WIDER Working Paper 2014/054

Capitalism and African business cultures

Scott D. Taylor *

March 2014

Abstract: Scholars and practitioners once commonly linked 'African culture' to a distinctive 'African capitalism', at odds with genuine capitalism and the demands of modern business. Yet contemporary African business cultures reveal that a capitalist ethos has taken hold within both state and society. The success and visibility of an emergent, and celebrated, class of African big business reveals that business and profit are *culturally* acceptable. Existing theories of African capitalism are ill-equipped to explain changes in African business cultures, which increasingly are as diverse as any across the globe. Further, at their core is a growing capacity for reproduction, as capitalists.

Keywords: African culture, business, capitalism, entrepreneurship, liberalization, patrimonialism

Acknowledgements: I thank Paul Mithun for research assistance and Liang Xu for helpful comments on an earlier draft. A previous version of this paper was presented at a conference hosted by the National School of Development, Peking University, Beijing. Special thanks to Justin Lin, Celestin Monga, and Finn Tarp.

---

* Georgetown University; sdt@georgetown.edu

This paper was prepared for the 'Oxford Handbook of Africa and Economics' authors' conference in Beijing, 8-10 December 2013, implemented with UNU-WIDER.

ISSN 1798-7237 ISBN 978-92-9230-775-2

Typescript prepared by Anna-Mari Vesterinen at UNU-WIDER.

UNU-WIDER gratefully acknowledges the financial contributions to the research programme from the governments of Denmark, Finland, Sweden, and the United Kingdom.

The World Institute for Development Economics Research (WIDER) was established by the United Nations University (UNU) as its first research and training centre and started work in Helsinki, Finland in 1985. The Institute undertakes applied research and policy analysis on structural changes affecting the developing and transitional economies, provides a forum for the advocacy of policies leading to robust, equitable and environmentally sustainable growth, and promotes capacity strengthening and training in the field of economic and social policy-making. Work is carried out by staff researchers and visiting scholars in Helsinki and through networks of collaborating scholars and institutions around the world.

UNU-WIDER, Katajanokanlaituri 6 B, 00160 Helsinki, Finland, wider.unu.edu

1 Introduction

In 2006, director Carol Pineau released a short film 'Africa: Open for Business'. For many, the title would have been ironic, or at least novel, inasmuch as the film's theme—that Africa was indeed 'open for business'—was a revelation. After all, African economies had faced protracted declines in real terms since the mid-1970s, entrenched policies that were inimical to private sector growth, and ideologies that were hostile to capitalism. Economic liberalization in the 1980s and 1990s appeared to bring little relief or fundamental alteration in economic structure, governance, or elite behaviour (van de Walle 2001).

Even in the mid-2000s, though African economies were in the midst of several years of impressive growth, the African private sector remained an afterthought. Capital was scarce, manufacturing capacity decimated, and domestic business opportunities were constrained by low investment in infrastructure, lack of finance capital, and deep poverty that deprived aspiring firms of consumers. The interest of foreign business in Africa was also low, as reflected by historically anemic foreign direct investment (FDI) outside of a few extractive sectors, including oil, gas, and mining. To add academic insult to real-world injury, scholars in political science, anthropology, and economics had long argued that business and capitalism had no *cultural* basis in Africa (Callaghy 1988). In short, just a decade ago, Pineau was staking out a lonely position; that the content could be adjudged open for business, therefore, was treated with considerable skepticism.

Today, the idea that Africa is open for business is no longer oxymoronic. In fact, it is largely taken for granted among leading investors—although the enormity of this evolution in thinking may not be appreciated by those new to Africa. Certainly, Africa is 'open' to foreign investors looking for return (Roxburgh et al. 2011; Ernst and Young 2012; how we made it in Africa.com n.d.; Mahajan 2008; *The Economist* 2011); the phenomenal growth in FDI from China, the Organisation for Economic Co-operation and Development (OECD) countries, and increasingly countries like India and Malaysia, attest to this. A number of firms domiciled in Africa have risen to prominence *(Africa Report* 2013). And there is also a new, albeit small, coterie of mega-businesspeople, Africans all, who appear to enjoy unrivaled success in sectors as varied as finance, construction, and telecommunications (Makura 2009).

Such success among leading segments of the business community—foreign investors; large Africa-domiciled firms; African and minority magnates—is important, both in terms of symbolism and its practical impact on job creation and economic growth; this is especially pressing in Africa with its high degree of informalization. Yet this offers only a partial response to longstanding arguments among scholars and practitioners alike that African business values, or business cultures, are incompatible with the requirements of contemporary capitalism (Etounga-Manguelle 2000; Callaghy 1988; Blundo and de Sardan 2006).

Business may be thriving at some levels: FDI, a few superrich locals, minority-owned firms, with their intrinsic historical advantages. But does business—and the capitalist value system upon which it rests—have a social basis in Africa? For without local *and* indigenous capacity for or engagement with business and capitalism, Africa's current economic renaissance is merely a replay of the neocolonialism and compradorism that long plagued the continent, rather than genuinely developmental. Capitalism itself, if borne, as it was in the past, on the shoulders of foreign firms and foreign-dominated interests, will face a backlash that undermines the private sector (Chua 2004).

This paper focuses explicitly on black African business, rather than those owned and operated by resident minority entrepreneurs, such as Asians, Lebanese, the white settler class, and others, regardless of their citizenship. Although they can be fairly included under the aegis of African business, they generally have not been subjected to the same constraints, or criticisms, as their black counterparts, so most scholars see them as occupying a distinct space (see Taylor 2012a: 24; Himbara 1994; Ramachandran et al. 2009). Yet even among relatively disadvantaged black African populations, business and capitalism are not alien constructs. Although capitalist practices suffered under economically restrictive colonial- and post-colonial regimes, there is actually a chord, fragmented but not entirely unbroken, of business tradition that runs from antiquity to the present. Hence, contemporary business and capitalism represent as much a rediscovery of old traditions as merely a foreign import.

At the same time, however, a transformation is currently underway in African thinking about business, accumulation and capitalism itself. This transformation is deeply influenced by global trends and international forces. Business cultures, like culture more broadly, are syncretic; in Africa they are evolving rapidly as a result of a variety of factors, both exogenous and endogenous, including education, religion, migration, and technology. Importantly, although Africa's impressive economic growth (and the high primary commodity prices that have contributed to it) certainly has aided this transformation, the entrenchment of *genuinely capitalist* business cultures in Africa is not linked to commodities. Moreover, entrepreneurial development is occurring across economic sectors.

Thus, Africa is open for business not only via the ubiquitous investment promotion centers that now populate the continent—in other words, not just for deep-pocketed foreigners—but to Africans as well. This is a noteworthy development on a continent long subjected to the depredations of outsiders. Indeed, a capitalist ethos has taken hold that has allies in the state among policy makers, increasingly celebrates big business, and sustains entrepreneurial aspirations at the small scale. Existing theories of African capitalism are ill-equipped to explain these changes, in part because they are too rooted in interpretations of African business culture, and culture in general, that are utterly anachronistic. African business cultures are reflective of business cultures elsewhere and as diverse as any across the globe. Moreover, at their heart is a growing capacity for reproduction, as capitalists, which was largely absent in the past.

1.1 Plan of the paper

The paper begins by describing the origin and key tenets of arguments that link 'African culture' directly or indirectly to a distinctive 'African capitalism'. Although such 'culturalist' views are subscribed to by a host of scholars, practitioners, and commentators, the arguments and evidence that can be marshaled against them are numerous. These include valuable lessons from comparative cases that highlight the limits of reductionist cultural explanations; lessons from Africa's own history, revealing that capitalism predated colonialism, thus it is neither foreign nor new; and finally, evidence of changing popular attitudes toward business, and of the emergence of successful genuinely capitalist firms at all levels, including among the very largest scale enterprises. The paper explores each of these issues and explains the reasons behind them. The success of African big business is instructive. There are as yet relatively few in this category, but they indicate that business and profit are now *culturally* acceptable. Moreover, their visibility may have a reciprocal cultural and ideational impact on small and medium counterparts; the success of large companies can engender virtuous circles as entrepreneurs aspire to emulate. The paper concludes with an acknowledgement that considerable constraints remain for African business as a whole. Thus, it would be an error to ignore the myriad challenges that entrepreneurs continue to face. Yet these challenges, such as access to finance and energy, are technical in nature; they cannot be enlisted legitimately to assess the *cultural* receptivity for capitalism in contemporary Africa. Africans have demonstrated both capitalist aspirations and business savvy. Africa is indeed culturally open for business.

