1 Introduction

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Capitalism as 'a mode of economic coordination . . . fundamentally anchored on the principles of freedom (liberty), individuality (self-interest), diligence (thrift and self-discipline), rights (private property) and equity (fairness)' (Amaeshi and Idemudia, 2015: 213) is not new in Africa. However, Chitonge (2016) has recently suggested that since not all people have the same understanding of what a capitalist society is, scholarly debates on capitalism in Africa continue to be highly contested. This contestation means that a significant amount of work has been done on the nature, dynamics and consequences of capitalism in Africa. For instance, the nature of capitalism, as well as the presence or absence of an effective capitalist class, has often been at the centre of the debates on capitalism in Africa since the 1980s (see Lubeck, 1987; Callaghy, 1988). Indeed, a key aspect of this debate focused on whether African societies can be described as capitalist or pre-capitalist (see Guy, 1987; Jerven, 2016), and what this might mean for the nature and the pattern of the evolution of capitalism in the continent (see Saul and Leys, 1999; Hyden, 1983).

Chitonge (2016) attributed this capitalist versus pre-capitalist debate to the fact that capitalist formations in Africa were often analysed based on some idealised model of the capitalist path. Since this idealised path often did not materialise in Africa as expected, there has often been a strong temptation among analysts to see African societies as non-capitalist. This conclusion tends to imply that African societies and economies are pre-capitalist. For instance, Iliffe (1983) suggested that the nature of capitalism in Africa is partly a function of its pre-capitalist cultural context and the 'very late stage in the global history of capitalism' reached when capitalism penetrated Africa (cited Leys, 1994: 22). Hence, based on local political climates, Iliffe (1983) identified three variants of local capitalism that seem to have taken form since independence. The first was the 'anti-capitalist' regime, which was avowedly committed to socialist development and thus systematically sought to suppress the development of indigenous capital (e.g., Ethiopia, Tanzania and Ghana).The second category was 'parasitic capitalism', as in the case of Liberia and Zaire at the time, where state officials and politicians often used their hold on state power and access to resources, via neo-patrimonial networks, to promote their own private accumulation and that of their supporters with little regard for individualism or free market principles. The third category took form in countries like Nigeria and Kenya, where the governments were committed to 'nurture capitalism' via some genuine attempt to promote the development of an indigenous business class in some segment of the economy while recognising the advantages of competition and free market. However, Heilman and Lucas (1997) have suggested that 'nurtured capitalism' as in the case of Nigeria might be better characterised as pro-business and not necessarily pro-capitalist. This is because governmental policies allowed for the accumulation of private wealth via rent-seeking. However, it did not facilitate the productive investment of capital.

Similarly, after suggesting that African capitalist classes were at a stage of development that is comparable to where their European precursors were 200 years ago (Kennedy and Kennedy, 1988), Kennedy (1994) argued that the question of whether or not traditional cultures and social institutions are sufficiently 'appropriate' and capable of supporting a viable local capitalist ethos, is largely irrelevant – especially, if the states have failed to create the institutional basis for a fully commoditised and competitive market economy. This is because 'the barriers to African capitalism are only likely to be overcome, if governments are willing and able to make certain crucial decisions and actions that they and they alone have the power to undertake' (Kennedy, 1994:192) (see also Carmody, 2016). For Kennedy, traditional cultures are likely to disappear or become irrelevant once the commanding logic of capitalism takes hold, and cultural factors may even become potential resources to be used by indigenous entrepreneurs to build new business structures (Kennedy, 1994).

In contrast, Cox and Negi (2010, 77) argued that capitalism in Africa has assumed a *stunted form* because for the most part the necessary cultural conditions for its development have been missing. They pointed out that indirect rule during colonialisation froze property rights in their pre-capitalist form and that the extensiveness of these pre-capitalist property relations blocks the development of capitalism in the continent. One implication of this contrasting perspective is that 'African culture' is blamed for the failure of capitalism not taking the form of the idealised path. Paradoxically, at the same time that it is being described as irrelevant, African culture is also seen as a potential resource that can be used to strengthen the development of capitalism in the continent. This is not surprising given that most of the analyses of the advance and/or stagnation of capitalism in Africa tend to adopt a structural or systemic framework that emphasises factors such as class relations, role in world economy, degree of proletarianisation/peasantisation and emergence of the capitalist state (Heilman and Lucas, 1997). In other instances, scholars have tended to focus on African entrepreneurs so as to examine where they come from and whether they can overcome the limitations of their origins and be competitive (Leys and Berman, 1994).

