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Martin Büscher*

Socio-cultural Factors in Economic Development

Nearly all development theories, economic and non-economic, are based on a scientific-technological view of the world, which ignores the question of whether similar underlying social values and customs can be presupposed in other cultures. This is probably one of the key causes of the crisis in development theory and policy, the importance of which can hardly be overestimated.

Development theories can roughly be divided into those that stress economic factors as the driving force behind economic development and those that place the accent on non-economic determinants. A distinction to be drawn within economic theories is between concepts that view internal factors in a national economy as the major parameters for development (stages of economic development, dualism theories) and those that focus on external factors (foreign trade, dependence theories). Non-economic theories include theories of social change, modernization theories, population theories, climatic theories and psychological theories.

Common to all these explanations, apart from the psychological approach, appears to be the underlying scientific-technological view of the world, a perspective which ignores the question of whether similar social values and habits of thought can be presupposed in other cultures.¹

The failure to take into account the views, attitudes and modes of behaviour of a culture, the general axioms peculiar to it, hence its reality level. ("Wirklichkeitsebene", K. Mannheim) would, however, appear to be of key importance, in fact, probably one of the major causes of the crisis in development theory and policy, the significance of which can hardly be overestimated. In more recent publications in the field of development policy there are clear indications that cultural factors should be regarded as playing a central role in developmental issues; this acknowledgement, though, would appear to be of a largely formal nature, i.e. there is no detailed investigation as to *what* these socio-cultural factors actually are and what form they take in a

culture different from that determined by a scientific-technological view of the world.²

This article aims to present the main features of Black African culture and look at their relevance for existing economic structures and for the purposes and problems of economic development.

One of the axioms of the scientific-technological view of the world, anchored in the consciousness and behaviour of the individual, is that time consists of a line stretching from the past into the future, divided up into units, such as hours, days, years and centuries. People plan and work for a better future or at least to ensure that the future is no worse than the present or the past. It is essential both for free market and planned economies to forecast and plan the future.

In principle this linear thinking directed towards the future is alien to the African *weltanschauung*. The Golden Age – the authority of time and orientation – is situated in the past. Time cannot be thought, it can only be experienced. Time is the sequence of events that have either occurred, are occurring, or are about to occur. This traditional concept is not mathematically precise: smaller units such as hours, let alone minutes and seconds, hardly exist.

The future is almost non-existent, since events in the future have not as yet taken place and cannot therefore

¹ Survey according to M. v. Hauff: Die Situation der Entwicklungsländer, in: M. v. Hauff and B. Pfister-Gaspary: Entwicklungspolitik – Probleme, Projektanalysen und Konzeptionen, Saarbrücken and Fort Lauderdale 1985, pp. 13 ff; exceptions that concentrate on cultural/historical aspects are for example Max Weber: Wirtschaftsethik der Weltreligionen, Tübingen 1920; or D. McClelland: Die Leistungsgesellschaft – Psychologische Analyse der Voraussetzungen wirtschaftlicher Entwicklung, Stuttgart 1966.

² Cf. M. Büscher: Afrikanische Weltanschauung und Ökonomische Rationalität – Geistesgeschichtliche Hintergründe des Spannungsverhältnisses zwischen Kultur und wirtschaftlicher Entwicklung, Freiburg 1988, p. 11, p. 15 ff.

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be understood as time. Time as a sequence of events is related to a distant past and a present, with virtually no future. Only events come and go. Since the future cannot be experienced, it remains meaningless.

This notion of time permeates the African view of the world and of man, both for the individual as well as the community in which he lives.³ Human history is not directed towards a future state or future events; the African mind looks to the past for a rationale of existence. The passage of time does not entail improvement, enlargement or keeping up with trends. Time is not a yardstick or a parameter, it is the experiencing of moments in life. Regularity is of no particular interest; time and its motion depend on the unpredictable rhythm of the vital force.

Man is able to produce as much time as he needs. Time is not a scarce good; it is always available in surfeit. The motto "time is money" is inconceivable in this context. Man is not the servant of time: he creates and commands it.⁴

Religious Ontology

The African notion of time cannot be viewed or understood separately from the African view of the world in general. It is the gist of an anthropocentric ontology, a religious ontology. Religion pervades all areas of life – it is such a natural phenomenon that some African languages have no word for it. It is not possible to divorce the secular from the sacred. This ontology can be subdivided into five categories:

- ☐ God as the primordial cause of the creation and existence of mankind and the world;
- ☐ spirits, both superhuman as well as those of ancestors;
- ☐ man, i.e. all those living including those not yet born;
- ☐ animals and plants, i.e. all other forms of biological life;
- ☐ inanimate phenomena and objects.⁵

The anthropocentric ontology is a complete whole that cannot be broken up or destroyed. God (in Shona:

³ Cf. J. S. Mbiti: *Afrikanische Religion und Weltanschauung*, Berlin, New York 1974, p. 21 ff.

