The Economics of Pre and Post-Independence African Economy and the Possibilities of Mainstreaming Meles’s Developmental State Ideologies

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While dealing with the historiography of post-independence African economy, the writer has made attempts to consult sources of different interests. Majority of the sources consulted for this purpose are books written by Marxist scholars. Thence, they reflect the maxims of socialism at continental and state level in Africa. Their explanations rest on the cardinal causes for the underdevelopment of Africa as a continent.

The Economics of pre-independence African Economy

The period before independence was a history of Africa’s total dependency on the metropolitan nations. In this section of the paper the writer is especially interested to have an insight on the policies and praxes of colonial economy. Likewise, Caroline Neale drawing on Andre Gunder Frank, a socialist scholar in similar with Batten put it, the effect of the colonial relationship is to widen the gap between the colonies and the metropolitan states. Wheither before, during, after or outside of a colonial relationship, investors generated wealth in Africa only ultimately to repatriate it, so that the dependent country is never given the means to control its own resources. The colony provided raw materials and labor. Frank further argued, colonial economy of Africa was highly characterized by the presence of an “African Middle Man”.

David Hap Good, a Marxist writer asserts, colonialism and colonial rulers, after all, prevented industrialization in Africa to preserve their industries from competition. He further argues, African economy before independence was highly characterized by external influences emerging from various sources.

Needless to mention that agriculture was/is the backbone of African economy both before and after independence. Likewise, agriculture during the period of the colonial administration was characterized by different features. According to Gromyko, colonialism in Africa had introduced alien variables to Agriculture apparently the introduction and expansion of tree plantation instead of crop cultivation and cash crop agriculture was the dominant feature. Andrew M. Kamarack on his part articulated that, the influence had caused a rift in the traditional lobby of the subsistence elements to African economy.

Kamarack and Gromyko unanimously crowned it, pre-independence African agriculture irrespective of its indigenous economic elements was dominantly changed into either cocoa, tea, banana, rubber or cotton mono-crop agriculture. Furthermore, Bijorn Backman had it, colonial settlers sought to block the development of commercial agriculture, not just by ousting indigenous settlers from the land by forbidding the cultivation of certain commercial crops. Meanwhile from the view point of another perspective, Melville J. Herskal asserts, in colonial economies with particular emphasis to agriculture, the influence of mercantilism persisted long after the philosophy had ceased to dominate economic policies.

Thence, Marxist scholars in this regard argued that, the impact of colonial agriculture was the birth of mono-crop or cash-crop economy in pre-independence African Economy. This is explicitly articulated by Kamarack, some crops are closely attached with the economy of nations in particular and regions in general at continental level. Accordingly, he noted that, as cocoa and palm-oil were to West Africa tea was to east Africa respectively.
Concurrently, Colin Legum, a liberal scholar asserts, the result of colonial rule on African agriculture was the creation of a mono-crop economy merely dependant on a single principal exportable crop.

Apparently, so was also true with the fate of the mining industry in pre-independence Africa. Although Africa is endowed with various precious minerals, however, it has benefited least out this. Manifold reasons are attributed to this. Consequently, a handful of scholars have viewed this from different perspectives. In this regard Gromyko asserts, Europe and its capitalist elites were the prime beneficiaries from these minerals. David Hap Good on his part viewed the natural endowment of minerals as the sources of Africa's economic impoverishments. According to him the minerals were the original sources of goods imported by Africa after being processed in Europe.

The attachment of minerals with pre-independence African economy experiences a point of historical conjuncture between Marxist and liberal scholars analysis. Hence Colin Lagum, a liberal scholar, asserts, minerals had caused the emergence of mono-crop economy which was primarily dependant on the export of minerals. Though his argument is somehow convincing, however, he refrained to substantiate his conclusion with a credible insight of economic critiques.

The issue of trade and commercial relationship in pre-independence Africa is best depicted by different scholars in time and space. Apparently incognizant of the presence of variations at regional and national level, the general rubric of the period is presented as follows.

For most Marxist scholars in the area, they are lenient to the generalization that, African countries before their independence do little commerce with one another. In addition productive units do not heavily depend on market or on sources of raw materials and its components from areas in Africa. In this regard, Basil Davidson, Kamarack and Nigussie unanimously argue, African
countries are more like islands lying off the coast of western Europe than like parts of a single continent. Furthermore, Kamarack singularly quoted that, normally only around 8% of the trade of African countries was with other African countries.

The prime cause of polarization in this regard was the analysis of Marxist historians on the root cause of the problems. Hence, taking colonialism as a system they assert, the cardinal factor for less commercial links between Africa countries was the deterioration of cottage industry and lack of inter clan bilateral commercial links. Nevertheless in antinomy with this Hap Good further put it, actions taken to weaken cottage industry were deliberately applied to deter industrialization in Africa. This was done to unleash European industries freely flourish as per se.

