DEVELOPMENT AS MODERNITY,
MODERNITY AS DEVELOPMENT

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Introduction

Despite the diversity of the debate about development in Africa, one fact remains indisputable: the continent remains underdeveloped after five decades of development efforts. From whatever vantage point one enters the debate, whether from the strictly economic perspective that narrowly focuses on economic variables, particularly income growth, leading to the confusion of growth with development; or from the perspective of ‘quality of life’ or from that of the UNDP’s Human Development Index (HDI), broadened to encompass socio-economic indicators; the data points to the same conclusion. Gross National Product (GNP) and per capita income levels in virtually all African countries remain below the acceptable threshold, while other socio-economic indices such as infant mortality, adult literacy, access to clean potable water, life expectancy at birth, etc., paint a similar if not more disconcerting picture.1

Therefore, at the beginning of the twenty-first century, the task of examining anew developments in the past five decades and a half of development efforts and development thinking in Africa becomes inescapable. However, we should keep in mind that the year 1950 does not mark the commencement of the continent’s engagement with the question of development, even if it is a watershed moment in the long tortuous career that development has had in Africa. The historiography of development in Africa, both as a concept and a process, long predates 1950. Indeed, colonialism in Africa was rationalised from the beginning
as a ‘civilising’ mission, bringing development to a part of the world that had remained outside of history.

What then is the special significance of the year 1950? To begin with, it is the year in which development economics emerged as a distinct field of study concerned mainly with the structure and behaviour of poor economies (Ohiorhenuan 2003: 4). With development economics placing a premium on explaining the state of being ‘underdeveloped’, political science and sociology claimed the question of missing capitalist social relations (behaviour) as their province, with modernisation theory being their mutual meeting ground. Taken together, development economics and modernisation theory constitute what I refer to in this paper as bourgeois economic theory and analysis.

The year 1950 also marks the onset of a new form of imperialist domination, that is, neo-colonialism. The collapse of colonialism in the 1950s is credited to the popular struggles waged under the leadership of bourgeois African nationalist movements, but in order to make the continent safe for continued pillaging well after the demise of colonialism, western imperialist forces devised new forms of domination. Neo-colonialism is the catch-all term for all these new measures of domination instituted by the departing western imperialists to ensure the continued availability of Africa’s markets and natural resources for western exploitation, and 1950 can roughly be said to mark the beginning of the transition from what Amin, quoting Rey, calls the ‘colonial’ to the ‘neo-colonial mode of production’ (1980: 197).

It was also in the 1950s that Marxism in its various guises – liberation ideology, alternative development model, mode of analysis – entered the African political and intellectual landscape. At that point, we understood Marxism to be an alternative to bourgeois economic theory and analysis, and
indeed there are fundamental differences between the two. We are well acquainted with the debate between the two schools of thought. However, without discounting the differences between them, there is something that runs through both of them. Both define development as modernity and subscribe to the notion that for Africa to develop it must ‘modernise’. Lest we miss the point, the simultaneous emergence of neo-colonialism, bourgeois economic theory and Marxism was more than a coincidence. Marxist Europe having lost out in the scramble for colonial outposts, it entered the fray in the 1950s to institute its own variant of modernity, while bourgeois economic theory served as an intellectual apology for neo-colonialism. Thus, although Marxism and bourgeois economic theory advance contending theories of modernity, they are both the offspring of a larger European Enlightenment project whose objective was, and remains, that of modernising and ‘enlightening’ Africa. Simply put, they both acquiesce in the Enlightenment idea of development as modernity and modernity as development.

To unravel this historical relationship between Marxism and bourgeois economic theory and its implications for African development thinking, we need to return to their common point of origin in early modernity, when the West first encountered what it christened the ‘pre-modern’ world. Tracing the history of Africa’s encounter with Europe to the period of early modernity is the key to understanding the contemporary development impasse in Africa, that is, why the problem of development in Africa continues to defy even the supposedly well-reasoned alternative models. The Enlightenment assumption that Africa, in order to ‘develop’, must become a carbon copy of the modern West cannot solve the problem of how to fashion a contextually informed African development paradigm.
For a long time scholars of development in Africa have argued that, for the continent to develop, it first has to break free from the yoke of neo-colonialism and reject Western bourgeois economic theory (with only a few bold enough to point out that Marxism is also part of the Western yoke). However the question of what the meaning of ‘development’ in Africa should be was left unanswered. This question has become more and more urgent because of the prevalent tendency in African development discourse to assume that defeating neo-colonialism or neo-liberalism will usher in an era of development without spelling out the meaning of the term ‘development’. Such theorising implicitly accepts the Enlightenment concept of development as modernity that drives both Marxism and bourgeoisie theorising.

Using the premise that there are universal laws of social development in which one social system succeeds another, Marxists argue that it is mainly because the continent is still caught up in a pre-capitalist or pre-modern stage of production that it is underdeveloped. They then conclude that, for Africa to develop, it simply has to hasten its march through these universal stages of development. By this they mean moving from the pre-capitalist mode of production and its accompanying social system towards the capitalist mode of production and capitalist social relations in the same way as Europe has done from the eighteenth century onward. When Marxists talk in terms of a teleological conception of history or a unilinear sequence of societal change, they are speaking of the same process that bourgeois economic theory simply calls modernisation. It is this line of thought, which conceives of development as a universal or unilinear modernity, that I wish to problematise in this study; for, in my view, it holds the key to unlocking the seemingly intractable African development impasse. For far longer than necessary, our thinking on development has been
crippled by Foucault’s ‘blackmail of the Enlightenment’, of being either for or against modernity (1995: 312).

The objective of this study is to construct a genealogy of the idea of development as modernity, from the early modern period through the era of capitalist modernity up to the present era of late modernity, and analyse the consequences of this idea of development for the African development process. My basic point is that the current neo-liberal development discourse is the Enlightenment project writ large and that the task of thinking through the current development impasse in Africa (which I refer to as the ‘impasse of modernity’), though a multifaceted one, is mainly a matter of deconstructing the idea of development as modernity, first broached by the philosophers of the Enlightenment in the early modern period. In the era of capitalist modernity this idea found expression in bourgeois economic theory on the one hand and Marxism on the other. In our present era of hyper-modernity, it is expressed through the neo-liberal development paradigm, with globalisation being its praxis.

The Enlightenment and Modernity

We often refer to ourselves as products of modernity, or as people who live in the ‘modern age’, but what is the process that has brought us to this point? If we think of the Enlightenment as an exclusively European project that began in the fifteenth century and reached its peak in the eighteenth, how did we in Africa become products of this project unfolding in that distant land? Before proceeding, let us clarify the relationship between the two concepts, Enlightenment and Modernity. The concept of Enlightenment dates back to the fifteenth century in Europe but was given a decisive formulation by classical social thinkers in the eighteenth century, who then gave it the name Modernity.
In a word, modernity is an eighteenth-century theory of the Enlightenment. In this paper, I shall use the two terms interchangeably. That said, we can now begin to ponder over the question, what is ‘enlightenment’?

It is often said that the Enlightenment was an Age of Reason. Emblematic of this was the departure from the idea that the laws governing nature and social existence could only be derived from theological or traditional doctrines. In Medieval Europe, life was lived and organised in accordance with what was known as the Great Chain of Being, which envisaged the cosmos as merely an expression of a supernatural order. This order manifested itself in a hierarchical structure of creatures obeying laws established in the world beyond. Therefore, to understand anything in the cosmos, the laws governing nature, the human social order and individual human existence, all that was necessary was to refer to sacred books or theological doctrines. Human reason and scientific observation were seen as legitimate only to the extent that they justified existing forms of authority. Indeed, nothing at the time approximated what we today understand as scientific knowledge. The little that could be known about the universe came by way of religious interpretations of theological doctrines provided by the church. The church, as the sole custodian of knowledge, not only interpreted religious doctrines but also enacted laws it deemed commensurate with these doctrines.

Equally characteristic of this era was a form of political authority founded on theocracy; this was an age of absolute monarchs who ruled by ‘divine right’. They were God’s representatives on earth and, as such, had the power to make laws and preside over the state without reference to the will of the people. The latter were expected to obey without demur, and those who dared to challenge the authority of the king were publicly tortured and their bodies dismembered.
not so much to punish them as to publicly display the power of the divinely appointed ruler. Consequently, medieval Europeans considered themselves objects first of nature and second of theocratic rule; they possessed the tools neither to explain their social existence nor the natural phenomena that affected them.

However, beginning from around the fifteenth century, the hegemony of the church and its theological dogmas began to wane. Secular philosophers and scientists began to engineer a radical break with the traditional and religious order of things by subjecting received theological wisdom to critical, rational scrutiny. Believing in the power of reason, they held that everything in the universe could be scientifically explained. Thus, theological doctrines no longer sufficed as explanations for the order of nature, nor could these doctrines justify the absolute power of kings. Beyond seeking to discover the scientific laws governing nature, these new thinkers laboured to develop a new order of knowledge premised on the universality of reason and the universal character of scientific explanation. This process resulted in an encyclopaedia of knowledge in which not only scientific laws of nature were recorded but also rules governing the entire enterprise of knowledge production.

So, we may define the Enlightenment as a pedagogical movement to build a new, rational, scientifically ordered discourse of nature, authority, social existence and virtually everything in the universe; it symbolises the victory of reason in its struggle with faith. In furtherance of their objectives, the Enlightenment philosophers asked many hitherto forbidden (‘sacrilegious’) questions such as who or what controls the world, what underlying principles govern the orderliness of nature, what is the shape of the earth, and so forth? For them, such questions could only be answered by science premised on the universality of reason, not religious
dogma. From that moment, everything in the universe that had once seemed mysterious and divinely ordained became explicable through the power of human reason and scientific observation. Along with this came the possibility of engineering both nature and the social/political order so as to make the future more prosperous and just, hence the close association of the Enlightenment with the idea of progress.

Jean-François Lyotard (1984), an avowed critique of modernity, underscores the centrality of knowledge in the entire Enlightenment project in his seminal essay ‘The Post-modern Condition’. He shows how scientific knowledge, in a bid to legitimate itself, inadvertently leads to the birth of the modern subject. He identifies what he calls two ‘narratives of the legitimation of knowledge’. One is more political and the other more philosophical. It is to the political narrative of legitimation that I wish to turn my attention, for it is more fascinating in its explication of the processes that lead to the birth of the modern subject.

According to this narrative, ‘knowledge finds its validity not within itself, not in a subject that develops by actualising its learning possibilities, but in a practical subject – humanity’ (1996: 487). Through Lyotard’s analysis we now understand that, amongst other things, the modern subject develops by actualising its learning capabilities. More significantly, unlike most analyses that merely point to the death of the spectacle as heralding the birth of the modern subject, Lyotard’s analysis delves deeper to show how knowledge in the process of legitimating itself clears the way for a subject-centred form of political authority. It does this by appropriating as its own the responsibility of isolating what is just and good for humanity. Lyotard then shows that in order to safeguard what is good and just, the more political narrative of legitimation posits freedom and subject-centred forms of
authority as key, thereby serving as an impetus for people to demand a new form of authority that will treat them as subjects (1984: 487–9). Thus, at the summit of the long index of signifiers marking the coming of the modern age, is the notion of a modern, sovereign, autonomous and rational subject – sovereign because from it derives the legitimacy of political authority, autonomous because it ceases to be an object of authority and theological knowledge, and rational because it is guided by reason not by tradition or doctrine. Freed from the strictures of theologically constituted authority and tradition, the modern rational subject embraces a new order of knowledge backed by universal reason as the compass with which to navigate social existence.

From this moment on Enlightenment thought proceeds by way of a series of binary opposites – modern vs. pre-modern, Western vs. ‘Oriental’, rational vs. irrational, capitalist vs. pre-capitalist – which are locked in an asymmetrical power relationship. The lead concepts are imbued with analytical value, such that only through them can the latter be understood. Furthermore, the former refer to societies that have reached the last stop in the progression of humanity and history, while the latter are seen as in transition and defined by what they lack or what they are not. Thus the lead categories are actually a euphemism for the West.