2 Culture and capitalism in Africa

2.1 The culturalist argument

Scholars are somewhat at odds over what constitutes the key elements of modern capitalism.[1] In *The Protestant Ethic and the Spirit of Capitalism,* Max Weber wrote that capitalism entails the pursuit of 'profit rationally and systematically' by enterprises 'utilizing capital…to make a profit, purchasing the means of production and selling the product' (Weber 2008: 22). Ruth McVey defines capitalism as 'a system in which the means of production, in private hands, are employed to create profit, some of which is reinvested to increase profit-generating capacity' (quoted in Taylor 2012a: xii). Whereas, Colin Leys employs a more Marxist interpretation, regarding capitalism as a system in which a capitalist *class* (occupying similar places in capitalist relations of production) appropriates surplus value and then invests that surplus in increasing productivity, 'in ever more productive ways' to generate additional surplus value (Leys 1994: 14). According to Rogers Brubaker, 'Modern capitalism, for Weber, is defined by the rational (deliberate and systematic) pursuit of profit through the rational (systematic and calculable) organization of formally free labour and through rational (impersonal, purely instrumental) exchange on the market, guided by rational (rule-governed, predictable) legal and political systems' (quoted in Callaghy 1988: 70). Although it seems that few modern political economies, including China (Tsai 2007), could meet this definition, it is precisely this interpretation that Thomas Callaghy (1988) utilizes as his measuring stick for sub-Saharan Africa (SSA).

Thus, only a generation ago, Africanist scholars, such as Callaghy and Paul Kennedy (1988) surveyed the African landscape and saw little capitalism. Moreover, they saw little hope for capitalism, under any of these interpretations, amidst hostile states and impoverished societies, and what they argued was scant rationality in either and the prevalence of precapitalist modes of production (Callaghy 1988: 72). Of course, *business* could exist in such circumstances, but the economic and sociocultural environments, they argued, were fundamentally at odds with the sine qua non of capitalism, the accumulation of capital through the reinvestment of profit. Africa thus was seen as a repository of capitalism-with-adjectives—proto-, pre-, crony-, quasi-, patrimonial-, and so on—and it was commonly suggested that Africa is centuries, 200 years or more, behind its Euro-American counterpart (Kennedy 1988; Leys 1994).[2] In this thinking, business to the extent that it exists at all, is either associated with foreign sources, an appendage of the state, or consigned to the very small scale.

The emergence, proliferation and increasing visibility in recent years of profit-making private enterprise, led by Africans themselves, would seem to directly undermine old arguments. Yet skepticism persists, which is rooted in doubts about Africa's *cultural* capacity for profit-making (as opposed to *taking*), and accumulation not otherwise weighed down by familial obligations.

[1] McCloskey (2013: 233) even questions the link between accumulation—a central tenet of capitalism—and development, arguing recently that it is not the accumulation of capital that led to development, but innovation.

[2] Kennedy optimistically volunteered that African capitalism is 200 years behind Europe (cited in Leys 1994: 23).

Africa is not the first region to face doubts about its receptivity to capitalism based on cultural arguments. Scholars of China, and wider Asia, will be familiar with arguments that suggested that Asian, specifically 'Confucian', culture was incompatible with modern capitalism. Such arguments were advanced to explain why Chinese, for example, were unlikely to make good capitalists (McVey 1992: 9). Indeed, as Deirdre Nansen McCloskey (2013: 323) notes, 'Confucians put the merchant [capitalist], at least in theory, below the peasant and just above the night soil man.' A generation of Chinese capitalist enterprise, both state capitalism and autonomous, has shown the flimsiness of those earlier assertions. For Africa, however, the penchant for cultural explanations—for failure specifically—has yet to be discarded. I regard the critique of African capitalism as part of a larger culturalist paradigm that purports to explain African maldevelopment. And, when it comes to economic development broadly, African cultures have not fared particularly well in the literature.

Indeed, in its now infamous cover story proclaiming a 'Hopeless Africa', *The Economist* (2000) averred 'social and cultural factors cannot be discounted' in explaining the continent's predicament. These putative social and cultural constraints resonate with and reflect the institutional constraints that lie at the heart of neopatrimonialism. Derived from one of Weber's three forms of authority, neopatrimonialism holds that African states and the societies that comprise them are merely Weber's patrimonial system with the *veneer* of modern bureaucratic institutions. By the late 1990s, this view became arguably the dominant paradigm in Africanist political economy, and Bratton and van de Walle (1997: 62) proclaimed neopatrimonialism as 'the *core* feature of politics in Africa'.

Although aimed initially at the authoritarian 'big men' at the helm of the state, neopatrimonialism also offers a dim view of the morality of public officials, whose work is pervaded by 'relationships of loyalty and dependence', motivated by the acquisition of 'personal wealth and status' (Bratton and van de Walle 1997: 62). But these relationships are replicated, the argument goes, at every level of society. In other words, states and societies are beset by patron-clientelism, the pursuit of illicit rents and corruption; an ethic of responsibility or civic-mindedness scarcely can exist. Callaghy (1988: 72) argued that 'capitalism cannot develop a dynamic of its own in the context of [such] patrimonial political systems.' Indeed, given the pervasiveness of neopatrimonialism, and its predatory, self-serving elites, Callaghy regarded modern Weberian capitalism, with its basis in rational-legal authority, as incompatible with African realities:[3] 'Is there a socioeconomic and political environment which facilitates rational calculation, reasonable predictability and long-term investments?' Answering his own question, Callaghy insisted no such context existed in Africa (p. 68).[4] Social and cultural environments sustain economic and political ones, and vice versa. Thus, as with arguments raised in Chabal and Daloz (1999), Blundo and de Sardan (2006), and Chabal (2009), for example, relationships of patronage, rather than merit, and a corrupt neopatrimonial state, beget a patrimonial business class. The outcome of these processes is a vicious circle.

Other scholars have picked up on this theme, emphasizing a more explicitly cultural dimension. Ayittey's (1999) main target is political elites, enabled by quiescent populations, who are too preoccupied with predation to permit the private accumulation necessary for capital. Scholars

[3] In recent years, scholars have assailed to conceptual stretching to which (neo)patrimonialism has been subjected (DeGrassi 2008). Pitcher et al. (2009) even suggest that neopatrimonialism's adherents actually misinterpret and misapply Weber's patrimonialism thesis. Despite these shortcomings, the concept of neopatrimonialism remains resilient (Dawson and Kelsall 2011).

[4] This was at the heart of the 'Kenya debate' that preoccupied scholars in the 1970s. See Leys (1994) and Swainson (1987).

like Chabal and Daloz (1999), for example, have argued there was a cultural basis for Africa's perceived backwardness. Others have suggested—in light of the widespread economic stagnation and decline that plagued much of Africa from the mid-1970s through much of the 1990s—that Africans adapted culturally by embedding corruption, and similar vices, in everyday activity as a survival mechanism (Blundo and de Sardan 2006). Although not always directly concerned with capitalism, per se, scholarship in this genre promotes the view of African capitalism and entrepreneurialism as institutionally and culturally, and thus inextricably, tethered to a corrupt and disordered state.

As with outdated representations of Confucian culture, African culture has long been presented as a single, undifferentiated whole. No less than Julius Nyerere contributed to this perspective by contending that 'There is a sentiment of 'African-ness', a feeling of mutual involvement, which pervades all political and cultural life of the continent … an emotional unity, which finds expression in, among other things, concepts such as the "African personality"' (Nyerere 1963). In the same vein, Daniel Etounga-Manguelle (2000) adds that 'There is a foundation of shared values, attitudes and institutions that bind together the nations' of Africa.' Both Nyerere and Etounga-Manguelle imply that African cultures are fundamentally interchangeable. Nyerere, of course, regarded this pervasive Africanness positively, whereas Etounga-Manguelle sees this shared culture as a liability—incompatible with growth, development, and capitalism.

