Corruption, Good Governance, and the African State

A Critical Analysis of the Political-Economic Foundations of Corruption in Sub-Saharan Africa

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ACC	Anticorruption Commission
AIDS	Acquired Immune Deficiency Syndrome
BDP	Botswana Democratic Party
CAR	Central African Republic
CPI	Corruption Perceptions Index
CPIA	Country Policy and Institutions Assessments
CPP	Convention People's Party
DCEC	Directorate on Economic Crime and Corruption
DRC	Democratic Republic of the Congo
EFCC	Economic and Financial Crimes Commission
EPM	Enlarged Presidential Majority
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNP	Gross National Product
GSI	Global Standard Institutions
HIPC	Highly Indebted Poor Country
ICAC	Independent Commission Against Corruption
ICRG	International Country Risk Guide
IFI	International Finance Institutions
IMF	International Monetary Fund
KACC	Kenyan Anti-Corruption Commission
KANU	Kenya African National Union
KKM	Kaufmann Kraay, Mastruzzi
KKZ	Kaufmann, Kraay, Zoido-Lobatón
MCA	Millennium Challenge Account program
NGO	Non-Governmental Organization

NIC	Newly Industrialized Countries
NIE	New Institutional Economics
OECD	Organisation for Economic Co-operation and Development
OSCE	Organization for Security and Co-operation in Europe
PPP	Public-Private-Partnerships
PRI	Partido Revolucionario Institucional
RPF	Rwandan Patriotic Front
SAP	Structural Adjustment Programs
SGR	Second Generation Reforms
TANU	Tanganyika African National Union
TI	Transparency International
U.S.	United States
UN	United Nations
UNCAC	United Nations Convention Against Corruption
USA	United States of America
USSR	Union of Socialist Soviet Republics
WGI	Worldwide Governance Indicators

1 Introduction

To say that the last decade of the twentieth century was a time of worldwide transformation, sweeping economic and political changes on a global scale, is to repeat a commonplace. For every rapid and large-scale political shift that occurred in this period, we find an equally grandiose metaphor to describe it. The sudden democratic transformation that took hold of much of the third world in the latter half of the twentieth century was deemed the "third wave of democratization" (Huntington 1991). The democratic revolution that engulfed sub-Saharan Africa a few decades later was termed a "springtime for Africa" (Bourgi and Casteran 1991) or a "new democratic dawn" (Sesay and Alou 1998, 48), not to mention Francis Fukuyama's notorious claim that the global expansion of political liberalism at the close of the Cold War was proof that humankind had finally reached the "end of history" (Fukuyama 1992). Perhaps just as remarkable as the internal dynamics of this democratic wave – the resurgence of internal opposition and grassroots movements, as well as the apparent return of a vibrant African *civil society* – was the fact that both the United States and other Western powers suddenly insisted that African governments democratize. Having long supported African regimes with anything but democratic credentials, the West seemed to have returned to its own democratic values, insisting anew upon their universal validity and application. Furthermore, the 1990s witnessed a *corruption eruption*, a term used not to indicate an explosive rise in the actual incidence of third world corruption, but in the significance of the issue of corruption in the West's foreign policy agendas, as well as those of other international donors, non-governmental organizations (NGO), and major international financial institutions such as the World Bank and the International Monetary Fund (IMF) (Glynn, et al 1997). Although campaigns against third world corruption were hardly new, what happened at the beginning of the 1990s certainly was a kind of explosion – and it blew along two different channels.

First, there began the fight against third world corruption, i.e. the use of public power for private gain.[1] Building on the so-called "governance-related conditionalities" (Kapur and Webb 2000) tied to development aid during the 1980s debt crisis, the Western powers and more than a half-dozen international organizations radically increased their efforts to promote good governance in the global South. Rather suddenly, the poor quality of political structures and the questionable integrity of third world politicians came to be regarded as a significant, if not the principal obstacle to third world development. This was taken to be especially true of Africa, where corruption had attained epidemic proportions. Paul Wolfowitz, the former president of the World Bank, remarked in 2006 that the Bank "first acknowledged corruption as a major impediment to development only ten years ago. But since then, it has been leading the development community in coming to grips with this very serious, but long-ignored problem."[2] Larry Diamond, one of the premier scholars on third world democratization, observed in the same vein that Western donors "were independently coming to the conclusion that economic development could not be pursued in isolation from concern for accountable and responsive governance and that development assistance to African dictatorships had generally proved a disastrous failure" (Diamond 1995, 255).

This change in how Western powers and international financial institutions viewed African political institutions and practices was accompanied by a similar change in the field of development economics. The role of political institutions in promoting economic growth and development moved to the forefront, along with a growing consensus that *good governance* – i.e. the rule of law, transparency, democratic participation, a professional and meritocratic civil service, etc.[3] – not only *matters* for economic development (Kaufmann et al. 1999), but could even be regarded as a central determinant of a nation's economic performance. *Bad governance*, by converse, came to be generally acknowledged as a severe det-

1 There are several different versions of the definition of corruption, all of which represent light variations on this common theme. This particular expression is taken from Transparency International (2007, Executive Summary).

2 "Good Governance and Development – A Time for Action" Remarks by Paul Wolfowitz in Jakarta, Indonesia, 11 April 2006.

3 The difficult issue of defining the term *good governance* is discussed later in the introduction.

riment to growth and development, and it continues to be held responsible for the failure of third world nations to attain sustainable development (North 1990; Easterly 2001 & 2006). In the face of such a sharp theoretical and practical turn, some observers even claimed at the time that there was "reason to believe we may be at a historical turning point in humanity's long wrestle with corruption. A new global standard appears to be taking shape in human consciousness" (Glynn, et al 1997, 8).

Second, alongside the fight against corruption, there was the sudden push for democratization in Africa. At the beginning of the 1990s, the United States and France drastically reduced their aid to several African autocrats who had been close allies during the Cold War and enjoyed enormous amounts of financial and military support. This opened the floodgates for internal opposition movements and made democratic reform efforts a primary condition on continued development assistance. Twenty years later, within the context of the U.S. *war on terror*, George W. Bush even made democratization the cornerstone of American foreign policy, while making corruption the only *do or die* criterion for receiving aid under the *Millennium Challenge Account* for highly indebted poor countries (HIPCs). Anticorruption and democratization thus became two fundamental pillars of these two powers' respective Africa policies.

In light of such a radical shift of consciousness, along with what seemed to be earnest intentions on the part of Western powers to make good on their own ideals of government and their own promises to help African countries move toward robust democracy, hopes for Africa's political and economic development were high. Almost two decades later, however, there is a great deal more sobriety. Corruption continues to plague the African subcontinent; the wave of democratization has swept in democracies bearing all kinds of qualifying prefixes, such as *quasi*, *pseudo* or *unconsolidated*; political violence continues to rage in the form of civil wars, cross border wars, state decay and collapse, electoral violence, and both domestic and international terrorism. In far too many cases, efforts to combat authoritarianism, corruption and bad governance in Africa have failed to bring about real change, overwhelmed by a lack of political will to change for the better. Bright spots in one country have been dimmed by plunges into darkness in other countries. Some of yesterday's *model countries* have become today's problem children, while some leaders once dubbed Africa's hopeful *new* *generation* have meanwhile proven worthy of much less flattering titles. Regimes that have accepted democratization and installed anticorruption mechanisms seem to be accommodating themselves to international and domestic demands just enough to not have to make any substantial changes. Civil society, despite becoming ever more vibrant, harbors actors with less than honest intentions, and it has fallen far short of the expectations thrust upon it by its proponents both in the West and in Africa. All in all, a mood of disappointment and disillusionment has set in, strikingly similar to what once followed the heady days of African independence, when newly born African governments succumbed to a rash of military takeovers and civilian oppression. Today, with increased instability even in Africa's democracies, and with China's increasingly predominant role as a rival buyer of African resources, provider of aid and investment, and supporter of African governments with sometimes dubious democratic credentials, the pendulum appears to be swinging back in the other direction. There are numerous fears of, and increasing calls for, Western powers' return to a more self-interested and pragmatic *realpolitik* that no longer strives for lofty and unattainable goals such as democratization and good governance – especially given the current state of nation-building efforts in Iraq and Afghanistan. The result is that public power in Africa continues to serve the interests of those in power more than it serves African citizens, and the latter continue to suffer the consequences.

