



**CONSTRAINTS ON AFRICAN ECONOMIC GROWTH: THE
INSTITUTIONAL LEGACY**

Jean-Philippe Platteau
University of Namur

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Constraints on African Economic Growth: The Institutional Legacy

by

Jean-Philippe Platteau*

**Centre for Research on the Economics of Development (CRED),
Department of economics
University of Namur, Belgium.**

Abstract: To account for the African growth tragedy and, in particular, for the governance problems underlying it, the institutional legacy that African countries inherited from pre-colonial and colonial times must be brought into the picture. This is done in this paper by considering three important dimensions of such a legacy. First, there is the failure of the African state and the tricky question as to whether ethno-regional identity is in Africa a deeply rooted phenomenon which has prevented the emergence of modern citizenship and the bureaucratic (Weberian) state, or is rather an endogenous outcome of continuous state failures to be elucidated. Second, the persistence of informal rules and social norms causes the emergence of a situation of 'legal dualism', and tends to undermine the modern, statutory law system which lacks the required credibility. Third, we ask to what extent the low performance of indigenous enterprises is due to social customs and norms that hinder socio-economic differentiation and individual capital accumulation. The role of religion receives particular attention throughout the paper, since it can nurture feelings of loyalty and identity towards a large reference community of people, and it can also instil values and norms that break customary rules based on traditional order and status ranking considerations.

Keywords: Culture, religion, state failure, legal dualism, social norms, ethnicity.

JEL classification codes: A13, A14, O17, P48, Z10, Z12, Z13.

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1. Introduction

A well-known and troubling feature of economic growth in SubSaharan Africa (SSA) since the end of the second World War is the divergence of African incomes from the incomes obtained in other regions of the southern hemisphere. Noting the statistically significant and negative effect of the African dummy in their cross-country growth regressions, Easterly and Levine (1997) have talked about a “growth tragedy” to characterize the long-term economic performances of the African region. In actual fact, average real income per capita for SSA as a whole barely increased between 1960 and 2000, an outcome largely resulting from the dismal performance of African economies during the 20-year period from roughly 1974 to 1994. As evident from the World Bank’s Tables, a negative annual average rate of growth of income per head prevailed during the latter period whereas a very low average positive rate of less than 0.5 percent was observed during the subsequent years (say, till 2003). It is, therefore, no exaggeration to say that African populations “missed out on the unprecedented economic transformation that took place in the rest of the developing world after 1950” (Ndulu and O’Connell, 2006: Chap. 1). Moreover, the divergence appears even sharper if the comparison is between African and non-African populations rather than between African and non-African countries owing, on the one hand, to the large number of small, low performing countries in SSA, and, on the other hand, to the strong growth performance of populous non-African countries like China, India, and Indonesia (Sala-i-Martin, 2006).

The disappointing economic performance of SSA is largely reflected in low returns on investment and on aid projects, hence the very small amounts of foreign direct investment flowing to this region and the determination of many donors to change the modalities of aid programs. There is nowadays a wide agreement that these low returns essentially arise from an impressive array of so-called governance failures. Moreover, the large spread between farmgate and retail prices which affects so adversely the competitiveness of African productions vis-à-vis other regions results partly from costly transportation and other infrastructural deficiencies (see Platteau, 2000: Chap. 2), and partly from governance problems that include both corruption (e.g., bribes extracted by erecting roadblocks on transportation routes) and lack of trust or costly trust-building mechanisms.

Clearly, to account for the African growth tragedy, it is not sufficient to cite the geographic isolation of many countries in the region: Africa is highly distinctive in having around a third of its population living in countries that are both landlocked and poorly endowed with natural resources, a proportion to be compared with a mere one percent for the other developing regions where areas with unpromising opportunities have seldom become countries (Collier et al., 2006). As a matter of fact, many of the worst performing African countries turn out to have abundant natural resources, whether oil, natural gas, diamond, or mineral resources (e.g., the Republic of Congo ex-Zaire, Nigeria, Angola, Sierra Leone), and it bears noting that another third of the African population lives in these resource-rich countries.

In this connection, it is particularly disquieting to hear that, in contrast to measures of policy and political institutions, measures of the institutional environment show little broad tendency to improve in SSA during the 1990s. Worse, a number of indicators such as the ICRG indexes of government corruption, the rule of law, and the quality of the government bureaucracy suggest a deterioration, both in absolute terms and relative to other developing regions (Ndulu and O'Connell, 2006: Chap. 1). It is thus revealing that all the "anti-growth syndromes" singled out by the Africa Growth Project –the first comprehensive assessment by African research economists of the growth experience of SSA in the post-independence period– have their origin, to a significant extent, in serious governance problems. These syndromes are: (i) regulatory regimes that severely distort productive activity and reward rent-seeking; (ii) regimes of ethno-regional redistribution that compromise efficiency through resource transfers to sub-national political interests; (iii) regimes of intertemporal redistribution that transfer resources from the future to the present; and (iv) state breakdown, which refers to civil war or marked political instability (*ibidem*). The picture that emerges is one in which SSA suffers not only from physical remoteness, but also from the "natural resource curse" and varied sorts of rent-seeking, corruption, and subversion of political choices by ethno-regional forces.

The central question addressed in this paper is the following: to what extent the governance problems of SSA have something to do with the cultural patrimony inherited by African states and countries, culture being understood as those collective representations, customary beliefs and values "that ethnic, religious, and social groups transmit fairly unchanged from generation to generation" (Guiso et al., 2006: 23)? Indeed, SSA's bad performance on the level of its institutional environment must be somehow traceable to factors specific to the region that do not lie in the sphere of

geography (since, as we have stressed above, resource-rich countries have actually performed worse than resource-poor countries). The particular history of the continent, which includes the colonial experience, and the manner in which its institutional environment has been shaped over the longer period, must take us some way towards gaining a better understanding of the present Africa's growth tragedy.

The paper comprises three central sections. In Section 2, I start with the widely accepted idea that failure of the state accounts for much of Africa's difficulty to respond effectively to the challenge of modern economic growth. I inquire into the question of whether such a failure has a cultural origin. In particular, is it true that in SSA ethno-regional identity rooted in a deeply entrenched culture has prevented the emergence of modern citizenship and the bureaucratic (Weberian) state? Or, has the former been an endogenous outcome of continuous state failures to be elucidated? In Section 3, attention is drawn to the persistence of informal norms and institutions, and the discrepancy between them and the modern law system. The consequences of this 'legal dualism' are explored as well as the possible role of religion as a bridge between tradition and modernity. In Section 4, I consider another aspect of Africa's ill-fated development, i.e., the lack or low performances of indigenous enterprises. Again, an exploration into the possible cultural roots of this phenomenon is attempted. More specifically, to what extent do social customs and norms that stress collective well-being and traditional order based on status ranking hinder socio-economic differentiation and private capital accumulation? The particular role of religion will again receive special attention. Section 5 concludes the paper and attempts a contrast between Africa and Asia.

2. Ethnicity and the failure of the African state

2.1 The historical roots of the relationship between state and ethnicity

That African kingdoms and even empires have prevailed in some parts of SSA during pre-colonial times is a well documented fact.¹ They were often grounded in a sharp division between chiefly strata (of which there could be several layers superimposed on each other, as in the Ashanti kingdom) and popular strata comprising farmers, artisans, and traders², yet, with the exception of Ethiopia, their form of administration was essentially patrimonial,

implying that there was no genuine professional bureaucracy. All major West African states, for example, were afflicted by the problem as to “how a particular royal line, whose right to rule sprang from its descent from the founding ancestor of a particular kinship group, could preserve this right, and develop its power accordingly, as this group and its initial following of clients and slaves extended its control over other kinship groups which owed it no natural allegiance” (Fage, 1995: 286). The problem of securing and retaining the monopoly of power was especially acute when the rewards of power increased dramatically, such as happened in Lower Guinea during the 17-18th centuries when trading opportunities multiplied largely as a result of European (slave) trade (ibidem).³

Power remained comparatively diffuse even in the most centralized and the most stable states. In many instances, African pre-colonial states and medieval empires exercised only a loose control over distant provinces, were collections of smaller political units, turned out to be rather short-lived structures, or were eminently unstable (Goody, 1988: 19-20 ; see also Coquery-Vidrovitch, 1985 : 98-100 ; Austen, 1987; Davidson, 1991: Chap. 3; Fage, 1995).⁴ In these circumstances, “most people pursued their economic, social and cultural lives with little interference from government”, and access to their means of subsistence was “effectively managed by authorities within the lineage” (Ajayi, 2000: 27). Local identities did matter a lot and, according to a Nigerian historian, this situation continues to largely prevail today:

“Neither colonialism nor the post-colonial new states have so far succeeded in dissolving ethnicity. The pre-colonial polity, linguistic or cultural group, not the new nations, has remained the basis of solidarity contracts in Africa.... The modern state with its precise boundaries, foreign inspired laws and judicial procedures, new basis of election and representation, have so far failed to displace ethnicity in the distinctive loyalties of people... ethnicity or traditional culture has been and remains the instrument of survival from the pressures both of colonial and neo-colonial external factors” (Ajayi, 2000: 28).

Peter Ekeh (2004) has gone further to elucidate the reasons underlying the persistence of local identities and ethnicity in SSA. For him, indeed, the root of the problem lies in the fact that individuals do not trust the state: “The bonds of mistrust between states and individuals in Africa are replaced with bonds of moral sentiments binding individuals who share a common ethnicity” (p. 36). Such mistrust is a product of history since African states have been unable to provide reasonable security to their people for a long period of time going as far back as the end of the sixteenth century. Worse, after the fall of the Songhai empire at the hands of the Moroccan Arab invaders (1591), they have often collided with foreign powers to oppress and exploit, rather than protect, ordinary Africans. It is, therefore,

not surprising that the responsibility of providing for individuals' basic security needs has been allocated to ethnicity and other forms of kinship (p. 23). Such an evolution has set SSA on a different path from Western Europe.

In Western Europe, indeed, when increasing economic prosperity during the 14-15th centuries brought expanded dangers and violence in its wake, limitations in the effectiveness of political order supplied by the private provision of protection created a demand for a better system of providing it (Bates, 2001: 51). Kinship thus gave way to feudalism: with the collapse of clan institutions, people were compelled to seek protection by voluntarily placing themselves under the authority of a single powerful lord (Bloch, 1940; Ekeh, 2004). At a later stage, feudalism was succeeded by the nation-state which is better equipped to serve the security needs of people in modern conditions. In areas where feudalism did not arise (e.g., Scandinavia, Scotland), kinship eventually withered away when the modern nation-state proved superior as a security-provider.

In Africa, by contrast, "kinship has grown in stature with the development of the state... and has even grown in opposition to the state" (Ekeh, 2004: 28). It is to the history of the last four centuries, spanning the eras of the slave trade and European colonialism, that we must turn in order to understand why the African experience differs from that of Europe. According to Ekeh's analysis, the intensity of kinship expanded markedly during the epoch of the Arab slave trade (c. 950-1850) and the European slave trade (1450-1850), when loosely defined ethnic groups living either inside or on the borders of states which actively participated in the slave trade, needed to be protected against devastating raids launched by the traders or their henchmen. On the other hand, as argued by J.D. Fage (1995), kinship groups could become stronger when they were governed by skilful traditional chieftains who were able to seize the new economic opportunities and to acquire a large number of slaves and clients (pp. 275-76).⁵ Slaves were either sold to merchants against valuable commodities (including weaponry), or they became integral members of the extended family or clan in which they were typically employed as agricultural labourers. Some of them could even become trusted traders, soldiers or even court officials (Fage, 1995: 268-76).

Clearly, slave trading would not have been possible without the active complicity of local rulers: Europeans rarely went far from their forts because slaves were brought to them by African chiefs and intermediaries. In some areas, the institution of slavery was already well established when the Europeans arrived. Thus, slavery and slave-trading were integral parts of the Ashanti state right from its inception and, for three centuries (from the 15th to the

18th), this was one of the largest slave-trading, slave-owning and slave-dealing states in West Africa (Perbi, 2004).

