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UNRISD, Palais des Nations  
1211 Geneva 10, Switzerland

Tel: (41 22) 9173020  
Fax: (41 22) 9170650  
E-mail: [info@unrisd.org](mailto:info@unrisd.org)  
Web: <http://www.unrisd.org>

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# Towards Developmental Democracy: A Note

Adebayo OLUKOSHI

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## Introduction

Some two decades of neo-liberal ascendancy in socio-economic policy making and management have taken their toll on the development process around the world generally and in developing countries especially. Coming into the developing countries under the rubric of International Monetary Fund (IMF) and World Bank structural adjustment programmes, the neo-liberal policies that were promoted encompassed virtually all aspects of economic and social life, with the attendant consequences, including political ones, that have been widely observed in the literature. Whether it be with regard to the exchange rate, prices, interest rates, subsidies, the entire trade and industrial policy regime, the budgetary framework and public expenditures, investment policy, taxation and revenue mobilisation, infrastructure development, or in such areas as social policy (encompassing health and education), labour market policy, and the management of public enterprises, the accent over the last two decades has been placed emphatically on the promotion of a market-driven system side by side with the retrenchment of the state and curtailment of state intervention. The policies that were at the heart of the structural adjustment programmes were presented as the core of a new "consensus" on the management of the economy to which no (viable) alternative exists; in fact, they were more reflective of the hegemonic influence exercised by the key Western regimes and the multilateral financial/economic institutions which they control. These governments and institutions served as the springboard for the spread of neo-liberal policies around the world, using an array of conditionality and cross-conditionality clauses to compel developing countries to embrace their preferred options for the reform of ailing national economies.

Yet, as has been acknowledged even by the World Bank, structural adjustment has generally failed to achieve the results which its authors promised it would deliver. (It bears pointing out though that even with the repeated acknowledgement by the Bank about the shortcomings of its policy prescriptions, orthodox structural adjustment measures continue to be administered on developing countries as the panacea to their economic difficulties). Amidst the on-going discussions about the limitations of the neo-liberal philosophical and policy underpinnings of IMF/World Bank structural adjustment, and against the backdrop of the serious concerns which have been raised, both before and since the recent East Asian crisis, about the massive and rapid trade and financial liberalisation measures

associated with the current processes and structures of globalisation, various alternatives to neo-liberalism are beginning seriously to be considered. At the heart of some of these alternatives is a concern to bring development back into the mainstream of economic and social policy-making. This note is intended to contribute to this discussion by suggesting that the quest, which is highly welcomed, for a new developmentalism should be imbued with and undertaken in a framework that is by definition democratic. It will draw on the specific African experience for this purpose.

## African Developmentalism in Perspective

A careful consideration of the African experience with developmentalism in the 1960s and 1970s before the onset of structural adjustment and in comparison with the experience of the structural adjustment years would suggest the following:

i) The development experience involved a strong element of state intervention, the degree of which varied from country to country and over time depending on the ideological preferences of incumbent regimes. However, in spite of differences in extent, the role of the state was one which, in many respects, was determined by the structural imbalances and weaknesses that characterised African economies at independence; it was also closely linked to the nature of the nationalist independence project and the strong developmentalist agenda that was integral to it. Thus it was that whether they officially professed a commitment to "socialism" or the "market"/capitalism or a "mixed" economy combining socialist and capitalist principles, the state in all cases was central to the system and process of accumulation.

ii) Contrary to the suggestion that Africa's experience of state intervention was so negative in economic terms as to justify a conclusion that the first two decades or more of independence were wasted years, the continent, like other parts of the world, including East Asia, did experience respectable levels of growth that were comparable to the best performing economies on a global scale. Indeed, compared to the growth levels that have characterised the adjustment, market based years of the 1980s and 1990s during which nominal and episodic growth rates of 4 per cent have been celebrated as evidence of success, Africa recorded generally far much higher and more consistent levels of growth in the 1960s and the early 1970s. It is precisely for this reason that it has been suggested that the 1980s and 1990s were years of maladjustment in Africa, characterised as they have been by the massive erosion of capacity on many fronts and the reversal of the development project in virtually all spheres of life.