What is the reason for this disappointing and frustrating state of affairs? For the most part, Africa's current desperate situation has been attributed to two causes. First and foremost, corruption on the part of Africa's leaders and public officials has been held responsible for the severity of the continent's continuing troubles. Many observers regard moral decrepitude and incorrigibly self-serving greed, along with an almost total failure to meet standards of good governance, to be at the heart of Africa's failure to live up to its economic and political promise. Second, Western powers have been criticized for their own selfish behavior, for their own failure to follow through on their good intentions and grand promises, and for their own failure to undertake earnest efforts to promote good governance and reliable democracy in Africa. In the worst case, they are even accused of facilitating the spread of corruption and intensifying its harmful effects.

The currently predominant strategy for remedying Africa's record of corruption and bad governance corresponds to this diagnosis. On the one side, Western powers are called upon to put their self-interested foreign policies aside and truly commit to good governance and anticorruption in Africa. In particular, they should focus their efforts and their resources on constructing and consolidating institutions of accountability, while making aid and assistance conditional on progress in promoting good governance and reducing corruption. On the other side, African governments are to demonstrate measurable progress in developing anticorruption institutions and reducing the amount of corruption in government. At the same time, they are to expand opportunities for civil society and the general public to participate in government through robust democratic procedures. The hope is that by establishing the same institutions that work to combat corruption and allow meaningful democratic participation in developed countries, significant steps can be taken to not only improve African governance and foster justice for African populations, but also to lay the cornerstone for sustainable economic development. Some theorists have even gone beyond demanding that African governments meet these demands *prior* to receiving aid disbursements, calling for institutional reform *instead* of development aid and assistance (e.g. Easterly 2006; Calderisi 2007). These critics argue that giving aid to governments with broken institutions is akin to throwing money out the window, and offers no incentives to African governments to get their institutional houses in order.

1.1 Statement of the Argument

This study will argue that this predominant conception of both African politics and Western policies of good governance is flawed in two respects. First, whereas most observers criticize Western governments for being selfish – and some would argue myopic – because they do not consistently promote good governance in Africa, the West's push for good governance is in fact an instance of self-interested strategic calculation. The standard account of Western powers' foreign policies in Africa therefore fails to understand the *realpolitik* involved in these countries' earnest efforts at good governance in both Africa and the third world in general. One task of this book, therefore, is to deliver an alternative explanation of the motivations and interests of the leading industrial powers in promoting anticorruption policies and democratization in Africa. Second, although it is true that African leaders, officials and bureaucrats systematically use their publicly accorded power for private gain, the accusation of corruption falls short of explaining the fundamental causes for why that use of power is so widespread. It attributes the nature of African politics to the moral failings of individual politicians and regimes, putting their behavior down to a deviation from the norms of governance found, if not always practiced, in the West. Although the difference between Africa and the West in terms of the scale and impact of corruption cannot be overseen, the notion that African public officials could be so systematically immoral and deviant is dubious at best. The prevalence of corruption and bad governance in Africa cannot be explained without taking into account the particular economic circumstances that prevail in these countries, particularly their state of underdevelopment, external dependency, and incomplete market formation.

Indeed many authors have asserted a causal relation between levels of national income and the quality of governance within a given country (e.g. Lipset 1959; Sachs 2005). And although many would argue that a developed market economy is a strong – and perhaps the only truly solid – foundation for good governance, the reason for that is less understood. The reason that a developed market economy is so crucial to the development and consolidation of democracy and good governance is not, at least not primarily, because it entails a relatively high level of national income. The quality of governance in a given country is just as little a derivative of income level as it is a function of politicians' morality. After all, a market economy is more than just money and private property, but encompasses a whole array of institutional arrangements, some more political, others more economic. A developed market economy is so crucial for good governance because only this kind of economy harbors a fundamental political-economic relation that could be termed *mutually advantageous dependence*. This means that good governance will thrive only on the basis of the following two circumstances: First, the wealth and power of the state must both depend *and* thrive on the economic pursuits of its own private citizens; that is, the economic activities of the citizens must prove a capable source of wealth and power for the state. Second, private citizens' economic activities must depend and thrive on the rule of law, the impartial exercise of state power, rather than the use of that power in the interest of a particular clientele. Citizens must not only view themselves as being dependent on the impartial exercise of authority, but also believe that the economic order protected by that authority offers viable opportunities for sustaining a livelihood and/or accumulating wealth. In short, state and society must, first, *depend* on each other; second, that relation of dependence must prove *advantageous* to both sides.

The second task of this book, therefore, is to demonstrate that only a state of mutually advantageous dependence will produce strong incentives for good governance. Only then will those who wield political power and control public monies have an incentive to use those political and economic resources to foster a private economy, detached from the state. Likewise, only under these conditions will the population demand that politicians and the government work to foster the growth of the overall economy, rather than, e.g. striving to obtain a share of the *national pie* for their respective constituency. By converse, if this qualitative economic prerequisite is absent or undeveloped, the political life of the nation will look very different. Sub-Saharan Africa is a particularly striking illustration of this fact. If the state finds no reliable source of wealth and power in the private economic activities of the citizens, then it will have little incentive to foster those activities. Likewise, if the population is not involved in economic activities which demand a stable rule of law, the protection of private property and the promotion of its growth, then it will have little reason to support and demand an impartial governmental authority that protects the rule of law and fosters the overall economy. Instead they will have strong incentives, or rather, they will have little choice but to join the right clientele and demand that political representatives favor their particular group, rather than serving the law and the overall economy.

In short, sub-Saharan Africa offers a drastic illustration of the circumstances under which politics is likely to consist in the search for and cultivation of clientelistic networks, to the detriment of the rule of law and overall development. In extreme cases, which are all too common on the African subcontinent, politics will be marked by mutual disengagement between the state and society, mutual indifference and even hostility between the government and the population, flanked by the flourishing of patronage and corruption.

Two misunderstandings need to be avoided at this point:

First, just because corruption represents the *norm* in African politics, this does not mean that African politicians and citizens have no qualms about corruption.[4] That would be an absurd claim in light of the fact that just about every candidate for public office in Africa runs on a platform of anticorruption and most African citizens regard corruption as a primary, if not the primary obstacle to a better life in their country.[5] Furthermore, most African citizens agree with Western observers in attributing their representatives' actions to the latter's moral decrepitude, to their failure to represent the public interest. They are hardly content to shrug off corruption as a matter of *tradition* or *economic reality*. That is precisely what is so striking about African political life: Despite ubiquitous complaints about corruption from both politicians and the public, and despite manifold efforts to combat corruption and bad governance, both continue to prevail.

A second misunderstanding is that to point to the lacking economic foundations of good governance in Africa is to claim a kind of economic determinism, according to which economic circumstances compel political actors to engage in corrupt behavior. But to point out economic constraints on good governance is not to excuse the actions of many of Africa's regimes. Although political actors in Africa have always been confronted with tight constraints imposed by their country's internal economic weakness and their subordinate position within the world economy, this is not to say that African leaders and officials haven't been willing – in some cases more than willing – to accommodate themselves to this reality and do their best to ensure their own wealth and power at the cost of their citizens. The flipside of this argument is that even a developed market economy can never guarantee the absence of corruption. Corruption is at home in every country around the world. Nevertheless, the incentives and constraints

4 This is not to be confused with a popular notion among African politicians and well-meaning critics of Western countries' foreign policies, namely that *corruption* is an import from Western countries with different political traditions and values, with different economic circumstances that permit the luxury of honest and impartial governance.

5 This contrasts with a claim made by several authors, who maintain that anticorruption is not as universal a norm as Western observers often assume (Oivier de Sardan 1999; Hasty 2005). Although it is true that anticorruption is a weaker force in Africa than elsewhere, partially for cultural reasons, it would be wrong to ignore the fact that African citizens not only understand the concept of corruption, but regard it as one of the primary problems in their countries.

that emerge on the basis of a developed market economy can provide a reliable basis for containing and combating corruption and bad governance.