The latter view is echoed by Platteau and Hayami, who argue that 'indigenous value systems do not always encourage investment, wealth creation, and risk taking' (Ramachandran et al. 2009: 67). Specifically, among these 'value systems', putative African norms of reciprocity, presumed immutable, serve to hinder entrepreneurship and the accumulation necessary for business success. (The same pressures governing distribution of patronage to societal clients at the macro level compel the relatively wealthy to share with their communities.) In such an environment, therefore, entrepreneurial impulse is almost invariably stillborn, as norms related to 'wealth sharing may lead to a disincentive to migrate from a village to a town to become an urban worker or an entrepreneur', hence, kinship itself 'can be viewed as a poverty trap' (Ramachandran et al. 2009: 68 citing Hoff and Sen). In this perspective, then, Africans are not incapable of entrepreneurship; rather, they simply lack incentives because any wealth accumulated has to be shared in order to placate the cultural demands of kith and kin. A less elegant depiction of this phenomenon is what many observers have labeled Africa's overabundance of 'P-H-D'—pull him down—whereby success itself is penalized (see also Maranz 2001). Like most stereotypes, this too has some basis in actual behaviours.[5] Rather than debunk the stereotype, however, according to Etounga-Manguelle (2000), Africa is in need of 'cultural adjustment'.

In a somewhat different vein, Erika Amoako-Ageyi (2009) suggests that firms doing business in SSA must themselves adjust to African culture. Writing primarily for an international managerial audience, Amoako-Agyei advances eight cultural characteristics that, in her view, apply to African employees and managers in commercial environments.[6] According to Amoako-Ageyi, non-African managers ignore these traits at their peril. Among other things, Amoako-Agyei suggests that in African corporate environments, as with African culture more broadly, competition is discouraged, time standards are ambiguous, and there is a strong link between age

[5] I first heard this characterization in Harare in 1995 in a meeting with the president of the Zimbabwe National Chambers of Commerce. It remains a popular expression, particularly in West African online forums. That the stereotype is occasionally true does not render it universal, however.

[6] These are: collective solidarity; group significance; harmony and social cohesion; consensus; local time (or 'African' time); paternal/maternal leadership; age and authority.

and authority, whereby advanced age is inherently equated with authority. Thus, an older person automatically holds a certain level of superiority, regardless of rank, title, experience or education. Although Amoako-Agyei's article is intended as guidance for international managers, it should be abundantly clear that most of the cultural traits she highlights are inimical to business profit, accumulation, and growth. Indeed, a firm, whether foreign or domestic in origin, in which timeliness is not important, age trumps merit, and discipline of poor performance is unacceptable could not possibly hope to survive in a competitive marketplace. Weighed down by such constraints, business success is nearly impossible (interview with a Ghanaian entrepreneur, Accra, 20 July 2012).

Culturalist arguments in Africa, and their implications, are overwhelmingly negative, particularly when applied to business and economic contexts. There are minor exceptions to this universalized African culture, however, though only a few select groups qualify as what Etounga-Manguelle calls good 'Homo economicus'. Among them, apparently: the Bembas, who are regarded as risk takers (Kanyama 2010: 8); the Igbos, admiringly labeled 'the Jews of Africa' (Chua 2004); and the Kamba and Bamileke (Etounga-Manguelle 2000: 72). Importantly, these are rarified categories; among Africa's more than 2,000 different ethnic groups, most countries have no more than one or two that qualify, and some, apparently, would seem to have none. Culture, capturing all but a few of Africa's 2,000-plus ethnicities, thus becomes a binding constraint: If you are not born into one of the few African communities that celebrates entrepreneurship, the obstacles to success are nearly insuperable. Yet even the few mildly complimentary culturalist positions—favourable toward the Igbo, Bamileke, and others—merely represent the more exclusive obverse. Both sides essentialize Africans and engage in sweeping generalizations thereby perpetuating the notion of immutable cultural characteristics. The ethnolinguistic and geographical diversity of successful businesses across cultures and across the continent belie attempts to establish culture and business acumen as equivalent categories.

2.2 The limits of culturist explanations and the elasticity of culture: Africa's compatibility with capitalism

Efforts to reduce cultures to a single ideal type commit the same errors on a micro scale what others have done to Africa at a continental scale, which is paint all with an unwieldy and inaccurate—usually neopatrimonial—brush. Although it is clear that in some of SSA's 48 states, business and capitalism decidedly have *not* been embedded into local cultures or politics, the neopatrimonial obsession can leave some adherents to resist countervailing evidence. To be fair, not all of Africa is open for business. But, whereas some polities are genuinely rent-seeking, corrupt and patrimonial, others have a relationship with business and capitalism that is more developmental (Dawson and Kelsall 2011). As Radelet notes, analysts never use North Korea or Myanmar as a shorthand for 'Asia', blanket statements about 'Africa' should likewise be avoided (2010: 12). Thus, the problem with the pessimists is not that they are wrong; it is that they are too broad.

It is instructive that culturally-based arguments about the constraints of Confucianism eventually were turned completely on their head: In fact, with the economic/business success of East and Southeast Asia, and China, it was decided that the Confucian 'values of diligence, order, individual responsibility and so on promoted capitalist behavior' (McVey 1992: 10; see also Tsai 2007). The explanatory power of African culture is even more in doubt. Those stubbornly clinging to such universalizing claims do so on the basis of ideology rather than evidence.

By way of summary, we can identify at least two fundamental flaws in the culturalists' argument: First, they practice selective amnesia, by ignoring the careful work of Africanist historians, which actually demonstrates the vitality of *pre-colonial* forms of capitalist accumulation through bona fide business activity. Indeed, the historical record details the extensive presence of capitalist modes of production in this period. Second, and more fatally, culturalist arguments are inconsistent and over-generalized and, as such, cannot account for exceptional cases, or for change as the number of exceptions mounts. In the contemporary environment, social attitudes toward business, accumulation, wealth, and so on, have clearly shifted in numerous countries across the continent, aided by migration, technology, religion, and 'globalization'—which, in the case of business values, can yield positive outcomes, contra James Ferguson's (2006) and others', forceful condemnation of the phenomenon. Moreover, ample evidence exists of African business success at reinvesting surplus and thereby creating *going concerns*. These are neither mere pre-capitalists nor 'patrimonial capitalists', but viable *capitalist* enterprises competing in a liberalized environment. Some of them, are genuinely global in their aspirations, if not yet in their achievements.

The discussion below briefly reviews the historical antecedents before returning to the examination of contemporary developments in African capitalism.

2.3 Historical perspectives on capitalist activity[7]

Those who portray business and capitalism in Africa as recent phenomena or colonial imports are serving ideological aims, not historical ones. In fact, African business has thrived for centuries, involving both indigenous cultures as well as outsiders. Admittedly, a direct line between precolonial practices and the present day cannot be drawn because of the damage wrought by both colonial and post-colonial policies, which undermined the position and prospects of black African business in the formal economy, while privileging those associated with immigrant groups or foreign firms; this bifurcated structure substantially remains visible today. Yet the depiction of an Africa inhospitable to—or worse, incompatible with—business and capitalism is a caricature. Historians have long focused on the legacy of entrepreneurial vigor. According to Abner Cohen 1967: 5–6), 'Long before the Europeans arrived on the scene, the West Africans had operated truly international trade, with developed systems of credit, brokerage, insurance, exchange of information, transport and arbitration in business disputes. Law and order were generally maintained and strangers honoured their business obligations and deferred to the pressures of moral values and moral relationships of all sorts.' Additionally, Ralph Austen (1987: 22–4) notes that production and exchange systems emerged and proliferated, in agricultural communities, as well as around extractive industries such as iron, salt, and copper. Importantly, these were hardly barter economies: Monetization was pervasive and became a key factor in formalizing market exchange. Indeed, Anne Dougall writes of an extensive credit and money system that facilitated 19th century trade networks, which included the area of contemporary Mali, Mauritania, and Senegambia. In one such network, rock salt, purchased with cowries, was exchanged for grain, cloth, slaves, and kola to the south (cited in Fyle 2002: 30–2).

Importantly, these were fundamentally *entrepreneurial* cultures. As Austen (1987: 24) writes 'African subsistence producers were not unwilling to respond to incentives for material betterment provided that accompanying risks could be limited relative to the potential for new gains.' Although much of these incentives derived from economic and financial contacts with

[7] This section draws on arguments advanced in Taylor (2012a).

outsiders, such an observation does little to diminish the fact that *Africans* recognized market opportunities in antiquity.

