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Enacting Bold but Harmonious Change

Recapping the Fundamentals

In this volume, I have laid out many issues that are pertinent to Sub-Saharan Africa and have stressed what are deemed to be the priorities for Sub-Saharan African countries in order to attain transformative development. Describing problems may be the easy part, but the root causes of the problems must be identified if they are to be tackled. The overall assessment is that Sub-Saharan Africa appears to have fallen further behind the rest of the world in terms of economic competitiveness, work capacity, industrialization, income equality and possibly the social fabric. But the tide can be turned and some countries are doing better. Africa's blessings in terms of its natural endowment and economic potential are undeniable, and hence the fundamentals should be worked on assiduously to reap the maximum dividends from such possibilities.

As I have mentioned, development should be a way of life. Indeed, national and political leaders, their vision, and government policies serve as signposts for this, but ultimately it all comes down to how people—the elites, civil servants, businessmen, workers, farmers, etc.—conduct

themselves in their everyday lives, which will have an accumulative effect as a nation. Perhaps the most deceptive caveat to development is the complexity of the development narrative or the ‘professionalism’ of this field: development is portrayed and pursued too much in technical terms aloof from reality.

The world is fast-moving and everybody is busy trying to catch up with the trends that are taking place. And in the process, people can lose sight of the bigger picture, which is the basics or the fundamentals of economic and social development that apply universally. In any field—and this is particularly evident in science and technology, and sports—the fundamentals are the most important factor. They are called ‘fundamentals’ not because they are rudimentary and easy, but because they are the most crucial elements. In science, for instance, ‘applied technology’ is derived from ‘original technology’, which is extremely difficult to acquire. No matter how elaborate the applied technology, if it is not based on original technology, it will not work. In sport, one cannot expect to become a top athlete without embodying all the sound fundamentals of the discipline.

Therefore, to treat the fundamentals of development as ‘outdated and irrelevant’ is a grave mistake. The world has long forgotten the fundamentals of development and in Africa they never seem to have been properly put in place. I believe that in development, there are fundamentals within fundamentals and it is crucial to understand and capture these. In this context, drawing on Korean development model (Fig. 8.1) can be most useful.

To simplify, and go straight to the crux of the matter, the two most essential principles of development that are universally applicable are economic discrimination in the economic realm and development-mindedness in the socio-political realm. But strictly speaking, these two are interactive and inter-connected. Korea’s development was driven by these two principles, which acted as engines of development. This was particularly true during the decades of high growth, but their relevance is by no means lost today.

In the case of Korea, the ‘four cornerstones’ (land reform, empowerment of the people, educational reform and governmental reform), which now may seem rudimentary, constituted the crucial groundwork

for development. The active role played by the government was another major ingredient of success. And what made economic discrimination and the strong development mindset work effectively was the 'egalitarian spirit' of Koreans. The development path was basically followed two tracks: economic discrimination propelled economic transformation while the strong development-mindedness led socio-political transformation.

A development formula for Sub-Saharan African countries (Fig. 10.6) was deduced from the Korean development model, i.e., lessons learned from the Korean development experience, taking into account Africa's circumstances. As was the case in Korea, African countries also need 'economic logic'—economic discrimination—to prevail for the sake of their business and economic growth. As was explained, economic discrimination works through the inter-play of the market, businesses and government. But in Sub-Saharan Africa, international donors or development partners have a big stake in the economy and hence I have included them in the equation. 'People' is also included in light of Africa's large, unorganized informal sector and the fast-growing youth population that can make a difference for the economy if they are properly targeted.

Running parallel alongside the economic track are the 'missing links', which comprise of sense of nation, development-mindedness and the active role of the state. These are deemed important for Sub-Saharan African countries to embrace and adopt. Last but not least, active measures to counter and ultimately stamp out various negative elements are considered crucial for the region's development. Countries must vigorously fight the negative elements—the back-tracking syndrome, short-sightedness, inaction, the 'what's-in-it-for-me' syndrome, the dependency syndrome and a commission culture—that can quickly offset various development endeavours made by the countries and international partners.

So the tasks confronting Sub-Saharan African countries are significant as already laid out. But since these are essentially human factors, they are achievable and the important thing is to work on multiple fronts at the same time. Here, speed is of the essence and a 'slow and piecemeal approach' should be avoided. There cannot be progress

when any new gains made in a certain area are undone by lack of progress in another. It should be noted that Korea was successful because the reform was conducted expeditiously in many areas to produce synergistic effects.

Many economic aspects in the region have the characteristics of being 'static', when 'dynamism' is the trait that developing countries should be embracing. For example, in Africa, there seems to be too great a level of preoccupation with how to allocate the 'pie' (wealth or resources) when much greater emphasis should be placed on how fast they can enlarge the pie. So the key question for Africa is how the dynamism on the part of the people and the economy can be acquired and enhanced.

In fact, there are so many ways to make improvements and make them fast: working harder (faster and longer hours), becoming more focused and organized, reducing wastage, being more consistent and predictable, better conforming to norms and regulations, etc. It does not require extra skills, technology and resources to be able to do all these things; it concerns human factors like attitudes, work ethics, the level of determination and discipline, etc.

There is no hidden agenda or risks in such an attitudinal or mindset change approach. There is absolutely nothing to lose and everything to gain with this kind of approach as its merits are so evident. But working out how to effectively pursue this as a public or national initiative may not be so easy. The ability to enter this threshold of social mobilization will, in itself, represent a milestone. But we should ask who should be spearheading such an initiative and through what mechanisms it should be pursued.

