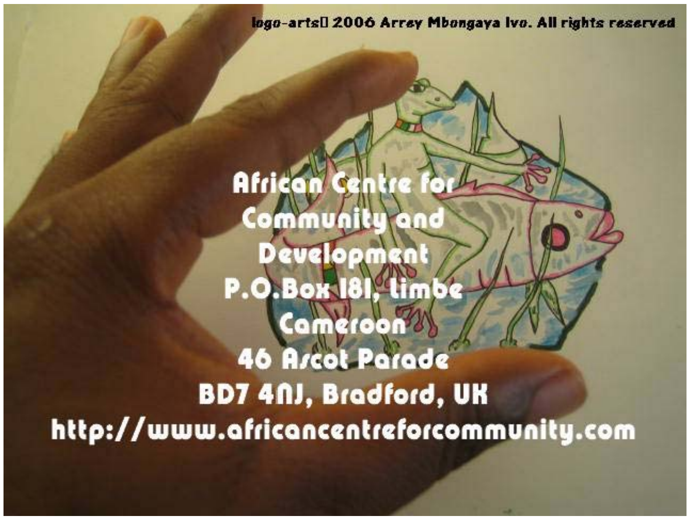

Can Patrons, Sub-patrons and Mini-Patrons be the reason for slow market entries in Sub-Saharan Africa?

Author: Arrey Mbongaya Ivo

Date: 11/06/2008

P. O. Box 181, Limbe, Cameroon

46 Ascot Parade, BD7 4NJ, Bradford, UK

Website: http://africancenterforcommunity.com

Email: ivo@africancentreforcommunity.com

Or oldboyarret@yahoo.com

Summary:

This article seeks to establish whether widely practiced patrimonialism in Sub-Saharan Africa is critically responsible for the lack of a market entry environment or market sustaining environment after entry in Sub-Saharan Africa. It argues that patrimonialism has led to the personalisation of the government, resources and services hence preventing objective, skill-based and targeted delivery which can lead to growth and poverty alleviation in these countries because resources for the poor majority have been shared among cronies and the people who support them. It also proposes that there has also been an error of semantics which affects understanding of actual Sub-Saharan African "patrimonialism" which may have unwittingly affected the flow of Foreign Direct Investments into this region thereby engraving poverty and stagnating economic and technological advancement in a region known to be blessed with several mineral resources. This work is based on academic research and personal experiences of the author in Sub-Saharan Africa.

To begin with, it will be impossible to understand patrimonialism especially as understood in the academic world or even "patrons", "sub-patrons", and "mini-patrons" at their various levels if a conscious importation of development theories that explain or justify this issue is not done. Ekeh (1975) defines a patrimonial system as that which customs and patrimonialism coexist and submerge objective legal and legitimate institutions which in other systems are responsible for mediating political and socio-economic behaviour and societal stability thereby preventing the rule of law and an enabling environment for Foreign Direct Investments enhanced by weak structures, corruption, lack of infrastructures, technologies etc. This view is strung to the opinion that despite patrimonialism being a Sub-Saharan African custom, it is a system that was deeply rooted in colonial administration over these territories and which was also handed down by colonial authorities or captured by elites of newly independent African countries in the 1960s as their new form of government and governance which in many respects has been maintained today (Bates, 1981, Bayart, J.F.1993). To other scholars patrimonialism is in the core of Sub-Saharan cultural fabric to such an extent that Schatzberg (1993) holds ‘the imagery and language of father and family is widespread in Africa because they strike a resonant and deeply embedded cultural chord’.

In this paper it is considered as a somewhat mutation of the positive values of Sub-Saharan cultural fatherhood or ‘patrimonialism’ and its benefits for a system of “fathers” where in people of authority, power and affluence divert the resources of given societies for their personal uses because they have the immunities and power to do so against the will of the majority and because the economic , political and sometimes natural terrains have prevented effective policies or institutions, finances etc to over turn their excesses hence affecting Foreign Direct Investments aimed at growth, poverty alleviation etc because invested resources never tickle down or tickle down so slowly due to maliciously generated bureaucratic bottlenecks. The effects of a lack in enabling environments and the impacts of selective governance and control over countries by few persons has led to “Patrons” at different levels of societies like in Central government, State government, Provincial or Federal government, Local government to cities, towns and villages hence the use of “patrons”, “Sub-Patrons” and “Mini-Patrons” in this paper.

