

# **THE STRATEGIC IMPERATIVE FOR CITIZEN INVOLVEMENT IN WEALTH CREATION: THE CONTEXT OF AFRICA AS A DEVELOPING CONTINENT**

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## **ABSTRACT**

Observers of the economic fortunes of countries in sub-Saharan Africa know that the majority of the people are mired in poverty. The situation is so endemic that many seem to have accepted it as normal. Researchers and multilateral organizations have suggested programs, and plans aimed at alleviating the problems. The bulk of these focus on diagnosing governmental action and public policy geared toward increasing productivity within the continent. While these prescriptions remain contextually useful, they have proven to be insufficient in addressing the problems. Anchored on Innovation Economics, this paper recommends a viable option that is centered on the citizen and involves the invocation of creativity and entrepreneurship. This option is anchored on the antecedents of African societies in the pre-colonial era, the place of the citizen within those societies, and the need to relocate the citizen as central to wealth creation and poverty eradication.

## **INTRODUCTION**

Pythia, the Oracle of Delphi, has historically been known as the most prestigious and authoritative oracle among the ancient Greeks, and she is considered with little doubt to have been the most powerful woman in the classical world (Scott, 2014). If all the Intellectuals, Economists, and Politicians had a chance to ask her on behalf of Africa for the secret to being wealthy, what would her response be? Would she say that they should work hard, get an education, and sell their natural resources in exchange for dollars? Probably not. Her most likely response would consist of a few words, do what you do best and trade for the rest! A concept that Adam Smith must have been aware of when he wrote “An Inquiry into the Nature and Causes of the Wealth of Nations”, more prominently known by its abbreviated name, The Wealth of Nations.

In presenting his arguments against mercantilism, the notion that nations only become wealthy through the maximization of the accumulation of gold and silver at the expense of the welfare of their citizens, and physiocracy, the idea that nations become wealthy solely from the value of land agriculture or development. The more practical aspects of his theses have been adopted in various forms to huge success among the wealthy nations of the world. Wealthy nations have found ways to do what they do best, and trade for the rest! It really is that simple.

In discussing the aggregate well-being of nations, this paper adopts wealth as the standard of measurement rather than Gross Domestic Product (GDP). First in financial theory, wealth is futuristic; it is the flow of income that an asset can generate over its lifetime. Additionally, in line

with economic theory, total wealth is defined as the present value of future consumption (World Bank, 2006). Whereas GDP gives an important measure of the progress made in an economy by capturing income and production, it ignores changes in the underlying asset base (or wealth) within the same economy (World Bank, 2018). The national income and the well-being of a country are bolstered by her assets or wealth which include produced capital, natural capital, human capital, and net foreign assets. The World Bank report on the “The Changing Wealth of Nations” (2018) asserts that using GDP by itself can make us easily fail to capture several factors: the depreciation and depletion of assets, the rate of change of investment and wealth accumulation with population growth, and how adequately a nation’s mix of assets satisfy her development goals. To ensure sustained long-term economic growth, a nation must make investments in and with, and judiciously manage, the broad portfolio of assets that constitutes her wealth. There is a strong link between the changes in wealth and the capacity of any country to sustain development.

Despite their best efforts, African nations have so far failed to grow, create and maximize the level of wealth necessary to improve the living conditions of their people. So far, all the development plans and programs largely driven by central governments, have fallen short. The receipts that have accrued from selling natural resources have proven inadequate to satisfying the needs of growing populations.

This study recommends that African economies adopt innovation economics; begin to actively and deliberately create and maximize wealth by focusing on what they do best, not what they can sell fast, and then trade for the rest. For this to happen, the continent must hearken back to her pre-colonial inventiveness and innovativeness and put the citizen instead of the development plan at the center of economic activities.

The paper proceeds with a discussion, in terms of the economy, of where the continent has been, thereafter, it highlights the extant situation, and then concludes by making suggestions on where the continent needs to be headed.