In response, drawing on social movement theory so as to highlight the role of ideas and human agency, Heilman and Lucas (1997) have suggested an analytical frame for examining capitalism in Africa. According to them, 'business communities' can be useful units of analysis and viewed as coalitions of sectoral interest groups with a shared common goal of facilitating the development of the capitalist system in Africa. They conclude that where the power of capital is not yet fully institutionalised, the fate of capitalism may well depend on the ability of capitalist social movements to promote the policies, institutions and reforms necessary for the development of capitalism in Africa. Indeed, McDade and Spring (2005) recently identified a new generation of African entrepreneurs and their business networks that seek both to expand intra-African business activities and investments, and to create a favourable climate for private-sector investments. They concluded that this new growing segment of the African entrepreneurial landscape can serve as a catalyst for the improvement of economic conditions and the stimulation of development led by the private sector in the continent.

These debates about capitalism in Africa have been insightful. Indeed, the extant literature has demonstrated at least two key dynamics with regard to capitalism in Africa. The first is that some form of capitalism has emerged there. This is because from the time that Africa came into contact with the 'foreign' capitalist system, it became part of this system, largely as a 'periphery of the periphery' (Chintonge, 2016). This point is informed by the fact that African entrepreneurs have a long history of developing linkages and adapting methods of economic interactions based on the situations at hand (Cooper, 2014: 34). Second, this capitalism is flawed in ways that have rendered its ability to promote economic development problematic (Heilman and Lucas, 1997). However, a great deal is left unexamined if Africa is understood simply in terms of everything Europe pretends not to be (Cooper, 2014). This is particularly the case given that the history of capitalism in Africa can be characterised as one of domination, adaption and resistance. Hence, the tendency to simply posit Africa as the problem in the analysis of the nature and consequences of capitalism in the continent via either culturalist explanations or institutional failure arguments amounts to looking both too broadly and too narrowly. According to Cooper (2014, 36; emphasis added), '"too narrowly" because the analyst fails to see the long history that linked the peoples inhabiting the African continent to the expansion of capitalism, and "too broadly" because of the failure to see the different ways in which production and commerce across that space have actually worked'.

Although the practice and diffusion of capitalism tend to evoke a homogenous understanding of capital accumulation and profit-seeking behaviours, capitalism as a set of practices and institutions differs from context to context. The continental European form of capitalism is different from the North American version. The Nordic form of capitalism is equally different from the Asian type of capitalism. These varieties of capitalism often point to differences in cultures and institutions. In other words, capitalism is a practice mediated by such cultures and institutions, and it works well where there is a good alignment between it and these national cultures and institutions. This understanding is at the heart of the literature on comparative capitalism (Hall and Soskice, 2001). Comparative capitalism refers 'to a diverse set of approaches and analytical frameworks with common concerns in understanding the institutional foundations of diverse national "varieties" of business organization' (Deeg and Jackson, 2007:149–150). The varieties of capitalism model (Hall and Soskice, 2001), as one of the variants of the comparative capitalism tradition, offers a comparative framework to understand the political economy of firm behaviour and performance. As an offshoot of institutional theory, it seeks to explain variations and change within the capitalist system, since the late 1980s, following the demise of the competing threat of communism as a viable alternative (Kang, 2006).

The central theme of the varieties of capitalism model is the macro-economic dichotomisation of institutional contexts in which firms operate, based on such indices as legal and governance systems, sources of finance and skills, and other socio-legal indices like degree of labour unionisation and incursions of regulatory authorities. It is not uncommon in comparative capitalism literature to stylise Coordinated Market Economies (CME) as stakeholder-oriented and Liberal Market Economies (LME) as shareholder-oriented (Dore, 2000). The CME is society oriented, and firms within it thus focus on meeting broad range of stakeholders' needs (e.g., employees, suppliers, shareholder, etc.), whereas the LME is market-oriented and focuses more on meeting shareholders' needs than those of any other stakeholder groups (Dore, 2000; Amable, 2003; Hall and Soskice, 2001; Fiss and Zajac, 2004; Jackson, 2005; Hancke et al., 2007). Japan and Germany are prime examples of CME whereas the UK and the USA

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are prime examples of LME. In this regard, it is argued that different national and institutional contexts provide some sort of comparative advantages to firms within them. The varieties of capitalism theoretical framework has been applied to the study of the role of business in the society (Amaeshi and Amao, 2009; Matten and Moon, 2007). For instance, Amaeshi and Amao (2009) suggest that the behaviour of MNEs in the Nigerian oil and gas sector is to a large extent influenced by their varieties of capitalism. This has been one of the challenges of capitalism in Africa as it is largely shaped by MNEs and other external actors: e.g., multilateral institutions and governments.