The impact of the slave trade on business and entrepreneurship is contested. Certainly many profited from it, but it also diverted resources away from more productive enterprise, as noted by Joseph Inikori (2002: 67). Ralph Austen (1987: 17) argues, however, that the Atlantic slave trade actually *expanded* business opportunities in the 18^{th} century, even if these were primarily limited to rulers and large merchants. After the trade was outlawed in 1807, the ensuing era of 'legitimate trade' opened some opportunities for small-scale traders, whereby lower minimum capital requirements made it possible for small-scale suppliers to enter the maritime export business in large numbers for the first time.

Gareth Austin, too, rejects the notion that 19^{th} century economic activity was limited to subsistence trading or that markets throughout West Africa were anything but bona fide business concerns. 'Trade and markets were no mere roof to a subsistence-walled house', Austin (2002: 119–20) contends, describing instead the existence of well-developed, integrated systems. True, these businesses were generally organized at the household and family level rather than in conventional firms per se, and many were unable to achieve what Austin calls 'transgenerational continuity'. Yet the latter was due not to the absence of ethic of accumulation, but to general instability caused by risk and the changes eventually caused by colonial occupation.

In fact, during the ensuing colonial period, African firms suffered greatly, with the greatest restrictions were placed on those in economies in which African business activity threatened to compete directly with European interests; such competition was quickly eliminated. Black entrepreneurship across the continent was not only discouraged under colonial rule but deliberately quashed, by depriving blacks of finance, access to free labour, a market in which to compete, and even of consumers, as Africans were disgorged from their land, heavily taxed, and subject to artificially low wages. Thus, throughout the colonial era, the capacity of black African businesspeople to expand, diversify, or modernize was severely curtailed or proscribed entirely, although colonial era restrictions on black capitalism were not applied uniformly across the continent.

The proscription of black business activity was most severe in settler economies, whereas a more varied black commercial sector emerged in West Africa than elsewhere. Although some niches, such as transport and trading, were relatively open to Africans, law and custom prevented their entry into key profit sectors, such as manufacturing and commercial farming.[8] In a prominent example of the latter, Northern Rhodesia's Plateau Tonga entered the commercial maize market as late as the 1930s, successfully producing and selling surplus. The colony's white settler population resented the competition, however, so with the support of the colonial government, the settlers alienated the Tonga farmers' land and forced them onto inferior soils. The result was environmental degradation and the demise of Tonga commercial activity. Similar restrictions on black business and commercial farming persisted in settler-ruled Namibia and South Africa until the late 1980s (Dixon-Fyle 1977: 579–96).

Following independence, many of the state-led development models then in vogue discouraged, or banned outright, entrepreneurial activity. Business was seen as antithetical to prevailing leftist development ideology, yet even in states like Zimbabwe or Angola, the existing property or

[8] In certain settler environments, notably Kenya, some scholars suggest a more robust colonial state support for African business, although this came late in colonial period and was highly uneven (Himbara 1994: 80; Swainson 1987: 140).

business interests of foreigners and resident minorities was tolerated.[9] Even in those states that pursued nominally free-market development paths, such as Côte d'Ivoire and Kenya, the accumulation of capital among indigenous, that is, black, African communities frequently was stunted. It was crowded out by multinational corporations (MNCs) and minorities, frustrated by state predation and corruption and an adverse policy environment, and rendered uncompetitive by inadequate economic and financial infrastructure.

2.4 The contemporary business environment

The post-colonial period was marked by sociopolitical and ideological restrictions and, from the mid-1970s to the late 1990s, severe economic decline. The latter period has been characterized as one of 'permanent crisis' (van de Walle 2001), in which the conditions for business emergence or growth, especially black business, were particularly inauspicious. Barely a decade into the 21st century, however, Africa seems increasingly open for business; opportunities appear to abound, not just for MNCs and minorities—the traditional and longstanding representatives of 'business in Africa'—but increasingly for black Africans as well. Indeed, a diversity of business cultures now thrives, including state capitalism, multinational capitalism, settler capitalism, and 'indigenous' capitalism. This embrace appears to repudiate the old dire predictions of a two century maturation process for African capitalism, as well as assumptions about African cultural antipathy to wealth creation, profit, and so on.

The recent instauration of capitalist practice owes primarily to two factors. First, evolution of state and society in the 1990s through liberalization: Although African capacity for capitalist accumulation predates even colonialism, the capitalist chord dating from antiquity was largely ruptured by colonial policy. Thereafter, in four decades of independence, it was difficult for autonomous African business to emerge, and certainly to thrive, in an environment of economic contraction and collapse, presided over by post-colonial political regimes that were often intrinsically hostile to capitalism. Economic and political liberalization, which expanded in the 1990s, brought essential institutional change, and eventually a coterie of business-savvy leaders. Second, societal level changes have occurred as well that serve as transmission belts of capitalist values. Across Africa one now finds a sociocultural milieu that is much more conducive to modern business. The various vectors of contemporary capitalist values include the rise of an educated elite, including returnees from the diaspora, who are increasingly prepared to invest at home, the spread of prosperity gospel, and the massive proliferation of mobile cellular technology, which has democratized information flows.

The newly favourable business environment is evidenced by the now ubiquitous private sector development (PSD) schemes promoted by states and their donor partners; a de facto competition for improving annual rankings on the World Bank's Doing Business' indicators, and investment-related performance metrics; and a coterie of sizable firms founded, and often managed, by high impact *African* entrepreneurs. Though as yet small in number, this grouping has joined the ranks of leading business—traditionally, the preserve of minority- and foreign-owned entities—on the African continent. They convey a powerful message, to their fellow citizens and to the world, about business potential on the continent. Their success also demonstrates the intrinsic compatibility between Africans and capitalism.

[9] In some socialist-oriented regimes, like Kaunda's Zambia, business activity was severely curtailed, especially that of state elites. Yet involvement in business activity, both licit and illicit, by regime officials, families, and cronies, was often sustained. This is not, by and large, productive capitalism, however.

Institutional change in the 1990s

Scholars differ on the impact of the liberalization programmes that affected virtually every African country by the early 1990s. Van de Walle (2001) describes the period from 1979–99, in which neoliberal structural adjustment programmes (SAPs) became ubiquitous, as one of 'permanent crisis'. During this era, African elites learned how to evade and circumvent reform policies prescribed by the international financial institutions (IFIs) and donors, a key component of 'partial reform syndrome'. Mkandawire and Soludo (1998) argue that the failure of SAPs to achieve predicted results was the fault of the IFIs (see also Bond 1998; Carmody 2001). Others suggest that the groundwork Africa established on economic and human development metrics in the 1990s and early 2000s, including debt relief regimes, is far better than appreciated and helped build the foundation for contemporary performance (Easterly 2007; Radelet 2010).

Regardless of one's perspective on the merits of adjustment and its aftermath, the change in economic regimes from statist to liberal (or at least, liberalizing) did provide at least some policy space for private sector expansion and economic growth. SAPs, and the economic and political crises with which they were intertwined, precipitated a fundamental shift in worldview. Of course, subsequent actions—international debt relief under the heavily indebted poor countries (HIPC) and the multi-lateral debt relief initiative (MDRI), global economic growth, and record commodity prices—arguably helped states and emergent private sectors even more. After all, the initial liberalization templates of the IFIs were simplistic and inadequately tailored to country contexts (Green 1993), although eventual refinements to these programmes helped bring about reductions in state expenditure on state-owned enterprises (SOEs), as a result of privatization and deindustrialization, interest rate adjustments, and liberalized currencies. One need not celebrate structural adjustment per se to concede that certain aspects of liberalization facilitated new opportunities for private sector investment. Concomitantly, the political trends of the past two decades, exemplified by a significant increase in democratic governance, have created the space for business people to retain and reinvest their wealth, measurably more free of the state predation that characterized the *ancien régimes*.

Below the state level, van de Walle (2001: 146) characterized African popular attitudes toward neoliberal reform as ambivalent. This ambivalence in public opinion has persisted in subsequent Afrobarometer survey results, largely because of high poverty and formal sector unemployment. Whether found in democratic or non-democratic polities, however, elite attitudes toward private sector expansion have definitely shifted. The Doing Business indicators reveal that authoritarian states like Rwanda, Uganda, and Ethiopia, and democratic ones like Zambia and Cape Verde, all engage in aggressive reforms (World Bank 2013; Booth and Galooba-Mutebi 2011). Moreover, leaders and elites have both benefited from and served as conduits of this renewed capitalist ethos. A number of current African presidents now have business backgrounds, and they have generally supported pro-business policies, although a causal relationship cannot be established.[10]

[10] African presidents or leaders with business and finance backgrounds tend to come from more economically stable countries, such as Sao Tome and Principe, Seychelles, and Tanzania, as well as Kenya, Benin, Comoros, and Côte d'Ivoire. The president of Sierra Leone is an insurance magnate, and Liberia is led by President Ellen Johnson Sirleaf, a former World Bank and Citibank executive. Of course, presidential support or non-support of private sector initiatives depends on a host of other political economy factors, including class and coalitional interests.

