Development and Cultural Values in Sub-Saharan Africa

It is time we understood the psychology of economic decisionmaking in Africa. One view of the issue

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Perhaps one of the single biggest hindrances to economic development in Sub-Saharan Africa is the poor performance of the public sector and chronic weaknesses in the local institutions. But decades of efforts by national governments to turn this situation around, with help from the World Bank and other donors, have met with limited success. Recently, however, some observers have come to believe that the problem might well stem from a failure of the traditional approaches to fully integrate the political and sociocultural values that influence economic decisionmaking. This premise runs counter to the main body of development literature, which tends to dismiss culture as either a neutral element or an obstacle to institutional and technical innovations.

This essay—which emerges from the author's own work, as well as findings of published and unpublished studies and research on the economic psychology of certain ethnic groups in Sub-Saharan Africa—argues that traditional development projects have erred by focusing unduly on technical prescriptions, ignoring the need to adapt development assistance to the local cultural environment and ensure that the Africans identify with such assistance efforts. The thinking behind it forms the basis of a study recently begun by the World Bank, aimed at better integrating traditional cultural traits and incentives in the design and management of projects and programs. The study will (1) explore, through case studies, how sociocultural traits and incentives were linked to the success or failure of various projects and institutions, both in the informal and formal sectors, and (2) use the findings associated with success stories to better manage projects and reform programs dealing with institutional development and management. At this stage, we do not profess to have a full-scale solution to the problem, but we would like to suggest an approach, as part of the current debate on how best to help Africa build efficient and sustainable institutions and managerial capacity.

For a fuller discussion of the economic psychology of African tribes, see Psychologie Economique Africaine *by Jacques Binet, Payot, Paris, 1970.*

Why culture matters

Traditionally, institutional development projects have been based on three key assumptions: a mechanistic and linear conception of history and "development," which assumes that every society must go through the same stages before it can achieve development; a technological approach to institutional development and management that assumes that western methods and techniques of management are the only road to modernization; and an ethnocentric approach to culture that assumes that the basic goal of any society is to achieve the same values characterizing the so-called "developed" countries (i.e., spirit of enterprise, profit motive, material security, and self interest)—countries not exhibiting such values are viewed as primitive and underdeveloped.

The logical conclusion of this approach is that Africa's development must be stimulated from the outside, requiring a transfer of culture, methods, and techniques from the industrialized western countries. But the evidence to date strongly suggests that none of these assumptions are valid.

First, the remarkable vibrancy of the informal sector in Africa in the midst of generalized economic crises and difficulties of most modern sector enterprises illustrates the limits of the linear conception. Against the background of a hostile environment and lack of government support, the success of most of these microenterprises is best explained by their ability to reconcile African social and cultural values and traditions with the need for economic efficiency. Their management is largely a family affair, relying heavily on informal business relationships.

Second, the lack of success of most traditional approaches to institutional and public sector development in Africa clearly shows the limitations of the technological approach. In fact, it is now generally accepted that simply transferring some kind of know-how (e.g., new teaching methods, new techniques of personnel administration, and new budget devices) to Africa will not suffice. There must also be a high degree of national identification with the programs and projects—what is now referred to as "internalization" or "ownership." For this to be optimal, commitments will have to be forthcoming, not just from the political leadership but from the civil servants and general population as well.

Third, extensive studies and research, along with observations by the author, seem to suggest that western values are not always congruent with traditional incentives and behavioral patterns prevalent in most African countries. Self-reliance and self-interest tend to take a back seat to ethnicity and group loyalty—there are still thousands of ethnic groups on the continent. The main concern seems to be maintaining social balance and equity within the groups, rather than individual economic achievements. Generally, the interest of the local and ethnic communities takes precedence over whatever the government may declare as national goals. Clearly, the six to eight decades of colonization were simply not long enough for both individuals and governments to develop a new national entity that could transcend ethnicity and the traditional decision-making system.

Thus, the need to understand—and take into account—idiosyncrasies of African political and sociocultural structure is of paramount importance if the development community is to help Africa reform and increase the efficiency of its public and private sectors in a sustainable manner. It is the combination of both the sociocultural and technical-managerial elements of institutional development that will determine the quality and success of efforts in this area.