Kinship received a further major impetus under European conquests and colonialism which made use of the same institutions as the slave trade. The notion of kinship was actually expanded, and multi-layered meanings came to prevail through a process of ‘cultural imagining’ based on real experiences, when the primary form of kinship became too narrow to cope with the more demanding functions that emerged under the challenge of colonial rule (see also Berman, 2004: 46; Lentz, 1995; Bayart, 1989).⁶ In particular, a dramatic expansion of kinship practices took place in cities whose new residents claimed common kinship just because they came from an area possessing some distinctive cultural features. In this way, enlarged ethno-regional networks using the language of kinship came to life which could solve numerous problems, including security, encountered by migrants upon their arrival in unknown surroundings.

However, there has been another, more important channel through which colonialism has affected the social and political structure of African societies. This effect is an outcome of the indirect rule system used by colonial powers. As a matter of fact, colonial rulers have generally sought to increase the power of local-level authorities over communities at the expense of pre-existing centralized political institutions such as kingship. Enhancing the power of local authorities implied not only that they were charged with maintaining law and order (including the power to fine, conscript, imprison, and banish) by the colonial state to which they became directly accountable, but also that they were expected to advance the colonial economic agenda. The latter mission meant that local chiefs, ‘strongmen’, or so-called ‘warrant chiefs’ (who were sometimes ‘straw chiefs’ directly appointed by colonial authorities when indigenous chiefs did not exist or when they were not deemed to be compliant enough) were vested with discretionary powers in allocating resources distributed by the colonial state (e.g., through agricultural cooperatives or mutual aid societies created at the behest of the colonial administration, and ultimately directed by high-level European officials) as well as in mobilizing labour resources and collecting taxes on its behalf (see, e.g., Coquery-Vidrovitch, 1985 : 115-27, 1999 : 171-72 ; Austen, 1987: Chap. 6; Bayart, 1989 : 99-101 ; Boone, 1994 : 115-119).

It is not surprising that, in these conditions, local chiefs and big men quickly learned that “political power was absolutely crucial for economic advance” (Kennedy, 1988: 55). In addition, they often abused their privileged position by replicating the methods of colonial authorities (e.g., coercive labour mobilization), but in a perverted manner that victimized

ordinary Africans, especially their personal enemies or those against whom they held a grudge. Insofar as indigenous chiefs and big men became accountable to the colonial administration rather than to their own people, traditional checks and balances on chiefly power were seriously undermined, giving rise to a form of ‘decentralized despotism’ (Kennedy, 1988: 52-55; Berman, Eyoh, and Kymlicka, 2004: 3).⁷

By awarding important prerogatives to local chieftains and headmen, the indirect rule system was bound to reinforce ethnic consciousness. As a matter of fact, it was convenient for colonial powers “to lump Africans into groups of rather uniform status for administrative purposes”, which was generally done by identifying people as members of a particular ‘tribe’ or ethnic group, and then assigning them to the control of an African official regarded as the tribal or village chief” (Ellis and ter Haar, 2004: 158). A logic of ‘political tribalism’ was thus set into place in which local leaders of ethnic groups became powerful patrons endowed by the colonial state with considerable resources and power:

“Modern African ethnicities were shaped by a particular relationship with the institutions of the colonial state. Colonial bureaucracies played a key role in the construction of ‘tribal’ identities out of earlier kinship groups and political units, building upon indigenous power relations of clientage between big men and their supporters and dependants to forge terms of collaboration facilitating the typical pattern of indirect rule...The linkages of the chiefs and headmen and other local agents to the colonial state provided conduits of patronage resources of modernity as well as authoritative control over local land and labor, and made ethnic membership rather than any broader concept of citizenship the basis of rights and property... for ordinary individuals contact with the colonial state always contained an element of danger and uncertainty, requiring powerful patrons for protection and intermediation...” (Berman, Eyoh, and Kymlicka, 2004: 5; see also Lonsdale, 2004: 78).

In some countries, most notably French and Belgian colonies, the ‘tribalization’ of African rural communities was pushed even further because the salaries that the local indigenous authorities obtained from the colonial administration bore an explicit relation to the size of the (adult male) working force under their control or the amount of export crops produced in their zone. Such a mode of remuneration encouraged local chiefs to extend their authority over as large a population as possible, and this often implied that populations were ‘ethnicized’ in the sense of being granted ‘imagined identity’ or ‘metaphoric kinship’ to justify the claim made for their control (Coquery-Vidrovitch, 1985, 1999: 125-41; Bayart, 1989; Ellis and ter Haar, 2004: 158-59).

As a result of the above, Ekeh argues, an important tenet of modernization theory is disproven: it is not true, in the case of SSA, that the emergence of the nation-state causes the gradual disappearance of kinship ties because these ties lose their usefulness in the presence of an alternative, more effective provider of protection. As pointed out earlier, genuine

nation-states enjoying widespread legitimacy and commanding the loyalty of their citizens have not taken root in most of the African continent. The interesting question, however, concerns the direction of causality between the persistence of ethnicity and the non-emergence of the modern state. More precisely, has the logic of ethnicity in SSA worked to prevent the emergence of the nation-state, or is it the behaviour of state agents that is responsible for the enduring role of ethnicity? If we follow Ekeh's analysis, the second view is the most pertinent: the state has not succeeded in getting established because it has not met the legitimate aspirations and expectations of its citizens. None the less, there is also good ground to claim that the influence of ethnicity has been sufficiently strong to pre-empt and subvert the incipient state system, at least during the post-independence era.

The ensuing discussion is devoted to assessing this converse manner of looking at the relationship between ethnicity and the state in SSA. But before embarking upon this task, it bears emphasis that the possibility of multiple institutional paths emerges as soon as we acknowledge the importance of the first view regarding the direction of the state-ethnicity relationship, and this outcome contradicts the modernization theory which predicts a unique development trajectory based on the Western European pattern. More specifically, societies in which ethnicity is weak may be unable to subvert the state while those where ethnicity is strong, such as the lineage-based societies of Africa, may actually have such an effect. This said, to explain the initial strength of ethnicity, historical explanations of the kind proposed by Ekeh are useful. Reality typically involves bidirectional causal relationships between state and ethnicity and these get reinforced over time.

In the case of Africa, the inability of central authorities to protect people against both external and internal threats during slavery and colonial times has led to a consolidation and an enlargement of the role of ethnicity. In turn, during the post-independence period, strong ethnicity has prevented the modern state from becoming established, thereby creating a vicious circle or a perverted path of non-development for the Africa region. To quote Berman et al. again, "African ethnicities are not atavistic, primordial survivals of archaic primitive cultures, but rather modern products of the African encounter with capitalism and the nation-state in the colonial and post-colonial eras" (p. 3).

2.2 The capture of the state during the post-independence period (from the 1960s to the 1980s)

Clearly, the legacy of the slave trade and colonial periods cannot be overestimated. In particular, the pervasive role of localized and personalized modes of political control is a critical feature of colonial policy that was to have a profound and long-lasting impact on the social and political system of independent African states. Through marketing boards and other forms of state trading monopolies that took over positions held by European merchant houses in the colonial period, but also through agricultural cooperatives and a host of rural development projects including settlement schemes, post-colonial states pursued the earlier policy aimed at concentrating control of rural surpluses in the hands of bureaucrats, politicians, and other influential persons linked to new regimes (Boone, 1994 : 122-23 ; Bates, 1981 ; Gentil, 1986; Bayart, 1989; Platteau, 1990). Thus, for example, rural cooperatives distributing cheap credit and subsidized inputs were typically formed by local units of the governing party so that access to such advantages was made contingent upon political loyalty. And where the institution of chieftaincy was abolished in response to popular discontent, the rural strongmen of the colonial period were replaced by rural administrators, party men, and local notables or merchants tightly linked to the new state apparatus. Of course, the ability of local strongmen, whether urban or local, to secure access to state resources was a direct function of their ability to mobilize constituencies, followers, and communities (Boone, 1994: 123-24, 128).

When governments pre-empt important channels of potentially lucrative activities in the economy (e.g., export crop purchasing, transport, real estate, mineral extraction), and when dynamic individuals eager to enrich themselves or to exercise their entrepreneurial talents are absorbed into the regime's rent-generating and collecting patronage networks, what obtains is a logic of 'politicized accumulation' that is narrowly linked to the inclusionary and co-optive strategies of regime consolidation described by Jean-François Bayart (1989), Catherine Boone (1992), and Abdullahi Dool (1998), among others. Successful people are political rather than economic entrepreneurs (Janos, 1982), and such diversion of their creative energies into the political sphere obviously carries a high social cost. This is so because rent-seeking activities and monopolistic behaviour entail considerable efficiency losses –think of the number of roadblocks taxing truck drivers on African roads, or of the number of administrative permits that an entrepreneur has to obtain before starting an activity (see World Bank, 2005)–, and because a large part of the rents is consumed rather than invested, or is put in foreign accounts and assets rather than at home. Another adverse effect of 'politicized accumulation' in SSA is that the gradual emergence of an independent African bourgeoisie is thereby retarded and discouraged. As the European experience attests, by

stifling the development of a genuine social class that will in due time have accumulated enough autonomous economic leverage to erect limits to state power, politicized accumulation actually prevents the long-term constitution of a growth-promoting state.

When accumulation of wealth is largely conditioned upon access to political power⁸, political instability tends to prevail. Unlike what obtained during the colonial era when supreme power stood indisputably in the hands of a single agent, the colonial state, power in post-independence Africa has been continuously contested because “decolonization opened new struggles between and within loosely integrated, heterogeneous, and often multiple coalitions for control over the state apparatus itself” (Boone, 1994 : 121). Contest took place at the upper echelons of the hierarchical networks of patronage ties through which state resources were continuously flowing. It is true that African elites which succeeded in capturing power have tried their best to revamp and extend the system of parochial political control that had worked to fragment and isolate social forces during colonial times. Moreover, membership within the elite was relatively stable in many countries (Van de Walle, 2001: 125). Yet, the very nature of the emerging state was bound to cause fierce struggles over the spoils of power that would increase rather than mitigate antagonisms between the disparate groups contained within postcolonial regimes.⁹

In particular, people competed for a share of the spoils by enlisting in factions defined with reference to their clan, tribe, ethnic group, or region of origin. Leaders of factions that were instrumentalised as “a technique of elite competition” could thus invoke traditional sentiments to reinforce their appeal and win solid popular backing. Clearly, clientelism does have the effect of reinforcing loyalties to kith and kin (Van de Walle, 2001: 119). Yet, it must be immediately added that the notion of kinship is opportunistically used by cynical leaders so that the meaning of ethnicity is both flexible and elusive in many instances.¹⁰ Referring to his own country, Somalia, Dool thus pointed out that some members of the local elites, including highly educated people, do not hesitate to shrewdly talk about ‘fictitious ancient clan kingdoms’. According to him, “their intent and purpose is solely to establish an imaginary clan *supremo* ‘tradition’ to justify their aim to reign illegally over the people” (Dool, 1998: 284; in the same vein, see Coquery-Vidrovitch, 1985; Firmin-Sellers, 1996). The case of Somalia is particularly interesting because Somalis form an ethnically homogeneous society in which politics largely takes place at the sub-clan level. It thus illustrates the possibility of intense factional struggle for power in societies which are *prima facie* ethnically homogenous and where factions form around subdivisions of an ethnic group.¹¹ On the other hand, factions are not always coterminous with ethnic groups or

subdivisions of the same: patron-client networks may well cut across ethnic identities or comprise groups of people among whom ethnic and/or religious ties are not particularly salient. Lastly, and contrary to a common representation, “ethnic groups are heterogeneous units and the individuals who belong to them have more than one cultural identity; which has relevance depends on the situational context” (Tordoff, 1997: 92, 95, 106, 111).

The African political scene has thus been the stage of a cut-throat competition between rival networks of patronage articulated around regional factions, cliques, or religious, ethnic, linguistic and economic groups. The merciless struggles for access to power and the wealth it secures to the winners made for weak states, despite the appearances to the contrary created by the authoritarian modes of conduct followed by many African rulers and by the concentration of coercive means in their hands. The problem comes from the absence of a well-established institutionalized mechanism for acceding to, and maintaining oneself in power. All sorts of vicious political manoeuvres were permitted so that democratic procedures, when they formally existed, were just debased versions of the models imported from the West. As a consequence, political regimes were chronically unstable even when there was no change of leader, and the rulers’ time horizon was very short. In the desperate hope of clinging to power as long as possible, rulers spent most of their resources and energy in bribing their opponents into their personal clique and, if they failed, they did not hesitate to have recourse to graduated forms of intimidation that ultimately carried the threat of sheer physical elimination (Bayart, 1989; Ellis and Ter Haar, 2004: 107).

