

**PROPERTY, INSTITUTIONS,
AND SOCIAL STRATIFICATION IN AFRICA
BY FRANKLIN OBENG-ODOOM**

Reviewed by Fred Harrison

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In the West, the last ideological contest was fought between 1945 and the 1980s. Capitalism triumphed by defeating socialism in its Welfare State form. Victory was crowned by the capitulation of the USSR in 1989, and the dismantling of Karl Marx's command economy in China. The celebrations were short-lived. The financial crisis of 2008 exposed the bankrupt nature of the capitalist paradigm. What followed was a dangerous hiatus in political philosophy. Politics was paralysed. The democracies of Europe and North America retreated to "austerity".

What now? A viable alternative narrative does not exist. And yet, we do need to replace the obsolete models that received the last rites delivered by Covid-19. The global economy was shut down. The vast majority of people in the West declared that, after beating the pandemic, they did not want to re-engage with "business as usual".

China is different: change will not be tolerated. The Beijing Politburo enacted a legal clampdown on free speech in Hong Kong to quell the demand for democracy.

Our world is in a perilous crisis. In the past, philosophical voids created the space for extremists. Adolf Hitler was one beneficiary. Can we avoid a repeat of that kind of outcome? Could a new narrative be constructed that was grounded in both rigorous theory and empirical evidence? I believe so. My optimism was reinforced by reading Franklin Obeng-Odoom's book. His text does not provide the "story" that would resonate with a mass audience. It does, however, deliver the critique of authorised doctrines in the kind of detail that enables us to bury the false flag promises currently being churned out by professors who believe they know how to chart the course after the coronavirus.

Obeng-Odoom, an associate professor at the University of Helsinki, creates the space within which to visualise a viable alternative

existence. *Property, Institutions, and Social Stratification in Africa* is a contribution to what he calls the symbolic contest that now ought to engage our attention. Reformers have known since the failure of the Occupy Wall Street campaign in 2010 that uprisings driven by passions – such as Black Lives Matter – cannot get far without the support of a coherent narrative that offers new interpretations of the world.

The leading vision, at present, highlights climate change and the environmental crisis. But that approach is too narrowly focused. It fails to accord equivalent space to what I call the Social Galaxy – the realm created and occupied by *Homo sapiens*.

Henry George was the last person to offer a viable alternative model to capitalism as it existed in the 19th century. His vision was also perceived as the alternative to the model which Karl Marx was busy embellishing. George and those whom he inspired did achieve some remarkable feats in the 20th century, both symbolic and in practical politics, but these were successfully quelled over the course of time. The entrenched "elites" were determined to prevent reforms to the social structure which privileged them against the interests of the majority.

Elites: A word favoured by today's protestors. Their grievances are genuine, but the language fails to pinpoint the root cause of the distortions to people's lives. Those distortions take many forms, from institutionalised unemployment to the racist attitudes displayed by law enforcement officers in the US who think that throttling their suspects' necks (if they are black) is a legitimate way to arrest people.

Unfortunately, grievances cannot be rectified by resorting to emotive language attacking "the 1%" or prescribing "tax the rich". That is one of the lessons of history. We see it in the way in which France evolved after her bloody revolution. Madam Guillotine was bathed in *Liberté, égalité, fraternité*. France went on to experiment with five constitutions, and the people are still not content with the deal they get from their state!

Then there were the American revolutionaries. They campaigned with "No Taxation without Representation". Fine; except that their constitution fails, to this day, to deliver human rights to many American citizens. Could that be due to the way their Founding Fathers tweaked John Locke's doctrine of "life, liberty and estate [land]"? Their version of a constitution only guarantees citizens the right to "life, liberty and the pursuit of happiness"! America became the land of plenty, and plenty of poverty. Which brings us back to Henry George.

Progress and Poverty was a forensic critique of the structure of power which traced socially significant problems to the privatisation of society's net income. The private appropriation of economic rent necessarily created unaffordable housing, exploitation of the environment, and much more. This thesis is taken by Obeng-Odoom and applied to conditions in the 21st century, which is why – coming from a scholar – his book has the makings of a foundation text for the new narrative.

A window of opportunity now exists for substantive reforms. But those reforms will not occur without a counter-revolution.

The original revolution was executed by the European aristocracies. They enclosed the commons. To consolidate their land grabs, however, they also had to enclose people's minds.

They achieved this by reshaping language. They exploited the kinetic power of words by embedding concepts in people's minds that rationalised their disgraceful behaviour. The first step in the counter-revolution, therefore, must take place in our minds, our collective consciousness.