⁴ For more detail cf. M. Büscher, op. cit., p. 24 ff.

⁵ J. S. Mbiti, op. cit., p. 20; the term "anthropocentric" connotes the religious-spiritual import of this view of the world, not the idea of man as the measure of all things.

⁶ Cf. P. Tempeles: *Bantu Philosophy*, London 1959, passim. esp. p. 30 ff., p. 64 ff.

⁷ Cf. J. Dixon: *African-orientated and Euro-American-orientated World Views: Research Methodologies and Economics*, in: *The Review of Black Political Economy*, Vol. 7 (1977), p. 122; E. J. Marais: *African Thought*, in: *Africa Insight*, Vol. 14 (1984), p. 265 ff.

MWARI – He, who is) rules as creator and protector of mankind; spirits and ancestors determine the fate of individuals; man stands at the centre and animals and plants form the environment in which he lives. Beyond these five categories, there is a power or energy which is omnipresent, the source and guardian of which is God: the vital force. Human life revolves around this force and ultimate happiness is to possess as much of this force as possible.⁶

To live a full life, it is essential to experience the vital force, which is central to the meaning of life. It costs nothing and is imparted to man as part of the natural abundance of the universe. It has no value in commercial terms. This force is itemized and audited on a balance sheet without any cost figures.

Differing Views of the World

The African view of the world and the religions which mediate it are an all-embracing reality. They cannot be ignored in any sphere of modern life, in economics, politics or education. Africans are notoriously religious. By religion is not however meant an antiquated moral authority or some other-worldly metaphysics: it is the natural quintessence of life.

The main features of the African view of the world can be compared with those of the scientific-technological one as follows:⁷

	AFRICAN	WESTERN
	Spiritual world view	Scientific-technological world view
Category		
Man/nature relationship	Person/person (I/you)	Person/object (I/it)
	Harmony with nature Communalism	Mastery of nature Individualism
Time	Past-present continuous, event bound/ experienced	Future Linear, divisible
Activity	Being	Doing
Epistemology	Emotion/ experience	Object/ analysis
Logic	Integral-holistic	Either/or

The notions of time, relationships, the experience of being and logic are closely interrelated. For man, man is the key to the community and to the world, which is

oriented on the presence and authority of the spiritual vital forces. The individual is bound up with all the animate and inanimate forces around him. One cannot perceive this force as an individual; an isolated human being is something aberrant and unthinkable in the African weltanschauung.

Life hinges on the vital force, which is the yardstick for prestige, influence and wealth. The value of a good lies in its ability to generate vital force for the individual and the community to which he or she belongs. The satisfaction of needs and instrumental utility are subsidiary. Productive labour is viewed as a means of enriching and intensifying life with vital force. Production is geared to communal self-supply. In the subsistence economy and in a life lived in intimate contact with the riches of nature, economic activity primarily serves to provide the basis for the reproduction and preservation of the vital force.

Economic life is thus embedded in the spiritual sphere, and activities concerned with purely economic goals would go against or deviate from the inner values and laws of the world. A purely materialistic view would always be unsatisfactory as it offends against the most intimate habits of African thought. Economic growth as such is a mistaken and vacuous principle if it is based on individual gain and bound up with the notions of wealth and progress, which are alien to African thought. Hedonism and sophisticated computation are anathema to this mentality.

The religious order lays down the rules for economic life. Non-economic activities, such as festivities, visits or other social gatherings are vehicles of social welfare,

comparable to earning income, wealth or contemplation in other value systems.⁸

African Communalism

The President of Zambia, K. Kaunda, outlined the basic differences between the two views of the world as follows:

"I believe there is an explicitly African view of things . . . We have our own logic, which makes sense to us – however confusing it might appear to a Westerner. If I were to summarize the differences between the African and Western mentalities, based on my own observations, I would say that the Western mind is set on solving a problem, while the African is more interested in experiencing a situation. When a white man is confronted with a problem, he does not rest until he has solved it. He tries to proceed scientifically, often discounting solutions for which there is no logical explanation. For the African in contrast, there is no rift between the natural and the supernatural. He would be more prone to accept a situation than attempt to find the solution to a problem."⁹

In condensed form, this quotation captures those features of African reality as listed in the last three items in the above table: being vs. doing, experience vs. analysis, integration vs. division.