African cultural traits

African economic psychology is generally characterized by powerful connections between objects, humans, and the supernatural. Although the emphasis put on each of these elements, and the interrelationships among them, can vary from one ethnic group or tribe to another, the quest for equilibrium with other human beings and with the supernatural is generally the dominant guiding principle. The frontiers separating collective preferences from individual ones are often non-existent or quite vague.

Typically, a higher value is placed on interpersonal relations and the timely execution of certain social and religious or mystic activities than on individual achievements. The circumstances, and sometimes the ritual surrounding the economic transactions, are often more important than the principles governing these transactions. The value of economic acts is measured in terms of their capacity to reinforce the bonds of the group.

These sociocultural values and the key behavioral traits described below were found to be representative of the economic psychology of a sample of 56 ethnic groups—spread throughout Africa—covered in Binet's extensive study (see box). Moreover, the author's own experience in various parts of Africa and the findings of other studies and reports confirm Binet's work. Even so, two caveats should be made: (l) the findings should not be seen as representative of all ethnic groups in Sub-Saharan Africa, and (2) many of these characteristics exist in other regions of the developing world.

Attitude toward savings and investment. In Sub-Saharan Africa, it might well be said that, in general, the only riches are those shared with—and socially visible to—the community. There is a social and mystical need for what westerners may call "wastefulness." For example, among the Diola of Senegal, L.V. Thomas observed the massacre of 750 head of cattle to celebrate a circumcision ceremony, and it is not uncommon for poor, malnourished farmers to give away vast quantities of foods on the occasion of marriages, circumcisions, or burials. Some countries have even introduced laws to prohibit or limit extravagant expenditures only to see them broken by the advocates.

Exacerbating matters is the fact that the extended family is always present and always likely to be imposing itself. When small in size, excess income is distributed first to close members of the extended family, then to the neighbors, and then to the ethnic tribe. Excess income, therefore, simply leads to more lavish consumption and a widening of the circle of those benefiting from the income redistribution. A corollary is that economic success in itself does not lead to upward social mobility. In fact, if achieved outside of the group, it may even lead to social ostracism. In recent years, intensified insecurities and conflict over dwindling resources have heightened the need to band together with people you can trust. State resources thus become fair game for ethnic groups and extended family to build their own basis of support and legitimacy, through patronage, or sometimes, outright graft. Most of this wealth, however, generally ends up in conspicuous consumption (luxury houses, monuments, latest car models, lavish social festivities, etc.), instead of productive investments.

To what can these apparently primitive behavioral traits be attributed? The need for security is a primary justification. The host who provides sumptuous hospitality and redistributes his wealth can expect to count on the beneficiaries in periods of need. A desire for prestige frequently provides a second reason. In some areas, wedding guests may proudly pin bank notes on their festive dress, literally parading their wealth. Baoule funerals, in the Ivory Coast, are famous for their extravagant display of family treasure (jewels, gold dust, etc.). From the development perspective, the problem is that this tendency—attaching little value to the self-control needed for saving—runs counter to the prerequisites for promoting private investment and African entrepreneurship.

Attitude toward authority. African society is generally very paternalistic and hierarchical. Little prone to individualism, it tends to be egalitarian within the same age group, but hierarchical in group-to-group relations, with marked subordination of the younger members. Within each group, individuals possess equal legal status and the capacity to perform specific acts, but a person wishing to go beyond his or her own circle, can do so only with the permission of the father or some other authority (i.e., a tribal chief).

These paternalistic and hierarchical structures have often been regarded by Westerners—who highly value assertiveness, individual freedom, and responsibility—as running counter to productivity and creativity. But this is not always borne out by history, as exemplified in Cameroon, where the Bamoun tribe, under a highly centralized and organized kingdom, has managed to create a flourishing architectural and artisan tradition. A society founded on dependence and paternalism may thus prove just as creative as any other. Indeed, the impulse to bring oneself to the notice of the "Prince" may be a more powerful incentive than self achievement. Even if paternalism and dependency ultimately slow the pace at which an entire population changes and evolves, they need not hinder progress, research, and economic development.

