest respect from Obeng-Odoom, perhaps because theirs was a Marxism that was not doctrinaire but focused on the complexities of power of societies in the global South that were suffering from multiple oppressions. Fanon and Rodney were the precursors of the theoretical perspective of intersectionality developed by the eminent black feminist scholar Kimberle Crenshaw, viewing identities such as race, class, and gender as parallel dimensions but also seeing their intersections or articulation over time and in space. Further developed by other black scholars, intersectionality is at the theoretical center of the new stratification economics, which goes beyond looking at linkages of identities to probing the 'interlocking connections between the geographies of development and underdevelopment on the one hand and the political economy of multiple identities on the other.' Africa's underdevelopment is the 'product of cumulative change' as well as the 'outcome of ongoing contradictions and exploitations whether through trade, through debt, or through land reforms of various kinds.'

Africa's challenge

In terms of the policy prescriptions of the new stratification economics, Obeng-Odoom says it is time to stop looking outside and trying to indigenize 'mutations of socialism and capitalism such as dictatorships, developmental states, or Nordic welfare models.' Instead he urges the adoption of a program with four key thrusts: breaking cartels and monopolies that control Africa's land and resources, building social states, institutionalizing reparations mechanisms for past injustices, and treating land as common property. Central to this approach is the aggressive use of the power of taxation by the state – a Georgist strategy of transformation that, incidentally, is also promoted by Piketty in place of outright nationalization.

Critics may say that these general principles are fine, but that Obeng-Odoom falls short when it comes to specifying the articulation of the state and the private sector, taxes and redistribution, that would constitute a concrete program that would break away from dependency on the global North while addressing the multiple inequalities of race, gender and class.

In fact, Obeng-Odoom does something better. He provides detailed descriptions of how actually existing African societies are trying to bring together the desired principles. What is possible can be found in Africa itself, in present-day Botswana and Mauritius.

Botswana has successfully dealt with problems of unemployment and poverty, but its policies have been much less successful when it comes to inclusiveness and the environment. Mauritius, on the other hand, is 'a fascinating case study.' In Africa, it is this country whose policies come closest to having a Georgist program focused on taxing rents and redistributing the proceeds to society, says Obeng-Odoom. An export-led economy, Mauritius 'invests substantially in social protection and ecological governance' and 'deploys a framework of human and environmental rights.' Like its investments in society and the economy, the government takes its environmental programs very seriously, taxing oil 'from cradle to grave, from production to use, and uses the returns to incentivize greener investments.' It has a tax on fossil fuels that has doubled since 2008, so as to discourage their use, and the debate on the tax is not the neoliberal one of whether it should be removed but whether it is too low and should be increased to move the country more quickly into reliance on green energy. Mauritius, in Obeng-Odoom's judgment, has 'successfully combined economic growth with poverty reduction and a more egalitarian distribution of resources in a cleaner and greener environment, while still open to international trade'. Botswana and Mauritius may not be as pure as the doctrinaire Marxist, socialist, or Africanist would like them to be, but they work in terms of delivering a better life for the majority of their citizens compared to most polities in Africa or the Global South for that matter.

Africa, in short, offers the world not only examples of the terrible legacies of the colonial past and the imperial present but possibilities for a truly just and equitable future. For this reason, Franklin Obeng-Odoom's fascinating book is one from which not just Africans but the rest of us in the global South can derive many valuable lessons for our collective way forward.

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