It is not the Western ideal to fit into a cosmic order or to be embraced by a sacred sphere mediated by traditional ritual or religious devotion and thus to participate in the vital force. The Western person confronts the natural and social order as a responsible, free, relatively unattached being. Cartesian dualism, which divides body and soul, matter and spirit, is based on division and opposition, analysis and conflict. The African in contrast, perceives the world via its phenomena as a moving, living, though essentially closed, reality aspiring towards harmony.¹⁰

This view of the world is reflected in African communalism.¹¹ The person in the community is the pivotal centre of the spiritual world view. The uniqueness of the individual is a secondary aspect. First and foremost, s/he is the relative and contemporary of many other people. This fact is his or her biological, spiritual, and economic base. The individual finds security and fulfilment in respecting the traditional values and customs of the community. Descartes' "Cogito, ergo sum" for the European is "I take part, therefore I am" for the African. An indicator of how intense family and kinship ties are is the custom of addressing not only the parents as "father" and "mother" but also their brothers and sisters.¹²

⁸ Cf. E. Marais, *ibid.*, p. 265 ff.; A.-J. Semiti: Education, Change Social et Retard Culturel en Afrique Noire, in: *Annales de l'Université d'Abidjan, Série F—Ethno-sociologie*, Vol. 8 (1979), p. 116 f.; K. Ts hik u k u: Spiritualité Africaine et Développement, in: *Cahiers des Religions Africaines*, Vol. 17 (1983), p. 112 ff.

⁹ Quoted from C. H a n e k o m: Vom Weltbild des Afrikaners, Bonn 1980, p. 13 (our translation).

¹⁰ Cf. A. S. van Niekerk, Jr.: African Religion and Development, in: *Development Southern Africa*, Vol. 3 (1986), p. 55 ff.; D. A. Masolo: Some Aspects and Perspectives of African Philosophy Today, in: *Africa (Roma)*, Vol. 35 (1980), p. 423 ff.

¹¹ African communalism cannot be simply equated with European socialism, which stems from different historiophilosophical and cultural roots (e.g. the role of religion) and has hardly any socio-historical parallels.

¹² Cf. for example A. R. Radcliffe-Brown: Introduction: African Systems of Kinship and Marriage, in: A. R. Radcliffe-Brown: and L. D. Forde (eds.): *African Systems of Kinship and Marriage*, London, New York, Toronto 1950, p. 50 ff.; J. C. Mitchell: The Meaning of Misfortune for Urban Africans, in: M. Fortes and G. Dieterlen (eds.): *African Systems of Thought*, London 1965, p. 202 ff.; ignorant of kinship relations, white employers have fired black employees for lying, because they had requested time off twice for the funeral of their father. Viz. an African transformation of competitive behaviour, cf. T. S u n d e r m e i e r: Nur gemeinsam können wir leben – Das Menschenbild schwarzafrikanischer Religionen, Gütersloh 1988, p. 276 ff.

Principles of Economic Reciprocity

These observations on African culture and attitudes should not be misunderstood as simplistically implying that everything in Black Africa is completely different anyway and that economic activity on the European model has no chance of working at all or that life in Africa at least is unspoilt and paradisiacal.

Africans are not so naive or other worldly as to be unacquainted with principles of reciprocity, of settling accounts or of specific kinds of service. The author's concern here is to demonstrate or at least indicate that economic life and settling accounts in African culture proceed according to indigenous, natural and time-honoured traditions and values. Economic ratio is not universal; it is culture bound¹³ and must be adjusted to the given cultural matrix, difficult though this may appear from the standpoint of one's own set of axioms.

Comprehending the social deference accorded religion and tradition can help us gain an insight into how tangentially Western forms and ideals of economic activity intersect with African thought and how large the rift between the notions predominating in African culture and economic development on the Western model actually is.

These factors pertaining to views of the world and culture not only demarcate the poles of thinking; they also have a basic formative influence on economic activity and the resultant structures.

Before looking at some examples of disparities in economic structures, we shall first outline the usual foundation of economic reciprocity and the mutual settling of accounts. The settling of accounts and economic reciprocity can, for example, be found where work is performed communally, in the case of mutual gifts, dowries, hospitality and visits, in the form of support as well as rights and demands of the family and clan. Typical of these payments is that they need not entail exact equivalence in terms of barter, in fact for reasons of social security they ought not to. If someone receives certain goods or a particular service, the payment is neither the exact equivalent of the good or service provided, nor is it due immediately or at a precise date. The provision of help, the granting of favours and the advantages derived go towards creating an almost permanent relationship between two people, the binding character of which can extend to include close relatives. Security is not attained through autonomy but via the close ties of obligations, which go beyond the classical economic symmetry of exchange. This relationship is sustained by means of imbalance.

This indicates that the purely economic principle of

material/monetary calculation is overlaid by the social values of African communalism. The social integrational function of reciprocity takes precedence over economic barter. The basic Western economic principle does not obtain.

