

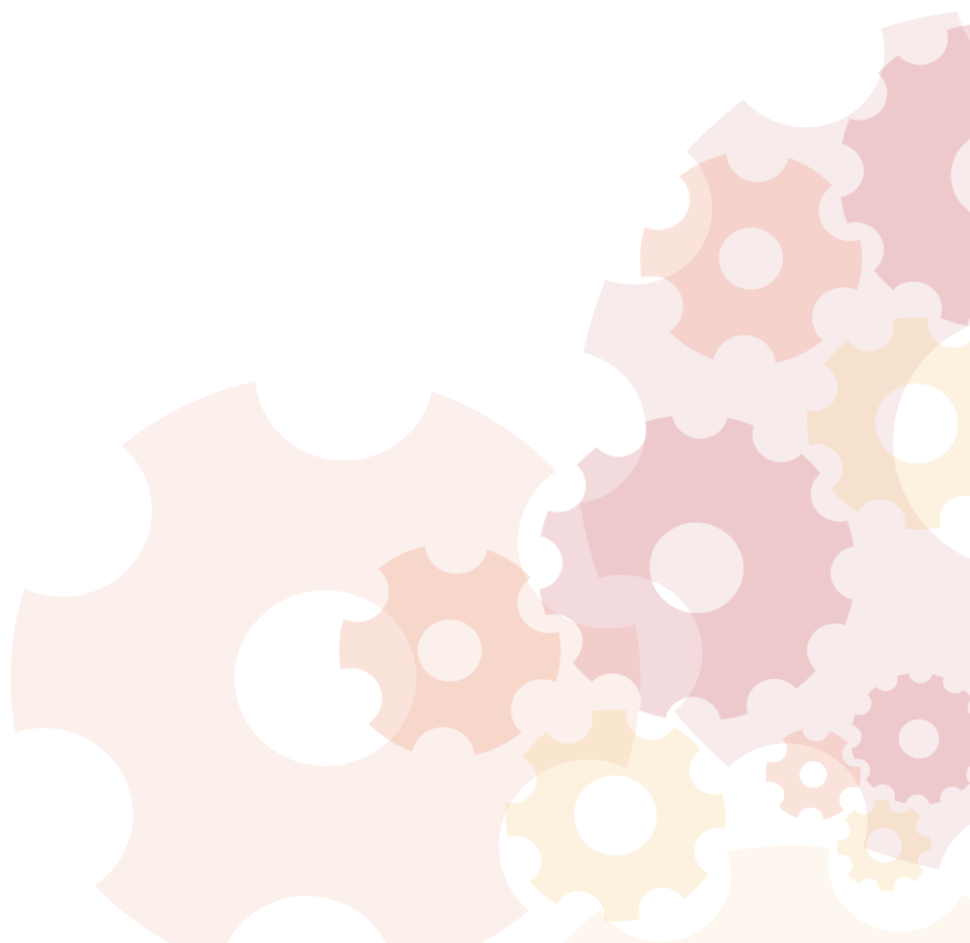


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Diverging models, uneven outcomes: Domestic and Foreign Firms in Africa's Structural Transformation

Anisa Muzaffar¹, Antonio Andreoni², and Simon Roberts³

Abstract

Ownership of large firms in late-industrialising economies has long been central to development debates, yet it is rarely analysed together with business models and state–business relations. This study brings these dimensions into a single framework, using a new dataset of 135 large African companies that appear in *Jeune Afrique's Top 500 African Companies* rankings for both 2009 and 2025. The classification distinguishes four locations of ultimate control (domestic, African regional, outside Africa, hybrid) and ten owner types, and links these to a five-fold taxonomy of business models—asset-based, integrated control, platform intermediation, spatial presence and diversified accumulation—used to track how ownership structures and business models co-evolve over time. The mapping shows that domestic and state-linked owners continue to dominate Africa's asset-heavy and diversified corporate backbone, while foreign multinationals and African regional groups occupy more selective slots in branded consumer goods, telecoms, cement and agro-industry. Similar aggregate foreign shares hide very different patterns of local embeddedness: foreign and regional investors often plug African operations into global or regional platforms, whereas domestic business groups and state enterprises carry the burden of building and maintaining “thick” in-country stacks of infrastructure, logistics and procurement. Five case studies—Sonatrach, Dangote Sugar Refinery, Massmart, Bamburi Cement and Safaricom—illustrate how specific ownership–model combinations interact with national settlements to generate divergent feedback loops between firm behaviour, capability building and structural change. Overall, the paper nuances polarised debates that oppose “foreign” to “national” capital by showing how hybrid and African-regional forms of ownership, mediated by concrete state–business bargains, shape the depth of local embeddedness and the distribution of rents in Africa's contemporary corporate landscape.

Keywords

Business models; embeddedness; structural transformation; Africa; foreign multinationals; state-owned enterprises; business groups.

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I. Introduction

In late-industrialising economies, the question of who owns and governs large firms has been central to debates on development and structural transformation. Classic debates placed the developmental potential of foreign direct investment against that of domestically owned capital, asking whether multinational corporations deepen productive capabilities or entrench enclave structures and dependency. In Africa, these questions have resurfaced in a context marked by renewed interest in industrial policy, the rise of African business groups and regional champions, and the spread of platform-based business models in telecoms and finance. Yet systematic evidence on how different types of owners are positioned within African production systems—and how these positions have evolved over time—remains limited.

Existing research offers powerful but partial lenses. Heterodox political economy highlights how foreign and domestic firms differ in strategies, linkages and time horizons, with implications for learning, rents and technological change. Classic contributions by Hymer, Amsden, Evans, Cardoso and others show that foreign corporate dominance often concentrates control over technology and strategy in the global “core”, relegating late-industrialising economies to subordinate roles in global production hierarchies. At the same time, domestic conglomerates are not automatically developmental; their behaviour depends on state–business settlements and the broader institutional environment. More recent work on business groups, global value chains and embeddedness underscores the importance of how firms are anchored in local production, financial and political networks. However, much of this literature relies on country or sector case studies, treats ownership in binary domestic–foreign terms, or focuses on regions outside Africa.

Parallel strands of scholarship on business models and firm strategies rarely connect ownership to development outcomes. Studies of business model innovation or “global value creation logics” typically abstract from questions of who ultimately controls firms and how this shapes their willingness to invest, learn locally or build linkages. For African economies in particular, there is little empirical work that combines a differentiated view of ownership with a systematic mapping of business models across a large set of firms. As a result, policy debates often oscillate between generic calls to attract FDI and equally generic appeals to “support domestic champions”, without a clear picture of which kinds of capital are currently embedded where, and through what organisational logics.

This paper addresses these gaps by constructing and analysing a unique dataset of 135 large African firms that appear in Jeune Afrique’s *Top 500 African Companies* rankings in both 2009 and 2025. The unit of analysis is the overlapping firm defined at the level of the operating company in a given country. For each firm, the dataset reconstructs the location of ultimate control, distinguishes ten owner types, codes a five-fold business-model taxonomy, groups activities into broad sectoral clusters. This design makes it possible to follow the same firms over time, rather than comparing two unrelated cross-sections, and to observe how ownership structures, business models and sectoral distribution reconfigure—or persist—across a sixteen-year period.

Four questions guide the empirical analysis. First, how is ownership of large African firms distributed across domestic, African regional, outside-Africa and hybrid locations of control, and how has this distribution changed between 2009 and 2025? Second, how do different owner types—state enterprises, state-controlled listed firms, domestic business groups, African regional groups, foreign private and foreign state multinationals, and hybrid structures—map onto the five business models of asset-based, integrated control, platform intermediation, spatial presence and diversified accumulation? Third, how do these ownership–model combinations intersect with sectoral positions and rough indicators of investment, reinvestment and cash extraction? Fourth, what kinds of state–business

settlements underpin different configurations of embeddedness, and how do these play out in emblematic cases?

The analysis speaks to debates on structural transformation in three ways. Conceptually, it advances a framework that links ownership, business models and embeddedness. Rather than treating firms as homogeneous profit-maximisers, the paper distinguishes business models by their dominant logic of value creation and capture and shows how particular owners systematically populate particular models. Asset-based and integrated-control models are associated with control over strategic resources and sunk infrastructures; platform-intermediation models hinge on network effects and data; spatial-presence models rely on geographic scale in retail and logistics; diversified-accumulation models build portfolios across multiple sectors. Ownership matters because different types of capital—domestic state, domestic business groups, African regional groups, foreign multinationals and hybrids—have distinct capacities and incentives to operate these models and to embed them locally.

Empirically, the paper provides the first continent-wide mapping, at firm level, of how these ownership and business-model categories intersect. The results show that domestic and state-linked owners still dominate the asset-heavy and diversified backbone of African economies: hydrocarbons, mining, power and water utilities, transport infrastructure, agro-industrial processing and diversified industrial groups. Foreign multinationals and African regional groups concentrate in more selective slots: branded foods and beverages, telecoms and digital platforms, cement and some large-scale retail and construction activities. Hybrid arrangements—where domestic and foreign, or public and private, owners share control—emerge mainly in politically sensitive, system-shaping sectors such as telecoms, staple foods and healthcare. Financial indicators suggest that foreign subsidiaries are more likely to operate as profit centres with high payout ratios and narrower local capability bases, while domestic and state-linked firms carry the burden of building and maintaining “thick” in-country stacks of infrastructure, logistics and procurement.

Analytically, the paper argues that these patterned configurations are not incidental. They express and reproduce particular state–business settlements. In some instances, such as Walmart’s acquisition of Massmart or foreign investment in Safaricom, domestic regulatory and political contests reshape foreign business models and partially hard-wire local supplier upgrading or infrastructure commitments into them. In others, such as Sonatrach’s hydrocarbon complex or the Dangote Group’s agro-industrial expansion, domestic ownership and state protection generate powerful but unevenly developmental forms of embeddedness. African regional groups and hybrid structures increasingly mediate between domestic and global capital, especially where global majors retreat or where political sensitivity makes full foreign control difficult to sustain.

Methodologically, the paper combines quantitative mapping with five qualitative case studies—Sonatrach (Algeria), Dangote Sugar Refinery (Nigeria), Massmart/Walmart (Southern Africa), Bamburi Cement (Kenya) and Safaricom (Kenya). These cases are selected through a “funnel” logic that overlays location of control, owner type, sector and business model, yielding distinctive configurations that are both empirically central in the wider dataset and analytically salient for debates on structural transformation. Each case traces how ownership changes, business-model choices and state–business bargaining generate specific patterns of production, financial and political embeddedness, and how these in turn feed back into broader structural outcomes.

The main contribution is to move beyond polarised narratives that oppose “foreign” to “national” capital. The evidence shows that ownership in Africa’s large-firm core is neither homogeneously domestic nor inexorably foreignised. Instead, a layered corporate landscape is emerging in which

domestic states and business groups remain structurally dominant; foreign and regional investors specialise in particular business models and sectoral niches; and hybrid and African-regional structures occupy contested spaces where rents and control are jointly negotiated. Understanding this landscape is essential for designing industrial and competition policies that do not simply chase any kind of large investor, but consciously shape which ownership–model combinations are allowed to dominate critical parts of African production systems.

The rest of the paper is organised as follows. Section 2 revisits theoretical debates on ownership, embeddedness and structural transformation and situates the analysis within comparative political economy literatures. Section 3 describes the dataset, and classification strategies. Section 4 presents Africa-wide patterns of ownership, location of control, sectoral placement and business-model configurations for the 135 overlapping firms. Section 5 examines five emblematic firms in depth to explore how different ownership–model combinations become more or less embedded in national and regional economies over time. Section 6 distils the results into a set of stylised facts and reflects on their implications for industrial policy and future research.

2. Ownership and Business Models: Some Conceptual Foundations

Debates over whether foreign or domestic ownership is more developmentally beneficial have long divided political economy. In neoclassical theory, the nationality of capital is essentially irrelevant: under competitive markets and complete information, any profit-maximising firm will allocate resources efficiently, so foreign-owned enterprises and domestically owned firms are functionally equivalent from a welfare perspective (Amsden, 2009). In this stylised world, “capital is capital”, and questions of ownership dissolve into questions of market functioning.

Empirically, however, developing and middle-income economies are characterised by imperfect markets, oligopolistic competition, and strong informational asymmetries. Under these conditions, who owns and governs firms matters for accumulation, learning and distribution (Amsden, 2001, 2009; Evans, 1979). Heterodox political economists have long argued that foreign and domestic firms differ systematically in their strategies, capabilities and linkages, with implications for how rents and technological progress are generated and shared (Hymer, 1972; Cardoso & Faletto, 1979). In Hymer’s classic account, the rise of the multinational corporation (MNC) is bound up with a hierarchical international division of labour in which advanced functions, control over technology and strategic decision-making concentrate in the core, while peripheral economies host lower-value or more risky activities (Hymer, 1972). In this view, foreign corporate dominance tends to generate enclave structures and profit repatriation, weakening local reinvestment, industrial diversification and national policy autonomy. Dependency theorists extended this insight to show how external control over key firms can lock countries into subordinate positions within the world economy (Cardoso & Faletto, 1979).

Alice Amsden’s work sharpened the contrast between foreign and local ownership in late industrialisation. She stresses that in oligopolistic markets, “nationality of ownership” matters because shake-outs often leave one group of firms—either MNC subsidiaries or indigenous enterprises—in command of an industry (Amsden, 2009). Historical evidence from Northeast Asia and Latin America suggests that domestically owned firms were central to the deep learning and incremental innovation required for successful late industrialisation, whereas foreign-owned firms—while often better managed and initially more productive—remained more bureaucratic and risk-averse (Amsden, 2001, 2009). In mid-technology and mature high-technology sectors, the displacement of local firms by established MNCs is “not development-friendly” (Amsden, 2009, p. 411) because it prematurely removes potential Schumpeterian innovators that could, over time, match foreign efficiency. By

contrast, nationally owned private enterprises frequently combine professional management with family or insider control, and are more inclined to undertake risky diversification into new activities (Amsden, 2001, 2009).