Because the political-economic prerequisite of *good governance* – a developed market economy and mutually advantageous dependence between state and society – is absent in Africa, the currently predominant strategy of building institutions of accountability is inadequate. This is especially true given the fact that in many instances the growing emphasis on institutions has gone hand in hand with an increasing rejection of development aid and economic support for Africa. More and more, we hear about the need to construct quality institutions instead of promoting the development of a solid economic base. Although pumping development aid into corrupt political systems is hardly an effective way of promoting economic and political development, it is just as wrong to swing the pendulum back in the other direction and demand political reform *instead* of extensive economic support. If it is true that the poor quality of African governance is based on the economic foundations that prevail in these countries, then even the best-designed political institutions will be built on sand.

At the same time, this thesis presents a serious problem. After all, there is no magic bullet solution to bringing about a developed market economy and mutually advantageous dependence; there is no clear path to bringing about the kind of economy that can support a consolidated nation-state with institutions of good governance. It is not something that can or ever has been planned and successfully engineered, and it is a long and often bloody affair. At this point, therefore, we are faced with a difficult choice. If we retain the aim of installing a Western model of good governance in Africa, then there is no way around *doing everything at once,* that is, supporting political reform while simultaneously providing extensive economic support. Or, if this endeavor is deemed too difficult, costly, or unrealistic, we may need to abandon the model of the Western nation-state and look for other ways to ensure the delivery of good governance outside of the Western governance model. This would entail building institutions on the basis of local power relations, which in many cases do not conform to our norms and beliefs about what constitutes good governance. Both options will require far-reaching changes on the part of both Western governments and African governments and peoples; this would entail serious alterations in the foreign-political economic and strategic calculations of developed countries, as well as the emergence and mobilization of an enormous political will to change within African countries. When it comes to providing solutions to the deficits of African politics, therefore, equal measures of creative innovation and patience are required.

1.2 Methodology and Terminology

Any theoretical endeavor that addresses the political economy of an entire subcontinent is bound to run into problems of both form and content. First, there is the matter of finding the proper monikers for the region under examination. Authors on the politics and economics of the African subcontinent have made use of a variety of names to delineate their area of study. A few decades ago, *Black Africa*[6] was often used to denominate the forty-eight nations that stretch between the Southern reaches of the Saharan desert and the Cape of Good Hope, including islands in both the Atlantic and Indian oceans. The term, which for the most part has been abandoned in the English language literature on Africa, intends to set these countries off from North Africa, which is culturally, economically and ethnically closer to the Middle East. The Republic of South Africa is also often excluded from this list, due to the fact that its economic structure is uniquely advanced on the continent, though it does share many other political and economic characteristics with the rest of the region. Nevertheless, because it seems almost intuitive to treat this country as its own case, South Africa is largely excluded from this study. Although some authors (e.g. Rothchild 1985) use the term *Middle Africa* for just this reason, the term *sub-Saharan Africa* has gained currency as the most accurate, and perhaps politically correct, name for the countries that form the subject of this inquiry. Although this term certainly has its merits in terms of geographical and conceptual precision, it quickly proves excessively cumbersome even in a medium-sized study of the region. For the same reason, the developed nations of Western Europe and North America are mostly referred to as *the West,* or as the *Western powers,* even if the way the term is used could also be applied to other more *advanced, industrialized* or *developed* nations such as Japan. All of these terms have their own flaws and engender certain false connotations, just as do the terms *first world* and *third*

6 French and German authors also customarily used this term: *Schwarzafrika* and *L'Afrique noir.*

world, which are likewise to be found throughout this study. For lack of a better set of terms for these different sets of countries, whose substantive similarities and differences can easily be grasped on both an intuitive and analytical level, it is assumed that the reader will understand what countries are being referred to when the term *Africa* is substituted for the specific *part* of Africa at issue, and when the term *the West* is used to refer to Western Europe, the United States of America (USA) and other *developed nations.*

But the issue of how to label the countries of sub-Saharan Africa (and the West) represents a comparatively marginal difficulty. Although with a little clarification we can categorize these nations geographically, what right do we have to treat this whole set of countries, with all their individual historical paths and present conflicts, as a single object of investigation? How can the attempt to give an account of the political economy of Africa avoid over-generalizing to a degree that makes any claims either largely inaccurate or ultimately meaningless in their generality? This is a difficulty facing any theoretical treatment of sub-Saharan Africa. But it is not without reason that these countries, despite the many differences between them in terms of politics, economics, geography and culture, are often treated as a single unit about which certain meaningful theoretical generalizations can be made. Although there might be an element of typical Western ignorance at work here, these countries nevertheless share remarkably similar histories, economic structures, political characteristics and deficits. The uniform nature of these countries' political and economic status in the world economic and political order, as well as the circumstances within their borders, cannot be denied. Although we should bear in mind that to speak of the nature and characteristics of *African politics* and the *African economy* is always to over-generalize, this should not prevent us from drawing conclusions about the general political-economic logic at work in these countries. This concern is also ameliorated by the fact that one of the major claims of this study is that there is a need to analyze and base policy on an understanding of the specific social, political, economic and historical circumstances in each individual country. But because this inquiry focuses on the general contours of African politics and economics, exemplary instances within various African countries will be used to illustrate the argumentation, without diverging into detailed empirical accounts of individual nations and the differences between them. Wherever a certain claim cannot be applied to all these nations, the relevant comparisons and contrasts are made. Empirical economic material has been kept to a minimum in order to emphasize the basic logic of politics and economics in Africa.

A few words about the methodological perspective employed when analyzing the actors and motives of African political economy: Throughout the paper, the terms *the state, African society, the citizens,* etc. are used. Especially when it comes to the state, this seemingly simplified terminology has been adopted from international relations theory, more specifically from the school of *neorealism.* This school of thought – represented most prominently by Kenneth Waltz (1979) and Robert Gilpin (1987) – assumes that states are the dominant actors on the international scene and that their primary goal is the increase of power. When these authors speak of the interests of the state, therefore, they are not speaking of the interests of individual politicians: getting elected, getting rich and powerful. Rather they are getting at something more abstract and general: the state's pursuit of wealth and power. This investigation employs this realist perspective to the analysis of the state in general and the African state in particular, in its activities at home and abroad. However, the use of such general – and generalizing – terms is not unproblematic, especially in the case of sub-Saharan Africa, where the definition of the state's interest and aims is largely up for grabs, an object of ongoing struggle. The *raison d'état,* the national interest in these countries, is very much a moving target. In the same way, African *society* is notoriously riven by competing loyalties and subnational identities; African populations are often just as much in conflict with each other as rival African politicians.

Nevertheless, the context in which these generalized terms are employed justifies their usage. Characterizing state actors' actions and motives in terms of the state's pursuit of wealth and power does not contradict individual politicians' strivings for personal power and wealth. Although rational choice theorists are right to point out the important role played by individual actors' pursuit of their own advantage, it would be wrong to explain state actors' actions and motives solely in terms of their own personal benefit. Equating the pursuits of state actors with those of a market actor (homo oeconomicus) always means ignoring the reality of political action, in which motives such as national interest and public duty consistently play a crucial role. That can even be seen in the case of developed countries, where politicians' vain struggles for office and recognition go hand in hand with their struggles over the right policy for the country, etc. Just as it would be wrong to imagine that Western politicians are only out for themselves, only concerned with getting elected and getting rich, and are thus neither interested nor engaged in promoting the national interest, it is also wrong to characterize African politicians solely in terms of their strivings for wealth and power. Where African governments do take measures to undermine the state in order to promote their own enrichment, then it is clearly wrong to speak of *the state's* search for wealth and power. In these cases, the state has essentially been dissolved, and the entire character of society is changed as well. But to generalize the perspective of the homo oeconomicus and make it the sole perspective on political life would be to ignore the reality of modern political systems, not to mention phenomena such as patriotism and public duty.

Finally, there is the remarkably elastic and indeterminate notion of *good governance.* Because there is no uniform definition or usage of the term, its substance is often difficult to grasp, even within a particular context. Within the realm of economics, it often merely refers to the security and reliability of property rights (e.g. Acemoglu, Johnson and Robinson 2001). It is used just as often in a more *technocratic* sense to indicate appropriate economic policy, transparent bureaucracies and decision-making processes (e.g. IMF's demands on good governance within the context of *structural adjustment*), while in other cases it also encompasses institutions, processes and practices that are democratic in the stricter sense of the term: free and fair elections, multiparty competition, as well as a whole array of civil liberties. Doig and Riley (1998) make a useful distinction between *good government* and *good governance.* The former is a framework that concerns the organization and activity of government, and is made up of several components:

> Political legitimacy for the state through democratic elections and transfer of power, and an effective political opposition and representative government; accountability through transparency and the provision of information; separation of powers; effective internal and external audit; effective means of combating corruption and nepotism; official competency, such as trained public servants; realistic policies and low defence expenditure; human rights as indicated by freedom of religion and movement; impartial and accessible criminal justice systems; and the absence of arbitrary government power (46).