iii) The development agenda was, in many cases, implemented within a framework which included the projection of a broad-ranging national vision. Whether or not this idea of a vision was integral to the national planning process or a broader national ideological projection, it indicated the close inter-connection which existed between the aspiration for (rapid) national economic development and the goal of nation-building in Africa. It also served as the "organising principle" around which a sense of national purpose was forged. The experience of the 1960s and 1970s in this regard represents a far cry from the experience of the adjustment years where every effort was made, as part of the rolling back of the frontiers of the state, not only to jettison national planning - and in so doing transform

the entire continent into a giant laboratory for unaccountable and questionable experimentation - but also to subordinate politics to the dictates of a narrowly defined notion of the market economic system. Indeed, those policies that were developed to strengthen the interface between the economy and the politics of national liberation were to be characterised as essentially "irresponsible" by the neo-liberals and blamed for all the woes that befell Africa by the beginning of the 1980s. The instinct, in the course of IMF/World Bank adjustment implementation was, almost simply, to do the opposite of what the nationalists attempted to do in the 1960s and 1970s.

iv) Within the framework of the state interventionist, expansionary economic policies pursued across Africa during the 1960s and 1970s, and in spite of the numerous challenges that lay ahead as well as the many unfulfilled demands that were in evidence, significant progress was made in the upliftment of the social conditions of the populace, especially when measured in terms of disposable income, access to modern health facilities and access to education. This could be contrasted with the paradox of the situation during the adjustment years where, in the few "success" stories that were cited at one time or the other as evidence of the efficacy of neo-liberal policy prescriptions, social conditions, including poverty levels and polarisation, tended to worsen as to compel the citizenry to wonder aloud about the alleged success that is being celebrated.

v) There were, certainly, numerous weaknesses associated with the post-independence state-led model of accumulation in Africa but they were not of the order or even magnitude which the World Bank and the neo-liberal school identified. Neither were the policies pursued ever completely out of step with the mainstream development thinking and practice of the day. If anything, African economic policy making and developmentalism drew strongly from the existing state of the art with adaptations to suit specific national conditions, including the context of nation-building and national independence. What the neo-liberals did in their critique of post-independence developmentalism amounted to little more than a tendentious interpretation of the entire state interventionist regime designed to justify the single-minded, narrow ideological attack against the state and its role in the economy.

vi) The goals of national economic development, national unity, and independence that underpinned economic policy-making at independence are goals which certainly were and still remain impeccable. However, the tragedy of post independence developmentalism was the assumption that only the state could constitute the project of economic development, national unity, and national liberation. This assumption was to lay the foundations for a gradual rigidity in the economic policy process; it was also to provide the context for the spirited efforts that were made to restrict the expression of political pluralism in many countries, efforts which were eventually to translate into the emergence of single party regimes and/or military rule. Overcoming these shortcomings in the context of the attempt to place development back at the top of the agenda requires the articulation of a dynamic model of state participation in the economic and social process and the engineering of a system of democratic accountability.

# Towards a Project of Developmental Democracy

When the principles and practice of post-independence developmentalism are placed alongside those of structural adjustment as experienced across Africa in the 1980s and 1990s, it is not difficult to make the case for a reinstatement of the developmental core that was hitherto integral to economic policy-making. As suggested earlier, this can and should be done in a framework that is designed to overcome the pitfalls of the experiences of the 1960s and 1970s. Part of the challenge which is posed is the grounding of the democratic agenda on a democratic foundation.

In addition to the fact that the goals of development, unity, and independence that informed post-independence policy-making remain impeccable in spite of the implementation weaknesses experienced and the conscious project of delegitimising them during the adjustment years, the following considerations also underscore the need for a speedy return to an agenda of development:

i) Structural adjustment was originally supposed to be a temporary diversion from development, allowing for distortions in the macro-economic policy framework to be quickly undertaken so that the business of development can be resumed. However, with adjustment transformed into a permanent feature of life - and indeed, with the attempt to constitute it into the very essence of economic management, the formulation of a developmental agenda for Africa was relegated to the background over the last two decades. Yet, rather being "adjusted", the continent has been seriously maladjusted with all of the setbacks which this implied. Arguably, given the lacklustre performance of structural adjustment, the time has come to attempt to re-focus the continent on the challenges of development confronting it at the economic and social levels.

