Transcending the State–Market Dichotomy, Developmentalism and Industrial Change: Learning from Critical African Scholars

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Abstract

Claude Ake presents the study of development as underpinned by Eurocentric teleologism. This refers particularly to how Western social sciences have been shaped around key disciplines that have been designed to restrain the ‘dynamic character of reality’, with a focus on analysing order as opposed to change. This article demonstrates the intellectual and practical limitations of linear understandings of change and transition that abstract from the ‘dynamic character of reality’ through disciplinary and other modes of confinement. This has, for instance, underpinned the tendency towards dichotomisation between the state and market across the ideological spectrum, in the study of development. The article responds to this challenge by centring critical African development thought in the work of Claude Ake, Thandika Mkandawire and Adebayo Olukoshi, and shows how conceptual development and analyses that are grounded in empirical experiences of transition problematise strict delineations of the milieus of the state and market, and the limiting of industrial development to particular sectors. In doing so, it showcases how progressing beyond linear analyses of transition, such as through paradigm extension of the developmental state paradigm to the enhanced developmental state paradigm, draws on the work of these key critical scholars.

Résumé

Claude Ake présente l’étude du développement comme étant sous-tendue par un téléologisme eurocentrique. Il s’agit en particulier de la manière dont les sciences sociales occidentales ont été façonnées autour de disciplines clés...

Introduction

Debates about Africa’s place in the world have been closely intertwined with the idea of development (Matthews 2018). As such, it is important to critically understand the underpinning logic of development. Critics of development discourse and practice, including postdevelopment theorists, suggest that the field is set up to maintain global political economy hierarchies that reinforce unequal exchange between parts of the world defined by European imperialism. Nustad (2001:480) summarises this school of thought, viewing development as ‘a discourse that orders and creates the object that it pertains to address’. There is a particular critique of trusteeship that presents the notion of progress as exemplified by global North contexts, ‘with its necessary vantage point guides’ that should be emulated by global South contexts (Nustad 2001:484). Equally, modernisation theories are critiqued by dependency thinkers as valorising such emulation. Ake (1988:1–30) presents the field of development as underpinned by Eurocentric teleologism, with an imagined ideal world that is empirically rooted in interpretations of experiences of the advanced, developed, industrialised, so-called ‘better’ West. He shows how this view has shaped the social sciences around key disciplines that constrain the ‘dynamic character of reality’ and focus on analysing order as opposed to change (Ake 1988:3–4).

As a corollary to this, intellectual debates on the role of the state in development have been characterised by the state–market dichotomy
across the ideological spectrum. On the one hand, this dichotomy is viewed as rooted in market fundamentalism and therein used to make the case for the supremacy of the market over the state. On the other hand, this dichotomy is present in more progressive discussions on the place of the state in development, anchored by notions of state autonomy. This can be seen in discussions around developmentalism and the subtheme of developmental statehood.

Mkandawire (2001) elucidates this tendency with his description of the developmental state paradigm as relying on an ideology–structure logic. Here, what informs the state’s philosophical positioning and therein (economic) policy direction is engaged in ‘ideology’, while the construct and functioning of the state, underpinned by political dynamics is addressed in the ‘structure’. Tensions emerge also when the empirical realities of interlinkages between economic sectors, such as agriculture and industry, are left out of conceptualisations of change and transition within developmentalism and especially the developmental state paradigm (Ikpe 2018). This article shows how analysis that is grounded in African empirical experiences of transition problematises strict delineations of the milieus of the state and market, and the limiting of industrial development to latecomer industrialisation. It progresses beyond this view as it showcases the enhanced developmental state paradigm’s interactions with critical African thought.

This article’s objectives are twofold. The first is to demonstrate the intellectual and practical limitations of analyses based on the state–market dichotomy across the ideological spectrum. The second is to examine the ways in which critical African development thought progresses (and enables progression) beyond this dichotomy and engages with broader cross-sectoral understandings of industrial change. After this introduction, the article first reflects on the tensions of the state–market dichotomy and the reality of the interdependence of the two milieus across the ideological spectrum. Second, it shows the ways in which the state–market dichotomy has manifested in thought, policy and practice and the implications that have arisen as a result. Third, the article centres critical African thought, focusing on the work of Claude Ake, Thandika Mkandawire and Adebayo Olukoshi, who have challenged linear understandings of development and change. It does so by elevating the importance of dynamic interdependencies across milieus and dynamism in time periods as well as the intellectual value of interdisciplinary thinking that is underpinned by African empiricism. Fourth, the article showcases how this scholarship has influenced efforts towards transcending the dichotomy and centring an analysis of industrial change that is intersectoral. The article then concludes.
Tensions Between The State–Market Dichotomy and Interdependence Across the Ideological Spectrum