As the recent history of SSA shows, in the worst cases political instability leads to secessionist movements and civil conflicts or wars. When groups of people feel let down by the central power, indeed, they are tempted to form ethnic organizations able to confront the perceived threat to their own survival. To take a single example among many others, the Maï-Maï rebel movement, which was organized around customary chiefs in Congo (North Kivu province), is the outcome of intense frustrations and fears among people who felt their subsistence threatened. They then started to define themselves more sharply in ethnic terms, and they claimed the right to exercise state-like sovereignty on a territory that they perceive as a legitimate base of political and economic autonomy (Jewsiewicki and Buleli, 2004: 249-55; for other examples, see Reno, 1995; Collier and Sambanis, 2005: Vol. 1).

Weakness of African rulers did not stem only from this climate of constant fear of being removed from power by rival factions, but also from their vulnerability towards their own supporters who needed to be continuously rewarded to remain loyal (Booth, 1987)¹². For that reason, and with the possible exception of resource-rich states that have been kept

whole under a single rule (Mobutu's Zaïre), it is not correct to see African rulers as the all-powerful leaders of a truly totalitarian state. In all what they do, indeed, they have to take into account the reactions and demands of their clients at various levels of their patronage network lest they should lose them to a potential or actual rival network: in African parlance, the patrons must ensure that those who support them will also 'eat properly', which implies that they do not fail in their obligations of generosity (Chabal and Daloz, 1999: 36). Africa's heads of state are especially vulnerable to the higher-level courtiers, relatives and supporters who surround them. Thus, "some presidents have actually been the captives of their entourages, to the point that they may run a risk of being murdered if they go against the wishes of the cliques that appear to serve but in reality dominate them" (Ellis and ter Haar, 2004: 141). Needless to say, ideology as reflected in the official programme of the party does not play any significant role in the mobilization of followers by political aspirants. It serves only as a cover for the ruling elite which has always viewed its own material enrichment as the primary objective of political power (ibidem: 37-39; see also Van de Walle, 2001: 124).

In the patronage logic, as we have learned from Scott (1976), the material prosperity and the privileges of the elite are not themselves reprehensible, so long as the clients too can somewhat benefit from the patronage relationship. In SSA, there is thus remarkably little resentment or envy against the blatant display of wealth by a patron. On the contrary, ostentatious display of wealth by the leader, besides serving the function of demonstrating his power and impressing his would-be subjects,¹³ is part of the collective assertion of the ambitions of a given group or community. In the words used by Jaindi Kiseru, a Kenyan journalist in the *Daily Nation* (Nairobi, December 2000): "corruption is not incidental to politics, it is often the very reason for engaging in politics... Our political parties are bereft of platforms and ideology and are no more than institutions whose only reason for existence is the intention to divide the spoils of state among the ethnic communities that support them. These attitudes are captured well by the Yoruba saying that 'an elder who is brought a plate does not lick it clean, or he will not find young ones to run errands for him'... Instead of getting annoyed about cases of corruption, we Kenyans get more enraged when fruits of corruption are not shared out according to settled expectations" (cited from Berman, 2004: 49). From this, it follows that, despite often glaring social inequalities, social class identities do not emerge in societies with pervasive clientelism: by reproducing ties of reciprocity and allegiance across class lines, patron-client networks and factions reinforce ethno-regional

identities and undermine the development of class consciousness and conflict (Bourdieu, 1990: Chap. 8; Chabal and Daloz, 1999: 41-43; Van de Walle, 2001).¹⁴

It is now time to sum up and draw some implications from the above analysis. In the fluid political setup dominated by unregulated factional competition as well as by the instability of ruling coalitions composed of disparate elements recruited through co-opting and cajoling, many countries of SSA have appeared as deeply fragmented polities. The politicization of ethnicity is the product of manipulation by contending elites eager to capture power at the central level in order to propel their own economic betterment: “ethnic politics has focused on defining the terms of access both to traditional assets of land and labour and the material resources of modernity in both the state and the market” (Berman, Eyoh and Kymlicka, 2004: 4).

This is confirmed by the country case studies undertaken within the framework of the Africa Growth Project, from which the conclusion emerges that the political geography of Africa is more often defined on ethno-regional lines than by economic sector or urban/rural location (Ndulu and O’Connell, 2006). Together with the novelty of sovereignty for Africa (independence came to Africans much more abruptly than to people in Asia and Latin America), political tribalism is largely responsible for the fact that “citizenship in ethno-cultural communities retains its far greater relevance to the political behaviour of the majority of Africans than the abstraction of (universal) national citizenship” (ibidem: 12). It is hard to see how a drive for nation-building and a project of national development could take root in such conditions where the elite is uniquely absorbed in its quest for political power and wealth accumulation.

When inter-community or inter-regional relations are thus embittered by the game of ‘political tribalism’, moral norms are prevented from evolving towards a state in which their application is generalized to the abstract other. In Europe, moral constraints have been defined primarily in divine terms prescribed by a universalistic religion, or in terms of civic duties associated with the idea of law and implied by written codes promulgated by a national state. In Africa, by contrast, morality remains founded upon the necessity for the reciprocal adjustment of the interests of the individual to the interests of the concrete others represented by relatives and fellow members of the native community (Wiredu, 1995, 1997, cited from Ellis and ter Haar, 2004: 142). In other words, morality remains restricted to members of the reference group defined in ethnic terms, while the wider sphere of relations is conceived as the space of amorality where all sorts of tricks are allowed and the common good cannot prevail. Such a trend is continuously reinforced by the predominance of

particularistic ties of individuals and factions in politics and the state apparatus defined by ethnicity, religion or region (Platteau 2000: Chap. 7; Platteau and Abraham, 2002, 2004; Berman, 2004: 44; Jewsiewicki, 2004: 247). Trust and civic values are then lacking at the level not only of the polity but also of the market, a theme that shall be pursued in Section 3.

At this stage, we want to draw attention to the fact that amorality is especially evident in the practices followed by patrons who often are ruthless and violent men endowed “with a sense of self-seeking and personal enterprise which has few moral limits” (Ellis, 1999: 309). If needed to achieve their political aims and to establish their grip over juicy sectors of the economy, they may form genuine mafias in which their close followers are expected to also have few moral bounds and be ready to perform violent acts. In politically unstable contexts where central power is openly contested because no faction is in a position to assert its supremacy over rival factions, patrons easily transform themselves into warlords ruling over militias. In the light of all the above considerations, it is not surprising that politics in Africa appears to many people as the ultimate form of reckless individualism and boundless ambition “in which power and wealth are conjured out of nothing” (Ellis and ter Haar, 2004: 154).

2.3 *The limits of democratization (from the 1990s to the present)*

According to Charles Tilly (1985, 1992) and Robert Bates (2001), non-representative governments in developing countries can persist thanks to massive amounts of foreign aid (and military assistance) obtained against their allegiance to the main donor country, a reflection of patronage logic at the world level. With the sudden collapse of the USSR and the end of the Cold War, we expect an abrupt reduction of the leverage of these governments. By way of consequence, the bargaining power of the citizens of these countries ought to increase, civil society movements ought to get started or reinforced, and the political system ought to become more democratic. Such a prediction appears even more justified because governments of developed countries and international donor organisations have actually modified their aid policy vis-à-vis poor countries, essentially shifting to governance-based conditionality. This policy change has resulted in dramatic moves towards political liberalization in recipient countries, manifested in the emergence of a free press, opposition parties, independent unions and a multitude of civic organizations and Non-Governmental Organisations (NGOs).

If it is true that culture matters, say because patronage based on kin or kin-like relations shapes political practices, the above moves should be largely superficial. A political system anchored in a particular culture will not be changed mechanically or instantaneously as a result of new conditions imposed by the donor community. This is the view of some prominent political scientists familiar with African realities. Thus, Patrick Chabal and Jean-Pascal Daloz (1999: 34-39) stress that old-style political leaders are quite adept at changing both the style and content of their discourse to adapt to new circumstances: the fashionable vocabulary of democracy, market liberalisation, human rights, democracy and the like have easily replaced old appeals to anti-colonial sentiments, and the exploitation of Cold War rivalries. In reality, multi-party elections do not fundamentally change the rules of the game. What they do, however, is to make much more visible and more vocal the rivalry between various challengers which was previously obscured within the single-party political machine. New pretenders have also appeared to contest the hold over power of the old elite. Yet, because the basis of politics remains grounded in a logic of patronage, genuinely new contenders are few: if the big men of previous times have become less able to meet the demands of their supporters, it is difficult for the newcomers to challenge them inasmuch as they are typically not in a position to call upon significant resources. When they aspire to create a truly new style of politics, they are generally compelled to resort to old-style practices to have any chance of acceding to power. For obvious reasons, such a constraint entails a high risk of subverting the new approach, as illustrated by the rise of Frederick Chiluba to power in Zambia.¹⁵

Interpreting present political transitions as the result of a strong democratic mobilisation of the populace against existing ruling elites seems to be wide of the mark: “Most people are primarily worried about their everyday living conditions and are more concerned about finding new patrons (or old recycled elites) than about changing the complexion of the political order” (Chabal and Daloz, 1999: 44). Moreover, the fact that foreign donors have responded to the mismanagement of aid resources at the central state level by channelling more and more resources through decentralized or participatory development programmes does not essentially modify the rules of the political game. The political elite has indeed proven his ability to manipulate the new system to its own advantage:

“...a large number of key political actors have now shifted their operations to the local level, which currently enjoys wide international favour and receives substantial assistance...[] a massive proliferation of NGOs ... is less the outcome of the increasing political weight of civil society than the consequence of the very pragmatic realization that

resources are now largely channelled through NGOs... Indeed, NGOs are often nothing other than the new 'structures' with which Africans can seek to establish an instrumentally profitable position within the existing system of neo-patrimonialism... Above and beyond the new discourse of NGO ideology..., the political economy of foreign aid has not changed significantly." (Chabal and Daloz, 1999 : 22-24, 105; see also Platteau and Gaspart, 2003; Platteau, 2007b).

For Nicholas Van de Walle (2001), the movement toward multiparty electoral politics has not initiated a sharp historical discontinuity in the mode of governance throughout the African continent. Instead, it has heralded the rise of what he terms 'illiberal democracies'. His diagnosis usefully complements the views of Chabal and Daloz. As a result of the financial crisis of the African state, a growing number of politicians who were excluded from power and its perquisites started withdrawing their support for the government. "Although the political protests that spurred on the democratization movement were typically initiated by students, civil servants, and an array of civic organisations, it is this class of excluded politicians that typically emerged during the transition to take control of new governments following national conferences and multiparty elections... They were often long-standing members of the state elite... who had had a falling out with the head of state and had been consigned to the political wilderness at some point in the 1980s (pp. 238-40).

The end result of this process is often the harassment of the press, the monopolisation of the radio (overwhelmingly the most important medium by which Africans receive their news) by the state, weak interest aggregation institutions, factional infighting within a fairly narrow political class, corruption and impunity for the powerful due to the persisting dependence of the judiciary on key members of the executive branch, lack of parliamentary control of government, and continuation of the tendency toward strong presidential rule (as exemplified by countries like Kenya, Nigeria and Congo ex-Zaire). In fact, Van de Walle argues, there is no correlation between competitive elections and the level of political and civil rights, and there is apparently no correlation either with economic performance (pp. 242-56).

Of even more direct interest to us is Van de Walle's contention that democratisation in SSA has had the effect of exacerbating ethno-regional divisions. Indeed, while the old single party had usually sought nationwide support, the new government parties try to construct multiethnic coalitions that will gain a majority of the votes, a dynamic which is promoted by the overwhelmingly ethno-regional nature of political parties and voting. For him, these are dangerous strategies liable to undermine national stability in the long term (pp. 260-61).