These elements of government are in turn a kind of precondition for the broader goal of good governance, defined as the "use of political authority and the exercise of control over society and the management of its resources for social and economic development" (Ibid.). This concept of governance comprises a state's "institutional and structural arrangements, decision-making processes, policy formulation, implementation capacity, information flows, effectiveness of leadership, and the nature of the relationship between rulers and the ruled" (Ibid.). Clearly, the debate over the details of what good governance actually refers to could in itself provide enough material for a book in its own right. And as we will see in Chapter 7, there is a distinction between good governance as a way of exercising political authority and good government as a specific way of organizing the use of that authority – a distinction that becomes especially relevant when we address the issue of how to improve governance in sub-Saharan Africa, where the structures of the state are often limited at best. In this study, the term *good governance* is used in the broader sense as defined by the United Nations,[7] a definition that encompasses both the fight against corruption and the institutions and practices of democratization. Although these can certainly be viewed, discussed and treated as two separate notions and political undertakings, it is what they have in common that interests us here. Both anticorruption and democratization are distinguishing features of a particular use of governmental power, one that serves a *public* good, rather than the *private* good of rulers or merely a certain portion of the ruled. The main issue that this paper addresses is the failure to understand why this seemingly self-evident principle of political justice is so strikingly absent in sub-Saharan Africa. It seeks to explain what this debate takes for granted: the nearly universal applicability of the institutions and practices of good governance. For this reason, the terms *good governance*, *accountable government* and even *quality* or *honest* governance are used synonymously.

This is also the guideline for my use of the term *corruption*. Chapter 2 discusses the difficulties and controversies surrounding the meaning of the term. The

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7 "Governance is considered 'good' and 'democratic' to the degree in which a country's institutions and processes are transparent. […] Its processes include such key activities as elections and legal procedures, which must be seen to be free of corruption and accountable to the people. […] Good governance promotes equity, participation, pluralism, transparency, accountability and the rule of law, in a manner that is effective, efficient and enduring. In translating these principles into practice, we see the holding of free, fair and frequent elections, representative legislatures that make laws and provide oversight, and an independent judiciary to interpret those laws." (United Nations Global Issues: www.un.org/en/globalissues/governance/)

most general expression for what corruption is and entails is the "use of public power for private gain." Throughout most of the investigation, the term will be used in this general sense, which in essence constitutes the converse of *good governance.* Whereas good governance indicates the use of power in the public interest, corruption indicates the use of power for specific private interests, be they those of the ruler or of his/her constituents. Although it is important that we understand the distinctions between different kinds of corruption in different situations, as well as the gray areas inherent in any system of government, the purpose of this inquiry is to step back and ask a broader question: What are the political-economic circumstances that underlie the use of public power for private gain in Africa? If we were to break down African corruption into individual instances and analyze each and every case of corruption, it would obviously be inappropriate to gather all different kinds of corruption under one term. But for this broader purpose, using such blanket terms seems acceptable.

1.3 Overview of the Individual Chapters

Chapter 2 addresses the motivations behind the sudden political shift in Western powers' stance on African governance at the close of the Cold War. Contrary to the widely held view that the promotion of *good governance* derives solely from a commitment to certain political values, policies of democratization and anti-corruption are in fact a means by which Western powers have pursued their economic and/or strategic self-interest. The use of these policy instruments stems from the altered world political situation that emerged at the end of the Cold War, which is made particularly clear by the trends in the Africa policies of the United States. This interpretation differs from the skepticism voiced by many critics of American foreign policy, who reject the invocation of good governance as hypocritical rhetoric contradicted by actual U.S. policies. According to this view, *corruption* and *good governance* are merely Orwellian newspeak for self-interested foreign policies. This critique is inadequate in that it likewise posits an opposition between the promotion of good governance in other countries and the pursuit of the promoter-country's own national self-interest.

Chapter 3 provides theoretical background on the concept of corruption within development economics. This entails a discussion of the issues and difficulties related to defining, measuring, surveying, and categorizing corruption, especially due to the moral dimensions of the concept. The issue of corruption occupies a central place within the larger debate on the role of institutions in economic development, here represented by the work of Douglass C. North. Although we must proceed cautiously when it comes to determining the precise nature and extent of the effects of corruption on development, there is ultimately no doubting its overall negative impact. The various studies on the relationship between corruption and economic performance constitute the origin of development economics' concern with corruption, and they form the theoretical basis for current efforts to combat corruption, especially on the part of the World Bank. But in spite of the fact that the negative consequences of corruption for development represent a key motivation to combat corruption, the debate over corruption's effects often drowns out the discussion of its causes – with problematic implications for reform efforts.

Chapter 4 focuses on the currently predominant diagnosis and cure for corruption and bad governance in Africa, which is embodied by the World Bank's anti-corruption program and has its origins in the *neoclassical* account of corruption. Whereas the Bank and its theoretical forefathers assume that the systematic nature of corruption derives from the weakness of institutions for upholding the public interest, the outcome of this institutional strategy often demonstrates that corruption derives from the weakness of the public interest itself. Because the particularly weak and contentious nature of the public interest in Africa is often underestimated by this approach, efforts to combat corruption end up providing catalysts and additional channels for corruption.

Chapter 5 claims that in order to grasp the root causes of corruption in sub-Saharan Africa, we need to shift our theoretical perspective and alter our methodological approach. This means going beyond accusing African officials of being corrupt and abusing their power, instead analyzing why this particular usage of public power is so widespread in Africa. If the public interest is so weak and doesn't ultimately determine political agents' behavior, then what does and why? As much as one can and should morally condemn corruption, for the sake of analysis it is imperative that we bracket out our moral convictions, focusing not on how African politics does *not* conform to the norm, but on what *makes* the use of public power for private gain the norm in these countries. This involves drawing on the extensive theoretical work done on the concept of the state in general and the African state in particular, emphasizing the dramatic gap between the seemingly timeless model of *the state* and the reality of the African state. Overarching the manifold difference between individual countries within sub-Saharan Africa is the logic of *neopatrimonialism*, both before and after the *wave of democratization* during the 1990s. This political logic, which is characterized by the weakness of an overall public interest and the presence of numerous ethnic or other domestic fault lines, is in turn anchored in the particular economic realities of sub-Saharan Africa.

Chapter 6 identifies and explains the economic foundation of the public interest, which both underlies the institutions of good governance in the West and is demonstrably absent in Africa: *mutually advantageous dependence* between the state and its citizens' economic pursuits. After discussing the logic of this political economic relation, the chapter takes a fresh look at the well-documented history of institutional development in Western Europe, demonstrating the logic of mutually advantageous dependence at work. Institutions of accountability – from parliamentary representation to various civil rights – are shown to be founded upon the state's increasing dependence on the economic pursuits of its subjects, as well as the citizens' increasing dependence on the impartial protection of private property, equal rights, and political and economic participation. On this account, institutions of good governance presuppose a flourishing market economy that, first, proves to be a viable source of wealth and power for the state and, second, acts as a viable source of economic well-being for the large majority of the population. This interpretation contrasts strongly with the lesson that the institutional school often draws from the history of institutional development in Western Europe, which is that institutions of accountability are a prerequisite for development, a necessary – and some would argue sufficient – condition for growth and economic progress. Although good institutions are crucial to growth, the institutions of good governance in fact presuppose the economic development they are meant to promote.