ii) The need for the reinstatement of a developmentalist agenda is further reinforced by the fact that the conceptual premises on which neo-liberal policy interventions are built and which defined the parameters for the so-called Washington Consensus were and remain contested in economic theory and practice, this in spite of the authoritarian certitude with which structural adjustment was imposed on reluctant governments across the developing world generally and Africa in particular.

iii) Given the extremely wide gap between the promises of market-based economic reforms and the actual achievements recorded, an objective basis exists for jettisoning structural adjustment in favour of a more heterodox economic policy framework that is more attuned to the realities and needs of African countries in all spheres of life.

The formulation of a renewed developmentalist agenda would, inevitably, involve a well-thought strategy for bringing the state back into the policy formulation and implementation process. After some decades of neo-liberal demonisation of the state, this would seem to be a point on which there is increasing consensus but it is important to stress that within the framework of the developmental democracy which is being proposed, the role of the state in the development process is treated as a legitimate one by definition. It is also a role that goes beyond the simple creation of an "enabling environment" as the Bank frequently suggests.

Beyond any regulatory and enabling functions, the objective need exists economically, socially and politically for the state to take a leading role in the development process of African countries. Given the profound damage which has been done to the state in Africa over the last two decades of structural adjustment, its reinstatement as a central development player will necessarily involve an investment in re-building its capacity for effective policy formulation and implementation. In a sense, effective policy capacity is integral to the rehabilitation of the state as a legitimate organiser of the development process.

Reinstating the state in the development process need not, however, result in the reproduction of the authoritarianism and rigidity that characterised the state interventionist model of the early independence period. Respecting political pluralism and diversity has become an important component of the African reform agenda which must be fully reckoned with in the effort to reinstate development as the core of policy. In fact, given the wave of popular pressures for political reforms that spread across Africa during the 1990s, it is inevitable that the popular quest for democratic representation will have to be taken fully on board in the policy-making process. How this is done will vary in detail from country to country but certainly, the kinds of authoritarianism which characterised the single party/military regimes and the repression and disdain which characterised the structural adjustment years can not be retained if the politics of the development process is itself to be legitimate and representative. The Machiavellian culture that emerged over the last two decades of deliberately wrong-footing the opposition to structural adjustment, spreading disinformation, circumventing parliament and elected structures of government, and shrouding the entire economic policy process in secrecy will have to be completely jettisoned in favour of open debates, structured consultations, and a conscious effort to respect the popular will.

The issue of the compatibility of democracy and developmentalism is one which has been long-standing in the literature; indeed, it was at the heart of the critique of the East Asian "model" in the 1980s, with commentators pointing to the high degrees of authoritarianism and repression that shaped the context and propelled the East Asian "miracle". But there was really nothing in that experience that suggests that political authoritarianism was a precondition for the high growth rates that were recorded, for regimes in Africa, Latin America, other parts of Asia, and Europe that were equally authoritarian were not able to produce comparable growth rates in the 1980s. The difference was that in East Asia, the project of developmentalism and the state's central role in it was, on the one hand, sustained and consistent over the long-term and, on the other hand, flexible enough to be adapted to changing needs as well as being forward looking. This sustained commitment is partly what faltered in Africa, especially following the onset of the global economic crisis of the early 1970s.

The renewal of the commitment to development in a democratic framework in Africa implies also a focus of attention on the challenges of reviving and expanding the real sectors of the national and regional economies. These sectors have, during the adjustment years, suffered some of the worst setbacks - at least in comparison with the financial services sector which has thrived on widespread speculation, especially in the foreign exchange business. The evolution of an investment policy targeted at the agricultural and industrial sectors, the strategic choices that need to be made in the area of infrastructure development, the investments that are required in the educational sector - all these and more are integral to the emergence of a structurally-balanced economy that is able to generate employment and produce the skills needed for national development. The investments called

for require a medium to long-term national vision; they might also require the articulation of a sub-regionaland/or regional strategy. In all cases, the state has a central role to play in defining a framework, setting targets, and formulating policy options for their realisation, including the possible role which could be played by the local and foreign private sector.