For Amsden, foreign owned enterprises do bring important assets—capital, technology, and managerial systems—and have historically trained many of the managers who later staffed domestic firms. But foreign subsidiaries remain structurally constrained by head-office priorities and global templates. Strategic decisions require clearance through multiple organisational layers, which filters out locally motivated, high-risk projects that do not fit MNC portfolios (Bartlett & Ghoshal, 1989; Amsden, 2009). Profits and intellectual property are ultimately anchored in the home economy, whereas domestically owned firms are more likely to recycle earnings locally and to align their long-term fortunes with national markets (Chang, 2002; Amsden, 2001). The overarching implication is that development strategies relying heavily on foreign corporate ownership, without deliberate efforts to cultivate domestic capital, risk under-investing in local technological capabilities and learning (Evans, 1979; Wade, 1990).

The state's role is therefore pivotal. Comparative studies of “developmental states” show that successful late industrialisers used active industrial policies to shape ownership structures and restrict full foreign control in strategic sectors—at least in early phases of capability accumulation (Johnson, 1982; Amsden, 2001; Chang, 2002). Northeast Asian governments combined state-owned enterprises, targeted support to domestic conglomerates, and tightly negotiated joint ventures to ensure local spillovers from foreign investment (Wade, 1990). By contrast, countries that liberalised FDI without strong industrial policy often saw MNCs dominate higher-productivity segments with limited backward linkages or domestic upgrading (Evans, 1979; Schneider, 2013). Evans's notion of “dependent development” captures this dynamic in Brazil: foreign capital, local business and the state did deliver growth, but one structurally biased towards foreign control over technology and strategy (Evans, 1979). More recent work on “dependent market economies” in Central and Eastern Europe similarly shows that growth models anchored in foreign investors generate export booms but thinner indigenous innovation systems and weaker domestic business groups (Nölke & Vliegenthart, 2009). Schneider's “hierarchical capitalism” in Latin America describes an equilibrium where MNC subsidiaries sit alongside powerful domestic conglomerates, yet supplier development, skills systems and labour upgrading remain underdeveloped (Schneider, 2013).

In this literature, what matters is not merely the volume of foreign capital but the institutional configuration through which it is governed. States with “embedded autonomy” can use their position as regulators, shareholders and coordinators to bargain with both domestic and foreign firms, extracting commitments on local content, technology transfer and reinvestment (Evans, 1995; Rodrik, 2008). Conversely, *laissez-faire* regimes or politically captured states tend to accommodate enclave-type foreign investments and rent-seeking domestic conglomerates. UNCTAD's work on investment policy underscores this tension: FDI can support industrialisation when embedded in strategic policies, but is unlikely to do so automatically (UNCTAD, 2018).

Organisational theory and economic sociology further refine these debates through the concept of embeddedness—the extent to which firm strategies and capabilities are anchored in local social, economic and institutional networks (Granovetter, 1985; Hess, 2004). Highly embedded firms build dense domestic supply chains, adapt products to local markets, invest in local skills, and participate in policy and community networks. Studies of business groups in emerging economies suggest that diversified domestic groups often achieve deep embeddedness as they straddle multiple sectors and cultivate long-term political and financial ties (Khanna & Yafeh, 2007). By contrast, MNC subsidiaries

may remain “thinly rooted” unless host-country policies or internal corporate strategies actively promote localisation (Meyer et al., 2011; Gereffi, 2014). Embeddedness is therefore both an outcome and a channel of structural transformation: firms that are locally grounded are more likely to generate spillovers, while richer local ecosystems in turn make deeper embeddedness attractive.

This does not mean domestic ownership is inherently benign. Domestic firms can also engage in rent-seeking, under-invest in innovation, or collude with political elites, especially under weak regulatory regimes (Schneider, 2013; Whitley, 1999). The literature increasingly stresses governance arrangements—state–business relations, corporate governance, and ownership coalitions—alongside nationality per se (Musacchio & Lazzarini, 2014). Hybrid forms such as joint ventures or partial state ownership can, in principle, combine the advantages of foreign technology and capital with domestic accountability and local knowledge, but they can also dilute responsibility or entrench insider coalitions if poorly designed.

3. Data and methodology

3.1 Source and sample construction

The empirical analysis draws on Jeune Afrique’s *Top 500 African Companies* rankings for 2009 and 2025. These lists provide a unique, comparable overview of large firms across the continent, combining listed and unlisted companies, state-owned enterprises and private groups, and reporting consolidated turnover in a consistent currency. Jeune Afrique’s coverage is not exhaustive, but it is one of the few sources that systematically track large African firms outside stock-exchange indices or foreign investment databases, and thus captures a wider range of domestic and state-owned actors than capital-market based samples.

From the two editions, the analysis identifies the 135 firms that appear in both 2009 and 2025. The unit of analysis is the “overlapping firm” defined at the level of the operating company in a given African country (for example, Bamburi Cement in Kenya, Safaricom in Kenya, or Dangote Sugar Refinery in Nigeria). The focus on overlapping firms allows ownership and business-model trajectories to be traced over time rather than comparing two cross-sections of different firms.

Firm-level information on ownership, listing status, and sector is assembled from Jeune Afrique, company annual reports, stock-exchange filings, and financial databases such as Refinitiv Eikon, complemented by secondary literature on individual firms and sectors.

3.2 Location of ultimate control

Rather than collapsing firms into a binary “domestic” versus “foreign” distinction, the paper distinguishes four locations of ultimate control:

- **Domestic (DOM)** – ultimate control (board appointments, strategic decisions and capital allocation) located in the same country as the operating company;
- **African regional (AFR_FOR)** – ultimate control located in another African country (for example, Ghanaian, Kenyan or Nigerian companies controlled from South Africa or Morocco);
- **Outside Africa (OUT_AF)** – ultimate control located outside the continent (for example, European, North American, Middle Eastern or Asian headquarters);
- **Hybrid** – control formally shared between domestic and foreign owners in joint ventures or public–private structures, where neither side can be treated as a passive minority investor.

The location of ultimate control is established through triangulation of ownership chains, major shareholdings, and information on group structures and decision-making centres. Ambiguous cases are resolved by examining board composition, voting agreements and evidence on who effectively decides on major investments or restructuring. Detailed definitions and illustrative examples of each category are reported in Appendix I.

3.3 Form of control (owner type)

Within each location of ultimate control, firms are further classified by the dominant “form of control”, understood as the main type of owner exercising strategic authority. Ten owner-type categories are distinguished:

- state-owned enterprises (SOE, unlisted);
- state-controlled listed companies (SCL);
- foreign state-owned multinational subsidiaries (FSM);
- foreign private multinational subsidiaries (FPM);
- African regional private business groups (AFRG);
- domestic family- or management-controlled groups (DFM);
- domestic widely held listed companies (DWL);
- domestic private holding and diversified groups (DHC);
- domestic royal-holding-controlled groups (DRH);
- hybrid structures (public–private or domestic–foreign joint ventures).

These categories are defined by the concentration and nature of control rather than by legal form alone. For instance, domestic groups with a listing but a dominant family block are treated as domestic family-controlled rather than widely held; similarly, companies where the state and state-linked funds collectively hold effective control are treated as state-controlled listed entities even if private investors hold sizeable minorities. Appendix II provides working definitions and example firms for each owner type.

This two-step classification – location of ultimate control and form of control – is used throughout Section 4 to characterise ownership patterns and to distinguish, for example, African regional groups from non-African multinationals, and domestically controlled business groups from state-owned enterprises or widely held listed companies.

3.4 Business models, and sectors

To connect ownership to “how firms run the business”, each of the 135 overlapping firms is also linked according to a five-fold business-model classification developed in earlier work: asset-based, integrated control, platform intermediation, spatial presence, and diversified accumulation. This classification focuses on the dominant logic of value creation and capture—whether based on control of strategic assets, coordination of value chains, intermediation via platforms, geographic scale in distribution, or portfolio-style accumulation across unrelated activities. Business-model coding draws on company reports, sector studies and prior taxonomy work, and allows multiple models per firm where distinct logics coexist, although the analysis emphasises the dominant configuration for comparability.

Sectors are taken from Jeune Afrique’s original categories but regrouped into broader clusters that are analytically relevant for structural transformation: agribusiness, mining and metals, energy and utilities, construction and cement, manufacturing and industrials, retail and distribution, and information and communications, alongside a residual “other manufacturing and services” category for smaller niches. These sectoral groupings are used in Section 4.3 to examine how ownership and business-model patterns map onto different parts of African production structures.

3.5 Limitations

The dataset and classification strategy have several limitations that should be borne in mind when interpreting the results. First, Jeune Afrique’s rankings focus on large firms above a revenue threshold and do not include smaller enterprises or informal firms; the analysis therefore speaks to the upper tier of corporate actors rather than to the full firm population. Second, ownership and control structures are reconstructed from secondary sources and may change between reporting dates in ways that are not fully visible. Complex cross-holdings, pyramidal groups and sovereign wealth fund stakes make it difficult to assign a unique controlling owner in some cases. Third, financial data for unlisted and state-owned firms are incomplete, and missing values limit the depth of analysis for particular indicators and years. Finally, the focus on overlapping firms introduces a form of survivorship bias: firms that exit the Top 500 between 2009 and 2025, or new entrants that appear only in 2025, are not included, even though their trajectories may be important for understanding structural change.

Despite these constraints, the combination of a continent-wide firm-level sample, a differentiated ownership classification and a business-model lens offers a robust basis for analysing how different configurations of control are positioned within African production systems and how they have evolved over time.

4. Africa-wide Ownership Patterns

This section examines the heterogeneity of ownership among large firms in Africa. The analysis considers who the controlling owner is in each firm – domestic business groups and private corporates, state organisations, corporate groups headquartered outside Africa, African regional groups, and joint or mixed arrangements – and how these owners are distributed across firms, business models and sectors in 2009 and 2025.

4.1. Ownership composition

Figure I summarises the distribution of ownership categories for the 135 firms observed in both years. Read across the two columns, the striking feature is not volatility but persistence. Domestic forms of ownership—state enterprises, domestic widely listed firms, and domestic family/group and holding structures—continue to dominate the large-firm core. Foreign private multinationals, African regional groups and hybrid arrangements occupy smaller bands that expand only gradually over time.

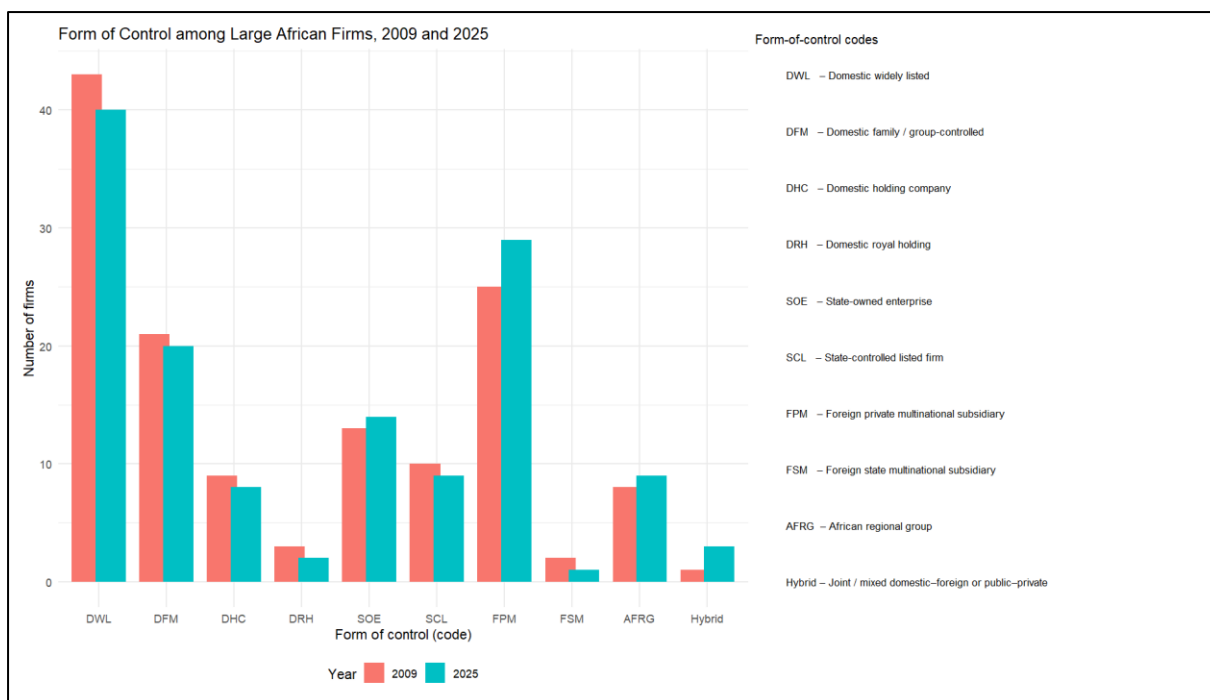


Figure I: Form of Control (Owner) in Large African Firms, 2009 and 2025

In 2009 the ownership landscape is organised around three pillars. A first pillar consists of state enterprises and state-linked firms controlling natural resources, infrastructure and utilities. This includes, for example, Sonatrach and Sonangol in oil and gas; Eskom, Rand Water and Transnet in electricity, water and transport; and Ethiopian Airlines, South African Airways and Royal Air Maroc in national air transport. State-controlled listed firms such as Air Mauritius, Telecom Egypt, Eastern Company and Ghana Oil Company sit at the boundary between public and market ownership, reflecting partial privatisation while retaining state dominance.