Africans have always engaged in capitalist economic transactions. For example, Leys (1995: 22) noted that the indigenous African capitalism that existed here and there before colonialism was overwhelmed by competition from advanced capital in the metropoles backed by the colonial government. Consequently, the dominant and formal capitalism in Africa today, arguably, tends to reflect foreign cultures entrenched in colonial histories and attributes. The formal mode of economic coordination still mirrors colonial establishments and influences. As such, contemporary capitalism and democracy suffer the same fate in Africa, as borrowed cultures in search of stability and domestication in the continent.[1] Hence, when one talks about capitalism in Africa, it could be different from capitalism in other parts of the world due to different practices of capitalism anchored in different cultures and institutions (Hall and Soskice, 2001; Witt et al., 2017).

Although Philips (1977) dismissed talks of 'African capitalism' as meaningless, Carmody (2016) has suggested that there is a need to move beyond talking about a monolithic capitalism in Africa, while recognising its global nature. Consequently, Macamo (2016) argues that the analysis of 'capitalism in Africa' cannot just be about how

1 Indeed, much of the analysis of capitalism in Africa tends to also suffer from what Oyovbaire(1983) described as the 'tyranny of borrowed paradigm', in which African realities are made to fit into western social science construct and as such distort the academic representation of the reality of social existence in Africa.

economic circumstances of the continent are consistent with the semantic and the analytical field implied by capitalism, as a concept in political economy. She notes that 'it is also about how to make social science concepts work well when they cross borders' (p. 16). There is therefore a need to find new tools and ways to re-examine capitalism in Africa in a way that yields new insights into its intricate operations and how these shape society in its peculiar context (Chitonge, 2016). As such, we take seriously the structural disconnect between modern capitalism and African socio-cultural realities, especially as capitalism in Africa tends to be overly informed and driven by agendas set by outsiders who primarily see Africa merely as a 'market'.

The conception of Africa as a market occludes the fact that Africans are peoples with real human needs and challenges. Indeed, by framing Africa as merely a market, Africa becomes a 'non-place' that signals the loss of politics. The rise of transaction over interaction, as the forces of global capital, see in Africa only an amiable space to both invest and reduce human life, in their quest to maximise and optimise their power (Sharma, 2009). This is because all 'non-places' ask of you is to plug in and pass through as if they were spaces where people cohabitate without living together (Augé, 1995). The consequence of this discourse is that capitalism in Africa is based on a business-society relationship model framed in terms of *business and society*. This framing or logic allows for *a loss of connectivity* (Kunstler, 1993) and a change in the meaning of the *social obligations* of business (Augé, 1995). Hence there is a need to rethink the nature of the business-society relationship in Africa from *business and society* to *business in society*, partly as a way to restore the connectivity between business and society, and to reaffirm business's social obligations to societies in view of both the particularities of the African context and the unique competences businesses bring to Africa in pursuit of their private interests. It is these notions of connectivity, social obligations and business competences that can be leveraged to serve societal good that informs the concept of 'Africapitalism'.

However, 'is Africapitalism good old capitalism in new clothes, or an endogenous "African" version?' (see Macamo, 2016). What is unique about Africapitalism? How is it different from the capitalism we already know? Capitalism is capitalism, so where is the novelty in Africapitalism? Despite the relevance of these questions, they tend to conflate two things: 1) capitalism as a set of practices supported by institutions and 2) capitalism as a discourse or an idea, which is capable of informing and shaping practices and institutions. Capitalism as a set of practices is about a reality (present or past), while capitalism as a discourse could be about an idea of a future – i.e., a possible re-imagination of capitalism and what it could be. If the latter is successful, it becomes the former (i.e., a successful idea is realised in practice).