Calculation and the settling of accounts as modes of economic rationality and instrumental reason form a central part of the Western economic ethos, but these alone do not assure the success of economic activity. Key determinants are the axioms that have developed in a culture, such as the work ethic, the duties and rights of the individual citizen, the social role of the state and the administration and more broadly, climatic and geographical conditions peculiar to Europe.

For this reason, in the following the author will examine some relationships between mental attitudes and certain forms of economic organization, looking at how planning, organization or business management are almost "natural" elements of a scientific-technological view of the world and little better than "foreign bodies" in the African metabolism.

Planning and Organization

As the above discussion of the African notion of time showed, it is difficult for Africans to take the idea of a future seriously. The future is neither real, being devoid of any occurrence, nor is there a need or drive to account for it, since the world moves and has its being in tradition. There is no reason to attend to the future, let alone to attempt to forecast events. Planning for this mentality is like building castles in the sky.

This way of perceiving things not only predetermines the mental potential for planning at all; it also affects the conditions for plan implementation. The non-linearity of the African notion of time plays a central part. By definition, plans have to do with a certain mathematical precision, they entail the systematic working towards a series of events. Since for the African mind time is not a linear, mathematical quantity, fitting into a linear system must clash with the familiar meaning of time and appear alien and baffling. Time has no commercial value. It is bound to events alone and cannot be experienced in an abstract way.¹⁴

Introducing the orientation towards the future of the scientific-technological view of the world did not mean a gradual adoption of, and slow adjustment to, a new

¹³ Economic activity is rational within the confines of the values and convictions of a given cultural matrix (rationality of the system); economic rationality is not universal or eternal; it is subject to cultural and historical influences.

¹⁴ Cf. J. S. Mbiti, *op. cit.*, p. 24 ff.

dimension of time: it engendered social and political disorientation and upheaval. The future was interpreted according to the spiritual world view in religious terms as a messianic, redemptive force. This did not mean a future to be planned and moulded by individuals, but trusted in the intervention of supernatural forces. This is the meaning of K. Nkrumah's statement, "Seek ye first the political kingdom and all these things will be given unto you".¹⁵ The future was to bring progress and change via political power, not planning, work and/or personal commitment. The future is not determined by human activity, but by the effects of supernatural powers.

Threat to Harmony

Similarly, units of time play an important part in investment considerations. This is true both for the stipulation, implementation and monitoring of redemption periods and the requisite cost effectiveness calculations in a broader context. Such processes involve predicting the future to a certain extent as well as applying a mathematic-linear model of time. The ability to adjust to such processes not only depends on the readiness to adhere to specific directions and carry these out as agreed, but also to perceive abstract forms of organization as meaningful, to have confidence in them, or at least to understand them.

The way things are perceived and understood (epistemology) in the African weltanschauung is not related to abstract, essentially static quantities, like a unit of value, cost accounting or a form of managerial organization. Personal relations provide orientation; being always comprises a dynamic element; subject/subject relationships prevail and uprooting Africans from their system of religious values can only be done at the

cost of depriving them of their sense of identity and security. Abstract social systems not only pose a threat to an hermetic harmony; the intrinsic meaning of such systems can only be grasped from the standpoint of religious ontology.

Another facet here is thinking in alternatives and the search for progress and new discoveries.¹⁶ African thinking is not causal/analytical or linear; it is more magical and cyclical or monistic.¹⁷ The development of rationalistic thought is impeded by religious portents (natural faith (Mother Nature) and confidence in the world as a whole) but also by family security and the often positive geographical conditions regarding the supply of food.¹⁸

The characteristics of the African view of the world so far described indicate that the systematic devising and execution of abstract plans, the adoption of an abstract, linear-time concept, the development of systems for administrative procedures and of organizational principles must appear alien, senseless and almost incomprehensible. From an overall economic viewpoint, too, the question must be posed as to what structural conditions affect economic development and at what levels the basic differences in views of the world make themselves felt in economically important structures. We shall now proceed to comment on dualistic tendencies in the phenomenon "state" in Black Africa.

Government Administration

The State, centralized control and public administration did not exist in the countries of Black Africa until their inception in the colonial period. The authentic, traditional, political unit is the tribe, not the states and state borders demarcated at the Berlin Congo-Conference of 1883/1884. The post-colonial state machinery is not rooted in social structures. The administration is largely the direct result of colonial rule and takes the form of a passive adaptation (acculturation) of foreign administrative modes, divorced from the African social system.