A second pillar is formed by domestic corporates, mostly in the form of widely listed companies but also family, royal and group-controlled firms. Among the domestic widely listed (DWL) firms are South African consumer and retail groups such as Shoprite Holdings, Pick 'n Pay, The Bidvest Group, Tiger Brands, Woolworths Holdings, Mr Price Group and Truworths International; diversified or logistics-oriented groups like Barloworld, Super Group, Grindrod and Nampak; and North African and Mauritian corporates such as CIEL Group and Talaat Moustafa Group. Family- and group-controlled firms range from Auto Nejma and SNMVT-Monoprix in retail, to Cevital, Groupe Elloumi, Maghreb Steel and Marjane Holdings in Algerian and Moroccan industry and trade, to holding and royal vehicles such as Rogers Group and Groupe Managem. Collectively, these firms anchor domestic private capital at the top of the corporate hierarchy.

A third, smaller pillar consists of foreign private multinationals (FPM) and a thin layer of African regional groups (AFRG) and hybrid (HYB) structures. The FPM group is dominated by consumer, beverages and telecoms subsidiaries such as British American Tobacco Kenya, Guinness Nigeria, Nigerian Breweries, Nestlé Nigeria, PZ Cussons Nigeria, East African Breweries, Bamburi Cement, Ciments du Maroc, Total Petroleum Ghana and the Vodacom operating companies. African regional groups are represented primarily by the MTN Group and its operating subsidiaries in Cameroon, Côte d'Ivoire, Ghana, Nigeria, South Africa and Uganda, together with agro-industrial group Palm-CI, already

controlled from within a Mauritian-centred regional network. Hybrid structures in 2009 are exemplified by Safaricom, where the Kenyan state, Vodafone/Vodacom and a domestic listed group share ownership.

The 2025 configuration preserves this architecture. State enterprises still dominate strategic resource and infrastructure positions—Sonatrach, Sonangol, Eskom, Transnet, Suez Canal Authority, Ethiopian Airlines Group and others remain central—although some state-controlled listed firms have moved closer to full SOE status (as with Air Mauritius) or into explicit state–multinational joint ventures (as with Eastern Company). Domestic corporate structures also remain numerically dominant among private firms. The DWL category continues to include Shoprite, Pick 'n Pay, Bidvest, Tiger Brands, Naspers, Super Group, Remgro and Reunert, alongside CIEL Group and Talaat Moustafa Group. New listings such as Biopharm strengthen the domestic listed segment, while delistings such as Bell Equipment shift firms into the unlisted domestic-group category rather than into foreign ownership.

Foreign private multinationals maintain their presence in beverages and consumer goods. British American Tobacco Kenya, Guinness Nigeria, Nigerian Breweries, Nestlé Nigeria, PZ Cussons Nigeria, East African Breweries, Total Petroleum Ghana and the Vodacom companies remain foreign-controlled, and firms such as Massmart, Murray & Roberts and Namibia Breweries join this group following their integration into the portfolios of Walmart, ATON and Heineken. In parallel, foreign state ownership appears through Indianoil Mauritius and, in 2009, indirectly via Petronas' control of Engen Botswana; by 2025 Engen Botswana is more appropriately treated as a private multinational subsidiary following changes in its controlling shareholder.

At the same time, African regional groups become more visible: the MTN constellation persists, and firms such as Bamburi Cement and Palm-CI appear clearly under AFRG rather than as foreign or purely hybrid entities. Hybrid structures become slightly more prominent by 2025. Safaricom remains a mixed public–private and domestic–foreign arrangement; Lesieur Cristal evolves from a royal holding into a joint vehicle involving the French group Avril; and Mediclinic Group is taken private by a consortium linking Remgro with a Swiss partner. These cases reveal an emerging pattern in which ownership and control are deliberately shared, particularly in politically sensitive sectors (telecoms, food, healthcare) where both the state and domestic capital seek to retain influence while drawing on foreign partners.

The stability of the aggregate counts in Figure 1 masks selective reconfiguration within the sample. First, the modest rise in foreign private multinational ownership is driven by a very narrow set of takeovers of domestic listed firms that occupy frontier positions between domestic and global markets. Massmart links South African and regional retail to global sourcing networks; Murray & Roberts is embedded in large-scale engineering and project contracting; Namibia Breweries controls a key beverages franchise in a small, high-income market. These are precisely the kinds of firms that are already entangled with international investors and supply chains. Their reclassification into FPM does not signal a generalised “foreignisation” of African corporate assets, but rather the capacity of global capital to pick off selected domestic champions once they reach a certain scale or strategic position. The bulk of DWL firms—Shoprite, Pick 'n Pay, Bidvest, Tiger Brands, Naspers, CIEL Group—remain domestically anchored.

Second, the growth of African regional groups and the reclassification of some hybrid and domestic cases into AFRG categories point to regional consolidation from within the continent. Bamburi Cement's shift from LafargeHolcim to an Amsons-led Tanzanian group, and Palm-CI's positioning within Mauritian-centred regional networks, suggest that openings created by multinational divestment

are not automatically filled by new global entrants. Instead, African business groups that have accumulated capital and organisational capabilities are beginning to act as regional lead firms. This pattern complicates narratives in which Africa's corporate future is cast as a simple contest between domestic and extra-African capital; regional African capital becomes a distinct pole.

Third, the slight increase in hybrid structures reveals a parallel trajectory in which ownership is deliberately ambiguous and shared. In Safaricom, equity and board representation are split between the Kenyan state, a domestic listed group and the Vodafone/Vodacom alliance; in Lesieur Cristal, royal and domestic holdings are recombined with a French strategic investor; in Mediclinic, a South African holding company (Remgro) and a Swiss partner share control. These arrangements cluster in sectors that combine high rents with political sensitivity—telecoms, staple foods, healthcare—where neither governments nor private actors wish to concede full control and where risk-sharing is attractive. Hybrid structures thus operate as governance devices: they allow foreign capital to enter without full dispossession of domestic actors, and they allow the state to retain leverage without bearing the full burden of capital and management. These shifts explain the small increase in HYB from one to three firms and highlight an emerging pattern in which politically sensitive or capital-intensive activities are governed through shared-control structures rather than pure domestic or foreign ownership.

Finally, the expansion of state financial minority positions in domestic listed firms—through vehicles such as South Africa's Public Investment Corporation or development finance institutions—signals a less visible but important shift. Firms like Anglovaal Industries, Merafe Resources, Mr Price Group and Woolworths Group remain coded as domestic, yet a growing share of their equity and, potentially, of their voice is held by public financial actors. This blurs the conventional boundary between “state” and “private” firms and suggests that accumulation at the top of the corporate hierarchy is increasingly mediated by public savings and pension funds.

Taken together, these dynamics indicate that the ownership story is not one of straightforward substitution of domestic by foreign capital. Instead, there is a layered recomposition: domestic and state forms remain dominant and structurally sticky; foreign capital deepens its presence through targeted acquisitions of strategic listed firms; African regional groups increasingly occupy slots vacated by global majors; and hybrid and state-financial structures proliferate in politically sensitive or capital-intensive activities.

4.2 Location of ultimate control

Figure 2 shifts the lens from form of control to the geographical locus of strategic decision-making: whether ultimate control lies in the operating country (DOM), another African country (AFR_FOR), outside Africa (OUT_AF), or in a hybrid arrangement. Read alongside Figure 1, this perspective clarifies how far the large-firm core is governed domestically, regionally or from global centres.

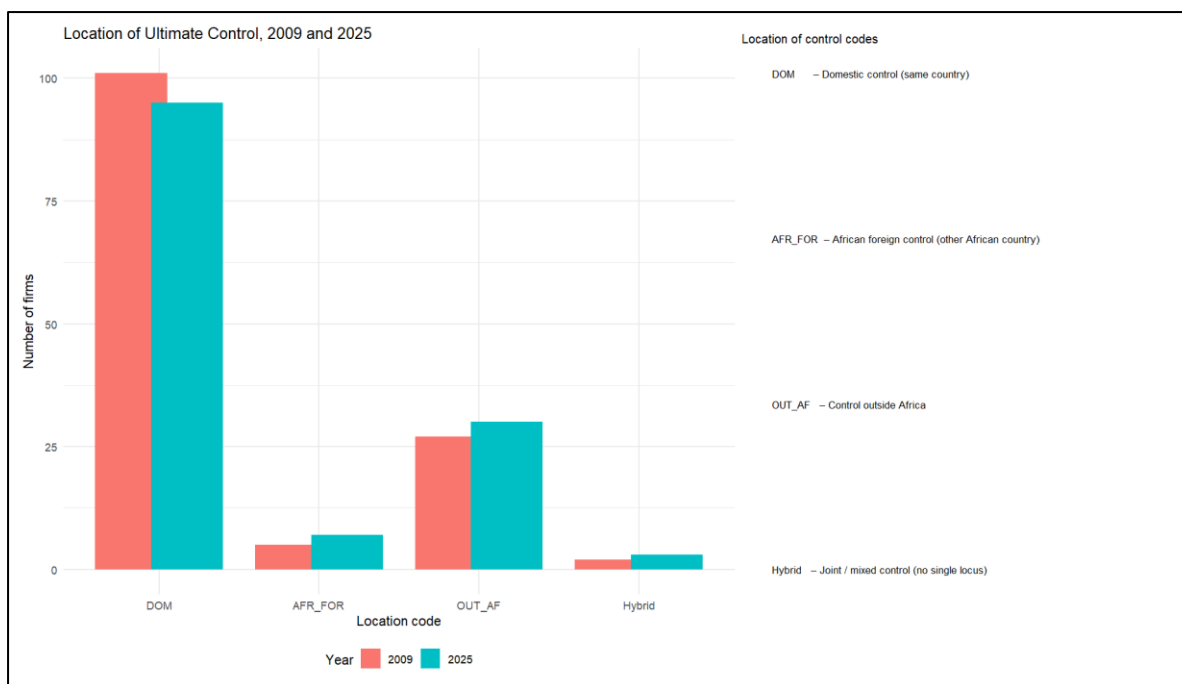


Figure 2: Location of Ultimate Control of Large African Firms, 2009 & 2025

In both 2009 and 2025, the data point to a system that is overwhelmingly domestically anchored. The DOM category covers firms as different as Eskom, Transnet, Sonatrach, Sonangol, Ethiopian Airlines, Shoprite, Bidvest, Cevital, Groupe Managem, Rogers & Co, CIEL Group and Talaat Moustafa Group. Despite divergence in sector, listing status and ownership form, strategic decisions in these firms are taken within the same national jurisdictions that host their assets and workforces. This domestic core provides the institutional space within which industrial and competition policies can, in principle, influence firm behaviour.

The OUT_AF block brings together subsidiaries whose ultimate decision centres lie in North America, Europe or Asia. In 2009 this set is dominated by consumer and telecoms groups such as British American Tobacco, Heineken, Diageo, Nestlé, PZ Cussons, Vodafone/Vodacom and LafargeHolcim, plus Indian Oil Corporation via Indianoil Mauritius. By 2025, the same actors are present, but the group also includes firms like Massmart, Murray & Roberts, Namibia Breweries and AngloGold Ashanti, which have moved from domestic or regional into global portfolios. The AFR_FOR category captures African regional control, notably MTN Group’s subsidiaries and, by 2025, regionally controlled industrial and agro-industrial firms such as Bamburi Cement and Palm-CI. Hybrid cases—Safaricom, Lesieur Cristal, Mediclinic Group—illustrate instances where no single national locus dominates; authority is shared between domestic groups, foreign partners and, in Safaricom’s case, the Kenyan state.

The numerical changes between 2009 and 2025 are modest but analytically revealing. Domestic control remains the norm, but a small number of domestic champions—Massmart, Murray & Roberts, Namibia Breweries, AngloGold Ashanti—shift from DOM to OUT_AF as foreign investors tighten their grip. At the same time, some assets migrate in the opposite direction, from global to African regional control, as when Amsons Group acquires Bamburi Cement or regional investors consolidate control over Palm-CI. The expansion of the Hybrid category reflects the formalisation of joint structures in Lesieur Cristal and Mediclinic, alongside the long-standing hybrid governance of Safaricom.

From the standpoint of structural transformation, these location-of-control dynamics matter in at least three ways. First, the persistence of domestic control over firms such as Shoprite, Bidvest, Cevital and the major SOEs indicates that the central constraint is not the absence of domestic capital but the ways in which it is organised and governed. Second, the selective movement of firms like Massmart and Namibia Breweries into OUT_AF configurations suggests that global capital tends to target positions with stable cash flows and established consumer bases, potentially reinforcing a pattern of consumption-led rather than capability-deepening growth. Third, the rise of African regional and hybrid control—illustrated by MTN, Bamburi Cement, Palm-CI, Safaricom, Lesieur Cristal and Mediclinic—signals an ongoing experimentation with cross-border and joint governance arrangements. These evolving configurations of control set the stage for the subsequent sections, which examine how ownership and location of control interact with business models, sectoral specialisation and degrees of embeddedness in African production systems.

The numerical movements between 2009 and 2025 are small, but they sharpen the interpretation of the ownership shifts. The slight decline in DOM and rise in OUT_AF are concentrated in a handful of domestic champions that migrate into global portfolios or relocate headquarters: Massmart (into Walmart), Murray & Roberts (into ATON), Namibia Breweries (into Heineken Beverages) and AngloGold Ashanti (into a global listing outside Africa). These firms occupy positions that are valuable to global groups either as stable cash-generating platforms (retail, beer) or as specialised capability nodes (engineering, mining). Their movement suggests that, when domestic firms in such positions require large capital injections or face governance challenges, the default solution has often been a sale to global investors rather than the construction of regional coalitions or state-backed recapitalisation. Yet, because the number of such cases is small, the centre of gravity of control remains domestic.