One starting point is the deconstruction of the spurious theories germinated by academicians. Obeng-Odoom does not hesitate to "call out" the distinguished scholars who rested their reputations on perverse concoctions. His deconstructions reveal the motives of their architects.

THE "RESOURCE CURSE"

Europeans colonised Africa to extract the continent's "net income". I put that term in quotation marks, in this case, because one of the valuable resources was the commodification of people, aka slaves. Their value was pure rent because they had no cost of production for those who cashed in on their labour. The rent extraction continued through to the present time. That shameful history could be accommodated within economic theory. One device for glossing over the realities was the "resource curse".

African lives, apparently, are blighted – *cursed*, no less – by the rich endowments offered by nature! One is tempted to say that you could not make up such a theory, but that is exactly what a British professor of economics did to explain poverty and corruption in Africa. That professor, in Obeng-Odoom's terms, "built his argument on a sleight-of-hand trick". The only curse in Africa was the willingness of mainly western owned transnational corporations to pay bribes to extract resource rents for their investors.

But economists seeking preferment with the grant-issuing institutions could not operate with a theory which explained under-development in Africa as the result of resource rents being ripped off by western corporations. Much nicer to blame nature for cursing the people who to live in poverty.

THE "TRAGEDY OF THE COMMONS"

The rent rip-off could not be sustained without being rationalised by the "rule of law". One formula for justifying private property in nature's resources – and over-riding people's traditional rights of access to the commons – was invented by Garret Hardin. He claimed that the "commons" were damaged because of the absence of private property rights. Obeng-Odoom deconstructs that spurious notion. We know it was a made up theory – not a direct representation of reality – because its author did recant. The late moral philosopher Bob Andelson – he called himself "a long-time student of the thought of Henry George" – engaged Hardin in discussion. As a result, Hardin revised his thesis. He explained that he was writing about the tragedy of *unmanaged* commons (Andelson 1991). Well, since the people who accessed the commons did so according to clear rules, there were no tragedies to worry about. Hardin's thesis was spurious, and did not justify the privatisation of land.

Puzzlingly, Obeng-Odoom does not mention Hardin's chapter in the Andelson book, in which he revised his thesis. As a result, the original 1968 article continues to be cited by scholars as an authoritative justification for private property rights, and as an explanation for the damage inflicted on nature. In truth, that damage is directly related to the privatisation – not the communalisation – of land.

THE "DEVELOPMENT MODEL"

A story was needed that camouflaged the way in which the West continued to plunder post-colonial Africa. Theories of under-development were fabricated. These rationalised the process whereby western governments channelled "aid" to the territories from which they were extracting the resource rents. As Obeng-Odoom notes, "It is in the interest of France, for example, to develop ideas that deflect attention from its engagement with Francophone Africa".

The paradox in the notion of development economics was summarised in painful terms by Obeng-Odoom. The standard economic model of growth, industrialisation and protectionism was part of the problem, not the solution, confronting those who wanted to raise the quality of life in Africa. He writes:

[I]f the African countries were to ascend the same ladder that has now been kicked away, the world would be a worse place to live: Africans too would need to enslave other races, or colonize others, rob others, plunder the resources of others, or institutionalise global wage and rent-theft systems as others did, to say nothing of the potential ecological impacts of such strategies.

Policy-makers and their expert advisers could get away with a menu of false theories because "most economists after World War II had forgotten that Henry George explained the paradox [the congruence of wealth with poverty] in the late 19th century".

Africa is locked into an intolerable situation, but institutions like the IMF and the World Bank continue to prescribe "reforms" derived from the post-classical model of economics. Obeng-Odoom is having none of it. Africa can lead the way by focusing on what he calls the social stratification model. That model could lead African nations to create what he calls "a social, Georgist state".

SPATIAL INEQUALITY

At the heart of Obeng-Odoom's approach is an understanding of how societies are stratified. Inequalities between individuals, between firms, and even nations, can be explained "by reference to the production, appropriation, and control of rents as well as the institutions that underpin the global world system". Current arrangements are designed to transfer rent from producers "to absentee landlords, a process whose intensification, although widely recommended, is only likely to accentuate existing stratification, impede attempts to address it, and hide the structural process in plain sight".