Ideally, this could take the form of being a grassroots citizens' movement with the support of the state. But in reality, the role of national leaders will be central, at least at the launching stage. The vision, drive and wisdom of leaders will no doubt be important. The majority of African countries do not yet have credible and efficient political and governance systems in place, so the personal capability and traits of national leaders can be all the more important. Ideally, they should be fervent patriots and their ideas should be zealously followed and implemented by the nation's civil servants. But there is also the danger of the campaign being seen as politically motivated, which would greatly

undermine its legitimacy. Hence, a national consensus should be sought and a politically neutral body should be formed to oversee and drive the movement forward.

It would be meaningless if there is no participation in this process by the people. And in the end, the people must be able to deliver what matters most for development: economic outputs and the promotion of social, political changes. People can always empower themselves through their actions without waiting to be empowered by the government.

Speaking of empowerment of the people, perhaps nothing is more relevant than instilling in the people the 'development-mindedness' that I have termed 'KPOP'. The components of KPOP, which are detailed in Chapter 5, are the basic ingredients that make people productive and successful as individuals. If an increasing proportion of the population, especially the youth, were to embody such traits, and the trend prevails, the nation will be on a promising path. From the perspective of individuals, these can be attained in the given order, but as I have explained, in Korea, 'reverse engineering' was successfully applied: rather than starting from the 'knowing (learning)' phase, working from the last phase of imbuing or motivating 'passion' proved to be very effective. When people feel passionate about something, then the rest (learning, practising and owning) comes naturally. Passion breeds actions and outcomes, and these lead to confidence. The benefits of such virtuous cycle are deemed to be immense.

In Korea, it was the Korean leaders, both civil and public, who taught, encouraged and mobilized the people to be empowered. It was not foreigners or aid organizations. Technical know-how can be learned or introduced from abroad and development partners can assist in training, but the promotion of the campaign to empower the people should come from African leaders themselves. Foreigners do not need to spell out to Africans that they need a mindset change to escape from poverty and achieve economic development. This should be the work of the African leaders, intellectuals and ordinary people, who will gain the most by undertaking such a campaign for change.

Without a noticeable enhancement in the development-mindedness of the people in general, the prospects for achieving successful national development will not be good. It is up to the African nations to

aggressively take on the tasks and effect changes, as development-mindedness of the people can only be attained through their own efforts. Foreign partners can only show how it could be done in the preliminary stages; the real work itself has to be undertaken by the protagonists.

From 'Dualism' to a 'Medium-Bridging' Approach of Development

This book highlights the attitudinal factors and the 'missing links' that have long been forgotten, ignored or underestimated in the discourse and practice regarding Africa's development. However, I think there is another blind-spot that needs to be mentioned here, which is the failure to properly grasp the significance of the 'middle ground' between the 'traditional' sector and the 'modern' sector. For so long, the perception of 'economic dualism' appears to have dominated the minds of experts and ordinary people alike, especially when it comes to the issue of Africa's development. A dual economy refers to the state of two separate economic sectors existing within a country, divided by different development and technology levels. The concept was first conceived by Julius Herman Boeke to describe the coexistence of modern and traditional economic sectors in a colonial economy (social dualism).¹

Later, Benjamin Higgins developed the idea into 'technological dualism', which proposes that resources and technological constraints in two sectors—modern and traditional—limit development in poor countries.² The most familiar dualist theory is Arthur Lewis' 'dual sector model', which postulates a rural low-productive, low-income subsistence sector with a surplus population and an expanding high-productive urban capitalist sector. He argued that developing economies could achieve substantial economic growth by encouraging labour to move from the agricultural sector to the manufacturing sector. The Lewis model is considered to have remained for more than 50 years as one of the dominant theories of development economics.³

All theories have their limitations, especially if they relate to social sciences, because they are inherently incapable of handling all the cases

and variables of the complex reality of our world—that is why they are theories. Theoretical debates aside, what really matters is the possible negative impact that cursory interpretations of such ideas can have on developing nations. Economic theories should not be taken literally, but need to be understood each time in the different context that one is dealing with. As has already been pointed out, Africa's predicament continues because basically its problems are dealt with in a static context, in a rather superficial way without going through a sufficient thought process. Many African leaders and elites are seen to have harboured 'dualistic' thinking for a long time. In a desire to move out of backwardness and towards modernity, they have been drawn to the standards of rich countries and have sought the expertise and training that the advanced world has to offer, as well as promoting trade and investment. Terms like 'entrepreneurship', 'value-addition', 'agribusiness', 'innovation' have been frequently used in Africa. And almost always, there seem to be gaps between what is desired and what is achievable. For instance, some inexperienced leaders have unrealistic desires to have mammoth ultra-modern hospitals, new town complexes, etc. built with foreign assistance, without giving any thought to their cost and sustainability.

There is no such thing as making leaps and bounds when it comes to national development or transformation involving major structural changes. Nations cannot just move from one state of being to another in a routine fashion. Transformation cannot take place simply through making good policy choices, receiving good advice from donors or receiving investment and technology from foreign partners. Many Africans tend to take these as an end in themselves, but they are nothing more than a means and everything is dependent on how much the nation vigorously works towards development.

In Sub-Saharan Africa at least, a policy prescription based on the thinking of dual economy would not be very effective. Many countries must have at one point or another pursued such an approach, apparently with no or very little success. Lewis' dual-sector model does not apply well to Africa because there is such a big gap between the traditional and the modern sectors, and the modern sector is actually very small and weak. Furthermore, the modern sector, which is the manufacturing industrial sector, is mostly owned and run by multi-nationals,

foreigners and the minority business community. In Africa, population growth is explosive, resulting in a youth-heavy population, which causes concern in view of the limited job opportunities for them. And, of course, there are the issues of attitudinal, cultural and social 'restraints' or limitations that have to be overcome.