## **THE PAST AS PROLOGUE**

### **Post-Colonial Economies and the Era of National Development Plans**

A vast majority of the African countries achieved independence from their major colonizers (France, Great Britain, and Belgium) in the 1960s. It has been argued by some scholars that most of the members of the rising African leadership class that acquired control of governments lacked the requisite experience for governance and capital accumulation (Cullen and Parboteeah, 2014). To a large extent, these elites promised their citizens stability and economic development in exchange for a monopoly on political power and control. To compound this problem, external-focused growth capabilities were viewed suspiciously because they were seen as foreign interference by the erstwhile colonizers. As a result, most African governments in deference to internal pressures engaged in predominantly state-led and inward-focused industrialization efforts (Cullen and Parboteeah, 2014). These state-orchestrated and state-controlled efforts were designed

and codified into National Plans and made central to the growth vision and mission of the countries where they were adopted.

In a March 2013 blog post under the aegis of the United Nations Economic Commission for Africa (UNECA), Carlos Lopes highlighted the long and checkered history of development planning in Africa. His report states *inter alia* that:

The first phase of development planning in Africa spanned the 1960s and was characterized by centralized planning with three to five year planning phases. During this period, at least 32 African countries had a national development plan. This first generation of development plans continued to the 1980s. These plans promoted state-engineered economies with resources allocated by governments. It was notably the time of state-owned enterprises operating in most of the productive sectors.

However, Africa's development plans of the 1960s had limited success. This was due to a variety of reasons: deficiencies in the plan documents surely, but also failure to implement them; ambitious formulation of targets; institutional and bureaucratic weaknesses; exogenous shocks; and political factors

The second phase in the evolution of planning in Africa was marked by a wholesale abandonment of planning under neoliberal Structural Adjustment Programs (SAPs), which emerged in the 1980s-1990s with the support of the Bretton Woods Institutions. SAPs aimed to reduce the role of the State in production and service delivery and placed emphasis on macroeconomic stability, downsizing of public sector institutions, privatization and reducing government spending and budget deficits...

To cut a long story short, if the development plans formulated and implemented by African governments between the 1960s to the 1990s yielded growth and wealth accumulation, the evidence of such is yet to be seen. At the end of the 1980s the economic situation of most African countries was bleak.

Suddenly, we are in the 1990s: the Soviet Union has collapsed; East and West Germany are reunited; central and Eastern Europe are becoming more open and accessible; the Asian Tiger nations (South Korea and Singapore) have taken flight on the back of industrialization and sustained economic growth; the globe has begun its technological trajectory toward shrinkage; and the burgeoning youth of Africa become very restive and more urgent in their demand for liberal and multi-party democracy. African leaders begin to face massive pressures from concerned entities both at home and abroad. With their economic failures staring them in the face, and their inept administrative capacities thus laid bare, the leaders begin to accept either willingly or grudgingly to transform the political and economic structures in their domains.

By the turn of the century, the African Union had become fully invested in ensuring that every government in the continent has some form (if not exclusively so) of participatory democracy. But as if the pains of the preceding decades were not enough, many nations re-embarked on the national plans of the previous years by switching to another modified form known as Poverty Reduction Strategies (PRSs). As Lopes (2013) notes in the UNECA blog post:

In the early 2000s, SAPs were replaced by Poverty Reduction Strategies, which aimed at reversing the negative effects of a decade of Structural Adjustment on welfare and social conditions. PRSs placed strong emphasis on poverty reduction as a condition for debt relief. Many African countries embarked on at least two generations of PRSs, mostly to ensure eligibility for debt relief. Notwithstanding the principle of ownership and consultations that underpinned PRSs, they lacked credibility because of the externally driven nature of the process. Furthermore, PRSs tended to place disproportionate emphasis on the social sector at the expense of the productive sector thereby raising questions about the sustainability of the poverty reduction agenda.