The state–market dichotomy is the tendency to conceptualise the state and the market as separate and distinct entities, with limited reference to how they intrinsically influence one another. Bruff (2011:82) expresses this dichotomy as ‘treating these entities as discrete and autonomous parts … containing properties that are intrinsic to themselves … relatively self-organizing elements of society.’ The tension between the two entities reinforces and is reinforced by the analytical distinction of economics and politics across the social sciences. Claude Ake (1988) has been clear on the challenge of the limitations of disciplinary boundaries, especially in spaces of constant transition and change, such as on the African continent.

In spite of the prominence of this dichotomy, there is widespread inadvertent recognition of the complex interworking of the state and the market across intellectual traditions. Classical development theory texts across the ideological spectrum allude to the inherent intertwining of these milieus in socioeconomic transformation. Baran (1957) and Myrdal (1968) have argued that the challenge of economic transition in global South contexts is a consequence of states not being able to change historical socioeconomic disadvantages in the global economic system or the dominant interests that maintain certain hierarchies. In theories of economic modernisation, the role of the state is fundamental and seen as: intrinsic to market dynamics in the generation of savings to drive capital investments that support industrial production (Lewis 1954; Gerschenkron 1962); essential for the design and implementation of industrial policy and the creation of relevant institutions that ultimately underscore market structures (Lewis 1954; Hirschman 1958); and, organising and implementing investment in physical and social infrastructure, education and health with a focus on welfare as intrinsic to labour as a factor of production (Rosenstein-Rodan 1946; Nurkse 1953; Lewis 1954; Rostow 1960).

The global economic crisis of the 1970s, which gave rise to criticism about the state and its role in development processes, has been advanced as influencing the discord between the market and the state. Accusations of economic failure were directed increasingly at the state following widespread challenges that Sundaram (2003) and Fine (2007) attribute to the post-Second World War boom collapse and the resulting stagflation of the 1970s. In many parts of Africa, the state was held responsible for the substantial levels of national debt that accrued as governments borrowed to finance their development strategies. Olukoshi (2003) defines the period
as one of declining output and productivity in the real economic sectors of agriculture and manufacturing, and growing domestic and external debt alongside capital flight, among other factors.

In the throes of this period, mainstream development thought advanced a logic of opposition and, indeed, enmity between the state and market. The negative depiction of the state was articulated strongly in intellectual terms by Krueger, as chief economist at the World Bank, and most influentially deployed to underscore the Washington Consensus (WC) in the 1980s. John Williamson depicted a policy set seen as core to the international finance institutions’ agenda. This included fiscal discipline, redirecting public expenditure to spheres that offered high economic and income distribution, tax reform, interest rate liberalisation, competitive exchange rates, trade liberalisation, liberalisation of foreign direct investment inflows, privatisation, deregulation and secure property rights (Williamson 2000). The main global development policy outcomes of the WC were the Structural Adjustment Programmes (SAPs) and the conditions that accompanied the World Bank loans that were issued to African economies during the crisis, with the core agenda of derestricting market forces (Mosley, Noorbaksh and Paloni 2004).

Yet, the SAPs relied extensively on the state apparatus to effect the policies that were seemingly required to unleash market forces. Said Adejumobi (1986:424) and Olukoshi (2003) cite how the World Bank economist, Deepak Lal, noted that ‘... courageous, ruthless and perhaps undemocratic government is required to ride roughshod over the newly created interest groups’. Formal governance and authoritarianism were seen as intrinsic to the implementation of the derestriction of market forces. Adedeji (1994) highlights the agency of occupants of the state apparatus—the comprador elites—in colluding with their counterparts within the international finance institutions to actualise this market-fundamentalist turn in development policy. At the heart of market fundamentalism lies the complex interactions across the state and the formation of market systems and dynamics.

The limitations of the SAPs period led to failures to improve growth, diversify economies and achieve structural change, and poor human development outcomes (Mkandawire and Olukoshi 1995; Adedeji 1999; Mkandawire and Soludo 2003). This reading has been reinterpreted with attempts to link post-2000 economic growth performances to the Structural Adjustment Programmes, with a focus on correlation as opposed to causality, with limited analyses of policies in the adjustment and post-adjustment periods and disaggregation across various spaces (Archibong, Coulibaly and Okonjo-Iweala 2021). The case studies on Ethiopia and Nigeria evidence some of the noted tensions.
These failures led to a more nuanced aversion to the role of the state, which was most pronounced in the intellectual work of Stiglitz, also a former World Bank senior vice president, which became widely termed the Post Washington Consensus. The impact of this work was the broadening of mainstream development discourse to include debates about political governance, with the outcomes of political liberalisation and attention to electoral democracy alongside a continuation of market-fundamentalist ideas, albeit acknowledging a role for the state in particular areas, such as technology and industrial policy (Saad-Filho 2010; Keller 1996). This discourse was premised on recognising the empirical realities of the interaction of states and markets, even if limited to industrial policy and the procurement and deployment of technology transfer, as seen in East Asian states in their period of industrial growth and economic success (Stiglitz 1998, 2001).