Chapter 7 details the absence of mutually advantageous dependence in Africa, where states depend only marginally on the economic endeavors of their citizens, instead finding their only viable sources of wealth and power abroad. Because of this lack of mutual dependence, African regimes have little to no incentive to provide their citizens with effective systems of representation and influence, nor to undertake earnest efforts to provide basic political and economic conditions for growth and development. Essentially, African states represent the logical converse of the slogan that sparked the American revolution, "No taxation without representation!" States whose income does not derive from the taxation of their citizens have little reason to represent them or promote their economic pursuits, not to mention their basic well-being. Although the overwhelming majority of African citizens would undoubtedly welcome good governance, they have little incentive and even less capacity to deliver the resources needed for a state that can reliably enforce the rule of law and provide the manifold collective goods required for a prospering national economy. But despite the economic foundations of African politics, governance in Africa is not a matter of economic determinism. It derives equally from historical contingency. African politics thus ultimately represents the failure of – or the failure to even attempt – nation-building. Contemporary African politics is defined by strategies aimed at maintaining political hegemony in the face of this lack of a consolidated nation-state on the basis of a viable national economy. The outcome is a combination of weak, failing, failed and collapsed states, with bright spots that are few and far between.

Chapter 8 turns to the daunting issue of what can be done to improve Africa's political and economic situation. This involves grappling with an inordinately difficult question: If the economic and social prerequisites for good governance are lacking, how can those prerequisites be brought about? This is especially difficult given the fact that these prerequisites – a developed market economy and a consolidated nation-state – have never been planned or engineered, but represent the outcome of long, bloody conflicts and a healthy portion of historical contingency. Indeed, to give a clear answer to this challenge appears entirely impossible, if not dishonest and contradictory. Here we are faced with a difficult choice between two options, both of which would require a realignment of Western powers' foreign policy priorities and a major mobilization of political will within Africa. On the one hand, if we retain the Western nation-state as the model for good governance, then there is no way around *doing everything at once.* This would mean not only supporting the reform of political institutions in Africa, but making extensive efforts to promote rapid economic development, instead of making one the condition for the other. On the other hand, we could put aside the model of the Western nation-state as an unattainable ideal, one that is too costly or simply unrealistic given the prevailing power relations in a globalized world. This would mean finding ways of ensuring a modicum of good governance outside the context of the Western-style nation-state. Instead of building Western institutions in Africa, this would mean building *on* local power relations and structures. In either case, the first step to devising strategies for political and economic reform remains the same: The particular historical, social, political and economic circumstances in each individual country must be given priority over successful recipes adopted from other regions and countries.

2 Corruption and Good Governance: Key Elements in Western Powers' Post-Cold War Africa Policies

Before analyzing the concepts and policies of *anticorruption* and *good governance* on their own terms, it is worth investigating the political and economic motivations that put these two concepts at the heart of development policy and theory. Contrary to the widespread interpretation according to which Western governments' increasing insistence on anticorruption and good governance derives primarily from a moral and/or scholastic awakening, this policy shift is motivated by political and economic self-interest. What accounts for this change in strategy are the upheavals in the global political scene during the closing decades of the twentieth century, induced by the decline and collapse of the Soviet Union, and embodied in the increasing globalization of national economies. After tracing the development of Western demands on African governance from the Cold War until today, this chapter outlines the development of anticorruption and democracy as pillars of World Bank policy. In order to further emphasize the *realpolitik* behind the West's policy shift, the history of *democratization* in Africa is briefly retraced, focusing on parallels with shifts in the strategic interests of Western powers.

2.1 Western Demands on African Governance – Then and Now

2.1.1 French and U.S. Cold War Demands on Africa: *Bad Governance* as Foreign Policy

Most observers look back at the Africa policies pursued by France and the United States during the Cold War with a measure of shame and regret. Though they might express understanding for the strategic exigencies of the time, the West's support of some of history's most fearsome dictators and corrupt autocrats nevertheless remains a source of unease. Indeed, Franklin Delano Roosevelt's notorious remark that Anastasio Somoza Garcia, the former autocratic president of Nicaragua, "may be a son of a bitch, but he's our son of a bitch," found unparalleled application in Cold War Africa. If this is true of U.S. African policies, which lent support to autocrats and kleptocrats such as Siad Barre in Somalia, Mobutu Sese Seko in Zaire, Haile Selassie in Ethiopia, Samuel Doe in Liberia, Hissène Habré in Chad, Daniel Arap Moi in Kenya, as well as the Apartheid regime in South Africa, then it is even more true of France, who for the most part showed unbending support for brutal dictators such as Gnassingbé Eyadéma in Togo, Jean-Bédel Bokassa in the Central African Republic (CAR), as well as for *benign* autocrats such as Felix Houphouët-Boigny in Côte d'Ivoire, Omar Bongo in Gabon, and a host of others.

France and the United States each had distinct reasons for supporting their respective African clients. France's primary interest was to sustain its dominant political, economic, and even cultural influence over what had previously been French West Africa and French Equatorial Africa. Although all of these countries had achieved formal independence in the early 1960s, France continued to consider these countries its *domaine réservé*, its *pré carré* or *chasse gardée* – analogous to the USA's *backyard* in Latin America – and sought to maintain and expand that influence into other African regions (Martin 1995, 171). After all, it was France's power in Africa that substantiated its claim to "medium-power" or even "great power" status (Schraeder 2000, 401). In this vein, Valéry Giscard d'Estaing stated boldly, "Je m'occupe de politique africaine, c'est-à-dire des intérêts de la France en Afrique."[8] In economic terms, Africa also played a key role as a supplier of strategic raw materials, an important market for French exports and investment, and above all as a footing for the strength of the French currency. Indeed, France exercised near total control over the monetary policy of these countries. The paternal – and highly personalized[9] – manner in which France cultivated its relations with its former colonies had implications that were anything but democratic. *Good governance* in this context had little to do with democracy, rule of law and professional administration. It meant nothing more and nothing less than friendliness to French interests. And if this involved supporting autocrats who garnered large portions of state revenues and placed them either in Swiss banks or in the pockets of their clients, then this was a perhaps regrettable, but nevertheless necessary evil.

Unlike France, the USA had relatively few economic interests in Africa, perhaps with the exception of Gulf Oil in Angola (Clapham 1996, 141). And even in strategic terms, Africa was a relatively insignificant variable in America's Cold War calculations. Although the aim of containing communist expansion applied to Africa as much as it did to the rest of the third world, the United States was unwilling to provide anything close to the level of military, economic and political commitment it gave to the Middle East or Southeast Asia – even in the so-called "second Cold War" which lasted from the mid-1970s to the mid-1980s, and whose flashpoints could be found in Angola and the Ogaden desert (Clapham 1996, 100f). Nevertheless, anticommunism constituted the leitmotif of American policy on the subcontinent and also provided the substance of the United States' Cold War definition of *good* governance. Given its strategic aims in Africa, the United States – as well as the Soviet Union – generally preferred to work with incumbent regimes and thus supported the conventions of state sovereignty so strongly upheld by African governments themselves (Ibid., 101). This often entailed not only turning a blind eye to these regimes' oppressive rule at home, but also furnishing them with financial and military resources. Given the presence of a creditworthy alternative source of financial and military support

8 "I am dealing with African affairs, that is, French interests in Africa." Televised interview of Valéry Giscard d'Estaing, quoted in Jallaud, Thomas, "La coopération militaire," in: La France contre l'Afrique. Paris: Maspéro, 1981, p. 105.

9 See Smith, Stephen and Antoine Glaser (1992, 1997), Ces Messieurs Afrique, Vol.I and II. Paris: Calmann-Lévy, for a thorough treatment of the relationships between French politicians and businessmen and their African partners in government.

in the shape of the Soviet Union, the United States could not entirely afford to insist on democratization. After all, this is a policy that would have expressly undermined these regimes' claim to power and perhaps driven them into the Communist camp. On the other hand, because of the relative economic and strategic insignificance of most of Africa – with the notable exception of the Horn – the United States *would* not afford the costs of any significant military engagement. This in turn gave African regimes the chance to play the superpowers off against each other, without much risk of serious retribution. If a regime could successfully present itself as an anticommunist bulwark or professed Marxist-Leninist sympathies, it could be sure to receive support from one or the other side. Clearly, the implications of this global political constellation were anything but democratic; the corruption of allied African elites was written off as an unfortunate necessity that had to be tolerated in the interest of *stability.*

2.1.2 French and U.S. Post-Cold War Africa Policies: The Turn to Democracy and Good Governance for Africa

With the end of the Cold War, however, both France and the USA declared that they had turned over a new, more altruistic leaf in their Africa policies. Warren Christopher, then Secretary of State, stated that

> during the long Cold War period, policies toward Africa were often determined not by how they affected Africa, but by whether they brought advantage or disadvantage to Washington or Moscow. Thankfully, we have moved beyond the point of adopting policies on how they might affect the shipping lanes next to Africa rather than the people in Africa.[10]

According to Christopher, the United States had decided to drop its self-interested strategic calculations in favor of a policy oriented toward the needs and desires of Africans themselves. It lent credence to this rhetoric with a series of measures aimed at fostering democracy and fighting corruption on the subcontinent. First and foremost, it drastically reduced its support for African rulers who had once proven to be staunch American allies, but who were now dubbed

10 "The United States and Africa: A New Relationship", Remarks by Secretary of State Warren Christopher at the 23rd African-American Institute Conference, Reston, VA, 21 May 1993, p. 2.

corrupt tyrants. Secondly, it undertook significant efforts to foster not only the formal institutions and practices of democracy and the rule of law – e.g. free, fair and secret elections, independent legislatures and judiciaries, mechanisms of oversight and accountability – but also a democratic "civil society" (Diamond 1995, 262f.).