The circumstances in Africa are that even with an open economy and business-friendly policies, the largely subsistence-oriented rural sector, to which most of the people belong, has not been impacted by or received much benefit from the modern sector. But the rural populace, especially the youth, flock to the cities, where they remain marginalized. Hence, it is not the growth of the manufacturing industrial sector (the modern sector) matched by a reduction in the traditional sector that we are witnessing, but an increase in the number of people at the 'periphery' of two sectors: relatively large rudimentary businesses or those linked to the 'informal' sector. The workers here do not really belong to the modern sector, though in a sense they might look entrepreneurial. This is due to a lack of skills/capacity, a lack of market demand or buying power, a lack of capital and investment, etc.

But the biggest consequence of this is the dearth of social capital, like trust, cooperation, bonds, reciprocity and sense of the common good. Probably the best way to close the gap between the traditional sector and the modern sector, or to move from the former to the latter, is to strengthen social capital so that it can serve as a mediatory force or a medium that facilitates the transition from the traditional sector to the modern sector. Social capital is deemed to be a very practical and effective means which can be created in any situation and is not dependent on foreign resources. On the other hand, financial capital is hard to come by and can be misused, as we see so frequently in the region. Another advantage of building social capital is that it can induce other positive values like good work ethics in addition to strengthening the social fabric of a nation.

The logical next step will be figuring out how to best foster social capital in Sub-Saharan Africa. One of the ways in which I think this could be done is by developing the 'medium'. This 'medium' I am talking about here can be defined as a 'sector' within the traditional sector that has potential 'developmental' elements which can be turned into a tool for

the transition of the traditional sector into a modern sector. People would need to embody the necessary social, attitudinal qualities before they could be effectively incorporated into modern sector. The medium, as social capital or bond, can have a multitude of uses and could act as a powerful vehicle leading to the development of the modern sector. Therefore, identifying and promoting the medium should be actively carried out.

The 'medium-bridging approach' purports to explore and take advantage of positive elements inherent in developing nations' local practices, and reinvigorating them to expedite the transformation of the traditional sector into a modern sector. Since the potential elements of the medium are embedded in the local contents, it is easy to revive and resuscitate them.

In Korea, the 'medium' was successfully established and operated in the form of 'empowerment of the people', 'mindset change' and the *Saemaul Undong* (new village movement) campaigns. The contents of 'medium' can be found in traditional values or practices, or in the form of something that has been 'reinvented' and 'updated' to suit the current situation. Whether it is old or new is not important; what matters is whether or not it is initiated, 'owned' and subscribed to by the local populace.

As for the prospects of success of the 'medium' or 'home-grown solutions' in Africa, there are already promising signs to this effect in newly emerging countries like Rwanda. Of course, Botswana, a more established country in this respect, is in a class of its own. Rwanda provides an interesting case study as it is likened to South Korea. The two countries share many common traits. Both are small, resource-scarce, mountainous countries. The flat, habitable land is hard to find, so there is a high population density in the residential districts. But this contributes to a high rate of Internet connection. Both countries are surrounded by bigger neighbours and have faced major crises. The history of Korea is fraught with tribulations: harsh colonial rule, national division and the devastation of the Korean War. Rwanda suffered an unprecedented genocide in 1994 that still haunts the country. Korea turned the crisis into an opportunity, and so have Rwandans. When Korea had to rebuild from the ashes of war, it had nothing to rely on but its human resources. Korea is one of key benchmarking countries for Rwanda, along with Singapore.

Rwanda stands out all the more because in the region, such features as good governance that Rwanda displays are a rarity. Of course, there are issues in the political realm, but overall it is succeeding in winning the confidence of the international community. A number of the biggest international hotel chains have opened for business in Rwanda, the latest being the Kigali Marriott Hotel, which opened in September 2016. Now the meetings, incentives, conferences and exhibitions (MICE) business is flourishing in Rwanda.

What is the secret behind Rwanda's impressive turnaround in its governance, public services and business? According to President Kagame, it is the home-grown solutions that have improved citizens' participation and accountability: 'We have very high ambitions and scarce resources. Before we go out begging for things we may never get, we have to ask ourselves, "have we exhausted the resources around us?" This is how home grown solutions start.'⁴ 'From our history as a nation, it became evident to us, in the hardest way possible, that we can only count on ourselves. Thus self-reliance became the rationale for life. Now, given the challenges that Rwanda is facing, and the ambitions and aspirations we have for the future, it is impossible that conventional approaches will get us there in the time-frame we want; hence, home-grown solutions.'⁵

This sounds strikingly similar to Korea's *Saemaul Undong*. Rwanda's home-grown solutions include *Abunzi* (mediation committees), *Gacaca* (speedy justice), *Umuganda* (communal self-help), *Umushyikirano* (citizen participation), *Itorero* (civic education) and *Umwhiherero* (national leadership retreat).⁶ Similarly, Botswana has applied its own socio-cultural traditions like the system of chiefs—*Kgotla*—to enhance its development.

Many developing countries faltered in joining the ranks of the advanced economies because they succumbed to the challenge of 'dualism' and let the 'international economic tide' get the better of them. Besides the Asian Tigers, the reason why even the Southeast Asian countries have had much more economic success than African countries (in the 1960s and even the 1970s, the two regions were more or less at the same level) is that they were not tied to a 'dual-structure' mentality, but pursued pro-poor, pro-rural agricultural policies at an early stage of development. Perhaps less dramatic or successful than Korea's case but the 'medium' was in the works in these countries.