Progressive development thought has engaged with the logic of state–market interactions, with dominant ideas coming from interpretations of developmentalism in developmental statehood. Analyses of the experiences of developmental states, such as Japan, South Korea and Taiwan, have put forward the intellectual position that the state was essential to a socioeconomic change that was steered by industrialisation (Chang 1994; Woo-Cumings 1999; Johnson 1982; Amsden 1989; Wade 1990). The conceptualisation of developmental statehood based on examining these empirical experiences through classical economic development theories gave rise to the developmental state paradigm (DSP). It was reinforced by debates about another group of developmental states, namely Malaysia, Indonesia and Thailand, with varied circumstances, such as resource endowment and the influence of global development policy (see Collins and Bosworth 1996; Akyüz and Gore 1998; Booth 1999).

The DSP has underscored the ways in which states and markets are connected in the control and direction of finance, industrial and trade policy as well as state–business relations. Pivotal texts on developmental statehood make this point as follows. In Amsden’s *Asia’s Next Giant* (1989), the sixth chapter is titled ‘Getting relative prices wrong’, with reference to the state overriding the market to get prices wrong. For Wade (1990), the book title *Governing the Market: Economic Theory and the Role of Government* indicates that the state has the mandate to govern the market as a separate entity. In Johnson’s 1995 contribution, *Japan: Who governs?: The rise of the developmental state*, he alludes to the state managing the private sector and as such the state is treated with reverence as being strong and independent, able to control the market and its agents in attaining the goal of industrial
development. Fine (2009) is clear on how these views are nonetheless founded on the analytical dichotomy between the state and the market.

Within the field of development there is indirect recognition of the empirical reality of state–market interdependencies across the ideological spectrum. However, there is an analytical tendency to relay these entities as separate and self-contained, thus limiting the understanding of their complex interlinkages and how they impact on development processes and outcomes.

Implications of the State–Market Dichotomy: Thought, Policy and Practice

Shields, Bruff and Macartney (2011) highlight the silence within the social sciences around the analytical dominance of the state–market dichotomy. They argue that a more holistic understanding of the political economy must reject frameworks that ‘separate out different aspects of the world in which we live into isolated parts, with their own autonomous, intrinsic properties’ (Shields, Bruff and Macartney 2011:5). This perspective raises questions about the extent to which prominent analytical frameworks can address complex questions as well as proffer viable solutions to multi-faceted problems.

The state–market dichotomy manifests clearly within the orthodoxy, especially in economics-related disciplines. Dutt, Kim and Singh (1994) argue that it is rooted in neoclassical economics and has been used to make the case for the supremacy of the market over the state. For them, neoclassical economics has been fundamental in the postulation that the market and the state are rival mechanisms for resource allocation. Fine and Saad-Filho (2017) also support this, in their study on the nature and tenacity of neoliberalism, a philosophy that is reinforced by its foundation in methodological individualism, which privileges individual actors as rational agents within market systems, thus subjugating social structures and dynamics. Social phenomena are understood as impinging upon and undermining the effective functioning of market systems. It is in this regard that Krueger considers state failure to be a worse condition than market failure because of the inherent superiority of market systems to government systems (Krueger 1990). This analysis relies on an explicit state–market dichotomy characterised by enmity, which posits the state as potentially crowding out more efficient market mechanisms.

The work of Stiglitz builds on this intellectual framing with a more nuanced reflection of states as able to support increased efficiency within market structures. The basis for this view is that markets do not function efficiently due to asymmetric information (Stiglitz 1994). States can potentially mitigate
these challenges through market-enhancing institutional processes and mechanisms. There is some recognition, even conceptually, of the interactions and interdependencies across the state and the market. But this is treated as anomalous and indicative of being in a state of disequilibrium. Fine (2006:13) has shown that, in reality, there remains a commitment to ‘methodological individualism of a specific type—utility maximisation, to equilibrium as an organising concept, and to considerations of efficiency’. The result of this reading is that the state is seen as an enabler to address challenges such as information asymmetries and co-ordination failures, but the market is essentially the location for efficient resource allocation. Mazzucato (2021) criticises the endurance of this description of the state as having a fixing role as opposed to being a co-creator of value as well as co-shaping markets.