This idea of Enlightenment as an evolutionary process or movement from pre-modern to modern forms of social organisation eventually found its most explicit academic statement in the works of the classical German sociologist, Ferdinand Tonnies. Explaining the same process, he deploys the now familiar binary concepts, Gemeinschaft denoting (traditional) community and Gesellschaft meaning society (Tonnies 1957). His theory, which was further extended by modernisation students in the late 1950s, posit that societies evolve from tradition (pre-modernity) to modernity through
a rationalising process that involves a move away from relationships organised along family or kin lines to those based on rationality and social differentiation. In a short but captivating commentary, El-Kenz (2005) poses the same binary opposites while explicating the politics of knowledge production in and about Africa. He refers to the modern society of rational subjects as the 'humanitas'. According to him the modern subject possesses a new kind of episteme; it ceases to be an object, ‘for beyond any external appearance, it calls and asserts itself as the subject or fountain from which springs all knowledge (2005: 13). The counterpoint to this modern, western, autonomous, rational subject is what El-Kenz calls the ‘anthropos’ (2005: 13), and Said (1978) the ‘oriental’, who only lives and does not examine life, is enthralled by pre-modern culture and grotesque religion and can therefore only be an object (devoid of any agency and autonomy of thought) of western knowledge (as well as traditional authority). Best studied through the prism of that colonial science, anthropology (and travel writings, we may add), the anthropos or oriental is fundamentally different from the humanitas, for the latter, having actualised its learning capabilities, turns itself into a subject of its own knowledge.

What the foregoing discussion makes obvious is that, rather than understand the Enlightenment as an event, it is more appropriate to see it as a process or progression of the principle of human rationality. Indeed in its evolution the Enlightenment has gone through various moments, modernity being one. Many now aver that it has finally reached its climax and declare its end, thus christening ours as the ‘post-modern’ era (Lyotard 1984); others prefer to conceptualise ours as the era of a post-industrialism (Bell 1976). However there is yet another school of thought that contests the idea of a universal singular modernity and has
over the past two decades pleaded the case for multiple or plural modernities (Chatterjee 1997; Mitchell 2000). Although at variance with each other, all of the above schools concede that we cannot fully comprehend the Enlightenment without appreciating the epochal developments occurring in eighteenth-century Europe, which mark an important moment in the history of the Enlightenment.

The eighteenth century is indeed a significant moment in the history of the Enlightenment for a number of reasons. First, it was in this era that there emerged in Europe a new form of society characterised by the delimitation of societies into nation states, inanimate forms of production or industrialisation, social individuation, urbanisation, the money economy, bureaucratisation, social and structural differentiation, role specialisation, a new mass culture, new notions of right and wrong, modern aesthetic values, monopolisation of the instruments of force by the state and the commoditisation of labour and social relations, all said to be markers of modernity. In a word, the modern moment meant the coming of a capitalist or industrial society.

Alongside these political and social transformations, the European society unfolding at the time developed a body of knowledge we now refer to as the discourse of modernity or modern social theory. In line with the goals of the Enlightenment, modern social theorists sought to develop universally valid theories of social development, history and progress. The fact that these theories were mainly analyses of the history and progress of European societies did not prevent them from being presented as universally valid narratives of human history and development. In the process ‘development’ assumed a new meaning. Though they differed on the tools and/or units of analysis to be deployed in analysing the processes taking place in Europe, classical social theorists agreed that only one meaning of ‘development’ exists –
development as modernity – with Europe being the universal exemplar. Consequently, from the eighteenth century onwards, the idea of development became synonymous with European modernity. To restate the obvious, all these processes are summed up in the coming of a capitalist or industrial society. Thus, eighteenth-century Europe and its attendant modernist discourse begat us the idea of development as modernity, modernity denoting a capitalist mode of production and capitalist social relations. Thus, there emerged the notion of a universal historical time and a world with a single centre, Europe.

Modernist discourse dates the history of all human societies into three time periods, ancient, medieval (or pre-modern) and modern, all abstracted from the history of Europe. For those used to thinking in Marxian terms, these can be represented as three different modes of production, the slave/Asiatic, feudal and capitalist, commensurate with the same three time periods. I need not remind the reader that Marx also abstracted these from the history of Europe. Partly for this reason, but also because historical materialism thinks of history as being objectively determined by material conditions, Marxism teaches us that there is only one universal history; all societies sequentially develop through these three stages of history, time periods or modes of production.²

Before proceeding we should for a moment pause to inquire whether there existed in the eighteenth century a singular homogenous entity called Europe or European culture/civilisation. In a proper sense no. The notion of a homogenous Europe was itself a product of the modern moment and its modernist discourse. From the moment of modernity onwards there emerges a tendency within western social theory to paint a falsely homogenous picture of European modern civilisation and history (Kaviraj 2005). In this picture the multicultural or plural Europe of Slavic, Germanic, Celtic, etc. civilisations melt into a singular European modern civilisation
set apart from the rest of the world. The latter are equally presented as a homogenous entity defined by a common spectre of barbarism, backwardness, uncouthness, savagery, childishness, irrationality, etc. This pre-modern ‘other’ is fundamentally the same wherever it is found.3

Mitchell’s (2000) analysis of how modernist discourse constructs this singular universal European civilisation as well as the universal historical time is compelling:

[T]he modern age presents a particular view of geography, in which the world has a single center, Europe … that imagines itself a continent in reference to which all other regions are to be located; and an understanding of history in which there is only one unfolding time, the history of the West, in reference to which all other histories must establish and receive their meaning (2000: 5).

Modernist discourse not only places Europe at the centre of the world but erases Africa from the mainstream. Where the continent features, it does so only in the shadow of Europe; indeed we are told that our history begins at the point of contact with Europe. Africa loses its autonomy; nothing about it can be known except when juxtaposed with the West. Stripped of its history and autonomy, the continent becomes the ‘other’ of the West, defined by what it lacks or what it is not.

Modern development theory still negatively defines Africa as a historical, underdeveloped, pre-capitalist, unindustrialised, pre-modern, etc. As noted above, these epithets, besides describing what Africa supposedly lacks, serve as signposts to the future, that future being capitalism, industrialisation, development, in a word, modernity. The lesson that modernity imparts is that in order to understand ourselves and our future, we must first look to Europe, meaning that Africa cannot be studied as an independent category on its own terms. Today’s development economics,
that discipline concerned with underdeveloped societies, still employs the same method. It contrasts Africa with the West, and the gap between the two automatically becomes its development agenda.

Said (1978) has analysed the dialectical relationship between modernist discourse and imperialism. Through his work, we can understand how the extension of asymmetrical power relations inherent in the binary categories that modernist discourse creates become possible, if not inevitable. By depicting non-Western societies as pre-modern, barbaric and uncivilised, modernist discourse/Orientalism serves as a moral justification for the domination, subjugation and decimation of non-Western societies in the name of modernising them. On the other hand, the Enlightenment goal of availing pre-modern societies of the universal civilisation of modernity could not have been realisable without imperialism. Thus, it becomes clear that Enlightenment and imperialism are mutually constitutive aspects of the same project. Enlightenment begets imperialism and vice versa. Without imperialism, Enlightenment goals would remain unaccomplished, just as imperialism would be impossible without Enlightenment. This is how we in Africa continue to be formed through twin processes: modernist discourse that constructs us as pre-modern and imperialism that seeks to modernise us. The Enlightenment project does not end with Europe discovering modernity. By virtue of having discovered modernity, Europe incurs a ‘moral responsibility’ to extend modernity to the pre-modern world. Thus, Marx’s conviction that all societies will of necessity emulate the Western development trajectory and evolve towards the modern capitalist mode of production led him to celebrate colonialism as a modernising force.
Mapping the Genealogy of Modernity

Having attempted to provide an outline of the theory of modernity, let us return to our twin tasks of tracing the genealogy of the idea of development as modernity and showing how Africa’s development conundrum gets articulated within this idea. As we proceed, the point I want to amplify is that the root causes for Africa’s underdevelopment are locatable within the larger project of modernity. In addressing the two questions, we can disaggregate Africa’s encounter with modernity into three time periods, each distinguishable by the kind of relations it engenders between the continent and modern Europe. From these relations, it is possible to isolate within each the fundamental reasons why the converse of Western modernity is African underdevelopment.

These three time periods are: the era of early modernity or ‘mercantile capitalism’ (fifteenth to eighteenth century), modernity proper or ‘capitalist modernity’ (eighteenth to mid-twentieth century) and the era of late or hyper-modernity (late twentieth century), each accompanied by a supporting discourse (Mitchell 2000). Two caveats are necessary here. First, these time periods should not be read as mutually exclusive. Within each are to be found elements, processes and structures that also characterise the other periods. Second, I will deal rather perfunctorily with the first two periods and place more emphasis on the current era of hyper-modernity for obvious reasons.

Early Modernity

The principal occupation in this period was the construction of a discourse depicting Africa as a legitimate object of Western plunder and domination. However, following Said (1978), we should understand the relationship between imperialism and the Enlightenment as a dialectical one. While imperialism was a logical consequence of
Enlightenment discourse, this discourse was not realisable without imperialism. This is clear from the fact that, while imperial mercantilism was mainly an economic project, it could not be rationalised in purely economic terms. Any attempt to justify mercantile capitalism and its corollary projects – the slave trade and the extraction/expropriation of natural resources from Africa – simply in economic terms – faced impediments to which economic theories were incapable of responding. The rules of reason and the norms of human morality, justice and fairness, for example, would not permit early modern Europe to decimate the continent in the manner it did simply to satiate its need for labour and mineral resources. Responding to this challenge was a task that fell within the purview of Enlightenment thought.

Essentially, Africa had to be first emptied of any claim to being a continent of human beings worthy of respect like modern Europeans. Only then could the twin processes of African enslavement and economic pillaging proceed unimpeded. Enlightenment thought therefore provided a moral justification for the domination of the continent, while early economic theory explained the need for external sources of labour and constant capital. In their bid to make Africa safe for Western plunder, the early philosophers of the Enlightenment developed a discourse comprising two knowledge systems, one applicable to Europe and the other to Africa (and the rest of the non-West). The elements of this discourse, which we now call Orientalism, can be summarised as follows: while the universal laws of reason, morality and modern sensibilities foreclosed the possibility of modern Europe enslaving and plundering itself, the supposed barbarism, childishness and irrationality (pre-modernity) of Africa not only permitted but even justified its exploitation and dehumanisation.
Freed from moral inhibitions by this new discourse, mercantile Europe proceeded with a ‘clear conscience’ to engage in the slave trade and expropriate surplus value and mineral resources from Africa for its development. Under the intellectual cover provided by the Enlightenment, obscenities of various forms became permissible over and above the expropriation of African human and mineral resources. How else can we explain the capture and display in Western museums as a cultural artifice of that African woman, Sarah Bartman? No other answer exists other than European contempt for Africans construed as objects of Western desires and knowledge. As Said (1978) argues:

The imaginative examination of things Oriental was based more or less exclusively upon a sovereign Western consciousness out of whose unchallenged centrality an Oriental world emerged, first according to general ideas about who or what was an Oriental, then according to a detailed logic governed not simply by empirical reality but by a battery of desires, repressions, investments and projections (1978: 8).

Thus, I suggest that we redirect our scorn (without absolving them of any guilt) away from those who engaged in the actual acts of African enslavement and plunder towards their intellectual guardians, for it is they who first penned the discourse through which the former were able to conduct their interactions with the ‘savage’ African.

It is clear that it was Enlightenment thought that paved the way for mercantile capitalism. Without the former the latter would have found insurmountable obstacles in the norms of human reason and morality. In our various attempts to investigate the root causes of Africa’s underdevelopment malaise, we should therefore not miss the fundamental role played by early Enlightenment thought. It is only in such a context that we can properly appreciate the economic effects of mercantile capitalism (or the early theory of capital
accumulation on a world scale). With Enlightenment thought having freed mercantile Europe of possible guilt, the latter, in search of much-needed sources of capital, transformed Africa into a coveted reserve of mineral and human resources. In other words, the seeds of the present external vulnerability of African economies were sewn in this era of early modernity. In a manner typical of the two-dimensional Orientalist discourse, mercantile capitalist thought produced a similarly bifurcated theory of economic development. While for Europe it prescribed auto-centred development, for Africa it proposed the opposite. For European development, it held that external trade relations should be subject to internal economic processes and needs, while the internal structure of African economies should be made responsive to the external European demands. Here is the original script for today’s demand-side oriented African economies.

Capitalist Modernity
The processes that began to unfold in fifteenth-century Europe reached their peak in the eighteenth century. Now subsumed under the term ‘modernity’, they were actually not a discovery of a universal civilisation but, stripped of the Enlightenment’s philosophical pretensions and universalist claims, marked the transition of western societies from the feudal to the capitalist mode of production and its attendant social relations (Amin 1980; Polanyi 1944). However, as I have tried to show above, there is much to be gained by enlarging our scope beyond the merely economic precepts of modernity.