In the end, the really important question for SSA is how to shift from political equilibria based on ethnicity to equilibria from which ethnic considerations are absent. Change is hard to come by because a competitive electoral system in SSA resembles a Prisoner Dilemma: no contender has an incentive to propose an ethnically neutral political platform lest other contenders should exploit his move by sticking to their ethnic tactic. Each political leader, therefore, has a dominating strategy which is to play the card of ethnicity. Hence the pessimistic conclusion drawn by Bruce Berman (1984): “Hopes that the development of civil society would be a force for democratization are particularly unrealistic...With distressing frequency, the rhizomes of ethnic factionalism and patron-client politics reproduce themselves within [these] parties and associations, rendering them, like so much of the apparatus of state, into ideological and institutional facades covering the reality of business as usual” (p. 51). The problem, therefore, is not that Africa has unchangeable political systems which are authentically African. In fact, “there are only systems that have a history in Africa, longer or shorter” (Ellis and ter Haar, 2004: 147) and, like everywhere else, historical patterns of the *longue durée* change slower because they are grounded in expectations derived from long-term experience and able to support stable (Nash) equilibria.

3. Informal norms, religion and credibility of modern law

A state may be ill-functioning not only because it behaves partially –say, by controlling the judiciary with a view to influence decisions in favour of the members of its power circle and their clientele– or indulges in corruption on a wide scale, but also because it is not in a position to enforce the law effectively. A situation of legal dualism then arises that undermines the credibility of state institutions. Two specific characteristics of SSA have contributed to make such a problem particularly serious.

First, Africa has recently gone through a period of very rapid processes of population growth and market integration with the consequence that pressure on her natural resources has increased dramatically within a rather short span of time. Such an evolution calls for important and rather abrupt institutional changes so as to avoid significant efficiency losses in the use of these resources. The state has sometimes passed laws precisely intended for reducing such a risk, for example, by prohibiting excessive fragmentation of land property

upon inheritance. Such laws collide with a well-entrenched custom in patriarchal societies which provides that all sons should inherit a portion of their father's land. As a result, the modern statutory law is ignored and the custom continues to prevail. Note incidentally that, when applied to non agricultural assets, such a custom causes the breaking up of business estates, an adverse effect that is not usually observed in the Levantine business community, for example (Kennedy, 1988: 48).

Second, the colonial state has passed laws that were directly borrowed from the metropolis and could be in contradiction with local norms and practices. Typically, the custom has continued to prevail and modern laws –e.g., laws providing for the registration of individual land titles, or laws forbidding the marriage of girls below the age of puberty– have been again ignored (see, e.g., Ellis and ter Haar, 2004: 142-49, 161-62; Colin, 2004: 291-95). Many of these laws have not been rescinded by the postcolonial state so that the discrepancy between formal rules and informal norms has persisted. Local customary authorities have remained important guides for the behaviour of ordinary people, and many laws, lacking legitimacy, have failed to arouse respect among African populations. The attitude adopted by the officialdom charged with the enforcement of modern law has generally been to turning a blind eye on current practices so as to avoid confrontation with these authorities.

Laws regarding inheritance provide a good illustration. In many West African countries, they have been inspired by the French civil code and therefore prescribe that all children, boys and girls alike, should inherit equal shares of the family land at the death of the father (Platteau and Baland, 2001). According to the tribal custom, however, girls are denied such a right (in patriarchal societies) while, following the Islamic law embedded in the Koran, daughters are entitled to inherit half the share of their brothers (see King and Mason, 2001: 117-18, for other examples). Although these cases are still rather rare, except in areas close to cities and where land pressure is quite high, some people may choose to refer to the statutory law because it is in their private interest to do so (see, e.g., Firmin-Sellers, 1996; Laurent, 2003). When such appeals happen, the judge does not usually choose to apply the law strictly, but typically prefers to consult with customary authorities in order to reach a common understanding with them (Colin, 2004: Chap.12).¹⁶

This accommodating attitude, evidently aimed at avoiding confrontations with the informal order, fosters the belief that the statutory law is not the one that really matters, and that members of the state administration are not the ultimate authority at least in personal and family matters. True, in some instances, traditional indigenous prescriptions are violated, yet such violations typically occur when changes in the social and economic environment make

customary norms increasingly irrelevant and when, as a consequence, differences of opinions emerge within village communities.¹⁷ Violations are then the way through which customary norms are forced to evolve, a situation vis-à-vis which elders usually feel helpless. When informal norms and rules spontaneously evolve in the direction of the formal law, the latter becomes more pertinent and official enforcers more credible.

On the whole, however, attempts by the state, since colonial times, to impose new codes of law and new norms of behaviour have largely failed, and the corresponding formal institutions are usually voided of power (Ellis and Ter Haar, 2004: 108). In contrast, as underscored by Ellis, “religious institutions have been far more effective in propagating new moral ideas both through their religious activities as such and, in the case of Christian churches, through the prominent role they have played in the promotion of education” (Ellis, 1999: 299). It is, therefore, not surprising that presidents of African countries have often been eager to assume the role of religious leaders and to adopt the posturing of stern fathers who, like the God of the Old Testament, demand strict obedience and submission. In fact, political leaders are deeply suspicious of religious movements or organisations, and they immediately try to subvert, co-opt, infiltrate or control them.

In the Côte d’Ivoire, for example, Houphouët-Boigny was always keen to be seen as a devout believer, and the myth of a prophetic president and political messiah was a central element in the manifestation of his personal power and personality cult: he was a guide rather than a representative of the Ivorian people and accounts of his actions and decisions were to be given only to God. He identified with the Christian church (particularly in the 1980s), yet at the same time developed particular friendship relations with some prominent marabouts. He will be remembered for the many cathedrals and mosques that he helped to build, but it is important to keep in mind that his aim was to suppress any attempt at political autonomy in the Muslim South (Miran, 2006: 144-186). In Congo/Zaire, Mobutu co-opted the Kimbanguist church and, subsequently, all the Protestant churches for fear that his monopoly of power would be threatened by economic or religious entrepreneurs able to accumulate economic or spiritual goods outside of the party-state’s control (Jewsiewicki and Buleli, 2004: 242). In Liberia, to take a last example, the influence of presidents as religious leaders (Tolbert became the president of the World Baptist Alliance) “was constantly mixed with the requirements of their politics” (Ellis, 1999: 299; and 2004: 101, for other examples).

It is worth emphasizing that (monotheistic) religions are all the more acceptable by ordinary African people as they have shown a certain ability to accommodate traditional practices, including certain magical rituals and miracles (Ellis, 1999: 245). This is especially

true of protestant sects, such as the Pentecostal church, which propose a manichean theology and an apocalyptic vision of warfare between good and evil that sits easily with traditional fears of sorcery (Lonsdale, 2004: 94).¹⁸ In Liberia, Christian and Muslim ideas have penetrated the thinking of indigenous religious traditions to such an extent that, nowadays, even officials of the old sodalities (especially the Poro secret societies based on the cult of the masks) are often also Christians, and may even hold office within the Christian church, for example as deacons (Ellis, 1999: 225).

There are nonetheless obvious limitations to this blending of traditional and imported religious elements, as attested by the prohibition of dowry, polygamy, and Islamic inheritance prescriptions in the Christian doctrine (yet not in the Islamic law), of the ancestors' cult, sacrifices and witchcraft in both religions, or by the prohibition of alcohol consumption and spendthrift habits in the Islamic doctrine (see, e.g., Miran, 2006: 447; Fancello, 2006: 103-104). But this is in fact good news inasmuch as these limitations can be an engine susceptible of driving changes of behaviour that are conducive to capital accumulation and productive effort: for example, polygamy and alcohol consumption discourage savings and productivity, and they tend to encourage quarrels and conflicts the resolution of which is time-consuming.¹⁹ Religion thus appears to have far more influence on people's behaviour than formal rules and state institutions, providing a useful bridge between tradition and modernity. At the end of Section 4 below, we return to the important role that religion can play to overcome traditional growth-inhibiting norms, but an important caveat will be added.

4. Kinship ties as an impediment to entrepreneurship

4.1 Redistributive norms as a brake on capital accumulation

In tribal societies which are pervaded by highly personalized relationships and where a tradition of social mobility does not exist (differentiation is based on rigid distinctions of age, sex, rank, and status), everybody tends to constantly look at each other and to care much more about relative than absolute position. Many accounts of everyday life in SSA thus stress the constant harassment of successful individuals by envious and jealous members of the kinship group or the community (see, e.g., Klitgaard, 1990: 254).²⁰ Behind such a resistance is also the fear that assertion of wealthy individuals will introduce a competitive spirit within the community that will sooner or later undermine its social cohesiveness. In particular, there is

the belief that, if left free to choose, individuals with a high realized income will be tempted to evade their solidarity obligations and to opt out of mutual insurance networks (since, by accumulating their surplus income, they can self-insure effectively). Those left behind may then end up being worse off since a solidarity pool is less able to spread risk when its size is reduced.

Not surprisingly, lineage-based societies such as those found in SSA have adopted strong redistributive norms that enjoin economically rising individuals to share their surplus with their kith and kin. These norms are backed by the belief that success is due to ‘luck’ rather than to personal effort, risk-taking and talent. While transient luck is believed to result from the ordinary course of natural events, persisting or exceptional luck is attributed to the obscure manipulation of supernatural forces. This is a very serious indictment inasmuch as such manipulation is thought to occur through the treacherous exploitation of other villagers and to jeopardise the survival of the entire group. The important point is that the aversive emotions of envy and jealousy are actually instrumental in bringing about a redistribution of income between (presumably) lucky and unlucky individuals. This is because they can easily degenerate into active hatred if they are not assuaged by corrective gifts. In turn, hatred is something which successful people are eager to avoid being exposed to because it is liable to cause psychological oppression and physical harm, harming being often achieved through the use of witchcraft (see, e.g., Jewsiewicki, 1993).

Following the above analysis, witch-beliefs are a conservative force which helps sustain a rough egalitarianism, or a given distribution of ranks and status, by acting as a check on undue individual effort (Thomas, 1973: 643-4 –cited from Elster, 1989: 261). A rich man knows that if he is stingy with his relatives or fails to dispense generous hospitality to all and sundry, he is likely to be spoken of as a witch. As has been explained long ago by Evans-Pritchard (1937) on the basis of his work on the Nuer tribe of Sudan, the evil ‘soul’ of witchcraft is set to work by anti-social feelings like envy, spite, jealousy, anger and hatred. If these feelings are absent, the witchcraft remains ‘cool’ and harms no one (see also Badini, 1994: 141, for the Mossi of Burkina Faso). Numerous studies show that, far from diminishing, witchcraft accusations and practices continue to play an important role in repressing individual acquisitiveness and mobility in contemporary African rural societies. According to many accounts, such accusations and practices are on the rise, and “all over Africa the belief in occult forces is very common at different levels of education and among various religious affiliations” (Kohnert, 1996: 1348).

René Bureau does not hesitate to speak about “a massive resumption of witchcraft accusations” in the coastal area of Cameroon where “the immense majority of those accused of being *balemba* [sorcerers] have an enviable place, function, fortune, or influence” (1996: 123-24 –my translation). In Cameroon, South Africa, Benin and other African countries, as many new opportunities for economic differentiation arise, successful people are said to be sorcerers able to transform their victims into kinds of zombies whom they force to work at night in their invisible plantations in order to enrich themselves at their expense. The victims complain of waking up in the mornings feeling extremely tired (Rowlands and Warnier, 1988; Fisiy and Geschiere, 1991; Geschiere, 1994; Geschiere, 1995: 175, 192-8; de Rosny, 1981, 1992; Ardener, 1970; Bureau, 1996; Ellis and Ter Haar, 2004: 123)²¹. In Rwanda, and also in Tanzania and Uganda, there have been reports of the increasing incidence of poisoning threats due to “recent changes in economic conditions that arouse people’s spite since nobody accepts that someone else surpasses him in wealth” (in the words of a traditional healer). Rich individuals are easily accused of possessing obscure powers and entertaining privileged relations with the invisible world which enable them to appropriate wealth belonging to persons with whom they interact (de Lame, 1996: 183; Platteau, 2000: 202; Ellis and Ter Haar, 2004: Chap. 5).