A generalised understanding is that progressive debates on economic development, as with the developmental state paradigm, move beyond the state–market dichotomy. This is because of their explicit recognition of the interactions between the state and the market within this space as well as to how these interactions are linked to developmental success. Krieckhaus (2002) refers to developmental states as managing a combination of high bureaucratic capacity and autonomy, which simultaneously supports the strategic industrial sector and industrialisation.

However, the state–market dichotomy still manifests within this heterodox space, albeit in more nuanced, less static and antagonistic forms. Shields, Bruff and Macartney (2011) note an implicit acceptance of the state–market dichotomy across critical international political economy (IPE). Watson (2005) argues that critical scholars pay lip service to the rejection of the dichotomy, and suggests that it is reinforced, albeit unintentionally, in their analysis. Despite critical IPE being a field with critical scholarship that draws on the intellectual traditions of Marx, Gramsci and Schumpeter, among others, the intellectual work remains reliant on the framing of the state–market dichotomy.

The DSP’s structural roots in two interrelated but distinct schools—the economic and the political schools—are testament to its foundations in the state–market dichotomy (Fine 2007). The economic school is concerned with the workings of the market in the sort of economic policies that are deployed, including industrial and trade policy as well as state control of finance. The political school is focused on the nature and construct of the state, on its autonomy and bureaucratic capacity, almost to the exclusion of its engagement with the mechanism of the market.

The conceptual infancy and growing pains of the DSP are illustrated by the realisation of the need to relate the state–market dichotomy to the state’s actions. This is evidenced by the understanding of state autonomy as
a necessary sine qua non for a developmental state. However, it is not clear why state autonomy would result in its being developmental as opposed to, for instance, being parasitic. Within the DSP, Evans (1995) puts forward the requirement of state autonomy for developmental statism with qualifiers for its embeddedness in society. However, the notion of relative or embedded state autonomy risks tautology, with tension between the said autonomy and the conditions for co-operation remaining a persistent challenge regardless of the qualifiers attached to autonomy.

The dichotomy has consequences for robust analysis of economic development processes and outcomes. Fine and Stoneman (1996) point out that it is nonsensical to analyse these entities separately and that this limits comprehension of their interrelationship. Along the same lines, Hattori and Sato (1997) qualify the problem and note that the developmental state paradigm is pitching the argument for a perfect market or a strong and wise state. Underhill (2000) suggests that the structures of the state are dependent on political processes and the resources of various constituencies alongside processes within the market. He adds that economic and political logics may pull in different directions but remain inherent parts of the same whole. Gibbon, Bangura and Ofstad (1992:16) note that this approach is especially inappropriate within African contexts, because class interests are formed and maintained both within the state and the market.

The state–market dichotomy challenges the understanding and explanation of dynamics that are internally consistent, which can entrench contradictory interpretations of empirical realities. For instance, state autonomy is seen as a negative factor for rentier states but is a positive element of developmental statehood. There is no concrete underpinning consistency to this disparity. A failure to understand or explain such significant dynamics undermines resulting policy outcomes. Fine and Van Waeyenberge (2013:19) make the case that using the state–market dichotomy as a foundational analytical basis does not allow for comprehensive policy responses but rather for ‘piecemeal, discretionary intervention(s)’.

Radice (2010) notes the difficulty in considering the influence of globalisation in domestic spheres when treating the state and the market as distinct and separate entities. This is because of the enormous power imbalance between global markets and transnational dynamics in relation to many states in global South contexts. This challenge re-emerges with analyses of global value chains (GVCs). The conceptualisation of GVCs can tend to minimise the ways in which states and dynamics in domestic contexts can impinge on the operations of foreign capital, or lead firms, identified mainly in global North contexts. Analyses of global value
chains are rooted in a challenge to developmentalism and the place of the state (Gereffi 2014). But these can be inherently static in the hierarchical treatment of foreign private capital as sitting at the helm of value chains and production networks. Indeed, Oqubay (2016:196) points out the limitations of GVC debates in analysing the dynamism and agency of some global South contexts, since their predominant focus is on lead firms located in industrialised contexts as well as in the global North.