Market entry is considered here as Foreign Direct Investments or any such foreign conceptualised intervention aimed at benefiting another country directly or indirectly hence including the work of Multi-National Companies (MNCs) International Non-Governmental Organisations and Charities etc.

How does patrimonialism translate itself?

Patrimonialism in Sub-Saharan African countries is manifested in many ways. We can hardly describe all its forms in this paper knowing it constantly changes its forms and manifestation with changing international and national temperaments and pressures. Some of the ways it occurs commonly in this region include the following:

- via governments that have resisted change and are working on the basis of cronyism or the support of corrupt military institutions against the dictates of the majority. Such systems have neither the political will for democratic change or have put in place structures that could facilitate it. Granted democracy might be relative but in such countries good governance based on the respect of well enacted and written constitutions is absent hence leading to situations where resources or investments meant for a country's development or trade are diverted with impunity to maintain cronyism and military support for the purpose of staying in power (Bayart J.F. et al, 1999).Some examples of countries that have leadership that span over 20 years in Sub-Saharan Africa include Gabon, Zimbabwe, Equatorial Guinea, etc and all have a tendence despite various reasons or to different degrees, mechanisms for avoiding institutional pluralism.
- Powerful state officials who routinely as part of their professional activities and their political ambitions control state funds to capture urban elites and to maintain themselves in this powerful economic positions by overseeing selection and appointment criteria into offices and to positions where Foreign Direct Investments or funds trickle down (Bayart, 1993). When they are in the central government like ministers they are "government patrons" capable of controlling

the discharge of funds down at the provincial and divisional levels by appointing their cronies as provincial or divisional delegates (“Sub-Patrons” and “Mini-Patrons” respectively). A good example of this situation is seen in the police department of some countries where in the national police boss, usually oversees the appointment of divisional commissioners who in turn collect money from poor taxi drivers and other road users or even brutalise citizens or ask monetary compensations for lost ID cards for their bosses in order to stay as “Sub patrons or mini-patrons”. Another example is in the Tax Sector where those appointed as provincial pay masters of government contracts receive commissions from contractors for themselves and their bosses in the Central governments. Another area is within the periscope of tight and difficult importation procedures and unscrupulous, corrupt-bribe-submerged custom officials who hamper the smooth movement of legally purchased goods and services and the business processes as whole. These activities have thus led to a chain of persons controlling without efficiency weak government structures and with no intentions of curbing poverty and social strife. It has led to Foreign Direct Investments being extracted at different levels to maintain private ends and foster political fatherhood which we have referred to as mutated Sub-Saharan African patrimonialism in this paper.

- More so, as Foreign Direct Investments are directed towards other uses, it is thus clear that infrastructural development in these countries in the areas of roads, energy, telecommunications vital to modern day businesses will be lacking or sparse. A few statistics justify this assertion. The region can boast approximately only 2.1 million kilometres of road of which only 29.7% is paved hence making the majority of roads unpaved and inaccessible during rainy season in some countries in the Tropical rain forest belt especially. Poor road networks increase the cost of primary products like cocoa, coffee etc by some times over 170% before they get to the ports of exportation (UNCTAD, 2001) hence increasing the burden of already poor farmers and also the profit margin of middlemen and finally the government hoping to benefit from a favourable Balance of Payment. More so, these countries are also facing problems of poor communication systems. Poor telecommunications or networks between industries and suppliers or buyers are a problem as this region is far below the world average of 1 in 10 persons with access to the internet (WEF, 2003). Internet is thus almost a city thing in a region where much of production still comes from rural areas. Worth noting is the fact that patrimonialism in the internet sector is also manifest in public and private offices where access to internet is not considered a necessity to junior staff or as a way of demarcating administrators from general labour.

- Besides, the energy sector in patrimonial Sub-Saharan African countries is bound to suffer for want of investments, for lack of technologies, for reasons of diversion of funds for investment to other sectors or the transfer of energy profits which could be used for further investments into to the sector into other sectors or to subsidise rural energy institutions into foreign banks by corrupt state “patrons”. Only 23% of this region has access to electricity. In 2004 the region fell 23% points lower than country average as per access to improved water source. This constituted just 56% of the population of the region (IEA 2002-2004). Access to electricity rose at snail pace from 9% to 24% in 32 years. Strangely, despite privatisation in 2002 over half of a billion people in Sub-Saharan Africa still lacked access to electricity of which 80% lived in rural areas (IEA 2002). The situation was even enhanced by austerity measures for privatisation undertaken by donor institutions like the World Bank and the IMF that saw World Bank lending for the provision of public electricity utilities fall from US$2.9 billion in 1990 to US$824 in 2001 and her sector lending targeting private investors in the region plummeted from US$45 million to US$687 million. This arguably has not led to better access to electricity in the region as private energy companies have scraped cross subsidies in some countries and concentrated their resources on city centres with high revenues than rural areas which ironically need energy in order to be mainstreamed into regional and Global economic activities.