What modern Europe essentially availed the rest of the world, particularly those areas that came under its colonial domination, was a capitalist mode of production and its attendant superstructural changes, except that it was a distorted form of capitalism – a dependent capitalism. Properly understood, a mode of production consists of a particular combination of relations and forces of production
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(Amin 1980: 11), hence our conceptualisation of the empirical features of modernity as attendant superstructural changes or relations of production made inevitable by the development of the new capitalist forces of production. Kaviraj (2005) is therefore right to claim that a functional relationship exists between industrial capitalism and these superstructural changes. He argues that ‘the rise of a capitalist economy based on economic rationality is not accidentally related to the growth of bureaucratisation in state practices; they are deeply linked because bureaucratic rationality is simply the application of the same general principle of economic rationality in the sphere of the state’s relation with its population’ (2005: 8, italics mine).

Hegel is perhaps the first to have noted in his ‘Philosophy of Right’ the existence of a contingent relationship between modernity, particularly the universal modern subject, and the capitalist mode of production. His argument, simply stated, is that belonging to a class links a person to a universal. Thus, it can be argued that without a class society there can be no universal, autonomous, rational subject. While we may not agree with Hegel’s generalisation that all social formations must first metamorphose into mature class societies before they can be considered modern – after all, early modern Europe did not in any way betray the class character typical of mature industrial capitalism – his larger thesis that the birth of the universal modern subject is functionally related to the emergence of a bourgeois public sphere is difficult to dispute. Accordingly he is, within the context of Enlightenment discourse, to a large degree correct in his contention that, ‘[W]hen we say that a man is a “somebody”, we mean that he should belong to some specific social class, since to be a somebody means to have a substantive being. A man with no class is a mere private person and his universality is not actualised’ (1952: 207).
For ease of analysis, I shall limit myself to two distinct moments that mark Africa’s encounter with Europe in the era of capitalist modernity: the colonial moment and the emergence late in its life of development economics (bourgeois economic theory and analysis). Though the two belong to the same era, they differ in significant ways; while colonialism instrumentalises violence, bourgeois economic theory deploys reason. The legacy of the colonial moment, which I wish to emphasise, lies in the way in which it synchronised the economic, intellectual, social and political aspects of the Enlightenment project. Perhaps more than any other moment, it was colonialism that articulated all the elements of the Enlightenment project with equal verve. As can be gleaned from the preceding section, in the era of imperialist modernity, the thin line between Orientalist discourse and the early theory of capital accumulation on a world scale remained visible.

However, the colonial moment marks a shift in the nature of relations between the two. From that moment onwards, the Enlightenment-fashioned Orientalist discourse becomes integrated with the theory and praxis of capital accumulation on a world scale. Simply put, in the colonial moment Enlightenment politics become indistinguishable from the economics of the same project, just as it is impossible to isolate within this moment the intellectual from the social aspects of modernity. Similarly, the theory of modernity becomes indistinguishable from the praxis of state and economic organisation. In effect, colonialism was at once an economic, political, social and intellectual project all summed as the ‘civilising mission’. No longer could a line be drawn between its now neatly aligned constitutive elements.

Radical political economists have expended enough ink documenting the economic logic of colonialism. Due largely to their efforts, colonialism is now widely perceived as having
been necessitated by Europe’s economic needs. One need not be a Marxist to appreciate the veracity of this claim. Common sense confirms that Africa’s economic deprivation and subjugation is the functional reverse of Europe’s prosperity and economic development. The cutting edge contribution of the materialist analysis of colonialism is to have shown how surplus value extracted from the continent fed into the development of the West. However analysing the colonial encounter as totally determined by economic factors misses other subtle but equally important factors. Following the Algerian revolutionary intellectual Albert Memmi, I am persuaded that the colonial relationship comprised several other important characteristics. As Memmi (1965) points out:

[T]o observe the life of the coloniser and the colonised is to discover rapidly that the daily humiliations of the colonised, his objective subjugation, are not merely economic. Even the poorest coloniser thought himself to be – and actually was – superior to the colonised. This too was part of the colonial privilege. The Marxist discovery of the importance of the economy in all oppressive relationships is not to the point. This relationship had other characteristics (xii).

One of these other characteristics was the authentication of the Enlightenment idea of Europe’s superiority over pre-modern Africa. Psychoanalysts have vividly shown how within this context the European ‘ego’ was constructed, enabling poor colonisers – former criminals, school drop-outs, paupers and brigands – to view Africans as objects for the satisfaction of their desires. Through the works of psychoanalysts, we have also come to understand how the desire to guarantee the European’s supposedly superior self-consciousness and personality served as an equally potent motivation for the colonial project. An important contribution made by psychoanalysis is to have steered our lenses towards
colonialism as an inter-subjective space within which the coloniser and colonised were mutually constituted.

As I proceed to consider the second key moment in the era of capitalist modernity – the emergence late in this era of development economics – my goal is to lay bare the ideological affinities between the Enlightenment project and development economics. Development economics is basically a modernist project seeking to transform pre-modern societies, Africa particularly. In this regard, I argue that development economics did not thread a virgin path. It refurbished the old Enlightenment discourse that saw African development as a replication of the European development path. Thus, development economics is a continuation of the Enlightenment project. For the benefit of sceptics, let us trace the genealogy of development economics to its Enlightenment origins.

As we have seen, modernist discourse categorises societies into binary opposites locked in an asymmetrical relationship, modern vs. pre-modern, Western vs. non-Western, historical vs. ahistorical, with the lead categories representing the last stop in a universal historical progression of humanity and the latter a transitory, ‘in the making’ or yet-to-be stage. Such thinking is premised on the perverted logic that, divergent initial conditions and socio-historical contexts notwithstanding, the latter categories are bound to evolve towards their future destiny epitomised by modern western societies of the humanitas. To establish the continuities between Enlightenment discourse and development economics, a re-reading of the history of the latter may be helpful. In a simple but revealing analysis, Ohiorhenuan (2003) sums up the birth of development economics in the 1950s as follows:

[In defining ‘development’, it was convenient for economists to adopt the familiar neoclassical methodology of compara-
tive statics. A checklist of characteristics derived from the metropolitan capitalist economy was produced. This was compared with certain characteristics of the agrarian economies of the underdeveloped countries, and the difference was taken as the development agenda (2003: 5).

By characterising underdevelopment as the deficit between the features of developed Western and underdeveloped African societies, bourgeois economic theory was far from being original; it was simply re-invoking the logic of Enlightenment discourse. Since the modern West is taken as the epitome of development, bourgeois development economic theory finds no reason to define development. Suffice to know that only by mimicking the West can Africa develop. Questions such as the desirability or feasibility of the Western development trajectory in the African context fall by the wayside.

As if to affirm its ideological affinity with Enlightenment discourse, development economics reproduces the same binary opposites with the same oppositional effects as theoretical handles with which to disaggregate the development question in Africa. Development is seen as a unilinear process, a movement from a transitional pre-modern state to the ultimate modern (Western) state. Like Enlightenment thought, bourgeois development theory inflects into these categories an asymmetrical lead-residual relationship. Thus, underdevelopment cannot be understood or studied in isolation from the lead concept of development. Underdevelopment is therefore a vacuous concept without any meaning except that of being not like the West.

How Enlightenment discourse gets articulated within bourgeois economic theory is further made obvious by the way in which the latter prescribes modernisation as the antidote for Africa’s underdevelopment. Eisenstadt defines modernisation as ‘the process of change towards those types
of social, economic and political systems that had developed in Western Europe and North America from the seventeenth to the nineteenth century’ (1966: 1). Doesn’t development economics today tell us that the problem of development in Africa is simply the lack of modernity? Accordingly, to develop, Africa must modernise, and to modernise means mimicking the history of the West. Echoing the philosophers of the Enlightenment, early pioneers of development economics such as Rostow (1961), Nurkse (1953) and Lewis (1954) argue that without Western intervention development in Africa will remain elusive. Convinced that, on its own, pre-modern Africa is incapable of modernising, bourgeois economic theorists bestowed on the West the task of tutoring the continent in the modern way of economic and social organisation. Failure to provide such ‘sympathetic’ help means, for those who subscribe to this thinking, leaving the continent to languish in pre-modernity. Arturo Escobar (1995) shows us how development economics constructs an image of Africa as an economically backward and helpless continent in need of saving.6 Indeed, it is not uncommon today to hear Western leaders saying they must help Africa to develop. That most do not appear to recognise the hubris and ethnocentrism in their statements is evidence of how this representation of Africa as economically helpless and waiting to be transformed by Western countries has gained a near hegemonic influence. Here awakens the ghost of Enlightenment thought that saw pre-modern Africa as the object not only of western tutelage but also of specialised western knowledge, its disciplinary boundaries now extended beyond anthropology and travel writing to include economic theory and analysis.

With equal conviction, development economists argue that any deviation from the standard Western development model is ill- advised and bound to fail in Africa. Perhaps this
no alternative’ syndrome has a longer history than we tend to think. The premise in Enlightenment discourse, as in bourgeoisie economic theory and analysis, is that, regardless of the initial conditions or plurality of their pasts, all societies will evolve towards Western modernity following a universal development path. Thus, bourgeois development economics can be said to underscore the universality of Western historical time and its specific development trajectory. The assumption is that the same processes (perhaps struggles and contestations) that led to the emergence of capitalism in the west must again play themselves out in Africa, leading to the same developments.

In our present era of hyper-modernity, this reasoning finds expression in the neo-liberal development paradigm imposed on African countries by the Bretton Woods institutions and their academic converts. Promoted under different guises, the neo-liberal paradigm seeks to further advance the task of modernising Africa. It takes off from the same Enlightenment premises: first, that development is synonymous with modernity and, second, that Africa’s development can only be at the West’s behest. It is to this era of late modernity that we now turn. Once more the objective is to tease out the processes by which the Enlightenment idea of development is propelled forward and the implications this has for African development. At the same time, I shall make an attempt to debunk the fallacious claim by defenders of global capitalism that globalisation and its neo-liberal development discourse are new and therefore progressive phenomena (Bhagwati 2004).

Hyper-Modernity (Global Capitalism)
Debray’s adage that ‘history advances in disguise, it appears on stage wearing the mask of the preceding scene, and we tend to lose the meaning of the play’ is perhaps truer of the
era of hyper-modernity than at any other time (Shivji 1976: 29). This manifests in the manner in which global capitalism is now analysed as if it were a new development that provides immense opportunities for development equally to all societies who take part in it. Such interest-begotten analyses are afflicted with selective amnesia; they purposefully ignore commonalities between global capitalism/neo-liberal development discourse and the Enlightenment discourse of modernity.

More discerning scholars like Amin (1980) have demonstrated the historicity of global capitalism by proving it to be but a moment in the long historical evolution of capitalism since the fifteenth century. Others, losing the ‘meaning of the play’, have come to the far-fetched conclusion that the novelty of global capitalism is that, if approached properly, it could be progressive and non-polarising.7 I argue that globalisation (and its attendant neo-liberal discourse) is not new but a continuation by other means of the ‘civilising mission’ entailed in the theory of modernity. Its ideological motives remain congruous with those of the Enlightenment.

The novelties of capitalism in the current era of late modernity are its immensely enhanced capabilities to superimpose the capitalist principle of exchange value in areas that for long remained immune to it (the new regime of intellectual property rights is a case in point), extract surplus value from non-Western societies at a rate and speed that has never been seen before, transfer the contradictions of mature capitalism (such as the outsourcing of tertiary sectors of the economy) from the West to peripheral capitalist formations, spread Western values through institutions of mass culture and supplant the state as the custodian of national markets with an international development architecture. It is for this reason that I have
elected, for lack of a better word, to refer to the current era of global capitalism as that of hyper-modernity.