However, it would be of dishonesty if mention is not made that, pre-independence African economy particularly the period after WWII, had witnessed improvements. According to Batten, the cause of growth was the shift from optimistic to pessimistic view of Africans over colonialism. Rodney Walter crowned it, the cause of the improvement was an African factor. He asserts, WWII had brought salient scenario in which Europe needed Africa much more than Africa needed Europe.

Generally speaking, as argued by Marxist and Liberal writers, the end result of colonial rule on African economy was the creation of mono-economic system leaving the colonies behind dependent on one principal agricultural or mineral export. However, it should not be by-passed that rural economy was highly neglected and industrial development remained rudimentary.
Post- independence African Economy

Before one embarks on the venturesome task of trying to assess the economics of post-independence African economy, it is worth to discuss on the interplay of politics and economics. The 1960s was generally regarded as the decade of African independence or liberation. During this period most African countries (colonies) has matured into nationhood’s.

L. Gray Cown and Basil argues, the leaders of independent Africa have unanimously asserted that, the political decolonization will remain meaningless unless it results a corresponding breakthrough in economic independence and a rise in the standard of living of the people. Furthermore, Melville an Africanist scholar in support to this idea asserts, political independence represented for colonial peoples a means of controlling their own resources and benefits that had previously gone to their rulers or the ex-metropolitans. Batten on his part noted that, the only road to permanent economic independence was based on real political independence.

Marxist scholars argued, since 1960 African economy had been encountered with a stoppage in the inflow of private capital and a sizable over all capital outflows. Therefore, it is evident that, as argued by Colin Legum too, this had affected the growth rate of African Economy.

Hence of all other issues, however, what one should ask, like Cown does, economic decolonization is as important as political decolonization and is much more difficult to achieve. Moreover, how Africa was ready for changes particularly in the area of economy and leadership requires the formulation of pertinent economic policies and above all the coming to power of committed leadership.
Concurrently, post-independence African economy had faced numerous problems. Most if not all of the problems were emanating from the inheritance of colonial legacies and ill-organized national economic plans. However, this had remained the source of ferocious debate among scholars for several decades. Newly independent African countries in their attempt of counter balancing these problems had developed new economic plans. In the attempt of historicizing this phenomenon, liberal historians had defined Africa as a continent of plans. Albeit, Gromyko argued, the battle for economic independence which was the core element of the economic plans, was based on two directions:

- The struggle for a restructuring of international relations so as to deter the limitless domination of imperialist monopolies.
- To assert national sovereignty over natural resources at home to effectuate radical social and economic transformations.

As it is articulated by liberal scholars, the economic plan was regarded as a symbol of independence, and a great deal of public attention was devoted to it. From another perspective Albert Waterson put it, economic plans were prepared in Africa as a result of the pressure from international aid agencies. This in-turn had fostered the influence of neo-colonialism in Africa as a result of directives from the west.

Objectively among the other defective native elements of these economic plans was, they often bear little relation to reality. The case in point as pin pointed by Andrew, macro-economic models amalgamated within the economic plans had suffered a major problem because they over emphasized the role of investment, which was freezing during the then period.

Apart from the deficiencies of the grand economic plans, post-independence African Economy had suffered a serious problem from lack of support by other
indigenous sectors. Accordingly, as noted by Andrew, African nations remained heavily dependent on imported capital and on key trained personnel from non-African sources.

In concurrence with this, African counties received more finance from abroad, on the average than countries in other parts of the world. Likewise, the effect was clear that the size and pace of inflow in investment funds makes the difference between rapid economic-growth a slow growth or near stagnation. In fact this was exacerbated in prospects in time and space. Meanwhile Colin Lagum put it, the initial ambition to concentrate resources on building industries-neglecting the rural sector in favor of developing urban areas was finally shattered by diminishing food production and negative economic growth in the 1980s.

Marxist and liberal historians collectively argues, the first decade immediately after independence up to the early 1970s had witnessed a growth in the annual growth rate of the GDP of African nations on average up to 4.5% annually. Concurrently they argue, however, this status quo was not preserved to level Africa to the take-off stage. Various factors are mentioned in this regard.

In the attempt of internationalizing these problems, Colin Lagum counting on the reports of the Economic Commission for Africa (ECA) argue, 1973 was a land mark in changing the general course of events in Africa negatively. Accordingly, it was marked as a year when the world price of oil quadrupled, with a devastating effect on great majority of non-oil-producing African countries. In concomitance with this, it was also the period for the beginning of a new seven-year cycle of draught in Africa.