- More over, Sub-Saharan patrimonialism is also seen in the area of human development. Poor educational systems necessary to train and empower government institutions and officials are lacking. The few that exist are not based on merit while capacity building is also the product of tribalism, cronyism, political support and bribery. The situation is worsened by very low average per capita income of $307 (World Bank, 2002) and median GDP of $4 billion excluding South Africa which constitutes the approximate output of a town of 130,000 in a wealthy country. Poor educational systems have also led to poor embedding of new and old technologies in the region as well as failed in enhancing a spirit of research arguably needed by investors (Nelson and Sampat, 2001).

- The issue of many ethnic groups and tribes has been used by divisive governments to create tribal “patrons” or clan “patrons” and also weakened the spirit of state loyalty especially in countries where academic justification for nationalism has been weakened historically or is in competition with patrimonial party doctrines of ruling groups. An example could be seen in Cameroon where history books or civic books for most secondary schools have not recognised fighters of French imperialists as nationalists but as “rebels”. So too opposition enclaves or tribes or clans are generally considered as “rebels” hence denied access to assets caused by Foreign Direct Investments or even by national governments.
- More so due to poor institutions, justice is considered by foreign investors as far fetched in the region hence creating believes imagined or justified that exclusive property rights (Barlow, 1958) cannot be guaranteed in Sub Saharan Africa or when guaranteed can easily be seized by powerful Patrons, Sub-patrons or Mini-patrons.
- Also lack of effective partnerships between governments and civil societies is lacking here. The former treat most other legal entities with suspicion. This is usually motivated by the fact that these governments are usually not constitutionally right in most cases to be in power. This lack of synergies and partnerships hamper social policy delivery and accountability especially in the health sector prevalent with HIV/AIDS. According to UNCTAD, 1998 in Botswana, Swaziland, Zimbabwe and Namibia, one in five persons between 15-49 years of age were living with AIDS. This has also affected potential work

force and also denigrated the feeling of health security in a region also linked with serious malaria and tuberculosis crises.

All these issues have acted as a deterrent to Foreign Direct Investments and considerably slowed market entries in the region. However, the features of Sub-Saharan Africa may not necessarily lead to stagnancy, lack of Foreign Direct Investments or the rule of patrons, sub-patrons and mini-patrons if patrimonialism is considered in the light of using the capable of a region or tribe or country in controlling the resources and investments of that tribe, region or country for the well being of its citizens or region. Therefore it will be an oversight if we do not mention some areas where academia may have grossly exaggerated or misunderstood "un-mutated" African patrimonialism. These include the following:

- The metaphor of scholars like Schatzberg (1993) that think the imagery of "father" was embedded in all Sub-Saharan African systems and that it was profoundly rooted in the idealisms of patrimonialism in the region hence creating hierarchical anti-pluralistic hegemonies, affecting rationale thought and the possibilities of creating enabling environments cut off from the dictates of cultures and the personalisation of resources and government services. These scholars have indirectly in their arguments suggested that the diverse and heterogeneous nature of Sub-Saharan Africa is homogenous when it comes to patrimonialism forgetting that there are many traditional African systems like in the North West of Cameroon for instance that revere the "mother" imagery (*some examples of traditional institutions that respect the mother imagery in the Northwest of Cameroon include "Takumbeng" "and Mafor" or Bafut or Kom* *inheritance rules and "Nyango na muna" among coastal Bakweri*) to the extent that transfer of property and ownership and other livelihoods issues are mediated by these institutions. If Sub-Saharan Africa was homogenous and thus not open to environmental conflicts as intimated by other scholars like Greif (1994) why then does it not enjoy competitive advantage to countries like Finland argued to prosper because of homogeneity? The reason is simply that the region is complex and heterogeneous hence in absolute necessity for environmental studies (Cusworth and Franks, 1993) in the design and implementation of both development interventions and Foreign Direct Investments. Arguably therefore the foreign Direct Investments in the past may have been generalist as was with the Structural Adjustment Programme (SAP) and Privatisation and failed to include the realities of environments and sub-environments in Sub-Saharan Africa (Camfield, 2007) hence failed.