Critical African Thought and Recentring Empiricism: Moving Beyond Dichotomies

Critical development scholarship has offered important contributions on the significance of centring African thought for advancing intellectual depth and breadth through reinforcing epistemic freedom. Ndlovu-Gatsheni (2018:3) has argued that ‘epistemic freedom is … the right to think, theorize and interpret the world, develop own methodologies and write from where one is located and unencumbered by Eurocentricism’. This notion challenges the logic of development as trusteeship and knowledge that has not prioritised global South-centred thinking, theorising and perspectives, as a basis for understanding and explaining the world. Significantly, he goes on to say that ‘the liberation of reason itself’ is necessary (Ndlovu-Gatsheni 2018:3).

Three critical African scholars have offered important ideas that can help to centre the value of African empiricism, understanding and interpretation as the basis for theory and concept-building in the field of development. They are Claude Ake, Thandika Mkandawire and Adebayo Olukoshi. Their attention to concept building is pertinent in the field of development, given the tendency towards receiving methodological approaches, theories and concepts and the reverse offerings of African empirical material to which these are applied.

Claude Ake

Ake (1988) has been instructive in reconsidering the utility of inherited traditions for understanding contexts in Africa. He argues convincingly that social sciences rooted generally in Western traditions organise complex and inherently interrelated phenomena into disciplinary silos—sociology, economics and politics. This organisation is evident in the DSP logic of political and economic schools that reinforce the state–market dichotomy. Ake (1988:3) sees this approach as complementing the struggle of the social sciences in the study of non-Western societies because of Western inbuilt biases towards analysing order as opposed to change.
Fundamentally, he highlights the hierarchy inherent in Western social science, with Eurocentric teleology designating Western realities as ‘good’ and thus ‘trap(ping)’ Western social science into fixing categories rigidly and minimising the possibility of change (Ake 1988:3). As a result, political science centres on characterising and maintaining political stability, and sociology centres on how social and cultural roles evolve and how order arises and is maintained, as opposed to centring change and transition. So, according to Ake, the imperialism of Western social sciences means that we have ‘inherited knowledge systems of discrete, sharply contrasting and rigidly fixed categories and entities … inadequate for understanding a complex social world of subtle shades in which change is ubiquitous’ (Ake 1988:83). In a similar vein, Oyewunmi (1997:179) raises important questions about how these disciplines as so wrought limit the possibilities of research questions that take their starting point outside of this world view.

Ake (1988:1–3) is clear on a degree of economic determinism given the ‘primacy of material conditions’. This draws from an understanding that societies are to some extent defined by productive capacities to sustain life. Rodney (2012:4), in defining development, highlights material conditions as reliant also on science and technology and their interdependence with human and social conditions. Discussing socioeconomic dynamics in precolonial Africa, he offers multiple case study analyses on the significance of material conditions in concert with infrastructural development, agricultural development, mining, industrial development and manufacturing, underpinned by institutional structures, science and technology and interdependencies with social, political, cultural and religious dynamics (Rodney 2012:48–68). Material conditions—assets and constraints—are elevated, while impinging and being impinged upon by social, political and cultural dynamics. This introduces a hierarchy with regard to privileging certain factors with an element of permanence across dynamic realities. Ake’s argument has been significant in highlighting the complexity of the need to articulate an entry point for analysis, even in attempts to theorise change and transition that are based on the relatedness and continuity of development-related phenomena.

**Thandika Mkandawire**

Thandika Mkandawire wrote the most significant conceptual contribution on developmental statehood in Africa, making a case for challenging Afropessimism long before it became fashionable to do so (Mkandawire 2001). Importantly, he did not dismiss the DSP out of hand but offered proposals on how it could be engaged with in African spaces, such as
in reflecting on other time periods. He elevated more complicated readings of African experiences of transition and change in his attentive examination of recent history, in contrast to the contemporary (at the time) cynical and reductionist tendencies. This view urged a recentring of different narratives about developmentalism on the continent, focusing on the immediate post-independence period. It emphasised greater degrees of complexity in analysing higher growth levels, industrialisation, bureaucratic capacity, physical and social infrastructural investment and focus on internal markets. This period preceded the onslaught of global development policy that accompanied the debt crises of the 1970s and foregrounded characterisations of the continent based on state failure, which were also linked to the rise of the public choice school and a reversion to the static state–market dichotomy, as discussed earlier.

Mkandawire (2001) provides an opportunity to consider South-South exchanges in reflecting on developmental statehood with reference to the continent. Significantly, he does not subordinate African experiences to Asian experiences. Ndlovu-Gatsheni (2020) highlights the need for attentiveness to the hierarchies inherent in South-South knowledge interactions. An important part of this approach is to critique the DSP’s analytical utility because of its focus on outcomes of industrialisation—notably latecomer industrialisation—without the associated processes that would enable the exploration of ‘trial and error’ (Mkandawire 2001:291). A key aspect of Mkandawire’s practice is to centre empirical observation of state engagement with development processes beyond outcomes, across time. This approach challenges simplistic reductionist readings of the state and development processes and outcomes in Africa. It encourages considering intention and examining processes beyond the limiting emphasis on outcomes.