The lesson drawn from this is that African countries must find solutions for development from within. ‘Internalizing’ or taking ownership of development should be an integral part of the nation-building process, but African countries seem to have long forgotten about nation-building. As such, they prematurely ‘exposed’ themselves to the outside world before they got their own house in order and were prepared for this new venture. And just when the governments had the chance to duly take charge of their economy, they were quick to ‘out-source’, liberalize and privatize. This signified the abandonment, not the exercise, of the government’s mandate.

It is during the nation-building phase that the government’s grip and role need to be most robust. The political slogan ‘small but efficient government’ (although I do not hear it much these days) is premised on the ‘overgrown’ government bureaucracy. But it is doubtful that African countries have come near the threshold of strong, ‘full-fledged’ states. The size of the government itself is not so relevant, as the strength of government comes from its functionality, coherence and discipline, buttressed by good political leadership and the watchful eye of the public.

Figure 13.1 depicts the dual-economy structure and the medium-bridging approach used to deal with this. The top graph in the figure shows a typical underdeveloped economy with a very large traditional sector and a modest modern sector. The *y*-axis shows the scale of the population (number of people) and the *x*-axis the level of development, technology or productiveness. Apparently, there is a big gap between the two sectors so that the transition from a traditional sector to the modern sector is virtually at a standstill.

The middle and bottom graphs in the figure show how the medium-bridging approach works. The first thing to do in Phase 1 is to nurture the medium. Building the medium is critical for poor countries because this is the opportunity for the people to take ownership of development by internalizing it. In order for this endeavour to succeed, confidence, optimism and eagerness must be manifested, and the necessity of the campaign must be brought home to the people. In addition, the strong leadership of popular leaders will be required in this regard.

Once the medium is successfully formed through the participation and support of the public, it is important to keep the momentum

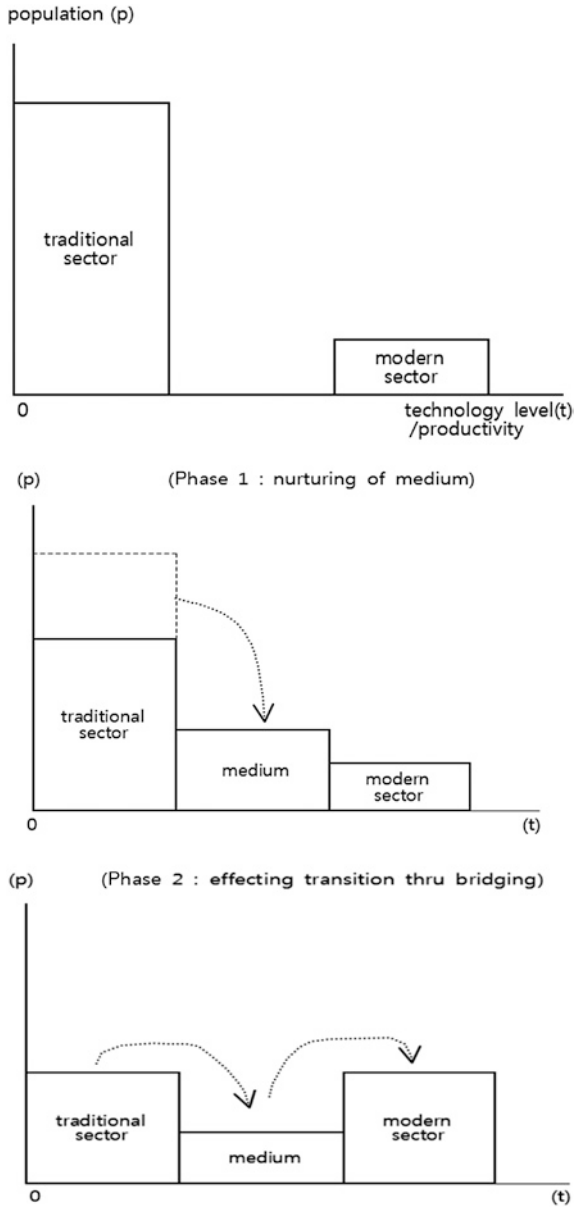


Fig. 13.1 The dual economic structure and the medium-bridging approach

going in order to expand the base of the medium and intensify its strength. For this, both the government and private engagement should ensue. The benefit of this initiative is that it promotes social capital, development-mindedness and local governance. Then, when the medium assumes a life of its own and is running, its positive impact on the economy can be substantial. The traditional sector is labour-intensive, while the modern sector is capital- and technology-intensive. The significance of the medium is that it is *social capital-intensive*, which the African nations sorely need.

We can see that the traditional sector is reduced with the growth of the medium which originates from the former. The traditional sector is being transformed into a modern sector through the vehicle of the medium. The end result is a transformed economic structure with a substantially enlarged modern sector and an equivalent decrease in the traditional sector. When the transition has run its full course, the medium, having exhausted its usefulness, will wither. A highly developed economy will have a very small traditional sector and a dominant modern sector, and will no longer need the medium. If the medium is not strong and large enough to have an impact on the economy, it can end up simply as 'peripheral'.

Aid Versus Business?

There has been a lot of talk about the worthiness of aid versus business in Sub-Saharan Africa. But discussions on this topic do not seem to have much merit. African development issues have continued for too long and have extended so widely that it is no longer a simple matter of 'aid versus business'. However, many people still seem to view the matter through such a lens, so there is a need to revisit this topic.

In Africa, aid and business are closely intertwined. Such a phenomenon is the outcome of natural forces at work rather than by design. In Africa, many drawbacks like weakness in management capability, work ethics and governance, as well as the prevalence of irregularities, persist. It will be difficult for Africa to extricate itself from poverty and other predicaments under such conditions. Foreign aid has not caused Africa's

problems; it is the latter that has invited the former. Foreign assistance has flaws of its own for certain, but this is due to various limitations in reality, so it cannot be the central issue. When African countries start to get to grips with their fundamental challenges and do something about them, foreign aid will naturally dissipate.