- More over, there has been a negative stigmatisation of the "true" values of Sub-Saharan patrimonialism. Patrimonialism that is unmutated here is not bad but good and founded on respect justified by positive and fair treatment of people, issues and also positive and dynamic contributions towards the wellbeing of societies including central government, provincial or state government, local government to cities, towns and villages. There is thus or has been a mistake in the interpretations of power and authority in thinking that somewhat personalised governments led by "pseudo-patrons" of autocratic regimes have the people's mandate. They have power and force to prevent opposition but they lack the legitimacy to will regional respect and unquestioned adherence without force. By extrapolation if the idealisms of patrimonialism were considered as a form of engaging the active citizenry or as an aspect of social capital mobilisation advocated by modern scholars like Sullivan and Skelcher (2002) and Putnam (1993), then it is possible that Foreign Direct Investors could instead use these traditions to identify best stakeholders to work with, trade, partner or to develop in capacity or identify needs so as to achieve maximum output and impacts economically and socio-politically in the region. Multi National Corporations or Companies have also failed to effectively integrate local experts in the discharge of their strategic businesses in this region thereby alienating their products even further from the population.

- Besides , scholarship and practitioners may have refused to rectify the fact that following widespread project failures (Gow and Morss, 1988), most foreign donor and developed countries besought to working with Sub-Saharan governments directly (Ruffer and Lawson, 2002: RLAC, 2002) even though these very governments have been castigated as corrupt and controlled by patrons, sub-patrons and mini-patrons. This is contemporary and manifest in development interventions like SWAPs and Direct Budget Support or even the funds of the HIPC initiative which in many countries fall into the hands of malicious state “patrons” unwilling to establish effective cross sector and grassroots partnerships away from their power bases. Project failure has therefore led to a paradigm or policy shift without necessarily a push from regional “patrons”.
- More so, there has been a neglect in justifying to what extent trade institutions imposed by colonisation on newly independent African countries, affect their

transit into advanced economies. This neglect is also contemporary with the difficulties faced by this region in certifying their products for Western markets. These trade limitations may also have affected the embedding of technologies also vital in the establishing of enabling environments for Foreign Direct Investments. This view is also seen in the arguments held by Edward M. Corbert in *The French Presence in Black Africa* pp. 133-134 Washington DC: Black Orpheus Press and expressed in other documents like "Les points saillant du Rapport Gorse" and "Financement public et neo-colonialisme francaise" pp. 109-110 pinpointing French policies before and after independence as the *raison d'etre* for economic and political stagnation of former French colonies in Sub-Saharan Africa.

Despite these forthright arguments about the true nature of "patrons" or the errors borne out of semantics, the fact is Patrimonialism exist in Sub-Saharan Africa especially in its mutated and derisive form hence there must be conscious efforts to tackle and prevent personalisation of general resources and development for more broad-based development and trade opportunities necessary for growth in this region. Some of the ways to fight it or to manage it include the following points which are by no means conclusive for as mentioned earlier in this paper, patrimonialism is an evolutory institution that adapts to domestic and international socio-economic and political pressures.

Proposals to better Foreign Direct Investments in Sub-Saharan Africa

- The need to widen the gap between foreign diplomacy and Foreign Direct Investments. Donor diplomatic and political agenda ((Hoben, 1984) should stop being the tool mediating trade, development interventions etc with Sub-Saharan

African countries. Most countries stylised their development policies and that of their Multi-national companies solely on the nature of diplomatic relations with particular African countries not as a reaction to needs or the workings of demand and supply. This situation was very common during the Cold War years where development interventions or even conflict resolution in this region was mediated by countries affiliation to either the East or West blocks and even today. To have a picture of how foreign policy shapes interventions in the area of Food Aid, the words of US Secretary for Agriculture quoted by Ann Petifor (2002) are revealing: "humanitarian and national self-interest both can be served by well-designed foreign assistance programs. Food aid has not only met emergency food needs, but has also been a useful market development tool". The inference from this might simply mean Sub-Saharan Africa needs policies and interventions for food self-sufficiency rather than hand outs with political motives or over-taxed food from outside.

- The need to empower 'real' and development geared "patrons" outside government so as to create a platform where Foreign Direct Investments could also trickle down via active citizens, civil society, community-based organizations and private businesses and via international/public/private partnerships hence affecting the poor directly and overcoming politically established bureaucracies. To insist on conditionalities like the need for local capacity building before Foreign Direct Investment is ironic because generally personnel constrains existed locally that donors are equally aware. (Crawford, (1981, pp.64-65) adds to this argument that appointment of inefficient local officials to handle projects leads to failure. Livelihoods grounded audits on their part advocate capacity building as a remedy to weak institutional capacity but more in the direction of a learning approach which will take time and resources and might not be considered strategic by time-bound donor countries and profit-bound Multi-National Companies.

