PROPERTY, INSTITUTIONS, AND SOCIAL STRATIFICATION IN AFRICA

In this book, Franklin Obeng-Odoom seeks to carefully explain, engage, and systematically question the existing explanations of inequalities within Africa and between Africa and the rest of the world using insights from the emerging field of stratification economics. Drawing on multiple sources – including archival and historical material and a wide range of survey data – he develops a distinctive approach that combines key concepts in original institutional economics, such as reasonable value, property, and the distribution of wealth, with other insights into Africa's development and underdevelopment. While looking at the Africa-wide situation, Obeng-Odoom also analyzes the experiences of inequalities within specific countries. Comprehensive and engaging, *Property, Institutions, and Social Stratification in Africa* is a useful resource for teaching and research on Africa and the Global South.

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Preface

It is intrinsically important to explain and, ultimately, resolve social stratification in Africa, but these aspirations have not yet been satisfactorily executed. Human capital explanations, offered by neoclassical economists, can be enticing, especially when they appear to explain the meteoric rise of the "Asian Tigers," including South Korea whose high levels of education, and commitment to a so-called culture of hard work tend to be the focus of much praise. However, many lay and learned Koreans dispute these claims. Over the years, I have visited the country a few times, become friends with South Korean scholars, presented papers in that country at the invitation of organizations such as the Korean Institute for Health and Social Affairs, and even taken a position as a Visiting Scholar at Yongsei University, South Korea's leading institution of higher studies. The achievements of Korea in education and health are outstanding, but I doubt the weight that is placed on human-capital explanations. The more systematic analyses of experienced scholars, including Anne Haila (2016), Ha-Joon Chang (2002, 2003), and Nigel Harris (1987), clearly show that more candor is needed in telling the story of the "Asian Tigers."

Explaining Africa's unequal position requires even deeper analysis. Conceptualizing the problem in terms of the absence of physical capital and the presence or dominance of natural resources is quite common, as is positing the need to reduce the transaction costs of transnational corporations, presumably working to resolve the challenges of development in Africa.

However, as this book shows, neither African culture, human capital, physical capital, nor the natural resource curse explains Africa's underdevelopment. None of these can sufficiently unravel the startling economic inequalities in Africa between various social groups, nor those disparities between Africa and the rest of the world. In this regard, the idea that new cultures of land would enhance "Africa's catch up" process is mistaken also. Although the reverse case – the idea that African land cultures are pristine – might be used to counter this central thesis, I find that similarly unconvincing. This tendency to express the African condition according to a trichotomy of either cultural pessimism, cultural triumphalism, or the scarcity of capital is not only limiting, it is also obfuscating and diversionary.

My argument is that neither orthodox nor heterodox development economics explanations of stratification in Africa can be deemed satisfactory. Both are overly focused on labour and capital struggles, while neither systematically addresses the problems of widespread "spatial apartheid" in Africa (Baker, 2019a, 2019b). Although helpful to some extent, this singular focus on capital neglects how stratification is created, aggravated, and maintained by landed property relations and a system of rent both spatially and temporally. Marxists pay some attention to land, of course, but they suggest, with their disproportionate focus on capital, that its relevance as explanation declines over time. Yet, the persistence of the land question casts doubts on this formulation. The recent land-grab debate might suggest a rapprochement, but this body of work is neglectful of the possessory or ownership structure of land and even more neglectful of land rent theory. In this debate, I contest the "state of affairs" in explaining stratification in Africa, signalling how I develop a relatively new explanation of stratification in Africa, drawing, among others, on stratification economics, a new field of economics pioneered by black economists and other economists of colour.

In the lead-up to writing this book, I have spent time in West and East Africa as well as North and South Africa, where I co-organized a conference on growth and inequality in Africa at the University of Witwatersrand in Johannesburg. Thanks to Lochner Marias, I also visited several mining sites as part of a University of the Free State study group on mining, economy, society, and environment in Free State, sometimes called the heartland of the apartheid regime. During this period, I spent time talking with both blacks and whites, whether lay or learned.

Dubbed "The World's Most Unequal Country" in a cover story by *Time* magazine of May 13, 2019 (see the full story by Baker, 2019a), the South African experience requires additional comments. As I stepped into the country, the different realities of black, colored, and white Africans hit me like a tsunami, in a way I had never before experienced as an African myself. These are all Africans – like me. But they face very different realities. After a long silence in the taxi in which I was travelling, I posed

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a question to the black taxi driver about inequalities in South Africa. He pointed to the spatiality of wealth and how it is underwritten by the intersectional forces of race, class, and gender.

Why, I asked him, has this persisted? He began an explanation that, as a black African land economist, I understand quite well: “We do not have any land,” he said. “We have nothing.” He continued, “Mandela did well to include everybody, but we were sold out because the land is in the hands of the whites.” With the fear of becoming like Zimbabwe looming, the leaders of South Africa demurred from a radical land reform. They also stopped short of destroying settler colonialism. “What if we became like Zimbabwe?” the driver asked rhetorically, but also pointed out that even if Zimbabwe is poor, it is far safer than South Africa where crime, grime, and strife are commonly discussed, and the limits of the grit and hard work of black Africans are widely known. At the same time, however, he also said something about the spectre of absentee landowners after land reform.