Globalization and an emerging capitalist value system

The inculcation of a social basis for African capitalism is aided by various interactions and influences. Here I emphasize first, reverse migration, which can redound to the benefit of home countries when returnees bring back education and professional experience. The second focus is the role of religion, specifically Protestant theologies that promote so-called prosperity gospel. Finally, I examine the transformational impact of the proliferation of technologies such as cell phones.

Once feared as potentially depriving Africa of its best and brightest, recent analyses suggest that brain drain does not necessarily produce bad outcomes; in fact, the converse, brain *gain* when migrants return, may yield positive results for African business (Haidara 2013). Gibson and McKenzie (2011: 10) note that SSA countries have 13 per cent of their tertiary educated population living in higher-income countries. One benefit is that remittances and flow of funds are more significant than ever. The World Bank database 'Send Money Africa' (cited in Sambira 2013) estimates that US$62 billion flowed to Africa (both North and SSA) in 2012 (p. 16). Of this amount, some US$20.6 billion was officially transferred to Nigeria in 2012 (p. 15), whereas Senegal and Kenya received US$1.4 and 1.2 billion, respectively. (By comparison, a total of US$1.5 billion, including unofficial transfers, was sent to Somalia; p. 16). In 2010 remittances represented 2.6 per cent of 2009 gross GDP and 60 per cent of Official development assistance (ODA) (p. 17). Although high skilled migrants remit at high levels (Gibson and McKenzie 2011: 16), it is important to note that these funds do not necessarily go toward investment in business ventures; typically, they support consumption or subsistence activities. Nonetheless, they are evidence of the vital links that are maintained between the diaspora and the home country.

These continued links with the diaspora that can also serve as direct transmission belts of entrepreneurship and investment from individuals who have acquired education, experience, or capital, abroad. Gibson and McKenzie (2011: 15) suggest that brain drain is neither unidirectional nor permanent. According to the World Bank, some 140 million Africans live outside the continent (cited in Sambira 2013: 15). Official return assistance is provided by International Organization for Migration (IOM), but many others return unofficially. Although precise quantification is difficult, some assessments find 70 per cent or more African of migrants willing to return home permanently (Haidara 2013: 26). This is the case in Ghana, for example, where 28 per cent of Ghanaians with Bachelor's degrees earned them abroad.

Formal education is a major vector of entrepreneurialism and business-capitalist values. The education of a new generation of African elites in American, European, and increasingly, Chinese university systems has helped create a new cadre of so-called 'cheetahs' who are equipped to invest knowledge and capital back home (Radelet 2010; Ayittey 1999). Writing on India, Elizabeth Chacko (2007) describes a context in which professionals are returning 'to their home country to take advantage of new growth and employment opportunities" (quoted in Haidara 2013: 7). Although the unique reciprocal benefits seen in the Silicon Valley-Bangalore linkage, particularly in the information technology (IT) sector, have yet to be replicated in Accra and elsewhere, returnees are nonetheless force multipliers, who train others and impart knowledge in the home country.

A second factor contributing to the socialization of capitalist values and business norms in Africa is the incredible proliferation of Renewalist churches, charismatic Christian churches generally in the Pentacostal tradition, a significant number of which preach a 'Prosperity Gospel' (Pew research Center 2006). Modelled initially on American predecessors, these churches have been thoroughly Africanized.

The resonant popular message of these churches is that God wants the faithful to prosper; wealth therefore emerges as evidence of Divine blessing. Pastor George Mbulo of Zambia, for example, proudly proclaims that 'God will show you how to make wealth' (Phiri and Maxwell 2007). His Nigerian counterparts have found a particularly receptive flock in that country. One pastor, Michael Okonkwo, Bishop of 4,000-member TREM-Redeemed Evangelical Mission, preaches in his book *Controlling Wealth God's Way:* '[M]any are ignorant of the fact that God has already made provision for his children to be wealthy here on earth. When I say wealthy, I mean very, very rich. … Break loose! It is not a sin to desire to be wealthy' (cited in Phiri and Maxwell 2007). Similarly, Nigeria-based David Oyedepo Ministries International's boasts a chapel that accommodates an astounding 54,000 people. As if to cement the link I assert between prosperity gospel and business values, *Forbes* (2011) Africa has now taken to publishing a list of 'The Five Richest Pastors in Nigeria'. Bishop Okonkwo did not even make the list, which includes Oyedepo, Chris Oyakhilome, Temitope Joshua, Matthew Ashimolowo, and Chris Okotie. Oyedepo's own net worth has been estimated at US$150 million (*Forbes* 2011). Pastors and their congregations thus serve as prominent examples of the endogenization of the wealth-capitalist message. Indeed, the accretion of individual wealth is in direct challenge to putative African norms of 'reciprocity' that supposedly hinder entrepreneurship and accumulation intrinsic to successful capitalism. In fact, prosperity Gospel accommodates both wealth-sharing (through tithing) *and* personal wealth.

These observations are not intended as a commentary on the theological integrity or spiritual value of the prosperity gospel message. Moreover, it is important not to overstate the role of prosperity gospel. Nevertheless, 'renewalist' churches are the *fastest* growing faith communities in SSA. As such, the proliferation of churches that preach a 'health and wealth' gospel adds another layer of legitimacy to the pursuit of profitable enterprise. These churches both generate and reflect changes in the relationship between Africans and accumulation.

Third, technology is a key tool in the dissemination of this growing private sector ethos. As Joel Mokyr recently argued, 'Technology, rather than finance or international trade, [can be seen as] the *primum movens* of capitalism' (Mokyr 2013: 291). Cellular technology in particular is revolutionary for Africa, and represents a 'leapfrogging' development solution unimaginable a generation ago. Its expansion has been breathtakingly fast. In 2007, Nigeria had 40 million subscribers, but had reached an estimated at 113 million by 2012 (International Telecommunication Union, ITU n.d.). A 2013 Afrobarometer study revealed that 65 per cent of Africans used cell phones daily (Mitulla and Kamau 2013: 14). Similarly, though not yet as widely dispersed, the internet also serves as a technological fix for disseminating new business norms and capitalist values. Internet usage, which was under five million users in 2000, reached 120 million users in 2012, according to the ITU (n.d.). At 56 million users in 2012, Nigeria had one-third of its population using the internet; among SSA states, only Cape Verde, Mauritius, the Seychelles, and South Africa had higher percentages of the population using the internet (ITU n.d.).[11]

For business, the advantages of technological proliferation are abundant (Radelet 2010). Cellular phones facilitated business communication—for example, about prices, suppliers, and customers, locally and globally—at relatively low cost and without need for expensive travel. Technology, therefore, has democratized information flows, including ideas about entrepreneurialism and investment in Africa. Much of this technology (or at least its impact) is

[11] As a point of reference, Nigeria had seven per cent internet penetration in 2007, which represented nine million users and a compound annual growth rate of 143 per cent (ITU n.d.).

decidedly organic; it is not the product of top-down state or donor strategies, but instead represents grassroots initiatives that embrace and amplify African entrepreneurial culture. Indeed, this is well reflected on websites, internet chat rooms and the blogosphere; although as yet predominantly urban-based, middle class elites, these venues show a growing interest in business, economics and entrepreneurship among Africans.

Promoting virtuous circles: government policy and private sector response

Among the most revealing illustrations of the evolution in business cultures in Africa and the official embrace of capitalist practices can be found in the number of governments now explicitly in favour of private sector development. These are borne out by various metrics, such as investment, private capital formation, and private sector contribution to GDP, which have shown steady improvement over the last decade. More visibly, trends are also observed in the emergence of African enterprises at all levels, and particularly the growth, and emulation, of prominent African business magnates who have achieved international profiles.