Needless to mention that, agriculture was/is the major economic sector of post-independence African economy. However, the shift from subsistence into
cash crop agriculture has resulted the birth of mono-crop economy of nations. Meanwhile, as discussed by Kinfe, the increase or decrease in the price of these products at international market had resulted disturbances in African economy. Hence, it would be less difficult to infer that the economy was persistently exposed to continuous price fluctuations.

In cognizant of the aforementioned facts, David Hap Good asserts, those who were in favor of agricultural growth before industrial growth were made victims of suspect for delaying Africa’s industrialization. Moreover, they were named as neo-colonialists irrespective of their differences in their color and the contents of their moral fiber.

Pessimistic interpretations of the causes to the failures of agriculture in post-independent Africa were articulated by handful of Marxist scholars. Likewise as pinpointed by David Hap Good, after the period of independence, efforts of various kinds have been made over the years to improve African agriculture. Objectively speaking, most of them prove to be in vain. Though some were billed as successful, however, they were less than what they were supposed to be.

The next focus area of post-independence African economy is the nature of monetary economy, commerce and social services. According to Rapley, commerce was viewed as the nerve center of any monetary economy. He asserts that healthy commercial trend sets the economy in to a top gear motion. Nevertheless, commerce had experienced latent improvement after the period of independence in Africa. Consequently, various African countries had organized themselves along regional organizations such as ECOWAS, COMESA and SADCC. However, according to the arguments of Marxist and liberal scholars, these were not yet free from deficiencies. Likewise, Nigussie asserts, despite increasing felt needs and efforts Intra-African trade had stagnated during the
period to less than 5% of the total continental trade. Concomitantly, both Liberal and Marxist's writers asserts, this had marked a point of historical conjuncture with the pre-independence period’s patterns of commerce in Africa.

So was also true the problem of trade at international level. Hence as Knife put it unbalance or “unfair”, as Marxist opt to refer it, was emerging as the dominant characteristics feature of the whole trend.

A further analysis of Marxist scholars is hammered on the view that Africa was being ruled by petty bourgeoisie. This class was acting more like as the viceroy of imperialists in the post-independence period in Africa. It comprises owners of small amount of non-agricultural capital, such as small manufactures, contractors, trends and the richer peasants including white collars. They further assert this group had singularly enjoyed maximum advantages from services rendered by the state. Nevertheless as it is discussed by liberal scholars too, it would be a point of dishonesty if objective assessment is not made on the impacts of monolithic economic policies that limits economic freedoms.

Other sources to the sorry story of post-independence African economy are associated with intermittent wars as a result of colonial arrangements, which in turn was drawing a large amount of foreign exchange for armistices; leadership problems attached with dictatorship and its resultant outcomes such as growth of personality cults and all forms of corruption. Finally, the advent to power of tele-guided leadership was also with a catalytic fervent beneath it in exacerbating the economic underdevelopment of Africa.

According to most Marxist scholars in the area, the post independence period had marked the zenith of neo-colonialism; likewise the growth of the capitalist world at an international level had exhibited significant changes. The influence was eventuated in Africa through international organizations such as the
International Monetary Fund (IMF) and the World Bank (WB) using aid and loan as weaponry.

As far as African historiography is concerned, objective assessment of the post-independence economic order in Africa had resulted two polarized views among Marxist and liberal writers. Hence, according to Marxists, the objective conditions and the “stubborn” realities of the capitalist dominated world economic order was to result in mid 1970s in shedding of idealist notions and old myths. Consequently, African countries were “Growing” but not developing. They were producing and selling more but earning less for their commodities. They were getting more “aid” and increasing their volumes of trade but were deficit and getting more and more in debt. They were increasingly producing what they were not producing. Hence, if a careful censorship of words is made, as argued by Nigussie, it is after their formal independence that African countries became dependent in the fuller sense of the word “Dependent”.

To the very antithesis of the above argument, liberal scholars asserts, the steady decline of African economy after independence is attributed to such causes as flawed economic policies and priorities, inefficient government and ill-administration, the misuse of foreign loan and economic aid in non-productive projects, extravagant expenditure on arms and military equipments, civil wars and other forms of unrest; and, always, acute corruption. To the surprise of all, the above explanations coincide with the narrations presented by H.E. Prime Minister Meles Zenawi of Ethiopia. Bravo Meles!!!!!
Opportunities, Challenges and Future Prospects

Quite understandably newly independent African countries have suffered from the problem of diseconomy scales. Nigussie asserts the reasons for the sorry state of economic history were emanated from colonialism or neo-colonial economic orders or neo-liberal views.