The increase in AFR_FOR reflects the gradual emergence of regional African corporate hierarchies. When Bamburi Cement moves from LafargeHolcim to the Amsons Group, or when Palm-CI is clearly situated within Mauritian-anchored regional groups, control over assets shifts from Paris or Zurich to Dar es Salaam and Abidjan. From the standpoint of African structural transformation, this matters because regional lead firms may be more sensitive to African policy regimes and regional market opportunities than global groups whose African operations remain marginal to their global portfolios. However, regional control does not automatically imply developmental orientation; the strategies of MTN, CIEL or Amsons can replicate, as much as counteract, the profit-centre logic of global multinationals.

Hybrid cases reveal a third, more ambiguous pathway. In Safaricom, Lesieur Cristal and Mediclinic, the location of control is not easily pinned to a single jurisdiction. Instead, authority is mediated through joint boards, shareholder agreements and cross-listed holdings. These arrangements often emerge where the state is unwilling to relinquish strategic influence, domestic investors lack the capital or know-how to operate alone, and foreign partners seek to limit exposure in politically sensitive environments. Hybrid control thus signals contested and negotiated governance: the ability of any single actor—domestic, regional or global—to shape investment and capability decisions is constrained by the need to bargain internally.

Taken together, the location-of-control data indicate that the African large-firm core remains structurally domestic, but with increasingly complex peripheries. A small number of firms are drawn into global corporate hierarchies; a growing, though still small, group is governed from other African countries; and hybrid structures become more common in sectors where rents and political stakes are high. These patterns reinforce the conclusion from the ownership analysis: the key question for structural transformation is not whether domestic capital has disappeared—clearly it has not—but

how different mixes of domestic, regional, global and hybrid control condition firms' incentives to invest, learn and embed themselves in African production systems.

4.3. Ownership and sectoral compositions

Adding a sectoral lens makes it possible to see *where* in the productive structure different types of owners sit, and which slices of the economy they control. Figures 3 and 4 summarise these patterns for the 135 overlapping firms between 2009 and 2025. Figure 3 shows, for each consolidated sector, the share of firms under domestic, African regional, outside-Africa and hybrid control; Figure 4 shows, for the same sectors, how different forms of owner – state-owned enterprises, state-controlled listed firms, domestic business groups, African regional groups and foreign multinationals – are distributed.

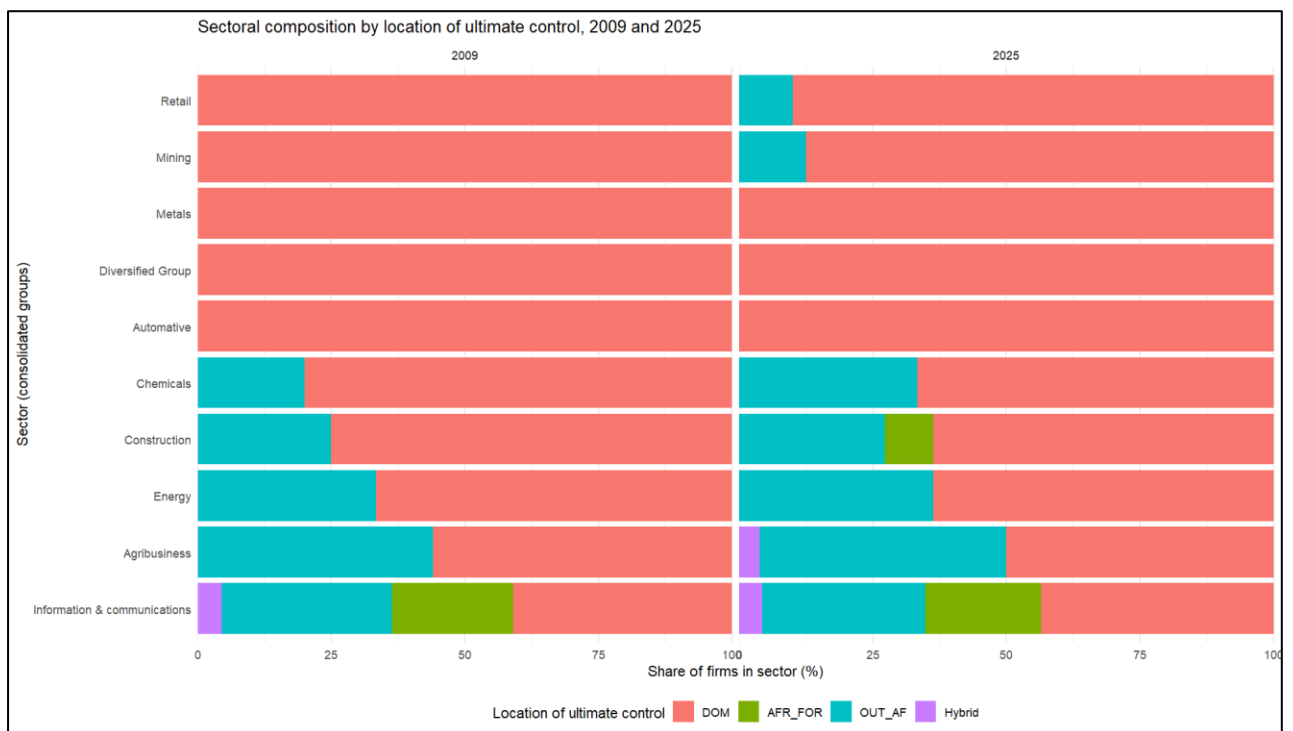


Figure 3: Sectoral Composition by Location of Ultimate Control, 2009 & 2025

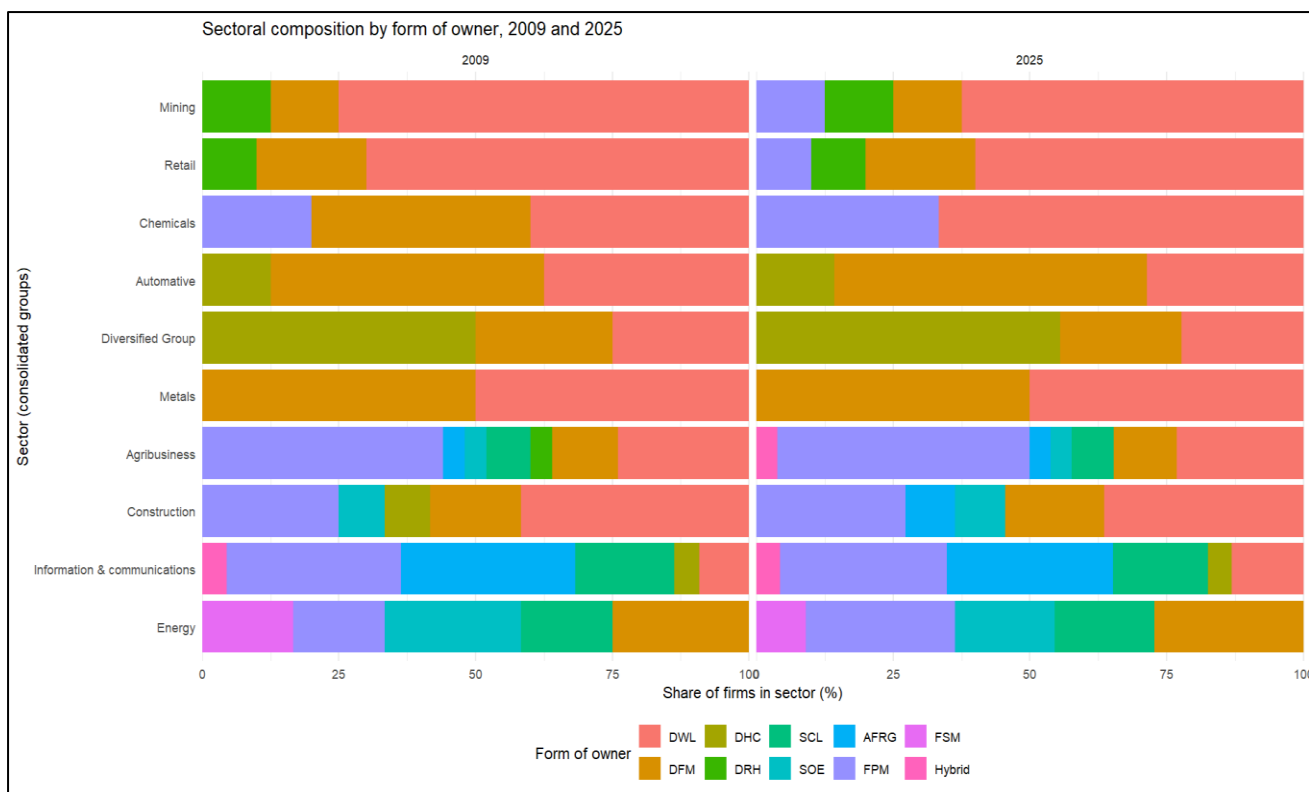


Figure 4: Sectoral Composition by Form of Owner, 2009 & 2025

Domestic state and public-financial ownership in backbone sectors

The first clear pattern is the tight link between domestic state ownership and a small set of capital-intensive “backbone” sectors. In Figure 3, energy, electricity and water, transport infrastructure and utilities are overwhelmingly under domestic control in both 2009 and 2025. Figure 4 shows that within these sectors, the dominant forms of owner are state-owned enterprises (SOEs) and state-controlled listed firms (SCLs).

Concrete examples include Sonatrach and Sonangol in upstream oil and gas; Eskom and Rand Water in power and water; Transnet, Suez Canal Authority and Hidroeléctrica de Cahora Bassa in rail, ports and large-scale generation; and Office National des Aéroports, Ethiopian Airlines, Royal Air Maroc and South African Airways in air transport. Sodecoton, although coded under agro-industry, similarly plays a strategic role in cotton and input markets.

Over time, the precise form of state ownership shifts at the margin – for instance, when entities move between SOE and SCL status or adjust their public float – but the sectoral footprint remains stable. The state continues to dominate large-scale energy, transport and utilities, and is almost absent from consumer-facing retail and most branded manufacturing. This concentration means that the state’s direct balance-sheet exposure is anchored in long-lived infrastructure and natural-resource systems, rather than in the mid-range manufacturing and service segments where learning and diversification often diffuse more broadly.

Domestic private business groups in intermediate “systems”

Domestic private capital – in the form of family-controlled and unlisted groups, domestic holding companies and widely listed firms – has a wider sectoral footprint, but here too the patterns are structured rather than random.

A first cluster is agro-industry and food processing. Groups such as Flour Mills of Nigeria, Dangote Sugar Refinery, Cevital, Palm-Cl, Zambia Sugar and agro-industrial holdings within Press Corporation control large milling, refining and processing capacities tied to domestic crops and regional commodity chains. Figures 3 and 4 show agro-industry as a sector where domestic control remains strong, and where the dominant forms of owners are domestic business groups rather than foreign multinationals or SOEs. In practice these firms coordinate procurement from farmers, storage, processing and domestic or regional distribution, and sit at the intersection of agricultural policy, trade regimes and consumer markets.

A second cluster is distribution, retail and logistics. Shoprite, Pick n Pay, Woolworths, Mr Price, Truworths, Spar, Sefalana, Auto Nejma, Combined Motor Holdings and similar firms anchor supermarket, clothing and automotive distribution networks. In Figure 3, these sectors are predominantly domestically controlled; Figure 4 indicates that the main forms of owner are domestic widely listed companies and domestic holding groups. Even when ownership changes hands – as in Massmart’s acquisition by Walmart – the underlying distribution infrastructure and regional footprint were originally built by domestic actors.

A third element is the set of diversified business groups – including Remgro, The Bidvest Group, CIEL, Rogers & Co, Press Corporation, Cevital and Groupe Managem – which appear across several sector headings at once: manufacturing, logistics, services, agro-industry and sometimes finance. In the form-of-owner diagram, these show up as domestic holding companies or widely listed conglomerates with stakes spread across multiple sectors. Between 2009 and 2025 some of these portfolios are simplified and selected assets are sold to owners outside Africa (for example, Murray & Roberts in construction and Namibia Breweries in beverages), but the core domestic conglomerates remain.

Taken together, these patterns indicate that domestic private groups are concentrated in the intermediate “systems” of the economy: agro-industrial processing, distribution and retail, construction and diversified holding structures. They are central to how goods are processed, moved and sold, even if they are less visible in telecom platforms or global consumer brands.

Owners located outside Africa in branded and technology-intensive niches

Viewed across sectors and forms of owner, investors located outside Africa occupy a relatively narrow but distinctive set of positions. Their presence is concentrated in downstream, brand-intensive activities and digital infrastructure, rather than across the full productive structure.

First, outside-Africa control clusters in consumer brands and packaged foods and in telecoms and digital services. In the former, foreign multinationals hold positions in beverages and processed foods that sit alongside, but are analytically distinct from, domestic agro-industrial firms focused on staples and bulk processing. In the latter, global and regional telecom groups control key voice, data and mobile-money platforms, with domestic states and firms typically appearing as minority shareholders, regulators or joint-venture partners rather than as lead owners.

Second, foreign owners tend to enter where significant organisational and physical capabilities are already in place. Acquisitions such as Walmart’s purchase of Massmart or ATON’s acquisition of

Murray & Roberts do not create new large-scale distribution or project-engineering systems from scratch; they superimpose foreign balance sheets and corporate templates onto domestic capabilities that have already been built. This reinforces the idea that, in many cases, foreign capital is layering on top of existing domestic systems rather than constructing new ones.