Apart from the fundamental and profound political tensions induced by these structures, the state is hardly able to direct, influence or support economic processes. Planning economic activities, providing and maintaining a broad infrastructure (transport routes, energy supply, communications, e.g. telephone), creating and sustaining a national, viable legal order and the administrative support of trade, from work permits to customs matters usually overtax the resources of the authorities responsible.¹⁹

The fact that these administrative structures are ill-

¹⁵ Cf. G. C. Oosthuizen: Africa's Social and Cultural Heritage in a New Era, Paper presented to the Africa Institute Conference, Pretoria 1985, p. 21 f.

¹⁶ Regarding the relationship between progress and religion it should be retraced for the culture characterized by Christianity how idealism and religious transcendentalism engendered the never-ending compulsion towards progress, thus helping substantially to unleash the myth of progress. In Black Africa, religion is more natural, worldly and unconstrained and perhaps approaches the Biblical notion of humankind more closely. ("Western Christianity has lost the power of the gospel"; cf. T. Sundermeier, op. cit., p. 273 ff.)

¹⁷ Cf. E. Marais, op. cit., p. 265 f.

¹⁸ Droughts or natural disasters are not interpreted pragmatically but from a deeply-rooted religious perspective which views them as expressions of the spiritual powers that rule the world.

¹⁹ Cf. German Development Institute: Strukturverzerrungen und Anpassungsprogramme in den armen Ländern Afrikas - Herausforderung an die Entwicklungspolitik, Berlin 1985, p. XXXI f.; O. Lachenmann: Die gesellschaftliche Problematik der Strukturanpassungsweisen in Afrika, in: Zur Verschuldungsproblematik der Dritten Welt, Referate der Klausurtagung der Kammer der EKD für Kirchlichen Entwicklungsdienst in Bonn, May 1987, epd Materialien VII/1987, p. 28 ff.

fitted to African views and standards often brings about relations which the Western observer tends to label as nepotism or corruption, one of the most conspicuous factors hampering or paralysing administrative structures. Loyalty to family, clan and tribe takes precedence over commitments to a colonial system imposed from outside based on Western ideas of the methods and purpose of an efficient administration. Principles such as loyalty to the state, duty, order and responsibility are notions foreign to the African tradition. Loyalty and social identity relate to small, social units whose parameters are easy to identify, largely based on personal relationships, not abstract administrative or legal relations. Administrative competence is often merely formal and taking advantage of opportunities to use available public funds for private purposes, to secure additional income parallel to or via an official post or to dispose of foreign development aid funds often goes unpenalized.

Basic Forms of Economic Activity

In the Black African view of economic activity, demand is the direct needs of the community, which precludes neither specialization where necessary nor trade in tools, household appliances and certain luxury articles, nor the storage of foodstuffs for drought periods. Traditionally and in the mode of thought shaping established customs, however, economic activity does not entail the division of labour in a complex set of relations; as material needs were modest, no serious problems of distribution arose. Production is not detached from the community and religion. Within the tribal relations, material goods belong primarily to the family and the community. Tribe and family are not only economic units providing security and orientation, they are also mediators of religious identity and social and political life. Here especially a *weltanschauung* and way of life finds its social embodiment, in which a distinction between separately demarcated areas of life is inconceivable.

This typically monolithic, African view of the world permeates all the basic forms of economic life, such as production, trade and finance. Its remoteness from Western economic culture and the profound rift between the two kinds of economies, inevitably engendering tremendous tensions, will be looked at in the following with the aid of some examples.

Close Links with the Subsistence Sector

Subsistence production is premised on being able to take from nature as much as one needs to live. In opposition to this, monetized production for the market

is based on the (in economic terms often misinterpreted) tenet, "Go forth and multiply and subdue the earth".²⁰ The traditional mode of production in accord with the environment and with nature, intercropping, was replaced by the dissemination of monocultures in line with linear thinking, which was tantamount to soil-exhaustion, given the unstable fertility of many soils in the tropics and subtropics. As a rule, those working in this form of production maintain their links to rural subsistence economies. In addition to maintaining personal ties, these links also serve to ensure social security, which is otherwise inadequate, especially in the towns.

The most powerful impetus dislodging the population from African tradition is probably consumer and income incentives emanating from the market sector. Since the introduction of market production with modern marketing patterns, though, the subsistence economy has remained stubbornly resilient. This resilience can be interpreted as insight into the conditions of social security and economic survival. Here too the significance of the unity of religion and life is evident. The underlying communalist ethic affects the spiritual as well as social (in a Western sense) life. Cultural identity is lodged in a view of the world which allows Africans to venture into Western lifestyles and economic structures while maintaining firm ties with the subsistence sector.

Communalism and Private Enterprise

The key importance of the African communalist ethic is also evident at managerial level in private companies in the modern sector. For an African head of a business, the more prosperous and influential he appears, the larger the community he has to take care of. Favours and help are not expected merely in a financial sense: preferential treatment for relatives when issuing contracts and recruiting personnel are also part of his "obligations".