In the early 1990s, political and ideological resistance to private business—at least business with any semblance of autonomy vis-à-vis the state—remained pervasive across the continent: from Zimbabwe (Taylor 1999; Goodstein 2009); to Zambia (Rakner 2003); to Rwanda (Taylor and Orlando 2013), and elsewhere. Even in countries like Ghana, which had embraced a neoliberal model in 1983 (Kraus 2002; Arthur 2006; Opoku 2010), and Kenya (Arriola 2013), a quintessentially 'Afro-capitalist' state, there was innate hostility to private business outside of state strictures. Instead, political elites embraced only narrow benefits for co-ethnics and were considerably hostile to autonomous private sector growth. With the exception of Zimbabwe (Dawson and Kelsall 2011), these countries are today among the leading proponents of (PSD).

As liberalization took hold, state roles diminished and new elites came to power. Though states maintain a high level of engagement in business, this private space has become far more pluralist. PSD schemes, both internally and externally-driven as part of donor initiatives, are now ubiquitous. Where SAPs were once resisted by states, both openly and through 'partial reform syndrome', and by societal actors, such as labour unions and others (ZCTU 1996). PSD has faced far less resistance. The political regime transitions, from authoritarian to more democratic and participatory, have also played a role. The private sector, and the electorate, can counterbalance capricious state policies to a degree not possible in the past (Taylor 2012b). Nonetheless, as Bratton and Logan (2013: 203–4) demonstrate, vertical accountability remains weakly institutionalized in nascent African democracies.

Moreover, as noted above, the ascendance of a pro-investment, pro-business agenda is partly due to ideological evolution, globally and within Africa, following the Cold War, and the more varied experiences of political leaders; among the current generation of African political elites, more have business, economic development, and financial backgrounds. The rise of pro-business political elites does not spell the end of corruption, but their attitudes toward private sectors are decidedly different that the oldtime kleptocrats or African socialists.

But critics of PSD policies suggest they must redound to the benefit of local actors and not merely to resident minority- or foreign-owned firms (author interviews, Accra 2013). Most FDI in Africa remains tied to capital-intensive extractive sectors. Long-term economic *and political* stability, however, depends on the potential to create formal employment among the majority population (Emerging Markets Forum 2013). A significant portion of this must derive from domestic-oriented PSD and the reproduction of high-impact entrepreneurs.

A private sector response

Entrepreneurs are responding to various new incentives and opportunities, including a more favourable state policy environment. Space constraints prevent a detailed cataloging of the various leading entrepreneurs across Africa. However, their stories are increasingly well documented in books (e.g., Makura 2009; Fick 2002, 2007; *the Enterprise Map* series[12]) and the international financial press, such as *Forbes, African Business, and African Banker*. These leading entrepreneurs include magnates from all sectors and nearly every country across SSA, among the most prominent are names like Aliko Dangote, Strive Masiyiwa, Mo Ibrahim, and Prince Kofi Amoabeng. By all accounts, the wealth of the individuals in this class was legitimately acquired and astutely invested and reinvested. In general, they rely on the pursuit of profit rather than rents.

According to Makura (2009), the leading sector in which the magnates have found openings is the financial sector. Retail and commercial trade, with their lower barriers to entry are also favoured destinations. However, some have expanded into manufacturing or construction. One of the leading recent examples of firms in this mode is the Dangote Group, the Nigeria-based multi-sectoral conglomerate founded by Aliko Dangote in 1977. Dangote's current interests extend to such sectors as light manufacturing, sugar refining, flour milling, cement manufacturing, and textiles, as well as real estate, and oil and gas. By 2009, it employed over 13,000 people, and in 2013, Dangote was among the richest men *in the world,* with a net worth in excess of US$15 billion. Dangote has transnational profile, with a company presence in West Africa, and expansion plans in East Africa.

The list of large companies, such as Dangote, UT Bank, Ecobank, Econet, and so on, owned, founded, or managed by prominent black African businesspeople is expanding (Makura 2009). Whereas their individual biographies are impressive, more relevant are the larger *lessons* that can be derived from their success. First, the fact that a critical mass of highly successful businesses were established by blacks is critically important symbolically. Where business was the province of international or minority firms, capitalism was always distant and foreign, and was often portrayed as such by ideologically opposed states. Thus, today's highly visible black businesspeople represent market-legitimizing and market-building entrepreneurs who can effectively serve as trailblazers for future market entrants.

Moreover, as analysis of their business models reveal, their success is not principally owed to strategies that adhere to a model consistent with putatively African cultural norms, such as those advanced by Amoako-Ageyi (2009). This is not to suggest that firms and their owners must be insensitive to local conditions. Instead, what this class of entrepreneurs clearly demonstrates is the successful application and viability of *global* business strategies in Africa. After a century of colonialism and hostile post-colonial regimes, home-grown capitalism has found a more nurturing environment in Africa.

What unites the successful large firms in contemporary Africa is high-impact entrepreneurship, their ability to identify new opportunities in niche markets, having sufficient flexibility to be able to avail themselves of institutional changes such as privatization, and the capacity to respond to a range of incentives provided by domestic or foreign actors. They have benefitted from a growing regional economy, which has in turn helped facilitate the emergence of an African middle class estimated at over 400 million (AfDB 2011; Mahajan 2008). The success of these firms must

[12] Four volumes, all edited by John Sutton and published by the International Growth Centre (based at the London School of Economics), have been published in the series as of 2013: Ethiopia, Ghana, Tanzania and Zambia (http://www.theigc.org/).

inevitably challenge conventional—if outmoded—perceptions of business and capitalism in Africa.

3 Conclusion

In less than a generation, the context for business in Africa has been transformed. Yet it would be misleading to suggest that *all* of Africa is now open for business and unbridled capitalism. Even if that could be considered a good thing, the fact remains that some national and regional contexts are particularly unpropitious for the emergence of a bona fide, 'modern', capitalist class. The Doing Business indicators provide one useful annual metric; Freedom in the World another. But even as they aim to capture, respectively, both business regulatory and political conditions, such macro-level measures are only broad brush. Indeed, doing business in Africa's conflict zones, authoritarian polities, or even in conditions of relative statelessness, for example, is exceedingly difficult.[13] It should be noted that a system of capitalism may well struggle to develop in such contexts; where businesses are subject to the capriciousness of an authoritarian state—or perhaps worse, no state at all—the prospects for establishing a stable 'transgenerational' capitalism are severely undermined. A thriving modern capitalist system is dependent on law, institutions, a predictable regulatory environment, the provision of public goods, and, importantly, an economy sufficiently robust to support the development of a market/customers; Africa's more fragile states lack these institutional foundations.

Focusing principally at the level of Africa's large-scale firms, this paper argued that many of the black entrepreneurs operating at this stratum are icons of modern capitalism on the continent. At lower rungs, however, though entrepreneurialism appears robust,[14] obstacles faced by small and medium firms can be severe. UNCTAD (2013: 65) identifies 'five distinctive features of the enterprise structure in Africa that need to be addressed by African Governments if they are to succeed in promoting entrepreneurship, private sector development and intra-African trade. These are (a) high and rising informality; (b) the small size of African enterprises; (c) weak inter-firm linkages; (d) the low level of competitiveness; and (e) the lack of innovation capabilities'. Unsurprisingly, these constraints afflict small- and medium-scale businesses disproportionately.

Consistent with these factors, firms themselves report continued problems with access to finance, access to energy, and politics as key constraints (International Finance Corporation, n.d.; Ramachandran et al. 2009). Lack of education, or of adequate education, is also a constraint on firm growth, and the necessary changes in the educational system to produce more high-growth entrepreneurs who can provide the innovation UNCTAD and others rightly deem essential.

[13] Nonetheless, even these contexts are not necessarily antithetical to business success; the case of Somalia, to cite but one example where business thrives, illustrate this clearly. Dallo Airlines in Somaliland and Econet Wireless, founded in Zimbabwe, demonstrate the capacity for high-impact entrepreneurship in contemporary Africa and the ability for a business culture thrive in even the most unpropitious environments (Taylor 2012a). Even in Somalia, where no state authority existed until August 2012, robust and competitive businesses emerged, including five private airlines, satellite and cellular companies (Pineau 2005).

[14] Participation in business plan competitions, sponsored by such groups as DFID, Enablis, TechnoServe, for example, is routinely in the hundreds. People turn out in droves to try to gain support for their business ideas. This is not all instrumental: Most of the services provided to winners are in kind, rather than cash, suggesting the motive is genuinely entrepreneurial (author interviews, Nairobi: July 2012; Accra: July 2012 and August 2013).