Third, owners outside Africa are largely absent from the infrastructure backbone and from diversified local conglomerates. They barely appear in large utilities, energy transmission and core transport infrastructures, which remain under domestic state control, and they do not show up as Africa-wide diversified holding groups in the overlapping sample. Their role is therefore skewed towards extracting value from brand, technology and network positions that plug African operations into global corporate architectures, rather than carrying the fixed costs and political risks of basic infrastructure or cross-sector coordination.

African regional and hybrid structures in regional and politically sensitive systems

African regional groups and hybrid ownership arrangements occupy a smaller but distinct set of positions when sectors are viewed together with ownership location and form.

African regional groups are most visible in information and communications, cement and selected agro-industry positions. MTN's operating companies in Cameroon, Côte d'Ivoire, Ghana, Nigeria, South Africa and Uganda form a regional telecom system anchored in South Africa but spanning several African markets. In building materials, the shift of Bamburi Cement into the portfolio of the Tanzanian-based Amsons Group moves a significant cement producer from an owner outside Africa to an African regional group. In agro-industry, Palm-CI and other holdings built through Mauritius-centred vehicles provide regional control over edible oils and related processing. In Figure 3 these show up as African regional control; in Figure 4 they appear as African regional business groups rather than as domestic or foreign multinationals.

Hybrid structures – combinations of domestic and foreign, or public and private, control – are few in number but concentrated in politically sensitive sectors. In telecommunications, Safaricom, Mauritius Telecom, Tunisie Télécom and Orange Côte d'Ivoire all combine state stakes, domestic corporate holdings and strategic investors based outside Africa in different proportions. In agro-industry, Lesieur Cristal links royal holdings, domestic capital and a foreign partner in edible oils; in health services, Mediclinic combines a domestic holding group (Remgro) with a foreign partner in hospital and clinical operations. In the diagrams, these appear as hybrid forms of owner and hybrid locations of control.

Across Figures 3 and 4, the regularity is clear: hybrid and regional structures cluster in sectors where infrastructures are system-shaping and politically salient – telecoms, staple foods, healthcare – and where no single domestic or foreign actor monopolises control.

4.4. Ownership and business-model configurations

Where the previous subsection asked *which sectors* different owners control, this one asks *which business models* they occupy. Using the same 135 overlapping firms, Figures 5 and 6 re-cut the data by the five business-model categories rather than by sector. Figure 5 shows, for each business model (Asset-Based, Integrated Control, Platform Intermediation, Spatial Presence and Diversified Accumulation), the share of firms ultimately controlled domestically, by African regional groups, by owners based outside Africa, and through hybrid arrangements in 2009 and 2025. Figure 6 then takes the same business models and decomposes them by form of owner – distinguishing state-owned enterprises, state-controlled listed companies, domestic family/unlisted groups, domestic widely listed groups, domestic holding companies and resource houses, African regional groups, foreign

portfolio/strategic multinationals and public-private hybrids. Read together, the two figures show not five separate stories by business model, but a distinctive *division of labour* across owners.

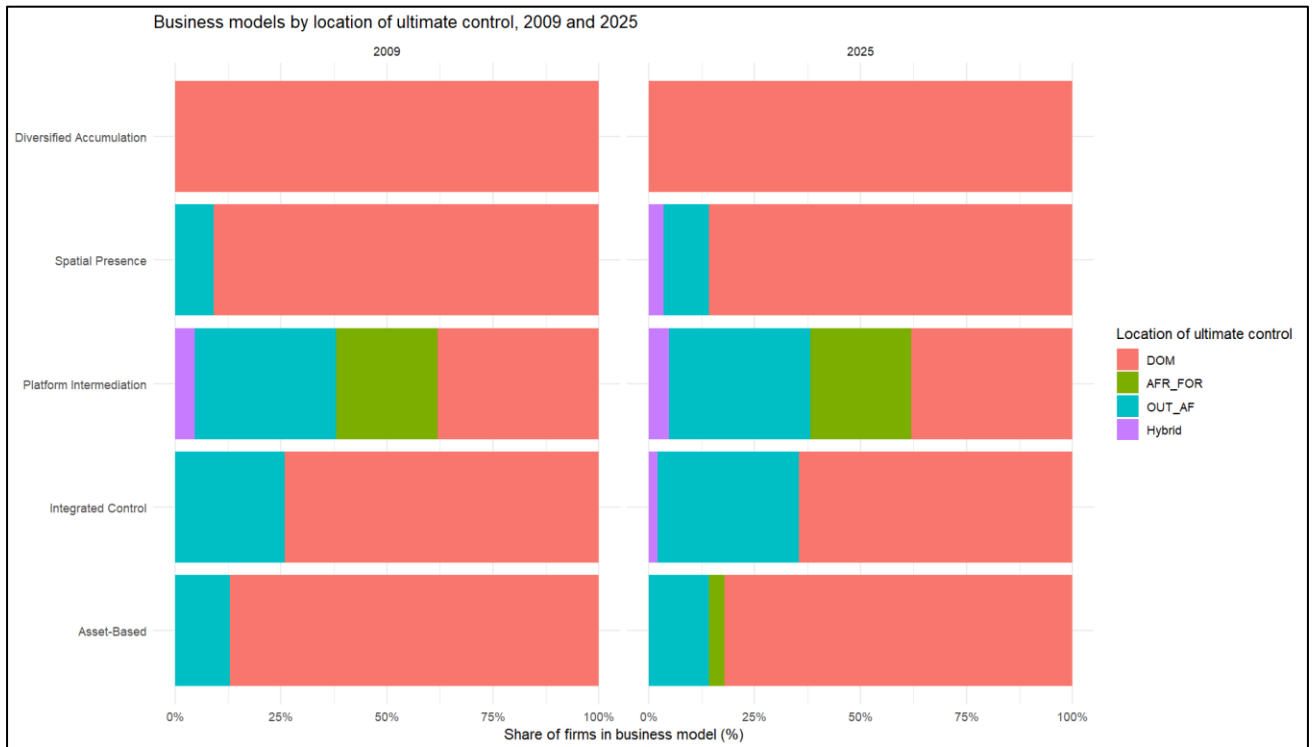


Figure 5 Business Model Distribution by Location of Control, 2009 & 2025

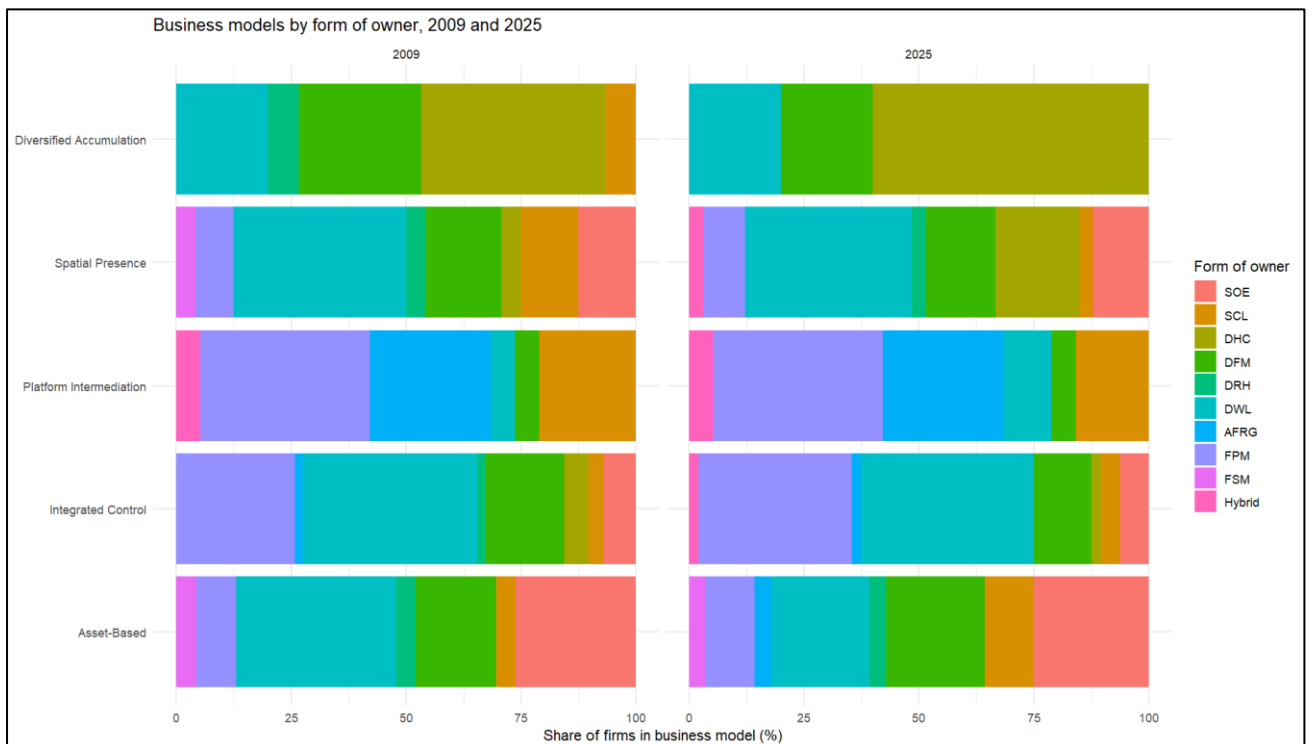


Figure 6: Business Models by Form of Owner, 2009 & 2025

First, the **asset-heavy backbone of the economy is domestically anchored**. If we put Asset-Based and Integrated Control models together, roughly three quarters of these firms are controlled from within Africa in both 2009 and 2025, and the overwhelming majority of those are domestic rather than African-regional or foreign. Within this domestic block, the dominant forms of owner are SOEs and state-linked corporates, together with large widely listed and family/unlisted business groups. This is where we find the big utilities, resource houses and agro-industrial processors – Eskom, Sonatrach, Sonangol, Transnet, Flour Mills of Nigeria, Dangote Sugar, Cevital, Nampak, AECL and similar firms. Foreign multinationals hold a sizeable minority of Integrated Control positions, but they never dominate that model and have only a small presence in pure Asset-Based slots. The pattern over time is remarkably stable: foreign and African-regional owners gain a few positions, but the core of asset-heavy and process-integrated activities remains in domestic state and domestic corporate hands.

Second, platform intermediation is the most internationalised and politically structured space. Here, control is much more evenly split between domestic, African-regional and outside-Africa locations, and hybrid arrangements appear only in this model. In form-of-owner terms, PI is populated by a mix of African-regional groups (such as MTN), foreign portfolio/strategic multinationals (Vodafone/Vodacom, Orange), state-linked corporates (Telecom Egypt, Mauritius Telecom, Telkom) and a small number of public–private hybrids (Safaricom, Tunisie Télécom, Mauritius Telecom in different phases). Pure SOEs and small domestic private owners are almost absent. Taken together, this tells us that the main communications and payments platforms are controlled by large regional and global actors or by corporatised entities with strong state involvement, rather than by classic domestic private firms or line-ministry SOEs.

Third, spatial presence models sit in between these poles. Distribution and retail networks are overwhelmingly controlled from within Africa, and in most cases by domestic widely listed and family/unlisted groups – Shoprite, Pick n Pay, Woolworths, Mr Price, Truworths, Sefalana, Auto Nejma, CMH and others. Outside-Africa owners and hybrids occupy only a small fringe of the category (for example Walmart/Massmart or selected brewery and fuel-distribution chains). The structure of ownership here barely shifts between 2009 and 2025. In other words, the physical infrastructure of supermarkets, clothing chains and automotive dealerships is largely a domestic corporate construction, even when specific assets are later sold to foreign groups.

Finally, diversified accumulation remains a purely domestic phenomenon. Every diversified business group in the sample is controlled from within Africa and, more specifically, by domestic holding companies, widely listed conglomerates and family/unlisted groups – Remgro, The Bidvest Group, CIEL, Rogers, Press Corporation, Cevital, Groupe Managem and similar groups. No outside-Africa, regional or hybrid owners operate DA business models in this dataset in either year. Cross-sector capital allocation – the ability to recycle profits across portfolios – is therefore a capability exercised by African business groups, not imported conglomerates.

Taken together, the two figures show a consistent mapping:

- Domestic states and domestic corporate groups dominate the asset-heavy and diversified backbone (AB, IC, DA), with only gradual foreign encroachment in parts of Integrated Control.
- Platforms are the one model where ownership is genuinely contested and transnational, drawing in African-regional groups, foreign multinationals, state-linked corporates and hybrids.

- Domestic private corporates remain the primary builders and operators of spatial distribution systems, with foreign owners plugging into these networks rather than reconstructing them.

These regularities barely change between 2009 and 2025. There are important marginal moves – individual retail and engineering groups sold to foreign owners, a cement producer shifting into an African-regional portfolio, new hybrid telecom structures – but the underlying pattern is stable. Business models and ownership are therefore tightly coupled: different locations and forms of control systematically populate different business-model slots. This has direct implications for where production capabilities, strategic rents and learning are likely to accumulate: in domestically controlled asset-heavy and diversified groups, in contested and politically brokered platform spaces, and in largely domestic retail and logistics networks.

5. Embeddedness in Local Economy

5.1 *Embeddedness and feedback loops*

The ownership configurations and business models mapped in Section 4 are only one part of the story. For structural transformation, what matters is how far these large firms are *embedded* in African economies – in their production systems, financial systems and state–business relations – and how this embeddedness, in turn, reshapes ownership structures and business models over time. Building on work on embeddedness in economic sociology and global production networks, embeddedness is treated here as the degree to which firms’ decisions about investment, sourcing, employment and innovation are anchored in specific territorial, institutional and political arrangements rather than being footloose or purely responsive to global shareholders.