### **The 21<sup>st</sup> Century and the Era of Comprehensive Development Plans**

As more and more countries in the continent embraced multi-party democracy, these newer governments become more willing not only to open their political and economic systems, but also to interconnect and integrate with other countries in their region and in the continent. Many countries in the continent moved to adopt more comprehensive development plans that provide for the scrutiny, by both internal and external parties, of their impact on the economy and polity. These comprehensive plans adopted in the early 2000s go beyond the near-sighted Poverty Reduction Strategies (PRSs). Perhaps it was just for want of something new or maybe it was born out of what may have been the best available insights but the plans had more long-term oriented development visions and their frameworks were made to contain plans for ambitious growth and social development goals. As Lopes (2013) states in his blog post, the:

Development Strategies have now gone beyond the narrow objective of poverty reduction to encompass objectives such as accelerated growth, employment creation, structural transformation and sustainable development. Unlike the 1960s, these plans employ a mix of state and market-based approaches and appreciate the critical role of both the public and the private sector in the development process. Many African countries have developed Long Term Visions to guide their steps towards these ambitious objectives. These long-term visions are characterized by stronger ownership from African actors and a more consultative and participatory process involving a broad spectrum of stakeholders, including Civil Society, the private sector, decentralized constituencies and development partners. These broader national development plans often take into consideration various global and continental development goals and frameworks such as New Partnerships for Africa's Development (NEPAD).

The conclusion of the UNECA blog post was that many challenges remained. There was still the need to ensure credible consultation processes, to prioritize funding in line with development aspirations, to coordinate donors (imagine the irony, after 40 years of planning, donations were still welcome), to strengthen capacities to implement projects and programs, and to develop effective monitoring and evaluation systems that feed back into the policy making process. To

summarize in UNECA's own words, "in short, more work is required to improve the planning frameworks in Africa in order to translate development aspirations and priorities into concrete results."

So, this is where we have been. Between independence and today, we have adopted and implemented several forms of development plans and the conclusion is that more work is required to enable us to get the results that align with our aspirations.

The discussion of the present situation is broken into two parts for proper perspective and in recognition that since the onset of the millennium, the world has experienced at least one major shock to the global economy, the great recession. The first part of the discussion focuses on the state of the African economy at the dawn of the millennium, specifically at 2000. The second part reflects the state of economic affairs post-great recession and up till 2015. A discussion of our present situation therefore suffices.

## **HERE AND NOW**

### **Appearance of Growth**

Depending on how and where you look, Africa is growing. The continent's population, which is currently more than a billion and growing, is overwhelmingly young at a time when populations in other continents are shrinking and getting older. Harvard's Center for International Development (CID) reports that three of the ten projected highest growing economies over the next decade are African; Uganda, Egypt, and Kenya in that order (CID, 2018). Based on this, one would be forgiven for thinking that the economic scenario in the continent is now picture perfect, but the CID researchers have also clearly noted that after a decade of growth, driven by record oil and commodity prices, the landscape has shifted in favor of more diversified economies and so in sub-Saharan Africa, growth is shifting eastward from commodity-driven West Africa to East Africa where labor has shifted out of farming into limited manufacturing sectors.

They also note that this is far from being an industrial revolution because structural change has been partial and piecemeal across these east African economies. It is anybody's guess as to how timely this must be: a precursor of an industrial revolution has finally arrived in east Africa! In concluding the report, the CID states that "the countries at the top of the growth list are also some of the world's poorest." It is easy to have an appearance of growth when starting from a lower income base, but what truly is the current state of the economic fortunes of most of the countries within the continent? Has there been meaningful and significant growth in wealth since the turn of the millennium?

A better picture of the state of things in Africa since the 2000s has perhaps been captured by the World Bank reports on the wealth of nations. This paper relies heavily on two of these reports (Where is the Wealth of Nations, 2006, and The Changing Wealth of Nations, 2018) to draw inferences on the extant situation in the continent for the following reasons:

1. The World Bank reports conform with the specific evaluation of the significance of using wealth estimates as complements to GDP in tracking the economic situation of nations;
2. The World Bank is authoritative and authentic in their capacity to harness and analyze data; they occupy a vantage position that no other institution involved in tracking global economic affairs can compare with;
3. Specifically, a comparative analysis of the 2006 and 2018 reports highlights the trend whether positive or negative that the economic fortunes of Africa have taken over the past decade. They also enable an examination based on the two periods mentioned earlier; at year 2000, and post-recession.