It is often claimed that it takes about 3,000 raw ideas for one commercial success (Stevens and Burley, 1997). Capitalism as a discourse of ideas also has the potential not to be realised, as not all ideas often materialise in practice. In that regard, the distinction between capitalism as a practice and capitalism as a discourse is equally useful and critical. However, the practice and discourse of capitalism often manifest and reinforce each other contemporaneously. The current critique of the excesses of modern capitalism is a classic example of the fusion between practice and discourse, and this fusion embodies the creative destruction upon which capitalism has continued to sustain and extend its reach. In other words, the critique of capitalism enables it to adapt to situations, adjust to criticisms and re-emerge in new forms. It is through these acts of adaptation, adjustment and renewal that the legitimacy of capitalism, as an economic system, is enhanced, sustained and diffused.

However, Africapitalism is a nascent idea based on an ideal economic philosophy that is meant to provide both the principles and the discourse that can inform business practices and stimulate a 'social movement' of businesses for a form of capitalism (see McDade and Spring, 2005) that can serve the needs of African societies. Indeed, one of the problems of capitalism in Africa is that it is not always aligned to the societal needs of the continent. It tends to be overly informed and driven by agendas set by outsiders who primarily see Africa as a market for exploitation and are obsessed by the consequent profits of such exploitations. This is reflected in some of the excesses of the MNEs operating in Africa, which have become the only role models for many African entrepreneurs. In the process, they foster a measure of corporate success and performance predicated upon individualism – not on collective interests. This is antithetical to the value of collectivism prevalent in most African societies (Lutz, 2009), which Africapitalism tends to capture.

Whilst it is possible to hold an abstracted notion of global capitalism, as an economic coordination mechanism and ideology, enacted in practice, this global capitalism (what could be also called 'capitalism in the world') and capitalism in Africa are different but interrelated practices. Hence, one can talk about 'capitalism in Africa', which is different from capitalism in other parts of the world (Witt et al., 2017); and both are, in turn, different from 'Africapitalism', as illustrated in Figure 1.1.

Africapitalism is underpinned by the notions of hybridity that seek to marry modern management practices with African values in a manner that is responsive to the particularities of the African context. It is therefore more of a pragmatic than an ideological response to the failure of capitalism in the region. The principles of Africapitalism are already captured in some of the behaviour and attitudes McDade and Spring (2005) found among a network of a new generation of African entrepreneurs. According to them, these new generations of African entrepreneurs not only incorporate modern management practices in their business operations, they also appear not to have a 'holier than thou' attitude towards conventional business practices. Importantly, 'they are concerned with result and not just ideology and they truly believe that transparency and honesty promote efficiency and strengthen the business community'. In addition, '[t]heir aim is to conduct business and advocate for policies that can contribute to *economic equity*' (McDade and Spring, 2005: 38, 36).

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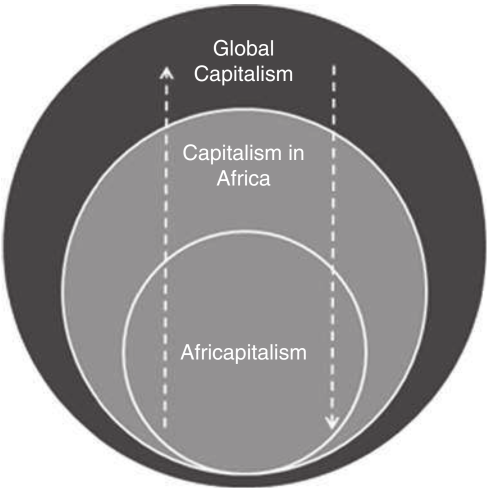

FIGURE 1.1: Capitalism in Africa versus Africapitalism

Furthermore, since Africapitalism takes *the sense of place* (see Chapter 2) seriously. The role of place and how it shapes the behaviour of the new generation of African entrepreneurs identified by McDade and Spring (2005) constitutes an Africapitalism approach to business and society relations. McDade and Spring (2005) described these Africapitalist entrepreneurs as 'upwardly mobile entrepreneurs who are interested in economic and political reform'; embrace 'profits but not profiteering'; and can be distinguished from dominant political, military and trading elites by their ethics and commitments to working hard, being self-starters, business savvy, collaborative, transparent and refusing political patronage'. Similarly, rather than expressing anguish over business constraints such as poor infrastructure, poverty, spread of HIV/AIDS and corruption, network members expressed attitudes of confidence and empowerment in their ability to improve these conditions. 'They do not discount these problems they face. Rather, they have challenged and changed these conditions' (26). Put differently, network members view the role of business in society on a broad scale and interpret Africa's economic crises not as hopeless, but as fertile ground for corporate innovation that can