Attitude toward commitment. A promise or commitment—which is the manifestation of intention in legal acts—is no simple thing in the African context. The presence of several witnesses is a frequent requirement, and their role generally goes well beyond those of neutral bystanders. In some instances, they may be expected to remember the facts should one of the parties renege or disappear. In other instances, their presence and acquiescence—particularly if they are heads of family or village chiefs—are necessary to legitimize the act.

Loans obtained by pawning or pledging an object are also symbolic acts. But here the symbolic value of the pledge is more important than its mercantile value. Among the Boulou and the Fang tribes in Central Africa, for example, loans are granted in exchange for the pawning or pledging of an object of so little value that it could not possibly serve as security—a ballpoint pen might be pledged for a loan of 10,000 CFA francs. These pledges are accepted as evidence against debtors when disputes arise, but they primarily personify the debtor, who in a sense offers a part of himself as pledge, and having done so, can no longer go back on his word. One only has to look at the high rate of loan repayment in the traditional/informal financial system, compared to the unduly high percentage of nonperforming loans in most of the formal banking sector in Sub-Saharan Africa, to appreciate the importance of traditional ritualistic and social guarantees.

Attitude toward decisionmaking. The traditional judge in black Africa is more intent on reaching a consensus than litigating "by the book." In legal, as well as in political matters, Africans tend to seek unanimity and are generally prepared to engage in seemingly interminable discussions. In the same spirit, the judgments handed down seek to establish a broad area of consent. There are even some countries where customary procedures require that any dispute be brought to an end by songs and dances, signifying that the two parties have agreed to maintain harmony and understanding. This is the opposite of the spirit that imbues law in the western countries, where the court interprets the law and pronounces a sentence to which the parties have to submit.

Attitude toward labor. The tendency to value group solidarity and socializing has generally led Africans to attach a high value to leisure and the attendant ability to engage in rituals, ceremonies, and social activities. Indeed, an inadequate recognition of the social benefits attached to leisure, as well as the impact of traditional leadership and organizational patterns on labor availability, may lead to an overestimation of its supply.

The high value Africans generally attach to leisure has often been misconstrued by outsiders as "laziness." Simply put, in Africa, these activities serve as a means of reinforcing social bonds, which are the foundation of its society. Thus, the marginal return of so-called unproductive labor (i.e., leisure) is generally very high and not nil—that is, the benefits are more social than economic. As a result, farmers tend to adopt innovations only when the expected return on additional labor, measured in both social and economic terms, is likely to be substantially higher than what they are already receiving from the prevailing combination of leisure and productive activities. The size and nature of the farming unit, the seasonal nature of the farming practices, and the division of labor between women and men—who tend to have their own lands, their own crops, and special tasks—also play a role. Since women must do all of the domestic work, on top of their agricultural tasks, they have very little remaining time that could be shifted to other productive activities.

A new vision of management

The reconciliation of these traditional values with the imperatives of economic efficiency and accumulation—building on effective indigenous management practices—is, therefore, crucial to economic development. The new approach has to reconcile the two, sometimes contradictory, goals of accumulation (growth) and redistribution (equity). As is well known, economic growth is generally accompanied by social and economic inequalities and imbalances. In the African context, where the concern with solidarity of the group takes precedence over individual success, the problem becomes one of finding a way to either minimize the impact of, or maximize the degree of tolerance for, these inevitable imbalances during the growth stage. Experience tells us that such imbalances are best tolerated within the family context—that is, the success of some members of the family or tribe creates optimism and empathy in the others, who expect, sooner or later, to profit from it through a "trickle down" or direct redistribution.

Other societies have successfully modernized without renouncing local customs, culture, or traditional values. Japan, the Republic of Korea, and Taiwan Province of China are examples of economies that have achieved high levels of modern production and advanced technology while maintaining their unique national traits. Their experience proves that acculturation is not a prerequisite to development, that whatever direction the development process may take, its success and sustainability will depend on how well it takes account of the needs and culture of the beneficiaries.