Underpinning his revised model of the economy is the economics of Henry George. The author rejects the received wisdom, "that we now live in an era when fundamental questions about land and rent no longer matter; such an emphasis, we are told, is 'too narrow'". By restoring the economics of rent we can overcome the strategies of "mainstream writers [who] hide their complicity as beneficiaries of the historical and ongoing system of land, property, and rent appropriation".

The spatial component is central to Obeng-Odoom's critique of stratification. And yet, puzzlingly, he does not mention David Ricardo. Ricardo's formulation of how net income – economic rent – is spatially distributed, is central to the task of helping people to understanding how injustices are not evenly distributed across countries like the UK.

Ricardo's rent theory enables us to trace the variations in life chances across an economic catchment area in terms that lead to the awkward questions that politicians prefer to avoid. In the UK, for example, the Johnson administration has promised to "level up" the regions where, for example, a large number of people die prematurely. That disparity cannot be understood without reference to Ricardo's theory of rent distribution (Harrison 2006).

UNDERSTANDING THE TRUTH

A democratic mandate is needed to facilitate evolutionary change. The barricades that need to be manned are not the constructions thrown up by protesters around Whitehall or Wall Street. They are around our minds. To wrap the realities in a narrative that is accessible to the general public requires more work.


Africa is but one of the spaces where the reconstruction of our world might begin. Africa did suffer egregiously at the hands of its colonial masters, but its post-colonial leaders have yet to enact reforms capable of remedying the injustices of the past, and restarting social evolution. The case of Belgium and the Congo is an example.

In response to the Black Lives Matter campaign, Belgium has decided to create a truth and reconciliation commission to come to terms with the behaviour of King Léopold II (1835 – 1909). During the decades that he treated the Congo as his personal property, an estimated 10 million people died. Others were physically mutilated. A truth and reconciliation commission may be a cathartic device for coming to terms with that evil past. But as we have seen in Northern Ireland, such a catharsis does not necessarily lead to reforms of the kind that empower people to live the lives of their choosing.

South Africa is a poignant example. Archbishop Desmond Tutu chaired the Truth and Reconciliation Commission created by Nelson Mandela's Government of National Unity in 1995. Since then, spatial segregation has intensified: the number of people crushed into shanty towns has increased. South Africa suffers the shame of being identified as the country with the worst rates of inequality in the world. The ANC government based its "reforms" on the standard post-classical model of economics. And in 2004 its Katz Commission inspired the abolition of the fragile traces of the annual municipal tax on land values.

Obeng-Odoom cites two cases that inspire hope: Botswana and Mauritius, whose governments have drawn revenue directly from the rent of their natural resources. He regards Mauritius as particularly inspiring, for it has "successfully combined economic growth with poverty reduction and a new egalitarian distribution of resources in a cleaner and greener environment, while still open to international trade".

We need such case studies to cultivate hope. But, furthermore, we also need to remember that spatial prejudice built on the privatisation of socially-created rent is colour blind.

In truth, Africa is not alone in need of the economics of Henry George. 

HGF BRIEFING NOTES

HGF OPEN DAY EVENT 2020

The Henry George Foundation of Great Britain exists in order to promote economic justice along the lines suggested by Henry George.

George's works embody both wisdom of the highest order and practical proposals with regard to the socioeconomic arrangements nations might adopt in order to secure the peace, prosperity and happiness of all their citizens.

We shall make use of both these aspects of George's work during this year's *HGF Open Event* as we seek to identify principled and practical responses to issues the whole world now faces.

These issues include those associated with Covid 19, world and domestic trade (Brexit), climate change, food security, housing, employment, public revenue, money, credit and debt, civil strife and war. Like George we shall seek to identify practical proposals based upon a recognition that they need to be in harmony with laws that lie beyond human control but which govern us, the relations between us, and between us and the worlds in which we live.

The day's programme will include a series of short talks with corresponding Questions&Answers together with plenary and break out group discussions. During refreshment breaks between scheduled sessions 'rooms' will be open where participants can chat or discuss in small groups issues in which they have a particular interest. In addition there will also be an 'Open Mic' session.

This year's Open Day Event will be structured under the headline:

Principled Responses to Today's Crises

All Welcome to join for all or some of the day - stay for as long as you are learning or contributing.

Please see the details below in order to correctly join on this day. Downloading Zoom from zoom.us/download will be required.

Lastly, you are encouraged to share the link with all friends and acquaintances interested in the subjects mentioned above.

OPEN DAY EVENT DETAILS

Saturday 19 September 2020
10.00am - 5.30pm

Via Zoom

Meeting ID:
886 4254 9643

Passcode:
357944