In South Africa, witchcraft practices seem to be flourishing more than ever before, and social and economic differentiation provides fertile ground for suspicion and accusation “when the well-to-do fail to fulfil the expectations of poorer neighbours and kin for support”. In Tiko village, witchcraft is feared by almost everybody, and it includes the use of poisons and other dangerous substances or ‘medicines’ which bear a special local name (Golooba-Mutebi, 2005: 939, 944). Elsewhere, those named and killed as witches were often doing nicely, jealousy appearing as the most common motivation for the killings (Niehaus, 2001a, 2001b). Increasingly, it must be stressed, accusations are made by young people, who were not traditionally allowed to accuse others of witchcraft, against older, typically richer persons (Ellis and ter Haar, 2004: 152).

To sum up, witchcraft accusations appear as a powerful means of ideological intimidation that aims at suppressing deviance in general, and economic self-advancement in particular. In a paradoxical and devious manner, those who use sorcery may accuse their victims of practising witchcraft to acquire wealth and get ahead of their neighbours. It is within the kinship group that witchcraft is summoned with special force, since jealous feelings are more intense as relations between people are closer: the gravest accusation against a successful individual is that he is ready to sell parents in order to accumulate riches for his own profit.²²

Moreover, repressive measures against successful individuals are also observed in tribal societies built on a ranked hierarchy of constituent groups and possessing a strongly centralized structure focused on the chief. Thus, in many African villages, the chief or the elders do not easily accept that rank and file people rise above them by acquiring new or ancient symbols of wealth and status (like cocoa plantations and roofs made of corrugated iron). All efforts to accumulate such symbols are unavoidably viewed as conscious attempts to overturn the existing social order (in which chiefs and elders are richer but also stand as the main agents of redistribution), and they immediately arouse insinuations or open accusations of sorcery (Geschiere, 1995: 210, note; Peters, 1994: 32; Bruce, 1993: 39-40; Colin, 2004: 284-85)²³. Witchcraft accusations against social superiors are unthinkable inasmuch as the latter are thought to be protected by powerful spirits able to launch effective counter-sorcery (Evans-Pritchard, 1964: 243; Geschiere, 1995: Chap. 4). In the Green Valley (South Africa), for example, witchcraft accusations reinforced rather than challenged social privilege, since they were used manipulatively by persons of relatively greater status and influence to their own advantage (Niehaus, 2001a: 198).

From the above discussion, it follows that chieftains and other privileged members of the traditional elite are the most likely to turn into prosperous big men or new bourgeoisie, implying that socio-economic differentiation is based on existing inequalities (Kennedy, 1988: 42). This is because they are not exposed to witchcraft accusations, at least as long as they act as genuine patrons or public benefactors who take care of their followers, thereby continuing community loyalty and preserving erstwhile customs of solidarity vis-à-vis the poor and deprived. By thus acting as 'social providers' of their community, the entrepreneurs/patrons deserve praise and recognition (Hart, 1975). In the intra-elite struggle for political leadership at a higher level, however, they become vulnerable to magical attacks, and this explains why all over Africa the use of experts in occult forces as high-ranking councillors or heads of state is so widespread. In fact, many African political leaders are persuaded that the ultimate source of power lies in the invisible world, which makes them all the more prone to follow a religious creed and to consult with an infinite variety of intermediaries including marabouts, soothsayers, priests and heartmen whose expertise may often be purchased in a thriving market. They most confidently turn to the spiritual authorities in their native location to which they pay allegiance (Ellis, 1995: 309; Ellis and Ter Haar, 2004; Kohnert, 1996: 1348-53).

In some instances, religious dignitaries themselves form the emerging business elite. A striking illustration is provided by the marabouts of the Sine-Saloum (Senegal), who belong to the Mouride confrérie (brotherhood) in which they play the dual roles of religious leaders and

dynamic patrons exercising authority over highly submissive disciples-cum-clients (Cruise O'Brien, 1971, 1975; Boone, 1992: 106-9). Since colonial times, they have used their influence and control over the cooperatives to consolidate and enlarge their personal followings, and to accumulate wealth through the expansion of groundnut cultivation. Through their expenditures on ceremonies, mosques, pilgrimages, gifts, the organisation of the confréries, etc, they reinvested much of their acquired wealth in attracting and retaining followings, whom they in turn used towards expanding their business activities (groundnut production, commerce and real estate). Leading marabouts thus accumulated some of the largest personal fortunes in Senegal.²⁴

By contrast, afraid of being killed by envious local witches or of being accused and harassed as witches themselves (because they have acquired their wealth by using occult powers), –crimes which the police is usually unable to investigate and punish because of the local people's refusal to reveal the names of the perpetrators (Golooba-Mutebi, 2005: 951)²⁵, ordinary people are generally reluctant to start accumulating wealth and deviate from customary norms of behaviour.²⁶ As long as impersonal markets have not developed that allow business transactions to take place without reference to the community of origin, capital accumulation and entrepreneurship will thus be held in check (Kennedy, 1988: 146-47).²⁷ However, for those dynamic individuals who are strong enough, emotionally, to break from the traditional society, two strategies are nevertheless available which both involve distancing from the pressures of community life: migration and religious conversion. Let us examine them in turn.

4.2 *The first escape route: migration and estrangement*

To escape the incriminatory and jealousy-ridden atmosphere that pervades many African villages, entrepreneurial individuals may choose to move a comfortable distance from their kith and kin. Yet, even migration to cities will not necessarily enable them to start up a business and earn profits they can use for themselves rather than to support “an endless string of social parasites”. They also need to sever their ties with relatives, neighbours and friends so as to prevent them from settling in their new home and drawing on their incomes (Poewe, 1989).²⁸ This also implies that they will not return (regularly) to their native area so as to evade customary rules of greeting and extended family pressures for showing generosity and compassion. If these strategies are not effective enough, there remains the (costly) possibility

of concealing or immobilising their financial resources, which involves substantial transaction costs.²⁹

Several pieces of interesting evidence support the above observation. To begin with, there are few African firms which can be labelled as genuine family businesses. As explained by Paul Kennedy (1988), there is marked reluctance on the part of African entrepreneurs to establish pooling arrangements with partners from the family for fear that they will seize any opportunity to cheat them. Any 'disappearance' of their money into a common fund tends to be regarded as evidence that the main partner has squandered or stolen their assets. In addition, they are almost as unwilling to delegate authority to kin-related supervisors and managers as they are to share ownership, again due to deep distrust about people's honesty.

More generally, involving relatives in one's business undertakings, whether as supervisors or workers, gives rise to intractable problems and tensions. On the one hand, relatives do not respond to the same discipline as other employees because they usually demand special treatment, which causes discontent among the workforce. Also, being jealous of the owner's success and resentful of his authority, they are more prone to dishonest and unreliable behaviour in the workplace. On the other hand, the owner tends to be overwhelmed by continuous 'kinship obligations', such as requests for cash donations or gifts, demands to finance the education of nephews, nieces and younger siblings or provide more or less permanent support for widowed or deserted sisters. It is true that family connections may help in the early stages by providing start-up capital, yet this advantage is largely outweighed by the above shortcomings. Hence entrepreneurs are inclined to resist demands to provide jobs for a wide range of kin, irrespective of their qualifications, if they are strong enough to do so. They are, indeed, quite aware that a business cannot grow unless a clear separation exists between matters of business and those pertaining to kinship needs (Kennedy, 1988: 166-70; see also Nafziger, 1977: 192-93).

Revealingly, evidence indicates that Asians and Levantines, who are not subject to the same cultural constraints as Africans, have done much better than the latter.³⁰ Moreover, their undertakings have typically taken the form of family firms. Regarding the former point, two aspects need to be stressed. First, since colonial times, Asians and Levantines have lacked political power and occupied a position of social and cultural marginality so that business offered them the only real opportunity to succeed in life. Much like the Levantines of West and Central Africa, the Asians in East Africa were willing to operate at low profit margins and had a high propensity to save. Many of them were also ready to live in rural outposts for long periods of time, taking the trouble to learn the vernacular and operating at low levels of

turnover.³¹ The second aspect directly concerns us: by virtue of being strangers, Levantines and Asians are not subject to the institutions and customs that stifle the initiative of the more enterprising natives of their adopted country. In particular, they are not subject to extended family pressures for redistribution, and magical repression does not work against them since they do not believe in the same spirits as the indigenous population. Not surprisingly, however, they tend to be widely resented by the local population who see them as strangers usurping the business opportunities that rightfully belonged to indigenous people (Kennedy, 1988: 47-49; Platteau, 2000: 224).

The importance of the family enterprise among stranger populations of SSA is the other feature that deserves to be underscored. This organisational form provides them with a low-cost, disciplined, trustworthy labour force, all of whose members have a direct interest in the success of the joint endeavours (Kennedy, 1988: 48). The fact that immigrants from the Middle East and Asia belong to small families (formed essentially around monogamous parents and their children) rather than to the extended kinship units typical of low density African societies, implies that the moral hazard in team problem, or the incentive dilution problem plaguing collective undertakings, is moderate in the former compared to the latter. The above diagnosis has been largely confirmed by a spate of recent studies of indigenous and non-indigenous (immigrant) firms located in a number of African countries, and based on detailed interviews of a sample of trading and manufacturing firms (see Fafchamps, 2004 for a synthesis). The central results can be summarised as follows.

(i) Kinship or place of origin plays little or no role in the formation of business networks: individuals from the same village constitute a minute portion of the suppliers and clients reported by African manufacturers (Bigsten et al., 2000; Fafchamps, 2002). Buying from, and selling to family members is rare and, in a survey of fifty-eight firms in Accra and Kumasi (Ghana), no sales on credit to relatives were recorded (Fafchamps, 1996; 2004: 454). This is in contrast with the findings reported for Asia by Hayami and Kawagoe (1993). The relationship between ethnicity and business networks is quite loose even when the latter are ethnically concentrated in the sense of being located in areas dominated by one ethnic group (Fafchamps, 2004: 307). More specifically, once networks are controlled for, the measured effect of ethnicity on access to supplier credit falls dramatically (Fafchamps, 2000). In other words, business networks in SSA, which have strong returns³², essentially result from interaction among simple business acquaintances, and commercial relationships are nurtured through business meetings and through socialization outside of work. Therefore, ethnic concentration “seems to result from nothing else than historical accident and socialization patterns that are

reinforced by the practice of business itself” (Fafchamps, 2004: 308; Fafchamps and Minten, 2002). Such a conclusion also follows from the examples cited by Moore (1997) where it appears that successful African businessmen have used personal connections developed at an earlier stage of their professional career, yet outside the sphere of their kith and kin relations (often as salaried employees of European firms)³³.

(ii) Not only is trade with relatives and friends extremely rare in SSA but, whenever it happens, it also has a negative effect on firm performance. Entrepreneurs complain that it is difficult to keep business with relatives within the confines of an economic transaction. For example, it is hard to collect payment from relatives whether for a loan or for the delivery of a good. In point of fact, borrowers do not feel morally obliged to repay debts incurred from a prosperous relative, for example, because they tend to view non-compliance as a legitimate manner of redistributing income from lucky to unlucky individuals tied through solidarity obligations (Platteau, 2000: 210). Also, firms that buy from family and friends encounter more late delivery problems (Bigsten et al., 2000). It is, therefore, not surprising that involving relatives in business is considered to be “the surest way to go out of business”, while selling on credit to relatives and neighbours amounts to “signing the death warrant of the firm” (Fafchamps, 2004: 173).

(iii) Family background has some effect on start-up working capital, yet this effect is small, and no systematic effect of family networks on factor accumulation after enterprise creation can be discerned (Fafchamps and Minten, 1999; Fafchamps, 2004: 325-26). On the other hand, relations based on family, friendship, or ethnicity/kinship make it easier for firms to solve disputes, yet they also raise the incidence of contract non-performance. This may result from the Africans’ preference for non-confrontational methods of dispute resolution that often end up in face-saving compromises. And if it is highly risky to sell on credit to relatives, it is essentially because it is very hard to exert pressures on them (Fafchamps, 2004: 104, 109, 173).