Accordingly, the principal focus of the new World Bank study is to assess, through case studies, which indigenous management practices have been most successful and can be used to develop a more efficient and sustainable management approach to development assistance. The ultimate goal of the new approach is to extend the field of family solidarity to embrace both enterprises and the nation, as a way of maximizing the tolerance threshold for the disequilibrium that inevitably accompanies growth. Our initial thinking is that the model should be built on five pillars:

Strengthening incentives for accumulation. If saving and reinvestment are to be encouraged, the constraints against them must be removed. The rotating and savings association (Roscas) provides a first option. Through group pressure and other mechanisms—such as required regular deposits and borrowing on a rotating basis—Roscas constitute convenient traditional financial institutions for those intent on saving.

Another approach would be to make economic success a vehicle of social mobility and advancement. It would imply, for instance, the creation of a special honorific distinction to be awarded only to economic enterprises and operators (public or private) that have made a noteworthy contribution to national production and accumulation efforts—preferably, including recognition by the leader. This approach is similar to that followed in Korea, where an annual ceremony is held at which the head of state honors the business leaders who have done most to expand export activities. On occasion, it has also been tried—and successfully so—in Africa. For example, 10 or 20 years ago, a group of Bamileke chiefs in Cameroon allowed those individuals dynamic enough to have built up personal fortunes to move up in the traditional social hierarchy by buying a title to nobility or gaining admittance to "secret" societies.

Linking employee compensation to performance. In encouraging greater accumulation, steps should also be taken to ensure equity and redistribution, which are necessary for the balance and survival of the group. Using schemes such as an employee stock ownership program and profit sharing would give the majority of people, in all social ranks and ethnic backgrounds, the chance to share the benefits of greater productivity and accumulation, thereby enlarging the circle of those in a position to profit directly.

Using traditional values as efficiency stimuli. To promote a sustainable production system—one that can withstand

and adjust to crises—it will be necessary to build on the local traditional values, as is the case in Korea, Japan, and other Asian countries. Conflicts between superior and subordinate, for example, could be settled informally by relying on group or "family" intermediation, reflecting the preference for compromise over litigation. In labor relations, care should also be taken that the Africans, used to rank and regimentation of even apparently trivial details, do not feel somewhat left out because there are no precise guidelines to follow. That might mean developing rules on meeting procedures to encourage more active participation.

Using formalism and ritual to reinforce contractual bonds. Since the strength of commitments and contractual obligations generally depend on the group pressure resulting from the formalism and rituals associated with the acts, managers should think twice before contemplating doing away with what Westerners have sometimes seen as incidental, unnecessary, and purposeless intrusions of magic or religion. Indeed, the absence of such features would only reduce the value of the parties' commitments.

Using group dynamics to foster productivity. Since group dynamics are important factors in raising labor productivity and enforcing discipline, thought should be given to adapting the quality circle concept, which is aimed at increasing the productivity of enterprises through small group dynamics. This concept is now well established and tested, not only in Japan but also in more than 50 other countries, including many developing countries. It is currently being successfully adapted in Burkina Faso, with joint World Bank and Japanese financing.

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Advantages of the new model

Recourse to this proposed management formula—in which efficient indigenous management practices are used, shareholding is democratized, and cultural values and traditions serve as a means of stimulating productivity, as well as alleviating conflicts and labor problems inside the enterprise—should, ultimately, make it possible to expand the concept of the extended family solidarity to the wider context of the enterprise. In this way, a favorable disposition toward accumulation could come into play, one that would go beyond family, tribal, and ethnic boundaries. For when the enterprise is state owned, it belongs in principle to the entire nation and not to a specific ethnic group, and when it is privately owned, its shareholders and employees may be nationals belonging to different ethnic groups, or even foreigners. This new communal bond within the enterprise would facilitate the process of interethnic and intertribal solidarity and help to foster a sentiment of national unity, nation building, and regional integration. It would also encourage greater tolerance for the foreign entrepreneurs or investors who share the destiny of the enterprise with their local counterparts. ■