Taking the foregoing as a point of departure, I shall, as stated earlier, dispute the claim by defenders of globalisation that the economic policies wreaked by the processes of globalisation are either new or development-enhancing. So what are the intellectual foundations of the supposedly new economic policies that global capitalism imposes on Africa? They are to be found in the neo-classical economic development theories/models developed by the early pioneers of development economics, i.e. the Harrod-Domar/financing gap model, ICOR model, the Ricardian and the Heckscher-Ohlin international trade theories (for an elaborate exposition of these models see Easterly 2002; Ray 1998; Garba 2003). From the outset, this reveals the poverty of the claim that global capitalism and the policies promoted in its name are new. Rather, they follow logically from the mainstream economic development theories fashioned late in the preceding era of capitalist modernity. Against this backdrop, we can therefore perceive global capitalism and its associated neo-liberal discourse as nothing more than present-day reincarnations of 1950s development theory/bourgeoisie economic theory and analysis. Just like its progenitor, the current development discourse conducted under the guise of globalisation seeks through pedagogy to transform or modernise pre-modern societies. In essence, the current development discourse has refurbished the old modernity-advancing bourgeoisie economic theory and analysis. It now promotes the same under a different name – globalisation – but the ingredients remain the same. Thus, those who argue that globalisation is potentially progressive invariably subscribe to the fallacy that a copy can become an original or that catching up is possible.
In making the argument that the boundaries of globalisation coincide with those of modernity, I shall focus on the three main policy areas through which institutions of globalisation seek to draw the continent deeper into Western modernity: foreign direct investment to trigger growth and cover the financing gap, macro-economic reforms and trade liberalisation. In the literature these three areas are recognised as the pillars of the Washington Consensus (Stiglitz 2002; Sundaram 2005; Marais 2001). Their ascendance to the summit of the Washington Consensus is also symptomatic of a paradigmatic shift within bourgeois economic development theory and analysis occurring in the early 1980s. This was the return, after a brief displacement, of neo-classical market fundamentalism to the centre stage of the discipline of development economics. Championed by several market fundamentalists, particularly those located within the institutions of hyper-modernity, this movement finds its most articulate statement in the 1980 World Bank publication, *Accelerated Development in Sub-Saharan Africa: An Agenda for Action*.

One need not be an economics guru to understand the (il-)logic behind the primacy given to foreign direct investment (FDI) as a trigger to sustainable growth. The celebrated role that FDI is thought to play in triggering growth is founded on quaint economic development theories whose scientific validity has been seriously questioned. That it continues to subsist in the blueprints imposed on underdeveloped countries goes to prove the malice that drive institutions of hyper-modernity. To find evidence for its continued use, we need not look any further than the year 2000 World Bank report on Africa. In a pretentiously titled report, ‘Can Africa Claim the Twenty-first Century?’ the bank states that ‘reaching the International Development Goal of halving the incidence of severe poverty by 2015’
[Africa] will require annual growth of 7 percent or more…” (2000: 12). According to this argument, the main hindrance to reducing poverty in Africa is the low level of capital investment, which is in turn occasioned by the low average savings rate. The available savings within African economies, averaging 13 percent of GDP income, are considered too meagre for triggering investment growth. The same report therefore counsels:

…foreign savings are essential to permit both higher investment for growth and higher consumption to reduce poverty. Even under favourable conditions for private inflows …the typical African country faces a resource gap of more than 12 percent of GDP relative to the investment needs of a growth rate likely achieve the poverty reduction goal for 2015 (2000: 44).

Implied in this argument is the fact that the continent will unavoidably have to depend on the West, for only the West can provide Africa with the required FDI equivalent to 12 percent of its GDP necessary to fill the resource or financing gap – the excess of required investment over actual savings.

On no other policy issue do the commonalities between globalisation and bourgeois economic theory and analysis get accentuated as in the case of FDI. Though in its current form the FDI model has gone through various stages of firmament, it has retained its original features. First developed by Evsey Domar (1946) in an article titled ‘Capital Expansion, Rate of Growth, and Employment’, it was to be known later as the Harrod-Domar model to reflect contributions made to it by the British economist Roy Harrod. Spurred by different concerns, several other economists expanded on the logic of this model. The high level of rural underemployment in poor countries led Lewis (1954) to expand the model by pointing towards labour as a production factor in addition to capital, a contribution that was to result in his now acclaimed ‘surplus labour’ theory. Deterred by
the success of the Soviet model, W.W. Rostow (1960) published a book suggestively entitled *The Stages of Economic Growth: A Non-Communist Manifesto* in which he sought to demonstrate that communism was not ‘the only form of effective state organisation that can launch [underdeveloped economies] … to sustained growth’ (1960: 37). Frightened by the possibility of continuous aid flows leading to excess indebtedness, Chenery and Strout (1966), christening theirs the ‘Two-Gap’ model, added a caveat that the amount of foreign aid availed should be proportional to the recipient country’s effectiveness in increasing the rate of domestic saving.

Simply put, the Harrod-Domar model holds that income growth is a function of abstention from current consumption. By saving, households avail firms of the necessary capital to acquire new capital stock and replace depreciated machinery. New capital stock – the quantity of capital being the total stock of machines – added through investment increases the productivity of the economy, which leads to economic growth. Economic growth is positive only when investment exceeds the amount necessary to replace depreciated capital, ‘thereby allowing the next cycle to recur on a larger scale’ (Ray 1998: 54). In other words, the model holds that GDP growth will be proportional to the share of investment spending in GDP terms. In this scheme of things a causal relationship is thought to exist between investment and growth, such that GDP growth this year will necessarily be proportional to last year’s investment GDP ratio. A simple statement of the model can take the following form. Since growth is proportional to investment, it is possible to estimate that proportion for country A and arrive at the required amount of investment necessary for country A to grow at a given target growth rate X. Supposing that to grow at 1 percentage point, country A requires 4 percentage points of investment, to triple its growth from 1 percentage point
to a growth target of 4 percentage points, it will have to upwardly adjust its investment rate from 4 percent of GDP to 16 percent. It therefore stands to reason that if country A’s population is growing at 2 percent per year, the 4 percent GDP growth will lead to country A growing its per capita income at 2 percent. Suppose, on the other hand, that country A is so poor that it can only afford to save 4 percent of its GDP. With only 4 percent of GDP savings available for investment, country A can therefore not hope to attain a growth rate of more than 1 percent, taking into cognisance that this year’s GDP growth is proportional to last year’s investment GDP ratio. Country A will therefore have a financing gap of 12 percent of GDP between the required investment and the current level of national savings. Foreign inflows, be it in the form of foreign aid, private and public loans or foreign direct investment, are the only alternative to filling this financing gap and thus triggering the economy to grow at the desired rate.

Yet, after several decades of following this model the eagerly awaited growth remains elusive. Prior to the empirical manifestations of the model’s dysfunctional effects, it had already suffered a serious academic blow when Domar in 1957, complaining of an ‘ever guilty conscience’, admitted that the model was unrealistic and made no sense for long-term growth. He pointed out that his focus was on a short business cycle and could not derive ‘an empirically meaningful rate of growth’ (1957: 7–8). Reluctant to admit the intellectual collapse of their model, other economists began to defend it; arguing that, ‘although physical capital accumulation may be considered a necessary condition of development, it has not proved sufficient’ (Meier 1995: 153). Despite its obvious failure to trigger growth in aid-receiving countries, several scientific flaws afflict the model.
To begin with, for the model to hold, there has to be a positive statistical relationship between aid and investment. More specifically, foreign aid should pass into investment at least one for one, meaning that if 1 percent of GDP in aid is injected into country A, country A should show an increase of at least 1 percent of GDP in investment. Between 1970 and 1997 African countries received foreign aid transfers from grants and concessional flows amounting to 205 percent of GDP cumulatively, yet their investment rates remained at about 18 percent of GDP (data drawn from the World Bank Report 2000). Clearly the model fails to pass the test of investment increasing at least one for one with aid.16

The second assumption inherent in the financing gap model is that investment necessarily leads to GDP growth. The international financial institutions’ country missions use a slightly amended version of this projection in calculating the impact of investment on growth. In place of the one-year period suggested by Rostow (1960) they use five-year averages (the first being the investment year). It is therefore assumed that investment will begin to affect growth over a four-year period. However, when tested against the data, the investment-growth linkage flounders. Figure 1 below shows that Africa’s growth rate does not correspond to the rate of investment for the period covered. Even when tested on the basis of its slightly watered-down proposition, where investment is a necessary but not sufficient condition, the model fails once more to inspire confidence. In a two-pronged correlation, Easterly tested this idea by first establishing how many four-year long high-growth episodes – 7 percent and above – were accompanied by the necessary investment rates in the previous four years. He then proceeded, using the four-year averages, to check whether investment also increased by the required amount where growth occurred. In the cases where growth increased within
the four-year periods, he found that ‘investment increased by the required amount only in 6 percent of the cases. The other 94 percent of the episodes violated the necessary condition’. When tested against the first proposition, 90 percent of the countries violated the necessary condition (2002: 40).

The scientific reach of the model is further curtailed by its failure to realise a basic fact – growth often fluctuates around an average whereas investment has no patterned movement. What this points to is that, contrary to the model’s postulation, growth is a function of multiple variables, not just investment, thus making the relationship between investment and growth loose and unstable. In a bid to rescue their model, the international financial institutions deploy a somewhat improvised measure called incremental capital output ratio (ICOR). Through the ICOR, they shift the emphasis away from investment to what is known as ‘investment productivity’. ICOR uses the ratio of investment to growth as an inverse measure of the productivity of investment. Using the same measure, the World Bank’s (2000) report concludes that, Africa’s investment productivity, as measured by the incremental output-capital ratio, was only half that in Asia in 1970–1997, which explains the deceleration of growth during this period even though investment may have not fallen by a corresponding figure (2000: 19).

Sadly, the shift to ICOR does very little to save the financing gap model. Like the earlier version of the financing gap model, ICOR is afflicted with the same problem of reifying investment productivity as the single independent variable responsible for growth, which as we noted is contingent upon several other factors. How, for example, can we separate the effect that an increase in ICOR has on growth from worsening terms of trade or any other factor that negatively affects growth? Closely related to this is yet another of the model’s many structural flaws, its exclusive re-
liance on capital stock as the only factor of production. As Solow (1956) points out, labour and capital are the two major factors of production that work together to produce output. The implications are that a constant increase in one production factor, capital, will lead to declining capital output ratio.

**Figure 1:** Growth, Exports, Investment and Investment Productivity in Africa, 1964–1997

Eager to attract the much-touted foreign investment, African countries are counselled to create an alluring market-friendly environment. Creating such an environment entails, among other things, liberalising capital markets, abolishing foreign exchange controls, etc. In simple terms, this means doing
away with regulations that govern the flow of money in and out of the country. The presupposition is that such deregulation will facilitate the inflow of capital necessary to acquire new capital stock and to build new industries. By the end of the last century, almost all sub-Saharan African countries had been forced to phase out their capital control regulations in a bid to make them attractive to foreign capital.

However, contrary to expectations, the response of Western private capital, as the World Bank itself reports, ‘has been disappointing’ (Mkandawire, cited in Sundaram 2005: 3). More disconcerting is the fact that a large share of what Africa gets in the name of foreign investment goes either to the mineral resource sectors, which operate as enclave economies without any backward linkage with the rest of the economy, or towards acquisition of existing industries through privatisation. This legitimates the plunder of Africa’s natural resources and domination of African economies by Western multinational companies. Responsible economists have consistently argued that privatisation does not grow the economy, as it leads to the taking over of already existing companies which could be re-engineered for productivity. Neither does a Western-dominated mining sector significantly expand employment due to its auto-generated dependence on expatriate skills (Sundaram 2005).

At this point, let us once more be reminded that properly defined investment refers to the actual act of acquiring capital goods necessary for production. This definition obviously excludes short-term portfolio investments, buying into the service sector and other unproductive sectors of the economy. Short-term speculative money and service-sector oriented foreign (direct) investment capital that is looking for quick returns obviously cannot serve as a catalyst for sustainable development. Preying on higher real domestic interest rates that are often imposed on African countries
in the name of macro-economic reforms, portfolio investments not only lead to economic instability but also rob the continent of the required resources in order to finance green-field investments. Stiglitz’s observation in this regard is worth noting:

[S]peculative money cannot be used to build factories or create jobs – companies don’t make long-term investments using money that can be pulled out on a moment’s notice – and indeed, the risk that such hot money brings makes long term investments in a developing country even less attractive. The adverse effects on growth are even greater (2002: 65–66).