In the course of evaluating the causes to the development of Africa’s economic underdevelopment, it is worth mentioning the new opportunities vested to Africa. Likewise, Caroline Neale had vividly presented the view of Marxist and liberal scholars in the area. According to him, for most Marxist scholars in the area, Africa was encountered by camouflaged opportunities in fostering her economy.

According to non-Marxist scholars, economic growth is possible for Africa with the growth of monetary economy in concurrence with an extension of capitalist relations of production. Of course, in this regard, political reforms were with paramount importance. Marxist scholars added that, the change in the economic structure should include the policy of import substitution. However, one can hardly face difficulties to note that this view was based on the pre-determined assumption of increasing the share of the manufacturing sector in the GDP.

Concurrently Caroline Neale tells us, non-Marxists asserts as, post-independence period rendered the best opportunities for Africa’s economic development. They demarcated that this could be eventuated when Africans are unleashed to use the heritage of improved technology, and extensive links with the wider world. This would enable them in creating supportive roles to develop their countries along western-lines.

The coming into scene of aid and loans were new opportunities in post-independence African economy. However, as argued by a handful of historians, these were not unprecedented happenings by others. Objectively, there were
historical phenomena’s having tantamount homogeneities with either of them. Meanwhile, after independence most if not all newly independent African countries had opted for continuation of a semi-patronage bilateral relationship with their ex-metropolitan nations. In the attempt of historicizing the event Colin articulated it, as ex-British colonies were queued under the British common wealth of nations; ex-French colonies were under the Franco- phone community centered in London and Pairs respectively.

It is, however, essential to note that the impact of this relationship had came-up with pernicious qualities in prospects. Likewise, Cohn noted that, by the time when they [African nations] need more money, they joined the World Bank and International Monetary Institution in particular and become particularly associated with the European Community through the Lome Treaty. In fact this in turn had tied them with the western capitalists’ international system. Nevertheless, Cohn’s argument lacks the power to fix its loose ends with his conclusions.

The aforementioned argument is simultaneously taken as the provocative articulation by Marxist scholars. Gromyko in his part crowned it, the IMF and the WB are the brokers of capitalist countries for the expansion of imperialism on developing countries particularly in Africa. Moreover, their terms of payment agreements bounds Africa nations to remain under economic underdevelopment. Furthermore, it is asserted by Africanist scholars that, most of the aid and loan programs to African economy were/are released to finance remedial projects instead of permanent and sustainable development projects.

Kinfe drawing on the ex-president of Nigeria Abassanjo penned as, the worst problem of aid and loan in Africa are the arrangements in the interest rate payments, which dragged African nations into long years of indebtedness and economic impoverishment. Alas, albeit to the western news, Africa had scarcely received purely humanitarian aid as of 1994.
Recently globalization had emerged as a new phenomenon with polarized interpretations. Indeed, a number of African nations had exhibited whimsy character towards it. Meanwhile, the fluctuation in the market value of African products and the growing unpredictability of the global economic system tends to pull African economy into a total uncertainty. In concomitance with the view that globalization will make poor countries poorer and rich countries richer, an in-depth economic analysis is expected to be surfaced by African leaders in convincing their society to work as hand and glove in the fight against in qualities. Apparently a handful of scholars unanimously argued on the current economic features of Africa that, African economy is still backward and dependent on capitalist economy.

H.E. the late FDRE P.M. Meles Zenawi, who was regarded by many Africans and expatriate scholars as the intellectual guru of Africa’s Economic Independence from the capitalist (neo-liberalist) countries, was repeatedly quoted giving fair stress on the major bottle-neck problems of Africa economy and their short and long time solutions.

H.E. P.M. Meles had had prophetic orations on the prospects of African Economy. According to him, the prospect of African economy is based on the successful resolution of the challenges on the ground. The challenges among many includes;

- High rate of urbanization resulting from high population growth. Sometimes this mitigates with the capacity of the state to support all its citizens.
- The growing lack of employment for educated young Africans. This is highly exponential among university and secondary school students. However, the problem of brain-drainage from Africa requires particular emphasis.
- The capacity and over engagement of African economy on the debt burdens incurred primarily in the early decades of independence.
- The nature of regional organizations and the present unfair system of international trade. At this point NEPAD may have a considerable role to play in favor of African economy.
- The current urge towards more open and democratic government.
- The ravages of HIV/AIDS in a dozen of African countries and its growing acute financial budgetary expenditures.

Yet African Economy is not immune from global phenomena's. However, the recent emergent economic influence of China and the change in the modes of import and export or tariff and quotas would incur rewards to African Economy. Indeed some African countries are emerging to be mire needed countries by China. Meanwhile, the triumphant resolution of the aforementioned challenges via the successful mainstreaming of the founding ideologies of a developmental state coupled with other factors can result a breakthrough in African Economy.