Mkandawire also challenged the idea that developmental states are all powerful and autonomous in highlighting that so-called ‘neopatrimonial’ states have pursued developmental policies successfully in Asia and in Africa (Mkandawire 2001:299). Complex interdependencies across the state and market have been part and parcel of developmental statehood. He expanded his argument further, criticising neopatrimonialism’s reductionism, subjective deployment of culture, limited and poor explanatory power, quite aside from its pejorative intent, in categorising states and statehood in Africa. He noted, in particular, neopatrimonialism’s contradiction in assuming away the agency of wider society, in line with Mustapha (2002), and yet asserting that the state was overwhelmed by influential elites and isolated from society, with limited evidence (Mkandawire 2015).
Adebayo Olukoshi

The work of Adebayo Olukoshi complicates the discussion on the interactions between statehood and development processes and outcomes in Africa. His was one of the earliest responses to the blanket dismissal of the state in Africa that accompanied the SAPs, by critically analysing the impact of these policies and articulating how this intervention was rooted in limited and problematic understandings of these contexts (Olukoshi 1993). Olukoshi (2003) also has usefully catalogued the various negative terms used to denote the nature and operation of states in Africa by what he calls neoliberal political economy theorists. The labels include: prebendal, parasitic, personalistic, clientelist, kleptocratic, unsteady, over-extended, predatory, crony, soft, weak, lame, rentier, sultanist and neopatrimonial. His analysis highlights the ideological bent of their critique and the range of narratives that were deployed in service to the global development policy discourses.

Olukoshi (2003) reflects on the limitations of the state–market dichotomy alongside several other dichotomies—agriculture and industrialisation, rural and urban, formal and informal and, very significantly, state and civil society. He is clear on how such binaries are especially unable to engage with interconnected and overlapping African realities. He is forthright that ‘politics is central to the design and implementation of any economic reform project’ and should ‘be seen as a legitimate target for contestation and reformulation by social forces’ (Olukoshi 2003:230). This problematises the simplistic reversion to neopatrimonialism as an explanatory framework, which is unable to account for the agency and dynamism of social actors (Olukoshi 2003). Olukoshi’s views underscore the necessity of transcending the state–market dichotomy within developmentalism, as will be seen shortly.

Olukoshi’s ideas contributed to the evolving discourse on statehood, especially as linked to global development policy, and have been significant for heterodox economic development debates. They recognise how global development policy—notably SAPs— Influenced the conceptual reflections of African statehood within and outside the continent. They also encourage the location of particular understandings of developmentalism along a trajectory of periods, characterised by prevalent empirical realities and the associated influence of mainstream development thought.
Engaging with the challenge of the state–market dichotomy in analyses of socioeconomic change and transition offers an opportunity to recentre African thought, theorising and meaning-making within developmentalism. Drawing on empiricism in this process is also a core element of African intellectualism for knowledge generation and cultivation (Ndlovu-Gatsheni 2018). We proceed to map the journey towards meaning-making in developmentalism and especially developmental statehood that is rooted in African empiricism, referring to the work of noted critical African scholars in two ways. First, by progressing beyond the state–market dichotomy, and second, by recentring complex intersectoral linkages in understanding industrial change. These priorities challenge the confinement of interdependent milieus to disciplinary silos and the restriction of structural change to the industrial sector.

We can enhance the DSP beyond the scope of its predecessor, looking at two main dynamics—synergies between fiscal, production and consumption linkages and economic factors that underpin industrial change and transition, and lines of influence that analyse the economic, social and political factors that undergird state actions (Ikpe 2018, 2021). This section illustrates these sets of dynamics, drawing on Hirschman’s linkages thesis (Hirschman 1981). It analyses empirical realities across key periods of transition and change within two major African economies—Nigeria, the largest on the continent, and Ethiopia, one of the fastest-growing over the last decade.

Underhill (2000) makes the point that it is not enough to invoke or assume a relationship between the state and the market. Fine (2007) argues that it is inappropriate to seek a simple synthesis across the economic and political school literatures on developmental statehood. Ake (1981) suggests a lens that foregrounds the relatedness of different elements of society, in particular economic structures, social structures, political structures and the belief system, for understanding transition and change. This provides a basis for Fine’s (2007:3) proposed need to ‘reintroduce class, economic and political interests more generally at a higher analytical level in order to examine how these are represented through both the market and through the state’. Olukoshi’s (1993:2–5) class analysis of local systems of accumulation reveals the ways in which certain dynamics, such as external orientation, are reproduced across the state and market. He finds also that the characterisation of states by power and exploitation can be extended to civil society spaces (Olukoshi 2003:24). We observe the need to substantially
rework how the DSP has functioned, to strengthen its analytical capability for effectively investigating the role of the state in a broader range of development experiences.