Under such circumstances, business will not be business in strict terms. In other words, in many cases, some sort of development assistance has to be involved to support even private business activities. For example, because of various business risks posed by security issues, weak administration and governance, poor infrastructure, the lack of a productive local workforce, etc., foreign companies wanting to do serious business in Africa have to undertake activities well beyond the traditional scope of private business: offering technical support, capacity training, even governance and physical infrastructure, besides bringing in capital investment and management personnel. It is not the usual business partnerships between the 'equal' business collaborators that we see in other regions. 'Dependent partnership' is probably a better term to describe this.

Advocates of the neoliberal school of thought have been most critical of foreign aid while fervently supporting free trade and business. Their criticism of foreign aid to Africa is understandable as they have rightly pointed out that aid has had a limited impact on alleviating poverty and has aggravated the dependency syndrome in Africa. And I agree with the argument that entrepreneurship and the robustness of the private sector are what ultimately drive economic growth. Without question, the economic growth and strength of a nation hinges on the vitality of its private sector and businesses. But that is about as far as neoliberalism can go in terms of logical coherence; the rest is full of weaknesses. It neither describes the reality correctly nor offers persuasive and responsible policy prescriptions. It disregards so many factors that are in play, particularly in African countries.

The problems that make aid ineffective are also those that stymie business and the economy in general. These are not two different options that can be separated from each other, especially in the case of Sub-Saharan Africa. If more business and investment with less aid was the answer to Africa's predicament, then aid to Africa would not have been the problem in the first place. What makes aid ineffective and problematic is what also makes business and investments ineffective and problematic.

When there are few successful enterprises and industrial development virtually remains at a standstill in the region, there must be good reasons for this state of affairs. African countries need to work strenuously to overcome their shortcomings in the fundamentals, while also tackling the many negativities or 'leakages' that undercut their progress. In these circumstances, replacing foreign aid with business and investment will not work wonders, as some have suggested. South Africa is the most industrialized and advanced economy in the region, but the disparity and 'dependency' structure within it is all too evident.

There are many business elements in aid programmes and, equally, many business activities are closely linked with development in Sub-Saharan Africa. In this respect, the region's economic dependence on foreign partners and the international community in general has not diminished: Western countries continue to provide budgetary support to Africa; an increasing number of aid projects are undertaken in the form of public-private-partnerships (PPPs); African economies are heavily dependent on foreign companies and investments; direct foreign involvement, like foreign entrepreneurs' on-site management and the influx of foreign capital, is what supports the economies of many African countries; many major national projects like large-scale infrastructure building projects are carried out using foreign loans and technology. The trading of consumer goods, equipment and intermediary products is done by the private sector, but the limited purchasing power of locals poses an immediate challenge for business.

In terms of development assistance, foreign partners, the host government and other entities share the responsibility, and hence there is at the very least some level of governance exercised for the projects. But in private business, there is no assurance of such governance. As has been mentioned repeatedly, in the region, the nation-building task is largely unfinished and ongoing, and the social fabric and social capital are still weak. In these circumstances, foreign aid and business cannot be so clearly distinguished from each other, and both are needed. Aid indeed has its flaws and may not be the best thing for Africa, but the benefits that the whole array of foreign aid has brought to African countries, if these can be measured in real terms, would not be negligible. As I have pointed out, when the international community has given so much assistance for so many decades to a particular region, there must have been good reasons to make this happen.

And the people should reflect on what would have transpired had foreign aid not been provided to Africa. Here, foreign aid should not be considered as merely simple material or financial assistance, but a very wide range of means and activities, including management support and supervision, technical training and capacity-building, consulting, education, governance-enhancing measures, support for private businesses, the provision of various facilities and infrastructures, and even various donor 'pressure' on African governments to conform to universal norms and values. The actual value of these will be difficult to measure, but would African countries have fared better if there had been no such interventions and they were left entirely to the free market mechanism? By all accounts, it is likely that situation would have been much worse.

Basically, African countries remain poor and underdeveloped not because they lack resources and means, but because they have issues with respect to management from the very top to the very bottom across all sectors. This is the reflection of the countries' inability to take charge of their national development mission. Trade and investment do not come about simply by wishing it to be so; it has to make business sense. Business deals do not occur in a vacuum, but follow profitable markets while avoiding risks. For business in Africa to flourish, many things need to be enhanced or secured, like work ethics, the skills and capacity of the locals, accountability, good governance, active government support, better security, etc.

If aids and business both have limitations in Africa, then what is the alternative? Those who want to find a middle ground could fancy 'social enterprises' being a solution. Social enterprises look and work like regular, traditional enterprises because they are revenue-generating, but that have the goal of having a positive impact on society in terms of the well-being of the environment and human life.⁷ But social enterprises that operate at the borderline between the for profit and non-profit domains can be even more difficult to manage successfully given the challenging conditions in Sub-Saharan Africa.

There is more to Africa's business model than meets the eye, and tackling relevant policy matters should begin with the understanding of

more basic factors that lie beneath the surface. Having an overly rosy picture of the role of the private sector and business when the social fabric and the role of the government remain very weak is simply naive and detrimental: mismanagement, inefficiencies, shut-downs and corruption are the price to pay for this way of thinking.