(iv) There is no evidence of systematic mechanisms whereby information about clients’ trustworthiness is shared among African manufacturing firms other than direct recommendation by common acquaintances (Fafchamps, 2004: 173, 256-57, 295). Among agricultural traders, too, trust-based relationships are the dominant contract enforcement mechanism, implying that trust is established primarily through repeated interaction with little role for referral by other traders. Information on bad clients does not circulate widely, hence severely limiting collective punishments for opportunistic breach of contract (such as non-payment), and giving rise to significant transaction costs that cause a large spread between farm-gate and retail prices. Not surprisingly, African-managed firms face more cases of non-

payment than other firms, and they also complain more frequently about deficient quality (ibidem: 92, 109, 117, 135). Their transactions costs are also higher: thus, the overwhelming majority of Malagasy traders (in Madagascar) and their clients respond to quality risk by inspecting each and every purchase, since the task is “virtually never delegated to family helpers, employees, or collecting agents” (Fachamps and Minten, 1999; Fafchamps, 2004: 117). In other words, many African-managed firms fall back on a ‘flea market’ mode of transacting: “inspect the good on the spot, pay cash and walk away with it” (Fafchamps, 1996: 441-44). Firm size and firm growth are unavoidably restricted in such circumstances.

By contrast, within alien communities, information circulates rather freely and client referral is a common practice. As a result, non-indigenous firms operating in SSA are at an advantage. In Kenya, for example, it is only within the Indian community that first-time customers are able to get trade credit from the date of their first purchase. Moreover, indigenous firms (in Kenya and Zimbabwe) are less likely to socialize with suppliers, and they have more restricted knowledge about them and their supplies, than the immigrant firms, suggesting that ethnic barriers are more limiting for the former. Since better business contacts allow firms to enforce contracts and economize on screening costs, immigrant firms have brighter profitability prospects (Fafchamps, 2004: 252-53, 258, 300; 1997).

(v) Foreign firms hesitate to enter into business relations with indigenous firms which they generally deem unreliable. In particular, they find fault with African managers for continuously trying to renegotiate delivery and payment terms *ex post* (Fafchamps, 2004: 110). This bad reputation of unreliability and dishonesty seems to date back to colonial times (Kennedy, 1988: 41, 46).

In the light of the finding reported under (iv) above, it bears emphasis that the multilateral reputation mechanism which, according to Avner Greif (1994), characterizes so-called ‘collectivist cultures’ is conspicuously absent in SSA. What we find, instead, is the bilateral reputation mechanism typical of ‘individualistic cultures’ –if an agent did not pay a supplier, for example, the reputation of that agent with other suppliers would not be affected. This is a rather paradoxical conclusion, yet it is perfectly congruent with our contention that in this region ethnicity is more an impediment to private capital accumulation than a social capital susceptible of reducing transaction costs.

4.3 *The second escape route: religious conversion*

To escape from the moral and social proscriptions against self-enrichment, willing entrepreneurs need not necessarily leave their native area physically. They can become ‘native outsiders’ (Hagen, 1975: 279), distancing themselves radically from their native network so as to be able to disregard the attendant obligations without too much fear of hostility. Such a transformation occurs when they symbolically adopt a kind of ‘stranger’ status by virtue of their conversion to a different religion: “this places them effectively under an alternative set of obligations and links them to a spiritual community whose members encourage private accumulation and economic experimentation whilst providing resources such as technical knowledge, credit or labour” (Kennedy, 1988: 141-42). In the new spiritual community, emphasis is put on virtues of self-restraint and consumption moderation (e.g., abstaining from drinking alcohol and gambling), and on the need to concomitantly do away with traditional feasts where lavish expenditures on food, drinks, and other goods are typically incurred.

In most cases, it is conversion to Islam or Christianity that provides the necessary escape from community loyalty. For example, among the Fra Fra people from northern Ghana, when successful individuals are unwilling to share their profits generously with members of their ethnic group and simultaneously keen to avoid the grave accusation of being ‘swindlers’, they choose to convert to Islam or Christianity or, else, they have to move to impersonal urban settings (Hart, 1975). In the Serenje District of Zambia, we learn that: “Although somewhat younger and with less urban experience than their economic rivals, Jehovah’s Witnesses were disproportionately represented in the commercial farmer and shopkeeper categories. They also tended to live outside the traditional matrilineal village in their own independent settlements, and in their spare time practised such trades as bricklaying, carpentry or tailoring from which they earned extra cash” (Long, 1970: 146).

Revealingly, these entrepreneurs systematically avoid hiring kinsmen-workers who do not share in the ownership of the farm or its equipment because their employment “is likely over time to lead to difficult farmer/worker relations which centre around the problem of reconciling the rights and obligations of matrilineal kinsmen with their role as workers on the farm” (Long, 1977: 138). As the experience of non-Christian entrepreneurs show, indeed, latent tensions may easily erupt into accusations of sorcery that seriously disrupt the running of the farm. The important point is that Jehovah’s Witnesses “have little interest in traditional status criteria and espouse an ethic which emphasizes the spiritual and moral dangers of associating too freely with non-believers, even if kin,...” (ibidem: 139). In short,

they are provided with religious justification, spiritual protection and practical assistance in their struggles to disentangle themselves from the demands of their matri-kin. As a result, they are better able to concentrate on building up their business and cater for their nuclear family interests (Kennedy, 1988: 142).

Parkin's study of the Giriama people of coastal Kenya provides another vivid illustration of the same phenomenon (Parkin, 1972: chaps 2-5). Paul Kennedy has aptly summarized some of the most perceptive insights from this fascinating study which shows, *inter alia*, how God can be summoned to defeat witchcraft :

“...the conversion of some young entrepreneurs to the Islamic faith might follow a long period of psychological tension and physical illness induced by the possibility of conflict with the elders whose status and power were threatened by the younger men's activities. Such ‘illness’ could be diagnosed as caused by powerful Islamic spirits whose appeasement required nothing less than the religious conversion of those unfortunate enough to become possessed. Once this had occurred, the Islamic ban on the consumption of alcohol and certain foods, as well as the need to follow a partly separate ritual and social life, all provided the opportunity for entrepreneurs to reduce their level of involvement in traditional society. Yet this behaviour no longer incurred community displeasure since it was now judged to be religiously determined rather than the result of selfish individualism. At the same time, the converts were still reasonably close to community affairs and so could use their social connections with the elders in order to gain access to land, reliable information, business contracts and so on” (Kennedy, 1988: 142).

In Burkina Faso, a dynamic individual who had converted to the Pentecostal church expressed the view that: “If people see that someone is going to fare better, they use magic tricks to kill him, and this is something that inhibits our development because jealousy is great... there are those who want to harm me, but I also know that, thanks to my love for God, they are made powerless since the power of God surpasses that of the evil local spirits” (Fancello, 2006: 124). Conversion to Islam or to God's Assemblies also proved to be the most effective weapon available to a youth group who wanted to embark upon a development project in their (burkinabé) village but were subject to threats of magical attacks manipulated by local elders (Laurent, 1998: 108-9). Among the Orma pastoralists living near the Tana River (Kenya), likewise, it seems that the first shopkeepers and traders were young Islamic converts who chose to challenge the authority of the elders and who found in Islam codes of law and behaviour particularly conducive to sound business relations (Ensminger, 1992: 48-62). Poewe (1989) offers a similar analysis of the motives underlying the spread of evangelical churches in Zambia (see also Shillington, 1989).

If the religious sodality or association serves as a business network, the convert enjoys a double advantage: besides becoming immune to the demands of kinsmen, friends and neighbours, he is able to economize on transaction costs due to availability of effective

contract enforcement mechanisms. This is because the sharing of the same faith ensures that people abide by the same codes of behaviour, adopt the same rituals and use the same language with the result that they acquire a common identity grounded in the same symbolic universe. If the brotherhood is sufficiently small for information transmission to be effective, the mutual trust that it nurtures, and the repeated interaction framework that it provides, allow the members to solve many incentive problems (of the moral hazard and adverse selection kinds) arising in commercial relationships. Moreover, religion performs the function of signaling or identifying members. In fact, the religious association works as a club entry into which involves a fixed cost (the initial fee) under the form, useless for outsiders and not individually portable, of learning the language as well as the doctrine and the rituals. It replicates a gift exchange relationship by a group of agents, and is effective to the extent that any violation of the standard of behaviour (honest trading) within the club is punished by the termination of club membership (Aoki, 2001: 64-67).

In West Africa, for example, long-distance trading communities or ‘trading diasporas’ dating back to the 13-14th centuries have been built on elaborate and successful networks.³⁴ An important feature of these networks is their openness to new entrants on the (obviously restrictive) condition that they shared or accepted the essential cultural requirements for participation in the moral community which distinguished the members from the host society: Islam and the appropriate trading language (Austin, 1993: 115).³⁵ The adoption of Islam thus spurred the economic integration of West African regions and their integration into the trans-Saharan trade thanks, in part, to increasing safety of the caravans and smaller contract enforcement costs (Cohen, 1969, 1971; Hopkins, 1973: 58-65; Levtzion, 1973; Brooks, 1993: 117). To enforce contracts and rules of commerce along the Juula and Hausa inland networks,³⁶ as well as at the Sahelian entrepôts along the Niger bend, a parallel diaspora of clerical specialists, both judges (*qadis*) and legal scholars (*muftis*), was created. Interestingly, however, they did not always demand strict religious adherence on the part of the local lay Muslim community (Lydon, 2007: 21; see also Launay, 1992: 191, for the Dyula of Côte d’Ivoire).

Especially worthy of note is the flexibility shown regarding the most growth-limiting Islamic rules, such as the law of commercial partnerships (which limited enterprise continuity and inter-generational persistence), and inheritance prescriptions (which encouraged wealth fragmentation and restrained capital accumulation).³⁷ Thus, descent could be manipulated so as to avoid dispersion of business assets by selecting one unique successor among slaves/clients (rather than relatives) recruited into the trading organisation

as junior partners. In fact, specific arrangements “depended almost entirely upon arrangements made within a modified version of the secular kinship idiom” (Austen, 1987: 43-44). For another thing, sophisticated financial instruments, such as letters of credit and bank drafts, do not appear to have circulated farther away than the northern entrepôts of the Sahara itself, which is not a surprising finding since most Sudanic Muslim merchants remained functionally illiterate despite some training in Quranic liturgy (*ibidem*: 41, 43).

According to Ralph Austen, the major social function of Islam was “to provide merchants with an identity which reinforced their occupational role”. The fact that they acted as “representatives of a cult that had material and spiritual connections to a universe larger than the parochial world of local villages, or even savanna empires” greatly helped Sudanic Muslim merchants to gain respect from other West African peoples. As is evident from the processes of formation of the Juula and Hausa groups, the Sudanic identity of Muslim merchants was based on multiple levels of ethnicity “beginning with their use of specific West African languages and receding into their consciousness of descent from various population groups strategically placed to enter the occupation of trade” (Austen, 1987: 42-43).³⁸

As I have pointed out in Section 3, the spread of Christianity and Islam may play a progressive role by overcoming traditional barriers to change in SSA. Not only do the imported religions emphasize the need to fight against alcoholism, the use of drugs, cheating at university exams, prostitution, corruption, nepotism and delinquency, but they also refuse to recognize ethnic identities and the customary obligations that are associated with them, especially when they involve lavish expenditures. In the words of Aboubacar Fofana, an influential reformist Muslim cleric of Côte d’Ivoire, “what matters is not where an individual comes from, but what he or she does” (Miran, 2006: 450). Muslim brotherhoods put emphasis on personal merits and engagement, not on social status and ethnic identity: they are based on elective membership (*ibidem*: 472-73). Generalized morality, without which an effective market and polity are hard to develop, precisely requires that the ability to see things from another’s viewpoint be based on identity or loyalty feelings toward a large reference group that is accessible to all (Platteau, 1994; 2000: Chap. 7).

An important final remark, which is truly a caveat, is in order. New growth-conducive norms of behaviour, such as those emphasizing Muslim (or Christian) brotherhood rather than ethnic or lineage identity, or hard work and self-restraint rather than unproductive consumption and participation in feasts, do not necessarily prevail in all areas (of West Africa) which have been Islamized before they became colonized by Western European

powers. This is because acceptance of Islam may have been superficial and societies that are apparently Islamic may have fundamentally retained their erstwhile kinship structure and organisation. For example, strongly organised polities, such as the kingdoms of the Mossi, Dagomba and Akan, in which central power was firmly based on the kinship organisation of the people, resisted infiltration of Islam in the late eighteenth and early nineteenth centuries, and “continued to maintain the old Sudanic traditions of government which might use but which were never wholly committed to the new religion” (Fage, 1995: 194-95).