Notwithstanding these important limitations at the macro- (structural/national) and micro- (firm) levels, however, this paper has shown that the entrepreneurial impulse is neither new nor alien to Africa, that current trends in society, politics and the economy are increasingly amplifying entrepreneurial and capitalist values, and that Africa is increasingly home to bona fide capitalists, even business magnates. Based on the foregoing discussion, it is possible to make three additional broad observations.

3.1 Acknowledge African capital*isms*

In the end, the culturalists, perhaps even Mwalimu himself, were misguided: no single African culture, and certainly no single African business culture exists. Instead, what we also see now is African diversity, of cultures and capitalisms—no less diverse than elsewhere around the globe. There are at least two broad categories of business cultures on the continent. Thus, the first can be described as normal or modern capitalism, and it has been the focus of this paper. In this class are found small, medium and large firms, national and foreign investors, black and non-black. Although space constraints prevented an exploration of minority and foreign business in this paper, these form a major bloc of the African business landscape.

Second, of course, in places, we continue to observe patterns that resemble the (neo)patrimonial capitalism Callaghy and others described a generation ago. This would include profit-seeking, 'briefcase businessmen' types, who merely extract rents and divert resources away from productive activities. Yet all varieties of patrimonial or crony capitalism are not ineluctably bad, however. If linked to the state, as in Rwanda, it may even display developmental qualities, as Booth and Galooba-Mutebi (2011) have argued, or be the basis of transformation into a more respectable and legitimate form, as witnessed in United States in the late 19th century (Taylor 2012a).

3.2 *Change* is permanent

Van de walle (2001) wrote of 'permanent crisis' in Africa. Yet the crisis he described, two decades of economic decline, eroded governance, and a history of failed reform, passed, at least for many states, beginning in the late 1990s (Radelet 2010). In the process, Africa's colonial and post-colonial hostility toward indigenous capitalism also waned. It is now clear that the only thing permanent is the propensity for change—in governance, business practices, and in culture, writ large.

In regard to business cultures, then, they will continue to be affected by interactions with and influences from outside a country's borders, as well as by institutional factors within it. These include continued technological innovation and proliferation, as well as new flows of diaspora returnees, bringing capital, experience, and education, and acting as transcultural emissaries. These factors provide ample foundation for the further expansion of capitalist ethos and business activity around the continent. Importantly, however, future institutional changes also include less predictable patterns in political freedoms and economic policy.

3.3 Integrate Africa into capitalist development discourse

As both a geographic and political entity, Africa has many unique features: its colonial history; geographic endowments, or lack thereof; astounding and often confounding ethnocultural diversity; and so on. Mainstream economic analysis has been preoccupied with what are perceived as Africa's unique constraints: its aid dependence, development failures, persistent corruption; its landlocked cartography and propensity for conflict, all portrayed as various 'traps'. These views are joined by critics in other social science disciplines (van de Walle 2001; Callaghy 1988; Dawson and Kelsall 2011). A few, however, have begun to reconsider the 100-plus year time horizons, as well as the fact that Africa's diversity means that not all states suffer the same affliction. These authors demonstrate that we can allow for diverse, and positive, outcomes as well (Radelet 2010; Emerging Markets Forum 2013.).

Understanding the constraints unique to SSA is important, but so too is recognizing the patterns in African capitalism and business that mirror those in other regions. Thus, understanding the development of African business and capitalism specifically enables us to place these processes firmly in a global, comparative context, not one that is limited by presumptive, and erroneous, strictures of some putatively African culture. Africa's precolonial history, and the recent growth of and receptivity toward business on the continent, both domestic and foreign, reveal that African capitalism and business cultures should not be seen as sui generis. The putatively African norms ascribed so broadly—kinship traps, gerentocratic obeisance, chronological confusion, and the like—undoubtedly describe *some* business practices on the continent. Yet these stylized characterizations are fundamentally at odds with high-growth entrepreneurship, and with history, as we have seen.

What unites the successful cases, as Africa's leading firms demonstrate, is that their corporate practices and capitalist sensibilities are consistent with a variety of *global* business cultures. In this grouping are found African firms that seek to generate profit, reinvest surplus, and ensure their reproduction—the familiar path for capitalists everywhere.

References

How we made it in Africa.com (n.d.). 'How We Made it in Africa: Insight into Business in Africa'. Website, available at www.howwemadeitinafrica.com

AfDB (2011). 'The Middle of the Pyramid: Dynamics of the Middle Class in Africa'. AfDB Chief Economist Complex Market Brief, 20 April 2011. Available at http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/The%20Middle%20of%20the%20Pyramid_The%20Middle%20of%20the%20Pyramid.pdf

Africa Report (2013). 'Top 500 Companies in Africa, 2013'. Available at http://www.theafricareport.com/Top-500-Companies/top-500-companies.html

Amoako-Agyei, E. (2009). 'Cross-cultural Management and Organizational Behavior in Africa'. *Thunderbird International Business Review*, 51(4): 329–39.

Arriola, L. (2013). *Multiethnic Coalitions in Africa: Business Financing of Opposition Election Campaigns*. New York: Cambridge University Press.

Arthur, P. (2006). 'The State, Private Sector Development, and Ghana's "Golden Age of Business"'. *African Studies Review*, 49(1): 31–50.

Austen, R. (1987). *African Economic History*. Berkeley: University of California Press.

Austin, G. (2002). 'African Business in 19th-Century West Africa'. In A. Jalloh and T. Falola (eds), *Black Business and Economic Power*. Rochester, NY: University of Rochester Press.

Ayittey, G. (1999). *Africa in Chaos: A Comparative History*. New York: Palgrave Macmillan.

Blundo, G. and J.-P. Olivier de Sardan (2006). *Everyday Corruption and the State*. New York: Palgrave Macmillan.

Bond, P. (1998). *Uneven Zimbabwe: A Study of Finance, Development and Underdevelopment*. Trenton, NJ: Africa World Press.

Booth, D. and F. Galooba-Mutebi (2011). 'Developmental Patrimonialism? The Case of Rwanda'. APPP Working Paper 16, March 2011. Available at http://www.institutions-africa.org/filestream/20110321-appp-working-paper-16-developmental-patrimonialism-the-case-of-rwanda-by-david-booth-and-frederick-golooba-mutebi-march-2011

Bratton, M. and C. Logan (2013). 'Voters but not yet Citizens: The Weak Demand for Vertical Accountability'. In M. Bratton (ed.), *Voting and Democratic Citizenship in Africa*. Boulder, CO: Lynne Rienner Publishers.

Bratton, M. and N. van de Walle (1997). *Democratic in Africa: Regime Transitions in Comparative Perspective*. Cambridge: Cambridge University Press.

Callaghy, T. (1988). 'The State and the Development of Capitalism in Africa: Theoretical Reflections'. In D. Rothchild (ed.), *The Precarious Balance*. Boulder, CO: Westview.

Carmody, P. (2001). *Tearing the Social Fabric: Neoliberalism, Deindustrialization, and the Crisis of Governance in Zimbabwe*. Westport, CT: Greenwood.

Chabal, P. and J.P. Daloz (1999). *Africa Works: Disorder as Political Instrument*. Bloomington, IN: Indiana University Press.

Chabal, P. (2009). *Africa: The Politics of Suffering and Smiling*. London: Zed Books.

Chacko, E. (2007). 'From Brain Drain to Brain Gain: Reverse Migration to Bangalore and Hyderabad, India's Globalizing High Tech Cities'. *GeoJournal*, 68: 131–40.

Chua, A. (2004). *World on Fire: How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability*. New York: Anchor Books.

Cohen, A. (1967). *Custom and Politics in Urban Africa: A Study of Hausa Migrants in Yoruba Towns*. Berkeley: University of California Press.

Dawson, M. and T. Kelsall (2011). 'Anti-developmental Patrimonialism in Zimbabwe'. APPP Working Paper 19, revised November 2011. London: APP. Available at_ http://www.institutions-africa.org/filestream/20111110-appp-working-paper-19-anti-developmental-patrimonialism-in-zimbabwe-dawson-and-kelsall-nov-11

DeGrassi, A. (2008). '"Neopatrimonialism" and Agricultural Development in Africa: Contributions and Limitations of a Contested Concept'. *African Studies Review*, 51(3): 107–33.

Dixon-Fyle, M. (1977). 'Agricultural Improvement and Political Protest on the Tonga Plateau, Northern Rhodesia'. *Journal of African History*, 18(4): 579–96.