### **Reality of Non-Growth: Dawn of the Millennium**

The current picture of the situation of African economies is starker than the Harvard CID 2018 report presents. By the year 2000, the estimates of total wealth—produced, natural, and human and institutional capital—indicate that human capital and institutional values, measured by the rule of law, constituted the largest share of wealth in virtually all countries. Natural capital constituted a quarter of total wealth in low income countries, greater than the share of produced capital. See Table 1 (The World Bank, 2006) for more details. Cropland and pastureland constituted a whopping seventy percent of this natural wealth. See Table 2 for more details. For such countries to sustain development, they had to find ways to manage their ecosystems and natural resources while hopefully building their infrastructure and human and institutional capital. Strikingly, in the years immediately preceding 2000, the per capita total and natural income of low-income countries had declined. If growth was essential to meeting the Millennium Development Goals by 2015, and if mining and forestry/fisheries depleting based growth is illusory, then meeting the MDGs by 2015 would be far-fetched.

**TABLE 1: SHARES OF TOTAL WEALTH IN LOW-INCOME COUNTRIES, 2000**

<b>Form of Capital</b>	<b>Share (%)</b>
Intangible	58
Natural	26
Produced	16

**TABLE 2: SHARES OF NATURAL WEALTH IN LOW-INCOME COUNTRIES, 2000  
(OIL STATES EXCLUDED)**

Form of Asset/Resource	Share (%)
Cropland	59
Pastureland	10
Subsoil	17
Timber	6
Nontimber Forest	2
Protected Areas	6

To get a more complete picture of the African economic situation, it is imperative to juxtapose it with that of the rest of the world. The World Bank report, “Where is the Wealth of Nations: Measuring Capital for the 21<sup>st</sup> Century” (2006) was a result of data collection and analyses from about a hundred and twenty countries around the world. The report found that the composition of wealth varies considerably by region and particularly by level of income. Tables 3 and 4 below highlight the Total Wealth, and the Natural Capital respectively across the world in 2000.

**TABLE 3: TOTAL WEALTH, 2000 IN \$ (@NOMINAL EXCHANGE RATES) PER  
CAPITA AND PERCENTAGE SHARES (OIL STATES ARE EXCLUDED)**

Income Group	Natural Capital	Produced Capital	Intangible Capital	Total Wealth	Natural Capital Share	Produced Capital Share	Intangible Capital Share
Low-income countries	1,925	1,174	4,434	7,532	26%	16%	59%
Middle-income countries	3,496	5,347	18,773	27,616	13%	19%	68%
High-income OECD countries	9,531	76,193	353,339	439,063	2%	17%	80%
World	4,011	16,850	74,998	95,860	4%	18%	78%

\*OECD: Organization for Economic Cooperation and Development

**TABLE 4: NATURAL CAPITAL, 2000 IN \$ PER CAPITA (OIL STATES ARE EXCLUDED)**

Income Group	Subsoil Assets	Timber Resources	Nontimber Forest Resources	Protected Areas	Cropland	Pastureland	Total Natural Resources
Low-income countries	325	109	48	111	1,143	189	1,925
Middle-income countries	1,089	169	120	129	1,583	407	3,496
High-income countries	3,825	747	183	1,215	2,008	1,552	9,531
World	1,302	252	104	322	1,496	536	4,011

It is clear from the report that certain assets in the portfolio are finite and exhaustible. Such assets are only valuable to the extent that the rents accrued from them can be transformed through the investments of the rent receipts. For example, there are no sustainable diamond mines, but there are sustainable diamond-mining countries. Some other assets are renewable and can be manipulated into sustainable income streams. Overall, it is very possible to transform one form of wealth, e.g., diamonds into others, e.g., buildings, roads, machines, and most importantly, human capital.

The wealth estimates can be further fleshed out as the World Bank report has done. Using the perpetual inventory method (PIM), the result confirms that while the wealthy nations are predominantly European with the United States and Japan, the ten poorest countries were all from sub-Saharan Africa. See Tables 5 and 6. Note that produced capital is the sum of machinery, equipment, and structures while natural capital is the sum of nonrenewable resources (including oil, natural gas, coal, and mineral resources), cropland, pastureland, forested areas (including areas used for timber and nontimber assets), and protected areas. Intangible capital is the difference between total wealth and the sum of produced and natural capital.