- The need to better or ease importation rules and check over zealous custom "patrons" through effective punitive and legislative measures and allow well trained officials to handle the inflow and out flow of goods within this region in respect of international and regional standards. Better service delivery in the customs sector can also be achieved if the per capita income of workers was improved there by reducing their exposure to bribes and other illegal activities.
- The need to reduce conflicts in the region via peace agreements and broad-based negotiations especially in areas where natural resources have been the reason for civil and regional strives. This is vital as conflicts and coups have also been considered one of the main reasons why enabling environments for Foreign Direct Investments have been slow in the region coupled with the excesses of opportunistic military regimes (Bates, 2005).
- Market entries even the most enterprise in direction should have a pro-poor dimension (Hall and Midgley, 2004). This necessitates a better understanding of poverty, environments and livelihoods (Chambers and Conway,1992) unavoidable in assessing the regional capacities and capabilities and already tested strategies which are likely to better the lives of people or embrace change and enterprise approaches from outside. Being pro-poor it must be mentioned has

been the corporate social responsibility dimension of many contemporary Western companies in this region today but there is serious lapse as to broad-based identification of stakeholders and their needs or the nature that these responsibilities should take. In many ways they are still mediated by government patrons with political agendas and with no intentions of empowering marginalised segments of society (Thomas, 1985, pp.24-25). This means foreign investors should stop presuming the government or old “patrons” will readily want to create new “patrons” outside their established cronies especially those in rural areas that cannot easily create political uprising as with the urban centres (Hall and Midgley, 2004).

- The need to use participatory planning in designing Foreign Direct Investments. This will lead to the involvement of local peoples in identifying best areas for business or technological transfer for instance or even for development interventions hence creating an atmosphere of ownership even without actual ownership as with the case of products by Multi-National Companies (MNCs).
- More over Foreign Direct Investments should be people centred, bottom-top, partnerships with enough room for flexibility (Toner and Franks, 2006) in order to maximise delivery and impact more. People centred interventions involve knowledge of stakeholders not presumptions about them. It involves the capacity to alter pre-conceived business or development plans to meet changes in the ground. If for instance an investment where to use foreign technical assistance during its life span in Sub-Saharan Africa, it is imperative to justify whether local peoples working in these institutions will give their all especially if they are more

qualified than the so called technical assistants (Micklewait, Honadle and Barclay, 1983) or if they know such companies are doing little or not in the socio-economic sectors despite their fabulous profits etc.

- The need for embedding sustainable technologies in the region and to invest sustainably. These calls for serious monetary and evaluation partnerships in the development sector to check quality of services provision or to check standards of goods produced and consumed in these countries in order to match universal levels where appropriate and to make it possible for home companies to achieve universal equitable certification requirements for business outside. Therefore sustainable roads, rail way networks, telecommunication infrastructures, health units, consumer protection units and educational institutions, for both capacity building and research and development are imperative in creating active rational institutions and individuals capable of managing national resources and not personalising them. This also means that Foreign Direct Investments may have to be holistic in content and delivery to impact in the region.
- The necessity of creating trajectories from inequalities suffered at different levels of patrimonialism. This will help to create pathways of reacting to people of different levels and degrees of vulnerabilities or negative patrimonial influences with common tools despite their original differences. With this it will be possible for a man who lacks say shelter and clothes because his village is isolated and denied the HIPC funds with a man lacking shelter and clothes because he is of the Opposition or his village was hit by a natural disaster. While sceptics may argue that it contradicts the very essence of process approaches in the first place, it

simply includes all needy categories into intervention design so as to achieve holism and better outcomes (de Haan and Zoomers, 2005).

- Finally the need for institutional reforms in countries governed by illegal and illegitimate “patrons” or for establishing road maps for changes in the judiciary processes, property rights and ownership (Barlow, 1958), fighting corruption of civil servants, enhancing accountability and fiscal austerity measures and for ensuring that interventions be they for development, charity or businesses are pro-poor, sustainable, participatory, partnerships with guarantees towards local ownership (an example is Tourism Black Economic Empowerment in South Africa), bottom-top, flexible, profitable, holistic, pro-poor and people centred.