For a time at least, France also seemed to recant its former pattern of unconditional support for friendly regimes regardless of their democratic credentials. At the 1991 Franco-African summit meeting of La Baule, French president François Mitterand asserted that in the future, "French aid will be lukewarm toward authoritarian regimes and more enthusiastic for those initiating a democratic transition."[11] In some cases, such as in the CAR and Togo, this meant placing timely pressure on incumbent rulers to liberalize, in particular to permit democratic elections and accept the resolutions of their respective "conférences nationales" on democratic ground rules (Nugent 2004, 390; Heilbrunn 1993, 277ff.).

Finally, the closing stages of the Cold War saw the issue of *governance* find its way into the bilateral aid policies of Western donor countries and multilateral financial institutions such as the World Bank and the International Monetary Fund. After the end of the East-West confrontation, *governance* shot to the forefront of development policy.

There are many factors that played a role in this rather radical shift, deriving partly from an enormous rise in the amount of private investment going to developing countries – both portfolio investments and especially foreign direct investment (FDI). Because of the long-term nature of FDI, investors and aid donors developed an interest in the long-term stability of third world governments and in ensuring that these governments would keep to the laws on their books. In other words, the long-term exposure of assets to both political and economic developments in these countries made governance a central issue. Arndt and Oman (2006) also point out that although aid flows to many developing country governments were reduced during this period, aid that went toward promoting good governance actually increased in many places (15f.).

[11] Quoted in Casteran, Christian and Hugo Sada, "Sommet de La Baule: L'Avertissement," Jeune Afrique 1539 (June 27-July 3, 1990), p. 15.

Though it is true that rising economic involvement in the developing world engendered increased awareness of the political and economic parameters provided by local governments, it is important that we be precise about where these aid flows were going – not so much to sub-Saharan Africa, but to the former Communist countries of Eastern Europe. Indeed, the sudden explosion in FDI to developing countries can only be a result of the equally sudden opening up of an entire region to foreign investment. This was simply not the case in Africa, which had long since been open to and begging for FDI (Berthelemy and Tichit 2004; Burnside and Dollar 1997). It is very unlikely, therefore, that the sudden interest of the leading industrial nations in the political structures and practices in Africa was due to increased economic involvement in these countries. Furthermore, such involvement hardly necessitates a corresponding concern for *good governance.* When the European colonial powers sought to secure Africa's wealth of natural resources for their own economic and political ambitions, they hardly sought to cultivate institutions and practices of *good governance.* Although colonial administrations often implemented rudimentary systems of law modeled on the institutions in place in the mother countries, they provided none of what are now considered core elements of good governance. And ultimately we needn't look back so far in history to demonstrate this point: China's deepening economic involvement in Africa, primarily for the purpose of getting a hold of the continent's natural resources, has not meant that it has joined the choir in calling for good governance in Africa. Meanwhile America's intensified concerns about securing energy resources has led it to tone down its insistence on good governance and qualify its stance on governance in strategically important countries such as Nigeria, Equatorial Guinea, and Chad.

Other observers (Arndt and Oman 2006) claim that the West's *discovery* of the importance of good governance was due at least in part to the rise of a new school of thought in development economics, which has come to be known as New Institutional Economics (NIE). NIE criticizes the manner in which neoclassical economics brackets out the importance of institutions for growth and regards the market as the primary determinant of development, making growth a mere function of the amount of investment and technological advance. By assuming perfect institutional structures, and thus perfect conditions for growth, neoclassical economics ignores the importance of governance. In the wake of the failure of the IMF's *Structural Adjustment Programs* (SAPs) the central principle of which was to reduce the role of the state in the economy, neoclassical economics' willful ignorance of institutions became more and more questionable. NIE, by contrast, delivered an account of growth and development that demonstrated just how crucial a quality institutional setting is to growth and development. In short, the West's turn to governance is regarded as the result of an "innocent scholastic awakening" (Chang 2006) to the insights of a theory that seemed more and more effective at explaining the reality on the ground.

Now, it is true that we find many cases in the history of science where scientists and theorists, working wholly independent of each other in different parts of the world, arrive at the same scientific insight almost simultaneously. It is theoretically possible, therefore, that this *epiphany* on the part of Western powers is the product of just such an event, in which foreign policy decision-makers opened their ears to what development economists had long been claiming, while suddenly becoming aware of the plight of African populations. But perhaps we should be a bit more cautious when these epiphanies concern great powers' political strategies – which are notoriously driven by motivations of a more base nature. Can, for instance, the World Bank's surge of interest in the issues of corruption and governance really be traced back to an innocent scholastic awakening, or does it instead derive from other, perhaps more self-interested motives? As one of the founders of modern development economics, T.R. Srinivasan, noted in response to the World Bank's sudden realization of the importance of governance in development,

> it takes one's breath away to read that "we now see the centrality of issues of governance, both in the public and private sector." Pray, what took so long to see this? "Governance," to use the buzz-word, is not a new issue – one already knows that rampant corruption is deleterious….Some of us, at least, believe that five decades of development experience since the end of the second world war has shown that policies for poverty alleviation are not mysterious or new, but mundane, tried and tested (Srinivasan 1999).

So why did it take so long for the World Bank and its financiers to come around? Certainly the most popular interpretation of this policy change is that Western powers simply awoke to their own principles – to the universal validity of democratic values and the realization that economic success demands both the rule of law and the consolidation of political freedoms. But why did it take so long for the United States and France to discover what would seem to be a moral truism, and what is in fact inscribed in their own constitutions? John Sender (2002), for instance, sees the World Bank's emphasis on corruption and bad governance as a dishonest way of covering for its own mistakes:

> This amounts to an attempt to shift the blame, to deny the connection between the content and design of the Bank's structural adjustment lending and the high proportion of such policy reform programs that have failed by any criteria (193).

Ha-Joon Chang echoes this sentiment, maintaining that the West's *awakening* in fact derives from the its decision to lay the blame for the failure of its structural adjustment programs in Africa on the recipient countries themselves: "By talking about deficient institutions, they can argue that their policies and theories were never wrong, and did not work *only because* the countries that implemented them did not have the right institutions for the 'right' policies to work" (Chang 2006). Going one step further, he accuses the Western powers – whether intentionally or unintentionally – of depriving developing countries of the very methods used by the former to achieve development. He views their insistence on *good governance* as just one method of *kicking away the ladder*, of securing their own spot at the top at the cost of the developing world (Chang 2003).

We could cite several other skeptics who take this *moral turn* to be mere rhetoric for neocolonialism and interpret the renewed vigor in the fight for human rights in Africa, especially on the part of the United States, to be a thinly veiled attempt to undermine the sovereignty of African nation-states and give a moral veneer to their desire to secure greater control over foreign governments (Chomsky 1999; Danaher 1994). These critics point out that wherever America's *vital interests* have been threatened, America has been much more reticent about democracy and the rule of law. Most observers also rightfully point out that the French turn towards democratization was remarkably short; less than a year after Mitterand's statement at La Baule, France had returned to old habits, being ultimately willing to do business with the very same autocrats it had earlier pressured into democratization (Nugent 2004, 391, 394). At the 1992 Franco-African summit in Libreville, Gabon, French Prime Minister Pierre Bérégovy affirmed that democratization took an explicitly subordinate role to the aims of security and democratization (Glaser and Smith 1994). Both these facts are taken to illustrate that democratization is not the product of any kind of awakening on the part of the two major foreign actors in Africa, but of cold-blooded calculations that have little to do with promoting the welfare of African populations.