The Last Word

Continued poverty and underdevelopment, not to mention various instabilities and conflicts, in the region can be attributed primarily to gross negligence on the part of the countries in terms of their task of nation-building. All African nations aspire to achieve economic prosperity and talk about transformation, but what they have not done is to actually put in place the things that allow such progress to occur. Because what is at stake and matters ultimately today is the most significant 'unit', the nation. When a nation becomes independent and forms a state, every effort should be made to make it worthwhile, otherwise there is no point in having a state to begin with.

Ethnical, racial and regional divides create a hurdle, but this is not uniquely an African issue. In fact, there are many developed and developing countries outside of Africa that have multi-ethnic, cultural features as well as regional divides. Therefore, such elements cannot serve as a good excuse for underdevelopment. Dealing with these matters is simply a part of the normal, everyday business of all nations. But what is intriguing is that many people want to treat Africa differently, forgetting the general rule applicable to all people in our history—no nations had all the right or favourable conditions (including doorstep or initial conditions for industrialization) to develop successfully when they emerged as nation states or territorial states. It is the process of consolidation, integration, harmonization and building the capacity to deal with various challenges that makes states viable. In this respect, nation-building, which is essential for national development, is not one-time event, but one which has to be worked on persistently in order to be achieved.

So the reason that Sub-Saharan African countries continue to struggle—despite their enormous riches in terms of natural endowments and external assistance, as well as the goodwill and opportunities provided to them by the international community at large—is because they have not done their part at their end. The worst thing that can happen is further ‘internationalization of Africa’s problems’ or increasingly turning Africa’s problems into the responsibility of the international community, thereby incapacitating African nations forever. Despite all the talk inside the African Union about Africa taking ownership of the Union, its members cannot agree to stop depending on outside assistance to finance its operations. In this regard, initiatives and progress to launch the African Continent Free Trade Area (AfCFTA) in 2018 are a positive development for the region. But the question remains how expediently and thoroughly will this be pursued and operated, and if it will not become another New Partnership for Africa’s Development?

Improving basic living conditions and rights of the people, and achieving sustainable economic and social development should be the primary goals of African countries, and the role of the international donor community should be assist them in this respect. But in order to move in the direction of progress, efforts must be made to break the status quo and the elements that perpetuate the current state of poverty and underdevelopment. And it all comes down to people’s mind and behaviour which determine how much and what kind of change can be brought about under the given circumstances.

Regarding work ethics, it is undeniable that when people become more diligent and disciplined in their work, things improve markedly. But people cannot simply be told to work harder or expected to behave in this way; they have to be ‘motivated’ to act differently. Among many things, what is probably more important is to have higher expectations or desires in life. People should be dissatisfied with their present lot and should be aspiring for a better life. Some African leaders implore their people to get out of a subsistence way of life and become more productive, but a perennial impediment is the *minimalist* tendency in the

lifestyle of the people in general: exerting minimal effort while expecting minimal returns.

Mindful of this, a shift should be made from such a minimalist stance to a 'more-for-more' type of approach: people having greater desires and expectations in life, and exerting greater efforts to achieve them, while at the same time contributing in terms of economic value addition. A lesson from the Korean case is that during the emerging state of the economy at least, for the sake of rapid economic growth, it is vital to avoid the politicization of the economy; in other words, it is better to delink economic policies from political consideration as much as possible.

An interesting example in this respect is South Africa. Despite all its advantages compared to other Sub-Saharan African countries, South Africa suffers from an exceptionally low economic growth rate and a reduced credit standing. Mismanagement, corruption, inordinately politically oriented economic policies and uncertainties in politics, among other factors, are the challenges facing the new President Cyril Ramaphosa in the aftermath of Jacob Zuma's era of misrule and 'state capture'. The impending land expropriation without compensation is another potential 'dynamite' issue that may rock the country if it is not appropriately pursued. Besides its socio-economic ramifications, in purely technical terms, considering the lack of capacity and corruption in government circles, land reform poses another great hurdle for the nation.

Without a general change in people's mindset or their value system, and most importantly their 'motivational-behavioural system', it will be illogical to expect substantive progress to come about. The 'speed' of work is another thing that I have stressed, because development is essentially about how much change can be made over time. A most simple measurement of development could be represented as follows:

$$\text{Development} = \frac{\text{Change}}{\text{Time}}$$

Here 'change' means the extent of positive net change or improvement. So how can a society or nation manage to 'engineer' its people

to become more actively oriented in a positive fashion? There can be a number of approaches at different levels and in order to be effective, they should be synchronized or pursued in unison. As explained, the basic economic principle or mechanism should be 'incentives and sanctions'. Here, a 'meritocracy' should be strictly observed, based on 'competition' and performance. And extra efforts need to be made to bring about positive attitudinal change on the part of the people, and a vigorous campaign to instil development-mindedness and KPOP in the populace may prove to be very useful.

There are clear limitations in terms of the extent to which a nation can develop in a transformational and sustainable way if the people are not increasingly empowered and if only a small number of people and companies remain productive and drive the economy forward. Foreign partners or companies can be brought into fill the gaps, but even this would not yield the expected outcomes in the end without the overall improvement in the conditions and capacity of the host nations. A national economy that is overdependent on foreign entities with the vast majority of its people remaining dependent and unproductive cannot be a sign of success. This is where Asian countries contrast with Sub-Saharan African countries, the former being able to empower and economically mobilize a large section of their population, while thus far, the latter has not able to do so.

The fastest way to transform for developing countries would be when there is both good governance and strong, effective mobilization of the people. But it could be considered as a given that poor countries lack such attributes and, as a consequence, they remain poor. In Africa, many things do not seem to work as they are supposed to, and some experts can claim to know more about the reasons why than others. However, coming to have a better understanding of an issue does not necessary mean that one will deal with it more proactively. Knowing is one thing, but taking action is quite another. It all depends on how, and with what objective, one approaches the issue.