From the foregoing, one point becomes obvious; foreign direct investment is neither supported by any cogent development theory nor does it survive scrutiny when placed against the facts. More telling is William Easterly’s observation that the ‘financing gap approach had a curious fate after its heyday in the 1960s and 1970s. It died out of the academic literature altogether’ (2002: 35). Why it continues to be applied in Africa is a question we cannot answer. There is no denying that the consequences for the continent as a result of its continued application, to the flagrant disregard of scholarly evidence, have been dire. It has succeeded in worsening the asymmetrical neo-colonial relations between modern western capitalist countries and Africa by discouraging auto-centred and employment-driven growth, deepening Africa’s dependence on external economic players, encouraging the flow of capital to the West, strengthening the capacity of western multi-nationals to expropriate surplus value from the continent and further elaborating a distorted form of capitalism in Africa marked by export dependency or demand side oriented industrial policies. So much for the ‘benefits’ of foreign direct investment.
As for ‘macro-economic reforms’, this coterie of economic policy measures that one finds in a typical reform package handed to any structurally adjusting country – fiscal austerity, financial and capital market liberalisation, currency devaluation, privatisation and labour market deregulation – continues to be imposed on African countries that initially were seeking stamps of approval for SAP loans but are now begging for debt cancellation. To discipline our analysis, we shall focus on two policy aspects promoted under the banner of macro-economic reforms, financial and capital market liberalisation and fiscal discipline/austerity. These, it is said, help to ‘get the fundamentals right’.

Ambassadors of the neo-liberal orthodoxy rest their belief in capital and financial market liberalisation as a catalyst for growth, wrongly interpreted to be synonymous with development, on three grounds. First, they argue that capital and financial market liberalisation open the way for much-needed foreign direct investment. Second, they claim that, with the entry of foreign banks, efficiency increases as the new players bring in technical expertise and new technological innovations, a corollary of which is increased competition that drives down interest rates. Finally, liberalisation is said to increase the stability of the market by diversifying sources of funding. All three arguments in support of capital market liberalisation deserve closer scrutiny in the light of available evidence. As shown above, the assumed positive correlation between capital market liberalisation and long-term investment remains spurious to say the least. In return, Africa has continued to attract short-term portfolio investments and short-term loans that can be called in at short notice. Contrary to the dictates of this model the beneficiaries of such investments have been Western financial institutions that gamble on the exchange and interest rates, not the states said to be in need of long-term investments.
Aggravating the situation is the fact that African countries already suffering from crippling balance of payments problems are expected to cushion themselves against the negative effects of volatile money by insuring the short-term dollar-denominated loans in the name of good financial standing, despite the fact that they do not have any influence over the decision as to what use such loans are put. This they basically do by setting aside in their reserves an additional amount equivalent to the total volume of short-term loans taken by private firms. Very few African countries have been spared from the consequences of such policy measures. When short-term loans are called in, when banks refuse to roll them over or when short-term portfolio funds are withdrawn, many companies either default or fold up while the state incurs the responsibility of repaying the loans.

The validity of the argument that the entry of foreign banks and other lending institutions increases capital market efficiency is more apparent than real. A closer reading of the evidence reveals that rather than deploy their technological advancement to the benefit of peasant farmers, informal traders, medium and small scale enterprises, these institutions impose complicated and technologically advanced evaluation schemes on these sectors. The information base line they set for their prospective customers excludes these sectors while advantaging multinational companies. Worse still, not only do they exclude those most in need of finance, big financial houses often emasculate small local banks ostensibly designed to cater for peasant farmers and small scale entrepreneurs through soft and low interest bearing loans, thereby leaving a yawning gap in the capital market. Governments restrained by the attendant financial regulations which capital and financial market liberalisation imposes on them are often left helpless.
It is now generally known that the concept of social responsibility is foreign to the logic of capital. Foremost on capital’s agenda is the insatiable desire to maximize profit. The much-professed corporate responsibility is an afterthought that has recently entered capital’s vocabulary. And if capital is generally irresponsible, foreign capital is doubly irresponsible. African countries have long been witness to the obstinacy of financial and other foreign institutions that refuse to adapt their operational rules to the context within which they operate.

Closer to our consideration of the financial sector is a point that Stiglitz (2002) also highlights: the loss of economic sovereignty that follows from the domination of the financial sector by foreign banks. Through the instrumentalization of central banks, governments exert subtle pressure on domestic banks to respond to the prevailing economic conditions. For example, when confronted with a possible economic slowdown, governments can encourage banks to expand credit in order to trigger demand or withhold funds in cases of excess liquidity. Stiglitz (2002) calls this ‘window guidance’. Foreign financial houses that do not owe their host government any obligation deliberately ignore such signals. As Stiglitz observes, ‘foreign banks are far less likely to be responsive to such signals’ (2002: 70).

The naivety of the third argument in support of rapid capital inflows in and out of a country lies not only in the fact that they cause large disturbances or generate what economists call ‘large externalities’, but in the thinking that countries facing an economic meltdown can find alternative sources of funding from foreign lenders. Basic economics teaches that markets respond to incentives. What incentives does an economy in recession offer to financial lenders? Where regulations intended to control the flow of money
in and out of the country have been done away with in line with the dictates of financial liberalisation, lenders guided by the need to maximise profit pull their money out of countries facing an economic downturn and move to more profit-yielding markets. Ironically, ‘economic downturn’ is a euphemism for (if not a logical consequence of) the absence of such conditions for high profitability. Besides, have capital flows not shown themselves to be pro-cyclical, flowing out in times of recession, exactly at the time when a country is experiencing a cash crunch, and flowing back when the economy is showing signs of recovery, in the process increasing inflationary pressure on the same economy?

In 1935, a leading British economist, John Keynes, published an influential book entitled, *The General Theory of Employment, Interest and Money*, in which he sought to explain the reasons for economic downturns and offered a set of prescriptions on how to stimulate global aggregate demand. These were to constitute the basis for the discussions and policy measures later adopted to guide the operations of the two key international financial institutions that emerged after the Second World War, the IMF and the World Bank. The primary objective in forming these institutions was to pre-empt the possibility of yet another global depression by ‘putting international pressure on countries that were not doing their fair share to maintain global aggregate demand, by allowing their economies to go into a slump’ (Stiglitz 2002: 12).

For this reason, Keynes’s ideas on how to maintain economies at full employment and acceptable liquidity level become useful in our attempt to understand the second set of macro-economic policy measures, i.e., fiscal discipline and inflation targeting. A more elaborate discussion of Keynesian economic thought is beyond the scope of this paper but a brief overview will suffice for our purposes. Moving from the premise that markets do not always respond
effectively and promptly to depressing economic conditions, Keynes argued that, in stagnant economies afflicted by low levels of aggregate demand, governments can trigger the economy through expansionary economic, particularly fiscal and monetary, policies. This they can do by increasing government expenditure, cutting taxes or lowering interest rates, thus leaving consumers with more disposable income and encouraging borrowing for investment. Underlying Keynes argument is the simple idea that it is the ability to sell what is produced that guides investment decisions and determines productivity levels. Thus it is counter-productive, in times of depression, to apply contractionary and inflation-targeted monetary policies, for this makes the economy more unattractive. The setting up of the IMF and the World Bank was thus predicated on the logic that ‘markets do not always work efficiently and … might generate persistent unemployment’ (Stiglitz 2002: 11–12, 196–197).

Contrary to the Keynesian logic upon which they were founded, the two leading international financial institutions now impose on underdeveloped African economies contractionary and austerity measures that, rather than stimulating these economies, steer them deeper into recession in the name of structurally reforming them. Through the instrumentalisation of political/economic conditionalities and the international economic architecture, Western hegemons bring pressure to bear on African countries to institute deflationary policies, i.e., reducing budget deficits to zero by severely cutting government expenditure and borrowing, increasing interest rates to counter inflation, etc., that are all obviously at variance with the expansionary logic of Keynesian economics. Social spending is often the first sector that suffers when these contractionary measures are imposed, the results being low primary and secondary school enrolment and retention ratios, high levels of infant mortality,
dilapidated infrastructure and near non-existent social services that are in turn cited by the very institutions as indicators of African underdevelopment.

That these policies are contractionary is self-evident. What deserves our attention is their incoherence and scientific nullity. To begin with, no knowledge of economics is necessary for one to realise that the term ‘macro’ invokes an aggregate understanding of the economy. Isolating certain aspects of the macro-economic framework, such as budget deficit or inflation, to the detriment of other equally important issues like unemployment, government spending, growth, investment and productivity levels does not pass for a macro-economic understanding of the economy. Often, market fundamentalists argue glibly without paying attention to the nature of the deficit, whether it is a structural or actual deficit and irrespective of the purpose for which the deficit is budgeted, that when the government borrows to finance a deficit, it competes with the private sector for funds and thus crowds the private sector out. For this single reason, academic converts of orthodoxy argue that any deficit portends an economic disaster, despite the fact that there is a well-supported view that, if maintained in the region of 5–7 percent of GDP within broader growth strategy, such a deficit might be tolerable.

Following Keynes, responsible economists have proved beyond reasonable doubt that expanded public productive expenditure on infra-structural provisioning and other social investments is an effective way to trigger the economy by increasing aggregate demand. By availing resources for improving the production function – upgrading roads, providing housing and other social amenities – the state not only helps to make the economy liquid but also makes it attractive to investors. Viewed this way, targeted deficit budgeting actually ‘crowds in’ private investment by creating an environment
that supports long-term growth. The paucity of the position adopted by market fundamentalists partly emanates from their failure to see investment, not as a function of investor confidence, but as ‘primarily determined by profitability of investment and the complementarity between investment by the state and the private sector’ (ILO 1996: 29).

Added to the IFI’s severely flawed understanding of macro-economic management is the exclusive focus on inflation targeting. Undoubtedly, the profligate deficit-financed spending that unpopular regimes employ by injecting more money into the economy creates serious inflationary pressure and spells doom in the long run. However, on its own, this does not pass for an intelligible argument against deficit budgeting as outlined above. Obsessed with inflation targeting, advocates of neo-liberal orthodoxy often limit the space for African governments to explore other creative ways to finance the deficit in a manner that does not increase the money supply in excess of output growth. Instead, they pressure underdeveloped African countries to hike interest rates irrespective of the negative effects on existing loans and new investments. Often this route is forced even upon countries with single-digit inflation. While the need to forestall uncontrolled inflation cannot be dismissed, Stiglitz, arguing against such a single-minded approach, notes that ‘controlling high and medium-rate inflation should be a fundamental policy priority but pushing low inflation even lower is not likely to significantly improve the functioning of markets’ (1998: 6–7). Khan (1999) reports that in a 44-country study between 1980 and 1988, no evidence was found to substantiate the ‘notion that a low rate of inflation has in the past and in various countries been associated with improved growth rates’ (28). Khan questions whether low or no inflation is either ‘an essential or very important condition for high and sustained growth,
or that government action to reduce inflation would be very likely to have such an effect’ (28).

What is clear is that in the context of high government indebtedness higher interest rates lead to an inflated government debt, thus creating even more pressure for severe fiscal contraction (Marais 2002: 215). Advocates of the neo-liberal model argue that higher interest rates serve a double purpose of making the economy attractive to foreign investors as well as encouraging savings, but this argument ignores the fact that higher interest rates reduce the rate of returns to investments in the industrial sector, which often depend on domestic borrowing, and that the ability to save necessarily depends on the availability of disposable income. Moreover, the neo-liberal argument is oblivious to the enormous benefits that follow from lower interest rates. First, lower rates help to reduce the cost of capital needed for both public and private investment. They also help protect developing economies from the vicissitudes of opportunistic volatile capital inflows that prey on higher real interest rates. To add fuel to the fire, poor African countries are made to hike interest rates in tandem with capital and financial market liberalisation, a situation that is alluring to speculative short-term portfolio investments. When such money flows out, these countries are once more forced to increase interest rates in a bid to support the exchange rate. This serves as an invitation to yet another cycle of short-term inflows, and so the cycle continues. It is therefore possible to conclude that, rather than stimulating aggregate demand in depressed African economies in line with the Keynesian model that formed the basis for the establishment of the IMF and the World Bank, these institutions have on the contrary subverted the logic inherent in Keynesian economic theory’.
As for the third pillar of the Washington Consensus, trade liberalisation, Ray’s critique sums up the problem succinctly:

There is a general tendency for governments and citizens in developed countries, as well as several international organisations, to view a regime of outward orientation as a good thing, or at any rate, as a lesser evil compared to inward orientation. A priori, it is hard to think of any objective economic basis for this sort of discrepancy in assessments. Arguments based on government-induced ‘distortions’ under inward orientation are not enough (Ray 1998: 676).