The difficulty of promoting the development of a private enterprise sector capable of innovation in terms of products and marketing can only be superficially explained by adducing the shortcomings of planned economies as the main cause. Though entrepreneurial initiative enjoys greater scope in free market economies, this form of economic organization affords only formal freedom where the conditions for the effective operation of a business which extend beyond formal freedom are absent. Symptomatic of the rift between Western and

²⁰ Cf. K. Sidi: Afrikas Agrar- und Ernährungsproblem: Kultur- nicht Produktionskrise, in: Vereinte Nationen 4/1984, p. 129.

African business structures is that hardly any administrative or logistic horizontal or vertical structures have been developed. A classical example of this are closed-down steel works: quite often, all the components for production and maintenance as well as infrastructure, utilities, communications and good transport links have had to be set up.²¹

Finance and Banking

Another area in which this socio-cultural dualism is manifest is finance and banking. Prior to the emergence of a Western finance system, there was no general money in Black Africa, apart from a few exceptions, to serve as a unit of value, a store of value and a means of exchange. It was not until the introduction of Western money that goods, particularly prestige goods, which originally had not been valued in monetary terms, began increasingly to be integrated into the monetary system. The proliferation of money as a means of exchange engendered a conflict between traditional authority and the status and influence associated with goods that money could buy. As against the traditional prestige goods, such as social functions, cattle or dowries, the new goods were accessible to anyone with money. The depreciation of the old goods embodying prestige, power and influence also attenuated the status and role of the elders, whom tradition invested with great authority. The social and economic function of the family was thus undermined without however preparing the way for an integration into the modern sector.

Another polarization has occurred in the credit sector. A large number of small and one-man enterprises have no access to the formal finance sector. Commercial banks issue no loans, because the risk on the creditor side is judged to be too high. The reasons for the unavailability of credit are the precarious economic climate, lack of entrepreneurial and business qualifications and insufficient collateral. Small firms cannot meet the high collateral requirements. While

white commercial farmers mortgage their own land or have no difficulty in finding someone to act as surety, within the communalist ethic subsistence farmers are unable to mortgage their land, since it belongs to the community.²²

A further indication of the persistence of dualistic structures is that a revision of the conventional criteria for issuing credit was found necessary after the political independence of most Black African countries but no country could afford to wait for credit institutions to gradually emerge as a natural response to the growth of domestic demand for credit and savings facilities in line with indigenous socio-cultural conditions. A process of "indigenization" was to be stimulated by installing local partners and directors, creating requisite majorities in boards of directors and promoting and training national personnel. The individual countries have adopted very different approaches, but common to them all is the attempt to adapt the finance system on a Western model and its general conditions to the specific environment of African society and values in a subsistence economy.²³

The Permanence of Dualistic Structures

Reviewing the last two decades of political independence and the efforts towards development in the industrial sector as well as in agriculture, the overall picture is one of stagnation. This inertia is being exacerbated rather than countered by the promotion of investments and projects which have today proved to be uneconomic and artificial, which inflate government bureaucracy, ruin budgets and fuel the misconception that this kind of promotion can be sustained irrespective of cost trends. A fiscal policy of overlending has aggravated indebtedness and stimulated demand where there was no actual discernible need and contracts were concluded with suppliers because of the generous credit limits. This artificially underpinned the structures in the modern sector, encouraged the misuse of funds and the accumulation of personal wealth, and did not lessen dependence on foreign finance, know-how and competence; national production forces could not be developed.²⁴

In each area of economic structure looked at, we discerned the coexistence of the modern sector and the subsistence sector, the former tailored to Western technology and economies and geared to the world market, the latter essentially isolated and vacillating between a monetary and non-monetary economy. The major reason for the persistence of dualistic structures is not, however, the mistaken choice of a particular form of developmental or economic social engineering, lack of capital, bad pricing or market organization: it is the

²¹ Cf. O. Froehling: *Privatwirtschaftliche Kooperation in der Entwicklung Afrikas*, in: *Internationales Afrika Forum*, Vol. 21 (1985), p. 175 ff.; J. Kiss: *What Kind of Future for Africa?*, Budapest 1984, p. 9 f.

²² Cf. R. H. Schmidt: *Credit Supply, Self-help, and the Survival of Financial Institutions in Developing Countries*, in: *Jahrbücher für Neue Politische Ökonomie* 1986, p. 263 ff., p. 270; E. L. Furness: *Money and Credit in Developing Africa*, London, Nairobi 1975, p. 52, p. 61; J. C. Kufundada: *Der Dualismus in Entwicklungsländern und Ansätze zu einer Überwindung – Ein Studium Zentralafrikas*, Münster 1979, p. 232.