Enhancing the DSP transcends the state–market dichotomy by focusing on *lines of influence* in the economic, social and political factors and dynamics that undergird the state’s actions (Ikpe 2018, 2021). In so doing, we draw attention to the intricate and intrinsic interdependence and interrelated workings between the state, market and other entities within industrial development. The role of the state with reference to lines of influence is analysed cognisant of the relatedness of elements across economic, social and political spheres, in line with Ake’s arguments and in tandem with the aforementioned calls to analytically comprehend social, political and economic interests across states and markets. Empiricism has presented an opportunity to centre the ‘dynamic character of reality’, as opposed to assumptions about stability, order and discreteness of these entities (Ake 1988:3). Olukoshi (2003:240) also argues that African economies and societies are characterised by a ‘prevalence of grey areas which blur, and sometimes blend the dichotomisations’ that oppose the state to the market and indeed society.

In the post-independence 1970s, the Nigerian state channelled fiscal resources into agriculture through credit and input provision as well as infrastructure and provision of land with potential, to contribute to savings, raw material and food supply in support of industrial development (Ikpe 2013). Elements of the agricultural constituency (the private sector), including large-scale farmers and former military members of the political class associated with the military regime, biased these investments towards large-scale interests, disadvantaging the more dominant and expansive small-scale sector, which had limited clout given the decline of co-operative structures (Ikpe 2014). In the same period, contrary to arguments that the private sector was crowded out, the Nigerian state was intent on private sector engagement in industrial development. Its efforts to restructure private capital through indigenisation were intended to disrupt the dominance of foreign capital in the control of finance and technology towards industrial development. Notably, business elite group interests, which had been relatively strengthened in the North and West due to the civil war (1967–1970) that had silenced domestic private capital in the war-affected East (Ikpe 2020), influenced the state’s indigenisation policies. This skewed the social make-up of parts of the private capital class and achieved limited outcomes given the continued dominance of foreign capital in technology, as domestic capital expansion did not deepen production linkages but focused on commerce (Olukoshi 1993:3; Ikpe 2020).
Analysis of developmentalism in contemporary Ethiopia acknowledges the value of foreign capital in addressing the savings gap in support of industrial development (UNCTAD 2002). But it recognises a dependence on foreign capital, particularly Chinese capital, vis-à-vis domestic private capital, as a result of the state’s wariness about the domestic business elite’s stronger societal links (Ikpe 2021; Clapham 2018). Across these studies, the interrelatedness of the economic, social and political spheres, and the interdependencies of the state, market and social spheres and their dynamics, show the necessity of centring these realities in any attempt to understand and explain developmentalism in these contexts.

Mkandawire’s (2001) discussions on industrial development in post-independence Africa challenged the summary dismissal of African states as non-developmental. Indeed, Sender and Smith (1986) and Olukoshi (2003), among others, have noted that this period, which has been much ignored in contemporary development discourse, exhibited some success in industrial development. Using an alternative reading of development, which is more sanguine and attentive to structural transformation and centres African empirical experiences, enables a refocus on processes and journeys as opposed to static outcomes. This has been essential for addressing the value of developmental statehood as a tool of analysis, beyond a label for successful outcomes. Insisting on the need to accommodate ‘trial and error’ within policy-making and implementation, and contemplating influential exogenous factors, reinforces the realities of interdependencies between the state and other milieus (Mkandawire 2001:291). The journey, including its failures and limitations, must be a focus of analysis beyond the destination, for a deepened understanding of developmentalism. This logic helps to explain some contexts in Africa that have been engaged by the DSP discourse though not widely considered as developmental, including South Africa, Nigeria, Angola and Namibia, for instance (Edigheji 2010; Ikpe 2013, 2014; Ovadia 2018; Hope 2019).