Even governance and work ethic levels which people would think are more or less fixed should be regarded as variables that can altered. Experts can inadvertently promote the status quo rather than change with their 'this is how it works, so this is how it should be done' kind of attitude. I believe there is always a price to pay for choosing to remain

in one's comfort zone, and catering to people's needs cannot be an end in itself for the sake of development.

Everything begins from the basics, and problems that are fundamental in nature call for equally fundamental responses. Whether it concerns daily business, construction works, technical training or institution-building, laying a solid foundation or embodying sound basics is the key to success. Development is a building-block process, and the quality as well as the quantity of inputs will determine the outputs. There is no silver bullet or shortcut to improving the state of the economy of a nation. It is not a simple matter of choice or timing like having the right things at the right time; it is a matter of how well and expeditiously things are actually *done*. So let us not be consumed by debates pitting 'aid vs. business', 'liberalization vs. protectionism' or 'private sector vs. government intervention' because these are peripheral topics that mask and divert our attention away from the central issues. We should also pay more attention to institutions; the indications are that the performance of institutions in Sub-Saharan Africa is weakening instead of improving, as noted by the World Bank.⁸ Even in more advanced countries like South Africa, 'there had been a profound weakening of state institutions and a generalisation of criminality across the state and not only in national departments' (see Note 8).

Each person has different individual attributes, abilities and level of ambitions, and everyone can contribute to their society in different ways through the division of labour. The important thing is that individuals each play a part that matches their purported role. 'Small and steady progress' may not sound like a big deal, but means a lot. And it will take commitment and consistent efforts to achieve incremental progress on a sustained basis, including actions to prevent or minimize various 'leakages' that happen every so often across Africa. Small and steady improvement, on all fronts, can mean everything for the development of a nation. When improvements, even modest ones, add up, significant transformational changes can come about. Big achievements do not happen overnight, but must be worked on assiduously. The miraculous economic development of South Korea is the outcome of such a broad-based 'incremental and sustained' approach involving or mobilizing a large segment of the populace and driven by multiple actors.

But the voice of conscience has not died down. In South Africa, the Moral Regeneration Movement (MRM) emerged as early as 1997 with a sense of urgency in the midst of rising violence, intolerance and disregard for the wellbeing of others.⁹ In 1994, the first post-apartheid government of Nelson Mandela was formed, but the legacy of apartheid manifested itself in an unexpected fashion, for example, in the rise of the black-on-black violence, despite the achievement of democracy. Hence, Mandela introduced the concept of the MDM, which he termed the RDP (Reconstruction and Development Programme) of the soul.¹⁰ This movement goes on unabated in view of its apparent need, but there can be limits to such a campaign if it is confined to a moral-religious context. What is much needed alongside this is a different empowerment of the people, a social mobilization movement that drives people to become more positively oriented in their actions.

There should be some points to take away from this book that shed light on important things that were literally ignored. I will mention just two here. The first one is that, surprisingly, the development community, both international and local, has not identified and targeted human factors to any serious degree; that is, they have not gone straight to the heart of the matter. Development assistance has largely turned into diplomatic and political events that talk about the niceties on the surface, but avoid touching the innate, hard-to-deal-with subjects. If the intrinsic factors are not recognized and dealt with forcefully, then development efforts will continue to be a ritual or superficiality. The second point to take away is that the mainstream international development community and African countries have not heeded facts, truths and examples of economic development that history and the world have demonstrated for all to see and applied them in practice.

The best indicator of development is looking at it from the standard of 'way of life'. 'Has the way of life of people changed and become more developmental?' should be the central criterion. The measurement should not be how much funds or material wealth are transferred to the benefit of the recipients. So, various grant offering programmes that do not change people's behaviours but make them even more dependent are detrimental as they are anti-developmental and perpetuating poverty.

If the South Korean example is anything to go by, for a very poor country to emerge successfully in the way it did, improvements must be made in all aspects of nationhood and lives of the people: nation-building, national ideas and goals, work ethics, ambitions to lead better lives, civic-mindedness, adherence to norms, rules and regulations, democracy and universal values, etc. In fact, in the early stage of Korea's development, the focus was on nation-building, empowerment of the people and work ethics; in its latter phase, democracy, international standards, civic values and universal norms were increasingly pursued and valued.

I think these are all essential elements and features that characterize developed nations. But the established international community tends to place emphasis on democracy, the rule of law, human rights and good governance, while African states in general are seen to stress law and order, stability and security, or 'national interests' and unity above others. Meanwhile, in some African countries, the leaders or governments have launched moral campaigns or pleaded with the people to become more economically productive.

In any case, national objectives, international rules and global values are all necessary for African countries to espouse in their path to development. Thus far, the methods used to 'inculcate' the people with these values have not proven to be very effective. What then would be a more practical, effective and natural approach to use in this situation? I think one of the answers to this is the 'community approach', as explained earlier.

In Africa, people's attachment to their relatives and community is unmistakable. Inculcating values and ideas in the people, let alone changing their mindsets, may not come easily through public lecturing. Instead, it would require a mechanism of voluntarism and constraints that can be applied directly to the people. The advantage of the community approach is that 'community' is already embedded with certain elements of voluntarism and constraints, so there is already a mechanism in place that can be utilized. If worked on properly, this can turn out to be an effective 'medium' for development that can act as the bridge for converting a traditional sector into a modern one. The most prominent example of this presented in this book is Korea's *Saemaul Undong*.

To elaborate on the second point to take away from this book, developed countries, international organizations and African nations alike have long drifted away from the very fundamentals of economic development and have been looking for answers in the wrong places. The proper approach should have been to spell out the core elements or 'undeniable truth' in development and then, based on this, engineer implementation plans by making the necessary adjustments in their existing methods.