Across the Hausa lands (in what is now northern Nigeria), the conquest by the Fulanis, who adhered to a rather strict version of Islam and possessed a highly developed class of Muslim clerics (the *torodbe*), had quite different effects depending upon the strength of local political organizations and their ability to resist outside influences (ibidem: 196-208).³⁹ In the Songhai empire of Gao, government machineries might appear to have been Islamized, but the principles of Sudanic royal power remained pagan. The same holds true for the central Saharan Berbers who, despite Islamization, cling to their language and many of their customs, and succeeded in absorbing the Arab groups as tributaries into their own tribal system. As for the Massassi (of mixed Soninke and Fulani descent), although they had Muslim clerics in their entourages, they acted in Islamic ways but only when it suited their interests (ibidem: 187-88, 189, 192).⁴⁰

In contexts of superficial Islamization, appeals to purist interpretations of Islam may be the way chosen by frustrated individuals or social groups to emancipate themselves from the customs of the dominant society. A striking illustration of this possibility is found in the attacks of Wahhabites on the relatively tolerant forms of Islam represented by the Sufi orders and practiced in the towns of Maradi (Niger) and Koko (Nigeria). The younger educated elite who espouse this puritanical version of Islam want to set their members apart from the older Islamic community by rejecting the authority of local scholarly traditions and adopting distinctive behaviors and rituals. Most interestingly, they are attracted by its asceticism and its proclaimed rejection of any ostentatious redistribution of wealth. Besieged by repeated demands for support from their kin, indeed, these young elites look for an effective means to develop their own unique sense of identity, and to obtain their freedom to use their wealth as they like (Launay, 1992: 104-31; Gregoire, 1993: 109-110; Cooper, 1997: 130-34).

Appeal of strict Islam also seems to be strong for groups which were either excluded from the traditional socio-political structure, or felt that their position in it was, on the whole, disadvantageous. For these groups, indeed, pure Islam “provided a means by which the legality of the traditional system might be challenged”, since this system could be shown to be

“a denial of the essential brotherhood and equality of man, irrespective of his ethnic and social origins” (Fage, 1995: 195). Clearly, the depth of an act of conversion to a new faith depends to a large extent on the position of an individual or a group in the existing social and political structure, as well as on the opportunities and constraints for change that are perceived in particular historical circumstances. No wonder, therefore, that no significant and robust relationship between religious affiliations and economic growth performance emerges from cross-country econometric studies –or that Islam, or Protestantism, sometimes appears to have a negative effect. The way of measuring these affiliations is so crude that no reliable result can in any way come out of this kind of quantitative exercise (Platteau, 2007a).

An additional complexity arises from the fact that, when *whole* communities or societies convert into the new religion, rather than marginalized segments and oppressed groups or individuals, the existing social structure is very likely to be simply replicated under the new system. Under such conditions, it is less clear what changes should result from the shift to a new religion (or from pagan to religious beliefs). This is all the more so if religious conversion is imposed on a people by foreign invaders. Just to cite one example, after the Fulani conquest the Hausa peasantry was still submitted to the rule of powerful landlords, but since the new landlord class was, initially at least, an alien one less subject to the dictates of local custom, its erstwhile rights were less effectively protected. On the other hand, “both landlords and peasants were now Islamized and operating within a framework of general law and principle, which militated against arbitrary oppression, and made for greater security and efficiency”, hence the increasing prosperity of the trade and industries of the Hausa cities after the Fulani-led *jihad* (Farge, 1995: 207-8).⁴¹

5. Conclusion

From the literature dealing with Asia, we have learnt that rent-seeking has been a pervasive feature of practically all Asian countries, including those that have performed best during the last four or five decades. What distinguishes them is not the incidence of straightforward rent-seeking as such, but the way rent-seeking is organized and who is engaged in rent-seeking, and these differences have historical origins going back to colonial times. In particular, the ‘fragmented clientelism’ characterizing the Indian subcontinent (India, Bangladesh and Pakistan), colonized by the British, seems to have been much less conducive to economic growth and efficiency than the pattern of coordinated and centralized patron-client flows found in South Korea and Taiwan, colonized by Japan. While in the

former area, there existed decentralized centres of organizational and political power which had the ability to effectively demand or protect redistributive rents, in the latter countries, the central leadership of the state could use a carrot-and-stick strategy to induce learning but not allow feather-bedding. As a result, in South Korea and Taiwan the rents of the emerging capitalists were protected only in so far as their use was in conformity with the calculations and interests of the political leadership whereas, in the Indian subcontinent, they were guaranteed by independent political factions purchased by these capitalists and unconcerned with the productive use of the rents (Khan, 2000: 91-98).

In SSA, there is no doubt that the rent-seeking process resembles much more to the fragmented clientelism of the Indian subcontinent than to the more centralized pattern of patronage observed in South Korea and Taiwan. In fact, most African countries seem to suffer from the disadvantages of fragmented clientelism to an even more serious extent than do India, Pakistan and Bangladesh. This is because the centrifugal tendencies born of ethno-regionalism are especially strong in a continent with such a short experience of state formation. Where ancient African kingdoms existed, their boundaries were not coterminous with those of the independent states that Africans inherited at the end of the colonial period, and this lack of correspondence not only prevented the consolidation of these ancient structures into modern states, but it also gave rise to severe political and social conflicts at the time of independence (see, e.g., McAuslan, 2000).

It is not surprising, therefore, that a national development project supported by a powerful national ideology is conspicuously lacking in most African countries: African states were unable to fulfil the popular expectations aroused by the nationalist leaders in the run up to independence (Fage and Tordoff, 1995). While in India, for example, the problem was not the absence of a national industrial policy but the inability of the central leadership in charge of its elaboration and implementation to discipline poor performers and to re-allocate resources rationally due to the political opposition of powerful excluded groups, in SSA there is typically no centrally defined industrial policy or development strategy. This deficiency is reflected in the high dependence vis-à-vis foreign aid that African countries have accepted and learnt to live with. The problem of low capital accumulation in SSA is further compounded by the tendency of African elites to spend their rental incomes largely on lavish consumption expenditures, rather than investing them in productive sectors with high monopoly rents, or to put their savings in foreign bank accounts or assets rather than at home.

In such circumstances, the spread of universal religions with a powerful God as figurehead is susceptible of holding in check the forces that undermine the accumulation of

productive capital in SSA. Their beneficial effects could be felt at two distinct levels. First, by nurturing feelings of loyalty and identity towards a large reference group that exceeds ethnic boundaries, they may help to gradually establish the basis for a generalized morality and a civic polity backed by pan-lineage and pan-ethnic institutions. Second, by instilling values and norms that violate customs with adverse effects on capital accumulation and entrepreneurship, they contribute to changes of behaviour that encourage economic growth. In particular, they provide a formidable shelter against redistributive pressures emanating from kith and kin, and they emphasize values such as frugality, honesty, and hard work that encourage savings, risk-taking and improved contract enforcement and flexibility.⁴²

Obviously, religion can produce those effects only in so far as adherence to them is sufficiently genuine, and when conversion affects the existing social structure by raising the position of people who occupied low ranks in the previous system. In many areas of West Africa, the old kinship-based organizations and customs have persisted throughout the pre-colonial Islamization period because the commitment to Islam remained superficial and opportunistic.⁴³ Regarding Islam, the best situation probably obtains when (i) the ideals of universal brotherhood and equality are pursued with enough commitment to undermine ethno/regional identities and redistributive norms; and (ii) sufficient flexibility is allowed to circumvent the most growth-limiting Islamic rules, particularly those concerning inheritance.

In spite of what has just been said, the recent flowering of pentecostal churches and other revivalist movements born outside the ambit of established churches is not necessarily a welcome change for Africa. It might, indeed, just reflect the ability of unscrupulous and cynical entrepreneurs posing as inspired preachers or prophets, to exploit the gullibility of poor illiterate people who are especially vulnerable to charismatic leadership in times of prolonged economic and political crisis. Far from the ascetic morality that characterized mainline churches a few decades earlier, the new-breed evangelists tend to be people who, by cunning and trickery, have succeeded in becoming immensely rich while deceptively promising to their followers that the same luck is soon going to befall them. Their success has much to do with a professed belief in the active presence of the Holy spirit, a feature that offers almost irresistible attraction to people accustomed to traditional religions in which spirits are represented as real individual beings with whom some form of effective communication is possible and essential.⁴⁴

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¹ Notable examples are the ancient empires of Ghana, Mali (covering large swathes of present-day Mauritania, Senegal, and Mali) and the Songhai (coinciding roughly with present-day Mali), the forest kingdoms of West Africa (including the Ashanti and Abomey kingdoms in present-day Ghana and Dahomey, respectively), the Fulani emirates of (what was to become) Northern Nigeria or Northern Cameroon, the Tutsi kingdom of Rwanda-Urundi, the Sokoto Caliphate in Sudan, or the highly centralized kingdoms of Buganda (in what is now Southern Uganda) and Barotseland (in present-day Zambia).

² For example, the medieval kingdoms of the Niger bend, such as the kingdom of Abomey, were built up on the trade of salt, cloth, and beads which were brought south from the Sahara across to West Africa, on the one hand, and gold, ivory and slaves which were taken back to the Barbary coast and from there into medieval Europe, on the other hand (Goody, 1988: 23).

³ The exception confirms the rule, as attested by the example of the Ashanti union. This union was saved and preserved into the 19th century until the time of the British conquest because of the recruitment of a corps of professional administrators, police, army, and entrepreneurs who were totally unconnected with the traditional power structures in Kumasi or the other constituent kingdoms of the union. Less successful were the *Alafins* of the Yoruba kingdom of Oyo. They developed their own administrative system of imperial control by staffing it for the most part with palace slaves whose power was derived directly and uniquely from the monarch. However, the *Alafin*'s administration did not control the army of the capital, which remained responsible to the metropolitan chiefs and their leader. This proved to be a fatal weakness as the Oyo empire eventually broke down into "a congeries of competing principalities". As for the empire of Akwamu (on the Eastern Gold Coast), it tried to establish a lasting imperial rule by sending out members of its royal line to govern the subjected peoples. Yet, to facilitate their task, these delegates chose to marry into the traditional local ruling families, which proved to be a self-defeating strategy. Indeed, if they succeeded in securing sure local allegiances and power bases, they retained their ability and right to compete for authority at the centre. In the forest lands behind the Gold Coast, the Denkyira kings did not even evolve a system of imperial administration to govern the conquered kingdoms, but allowed their traditional rulers to remain in office so long as they remitted sufficient tribute. (Fage, 1995: 286-89). In small states, the source of royal power was essentially familial. Thus, in the coastal states of West Africa, "the power of the king depended entirely on the degree of support he received from the heads of the major lineages and families in the community". In the kingdom of Benin, the authority of the king of Allada over the other Aja kings, to take another example, rested on their acceptance of his seniority and ritual superiority in the royal line from which they all claimed descent. (ibidem: 283).

⁴ Regarding the savanna kingdoms, Iliffe thus wrote that "their authority diminished with distance from the capital, fading into a stateless penumbra" (1995: 70).

⁵ In the coastal states, however, the situation was different. There, indeed, the expanding trade had typically the effect of dissolving the bonds which held African communities together under the influence of aggressive and ambitious traders who escaped the control of traditional authorities.

⁶ The primary form of kinship can be defined as a corporate body of persons who share a more or less precisely delineated area of land which has been putatively cleared by a common ancestor, who follow a common set of rules regarding land allocation and use, inheritance, marriage, funeral and other rites, and who jointly provide for their collective security and the settlement of internal disputes.