The literature distinguishes several dimensions of embeddedness that are especially relevant for large firms in late-industrialising economies. First, *production embeddedness* concerns the extent and quality of linkages to domestic suppliers, customers and service providers: whether firms source inputs locally, co-develop products with African partners, and build long-term relationships that transfer capabilities rather than simply importing turnkey packages. Second, *organisational and financial embeddedness* relates to how profits are recycled: whether firms reinvest in local productive assets, use domestic capital markets and banks, and build indigenous managerial and technical capabilities, or instead operate as cash-generating outposts for distant shareholders. Third, *institutional and political embeddedness* refers to how firms are woven into state–business bargaining, regulatory regimes and wider social coalitions – what Evans (1995) terms degrees of “embedded autonomy” – and whether this supports long-term, capability-enhancing investment or reinforces narrow rent extraction.

These dimensions generate feedback loops that connect micro-level firm behaviour with meso-level sectoral structures and macro-level patterns of structural change. Highly embedded firms are more likely to co-invest with states in infrastructure, supplier upgrading and skills systems, thereby thickening domestic production networks and expanding the scope for learning and diversification. In turn, denser local ecosystems alter firms’ own constraints and opportunities, shifting their business models towards more integrated control or platform intermediation strategies that rely on local capabilities rather than imported packages. Conversely, when embeddedness is shallow – for instance where foreign subsidiaries operate as enclave asset-based projects or spatial-presence retailers with thin local sourcing – investment and learning remain limited, domestic linkages are weak, and states find it harder to discipline or repurpose these firms for developmental goals.

This paper uses the five selected case-study firms to trace these feedbacks in contrasting configurations. Sonatrach illustrates how a domestically controlled state-owned enterprise in hydrocarbons can combine strong territorial embeddedness in national infrastructure with highly

uneven production and technological linkages, depending on how concession regimes and supplier policies are designed. Dangote Sugar Refinery represents a domestic family/management-controlled agribusiness whose expansion has been closely tied to Nigerian trade policy, investment incentives and attempts to build backward linkages into cane production and refining. Massmart (Walmart) exemplifies an outside-Africa retail multinational whose spatial-presence business model raises questions about sourcing, logistics and labour standards in African consumer markets. Bamburi Cement, controlled by a regional African group, sits at the intersection of construction materials, cross-border ownership and asset-based business models, highlighting regionalised forms of embeddedness. Safaricom, finally, offers a hybrid public–private platform in telecommunications and digital finance, where deep local infrastructural and institutional embeddedness has underpinned the evolution of complex platform intermediation capabilities.

Taken together, these cases allow the analysis to move beyond static descriptions of ownership or sector to examine *how* firms become more or less embedded, and how this shapes the co-evolution of ownership patterns, business models and state–business settlements over time. The focus in the remainder of Section 5 is therefore on the concrete mechanisms through which large firms either anchor production capabilities in African economies – through local investment, supplier and labour upgrading, and joint problem-solving with public agencies – or reproduce enclave structures and thin linkages, with very different implications for structural transformation.

5.2. Case-study configurations

The five case studies are selected to interrogate how specific combinations of ownership, sector and business model translate into distinct patterns of embeddedness and feedback into African political economies. The selection follows the funnel logic summarised in Figure 7. Starting from the 135 large firms that appear in both 2009 and 2025, the first filter classifies firms by location of ultimate control: domestic, African regional, outside Africa and hybrid (mixed domestic–foreign control). A second filter then differentiates dominant forms of control within these blocs (African regional business groups, domestic family or management-controlled groups, domestic and royal holding companies, widely held listed companies, foreign private and foreign state-owned multinationals, hybrid structures, state-controlled listed companies and state-owned enterprises). A third filter groups the firms into broad sectoral clusters such as agribusiness, mining, construction materials, energy, retail and telecommunications. The final filter overlays the business-model taxonomy—asset-based, integrated control, platform intermediation, spatial presence and diversified accumulation—on these ownership–sector configurations.

Applying these four filters to the overlapping sample yields a limited set of distinctive configurations that are empirically important in the wider dataset and analytically central for debates on structural transformation. From these configurations, five firms are chosen as emblematic cases. Sonatrach represents a domestically controlled state-owned enterprise in hydrocarbons, combining an asset-based and integrated-control model. Dangote Sugar Refinery exemplifies a domestic family and group-controlled agribusiness organised around integrated control of a staple-food value chain. Bamburi Cement illustrates an African regional configuration in capital-intensive construction materials, historically under foreign but increasingly regional group control, operating an asset-based and integrated-control model. Massmart (under Walmart control) stands for a foreign private multinational subsidiary in retail and distribution, embodying a spatial-presence business model. Safaricom provides the hybrid ownership configuration in telecommunications and digital financial services, organised around platform intermediation.

The cases are therefore not selected as “best” or “worst” performers, nor as statistically representative samples, but as strategically chosen configurations that collectively span the main ownership locations, control types, sectors and business models identified in Section 4. Read together, they make it possible to examine how different ownership–model combinations condition the depth and quality of local linkages, the recycling of profits into domestic investment, and the terms of state–business bargaining. The subsequent sub-sections analyse each case using a common lens—production structure, patterns of linkage and crowding in/out, and the evolving state–business settlement.

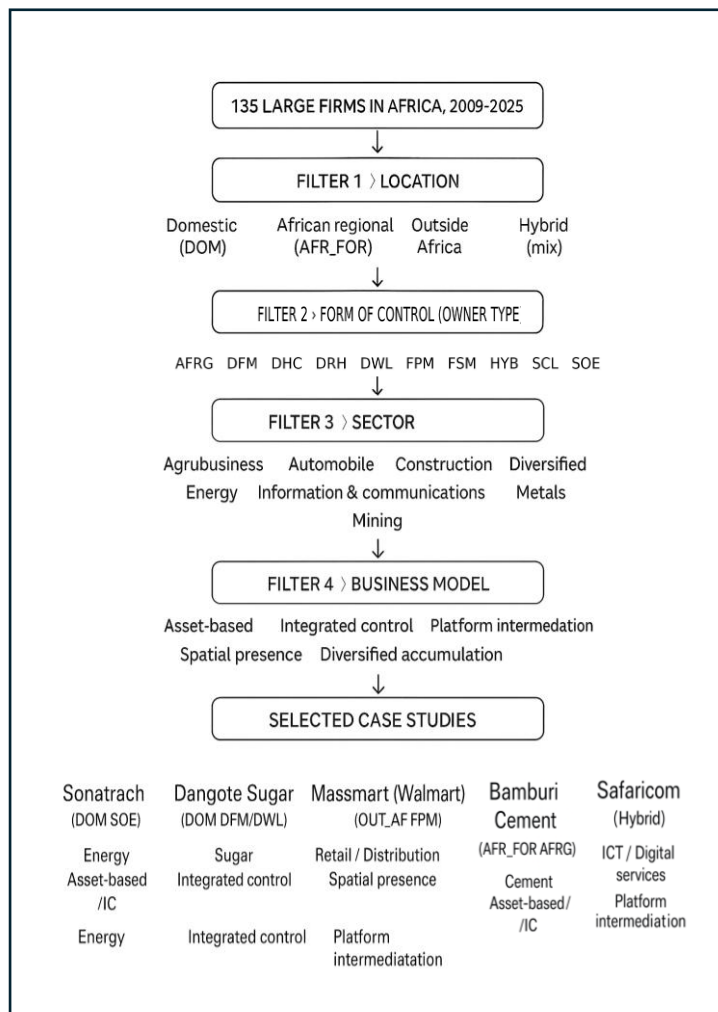


Figure 7: Funnel Logic in Selection of Firms for Case Study

Sonatrach (Algeria): State-Owned Hydrocarbon Giant and Systemic Embeddedness

Sonatrach is a paradigmatic example of a large, domestically controlled asset-based and integrated-control firm whose fortunes are tightly coupled to Algeria’s macroeconomy. Hydrocarbons account for roughly 95 per cent of Algeria’s export earnings and about 60 per cent of government revenue, with Sonatrach controlling the bulk of exploration, production, transport and export of oil and gas (IMF, 2023; World Bank, 2020). In structural terms, the company is both a state-owned enterprise and a vertically integrated complex: it operates upstream fields, pipelines, LNG plants, refineries and

petrochemical units, and coordinates joint ventures with foreign majors such as TotalEnergies, ENI and Equinor.

The firm's embeddedness in the local economy is multi-dimensional. On the production side, Sonatrach has sustained a dense network of domestic contractors, engineering firms and service providers around oil and gas fields, export terminals and processing facilities. Policy since the mid-2000s has encouraged the development of Algerian subcontractors and local content, including rules that favour domestic firms in public procurement and joint-venture arrangements. On the fiscal side, Sonatrach is the backbone of the state budget: hydrocarbon taxes, royalties and dividends fund public wages, subsidies and capital expenditures. The company's multi-year investment plans — for example a US\$40 billion programme over 2022–2026 for upstream development, infrastructure and petrochemicals — operate as de facto industrial policy, shaping capital formation and demand for domestic engineering and construction (Oxford Business Group, 2022).

However, the configuration of this embeddedness is highly asymmetric. Sonatrach's export-oriented asset base ties the firm into global energy markets and foreign technology providers: high-end drilling, seismic imaging, specialised EPC contracts and some refinery and LNG technologies are delivered by international oil-field service companies and consortia. The domestic capability base is stronger in civil works, basic engineering and operations, but thinner in complex design and equipment manufacturing. This creates a pattern where local firms capture construction and low- to mid-tier service contracts, while high-value engineering and technology rents remain outside Algeria. At the same time, Sonatrach's position as a state-owned monopolistic "gatekeeper" means its procurement and partnership decisions heavily influence which domestic firms grow, which remain peripheral, and whether new players can enter.

The state–business settlement around Sonatrach has historically centred on using hydrocarbon rents to sustain a redistributive, politically stabilising social contract (low administered energy prices, public employment, housing) rather than systematically diversifying production. The hydrocarbon law reforms of the 2000s and 2019 illustrate this tension: stricter rules in 2006 increased Sonatrach's mandatory stake in partnerships (typically 51 per cent), reinforcing national control but also deterring some investment; later reforms sought to relax fiscal terms to attract new exploration while retaining state dominance. These shifts show how the state uses Sonatrach both as an instrument of sovereignty and as a bargaining chip with foreign capital.

From a crowding-in/crowding-out perspective, Sonatrach simultaneously enables and constrains structural change. On the one hand, its investments crowd in Algerian engineering and services, and its fiscal transfers finance infrastructure, education and industrial zones. On the other, the sheer scale of hydrocarbon rents has crowded out alternative export sectors via Dutch disease effects, a policy focus on stabilisation rather than diversification, and a political economy where access to Sonatrach-related contracts is a central locus of rent allocation (IMF, 2023). Firm-level financial data compiled for this project indicate high capital expenditure and substantial retained earnings over the period, consistent with large reinvestment cycles; however, these flows remain heavily concentrated in hydrocarbons, reinforcing the enclave-cum-backbone nature of Sonatrach's embeddedness.

Dangote Sugar Refinery (Nigeria): Domestic Agro-Industrial Integration and State-Anchored Expansion

Dangote Sugar Refinery (DSR) exemplifies a domestic family/management-controlled group operating an integrated-control business model in agribusiness. It is part of the wider Dangote Group, whose interests span cement, sugar, salt, flour and more. DSR's strategy since the 2010s has focused on

backward integration into sugarcane cultivation and processing under Nigeria's National Sugar Master Plan (NSMP), launched in 2013. The NSMP combines high tariffs and quotas on raw sugar imports with a Backward Integration Programme that ties market access to domestic investment. Dangote has responded by acquiring and developing large sugar estates (e.g. in Numan and Tunga) and committing over US\$700 million to land, irrigation, mills and logistics to reduce Nigeria's dependence on imported raw sugar (Vanguard, 2025; Food Business Africa, 2025).

These investments have deepened the firm's embeddedness in both rural and urban economies. On the production side, DSR coordinates a chain from sugarcane fields through milling and refining to branded sugar for industrial and retail customers. It operates outgrower schemes that integrate small and medium farmers into its supply base, providing seed, inputs and extension services in exchange for committed deliveries (National Sugar Development Council, 2022). The company's sustainability reporting indicates that local procurement accounts for the overwhelming majority of its inputs, with progressive increases in the share of domestic sourcing over the past decade (Dangote Sugar, 2024). Downstream, DSR supplies bakeries, confectionery firms and beverage producers, making refined sugar a critical input into Nigeria's processed food industries.

The Nigerian state has been central in shaping these outcomes. The NSMP and associated tariff and quota regime are explicitly designed to protect and nurture domestic sugar producers while they build plantations and factories. Government agencies such as the National Sugar Development Council monitor firms' backward integration commitments and have introduced schemes to support outgrowers and rural communities, including dedicated outgrower development programmes launched in the mid-2020s (National Sugar Development Council, 2022). Political leaders have publicly endorsed Dangote's sugar projects, framing them as instruments of industrialisation, rural development and foreign-exchange savings (Vanguard, 2025). In return, DSR aligns its corporate narrative with national goals of self-sufficiency and diversification, pledging to create tens of thousands of jobs and ancillary activities in host communities (Dangote Sugar, 2024).

Yet the pattern of embeddedness is not unambiguously developmental. On the positive side, Dangote's investments clearly crowd in local agriculture, logistics and input industries: building roads, storage, power and irrigation that benefit neighbouring activities. Outgrower schemes, if well governed, can transfer agronomic knowledge and provide stable markets for smallholders. Localised refining also reduces Nigeria's exposure to volatile world sugar prices and import bills. On the negative side, the combination of policy-protected markets and Dangote's conglomerate power risks entrenching a quasi-monopoly. High tariff walls and preferential access to import quotas have constrained rival importers and raised entry barriers for alternative integrated producers (Itaman & Wolf, 2021; Odijie, 2024). Consumers have faced periods of high sugar prices as domestic capacity struggled to meet demand, implying short-term welfare costs during the transition.