Land is both the roots and the branches of this “spatial apartheid” (Baker, 2019a, p. 39), a point that the *Time* article makes quite well: “The source of the inequality that plagues South Africa is multifaceted . . . But the largest dividing line is land” (Baker, 2019a, p. 37). In turn, not only have the conditions in slums worsened sociologically, they have also expanded spatially such that, between 1994 when apartheid was officially ended and 2019, the number of slums in South Africa has increased from 300 to 2,700 (Baker, 2019a). Cyril Ramaphosa, South Africa’s current president, is right, then, to call the land question “the original sin that was committed against the people of South Africa” (cited in Baker, 2019b, p. 41), but the land question is much deeper. As this book shows, it is also the original and continuing sin that is committed by “conservatives,” “radicals,” and “revolutionaries” against Africa more widely.

Yet, development economists have been busily analyzing everything apart from land, a limited diagnosis that has made a bad situation worse. Indeed, in contrast to the taxi driver’s emphasis on concrete claims to land, the mother of all wealth, the economists at the Witwatersrand conference made no systematic mention of land. Their emphasis was typically on income. A few times, casual references were made to wealth but only in terms of bonds and stocks. The conference, an assembly of seasoned and young African economists, showed the continuing dominance of mainstream (development) economics in the repertoire of African economists. All but one paper gave the nod to a heterodox challenge, albeit a soft one: new institutional economics. Neither institutional economics nor stratification economics, let alone Marxist economics, was given even a polite mention. Yet, almost everyone present, certainly the keynote speakers, stressed the importance of developing the field. It is, indeed, significant that the editors of the journal that co-sponsored the conference cast their votes unanimously for the maiden A. K. Fosu Prize to be given to the most heterodox of the papers presented, the work on new institutional economics, while recognizing the need to develop the work along even more critical lines.

Those paths must lead to, but also strengthen and ultimately sharpen, both stratification and institutional economics, as well as property economics in the postcolonial tradition; that is the analytical contribution that this book seeks to make. In doing so, many colleagues have helped me to develop this alternative stratification economics. Reviewers for Cambridge University Press have provided much guidance, as have readers for several journals that have published aspects of my analyses. In particular, I must acknowledge the referees and editors of *American Journal of Economics and Sociology*, *Forum for Social Economics*, *International Critical Thought*, *Habitat International*, *Research in Political Economy*, and the *Journal of Australian Political Economy*.

In developing this treatise, I also have benefited considerably from the advice, encouragement, and resource of many people. Clifford Cobb, editor of the *American Journal of Economics and Sociology*, deserves special thanks for his relentless encouragement for me to develop my analysis of land economics in Africa, publishing some of my papers and going above and beyond to support my effort to nuance others. I thank Wolfram Elsner for encouraging me to take on a more active role in the Association for Social Economics and, crucially, for inviting me to become one of the associate editors of the *Forum for Social Economics*. The opportunity given to me by Paul Alagidede to edit the *African Review of Economics and Finance* has been very helpful because the journal has exposed me to cutting-edge scholarship that I would otherwise have missed. Many thanks to Frank Stilwell for bringing me to political economy, where I started learning ways of replacing development economics with political economy of development; to Liz Hill and Elisabeth Riedle for giving me the chance to teach the latter; and to Spike Boydell for encouraging and supporting me to develop my work in property and political economy.

I am mightily grateful to Annie Herro whose persistent encouragement supplied me much-needed strength and enduring inspiration to complete this book. Together with her insights, generosity of spirit, and abundant wisdom, this book is much better than it could ever have been. To Leo Zeilig of the *Review of African Political Economy*, thanks for excellent feedback on developing my analysis of the political economy of people's power. David Primrose's helpful feedback on the book is also gratefully acknowledged. I have learnt a great deal from working alongside my colleagues in Development Studies and the Helsinki Institute of Sustainability Science at the University of Helsinki in Finland and I must, as a result, thank them for this social learning and for the opportunity to teach "Theories of Development" in our "Critical Development Studies Program." I thank Jeremy Gould, Ilona Steiler, Gutu Wayessa, and the other members of the "African studies network" at the University of Helsinki for inspiration and feedback on this book. Barry Gills, my official University of Helsinki mentor, deserves special thanks for a wide range of advice on the practical philosophy and the sociology of being an academic including, but transcending, the writing process.

It would be remiss not to thank William Darity Jr., my editor, and the leading thinker on stratification economics to which this book tries to make a contribution. He has been patient with me, critical where he has to be, but always encouraging throughout the journey. Thanks, Sandy, for the faith you have reposed in me and for your unwavering support for this book. To Karen Maloney Sara Doskow, Adam Hooper, Rachel Blaifeder, and to the Cambridge University Press team in New York and elsewhere, as well as the many other people involved in producing this book, I thank you for your excellent editorial support. In particular, I must thank Ursula Acton for carefully editing the book and Raghavi Govindane for patiently effecting my many changes at the proofs stage.

In the final sprint for the book, when I raced with time to meet the publisher's deadline, Kofi Boye woke up at dawn one morning asking, "What's the sound?" As he saw me struggling to put my final touches to the book on a computer that was clearly overworked, he noted: "Appa, don't do computer. Rest. Do computer tomorrow." I appreciate his care.