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Book Review: Business politics and the state in Africa: challenging the orthodoxies on growth and transformation, by Tim Kelsall

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Business, Politics and the State in Africa: Challenging the Orthodoxies on Growth and Transformation, by Tim Kelsall. London and New York, NY: Zed Books, 2013. ix +190 pp. £18.99 (paperback). ISBN 978 1 78032 421 0.

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Arguing that much of Africa's recent economic boom has been confined to unsustainable growth in primary commodities, this book contends that African economies need structural transformation into higher-value manufacturing and services. While evidence from other regions emphasizes state action to overcome collective action problems and create the 'predictability' necessary for structural transformation, conventional wisdom has deemed Africa's neo-patrimonial political culture too insalubrious an environment for the state to act effectively. This book challenges this view: there can be such a thing as developmental patrimonialism and it mobilizes an array of historical and contemporary material to lobby for stronger and smarter support for industrial policies.

Chapter one reviews the literature on Asia and Africa, introducing two key predictors of economic performance: a regime's ability to 'centralize rents' and its 'time horizon'. A short time horizon coupled with poor rent management characterizes 'competitive clientelism,' a context where political parties face short-term pressure to water the roots of their client constituencies and thereby endanger long-term developmental objectives. On the opposing side of the quadrant sit developmental patrimonial states: those capable of driving strong economic growth despite (or even because of) low rates of democratic participation. Four circumstances appear necessary: visionary leadership, single or dominant party systems, top-down patron-client networks and competent, vertically disciplined technocracies. The rest of the chapter uses historical material from Cote d'Ivoire (1960-1975), Malawi (1964-1978), and Kenya (1965-1975 and 1980-1992) to expound on these categories. This historical approach was especially effective in underscoring the fluidity of the argument, demonstrating how political pressures re-orientate states over time.

Chapters two through five make use of the expert knowledge of David Booth, Diana Cammack, Brian Cooksey, Mesfin Gebremichael, Fred Golooba-Mutebi, and Sarah Vaughan to delve into country case studies. The book identifies Ethiopia and Rwanda as star neopatrimonial performers and Tanzania and Ghana as 'mixed types,' countries that have created some 'islands of excellence' but have ultimately failed to discipline opportunistic rent-seeking and nurture broader structural change. Ghana's political environment appears least favourable of all. These chapters were particularly nuanced in their conclusions, tempering the broader argument with important reservations. For example, chapter four highlights Ethiopia's ethnic geography and the political subservience of its civil service as significant barriers to its developmental patrimonialism. It also suggests that the regime's current recruitment drive may increase unproductive rent-seeking in the future. All these chapters sensibly move beyond the 'dysfunctionality' of African states, employing a 'matter of fact' tone that is refreshing and authoritative.

Overall, the book is well argued and persuasive, exploring complex issues in clear language, accessible to students, as well as practitioners and academics. It brings the excellent work of scholars on Asia such as Robert Wade and Linda Weiss to Africa, showing how much economic development depends on the complex political and institutional structures present in each country. It also nicely extends an economic perspective to work by Daniel Bach and Nicolas van de Walle on more and less predatory forms of neo-patrimonialism in Africa.

My only major criticism of this otherwise excellent book was the absence of clearly defined policy recommendations. At many points, Kelsall stressed the book's relevance to policy-makers, but he never spells out his contribution directly. The main policy recommendation seemed to be: understand the complexities of each country individually in order to figure out whether industrial policies are going to work. Rwanda and Ethiopia's recent histories of violence make broad-based, long-term development politically attractive to the RPF and the EPRDF, and thus opening the door for more ardent support from donors for industrial policy and state intervention. In contrast, the more contested political environments of Tanzania and Ghana make industrial policy-making vulnerable to political capture. One might assume the book advocates a focus on countries with more favourable political environments at the expense of others, but I don't think Kelsall would approve. Rwanda and Ethiopia already claim the lion share of donor support. I believe the book is attempting to persuade donors and financial institutions to allow these countries to pursue even stronger industrial policies. When it comes to countries like Tanzania and Ghana, the book's conclusion is less clear. It might have been nice to see a broader discussion about the range of suggestions briefly mentioned in chapter three. Here a number of 'functional equivalents' were proposed to compensate for Ghana's unfavourable political context. These included increased government funding for political parties, legislative or constitutional lock-in measures restricting discretionary spending, politically neutral industrial bodies, electoral systems designed to attenuate clientelistic political relations and more independence for central banks (92). One final, smaller point is that Kelsall identified the development of services as crucial and each country chapter registered successful growth in this sector, yet services were never discussed with much detail. Given its relative success, this seemed strange. What does the book tell us about protecting 'islands of excellence' from wider predation? Can other 'functional equivalents' be found here too? Overall, the book opens the door for a renewed and exciting examination of Africa's current economic transformation, and I anticipate that future work by Tim Kelsall and his contributing authors will indeed address these kinds of questions head-on.