With such a perspective therefore to “Patrons”, “Sub-Patrons” and “Mini-Patrons” as well as “true Patrons” it is pellucid that flops associated to Foreign Direct Investments in Sub-Saharan Africa cannot be nailed permanently to patrimonialism even when it is mutated. This is due to the fact that policies and their implementations are also mediated by stakeholders’ politics and diplomatic preferences or to business prospection and local power relations as well as the dynamics of Global Investment Trends which in many ways are affected by donor countries’ interests and Multi-National Companies’ interests. Looking at market entry definitely without a look at the patrons of this region is a lapse just like looking at the patrons without an observation of the dynamics of the regional and Global environments will be like building castles in the air of Jupiter. But can Patrons be the bigger problem?

Bibliography and References

Apter, D.E. (1965) "*The Politics of Modernization*". University of Chicago Press, Chicago, IL. 1965.

Acemoglu, D., et al. (2004) "*Institutional Roots of Prosperity*". Lionel Robbins Lectures, MIT Press.

Amjadi, A., et AL. (1996). "*Did external Barriers Cause the Marginalization of Sub-Saharan African in World Trade*"? Policy Research Working Paper No. 1586,.Washington, D.C.: The World Bank.

Barlow, R. (1958). "*Land Resource Economics*". Princeton-Hall, New Jersey.

Bayart, J.F. (1993). "The State in Africa and the Politics of the Belly". Longman, 1993. London.

Bayart, J.F., et al. (1999) "*The Criminalisation of State in Africa*". London, 1999.

Chambers R, Conway G. (1992). *Sustainable Rural Livelihoods: Practical Concepts for the 21st*

Cusworth and Franks, T. (1993) (Eds) *Managing Projects in Developing Countries,* Longman, New York (see Chapters 5 and 10)

De Haan, L and Zoomers, A. (2005) Exploring the Frontiers of Livelihoods Research *Development and Change* 36 (1): 27-47

Ekeh, P. (1975). "*Colonialism and the Two Publics in Africa*". Comparative Studies in Society and History, 17(1), 1975

Hall A, Midgley J. 2004. *Social Policy for Development.* Sage Publications: London.

Hoben, A., "*The role of the anthropologist in development work*: *An overview,"* in W.L. Partridge (Ed.), *Training Manual in Development Anthropology,* Special Publication No. 17 (Washington, DC: American Anthropological Association, 1984), pp.1-17

Honadle, G.H., "Development administration in the eighties: New agendas or old perspectives?" *Public Administration Review,* Vol.48, No.2 (1982), pp.174-17

Manning, N., et al (2000) "*Public Officials and their Institutional Environment*". World Bank, Washington, DC.

Micklewait, D.R., C.F. Sweet, and E.R. Morss, New Directions in Development: A Study of U.S.AID (Boulder, CO: Westview Press), pp.11-22.

Nelson, R.R., Sampat, B. (2001) "Making Sense of Institutions as a Factor Shaping Economic Performance" *Journal of Economic Behavior and Organization,* 44: pp. 31-54

Oxfam Policy Paper (2002) 'How the EU should reform its trade policies with the developing world', p.11

Petifor, A. (2002) 'Debt is still the lynchpin: the case of Malawi', *Jubilee Research.* (www.jubileeresearch.org/opinion/debt040702.htm)

Putnam, R. (1993). *Making democracy work.* New Jersey: Princeton University Press

Ruffer, T and Lawson, T. (2002) *General Budget Support: Rationale, Characteristics and Experience*. PAPER FOR THE RURAL LIVELIHOODS ADVISORS' CONFERENCE 2002.

Sullivan H, Skelcher C.(2002) *Working Across Boundaries*, Palgrave Macmillan

Toner A, Franks T. 2006. Putting Livelihoods Thinking Into Practice: Implications For Development Management *Public Admin, Dev.* 26, 81-92 Published online in Wiley InterScience (www.interscience.wiley.com) DOI: 10.1002/pad.395

UNCTAD (2001) "Transit System in Land Locked and Transit Developing"

WEF (World Economic Forum). 2003. Global Information Technology Report 2002-2003: Readiness for the Networked World, Geneva: WTO.

World Bank, (1996). "End the Debt of Poor Countries by the Year 2000". Washington, D.C.

World Bank (2000) *World Development Report 1999/2000.* Washington DC: World Bank.

World Bank 2002. *Why Community-driven development?* In *Poverty Reduction Strategy Sourcebook,* Klugman J (ed). World Bank: Washington DC.