

BOOK REVIEW

Structural Change in Africa: Misperceptions, New Narratives and Development in the 21st Century.

Carlos Lopes and George Kararach
Routledge Taylor & Francis, 2020; 252 pages

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This thought-provoking book is dedicated to answering a critical question: how Africa can develop successfully. The core argument is that Africa needs to move toward an internally driven approach, rather than use approaches that are “externally imposed on African countries [that] have done little to transform the continent, largely because they have been conceived and applied without context.” The original contribution of this book does not lie in this call for a more internally driven approach, since the book is not the first to discuss such a change in African development strategies. The book concurs with some previous works, such as the work of Dambisa Moyo’s book entitled: “*Dead Aid: Why Aid Is Not Working and How There is Another Way for Africa (2009)*”, which received a lot of attention from the international community. Books such as these ones reflect the desire of the African intellectual elite to provide an alternative to the existing recipes for African development.

What makes this book special is the background of its co-authors. The two co-authors are leading experts of African development strategies. Carlos Lopes was the Executive Secretary of the United Nations Economic Commission for Africa. Given his background, one would expect him to espouse a narrative of an externally driven approach that is typical of these institutions. However, he takes a significantly different perspective, criticizing and questioning the international institutions that have been active in African development and their strategies. Even more interestingly, he is a member of a select group of African experts who have been piloting the “Agenda 2063,” a program set up by the African Union to think about structural transformation under the leadership of Rwandan President Paul Kagame. The second author, Georges Kararach, is the Lead Economist of the African Development Bank, an institution at the heart of Africa’s development policy. The views expressed by these authors in this book is an evidence that there is a real shift in the rhetoric of African development and that a different pathway is needed for Africa’s development. The book reflects very well the change that is currently taking place on the African continent. As the authors contend, “the book moves the debate from the rhetoric to reality.”

For the authors, the main objective of these changing African development strategies must be structural transformation, driven above all by industrialization. The entire book is organized around this central idea. A major strength of the book is that it deals with current African challenges. The authors propose a great analysis of issues such as sustainable development goals (SDGs), climate change, artificial intelligence and migration. Their focus of these issues reflects their interest to discuss the current most important challenges of the African continent and to propose realistic alternatives with high-impact potential.

Chapter 1 defines structural transformation as “a process whereby the relative importance of different sectors and activities of an economy change over time. In the African context, this implies a relative decline of low-productivity agriculture and low value-added extractive activities, and a relative increase in manufacturing and high-productivity services”. With strong statements such as “The absence of structural transformation implies growth without development....” the authors place structural transformation at the heart of the development strategy of the African continent. They distinguish this structural transformation from the “structural adjustment” advocated by international institutions in the 1980s and 1990s, which was counter-productive for African countries.

Chapter 2 deals with Africa’s relationship with the international and multilateral system. The core argument is that the international system must redefine the ways to support Africa in its transformation agenda. Starting from the observation that the efforts made by the international community have failed to promote development in Africa because of a universalist approach, misperception and poorly adapted neoclassical economic theories, the authors question the United Nations 2030 agenda: “to what extent can universal sustainable and inclusive development be achieved by the SDGs? ... Moghalu (2014) worries and warned African to be cautious as international organizations such as the United Nations, may become the platforms that undermine Africa’s development because they tend to be dominated by countries that have very different political and economic agendas” (p. 58). Lopes and Kararach do not go as far as to reject the SDGs, but they argue that international assistance in the form of aid and the one-size-fits-all approach are not the way to help Africa emerge out of underdevelopment.

Chapters 3 and 4 discuss the factors that will bring about structural transformations. The authors observe that today, structural transformation is dominant in the discourse of African leaders. However, the question of “how” to successfully achieve this transformation remains. The authors make industrialization the central element of their discussion. They dedicate all of Chapter 3 to this critical factor. The main argument is that industrialization strategies such as upgrading in the Global Value Chain and offer an opportunity to African continent to “move beyond producing raw materials and to build dynamic and competitive manufacturing sectors capable of processing the continent’s abundant minerals and agricultural products”. They acknowledge that industrialization is a very competitive business at the international level and that Africa must find an original way to participate in this activity. In this regard, Africa must try to assume a more prominent place in the sectors where it has a dominant position such as mineral resources. In other words, this industrialization will allow Africa to assume a place in the global value chain. Other instruments, such as Special Economic Zones or industrial clusters, a diversification of the economic activities, are strongly recommended in this chapter. The authors insist that this industrialization must be green to stimulate a development that is sustainable. The authors reject the long-lasting pessimistic litany about the African continent’s capacity for industrialization (given the past failures) and point out the case of China to illustrate that a well-orchestrated effort can yield results. In Chapter 4, the authors discuss other factors that may enable transformation. These include, among others, governance (e.g. combating corruption), innovation, stability and security, regional integration and exploration of new opportunities (new resources, blue economies). Thus, the authors do not disregard the major classic development issues but see them as enabling factors to industrialization and structural transformation.

Chapter 5 gives can be considered as one of the core components of the book and can be encapsulated as internal financing driven development. The chapter raises the question of how to finance Africa’s structural transformation. The authors' response is unequivocal. They call for a “Domestic Resources Mobilization (DMR).” The key argument is that DMR allow greater ownership and efficiency in investments, while foreign aid and funding is unpredictable and insufficient. This chapter offers a factual and impressive overview of different sources of domestic financing that Africa can mobilize. These include, for example, stock-market capitalizations that contribute more than a trillion USD annually, or less conventional means, such as diaspora remittances (more than 40 billion per year).

Chapter 6 uses examples of countries’ structural transformation to illustrate one of the book's key arguments, that development should be context specific. Each country must deploy its structural

transformation strategy, taking into account its context and history. The authors discuss the fascinating example of Cape Verde, which has experienced greater success thanks to the establishment of an achievable transformation agenda and due to favourable conditions such as stability, and a clear and consistent development strategy. However, the authors note that despite this success, Cape Verde's economy remains vulnerable, as it is still dependent on external assistance and because industrialization is still insufficiently developed. Another example is Rwanda, which has put in place the ingredients for a successful structural transformation strategy. These examples contrast with those of Tunisia, Ethiopia and Cameroon, which have followed different strategies.

Finally, Chapter 7 discusses current contextual issues in Africa. The authors emphasize the need for inclusive and sustainable development. The authors end this chapter by proposing a model that would allow the implementation of a structural transformation, a sort of synthesis of the different points of the previous chapters. Their model includes 5 steps: targeting the challenge, working on misperceptions, recognizing potential, developing new investment frontiers and financing development.

Readers familiar with alternative economic theories of development will recognize the influence of Dani Rodrik on the growth strategies of nations and of Alice Amsden on late industrialization. These authors provide unconventional and contextualized strategies of development inspired by Asian models, for example those of China and Singapore. This book will also resonate with scholars and practitioners interested in international strategies and industrialization, as it discusses new approaches to how nations can create competitive advantage, such as "Global Value Chain" and "industrial clusters." In short, this book deals with the current real challenges of Africa and offers innovative strategies designed to facilitate the increasing emancipation of Africans from dependence on the international community by using African countries' own initiatives and development strategies.