**TABLE 5: TOTAL WEALTH OF TOP 10 COUNTRIES, 2000**

<b>Country</b>	<b>Wealth per capita (\$)</b>	<b>Natural Capital (%)</b>	<b>Produced Capital (%)</b>	<b>Intangible Capital (%)</b>
Switzerland	648,241	1	15	84
Denmark	575,138	2	14	84
Sweden	513,424	2	11	87
United States	512,612	3	16	82
Germany	496,447	1	14	85
Japan	493,241	0	30	69
Austria	493,080	1	15	84
Norway	473,708	12	25	63
France	468,024	1	12	86
Belgium-Luxembourg	451,714	1	13	86

**TABLE 6: TOTAL WEALTH OF BOTTOM 10 COUNTRIES, 2000**

Country	Wealth per capita (\$)	Natural Capital (%)	Produced Capital (%)	Intangible Capital (%)
Madagascar	5,020	33	8	59
Chad	4,458	42	6	52
Mozambique	4,232	25	11	64
Guinea-Bissau	3,974	47	14	39
Nepal	3,802	32	16	52
Niger	3,695	53	8	39
Congo, Rep. of	3,516	265	180	-346
Burundi	2,859	42	7	50
Nigeria	2,748	147	24	-71
Ethiopia	1,965	41	9	50

The wealth estimates indicate that the prominent form of wealth in the world is intangible capital. Not only is this the case, it is strikingly so. Almost 85% of the countries sampled have an intangible capital ratio of total wealth that exceeds 50%. Among the poor countries, the share of natural capital is greater than the share of produced capital. Excluding the oil exporting countries, cropland and pastureland constitute the largest share (almost 70%) of their natural wealth.

While the share of natural capital in total wealth tends to fall with income, the share of intangible capital rises, and this is evidenced by the fact that “rich countries are largely rich because of the skills of their populations and the quality of the institutions supporting economic activity.” The glaring conclusion therefore must be that human capital and other intangibles play a significant and major role in economic development and specifically, wealth maximization.

This was the conclusion based on the assessment of the economies at 2000. The World Bank Group has recently released an updated report on the state of the world economies, *The Changing Wealth of Nations, 2018* conducts the analyses with data including the period up to 2015. The discussions in the next sub-section rely on the World Bank 2018 report.

### **Reality of Non-Growth: Fifteen years into the Millennium**

Global wealth grew significantly between 1994 and 2015. In terms of wealth, middle-income countries closed the gap between them and the high-income countries largely due to the rapid growth in Asia. More than twelve low income countries grew into middle income category due to their abilities to invest their rent collections from natural resources into infrastructure, education, and health which increases human capital. Unfortunately, this is where the good news ends. Some low-income countries, mostly in sub-Saharan Africa experienced declines in their per capita wealth because rapid population growth outpaced investment. During the more recent ten years of the period reviewed, the percentage of people living in poverty escalated in twelve countries.

Table 7 (The World Bank, 2018) below summarizes some of the findings of the study as submitted in the World Bank 2018 report. *A quick note: having found a more sophisticated method to conduct the study, specifically how to track human assets, the report reclassified intangible assets and now used the term Human Capital.*

Here are the major highlights:

- Even though natural capital in high income OECD countries was only 3%, theirs was still three times that of low-income countries;
- The share of global wealth held by low-income countries mostly in sub-Saharan Africa barely moved from less than a percent throughout the period 1995-2014, even as the share of world population grew from 6% to 8%;
- Natural capital remained the largest component of wealth in low-income countries;

Perhaps the most striking finding from the study is the significance of human (intangible) asset to total wealth and its growth. This point is central to the argument set forth in this paper.