Easterly, W. (2007). 'How the Millennium Development Goals are Unfair to Africa'. Brookings Institution Working Paper 14, November 2007. Washington, DC: Brookings.

Economist (2000). 'Hopeless Africa'. 11 May 2000.

Economist (2011). 'The Hopeful Continent: Africa Rising'. 3 December 2011.

Emerging Markets Forum (2013). 'Africa 2050: Realizing the Continent's Full Potential'. Overview Report 2013. Emerging Markets Forum.

Ernst and Young (2012). 'Africa 2013: Getting Down to Business'. Ernst and Young's Attractiveness Survey. Available at: http://www.ey.com/Publication/vwLUAssets/The_Africa_Attractiveness_Survey_2013/$FILE/Africa_Attractiveness_Survey_2013_AU1582.pdf

Etounga-Manguelle, D. (2000). 'Does Africa Need a Cultural Adjustment Program?'. In L. Harrison and S. Huntington (eds), *Culture Matters: How Values Shape Human Progress*. New York: Basic Books.

Ferguson, J. (2006). *Global Shadows: Africa in the New Neoliberal World Order*. Durham, NC: Duke University Press.

Fick, D. (2007). *Africa: A Continent of Economic Opportunity*. Johannesburg: STE Publishers.

Fick, D. (2002). *Entrepreneurship in Africa*. Connecticut: Quorum Books.

Forbes (2011). 'The Five Richest Pastors in Nigeria'. 7 June 2011. Available at: http://www.forbes.com/sites/mfonobongnsehe/2011/06/07/the-five-richest-pastors-in-nigeria/3/

Fyle, C.M. (2002). 'Indigenous Values and the Organization of Informal Sector Business in West Africa'. In A. Jalloh and T. Falola (eds), *Black Business and Economic Power*. Rochester, NY: University of Rochester Press.

Gibson, J. and D. McKenzie (2011). 'Eight Questions about Brain Drain'. World Bank Policy Research Working Paper 5668. Washington, DC: World Bank. (May 2011).

Goodstein, J. (2009) 'States, Power, Legitimacy and Maintaining Institutional Control: The Battle for Private Sector Telecommunication Services in Zimbabwe'. *Organization Studies*, 30(5): 489–508.

Green, R.H. (1993). 'The IMF and World Bank in Africa: How Much Learning'. In T. Callaghy and J. Ravenhill (eds), *Hemmed In: Responses to Africa's Economic Decline*. New York: Columbia University Press.

Haidara, A. (2013). 'No Place Like Home: Africa's Skilled Labour Returns'. *Africa Renewal*, 27(2): 7.

Himbara, D. (1994). 'Domestic Capitalists and the State in Kenya'. In B. Berman and C. Leys (eds), *African Capitalists in African Development*. Boulder, CO: Lynne Rienner.

Inikori, J.E. (2002). 'The Development of Entrepreneurship in Africa: Southeastern Nigeria during the Era of the Trans- Atlantic Slave Trade'. In A. Jalloh and T. Falola (eds), *Black Business and Economic Power*. Rochester, NY: University of Rochester Press.

International Finance Corporation (n.d.) Available at: http://www.enterprisesurveys.org/

ITU (n.d.). Available at: http://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx

Kanyama, C. (2010). *Business Values for our Time*. Johannesburg: Bridges Communication.

Kennedy, P.T. (1988). *African Capitalism: The Struggle for Ascendancy*. Cambridge: Cambridge University Press.

Kraus, J. (2002). 'Capital, Power and Business Associations in the African Political Economy: A Tale of Two Countries, Ghana and Nigeria'. *Journal of Modern African Studies*, 40(3): 395–436.

Leys, C. (1994). 'African Capitalists and Development: Theoretical Questions'. In B. Berman and C. Leys (eds), *African Capitalists in African Development*. Boulder, CO: Lynne Rienner.

Mahajan, V. (2008). *Africa Rising: How 900 Million African Consumers Offer More Than You Think*. Philadelphia: Wharton School Publishing.

Makura, M. (2009). *Africa's Greatest Entrepreneurs*. Johannesburg: Penguin Global.

Maranz, D. (2001). *African Friends and Money Matters*. Dallas: SIL International and International Museum of Cultures.

McCloskey, D.N. (2013). 'The Great Enrichment Continues'. *Current History*, November 2013: 323–25.

McVey, R. (1992). *Southeast Asian Capitalists*. Ithaca: Cornell University Press.

Mitullah, W. and P. Kamau (2013). 'The Partnership for Free Speech and Good Governance in Africa'. Afrobarometer Policy Brief 13, October 2013.

Mkandawire, T. and C. Soludo (1998). *Our Continent, Our Future*. Trenton, NJ: Africa World Press.

Mokyr, J. (2013). 'Capitalism Reinvents Itself'. *Current History*. November 2013.

Nyerere, J. (1963). 'A United States of Africa'. *Journal of Modern African Studies*, 1(1): 1–6.

Opoku, D. (2010) 'From Quasi-Revolutionaries to Capitalist Entrepreneurs: How the P/NDC Changed the Face of Ghanaian Entrepreneurship'. *Commonwealth and Comparative Politics*, 48 (2): 227–56.

Pew Research Center (2006). *Spirit and Power: A 10-Country Survey of Pentecostalists*. Pew Research Center/Pew Forum on Religion and Public Life. 5 October 2006.

Phiri, I. and J. Maxwell (2007). 'Gospel Riches: Africa's Rapid Embrace of Prosperity Pentecostalism Provokes Concern--and Hope'. *Christianity Today*, July 2007. http://www.christianitytoday.com/ct/2007/july/12.22.html?start=3.

Pineau, C. (2005). 'The Africa You Never See'. *Washington Post*, 17 April 2005.

Pitcher, A., M.H. Moran, and M. Johnston (2009). 'Rethinking Patrimonialism and Neopatrimonialism in Africa'. *African Studies Review*, 52(1): 125–56.

Radelet, S. (2010). *Emerging Africa: How 17 Countries are Leading the Way*. Washington, DC: Center for Global Development.

Rakner, L. (2003). *Political and Economic Liberalisation in Zambia, 1991–2001*. Uppsala: The Nordic Africa Institute.

Ramachandran, V., A. Gelb, and M.K. Shah (2009). *Africa's Private Sector: What's Wrong With the Business Environment and What to Do About It*. Washington, DC: Center for Global Development.

Roxburgh, C. et al. (2011). 'Lions on the Move: The Progress and Potential of African Economies'. McKinsey Global Development report, June 2011. McKinsey&Company.

Sambira, J. (2013). 'Tapping Migration Wealth to Fund Development'. *Africa Renewal*, 27(2): 15.

Swainson, N. (1987). 'Indigenous Capitalism in Postcolonial Kenya'. In P. Lubeck (ed.), *African Bourgeoisie*. Boulder, CO: Lynne Rienner.

Taylor, S.D. (1999). 'Race, Class and Neopatrimonial Politics in Zimbabwe'. In R. Joseph (ed.), *State, Conflict and Democracy in Africa*. Boulder, CO: Lynne Rienner.

Taylor, S.D. (2012a) *Globalization and the Cultures of Business in Africa: From Patrimonialism to Profit*. Bloomington: Indiana University Press.

Taylor, S.D. (2012b) 'Influence without Organizations: State-Business Relations and their Impact on Business Environments in Contemporary Africa'. *Business and Politics*, 14(1).

Taylor, S.D. and A. Orlando (2013). 'Business and the State in Rwanda'. Mimeo.

Tsai, K.S. (2007). *Capitalism without Democracy: The Private Sector in Contemporary China*. Ithaca: Cornell University Press.

UNCTAD (2013). 'Economic Development in Africa—Intra-African Trade/Unlocking Private Sector Dynamism'. Geneva: UN.

Van de Walle, N. (2001). *African Economies and the Politics of Permanent Crisis 1979-1999*. Cambridge: Cambridge University Press.

Weber, M. (2008). *The Protestant Ethic and the Spirit of Capitalism*. E-book: Digireads.com.

World Bank (2013). 'Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises'. Washington, DC: World Bank.

ZCTU (1996). *Beyond ESAP: Framework for a Long-term Development Strategy in Zimbabwe Beyond the Economic Structural Adjustment Programme (ESAP)*. Harare: Zimbabwe Congress of Trade Unions.