If the arguments for foreign investment invoke discounted economic development theories, while the policies promoted by the IMF and World Bank under macro-economic reforms subvert the Keynesian logic upon which the institutions were founded, the logic underpinning trade liberalisation rests on very weak theoretical grounds, the Ricardian and Heckscher-Ohlin theories of international trade. Ricardo’s theory of comparative advantage moves from the simple premise that each country, either for reasons of factor endowment, preferences or technological advancement, will have a comparative advantage in the production of those commodities that utilise more intensely the factor of production with which it is advantageously endowed. A country that is technologically advanced will, for example, have a comparative advantage in the production of high-tech goods compared to a technologically backward country. Prior to liberalising their trade regimes, countries are compelled to stretch their resources or factors of production across all sectors of the economy in order to satisfy all their consumption needs. This leads to reduced productivity and high commodity prices because the supply of production inputs will obviously fail to match the demand. Ricardo’s theory then offers a simple and at this stage cogent prescription; when countries open up their economies to
international trade – that is, liberalise their trade regimes – they inadvertently increase their production possibility frontiers (PPF) by shifting resources (labour in the Ricardian model is the only factor of production) away from the less productive to the more productive sectors of the economy. Effectively, with an expanded PPF, they are able to simultaneously produce those goods in which they have comparative advantage and consume those that they are relatively disadvantaged in their production at increased levels for less cost. Added to this is the fact that commodities in which the country is relatively disadvantaged become available at a cheaper price than would obtain under an autarkic environment. Revenue earned from the export of the commodity in which the country is relatively advantaged then becomes available for the import of those goods in which the country is relatively disadvantaged. Figure 2 demonstrates how this model is supposed to work.

The Heckscher-Ohlin model basically elaborates on the logic of the Ricardian model, and no extensive analysis of it is necessary here [see Krugman and Obstfeld (1994) for an elaborate discussion of this model]. Suffice to point out that in this model there are two factors of production, labour and capital, unlike in the simple Ricardian model where labour is assumed to be the only production factor. The Heckscher-Ohlin model enhances our understanding of the theory of comparative advantage by making the point that an increase in production at the margin or the expansion of the PPF that results from the maximisation of comparative advantage is not open-ended. Constant increase in one production factor reaches a point of non-increasing returns to scale. Both models lead to the same understanding of international trade as a way to expand the production possibility frontier of each participating country. Trade liberalisation therefore becomes an alternative production activity, where quantities of some
commodities (exports) are transformed into quantities of other commodities (imports)' (Ray 1998: 647). The potential gains from trade at this stage appear obvious enough.

**Figure 2:** Small Open Economy

However, to appreciate the implications for African economies whose hard currency earnings are dependent on primary commodities, we should first ponder the following observation by Shivji:
Nature did not create a group of people with capital on one side and another group with only muscle-power but no capital on the other. Political economists tell us that this great division of the human race, what we call the system of capitalism, is the result of a long historical process. In this historical process, the original capital was acquired through a gruesome process of plunder, looting... colonialism and imperialism (Shivji 2005: 37).

This alerts us to the historicity of Africa’s dependence on primary goods, a history, as we have shown above, that extends back to the era of early modernity. Through mercantile capitalism and colonialism Africa was imputed with a ‘comparative advantage’ in the production or harvesting of primary goods, while the same process aided the development in the West of industrial capitalism. In the current era of global capitalism, this process has assumed a new cloak, that of the static theory of comparative advantage. The imposition of the same theory in the name of trade liberalisation, where African countries are encouraged to open up their economies for competition with mature industrial centres, to adopt supply-side or export-oriented policies and increase output in order to make up for the falling prices of primary commodities, is therefore a tendentious Western project aimed at ‘modernising’ Africa by keeping it perpetually underdeveloped. To demonstrate the point, we highlight below a few ways in which the policy of trade liberalisation perpetuates dependent (modernity) capitalism in Africa.

As Shivji (2005) correctly argues, the international economic system does not mirror a natural state of affairs in which factor endowment is naturally determined. What remains to add is that, contrary to the claim made by defenders of comparative advantage, it is the international division of labour that determines comparative advantage. The mature industrial economies of the West have not existed since the beginning of time. On the contrary they
emerged out of deliberate state policies, including the expropriation of surplus value from Africa beginning in the era of early modernity. History does not have single example of an economy that aims from the outset at penetrating the international market before it has developed to competitive levels. Indeed, the mature capitalist economies of the West were insulated for a long time from the vagaries of external competition through various protectionist measures. Curiously the same Western countries now arm-twist African countries into essentially opening up their infant industries to competition from mature Western industries. Here we are finally led to the true meaning of modernity – African underdevelopment and Western development.

Industrialisation in the West depended on government policies to protect and nurture infant industries before exposing them to competition. By contrast, through the instrumentalisation of multilateral and other institutions of hyper-modernity, Western countries now compel African governments to prematurely open up their infant industries to Western competition. The result has predictably been de-industrialisation; not only did Africa’s total factor productivity (TFP) fall significantly, but its share of world trade fell from more than 3 percent in the 1950s to less than 2 percent in the mid-1990s. What this underscores is that the order of entry matters, a factor that Ray summarises well:

[T]here is a twist in the story that wasn’t present a century ago. Then, the now developed countries grew in an environment uninhibited by nations of far greater economic strength. Today the story is completely different. The developing nations not only need to grow, they must grow at rates that far exceed historical experience. The developed world already exists, and their access to economic resources is not only far higher than that of the developing countries, but the power afforded by this access is on display (1998: 50-51).
The extraverted development that the theory of comparative advantage propagates has its most severe consequences for Africa in relation to the well-being of the masses. In its organisation, the export sector in Africa is Western-dominated without any backward linkage with the rest of the economy. It integrates a minority constituted by the comprador bourgeoisie into the international economic system through a phenomenal wage gap. By ensuring increasing incomes for this class, it creates a market for Western luxury goods that remain an exclusive preserve of this class. With the consumption patterns of this class geared towards Western luxury goods and the economy generally oriented towards satisfying external demand, the disarticulation between what is produced and what is consumed in Africa becomes extreme. This leads to a skewed allocation of resources in favour of the export sector to the detriment of the production of mass consumer goods. The population that depends on the neglected sectors of the economy for survival cannot be expected to trigger aggregate demand for mass consumer goods which otherwise could have provided the much-needed impetus for further investment in those sectors of the economy that provide for the basic needs of the population. It is fairly easy, therefore, to understand why underdeveloped African countries that export cheap primary and import expensive manufactured goods are bedevilled by worsening terms of trade and current account deficits.

The already precarious economic situation in which Africa finds itself is not helped by the hypocrisy of the West, while encouraging these countries to adopt trade liberalisation, is itself becoming increasingly protectionist. While we do not share the misplaced optimism about the possible gains that will accrue to Africa if it liberalises its trade regimes, the fact that tariffs on imports between
developed countries average only 1 percent, while tariffs on agricultural products from developing countries have been as high as 20 percent, is worth noting (Sundaram 2005: 8). Considering the double bind that agricultural products have on African economies – agricultural products are Africa’s second-highest export earners but most African countries import more than 50 percent of their food needs – it follows logically that they will suffer a double jeopardy as result of trade liberalisation.20

The negative consequences of dependence on primary products are not limited to what Engel’s Law, supported by the Prebisch-Singer hypothesis teaches: that as incomes grow the fraction of income that is allocated to primary goods, food particularly, exhibits a tendency to fall. The theory of comparative advantage effectively legitimises Africa’s underdevelopment in its logic that African countries should focus exclusively on the production of those goods in which they are relatively advantaged. Simply put, the theory is static; it wants to maintain the status quo indefinitely. Deducing from the World Bank report’s claim that the reason for Africa’s declining exports reflects ‘the erosion of the trade share for traditional products’ as well as the failure to diversify into ‘manufactured products for which world demand was growing more rapidly’, it is clear that abiding by the static theory of comparative advantage means that in the next three decades African exports will account for less than 0.5 percent of world exports (2000: 20). By then, a new term other than ‘negative terms of trade’ will be necessary to aptly describe the situation that African countries will be confronted with.

In the face of the declining terms of trade occasioned by the falling prices of primary commodities, market fundamentalists counsel African countries to increase their output. By arguing in this short-sighted manner, defenders
of orthodoxy imply that revenue from the export of primary commodities in the short and medium run at the expense of long-term growth and future generations is justified if the market forces vote in its favour. For underdeveloped African countries that export primary and import manufactured goods, the implications are clear. Trade liberalisation implemented in tandem with macro-economic reforms simply means that any government policy to promote industrialisation or value-adding industries is distortionary and unacceptable, while the takeover of African industries by Western multi-national companies in the name of privatisation is economically rational and development-enhancing. I leave it to the good sense of the reader to conclude what kind of development such policies will foster. My inclination is to say that it is de-development.

Although my main objective here has been to tease out the continuities between the current neo-liberal development discourse and the larger Enlightenment project, I have found it necessary to critique the three policy pillars of this discourse, not because I think that Western modernity can be made progressive or non-polarising but to highlight the ways in which our reality as Africans in the present era of late modernity is produced by this discourse. I am unequivocally against any suggestion that our condition can be made better though this discourse. On the contrary, I believe that in order to transcend the impasse of modernity we have to move beyond its margins and construct our own discourse of modernity, unhindered by the burden of dogma and Western modernity masquerading as a universal theoretical formulation. In the following section, I shall offer a few preliminary remarks on how, aided by reason, we can escape from our present historically constituted reality.
Beyond Western Modernity

In this section, I shall attempt to address the question of how Africans can transcend the impasse of modernity? In my view, two perspectives offer themselves: one by Habermas (1980, 1987), the other by Kant (1784). Let us in turn examine each of these and ascertain their possible efficacy in helping us transcend the impasse of modernity in Africa.

Habermas’ lifelong academic project has been to defend modernity from its detractors and counter-discourses. Two arguments from Habermas’ spirited defence of modernity are pertinent to the task at hand. In response to the French post-structuralists, Habermas argues that modernity cannot be said to have an end and should be understood as an incomplete project, thus amenable to further elaboration and improvisation. For Habermas, modernity continues to evolve and unfold thanks to the contradictions and tensions within the idea itself, and those who discountenance modernity, thinking that it has reached a dead end, and therefore argue that we are now in a ‘post-modern’ era, ‘suppress that almost 200-year-old counter-discourse inherent in modernity itself’ (1987: 302). Similarly Giddens (1990) argues that the epochal events witnessed in the closing years of the twentieth century do not, as post-modernists argue, signal the coming of a post-modern era:

referring to these as post-modernity is a mistake which hampers an accurate understanding of their nature and implication .... [T]he disjunctions which have taken place should rather be seen as resulting from the self-clarification of modern thought .... [W]e have not yet moved beyond modernity but are living precisely through a phase of its radicalisation’ (1990: 51).

Precisely because the consequences of modernity are becoming more radicalised, Giddens christens our era as that of radical modernity.
The lesson that both Habermas and Giddens seek to impart is that any discourse fashioned within the boundaries of modernity, as a critique or otherwise, only contributes to its further development, wittingly or unwittingly. The post-modernist project is a case in point. Notwithstanding its declared objective of deconstructing modernity, it actually contributes to the renewal and progress of modernity. Habermas emphatically states that the post-modern project and several other criticisms of modernity cannot be said to lead to its demise; in a rather Kuhnian move, they contribute to the tensions and contestations within the larger idea and thus constitute the motive forces propelling it through different historical and paradigmatic moments. Habermas sums up the overall effect by declaring that, ‘no longer can it be a matter of completing the project of modernity; it has to be a matter of revising it’ (1987: 303).

The second argument advanced by Habermas (1987) is equally telling, even though we need not be persuaded by it. According to him, there has not in history evolved any known alternative order of knowledge that can be correctly said to lie beyond the bounds of modernity. Simply put, modernity is the only universal civilisation and remains the only valid and legitimate universal discourse. Even post-structuralists who thought they had set themselves free from the epistemological strictures of enlightenment discourse, he avers, remain in sync, in their post-modernist thinking, with what he calls the ‘normative content of modernity’ (Habermas 1987). He bases his argument on the premise that this counter-discourse has failed to ‘unsettle the institutionalised modern standards of fallibilism’ (1987: 337). That the terms of post-modern discourse, its premises, norms of acceptability, institutional and epistemological contours, are not at variance with the dictates of the theory of modernity is self-evident, he submits. He then concludes
that, either implicitly or explicitly, the post-modernists contribute to further enlightening Enlightenment thought or further modernising modernity. The crux of Habermas’ argument is simply that modernity is capable of reforming itself by allowing, limiting, appropriating and internalising criticisms. By internalising them, it articulates them as self-criticisms. This gives to modernity the virtue of self-correction.