**TABLE 7: WEALTH, BY TYPE OF ASSET AND REGION, 2014**

Type of Asset	Low-income Countries (%)	Lower-middle-income Countries (%)	Upper-middle-income Countries (%)	High-income Non-OECD Countries (%)	High-income OECD Countries (%)	World (%)
Produced Capital	14	25	25	22	28	27
Natural Capital	47	27	17	30	3	9
Human Capital	41	51	58	42	70	64
Net Foreign Assets	-2	-3	0	5	-1	0
Total Wealth	100	100	100	100	100	100
Total Wealth, US\$ billion	\$7,161	\$70,718	\$247,793	\$76,179	\$741,398	\$1,143,249
Total Wealth per capita	\$13,629	\$25,948	\$112,798	\$264,998	\$708,389	\$168,580

So far, it has been shown that the national development plans, and its newer form, the comprehensive development plans formulated and instituted by most African nations have done little to nothing to improve the wealth situation of most parts of the continent since decolonization. The significant and impactful role of intangible/human assets to the creation and maximization of wealth among nations has also been shown under the themes of where the continent has been, and where the continent is now. Having laid this premise, the more important aspect of this paper suffices: to offer suggestions on where the continent should be headed; to justify the strategic recommendation of the African citizen as crucial to the growth aspirations of the continent; and hopefully, to make a connection between innovation driven entrepreneurship and the pre-colonial ethos of the pioneering African citizen.

## **INNOVATION ECONOMICS: DO WHAT WE DO BEST, TRADE FOR THE REST**

### **The Way Forward: Innovative Entrepreneurship**

The word Innovation has become ubiquitous in the 21<sup>st</sup> century. Sadly, it has often been ill-defined (Courvisanos & Mackenzie, 2014). Courvisanos & Mackenzie, 2014 define innovation economics as a part of economic theory that makes the argument about economic development being the result of appropriated knowledge, innovation, and entrepreneurship. This innovative entrepreneurship activity is captured within an institutional environment of systems of innovation. It is presented as different from other branches of economics including mainstream neoclassical theory which views capital accumulation as the fundamental driver of economic development. Whereas the socio-economic world in the innovation economics paradigm operates as an open and complex system with the capacity for adaptation, the socio-economic world in the neoclassical economy functions as a closed system with a tendency toward mechanical equilibrium.

Organizations are increasingly being tasked to be innovative as a condition for gaining sustainable competitive advantage. The concept of Innovative Economics has become imperative in its emphasis on creativity as a precondition for economic success. If it is useful for organizations at the discrete level, it should be useful for nations, especially African economies at the holistic level.

For sure, the quickest way to create and maximize wealth, and therefore improve the gross domestic product of African economies is to provide work for every hand that is capable and willing. This paper and discussion have sufficed because so far, this has not been done. As bleak as the current situation looks, there is hope for the future, but the steps to be taken must be calculated prior and must be tethered to the most feasible and potentially impactful rationale. Having demonstrated the significance of human (intangible) assets to the fortunes of nations, it goes without saying that any recommendation for future corporate action by African countries must involve the adoption of innovation economics and primarily therefore, place the role of a robust level of human assets at the center.

The operationalization of the human asset in the economy is manifested in the way citizens can use their ingenuity, expertise, knowledge, and skills to create and or boost the capacity for creating

jobs. High income countries thrive on their ever-burgeoning middle class who are mainly employed in small and medium sized enterprises (SMEs). Low-income countries struggle in this regard because of a diminished capacity to increase their stock of SMEs. This paper suggests that the resolution of this is for the continent to redirect emphasis from development plans that focus on the plan and bureaucratic arrangements set up to implementing them to empowering the citizens to become innovative entrepreneurs.

If an entrepreneur is the person who designs, launches and runs a new business, and the innovator is the person who introduces new ideas; original and creative, then an innovative entrepreneur is the person who starts new businesses anchored on original and creative thinking. In the context of present-day Africa, for African nations to create and maximize wealth grow their economies rapidly enough to escape poverty, they have to spurn as many innovative entrepreneurs as there are people. In other words, a mere emphasis of entrepreneurship is inadequate. Innovative entrepreneurship must be the mantra if the region must achieve the goal of poverty eradication as the first quarter of this century lapses.