Whether or not we agree with these unfavorable readings of the industrial nations' new attentiveness to the issue of corruption, they do provide us with a useful reminder: Foreign policy is inherently driven by economic and strategic interests, and this even holds true for *good governance.* The latter is not merely based on universal ideas of political justice, but reflects the political and economic self-interest of the powers that seek to achieve these aims. As countless other authors have pointed out, the surge of concern on the part of Europe and the United States for democratization and anticorruption in sub-Saharan Africa is not due to economic changes that occurred in the last decades of the twentieth century, nor to a scholastic or moral *awakening.* Instead it derives from the *strategic* circumstances of the *new world order* that was born with the death of the Soviet Union. This fundamental alteration of the global political landscape inevitably led the Western powers to recalibrate their perspective on the world, to define anew their constellations of interests and adjust their strategic views of other nations accordingly. Just as in nearly all other branches of foreign policy, the Western powers' Africa policies came in for a thorough reevaluation. If we review the academic analyses and prognoses of American foreign policy at the beginning of the 1990s, Africa's role in the United States' foreign policy agenda was still undecided and a matter of some controversy (Clough 1992; Schraeder 1994, esp. 247ff.; Volman 1993). Looking back after a span of nearly two decades, the results of these recalculations have become clear: Anticorruption and good governance dominate the agenda – not only in the USA, but in Europe as well. Nevertheless, interpretations of the motives behind this shift remain as disparate as ever; and the question as to why the fall of the Soviet Union should have motivated this particular policy change still demands a definitive answer.

2.2 The Economic and Strategic Self-Interest - Behind the Push for Good Governance in Africa

2.2.1 The Birth of Economic Good Governance: The African Debt Crisis

Western powers' explicit demands on *good governance* in Africa had their beginnings in the 1980s third world debt crisis. This was a crisis of enormous proportions affecting the greater part of the third world, but it was sub-Saharan Africa that undoubtedly carried the most onerous debt burdens. These mountains of foreign debt, paired with the near total failure to achieve or even make much notable progress in economic development, led the international finance institutions (IFIs) –the World Bank and the IMF – to draw the quite obvious conclusion that something was deeply wrong with the current program of development aid.

The IFIs' diagnosis is now well known: African states failed to pursue sound economic policies. In what has come to be known as the *Washington Consensus,* the burden of guilt for the debt crisis was placed squarely on African governments' excessive intervention into the workings of the free market, either because of misguided economic theory deriving from the necessities of post-colonial nation-building, or because of the false ideology of *African socialism.* From the IFIs' perspective, it was because of these misguided policies and the unproductive use of external funding that Western aid failed to fuel growth in African economies, but led instead to an accumulation of payment obligations that could not be met by the economy as a whole. Nevertheless, this diagnosis was and is hardly uncontroversial. The so-called *structuralists,* especially the proponents of Marxist inspired *dependency* theory (e.g. Amin 1976; Frank 1967), argued that the failure of African nations to develop, as well as their astonishing accumulation of foreign debts, were not so much the result of failings on the part of African governments, but of the economic laws prevailing on the world market, particularly given Africa's specific role in the international division of labor. This theory holds that Africa's position as a primary product exporter essentially doomed it to indebtedness because of a series of external economic factors over which African governments had little to no control.

Both sides could point to evidence supporting their respective interpretations of Africa's economic crisis. On the one hand, the involvement of the public sector in African economies was in fact much more extensive than in the advanced industrial economies. On the other hand, Africa's position in the international economic order did place seemingly insurmountable obstacles in its development path. But regardless of whether the structuralists or the *market liberals* are right about the causes of the debt crisis, or whether in fact both explanations are partially valid, it was the *liberal* interpretation that won the day. This theory was then implemented through a far-reaching program of *structural adjustment*, a comprehensive set of reforms aimed at overhauling the African state's involvement in the African economy. The contents of these structural adjustment programs (SAPs) were first outlined in the landmark World Bank publication, *Accelerated Development in Sub-Saharan Africa* (World Bank 1981), which was quickly dubbed the *Berg report* after the report's supervisor, Elliot Berg. The report called for a comprehensive reform package, the main thrust of which was to liberalize African economies and further *open* or *integrate* them into the world economy while *rolling back* government.

2.2.2 The Structural Adjustment Regime: Good Governance Equals Less Governance

SAPs comprise a whole range of reforms including radically devaluating African currencies, privatizing state industries and parastatals, deregulating the agricultural sector and eliminating agricultural *marketing boards,* drastically cutting public sector employment and subsidies to local industry, and abandoning ambitions of "African Socialism" (Gordon 1993, 54ff.; Nugent 2004, 331f.). On the one hand, it would be wrong to claim that the Berg report simply denied the external factors of Africa's debt and development crisis emphasized by the structuralists. The report does point to *adverse circumstances* in the world economy as being partly responsible for the crisis: *stagflation* in the advanced industrial economies, higher energy prices, and an unfavorable development in African countries' terms of trade (Ibid. 4). On the other hand, these concessions are at best a kind of prologue to what the Bank takes to be the true culprit: misguided and perhaps even ill-intentioned economic policy on the part of African governments.[12] In essence, the original definition of *good governance* was *less* governance, whereby the term *governance* itself was essentially shorthand for *economic* policy, and made no mention of African citizens' political rights. The extent to which the IFIs actually followed through on many of their demands for economic reform should not be exaggerated. Van de Walle (2001, 223ff) presents evidence that although donors exercised a great deal of control over the reform process and over many aspects of economic policy, their insistence on reforms as a precondition for further aid was very weak at best. In many cases donor funds continued to flow despite the merely cosmetic nature of the reforms that African governments actually undertook, and in some cases despite flagrant neglect of the donors' demands. That, however, only underlines the fact that the major motive for donor support was not economic but strategic. Ensuring the viability of the state and promoting its friendly behavior was – to the chagrin of many World Bank development experts – ultimately more important.

Although Western powers did have a genuine interest in seeing Africa develop economically, when it came to actually formulating SAPs, it was above all their own self-interest these countries had in mind. There are several ways in which the basic thrust of the structural adjustment regime overwhelmingly favored the Western powers' economic and strategic self-interest. For instance, the liberalization of African economies served in the first instance to provide Western firms with greater access to African markets. The fact that the Western industrial nations at the same time refused to lower trade barriers on many key African exports, while repudiating pleas to cut domestic subsidies on agricultural goods that represented a key source of foreign exchange for African nations, seems to refute the altruistic sentiment ascribed to the IFIs' liberalization package. This is further substantiated by the fact that Western banks benefited enormously from the relaxation of capital market controls in various African countries, while African banks suffered from rapid inflows and outflows of "hot money," thus generally undermining the banking system (Stiglitz 2002, 6f.).

Moreover, the desperate need of African governments for continued loans furnished the donor countries with an even greater amount of leverage over African economic policy and their broader political activity. These benefits also il-

12 Green (1993) puts these cursory references to external and structural factors for Africa's economic and debt crisis down to bureaucratic inevitability, stating that they are mere "tack-ons, the result of bargaining within a committee written document" (57).

lustrate just how much the IFIs' structural adjustment policy was facilitated, and possibly even enabled, by the decline and disappearance of the Soviet Union as a rival actor in Africa. After all, it is doubtful that such a severe scaling back of African governments' control over aid and economic resources would have been possible as long as the Union of Socialist Soviet Republics (USSR) constituted a viable alternative source of aid and assistance. A particularly striking illustration of this is the request by Ghana's military regime in the early 1980s that the Soviet Union provide the country with financial and technical assistance. The USSR responded by suggesting that Ghana turn to the World Bank and the IMF (Callaghy 1993, 484). Clearly, the Soviets' gradual retreat from the global stage put an end to any meager bit of leverage that African sovereigns once had in their negotiations with Western donors.

