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## Policy innovation is needed to foster economic prosperity in Africa

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The increasingly complex nature of society and the non-linear nature of policymaking – under rapid digitisation and a tightly interconnected global economy – significantly limit the ability of traditional policy frameworks, devices, and analytical approaches to drive the formulation and implementation of effective policies. Fred Olayele argues in [his new book](#) that harnessing the policy-market nexus to advance policy innovation through public-private policy partnerships is key in addressing persistent poverty and income inequality across Africa.

In the early 1990s, Ghanaian political economist [George Ayittey coined the phrase](#) “African solutions to African problems” to reject imported and often contradictory foreign models in tackling many of the challenges on the continent. This proposition has informed much of the debate on the political economy of development in Africa over the years, vis-à-vis the African Renaissance.

While Ayittey’s argument is supported by compelling evidence, including his [attempts to clarify](#) the concept further, some important caveats are in order. And a classic one is policy capacity, which is a derivative of good governance and

institutional quality. Policy capacity remains a key driver of public policy innovation. Given how historical and structural barriers continue to perpetuate fragmentation, informality, extreme poverty, conflicts, and other colonial institutional failures in Africa, policy capacity remains core in public policymaking.

Africa's structural transformation challenges **are well-documented**. Economic fragmentation, low productivity, poor infrastructure, and the presence of a large informal sector remain a barrier to industrial diversification on the continent for the last six decades. From land and exchange rate reforms to tax overhaul and improved access to markets, policy innovation can create efficiency gains for increased economic prosperity on the continent.

For context, given Africa's inability to harness the benefits of both the agricultural and industrial revolutions – as envisaged for a long time in contemporary development thinking – the rise of the digital knowledge economy is generating a lot of hope for the socio-economic transformation of the continent, albeit with cautious optimism. This has implications for the innovation discourse, particularly in the context of public-private policy partnerships.

## Non-linearity and the policy innovation imperative

Society wants the supply of public services like healthcare, education, security, and infrastructure to be flexible, innovative, and efficient. However, the barriers created by bureaucracies often stifle innovation. Harnessing the policy-market nexus to increase aggregate welfare depends, to a large extent, not only on how business-government relations are designed and managed but also on **the specific dimensions of such relationships**.

To address disturbing patterns of poverty, conflicts, and income inequality, policy innovations and reforms across Africa's political economy institutions are key. This is because most public policy challenges are complex and non-linear in nature.

Africa's public policy architecture must devise sustainable solutions to the continent's myriad of challenges. Achieving this objective will, among other things, involve paying attention to the various stages of political decision-making. In the context of **John Kingdon's Multiple Streams Framework**, this will include modern applications of policy approaches and devices across systems and processes in the policy cycle.

No doubt, policy entrepreneurship – through robust public-private policy partnerships – remains vital in advancing this agenda. While research abounds on the role of policy change in the socio-economic development of the continent, the role of policy innovation through public-private policy partnerships is grossly under-explored.

It is important to clarify that while public-private partnerships (PPPs) have traditionally been leveraged to address challenges in physical and digital infrastructure, their application to core public policy problems is somewhat limited. However, the notion of public-private policy partnerships advanced here is **different from conventional PPP analysis**. Rather, the focus is on the involvement of private actors in traditional public sector operations in specific policy domains.

## The political economy of policy diffusion

Political economy scholarship is largely about devising a framework for understanding how policy choices emanate from the interactions between politicians and economic elites. In their 2006 book, **Economic Origins of Dictatorship and Democracy**, Daron Acemoglu and James Robinson argue that political power and resource allocation patterns influence how various social groups prefer different political institutions.

Using a political economy lens to examine the development trajectory of Africa is key to understanding the processes that led to the emergence of the independent and heterogenous economies that are collectively referred to as Africa today. At the core, the underlying questions and policies are either matters of political economy or public policy.

Certain similarities in the economic structures of Africa and China would make the case for policy diffusion quite compelling. However, China's peculiar model of economic internationalisation and marketisation under a socialist economic order produces certain complexities that make lessons from the country's success hard to replicate in other regions. This, again, underscores the role of innovation in public policy.

## Multi-stakeholder development policy and programming framework

The African Continental Free Trade Area (AfCFTA), if properly harnessed, could be an exemplar in harnessing the regional innovation economy to spread beneficial social

innovations.

It goes without saying that for the AfCFTA to contribute to broadening the continent's productive base for long-term economic growth through diversification, other sector-specific policy reforms are required.

From local communities and NGOs to African governments and international development agencies, public-private policy partnerships are a vital enabler of policy innovation. To build the Africa we want, a multi-stakeholder development policy and programming framework which recognises Africa's vastly heterogeneous economies and societies is a priority.

A one-size-fits-all model will not work for the African Renaissance. Devising the paradigms, frameworks, and policy devices that recognise the heterogeneous nature of this puzzle is the fundamental reason the new book, [African Policy Innovation and the Political Economy of Public-Private Policy Partnerships](#), is written.

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## About the author

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Fred Olayele is Director, Centre for African Research and Business at the Sprott School of Business, Carleton University, and Director-General, Pan-African School of Policy Innovation. He has taught graduate and undergraduate courses in economics, strategy, and public policy at the University of Regina and Carleton University. He was a Visiting Scholar at the World Trade Institute in Bern, Switzerland, and a Visiting Professor of Trade and Development at the University of Las Palmas de Gran Canaria, Spain. Dr. Olayele previously served as Chief Economist and Senior Vice President with the New York City Economic Development Corporation. Prior to that, he held several economic policy positions and advised the Canadian provincial governments of British Columbia and Saskatchewan across the FDI, economic development, and energy policy domains. He serves on various non-profit boards and supports many social causes.