This paper argues that innovation is crucial to the push for African entrepreneurship because:

1. It enables resourcefulness and creativity in designing home-grown solutions to African problems;
2. It underlies the concept of “creative destruction” or “industrial mutation,” the idea that newer and smarter processes emerge to extinguish older ones;
3. It hearkens to the prescriptions made by Adam Smith in the Wealth of Nations, do what you do best, and trade for the rest.

Makhtar Diop, the World Bank Vice President for Africa agrees. Here is what he said in his speech at the Institute of South-South Cooperation and Development in Peking University, Beijing China in 2017.

But right now, across the developing world, there simply aren't enough jobs for the young people coming out of school, regardless of the quality of the education. Low- and middle-income countries around the world will need 520 million new jobs for youth coming out of school by 2030, and our current estimates are that 460 million will be created. All things remaining equal, that means 60 million young people without jobs. Within Africa, more than 50 percent of employment will still be in agriculture as of 2020. Currently, agricultural jobs pay poorly due to low productivity, which suggests that workers don't have promising job alternatives. This means that new jobs will need to be created (emphasis his). Currently, a lot of that job creation looks like the creation of microenterprises, small businesses that employ just one or two people. We need more. And the way to create more is through innovation. Innovation is absolutely key to African stability and growth in the coming decades (emphasis his).

Diop notes further that it would amount to a massive loss of opportunity if developing countries hesitate to invest in innovation proportionately when compared to wealthy countries. Drawing a parallel with Norway, Diop concludes that nations desiring to prosper must build on the sectors where they have comparative advantages, adopt and adapt innovation rather than original development. In other words, low-income countries are advised to do what they do best, and trade for the rest.

The question that suffices at this point, whenever innovation is mentioned concerning Africa and Africans, is whether we are endowed with the intellect and capacity to innovate, to create new knowledge, new processes, new products, and new technologies. This paper suggests that not only does this question misrepresent the history of Africans, it is dubious in its inherent design to consistently position the African citizen in a place of self-doubt, and continuous reliance on the technologies and knowledge of developed countries. If the land cannot be colonized, why not the mind. As Fourchard (2011: 247) puts it: “considering Africa’s cities as dysfunctional, chaotic, failed, informal, or not globalized works to retain the Western city as the paradigmatic model against which all others are to be assessed.”

The next sub-section draws on historical perspectives and evidences to locate the African citizen as a contemporary thinker and doer, capable of invention and innovation in the 21<sup>st</sup> century and beyond.

### **African Citizen as Pioneer: A Look Back in Time**

Killick (2015) states that there is evidence for past African inventiveness in technology. The question for him was why so few of these inventions spread widely in Africa; why did they not become innovations in the form of the steam engine, the canal networks, or electric lighting in Europe and the Americas?

To answer this question, based on his understanding of world literature on the history of technology, Killick suggests that the rates of technological innovation over the last 8000 years have been strongly correlated with three factors. The most important of these being population density. “Dense populations must be fed, clothed, housed and supplied with tools, and thus high population density promotes the spread of innovations in agriculture and in craft technologies. The second factor, contingent upon the first, is the presence of large towns and cities. Urban populations must have everything brought to them, which promotes innovations in transportation and in the scale of production, which drives innovations in machinery, factories and alternative sources of power. The third factor is literacy, which promotes the diffusion of ideas and the rapid spread of innovations” (Killick, 2015: 315).

According to Killick (2015), the European trans-Atlantic slave trade and the Islamic slave trade by land to North Africa was the major factor in the inferred stagnation of African population during this period. As Nunn (2008) has shown, the long-term effects of the slave trades are still with us; those areas of Africa from which the largest number of slaves were exported across the Atlantic

still have significantly worse average GDPs in 2000 than those that were barely affected by the trans-Atlantic slave trade.

So, there is little doubt that historically, the progress toward indigenous technological advancements in Africa, especially the sub-Saharan region would have been gravely thwarted and distorted by the slave trades. The effects of these were so devastating that in the 1820s, Georg Hegel wrote that when most European nations apart from Portugal had abolished (or were in the process of abolishing) slavery, European characterizations of Africans south of the Sahara became slightly reframed. Africans were gradually recast from whatever impressions of them that had existed centuries previously to that of unfortunate child-like subjects who needed protection from the (largely Islamic) remnants of the slave trade.