Although its limitations are very obvious, that is, imploring us to indulge Western modernity and negate our own history, Habermas’ perspective remains useful for several reasons. First, it alerts us to the pitfalls of conducting our development discourse in Africa within the larger confines of modernity or Enlightenment thought, since by doing so we only contribute to its evolution and its claimed universal status. Reading the history of development discourse in Africa, one observes that from the 1950s, when development was first conceptualised as ‘growth and modernisation’, through the 1980s, when it meant ‘getting the prices right’ (SAP), down to the early parts of the twenty-first century, where it is now understood as ‘growth with poverty reduction’ (remember the now famous PRSPs), it has been propelled from within by discourses and counter-discourses, many of the latter coming from the African continent and the non-West generally. These include the demand for a new international economic order, the UNICEF ‘Adjustment with a Human Face’ initiative, the Brundtland Commission’s championing of the notion of sustainable development and the demand by countries of the South for fairer terms of trade.

What does history teach us with regard to the adequacy of alternative development discourses fashioned at the margins of modernity? Available evidence confirms Habermas’ proposition that they help enrich the repertoire
of modernity. Here, one only needs to think of the several critical World Bank reviews of structural adjustment and the sustainable development counter-arguments, which are now presented as internal self-criticisms of modern capitalism. The challenge for African development discourse, therefore, is to step outside of the discourse of modernity and reclaim and reassert the autonomy of African thought. The long monologue of modernity, conversing with itself through African voices, needs to be challenged by decentring Western modernity. Barking at the hollow tree of Western modernity with the hope of radicalising it or transcending its alienating social and economic relations ignores the fact that ‘modernity can and will no longer borrow the criteria by which it takes its orientation from the models supplied by another epoch. It has to create its normativity out of itself’. This is because, according to Habermas, it ‘sees itself cast back upon itself without any possibility of escape’ (Habermas 1987: 7).

Our analysis has revealed that modernity in part refers to the capitalist mode of production. Any hope to make modernity progressive erroneously assumes that capitalism can be transformed and made progressive and non-polarising. To further problematise the challenge of making modernity progressive, I suggest that it is more appropriate to think of capitalism as existing in its complete form only in the West and to characterise what obtains in Africa as dependent capitalism (Amin 1980) and thus dependent modernity. Evidence abounds that further development of Western capitalism ineluctably leads to the deepening of underdevelopment and the elaboration of dependent capitalism in Africa. Transforming Western modernity therefore means enhancing its capacity to extract surplus value from African economies. If so, what Habermas and Giddens celebrate are the qualities of autonomous/complete
capitalism, its capability to refuse entry and recognition to alternative models not premised on its fundamental principle of surplus and exchange value. My view, therefore, is that African development discourse must first excise itself of the ghost of Enlightenment modernity if it is to have any hope of transcending the impasse of modernity. Doing so entails questioning the received paradigm of Western modernity in its different forms, either as bourgeois economic theory and analysis or Marxism.

In November 1784, Emmanuel Kant was invited by the German periodical *Berlinische Monatschrift* to respond to the question, ‘What is enlightenment?’ It is to his views, which though recorded two centuries ago and which remain useful for us in Africa today as we seek to transcend the impasse of modernity, which we now turn. So far, we have spoken of modernity as a historical epoch marked by a set of empirical features and also as an idea or discourse. The novelty in Kant’s response is that it leads us to a different understanding of modernity. He defines ‘enlightenment’ as human beings’ emergence from self-incurred immaturity, immaturity defined as the inability to use one’s own understanding without the guidance of another. Immaturity, according to Kant, is self-incurred if its cause is not lack of self-understanding but lack of resolution and courage to use self-understanding without the guidance of another. Since human beings are responsible for their immature condition, only through their own efforts will they escape that condition (Kant 1996: 51). Thus, Kant summarises enlightenment with the dictum *sapere aude*, meaning ‘think for yourself’. Failure to do so leads one to remain under the guardianship of others. The consequences are well-stated by Kant (1996):

[T]he guardians who have kindly taken upon themselves the work of supervision will soon see to it that by far the largest part of mankind should consider the step forward to maturity
not only as difficult but also as highly dangerous. Having first infatuated their domesticated animals, and carefully prevented the docile creatures from daring to take a single step without the leading strings to which they are tied, they next show them the danger which threatens them if they try to walk unaided. Now this danger is not in fact so very great, for they would certainly learn to walk eventually after a few falls. But an example of this kind is intimidating, and usually frightens them off from further attempt (1996: 52).

This depiction is perhaps truer of our situation in Africa than other parts of the world, since we have for so long remained under Western tutelage. Through its modernist discourse the West first constructed us as immature pre-moderns, charted our future for us, evacuated us from our reality into floating objects incapable of autonomous thought and appointed itself our guardian responsible for seeing us through the ‘universal’ stages of history. Mercantile imperialism, slavery, colonialism, neo-colonialism and the current neo-liberal hegemony have all been processes through which the West has held us captive to its guardianship. At no point does it miss the opportunity to warn of the dangers of attempting to break free from the yoke of modernity and walk unaided. Do we not constantly hear the refrain that there is no alternative to the neo-liberal democratic system? Dogmas and formulas, whether Marxian or bourgeois, are the ball and chain through which Africa’s autonomy of thought is immobilised and Africa kept in the condition of permanent immaturity. Following Kant’s advice, it is time we reclaim our autonomy of thought and seek to understand our own reality without the authority of others.

Commenting on Kant’s essay, Foucault (1995) impels us to think of modernity not only as an epoch, or a set of features characteristic of an epoch, but as an attitude, a way of relating to present or contemporary reality. This
Development as Modernity, Modernity as Development

present is not to be celebrated but critiqued, problematised and imagined in alternative ways. If we then see modernity as an attitude that problematises people’s relation to the present, we shall, I think, be able to move beyond the margins of received doctrines, restore to Africa the autonomy of thought that modernist discourse has for so long denied the continent and free ourselves from what Foucault (1995) calls the intellectual blackmail of the Enlightenment. Hitherto we have had to proclaim our position in relation to modernity, but once we see modernity as an attitude towards the present, it becomes futile to say whether we are ‘for’ or ‘against’ modernity. Anticipating this dilemma, Kant argued that ‘if it is now asked whether we at present live in an enlightened age, the answer is: No, but we do live in an age of Enlightenment’ (1996: 55). What this means is that we no longer have to choose whether we are for or against the Enlightenment, because Enlightenment is a process that involves a critical interrogation of the present reality. I think Kant’s theorisation of modernity offers a vantage point in Africa through which we can begin to re-examine our relationship with the present, a present that is historically constituted in part by Western modernity.

Kant’s analysis strips modernity of the invincibility that Habermas ascribes to it (1980, 1987). As hard as our Western guardians tried to hold us subject to their authority under colonialism, we summoned courage and resolved not to remain immature. Fifty years later, we need to critically engage with our present once again and reject the thraldom of Western modernity and its attendant discourse. Enough is known and enough has been documented about the history of the continent and the malaise wrought by Western modernity. In all spheres of life, Western modernity is being challenged. African intellectuals are no longer inclined to defer to Western-produced knowledge on and about Africa
and have resolved to work on their own towards an African-centred epistemic order.

Similarly, in the political domain, evidence suggests that there is a hiatus between what neo-liberalism purports to achieve, i.e., economic growth that exists only as national statistics but does not touch the lives of the citizens in any significant way, and the real challenge for development and development discourse. For evidence we need not look farther than recent events in the oil-rich Niger-Delta region of Nigeria, the wave of popular protests against neo-liberalism in South Africa since 1996, the widespread denunciation of Western modernity expressed in various contestations of modern social organisations and moral decadence and alienation induced by modern political and economic processes (perhaps this explains why religion has become an obvious place of refuge for many). With the hegemony of Western modernity loosened from its moorings, an opportunity may have finally arisen for an African development discourse that lies beyond its bounds. The challenge is to seize the opportunity that the fluidity of the situation offers to create conditions in which society and the state can undertake formative national-historical tasks in accordance with Africa’s own development imperatives.

**Conclusion**

In the African mind, Western modernity conjures up three centuries of imperial subjugation, colonial domination, neo-colonial exploitation and global imperialism. In the name of modernity we were colonised and robbed of our freedom and autonomy. Ironically, the same Western modernity also taught us to value freedom and to resist the idea that we cannot be free and modern without the West. The Africans who risked their lives fighting against slavery in the Frontier
Wars of the Cape, the popular forces that fought to free the continent from colonialism, the unemployed urban masses and peasants who braved the guns of SAP-implementing military and one-party regimes in Nigeria, Algeria, Zambia, etc. and the various forces that today contest the neo-liberal development paradigm in South Africa are all products of modernity. They have dared, as Kant challenged, to think for themselves and to find the will to construct their own modernity different from that of the West.

Since we were formed by a Western modernity that taught us to value freedom and development but denied us the same freedom and development, we cannot be ambivalent in our attitude to Western modernity. As the Indian thinker Partha Chatterjee (1997) argues, if for the West modernity meant escaping from the past, for us constructing our own modernity will mean escaping from the present – the present epitomised by Enlightenment-based bourgeois economic theory and global capitalism. A caveat to add is that this struggle to construct our own modernity can no longer be a bourgeois-led struggle. The bourgeoisie’s progressive credentials expired with independence. From then on, it became an ally of the West and adopted Western modernity as its own modernity.
Notes

1. According to the World Bank (2000) the region’s income per capita averaged $510, a paltry figure when compared to the $5,000 acceptable per capita income threshold. Excluding South Africa, the figure plunges further to $315, calculated at market exchange rates. A reading of the Human Development Indicators contained in the same report paints a more disconcerting picture; infant mortality (per 1,000 live births) stood at 89.9 percent, adult illiteracy was 43 percent; only 47 percent of the continent’s population has access to safe water, while life expectancy at birth stood at 57 years, a figure that does not take into consideration the full impact of the HIV/AIDS epidemic that is projected to reverse life expectancy by 20 years. Note that the figures are for 1997, meaning the situation might have deteriorated further as a result of the contractionary policies that global hegemons have been imposing on African countries. While alternative explanations point to low levels of capital formation, high indebtedness, lack of industrial development, external and economic vulnerability of the continent, the verdict remains the same.

2. Samir Amin (1980) is one of the few African Marxist scholars who have dared to challenge and dismiss the modernist notion of a universal historical time and the objectively determined or teleological sense of history entailed in historical materialism. He notes the fact that this notion of a universal time is derived or abstracted from the history of Europe and that to generalise on this basis is racist. For him any attempt to ‘force the reality of other societies into this predefined mold is to turn one’s back on the scientific spirit. The failure to use the whole of human history from which to derive universal concepts leads to talk of ‘the irreducibility of civilisations’, talk which is irrational and, finally, racist’ (3). Elsewhere in the same text he states correctly that; ‘there is no world periodization for past eras. History texts that equate the European, Arab, and Chinese middle Ages are in error’ (18).

3. Kant’s (1960) conclusion that virtually all non-Western societies possess neither a sense of beauty nor of the sublime is worth considering, not for its racists undertones, but more significantly for its representativity of the general mapping of the Orient in Enlightenment thought. His chilling conclusions are worth reproducing at length. After surveying and extolling the superior notions of beauty and the sublime held by various Western societies, he concludes that,

‘[f]or the rest, they display few signs of a finer feeling. The Indians have a dominating taste of the grotesque…. Their religion consists of grotesquity, idols of monstrous form, the priceless
tooth of the mighty monkey Hanuman, the unnatural atonement of the fakirs and so forth are in their taste. What trifling grotesquery do the verbose and studied compliments of the Chinese contain! Even their paintings are grotesque and portray strange and unnatural figures such as are encountered nowhere in the world’. About Africans he says,

‘The Negroes of Africa have by nature no feeling that rises above the trifling. Mr Hume challenges anyone to cite a single example in which a Negro has shown talents, and asserts that among the hundreds of thousands of blacks who are transported elsewhere from their countries, although many of them have even been set free, still not a single one was ever found who presented anything great in art or science or any other praiseworthy quality, even though among the whites some continually rise aloft from the lowest rabble, and through superior gifts earn respect in the world. So fundamental is the difference between these two races of man, and it appears to be as great in regard to mental capacities as in color. The religion of fetishes so widespread among them is perhaps a sort of idolatry that sinks as deeply into the trifling as appears to be possible to human nature. . . . The blacks are very vain but in the Negro’s way, and so talkative that they must be driven apart from each other with thrashings’.