²³ Cf. E. L. Furness, *op. cit.*, p. 52 ff.; A. Adedeji: *Foreign Debt and Prospects of Growth in Africa during the 1980s*, in: *Journal of Modern African Studies*, Vol. 23 (1985), p. 53 ff.

²⁴ Cf. A. Adedeji, *ibid.*, p. 66, p. 73 f.; O. Froehling, *op. cit.*, p. 175; U. Kracht: *Hintergründe und Lösungsansätze zum Hunger in Afrika*, UN World Food Council, Rome 1986, p. 5 ff.

simultaneous existence of two opposing cultures, which take their own economic form and intersect only superficially, due to their different views of the world, their social manifestation and economic processes. It is African spirituality that is the motor force for the vitality, continuity and comparative inviolability of African culture with respect to non-African, economic, political and cultural incursions.²⁵

Relevance for Practical Development Policy

In scientific debate affecting practical development policy at bilateral or supranational level, the above outlined socio-cultural factors are neglected or ignored. The goals of development policy have shifted from a policy of large-scale economic growth to supporting the extremely needy, "grassroots development", help for self-help, ending with a frank helplessness or vehement criticism of the counterproductiveness of all attempts at development from outside. Practical development policy is in dire need of "meaningful" and "successful" projects.

The major development policy considerations regarding Black Africa at macroeconomic level remain the analysis of structural economic factors. The Berg Report,²⁶ which in a certain sense can be viewed as representative of one tendency, focuses primarily on purely economic factors as possible motors for development: promotion of agricultural exports, equilibrium on current account with the aid of "correct" adjustments in exchange rates, raising profitability and cost-effectiveness in government and semi-government services and fixing "correct" producer prices. These proposals essentially reflect economic thinking and Western universalism, which are the basic determinants of the economic analysis and the policy courses adopted by central, governmental institutions and supranational organizations (World Bank, IMF etc.).²⁷ From the African vantage point, the other approach is the 1980 Lagos Plan of Action of the Organization of African Unity, which stresses inwardly directed reforms, placing food and agriculture at the top of the priority list for macroeconomic schemes, flanked by initiatives to substitute imports and develop the processing of industrial raw materials. In the wake of the Lagos Plan, the Berg Report was attacked as being in fundamental opposition to Africa's political, social and economic goals. The primary causes of the socio-economic crisis were identified as the colonial heritage, the international economic order, trade protectionism, effects of the global recession and the shortage of funds for development aid. This view, which takes greater account of political and historical factors, does venture

beyond a purely economic analysis of the social situation but it still omits the profound cultural aspects.

To a certain extent, the perspective adopted by the UN's Economic Commission for Africa (UN-ECA, Addis Abeba), is exceptional in stressing that development policy concepts and measures have also failed as a result of elements of African tradition being left out of account. According to the Commission, Africa's internal order, with its inappropriate notions and models of development, static taboos and traditions, political and economic mismanagement and ossified family and tribal structures must take a large share of the blame for its abortive and apparently impossible economic development.²⁸ Self-critically, the Director of the UN ECA, Nigerian A. Adedeji, points out, "We have also made one very false assumption – we have tried to fit ourselves into words such as socialism and capitalism, which have very little meaning for us, instead of asking ourselves how we really could achieve development. Development is a unique thing for each country, for each society. It is the cumulative result of its cultural, political and social history and development."²⁹ Attention should be drawn here to the development role played by many church organizations, whose representatives, more than others, have continually tried to cater for the *contents* of the African view of the world and are thus able to perform "realistic" development work, which is geared to cultural considerations. Given the spiritual view underlying African thought, it is certainly no coincidence that key research in this cultural regard has been done by theologians.³⁰

The Wrong Model or the Wrong Reality?

Of course, true integration cannot be achieved from the local perspective of the Western world. Just like

²⁵ This applies not only to European/Christian influence, but also to the impact of Arab culture. Compared with the cultures of North America or Australia, the African has been most successful in asserting itself.

²⁶ Beschleunigtes Wachstum in Afrika südlich der Sahara, World Bank 1982.

²⁷ Cf. K. Y. Amoako, P. Please: The World Bank's Report on Accelerated Development in Sub-Saharan Africa: A Critique of Some Criticism, in: African Studies Review, Vol. 27 (1984), p. 47 ff; U. Kraehl, op. cit., p. 6 ff.; J. Ravenhill (ed.): Africa in Economic Crisis, London 1986, and the references contained in this publication.

