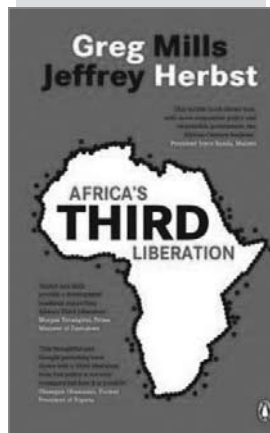


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AFRICA'S THIRD LIBERATION  
by Greg Mills and Jeffrey Herbst  
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## BOOK REVIEW

# *Africa's Third Liberation* by Greg Mills and Jeffrey Herbst

*From an outside perspective, it seemed that Africa could get nothing right for several decades after the end of colonialism. Everywhere there were stories of wars, coups, dictators and famines. The continent's infrastructure and economies seemed to know only one direction: downhill. The world's reaction ranged from pity to morbid fascination.*

But now the narrative has changed: Observers of Africa have noted that the number of coups per decade has dropped by over half since 2000 and most African countries have abandoned their experiments with one-party rule. Six of the world's ten fastest-growing economies between 2000 and 2010 were in Africa and the prospect of a growing middle class has the manufacturers of consumer goods champing at the bits.

The authors of *Africa's Third Liberation* – Greg Mills, director of the Brenthurst Foundation, and Jeffrey Herbst, president of Colgate University – embed this development into a longer narrative arc: They argue that Africa (by which they mean sub-Saharan Africa) has already undergone two liberations, the first from colonialism and the second from the autocratic rulers that often followed on colonial rule.

The third liberation, the beginnings of which are now becoming visible, is an economic revolution that is catching the attention of the world. Here, Africa moves away from the pattern of the past, in which its economies were characterised by cronyism, corruption and the exclusion of most citizens from participating meaningfully in the economy, and towards a future in which economies grow strongly and bestow their benefits on larger sections of society. The question the authors attempt to answer is how Africa can accelerate its development towards more jobs and less poverty.

While much of the past decade's positive trend has been driven by higher prices for commodities, such favourable conditions will not last forever. This is true despite Africa's enormous resource wealth. The continent holds 60% of the world's platinum deposits, more than 40% of the world's gold and almost 90% of the world's diamonds. It has 60% of the world's uncultivated arable land, not to mention substantial oil reserves that remain largely unexplored – yet it remains the world's poorest continent, with 47% of the population living on less than \$1.25 per day. And in spite of having almost 15% of the world's population, Africa contributes less than 3% to global GDP.

The key focus for resource-rich African countries should now be to use their endowments as a launch pad for long-term growth. Now is the time to diversify

exports, free up economies, and invest in education and infrastructure. In charting this new course, African governments can look to the experiences of countries in Africa and beyond for guidance. *Africa's Third Liberation* provides an overview of political and economic developments in a range of African countries and then uses case studies from Latin America, Asia and the Middle East to illustrate how countries have identified their own paths to growth and development. From this the authors draw conclusions about opportunities for Africa.

To illustrate the power of sustained economic growth, Mills and Herbst point out that just five decades ago most Asian countries were considered developmental backwaters. They hoisted themselves out of the quagmire by dint of a relentless focus on creating conditions conducive to growth, leaving their African peers in the dust.

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For instance, in 1957 Ghana, the first British colony in Africa to gain independence, had a higher GNP per capita than South Korea. But by 2011, the average income of South Koreans was more than 15 times that of Ghanaians – about \$20,000 as opposed to \$1,300. South Korea, like many other Asian countries that achieved economic take-off, followed a pattern of development that began with an agricultural

revolution, continuing through progressive steps of industrialisation from garments to light manufacturing and electronics before transitioning into services.

South Korea's phenomenal growth was not predicated on natural resources. Instead, what stood at the beginning of the process was a firm commitment to grow the economy. As in the early stages of industrialisation in the US and Europe, this at first meant poor working conditions, long working hours and indecent wages: "For countries on the road to industrialisation, sweatshops are a first step, however socially and politically unpalatable they may be. What is good enough for a grandmother, however, does not have to be good enough for her granddaughter, but it can be a starting point."

Africa is not Asia. It is reasonable to expect that Africa will find its own way to improve the lives of its citizens. But although growth does not solve all problems, Africa's problems cannot be solved without growth. There is simply not enough money to alleviate poverty through redistribution, be it using local money or foreign funds in the form of development aid, which has proved spectacularly ineffective. Nor is relying exclusively on revenues from the export of commodities sustainable or desirable from a governance point of view:

*"That more Nigerians lived in poverty during the 2000s than in the 1960s is evidence of the corrosive effect of oil on both governance and attempts at diversification. This fate is due not only to the resultant demotivation and the distortion of currency values, important as these effects are, but also the impact these resources have on politics. Instead of being used as a development tool, they become the goal of political victory: the ambition of leaders is not to reap the reward of investments in terms of development, but rather to prosper from cutting deals with investors."*

This illustrates that the quality of governance is the fulcrum on which the resources lever turns. Bad governance leads to deterioration while good governance can lead to development. For the authors, good economic governance hinges on "trade, open markets, macroeconomic stability and prudence, fiscal conservatism,

and the centrality of entrepreneurs and human capital". It needs to be flanked by competitive wages and safeguards for business that encourage investment, growth and employment.

There is an awkward observation at the heart of comparative analyses of development such as this. This is that the explosive economic growth of countries such as Singapore, Taiwan and China took place under conditions of limited political freedom. The governments of these and other countries were also not shy about intervening heavily in their economies to promote growth. Should the conclusion be drawn that African countries should seek to be ruled by benevolent dictators?

For various reasons, this is not a desirable outcome. Even benevolent dictators are likely to face at least some opposition to their rule. To maintain their positions of power, they would have to curtail rights such as freedom of expression, freedom of assembly and freedom of movement – thereby cutting back on the productive potential of the citizenry. Worse still, as shown by past experience, it is not outlandish to assume that dictators will eventually resort to torture, kidnapping and murder to stay in power. This is a morally unpalatable outcome.

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As for the siren call of the developmental state, Mills and Herbst point out that statism is unlikely to work when it is not "undergirded by a competent and efficient public service". In the absence of such an institution, the existence of which is a mirage in most African states, state intervention opens the doors for massive corruption and inefficiency, which drains countries' potential to develop rather than promoting it.

"The Africa growth model, if countries adopt the necessary reforms and manage their infrastructure problems, is thus likely to be less Asian than European or American: rates of economic growth above the population growth rate for sustained periods, resulting in economic development that takes far longer than the single-generation 'jump' that Asian countries experienced from poverty to relative affluence. [...] Given that the economic transition in many countries will take longer, there will be a premium on good governance as it unfolds. Setbacks, such as a return to violence or sharp deteriorations in governance, can quickly wipe out years of good growth."

A brief review such as this cannot do justice to the level of detail and research reflected in the book. But readers will observe that it presents a strong case for peace, good governance and growth as the key preconditions for Africa's development. This reviewer found *Africa's Third Liberation* eminently readable, persuasive in its arguments, and a valuable addition to the governance and development debate in Africa.