The enhanced DSP offers the opportunity to use empiricism to conceptualise industrialisation and industrial development more broadly, as defined by change in the interactions and interlinkages between primary and secondary sectors. This highlights the significance of examining processes towards industrial change beyond industrial outcomes, including such intersectoral linkages. The enhanced DSP relies on synergies between production, fiscal and consumption linkages and requirements for structural change, including savings, investments, raw materials, food supply and domestic markets, to understand transition that is associated with industrial development (Ikpe 2018, 2021).
African empiricism broadens the relevance and utility of the DSP in contexts in different phases of structural and economic transformation, including agrarian and resource-rich economies, conflict-affected contexts and bifurcated private capital structures. This enables analyses into the complex processes of industrial development, as defined and shaped by other key sectors, including agriculture, fuels and minerals. Olukoshi’s (1993:3) view of developmentalism hinges on intersectoral linkages given the realities of the interactions between fiscal linkages from fuel resources and production linkages in (dis)service to industrial development.

In post-independence Nigeria, *synergies* are evident in how fiscal linkages, accrued from the state’s control of petroleum revenue over the 1970s, contributed to addressing the savings gap in efforts to resource industrial development through national development plans (Ikpe 2013, 2014). Expected *synergies* between the agricultural and industrial sectors, in the supply of raw materials and food and production linkages, were challenged by the fiscal linkages from the fuel resource base that rendered the agricultural sector less strategic as a source of savings, due to food import expansion and a decline in exports (Ikpe 2013). There were potential possibilities for agriculture to support *synergies* between consumption linkages and domestic industrial demand. These were limited by the aforementioned public investment in large-scale agriculture at the expense of the more dominant smaller-scale agricultural sector (Ikpe 2018).

In contemporary Ethiopia, the *synergies* between fiscal linkages and addressing a savings-industrial investment gap illuminate the significance of foreign capital from semi-periphery contexts such as China, and how this impinges on developmentalism (Ikpe 2021). *Synergies* between raw material supply and production linkages in the agro-industrial leather subsector show the intricate interactions between policy sets across agriculture, in the management of livestock and tariffs that discouraged raw material exports, and manufacturing, including institution-building and training for relevant guilds and the implications for transitions in both sectors (Ikpe 2021; Oqubay 2016:102–103, 236).

The works discussed above contribute to a better understanding of the role of the state as an entry point into understanding change and transition but with cognisance of the reality of the state and market as internally related. The authors have focused on identifying economic, political and social interests across the state and the market that underscore the way that linkages are impinged upon, deployed and utilised to achieve particular outcomes. The structures and essence of the state and market in these contexts have been defined, refined and impacted on interconnectedly
across economic, political and social imperatives. While the contexts investigated lend themselves to narratives of state-led development, deeper analysis that intentionally subverts the state–market dichotomy allows one to undertake analysis that draws on ‘the relatedness of different elements of society’ (Ake 1988:4).

Conclusion

This article has argued that the state–market dichotomy remains a core organising principle within the study of development outcomes and processes across the ideological spectrum. Its pervasiveness has implications, such as the limited comprehension of the interdependence and internal relatedness of the two spheres. This imbalance can lead to the formulation of development policy based on incomplete or poor analyses and understandings of key development processes and outcomes. It undermines the utility of developmental statehood, a pivotal conceptual intervention that offers South–South learning and analytical exchanges and has the potential to disrupt dominant framings of economic development.

The enhanced DSP offers an analytical framework that will yield more than its predecessor, by recentring the complex interdependencies between the state and other milieus, including markets, and their dynamics. It also relies on empiricism to nuance understanding about industrialisation, by elevating the intricacies and fluidity of sectoral interlinkages, with some focus on agriculture and manufacturing as core elements in African contexts. What is pivotal is that this turn to strengthening the DSP has come from questioning its utility for African contexts. This showcases the ways in which research inquiry relating to the continent offers an avenue for advancing conceptual debates. It is possible to consider South–South exchanges between the African and Asian contexts as progressing theory- and concept-building on the core subject of developmentalism.

The work of critical African scholars—Claude Ake, Thandika Mkandawire and Adebayo Olukoshi—has been significant in this endeavour. The works by these authors provide conceptual and methodological tools that have elevated lived realities in the African context as a basis for a study of the dynamic character of reality, interrelatedness across milieus, processes as well as outcomes, and the temporality that has influenced readings of African development successes and failures. Importantly, these bodies of work have highlighted the reductionism that is intrinsic in the analysis of African contexts, especially within debates on African statehood. They have differed in orientation, as Mkandawire has been less cynical about African
statehood and development trajectories than Ake, especially, but also Olukoshi. These variances are significant in reflecting on how these critical scholars have exhibited a commitment to understanding and explaining these important subjects but have done so with particular predilections. This has reinforced the reality and indeed benefits of pluralism for comprehending the complex, significant and enduring interest in the role of the state in development in Africa.

**Note**

1. Although with some increasing recognition of lead firms in global South contexts (Krishnan 2018).

**References**