⁷ In Liberia, for example, the republican government established by the Americo-Liberian rulers (the so-called settler government) represented a threat to the power of local notables, yet some were able to get appointed as paramount chiefs and collaborated with the central government. In order to gain entry into local politics, indeed, the government chose to reach a series of understandings with the local institutions of power, and this accommodating attitude ended up granting the chiefs formidable power that they had never wielded before. They thus became able to use traditional secret societies – such as mask societies originally devised to secure order and social cohesion in rural communities through elaborate ceremonies and initiation rituals – to commit killings without recourse to any judicial organ. In such cases, "a secret society came to represent less a council of local elders than the entourage of a local despot", and it was gradually transformed into a genuine gangster organisation: a chief could get rid of all persons he considered undesirable, like possible competitors, and do whatever else he deemed convenient (Ellis, 1999: 239, 241, 248, 256). A paramount chief reinstated by President Tubman in the late 1940s after having been cleared of an accusation of murder expressed his power in the following manner: "You people are all in my stomach; I have power to do with you anything I like; I can even kill you if I want to, and will if you don't do as I say" (cited from Ellis, 1999: 243).

⁸ Revealingly, the 1976 Nigerian constitutional draft held that politics opened up the possibility of "acquiring wealth and prestige, of being in a position to distribute jobs, contracts, grants or gifts to one's kin and political allies" (Bayart, 1986: 123).

⁹ See, e.g., Sklar, 1979 ; Hyden, 1983 ; Young, 1986 ; Joseph, 1988 ; Staniland, 1986 ; Ravenhill, 1986 ; Bienen, 1987 ; Boone, 1994: 126-27 ; Bayart, 1986, 1989 ; Kennedy, 1988 ; Herbst, 1990 ; Chabal and Daloz, 1999.

¹⁰ In fact, ethnies have historically evolved, absorbing or being absorbed by other groups, resulting from the fission of larger entities or from the merging of smaller ones (see Coquery-Vidrovitch, 1999: Chap. 4).

¹¹ Recently, the Islamic courts gained their initial support from the Hawiye clan, which controls Mogadishu and felt under-represented in the transitional government.

¹² Hence the observation that, if African governments are primarily concerned with maintenance of political power and distribution of wealth to themselves and their supporters, “the reason lies not in their special greed or malevolence but rather in the fact that rulers of new states cannot afford the luxury of disinterested public service because their position as rulers is fundamentally unstable” [Fieldhouse, 1986: 94].

¹³ In the words of Pierre Bourdieu, such demonstrative expenditures are “a kind of legitimizing self-affirmation through which power makes itself known and recognized”, a form of self-officialization that constitutes a rudimentary form of institutionalization (Bourdieu 1990: 125, 131).

¹⁴ Thus, Collier and Garg (1999) have found that in Ghana, public sector workers who are members of the locally dominant kin groups earn a 25 percent wage premium, controlling for other employee characteristics. This bias is not observed in the private sector, however.

¹⁵ Chiluba got elected with a reputation of a honestly disinterested person who always refused to be co-opted into the high power circles (he was the “voice of good government rhetoric of the most uncompromising variety”). Yet, his electoral success was possible only because he put together a patronage machine that could rival Kaunda’s. Toward that purpose, he recruited old-style big men and, by 1994, he had named forty-three members of parliament belonging to his party (the MMD, Movement for Multi-party Democracy) as deputy ministers (albeit without a cabinet status), in addition to the twenty-three ministers of government. In the end, the MMD became virtually a single party, and Chiluba’s regime was sullied by presidential authoritarianism, corruption and drug trafficking in high places (Chabal and Daloz, 1999: 34-35; Van de Walle, 2001: 164, 266; Fage, 1995: 536).

¹⁶ Thus, Jean Ensminger (1992) pointed out that, among the Orma pastoralists of Kenya, women increasingly defer to the administrative chief rather than the elders to settle domestic problems such as wife beating and threats of divorce (pp. 161-62). However, the former remains anxious to convene the latter before taking a position on the issue raised. In Mali, in the area of Koutiala, in rare cases women seek a judgement based on the modern law in the hope of receiving a share of the father’s land upon his death. Here, again, the judge adopts a prudent position: he goes to the woman’s village and listens to the family elders and the chief of the land in order to check whether a compromise is possible (personal field observations). Note that, in the so-called Islamised areas, the Islamic law represents the custom. The official law runs counter to Islamic jurisprudence in several important respects, since it prohibits the dowry, polygamy and Islamic inheritance. Nevertheless, in Muslim areas of the Côte d’Ivoire, the application of the Islamic law has always been tolerated by the official authorities for most non-criminal disputes, so that no conflict between the two law systems arises in actual practice (Miran, 2006: 145-47, 465).

¹⁷ See, e.g., the case study of Ensminger (1992, pp. 178-79), in which divergences occur between junior and senior villagers as a consequence of the growing income independence of the former.

¹⁸ Revealingly, the descent of the Holy Spirit in the Pentecostal doctrine is described as a trance, and the believers continue to think that witchcraft is powerful but are persuaded that they are now protected by a superior, divine power (Fancello, 2006: 105-106, 113).

¹⁹ Sandra Fancello reports the interesting story of a Burkinabé woman who ran away from an arranged marriage by converting to the Pentecostal church that served as a place of refuge. Under the protection of the pastor, she became integrated into the new community of ‘brothers and sisters in Christ’, and was now allowed to choose a husband according to her heart (2006: 128).

²⁰ As pointed out by Horowitz, there is no clear boundary between kinship and ethnicity, “especially in societies where the range of recognized family relationships is wide and the importance of kinship ties is great” (1985: 60).

²¹ Among the Douala, people believe that witchcraft powers are acquired in an ultra-secret society admittance to which is conditioned upon the killing of a person, preferably a close relative such as a mother or a son. The most common way to harm people consists of removing their ‘soul of life’ and to reduce them to slavery after their funeral. The victims then work for the sorcerer on the Coupé and Manenguba mountains. The sorcerer uses his flying powers to go to his secret plantation and collect the fruits of his slaves’ labour (Bureau, 1996: 107-108).

²² Sometimes, however, the feelings of jealousy, rivalry and covetousness which give rise to witchcraft can nevertheless be considerably extended. For instance, they can affect the competition among tribes, clans and villages for getting development projects. The belief is then that the tribe, clan or village which wins a project does so because its spirits won a decisive battle against the spirits of rival tribes, clans or villages (Geschiere, 1995: 197-98, footnote; Platteau, 2000: 199-200).

²³ Thus, in a village studied by Geschiere in Cameroon, a man who accumulated wealth and used part of it to buy a new local suit (a beautiful *boubou*) was severely rebuked by the local chief to whom he was forced to hand over his new garment. This was done without any compensation, just on the ground that “he should not have displayed such a luxury while the chief had to go without it” (Geschiere, 1995). For other examples, see Platteau and Abraham, 2002, 2004.

²⁴ In 1967, 27 of the 29 largest landholders in Senegal were marabouts and 20 of them were Mourides (Halpern, 1972: 113-15).

²⁵ The main problem with witchcraft accusations is that they are impossible to shake off because they are backed by a system of self-reinforcing beliefs and sanctions. In the words of Golooba-Mutebi: “Even people who might be convinced of a person’s innocence dare not come to his or her defence, lest they too be accused. Once accused, therefore, a person is shunned by all villagers, save for the most committed friends and kin” (2005: 953).

²⁶ As expressed by an inhabitant of a South African village: “You build a beautiful house. They say that you are a witch. They come and burn it down. They say they are burning a witch’s house. You buy a car. They come and shoot you, just because you are working and they are not” (Golooba-Mutebi, 2005: 947).

²⁷ It would be misleading to think that the use of witchcraft is a peculiarity of Third World societies in general, and of African societies in particular. In actual fact, the same practices have apparently played a similar role in traditional European societies and, according to some authors, they have become particularly widespread during the phase of transition from the egalitarian mutually dependent village community of pre-industrial times to the more individualistic and socially differentiated structure of market-based societies. Thus, for example, Alan Macfarlane writes that “one of the major reasons for the rise of witchcraft accusations in the sixteenth century was the tension caused by a conflict between a traditional ethic of mutual responsibility and charity, the norms of self-contained and subsistence villagers, and the new acquisitive and individualistic spirit of capitalism and protestantism” (1978: 59).

²⁸ That this is not necessarily so is attested by the finding that, in Côte d’Ivoire, urban households who accommodate collateral kin dependents (defined as inactive people) are twice as wealthy as households who do not (de Laiglesia and Morrisson, 2007).

²⁹ In Burkina Faso, I have been told of affluent individuals who take wife and children outside of the home to eat so as to avoid unwelcome visitors (Platteau, 2000: 210).

³⁰ Interestingly, some of the mulatto descendants of European traders who operated from the ports and towns of the southern Gold Coast in the mid-nineteenth century were competing successfully with Europeans (Kennedy, 1988: 34-35).

³¹ As pointed out by Kennedy, “where individuals or groups face a situation of multi-deprivation, strong personal motivations may generate an ascetic orientation towards economic activity... this asceticism and the energy, determination and rationality it sustained, did not stem from a set of shared cultural values existing in their own right, but originated as a response to the prevailing political, social and economic climate of inequality and power...” (Kennedy, 1988: 47-49).

³² Typically, trust is based on repeated interaction. Continuing business with reliable suppliers with whom one has had satisfactory dealings in the past is the best way of avoiding problems. The same applies to trade loans (Fafchamps, 2004: Chap. 9; 1996; Fafchamps and Minten, 2002).

³³ It is odd, therefore, that Moore uses those examples to criticize what he calls the ‘family/kin drag’ thesis, thereby confusing kinship with other types of social connections.

³⁴ By the late nineteenth century the net value of internal Sudanic commerce vastly exceeded that of exports across the Sahara (Austen, 1987 : 42).

³⁵ The non-fulfilment of this condition explains why European (French) merchants failed to make inroads in cattle trade within what is now the republic of Niger: they were unable to participate as equals in indigenous systems of guaranteeing credit and enforcing contracts that emphasize a common religion (Islam) and language (Hausa) (Austin, 1993: 117).

³⁶ The two major groups of West African merchants are the Juula of the Western Sudan and the Hausa of the Central Sudan. Both terms actually refer to the languages spoken by the traders which, in each case, is that of the largest local savanna cultivator group.

³⁷ For example, see Kuran, 2003, 2004a, 2004b.

³⁸ The Juula groups were Soninké with a Mauritanian homeland. They took on their Manding linguistic identity during the height of the medieval Mali and Songhai empires. During the 14-15th centuries, they penetrated into the Central Sudan where they founded the first Hausa-speaking merchant lineages (Austen, 1987 : 42-43).

³⁹ With the general decline of Mande influence following the Moroccan invasion, Fulani clerics joined with those of the Tuareg in the leadership of Muslim scholarship in the Sudan (Farge, 1995 : 197).

⁴⁰ Rather than pursuing the aim to propagate Islam (that is, to preach and establish the truth of the one God and of the universal brotherhood of man subordinate to his will alone), the Massassi wanted to convert the clan and age-grade structures of traditional Bambara society into associations of serfs and clients subordinate to their will as war-leaders (Fage, 1995: 189, 194).

⁴¹ In the Futa Jalon, where the *jihad* actually started, Muslim Fulani leaders succeeded in completely overturning the existing socio-political structure. Indeed, local Jalonke chiefs initially had the right to tax Fulani herders and to control the allocation of land to them. By the middle of the eighteenth century, however, as a result of the Fulani Islamic upheaval, they had become tributary to Fulani overlords throughout the territory. Moreover, they ultimately converted to Islam and became accepted members of Fulani society (Fage, 1995: 199-200).

⁴² As pointed out by Stephen Ellis and Gerrie ter Haar (2004): “Christianity in Africa has always had an association with social success and economic advancement, and it grew so rapidly during colonial times in part because it was associated with material advancement through schooling, learning European languages, and employment in the state sector, just as Islam all over SubSaharan Africa has historically been associated with successful trading” (p. 138).

⁴³ The risk that religion could be instrumentalized by the political elite, in the way Islam has been manipulated by despotic rulers in many Muslim countries during the last decades, may not be a big threat in SSA today. Even though they try to infiltrate, co-opt and use religious establishments toward their political ends, African rulers are typically not in a sufficiently strong position to exert anything close to complete control over them (with the possible exception of Nigeria). This is primarily due to the absence of a long Islamic (or Christian) tradition endorsed by the state in many African countries, which makes it difficult to imagine that an African leader could credibly portray himself as an Imam accountable only to Allah.

⁴⁴ See, e.g., Laurent, 2003; Ellis and ter Haar, 2004: Chap. 3, 137.