Firm-level financial indicators assembled for this project suggest that DSR has maintained relatively high capital expenditure relative to revenue since 2009, consistent with heavy investment in plantations and processing capacity, alongside substantial dividend payouts to the Dangote Group. This pattern fits a model where rents created by trade protection are partially recycled into domestic asset building, but also partly extracted as financial returns. The balance between these uses — and their distributional implications across farmers, workers, consumers and shareholders — is ultimately mediated by the state-business settlement around the NSMP.

Massmart (Walmart) in Southern Africa: Foreign Retail, Conditional Embeddedness and Contested Spillovers

Massmart, a South African retail and wholesale group (Game, Makro, Builders Warehouse and others), became a flagship example of a foreign private multinational subsidiary when U.S. retailer Walmart acquired a 51 per cent stake in 2011–2012. The acquisition, valued at around US\$2.4 billion, gave Walmart control over a network of more than 400 stores across South Africa and several other African countries (Competition Tribunal, 2011; Barrientos, 2013). The Walmart–Massmart case is central for this paper because it demonstrates how a foreign spatial-presence business model — leveraging global procurement, logistics and branding — is reshaped by a country’s competition, labour and industrial-policy institutions.

Walmart’s initial plan was to plug Massmart into its global supply chain, using standardised procurement and logistics systems to lower costs and expand product variety. This entailed a risk of crowding out local suppliers in favour of imports. South African government departments, unions and business organisations challenged the merger at the Competition Tribunal and on appeal, arguing that unrestricted integration would harm domestic manufacturing and employment (Competition Appeal Court, 2012; Kenny, 2018). The eventual settlement imposed public-interest conditions: reinstatement of 503 workers retrenched pre-merger, a two-year moratorium on merger-related retrenchments, and, critically, the establishment of a R100 million Supplier Development Fund (SDF) to support local SMEs entering Massmart’s supply chain (Competition Appeal Court, 2012).

These conditions effectively altered the terms of embeddedness. Under regulatory pressure, Massmart–Walmart committed to identifying and upgrading domestic suppliers, particularly in agro-processing, light manufacturing and household goods. An *ex post* evaluation by the Competition Commission found that the SDF supported dozens of small and medium enterprises, enabling some to expand production, invest in new equipment and substitute imports in specific product lines (Competition Commission, 2019). In some cases, the fund financed technical assistance and process upgrading so that SMEs could meet Massmart’s quality and volume requirements. This is a clear instance of crowding-in: a large foreign retailer using part of its rents (under regulatory compulsion) to nurture domestic firms and embed its supply chain locally.

At the same time, the underlying Walmart business model — high-volume retail leveraging global sourcing — has generated more ambiguous effects. Despite supplier-development efforts, Massmart continues to import a significant share of merchandise, particularly non-food items, reflecting the cost advantages of its global network (Kenny, 2018). Local competitors in both formal and informal retail segments have faced intensified competition, contributing to consolidation in some market segments and pressure on small independent stores. For labour, the picture is mixed: while the SDF and reinstatement conditions protected some jobs and created new opportunities in supplier firms, Massmart has also pursued efficiency measures and restructuring to cope with sluggish growth, leading to store closures and job cuts later in the 2010s (Makgetla, 2017).

From a state–business settlement viewpoint, the Walmart–Massmart case illustrates a negotiated form of embeddedness: the South African state accepted a major foreign acquisition but used competition law’s public-interest provisions to extract commitments on jobs and supplier upgrading, thereby partially re-shaping a foreign spatial-presence retail model into one with more domestic linkages. The durability and depth of these linkages depend on the continued vigilance of regulators and the ability of domestic suppliers to meet Massmart’s performance thresholds once SDF support phases out. Firm-level financial data for Massmart over 2009–2025, combined with its modest profitability under

Walmart ownership, suggest that competitive pressure and slow demand in core markets have limited the extent of radical restructuring, producing neither a full “Walmart shock” nor a transformative supplier-development success, but a contested, negotiated adaptation of a global model to South African conditions.

Bamburi Cement (Kenya): Industrial Anchor Between Foreign and Regional Control

Bamburi Cement is a leading Kenyan cement and concrete producer, historically majority-owned by LafargeHolcim and more recently by Tanzania’s Amsons Group. It exemplifies an asset-based and integrated-control business model in the construction materials sector: controlling limestone quarries, clinker production, grinding and distribution across Kenya and the wider East African region. By 2016, Bamburi was the market leader in Kenya with about one-third of cement market share (Bamburi Cement, 2016; Herbling, 2017).

Bamburi’s embeddedness in the Kenyan economy rests on both physical assets and relational linkages. The company operates integrated plants in Mombasa and Athi River and has invested heavily in capacity expansion. In 2017–2018 it completed a KSh4 billion expansion of its Nairobi grinding plant at Athi River, adding around 900,000 tonnes per year of grinding capacity and lifting total annual cement production to roughly 3.2–3.4 million tonnes (Bamburi Cement, 2018; Mutua, 2018). This investment was explicitly linked to anticipated demand from Kenya’s infrastructure programme and housing construction, under the government’s “Big Four” agenda, illustrating a feedback loop between public investment strategies and private capacity decisions.

Upstream, Bamburi draws on domestic limestone and other raw materials, mobilising local mining, transport and maintenance firms. Its environmental rehabilitation of exhausted quarries into Haller Park and similar projects has become an emblematic example of corporate-led ecological restoration, giving rise to tourism and environmental services (Bamburi Cement, 2015). Downstream, the company underpins a wide ecosystem of distributors, hardware retailers, construction firms and informal contractors. Reliable domestic cement supply reduces reliance on imports, stabilises input costs and enables local firms to bid for large infrastructure contracts. Firm-level data suggest that Bamburi has maintained substantial capital expenditure over the period, even as profit margins fluctuated with competition and input costs (World Cement, 2020).

The state–business settlement has evolved as the sector liberalised and competition intensified. Historically, protection via import tariffs and non-tariff measures allowed Bamburi and a small number of incumbents to earn comfortable margins, which may have partially crowded out new entrants. From the 2000s, however, new domestic and regional producers entered, eroding Bamburi’s market share and forcing price competition (Herbling, 2017). This crowding-in of rivals encouraged further investment in capacity and efficiency, while Kenya’s trade and competition authorities supervised mergers and foreign acquisitions. The 2024–2025 sale of LafargeHolcim’s 58.6 per cent stake in Bamburi to Amsons Group, approved by Kenyan and COMESA competition bodies, signifies a shift from global to regional ownership and is framed as a way to deepen East African industrial integration and investment (Holcim, 2024; Herbling, 2024).

Policy around clinker (the key intermediate) illustrates the contested nature of embeddedness. Debates over import levies versus domestic production requirements have pitted clinker-self-sufficient firms against those reliant on imports, with implications for cost structures, investment incentives and the distribution of rents between producers and construction users (The Africa Report, 2023). In this context, Bamburi’s choices about investing in additional clinker capacity, as indicated in its recent plans under Amsons ownership, will influence whether value addition becomes more deeply rooted in Kenya

or remains partially externalised. Overall, Bamburi's case highlights a trajectory from foreign-dominated, oligopolistic cement production towards a more contested, regionally anchored industrial structure, where domestic and regional actors, regulators and global capital jointly shape how asset-based business models feed into infrastructure-led structural transformation.

Safaricom (Kenya): Platform Intermediation, National Champion and Dense Ecosystem Effects

Safaricom — a hybrid-ownership telecom and mobile money firm — is an archetype of a platform intermediation business model in Africa. Originating as a state-linked mobile operator in the late 1990s and partly privatised with Vodafone/Vodacom as strategic partner, Safaricom evolved into Kenya's dominant telecom and digital payments platform. Its M-Pesa service, launched in 2007, became the backbone of everyday transactions, with Safaricom's mobile money market share estimated at over 90 per cent by the early 2020s (KPMG, 2022; TechCabal, 2023).

Safaricom's embeddedness operates through production, ecosystem and fiscal channels. On the production side, the firm has invested heavily in network infrastructure — base stations, fibre backbones, data centres — with annual capital expenditure reaching hundreds of millions of US dollars over the 2010s and early 2020s (Safaricom, 2023). This infrastructure is interwoven with local suppliers and contractors handling tower construction, maintenance, sales and distribution. The agent network for M-Pesa alone comprised over 260,000 outlets in 2022, mostly small kiosks and shops, creating a huge layer of micro-enterprises reliant on Safaricom's platform (KPMG, 2022). KPMG's economic impact assessment estimated that Safaricom supported about 1.1 million jobs (direct, indirect and induced), equivalent to roughly 5.2 per cent of Kenya's total employment, and contributed around KSh727 billion to GDP — more than 5 per cent of national output (KPMG, 2022).

On the fiscal side, Safaricom has been Kenya's largest single corporate taxpayer for years. In the financial year 2021/22, it paid about KSh124.7 billion in taxes and regulatory fees; cumulatively, its contributions since inception have exceeded KSh1 trillion (Kenya Revenue Authority, 2022; Standard Group, 2022). Dividends to shareholders, including the Kenyan government (which held 35 per cent until a recent partial sell-down), have also been substantial, effectively recycling a share of platform rents back into the public budget. Firm-level figures assembled for this project show a mature pattern of high dividend payout ratios alongside sizeable, recurrent capital expenditure — a configuration typical of dominant utilities and platforms in late-industrialising contexts.

The state–business settlement around Safaricom has been unusually close. The Kenyan state, as co-owner, regulator and tax beneficiary, has alternated between protective and disciplining roles. Early on, regulators allowed M-Pesa to scale under a pragmatic, light-touch regime that treated it as a telecom-based payments service rather than a bank, enabling rapid diffusion of mobile money (Hughes & Lonie, 2007). Later, as Safaricom's market share and systemic importance grew, debates emerged over dominance, interoperability and consumer protection. The Competition Authority of Kenya investigated but ultimately stopped short of declaring Safaricom a dominant firm requiring structural remedies, instead focusing on behavioural issues such as agent exclusivity and tariff transparency (Competition Authority of Kenya, 2018). Regulators compelled Safaricom to drop exclusivity clauses that had prevented agents from serving rival mobile money networks, but they did not mandate infrastructure sharing or the separation of M-Pesa from the core telecom business. This reflects a negotiated balance: the state values Safaricom as a national champion and fiscal pillar, yet seeks to preserve some degree of competition and consumer welfare.

In terms of crowding in/out, Safaricom's impact has been strongly net positive for economic inclusion and innovation, though concentrated market power raises concerns. M-Pesa and related services have enabled millions of previously unbanked individuals and micro-enterprises to transact, save and access credit, spurring new business models in agriculture, trade and services (Jack & Suri, 2014). A vibrant fintech ecosystem has emerged around Safaricom's APIs and payment rails, with startups and banks developing products that piggyback on its platform. At the same time, Safaricom's dominance has made it difficult for rival operators to build competing platforms of comparable scale; their lower agent density and weaker network effects translate into lower usage and limited innovation space. Traditional banks have also lost fee income on remittances and bill payments but have adapted by partnering with Safaricom to offer mobile-based accounts and loans.

Safaricom thus epitomises a deeply embedded platform whose business model is interlocked with state revenue strategies, household risk-management practices and firm-level upgrading across sectors. It shows how a hybrid-ownership platform can drive structural change — digitising payments, enabling new value chains and generating fiscal capacity — while simultaneously creating new forms of dependency and concentration that require active governance.

6. Stylised Facts

Taken together, the Africa-wide analysis and the five case studies suggest seven stylised facts about who owns large firms, how they run their businesses, and what this means for embeddedness and structural transformation.

1. Domestic and state owners remain structurally dominant, but the corporate core is being *recomposed* rather than “foreignised”.

Across the 135 overlapping firms, domestic control – by states, public financial actors and domestic business groups – still accounts for around two-thirds to three-quarters of the large-firm core in both 2009 and 2025. State enterprises and state-controlled listed companies continue to anchor hydrocarbons, mining, electricity, water, transport infrastructure and national airlines, while domestic widely listed and family/group-controlled firms dominate in retail, food, consumer goods, cement and diversified industrials.

What changes between 2009 and 2025 is not the disappearance of domestic control but a layered recomposition at the margin:

- selected domestic champions (Massmart, Murray & Roberts, Namibia Breweries, AngloGold Ashanti) are acquired by foreign multinationals and reclassified as foreign private subsidiaries;
- some assets previously controlled by European multinationals (e.g. Bamburi Cement, Palm-CI) are taken over by African regional groups; and
- hybrid and state-financial structures proliferate in politically sensitive sectors, while state pension and sovereign funds increase minority stakes in “private” domestic firms.

The picture is therefore one of persistent domestic and state primacy with selective re-wiring, not a simple substitution of foreign for domestic capital.

2. Ownership, sector and business model co-locate in stable configurations.

The mapping of ownership, sectors and the five business models reveals highly patterned combinations rather than random mixes.

- Domestic state and public-financial owners cluster in *Asset-Based* and *Integrated Control* models in hydrocarbons, mining, power, water and core transport infrastructure. Their rents derive from control over natural resource deposits and sunk network assets.
- Domestic private groups dominate *Integrated Control* in agribusiness and cement and *Spatial Presence* in retail and logistics, and they are the main actors in *Diversified Accumulation* holding-company structures across manufacturing and services.
- Owners located outside Africa concentrate in a narrow band of sectors – beverages and branded consumer goods, food processing, telecoms and selected retail and construction positions – and typically operate *Integrated Control* or *Platform Intermediation* models that plug African subsidiaries into global production and marketing systems.
- African regional groups combine *Asset-Based* and *Integrated Control* positions in cement and agro-industry with telecom platforms, functioning as regional rather than global multinationals.
- Hybrid structures appear almost exclusively where *Platform Intermediation* or *Integrated Control* models intersect with politically sensitive sectors such as telecoms, staple foods and healthcare (e.g. Safaricom, Lesieur Cristal, Mediclinic).