In addition, Barbier (2011) informs that the frontier of the industrial world was driven outward in the 1870s due to the combination of surplus capital and the need to acquire precious natural resources and new markets.

The combination of these factors led to the colonial annexation of the continent, which was formally divided among the European powers at the Berlin Conference of 1884/85 (Iliffe 2007). The expansion of Europe's imperial footprint over the southern hemisphere also brought an expanded reach of their technology. While this technology acquired symbolic value within the colonial empires, it showcased the colonizer's superiority and created legitimacy of occupation as it supposedly contributed progress and civilization (Adas, 1989). The final nail on the coffin of any possibility for an African led progress toward its own modernity or technological advancement was in place.

In his book, "Transient Workspaces: Technologies of Everyday Innovation in Zimbabwe," published by MIT Press in 2014, Clapperton Mavhunga called for a historical rethinking about the meaning, prevalence, and application of technological innovation in Africa. Using historical anecdotes and accounts, he challenged the general narrative of technology transfer from the haves to the have-nots. Using an example of the border region where Zimbabwe, Mozambique, and South Africa meet, Mavhunga recounts the ingenuity of indigenous hunters who had for centuries made and used an impressive array of tools. Using the example of the hunt as a mobile space for work and education, Mavhunga challenged the idea that technology can only come from outside Africa. Mavhunga's historical accounts stem from southern Africa but similar stories abound across the length and breadth of the continent. Historical accounts from the Mali Empire, to the Sokoto (Fulani) caliphate, to the great Benin kingdom show evidence of a people that were highly inventive and innovative.

## **CONCLUSION**

From the preceding discussions, it has been shown that: the African continent is endowed with a burgeoning youthful demographic; her antecedents prior to slave trade and colonization speak of a people with the capacity for innovation; and the continent is endowed with reserves of initial wealth in the form of natural assets.

In conclusion, this paper recommends that those charged with the responsibility of managing the continent realize the strategic impact of adopting innovation economics and doing the following:

1. Mixing up the endowments mentioned above (youth, innovative capacity, and natural resources) efficiently to meet the challenges posed by Killick's third factor, literacy; and Mavhunga's admonition on the rethinking of the meaning, prevalence, and application of technological innovation in Africa. Specifically, the citizen has to be acknowledged as the fulcrum for economic development. To this extent, direct investments in African youths in the area of education and healthcare should be emphasized in order to improve literacy and boost their productive capacity. These investments should be made using the receipts from the trade of natural resources. With regard to education, it should be the form that seeks to inculcate the capacity for innovation and entrepreneurship; it must emancipate the youths from reliance on foreign technologies and instill in them the trust and confidence in their own capacities to provide home grown solutions to problems. With time, these solutions will ultimately be scaled up to a global market.
2. In connection with the above, the public and private sector leadership in the continent must begin to de-emphasize the reliance on complex development plans that require central coordination and bogus bureaucracies. So far, it has been shown that the development plans and other forms of it have had very negligible impact on economic growth across the continent. In a widely reported news comment in an online news platform, Sahara Reporters on October 12, 2018, the World Bank President, Jim Yong Kim was reported to have said that the World Bank was wrong to have advised Nigeria, and Africa as a whole to focus on investing in hard infrastructure instead of human capital.
3. Programs that recognize and empower every citizen to be innovative entrepreneurs should be encouraged in order to hearken back to the basics as propounded by Adam Smith in the Wealth of Nations. The concepts in Smith's treatise have remained relevant after centuries because of the simplicity of its underlying concept: do what you do best and trade for the rest. The African continent will be better off by striving to conform to this simple principle.

It is pertinent to mention at this point that the discussions and recommendations offered in this paper represent at best a limited aspect of the overall framework for economic growth. It should be taken as a complement and or supplement to other blueprints available in the discourse space for African economic growth and development.

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