Elsewhere in the same text he observes, ‘the fellow was quite black from head to foot, a clear proof that what he said was stupid’ (1960: 110–113).

4. Evidence for Marx’s conviction that the Western development trajectory of modernity is the only conceivable way of societal progress can be gleaned from several of his writings, including ‘The Future Results of British Rule in India’. Urged on by this conviction, which puts him well within the framework of Enlightenment thought, he celebrated colonialism as a tool through which pre-capitalist (read: premodern) societies were delivered into modernity or the modern capitalist mode of production. Let us listen to him, speaking not just for himself but for the entire generation of contemporary theorists of modernity:

‘England has to fulfil a double mission in India: one destructive, the other regenerating – the annihilation of old Asiatic society, and the laying of the material foundations of Western society in Asia. Arabs, Turks, Tartars, Moguls, the barbarian conquerors
being, by an eternal law of history, conquered themselves by the superior civilisation of their subjects. The British were the first conquerors superior, and therefore, inaccessible to Hindu civilisation. They destroyed it by breaking up the native communities, by uprooting the native industry, and by levelling all that was great and elevated in the native society. The historic pages of their rule in India report hardly anything beyond that destruction. The work of regeneration hardly transpires through a heap of ruins. Nevertheless it has begun’.

As he elaborates on the processes and virtues of this project of regeneration, we would do well to note that this project is nothing more than fashioning a society out of premodern India similar to that of the modern West:

‘The political unity of India, more consolidated, and extending farther than it ever did under the Great Moguls, was the first condition of its regeneration. That unity, imposed by the British sword, will now be strengthened and perpetuated by the electric telegraph. The native army, organised and trained by the British drill-sergeant, was the sin qua non of Indian self-emancipation… The free press introduced for the first time into Asiatic society… is a new and powerful agent of reconstruction… From the Indian natives, reluctantly and sparingly educated at Calcutta, under English superintendents, a fresh class is springing up, endowed with the requirements for government and imbued with European science’ (Marx, 1852 cited in McLellan 2000: 363).

On Marx’s modernist view of colonialism see Avineri (1968).

5. My point about these being attendant superstructural changes attributable to the development of the capitalist forces of production is not oblivious to the contentious debate within Marxism as to whether these superstructural changes were mere reflex functions of bourgeoisie capitalism or were actually forced upon the system by popular class struggles. In his seminal work The Making of the English Working Class, E. P. Thompson (1968) argues that democratic institutions were inevitably forced upon a reluctant bourgeoisie by the working class. For a similar debate conducted among social theorists within the framework provided by T. H. Marshall’s theory of civic and social citizenship, see Barbalet’s Citizenship (1988). The crux of this debate among social theorists is whether, within the context of the welfare state, social citizenship serves an integrative function through the negation of divisive inequality, in
which case it is a tool for maintaining the bourgeois capitalist system. Put differently, this viewpoint considers social citizenship to have a pacifying effect on the marginalised and exploited. Pitted against this view is a school of thought inclined to argue that civil and social rights are never given but struggled for, essentially because by their very nature they are capable of serving as a revolutionary tool at the hands of the exploited and marginalised classes. The struggle for civic and social rights therefore advances working class struggles. What all these viewpoints underscore is that these struggles and contestation were made necessary and valid by the wider social development of modernity within the West.

6. In its 1951 publication on ‘Measures for the Economic Development of Underdeveloped Countries’, the United Nations Department of Social and Economic Affairs concluded that the main stumbling block to African development is premodernity. In its opinion Africa lacked (and perhaps still does) the resolve and means to defeat the tyranny of premodernity which is the main cause for the continent’s underdevelopment. The report’s Enlightenment credentials are vivid enough in the following statement: ‘There is a sense in which rapid economic progress is impossible without painful adjustment. Ancient philosophies have to be scrapped; old social institutions have to disintegrate; bonds of caste, creed and race have to burst; and large numbers of persons who cannot keep up with progress have to have their expectations of a comfortable life frustrated. Very few communities are willing to pay the full price of economic progress’ (cited in Escobar, 1995: 3).

7. Alassane Ouattara declared in 1997 that the economic improvements, evidenced according to him by the nominal per capita growth rates recorded between 1995 and 1997 witnessed by many African countries, were due largely to strict adherence to the policy prescriptions of the institutions of global capitalism. According to him ‘A key underlying contribution has come from progress made in macroeconomic stabilisation and the introduction of sweeping structural reforms’ (cited in Sundaram 2005: 4). Iyoha (2003) argues that ‘[t]he success stories of the 20th century have clear policy lessons for developing regions such as Africa in the 21st century. The policy advice to such developing countries is that they are more likely to be successful in attaining rapid and sustained development in the 21st century if their development strategies emphasise the standard Washington Consensus prescriptions; outward-oriented trade policies, market-friendly economic and financial policies, promotion of private-sector led development…, establishment of a conducive and friendly environment for foreign capital inflows, implementation of
Stable macroeconomic policies’ (2003: 276–7). Stiglitz (2002) opens what otherwise is a prescient critique of globalisation with a paradoxical assertion that globalisation ‘can be a force for good and it has the potential to enrich everyone in the world, particularly the poor’ (2002: ix). Less surprising, but nonetheless important to note, is the bold statement of the self-appointed spokesperson of the continent, President Thabo Mbeki, that ‘we must be in the forefront in challenging the notion of the market as the modern god, a supernatural phenomenon to whose dictates everything human must bow in a spirit of powerlessness’ (2002: xvii). In the same breath he embraces uncritically the same logic of the market when he counsels that ‘fundamental to everything we must say about these matters must be the consideration that we have to attract into the African economy the significant volumes of capital without which the development we speak of will not happen’ (2002: xviii).

8. The Incremental Capital to Output Ratio (ICOR) model is a composite encompassing three different models: the Harrod-Domar model, Sir Arthur Lewis’s surplus labour model and Rostow’s financing gap theory enunciated in The Stages of Economic Growth (1960). Running through these models is the following logic: the excess of required investment over actual savings constitutes the financing gap to be filled either through foreign aid or investment. On the basis of this logic they conclude that ‘investment to GDP will increase over the initial year by the amount that aid to GDP increases over the initial year. Then this investment will increase growth in the next period’ (Easterly 2002: 42). In this view, it becomes possible to trigger the economy into sustainable growth by injecting the required volume of capital that comes in a form of aid.

9. While in the name of globalisation African economies are increasingly subject to the dictates of the international economic architecture that integrates them further into the global economic system by compelling them to open up their economies to international trade and investment, their share of the volume of world trade on the contrary suggests that they are being pushed further to the margin. Stiglitz makes a similar observation with regard to the Uruguay Round of negotiations. He reports that ‘the net effect was to lower the prices some of the poorest countries in the world received relative to what they paid for their imports’ meaning the price of their imports remained the same as before or actually increased’ (2002: 7).
10. Reputed to have one of the lowest savings rate is the United States of America which saves between 13 and 18 percent of its GDP income. However the World Bank (2000) for inexplicable reasons concludes that “[a]veraging about 13 per cent of GDP in the 1990s, the savings rate of the typical African country has been the lowest in the world”. More baffling is the failure of such an enlightened institution to recognise a matter of simple logic – that the ability to save is contingent upon the level of income in relation to the cost of the living. It therefore stands to reason that in poor African countries where the majority of citizens earn less than what is required for subsistence, a 13 percent average of savings is more than salutary. If the above facts are considered, it becomes hard to imagine how Africa can be expected to save more than it does.

11. Lewis’s surplus labour model basically posits that underdeveloped economies are characterised by underemployment in the agricultural sector. Accordingly such economies can grow by shifting labour away from this sector to the industrial sector in the cities.

12. The ideological motivations behind Rostow’s Stages of Growth are clearly betrayed by the book’s subtitle, ‘A Non-Communist Manifesto’. Perhaps this helps in part to explain its limitations.

13. In the Hollis Chenery and Alan Strout (1966) model investment-savings represents but one gap, the other being the trade gap, which as Easterly (2002) explains is ‘ex post equal to the investment gap, but ex ante might be a constraint in a shortage prone economy with fixed prices’ (2002: 295), hence the referent, two-gap model. However, the trade gap is of little interest to us here and receives no further attention.

14. Though this example is informed by Lewis’s estimates (1954), it also finds expression in several other development economics textbooks.

15. Todaro (2000) advances an equally unconvincing argument that ‘the basic reason why the investment led take-off didn’t work was not because more saving and investment isn’t a necessary condition – it is – but rather because it is not a sufficient condition’ (quoted in Easterly 2002: 35). The point made here does not arise, because those who know the basic rules of causality will be aware that for A to have a causal relationship with B, A should be both a necessary and sufficient condition for B’s occurrence. Isn’t that what the financing gap model said of investment this year leading to growth the following year?

16. Using available data for 88 counties Easterly sought to test the model against two propositions; first that there is positive statistical association
between aid and investment and second that aid should pass into investment at least one for one. What implications his findings portend for the scientific veracity of the model is glaringly obvious. Reporting his findings he write, ‘[o]n the first test, only 17 of the 88 countries show a positive statistical association between aid and investment, Just 6 of these ... also pass the test of investment increasing at least one for one with aid.’ As if to indict himself and his co-travellers he then asks whether ‘investment and aid jointly evolved the way that the users of the financing gap model expected?’ In response he avers; ‘[W]e financing gap advocates anticipated that aid would go into investment ... [but] investment and aid did not evolve the way we expected’ (2002: 38).

17. More baffling is the fact that while the rates of return to FDI remain higher in the continent than in other regions, sub-Saharan Africa’s share of FDI in 1999 stood at 12 per cent of the total FDI availed by the Western lenders (for figures see Sundaram 2005: 3).

18. In the same study Sundaram (2005) reports that, ‘[m]uch of recent FDI has involved acquisitions encouraged by privatisation, often on “fire sale” terms. Such investments, which have declined since the late 1990s, accounted for about 14 per cent of FDI flows into Africa’. He goes further to report that in 1998 alone, ‘privatisation in SSA attracted US$ 684 million of FDI’ (2005: 4 and footnote 3).

19. Unlike in the Ricardian model where trade expands the production possibility frontier, in the Heckscher-Ohlin model countries experience a difficulty in expanding their productivity by transforming one good to another at the margin. The bowed line in Fig. 2 represents the point at which it becomes impossible to increase production, called the isoquant, irrespective of additional production inputs being made available. This happens basically for two reasons, as Ray explains: ‘firstly, if each production function exhibits non-increasing returns to scale, then additional equal doses of capital and labour cannot lead to increasing output at the margin. Second, the ratio of capital and labour released by reduced production of one of the goods becomes inappropriate for the production of the other good’. (1998: 633, footnote 7). In other words labour released from the production of rice may be inappropriate for the (industrial sector) production of cars. (1998: 633, footnote 7).

20. Going by the Prebisch-Singer, hypothesis it is not clear how Africa stands to gain from agricultural trade liberalization, especially as intra-African trade and the continents’ exports to other non-Western countries – where it is likely to enjoy fair trade terms – accounts for only 20 percent of total exports, while those going to the West account for a whopping
80 percent. More disconcerting is the failure in much of the analysis to realize that to trade is not an a priori attribute of every economy; it is dependent on the capabilities and availability of the required infrastructural and other resources. In his analysis of the same phenomenon Sundaram, dissuades us from embracing the pretentious views of those who peddle agricultural trade liberalization as potentially gainful for African economies. He writes: ‘contrary to current popular wisdom, it is not clear how much Africa would gain from agricultural trade liberalization. After all, many food importing African countries would be worse off without subsidized food imports, while very few economies are likely to be in a position to significantly increase their exports. African agricultural production and export capabilities have been undermined by the last three decades of economic contraction and neglect. Severe cuts in public spending under structural adjustment caused significant deterioration of infrastructure and undermined potential supply side response’ (2005: 10). In his list of those likely to gain from such trade liberalization Africa is conspicuously absent. On the basis of available evidence he posits that ‘the main winners from agricultural trade liberalization will be the existing big agricultural exporters of the Cairns group from North America, Australasia, South East Asia and the Southern Cone of Latin America’ (2005: 16-17).
References


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