These configurations change only at the margin over time. The stability of these “ownership–sector–model settlements” matters because it tells us where different kinds of capabilities and rents are likely to sit in African economies – for example, why domestic states and business groups remain central in infrastructure, construction materials and food systems, while foreign capital is concentrated in branded consumer niches and global telecom platforms.

3. Domestic and regional lead firms build *thick in-country stacks*; foreign firms usually sit on one layer and externalise African fragilities.

Within the same sector and country, domestic lead firms systematically span more layers of the value chain and supporting functions than their foreign rivals. Domestic business groups and state firms tend to combine control over physical assets (plants, quarries, networks) with in-house logistics, local finance arrangements and regulatory management – using *Asset-Based*, *Integrated Control* and sometimes *Diversified Accumulation* models to internalise unreliable power, transport, finance and state capacity. This is evident in cases such as:

- Dangote Sugar Refinery, which leverages tariff protection and backward-integration policies to invest in plantations, mills, refineries and distribution, while linking to outgrower schemes and local logistics providers;
- Sonatrach, whose control of upstream deposits, pipelines and export infrastructure makes it a central node in Algeria’s entire energy system.

By contrast, foreign private multinationals in the same sectors often occupy a single layer:

- branded beverage and FMCG subsidiaries control marketing and bottling but rely on imported concentrates, packaging and machinery;
- foreign retailers and quick-service chains plug local outlets into global sourcing and logistics rather than reconstructing these domestically; and
- foreign mining houses outsource large chunks of project development and engineering to global EPC contractors and international suppliers.

In short, domestic and regional firms are more likely to “fill in” missing local functions; foreign firms tend to treat these as external problems solved through imports or global networks. This has direct implications for how far each type contributes to building domestic production capabilities.

4. For foreign owners, Africa is more often a profit centre than a capability node – visible in light-asset models and high payout ratios.

Where owners are headquartered outside Africa, the dominant business models are Platform Intermediation (telecoms and digital services) and Spatial Presence (retail, distribution), plus selected Asset-Based positions in mining and beverages. These models are typically asset-light at the local level (renting or franchising outlets, importing high-value inputs) and geared towards extracting steady cash flows rather than building deep local production systems.

Financial indicators reinforce this pattern. Across the overlapping firms, foreign-controlled subsidiaries tend to exhibit:

- higher dividend pay-out ratios, indicating a larger share of profits remitted to parent companies;
- investment profiles skewed to maintenance CAPEX, with major expansion projects often executed by global EPC contractors and tied to global supply chains; and
- comparatively lower retained-earnings-to-revenue ratios than domestically controlled peers in similar sectors (authors’ calculations from the dataset).

Where foreign firms do hold heavy assets – large mines, cement plants or utilities – the associated CAPEX is substantial but often “thinly rooted”: procurement of equipment and services defaults to global suppliers unless host states enforce local-content or JV requirements. This echoes Hymer’s concern with “enclave” investment (Hymer, 1972) and more recent evidence on the limited local footprint of MNCs in national statistics (Ergen et al., 2023).

5. Whenever foreign and domestic firms look similarly embedded, a specific state–business settlement is doing the work.

The cases where foreign and domestic firms converge in embeddedness are not spontaneous; they are the outcome of explicit bargains and regulatory instruments.

- In South Africa’s Walmart–Massmart case, approval of the takeover was conditional on a Supplier Development Fund, local-sourcing targets and job-protection commitments negotiated through the competition authorities’ public-interest mandate. These conditions partially re-shaped Walmart’s global spatial-presence model into one with thicker local supply-chain linkages, even if outcomes remained contested.
- Safaricom’s hybrid settlement – with the Kenyan state, local investors and Vodafone/Vodacom sharing control – underpins deep infrastructural and institutional embeddedness: mobile money regulation, interoperability, agency networks and co-investment in digital rails emerged from iterative bargaining rather than arm’s-length regulation.
- Dangote Sugar’s backward-integration drive is inseparable from Nigeria’s tariff and quota regime, which protects domestic refineries while obliging them (at least on paper) to develop local cane production.

In each of these, domestic and foreign capital do not simply respond to “market signals”; they negotiate over rents, obligations and policy instruments. Convergence in embeddedness occurs where the state has both leverage and a coherent project, whether through ownership stakes, competition law, trade policy or concessions.

6. African regional and hybrid owners are becoming important *mediators* of global capital, not just another ownership category.

African regional groups and hybrid structures are small in number but strategically located. Their expansion between 2009 and 2025 – Bamburi Cement’s move into a Tanzanian-led group, Palm-Cl’s embedding in a Mauritian network, the consolidation of MTN’s cross-border telecom operations, and the emergence of joint ventures such as Lesieur Cristal and Mediclinic – indicates that African capital increasingly mediates global capital rather than simply yielding to it.

These owners often:

- operate regionally integrated business models, using cement plants, agro-processing or telecom platforms as hubs for multi-country markets;
- hold shared-control arrangements with foreign partners and domestic states, especially where sectors are politically salient; and
- occupy positions where capability building and rent allocation are renegotiated – for example when a European MNC divests and an African group steps in, or when a foreign health group partners with a domestic holding company.

Hybrid and regional ownership thus function less as marginal categories and more as institutional devices for managing contested rents: they allow African states and business groups to retain leverage while accessing foreign capital and technology, and they allow foreign investors to enter sectors where 100 per cent foreign control would be politically unacceptable.

7. Embeddedness and resilience co-evolve: firms that are more deeply anchored in local production and political settlements are over-represented among survivors.

By construction, the overlapping sample tracks firms that remain in the Top 500 in both 2009 and 2025. Within this survivorship-biased group, however, there is a clear pattern: firms with thicker domestic production, financial and political embeddedness are more likely to persist as large players, even if their ownership reorganises.

- State-owned and state-linked infrastructure firms (Sonatrach, Sonangol, Eskom, Transnet, Ethiopian Airlines, Suez Canal Authority) survive turbulence because they are woven into national fiscal, employment and infrastructural systems; exit is politically and economically costly.
- Domestic business groups that created dense local ecosystems – such as Dangote Group, Shoprite, Cevital or MTN – remain central despite competitive shocks and, in some cases, partial foreign entry.
- Firms that were thinly embedded, especially in commodity booms or narrow consumer niches, are more likely to have exited the rankings altogether; they are absent from the overlapping sample.

This reinforces the argument developed in Section 5.1: embeddedness is not just an outcome of ownership and business model; it feeds back into firm survival and bargaining power. Deeply embedded firms accumulate “political and infrastructural irreversibility”, which strengthens their hand in state–business settlements and shapes the terms on which foreign capital can enter.

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Location of Ultimate Control – Definitions + Examples

Code	Label	Definition	Example firms*
DOM	Domestic	Ultimate control (board, strategy, capital allocation) is located in the same country as the firm's "ownership country" in the dataset.	Sonatrach (DZ), Sonangol (AO), Eskom (ZA), Sasol (ZA), Shoprite (ZA), Sefalana (BW), Press Corporation (MW), Ghana Oil Company (GH), Dangote Sugar Refinery (NG).
AFR_FOR	African regional (outside country)	Ultimate control is located in another African country (e.g. Nigerian firm controlled from South Africa, Kenyan firm controlled from Tanzania or Mauritius).	MTN Nigeria, MTN Ghana, MTN Uganda, MTN Cameroon (all controlled by MTN Group, ZA); Bamburi Cement (KE, controlled by Amsons Group, TZ); Palm-CI (CI, controlled from MU); CIEL Textile (MU subsidiaries controlled from MU).
OUT_AF	Outside Africa	Ultimate control is located outside Africa (European, North American, Asian or Middle Eastern headquarters), even where there is a local listing or partial domestic shareholding.	Nestlé Nigeria, Nestlé Côte d'Ivoire, Nigerian Breweries (Heineken), East African Breweries (Diageo), Nigerian Bottling Co (Coca-Cola HBC), Zambian Breweries (AB InBev), British American Tobacco Kenya, Massmart (Walmart), Murray & Roberts (ATON), Namibia Breweries (Heineken Beverages), AngloGold Ashanti (post-redomiciling).
HYB	Hybrid domestic–foreign location of control	Strategic control is formally shared between domestic and foreign owners, with no single national locus clearly dominant (e.g. structured state–MNC or local–MNC joint ventures with shared boards and veto rights).	Safaricom (KE state + local listed investors + Vodafone/Vodacom), Mauritius Telecom (Mauritian state + Orange), Lesieur Cristal (Avril + Moroccan royal/pension holdings), Mediclinic Group (Remgro + foreign partner).

* Examples are illustrative; some firms move between categories over 2009–2025

Owner Type (Form of Control) – Definitions + Examples

Code	Label	Definition	Example firms*
SOE	State-owned enterprise (unlisted)	Firm is wholly or near-wholly owned by the state (ministry, state holding company, public authority or sovereign fund), with no meaningful public float. Includes classical SOEs and public authorities in utilities, transport and resource sectors.	Sonatrach, Sonangol, Eskom, Transnet, Rand Water, Suez Canal Authority, Office National des Aéroports (ONDA), Ethiopian Airlines Group, SODECOTON (2025), South African Airways.
SCL	State-controlled listed company	Firm is listed on a stock exchange, but state and state-linked entities together hold a controlling stake (line ministry, state holding fund, social insurance funds, development banks, etc.).	Telecom Egypt, Delta Sugar, Alexandria Mineral Oils (AMOC), Ghana Oil Company, Tunisair, SNMVT-Monoprix would be listed but is coded as DFM (family-controlled).
FSM	Foreign state-owned MNC subsidiary	Local firm is a subsidiary of a foreign state-owned enterprise (foreign national oil company, utility or sovereign investment vehicle). The local entity is majority or wholly owned and consolidated into the foreign public MNC.	IndianOil Mauritius (IOC), some historical Engen/Vivo entities when ultimately under Petronas, selected utilities or energy JVs where foreign SOEs hold the controlling stake.
FPM	Foreign private MNC subsidiary	Firm is a subsidiary of a private corporation headquartered outside Africa. The foreign parent holds a controlling stake; the local firm may be listed or unlisted, but strategic control sits with the private MNC.	Nestlé Nigeria, Nestlé Côte d'Ivoire, Nigerian Breweries (Heineken), East African Breweries (Diageo), Nigerian Bottling Co (Coca-Cola HBC), PZ Cussons Nigeria, Zambian Breweries (AB InBev), Illovo Malawi & Zambia Sugar (ABF), Nexans Maroc (Nexans), Cegelec Maroc (Vinci), Cairo Poultry, Namibia Breweries (Heineken Beverages), Massmart (Walmart).
AFRG	African regional private group	Firm is controlled by a private business group headquartered in another African country (not the	MTN subsidiaries (Nigeria, Ghana, Uganda, Cameroon, etc., controlled from South Africa); Bamburi Cement (KE,

Code	Label	Definition	Example firms*
		operating country). Includes listed and unlisted subsidiaries of African regional groups.	controlled by Amsons Group, TZ); certain Engen/Vivo fuels entities; Palm-CI when controlled from MU.
DWL	Domestic widely-held listed group	Firm is domestically listed with no single controlling shareholder. Ownership is spread across domestic/foreign institutions and retail investors; public pension funds may be large but non-controlling.	Tiger Brands, Nampak, Oceana Group, AECI, Super Group, Truworths, Mr Price Group, Reunert, Cashbuild, Mustek, Metair Investments, Merafe Resources, Growthpoint Properties, Aveng (2025), Datatec, Sun International, DRDGOLD (before Sibanye passes 50 per cent).
DFM	Domestic family / management-controlled group	Firm is controlled by a domestic family, founder or management bloc, either listed or unlisted. A concentrated insider stake gives decisive influence over appointments and strategy even where there is free float.	Pick n Pay (Ackerman family), Italtile (founding family trust), Bell Equipment (I.A. Bell family), Famous Brands, Auto Nejma (Hakam family), SNMVT-Monoprix (Mabrouk family), Cevital (Rebrab family), Groupe Elloumi, Biopharm.
DHC	Domestic private holding / diversified group	Firm is a domestic investment or holding company controlling a portfolio of operating subsidiaries across sectors (a diversified conglomerate), with control in private domestic hands rather than the state.	Remgro, The Bidvest Group, Invicta Holdings, Rogers & Co, Press Corporation (Malawi), CIEL Group / CIEL Textile, Barloworld (post-BEE restructuring).
DRH	Domestic royal-holding-controlled group	Firm is controlled by a royal or sovereign family holding company (palace or royal investment vehicle), which acts as the dominant shareholder. Distinct from both state ownership and ordinary private/family ownership.	Marjane Group (Al Mada), Managem (Al Mada), Afriquia Gaz (Akwa/royal-linked), Lesieur Cristal (jointly controlled by Avril and Al Mada/royal investors).
HYB	Hybrid ownership (public-private / domestic-foreign)	Ownership and control are deliberately shared between domestic and foreign, and/or public and private actors, usually via shareholder agreements and joint boards. Neither side is clearly “silent”. These structures are common in politically sensitive or capital-intensive sectors where risk-sharing and joint control are desired.	Safaricom (Kenyan state + Vodacom/Vodafone + local investors), Mauritius Telecom (state + Orange), Lesieur Cristal (Avril + royal/pension investors), Mediclinic Group (Remgro + foreign partner), some historical Palm-CI and Ghana Oil configurations.

* Examples are illustrative; some firms move between categories over 2009–2025



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