In hindsight, it is quite surprising that the examples and lessons of South Korea and other Asian countries that provide the latest and possibly the most valuable case studies for African countries have not been more seriously considered and applied. But it is never too late, even if the international economic environment has changed considerably over recent decades. As such, there needs to be fresh new thinking in both theory and practice when it comes to African development. In this regard, Sung-Hee Jwa mentions that: 'Under whatever circumstances, the Korean lessons of keeping to economic discrimination principle in building economic institutions and policies as well as in creating the self-help spirit should not be ignored for those seeking economic development because this principle is the key to economic as well as human development by helping to overcome the constraints of resource endowment and the international environment as well as developmental-unfriendly tradition and culture.'¹¹

Development is about 'changing for the better'. The *Cambridge Dictionary* defines it as 'the process in which someone or something grows or changes and becomes more advanced'. So when nations want to achieve development without themselves making the necessary changes, it means that they either do not understand what development stands for or think that others can do the work for them. *Wanting change without changing*, which sounds like an oxymoron, is a deep-seated impediment to development in the region.

Turning to the private sector, the fact that Africa is open to the world for business, and that new and innovative technologies are increasingly being applied to its markets, while creative entrepreneurs are emerging in start-ups gives new hope for economic dynamism in Africa. But in order for these private initiatives to flourish, they will need an

equally favourable environment and conducive support system, including administrative assistance, to facilitate their activities. In essence, it comes down to the management of state affairs and governance.

It is true that the current state of Sub-Saharan Africa requires many interventions in wide-ranging areas, and the various efforts made to this end by so many entities should not be overlooked. And we must go further in actively promoting development-mindedness, work ethics, social capital, civic values, etc. based on such spirit as voluntarism, ownership and 'harmonious change'. Although they are diverse, so we should always heed the call not to treat them as interchangeable, Sub-Saharan African countries can indeed all achieve successful economic transformation, under the present circumstances, should they espouse the key principles of development. And a more prosperous and stable Africa will be good for everybody and for the whole world.

In addition, the political stability and security that Africa's economic success will enhance will also greatly contribute to international peace and security. The best way to deal with the problem of refugees, illegal immigrants and modern-day slaves from Africa pouring into Europe and other parts of the world is by making Africa stable and prosperous. Hence, the global community should be more open-minded in its objectives and approach, and should work more in unison.

In this book, I have tried to make the case that a different approach is necessary for development in Sub-Saharan Africa. In laying out some ideas for 'reinventing Africa's development', I did not jump to the main points, but reviewed Africa's journey and its problems, the root causes of its underdevelopment; I then elaborated on South Korea's development model and experiences, and introduced relevant projects undertaken in Uganda as a main reference.

Certainly, there is room for improvement, and more cases in African countries could have been reviewed. While admitting limitations, I will leave the task to be further pursued in the near future. In any case, this endeavour was a challenging task, and my objective was to highlight the significance of the 'missing links' in Africa's development, and to bring the focus back to the 'basics' of social, economic and political development that the South Korean case very forcefully demonstrates. The grand theme of reinventing Africa's development is 'mindset change',

and under this proposition, I have attempted to link Africa's development to the Korean model of development, highlighting the mindset change approach and focusing on Korea's ingredients of success that are applicable to Africa. In order to do so, I had to newly construct the conceptual model of Korea's development to make sense of Korea's experience by accommodating socio-political alongside economic factors. The results are the derivation of a set of policy implications and recommendations for Africa.

Let me end by citing Nelson Mandela: 'The first thing is to be honest with yourself. You can never have an impact on society if you have not changed yourself.' These priceless words are displayed for everyone to see in Johannesburg's Apartheid Museum.

Notes

1. 'Dualistic Theories', *Theories of Underdevelopment*, http://economicsconcepts.com/dualistic_theories.htm. See also Sanket Suman, 'Social Dualism: Meaning, Characteristics and Critical Appraisal', *Economics Discussion*, <http://www.economicsdiscussion.net>.
2. Ibid.
3. Douglas Gollin, 'The Lewis Model: A 60-Year Retrospective', *Journal of Economic Perspectives* 28, no. 3 (Summer 2014), pp. 71–88.
4. Rwandan President Paul Kagame's speech delivered to a delegation from St Andrew's University in March 2015, quoted from the article 'Rwanda's Homegrown Solutions: Nation Harnesses Its Traditions for Success Today', *The Independent* (Uganda), supplement section, 23–29 December 2016.
5. Professor Anastase Shyaka, CEO of the Rwanda Governance Board, was elaborating on the Homegrown Solutions (quoted from the above article in *The Independent*).
6. Rwanda Governance Board, <http://www.rgb.rw/index.php?id=134>.
7. Social Enterprise Alliance, <https://socialenterprise.us/about/social-enterprise>; BC Centre for Social Enterprise, <http://www.centreforsocial-enterprise.com/what-is-social-enterprise>.
8. 'World Bank Reveals a Weakening of Policy and Institutional Performance in Africa', World Bank press release, 24 July 2017.

9. ‘Weakening of State Institutions “Boosts Private Sector Corruption”’, *Business Day*, 27 July 2017, <https://www.businesslive.co.za/bd/national/2017-07-27-weakening-of-state-institutions-boosts-private-sector-corruption>.
10. See <http://www.satyagraha.org.za/word/the-moral-regeneration-movement>, <http://mrm.org.za/about-us/history>.
11. Sung-Hee Jwa, *The Rise and Fall of Korea’s Economic Development: Lessons for Developing and Developed Economies* (London: Palgrave Pivot, 2017), p. 132.

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