²⁸ Cf. UN Economic Commission for Africa (ECA): ECA and Africa's Development 1983-2008 – A Preliminary Perspective Study, Addis Abeba 1983, p. 7 ff.; also similarly Church Drought Action in Afrika (CDAA): Bericht des Studienausschusses über die Grundursachen des Hungers und des Nahrungsmittelmangels in Afrika, World Council of Churches, Geneva 1985, passim, esp. p. 25 ff., p. 38 ff.

²⁹ Adebayo Adedeji, cited in G. M. E. Leistner: South Africa and Africa: From Apartheid to Participation, manuscript of the Africa Institute of South Africa, Pretoria 1985, p. 10 f.

³⁰ Cf. inter alia P. Tempels, op. cit.; J. S. Mbiti, T. Sundermeier, op. cit.

contextual theology and medicine, *contextual economic theory and policy* can be developed, from the given local, indigenous perspective.

This does *not* mean mechanically presenting a new model, concept or slogan based on the familiar local Western perspective; it means learning to understand the indigenous reality and assessment of social phenomena prior to every conceivable discussion or planning of policy. Best suited to putting this approach into practice are persons who are at home in both cultures, but who live in Black Africa.³¹ For exhaustive and comprehensive analyses of general conditions, there is a need for more than simply a few social engineering experts visiting a country or region for a short time. A possible approach, already adopted in some cases, is the assignment of ethnologists and cultural anthropologists, although these sometimes become preoccupied with ethnological details and are also emissaries of Western scientific, rationalist tradition and corresponding social values. Based on our considerations so far, instead of setting positive social goals, meaningful development aid may also consist of exercising restraint after having arrived at an approximate understanding so as to mitigate the defects of the actual structures and keep alienation to a minimum, detect errors and bridge the gap between the two worlds. This is an enormously arduous process, even if both cultures desire this approach. It is not, however, solely a task for idealists and social scientists and philosophers, sometimes discounted by economists as unworldly and unrealistic; it is a simple economic imperative at the level of granting credit or financial assistance and pertains to all forms of real investment, macroeconomic forecasting and the search for markets.

It is perhaps also a matter for each individual living on another continent, of his willingness and ability to empathize, to locate his own traditional humanist axioms in a relativistic cultural context. To meet such a challenge needs time, patience, will entail painful adjustment and is under certain circumstances more demanding than the "merely" intellectual tasks of everyday development work: scientific-technological thinking in differentiated analytical terms, clear, goal-oriented planning in accordance with contracts and assignments.

If they are to be meaningful and to take root, development efforts must also involve accurately

conveying the scientific-technological view of the world and its cultural tradition of economic development, progress and commitment so as not to foster vacuous and misleading paragons and allow false ideals to predominate. At the same time, this may generate impulses, not just in medicine and theology, which could enable Western thought and action to regain a lost unity and provide opportunities for mutual learning and giving. The notions of "help", "giving", "mission", "development" and "progress" are not devoid of a certain irony, in view of the high intellectual and humanist ideals of the Western World, which today proffers financial, technological and scientific aid but is spiritually impoverished, increasingly doubting its own cultural development, perhaps calling itself so profoundly into question precisely because of the mechanistic implementation of its values (certainly not their essence), which has impaired its vision of itself.

The major import of the fashionable development term, "structural adjustment" should not comprise material and economic structures; it should connote adjustments in social values and standards, imply a comprehension of the relativity of axioms underlying our own culture and a relativistic social assessment of progress and development, poverty, wealth, planning, democratic rights, etc. geared to the reality level of another culture. The great ideal of an economic miracle stamped out of the ashes of post-war Germany cannot serve as a model for Black Africa. Releasing African nations from their debt liabilities³² is the logical consequence of the realization that the debt problem is not the result of a liquidity crisis but of a structural crisis of production possibilities and solvency, rooted in cultural disparities.

To devise tenable development concepts, we must face a dilemma. Two views or standpoints, which are otherwise almost irreconcilable, reflect this dilemma when viewed together. On the one hand, there is an urgent need for commitment to closing the deep rift between African reality and development patterns on the Western model – to resolving the "African drama", to borrow a term from Gunnar Myrdal, the term "drama" admittedly requiring clarification. On the other hand, there is the associated presumptuousness of knowledge, with its pretension to influence and direct complex phenomena within the parameters of a foreign culture – a possible, here almost uncontroversial, version of Friedrich von Hayek's concept.

³¹ Cf. E. Mireku: *Weltanschauung and Development – Basic Elements of a General Theory of Development, An African Perspective on the Restoration of Africa*, dissertation, St. Gallen 1988, p. 318 ff.

³² Cf. *Frankfurter Allgemeine Zeitung* of 21 July 1988 (Entwicklungspolitik – Spiegel der Presse 16/88): Schuldenerlaß für zwölf afrikanische Staaten, zukünftig Gewährung von Zuschüssen statt von Krediten.