The retreat of the USSR also meant that Western powers' concerns about the allegiance of African regimes had become largely irrelevant, allowing the latter to take a more strictly *economic* view of development aid. The rising debts of African regimes were no longer viewed as an unpleasant necessity, but as a severe waste of funds. With the loss of African regimes' strategic value as allies and bulwarks against communist expansion in the third world, the financial costs of supporting them no longer seemed worth it – at least not to the same degree. Moreover, because of Africa's further economic marginalization after the entry of the former member states of the socialist bloc into the world market, Western donors were eager to redirect aid resources away from Africa to Eastern Europe (Harbeson 1995, 6f.). This is the substance of what has become known as post-Cold War "aid fatigue" (Gordon 1993, 109, 126).

2.2.3 The Consequences of Structural Adjustment for African Democracy

As many commentators have noted, the implications of the structural adjustment regime were hardly democratic. Nor had the fight against governmental corruption by means of increased oversight and transparency yet come to play a critical role in the IFIs' calculations. On the contrary, the success of adjustment was held to depend upon politicians' *insulation* from both antireformist elements within the government and the discontent of the population with austerity measures. As Mkandawire (1999) points out, prior to 1987 most studies carried out under the auspices of the IFIs maintained that authoritarian rule would be necessary for the success of the adjustment regime (134, n.11). The fear was that by encouraging democracy, one would undermine the political requirements for reform, as "countries undergoing democratic transitions appear to pursue more expansionist policies than either established democracies or authoritarian governments" (Haggard and Kaufman 1990, 61). Callaghy (1993) sums up this consensus on the proper characteristics of a government carrying out adjustment and how to develop these characteristics, and it is worth quoting him at length:

> The most important of these characteristics is to insulate the economic teams from pressure, opposition, and requests for particularistic exceptions from major social and political groups, from elements of the state bureaucracy, *and* from the leadership itself. This insulation can be provided by repressing or fragmenting opposition groups via direct coercion, states of emergency, internal or external exile of opponents (Chile, Ghana, Nigeria), corporatist control mechanisms in military or single-party regimes (Mexico), formal and informal political pacts (Bolivia), cooptation via selective and controlled patronage (Turkey, Bolivia), and the emasculation of legislative bodies (Jamaica, Bolivia). The formal structures of executive authority may also be important, such as the constitutional power to rule by decree…Less tangible sources of executive authority may also be important—the personal popularity, at least initially, of a ruler (Rawlings in Ghana, Fernando Collor in Brazil, Menem), a positive international reputation for the ruler, increasing the probability of external support (Raul Alfonsin in Argentina), an electoral decline left by previous governments (Ghana, Bolivia, Argentina), and even classic obfuscation efforts (472-3).

One of the IFIs' *star pupils* in Africa was Jerry Rawlings' military regime in Ghana, whose success was at least partly ascribed to the ruling Provisional National Defense Council's insulation from the demands of strong sociopolitical groups (Chazan 1991, 30). In countries where democratic regimes were already in place, the challenge was "how to circumvent the democratic process by strengthening the 'autonomy' of the bureaucracy" or by creating "'authoritarian enclaves' within the economy" (Mkandawire 1999, 127). Lawrence Summers, a former senior World Bank official, even went so far as to rank what he called "rampant populism" just behind communism and bombing as the surest way of destroying an economy (Haggard and Webb 1994, ix).

Because of the antidemocratic implications of adjustment, both the World Bank and the IMF have come in for a good deal of criticism – including from analysts and economists who supported SAPs in Africa and argue that the antidemocratic tendency of adjustment reforms actually undermined their successful acceptance and execution. Mkandawire (1999), for instance, argues that the ideas and strategies they propose "severely limit the domain of competence of democratic governance on a wide range of issues" (124), criticizing the fact that policies are decided upon "behind closed doors, insulated from public debate and scrutiny." As a result, it becomes "an exercise in technical efficiency from which social groups, unions, parties, parliaments, and even ministers may be excluded" (128). It is for this reason that many critics of this program regard comprehensive economic liberalization and the rollback of the African state to be closed-minded and ideologically blind (Stiglitz 2002), while others even go so far as to claim that SAPs are not so much a development policy as "an economic prescription geared towards further opening already vulnerable economies to the unregulated extraction of natural resources and the dumping of imported food and other goods on local markets" (Hellinger 1992, 85).

2.2.4 The Era of Reform: Anticorruption and Good Governance Become Official World Bank Policy

In order for anticorruption to find its way into the definition of good governance – and indeed for the term *good governance* itself to become a standard element of World Bank policy – the Bank would first have to undergo a decade-long learning process. This process was at least partly instigated by widespread and vehement protests not only on the part of African elites, but also among the general population. The protests were directly related to the *rolling back* of the African state. First, the removal of subsidies on staple foods meant that impoverished sectors of the population could afford even less for their money. These cuts were what motivated the so-called "IMF riots" in Zambia (Harrison 2002, 61), as well as widespread food riots in Sudan, the Côte d'Ivoire, Morocco and Nigeria (Walton and Seddon 1994). Second, the retrenchment of the public sector also meant severe cuts in one of the primary sources of employment in African countries. In Uganda, for instance, the number of civil servants plummeted from 320,000 to 150,000 between 1990 and 1995 (Bigsten and Kayizzi-Mugerwa 1999, 64f.). In Ghana, 53,000 civil service workers were let go by the end of the 1980s (Rothchild 1991, 9). Third, the demands of the structural adjustment packages severely reduced African rulers' ability to distribute patronage and thus secure their own position of power.[13]

On the one hand, these various protests did not take the World Bank entirely by surprise. Indeed, one of the primary reasons for *insulating* the politicians entrusted with implementing austerity measures was the far-reaching discontent these measures were expected to incite – not only among ruling elites who saw this as a threat to their own perks, but also among those citizens who were either recipients of patronage or were otherwise affected adversely by reform. Elliot Berg himself conceded that in hindsight, former civil service workers were the clear losers of the adjustment regime – a not insignificant proportion of the employed in Africa. Finally, SAPs have been found to impose disproportionate burdens on African women, both within the household and because of the increasing necessity of finding work outside the home (Elson 1991), while rising economic vulnerability has led to an increase in sexual vulnerability (Lugalla 1995). On the other hand, although neither civil servants nor African women protested as strongly as might have been expected, general resistance on the part of African nations to the demands of adjustment led the World Bank to structurally adjust its own program of structural adjustment (Green 1993, 61).

This adjustment was foreshadowed by the 1989 World Bank publication, *Sub-Saharan Africa: From Crisis to Sustainable Growth*, whose prescriptions were more "nuanced and dependent on the circumstances of the individual countries" that those made by the Berg report (Ravenhill 1993, 24). We can distill three different adjustments the Bank sought to make at the beginning of the new decade, all of

[13] This last point is not wholly undisputed. Van de Walle (2001), for instance, argues convincingly that African states have been very adept in *adjusting* to the adjustment regime, making a minimum of reforms while seeking to ensure maximum aid resources, and laying the blame for harsh cuts in social programs and subsidies on the SAPs (89f, 109f). Nor is it wholly clear that African populations oppose the adjustment regime per se. Much of the discontent with the reforms might be traced back to the "perception that these programs have been implemented in such a way as to enrich elites, and does not necessarily reflect a deep-seated hostility to the principles of economic reform" (170). We will return to the issue of how African governments adapted to and dealt with such externally imposed reforms in chapters 4 and 5.

which involved a reassessment of the role of government in structural adjustment and in economic development in general.[14]

The first was that instead of *externally* enforcing a package of reforms and demanding strict compliance, it was important to have African governments "own" their adjustment policies, and thus to involve them in the process of formulating these policies. Notions of *country ownership, country leadership, empowerment* and *participation* thus found their way into the Bank's policy guidelines. The hope was that this would counteract the widespread – and often justified – impression that SAPs were purely foreign impositions, a technocratic form of neocolonialism.

Second, instead of merely rolling back the state, it was to be strengthened and made more efficient in those places where it was needed.[15] It is in this context that we first find the explicit use of the term *good governance* to describe the Bank's demands on African regimes. The following passage from the report's introduction gives an indication of the shift that had occurred in the Bank's thinking:

> A root cause of weak economic performance in the past has been the failure of public institutions. Private sector initiative and market mechanisms are important, but they must go hand-in-hand with good governance – a public service that is efficient, a judicial system that is reliable, and an administration that is accountable to the public (World Bank 1989, xii).

Although the Bank thereby conceded its own overemphasis on reducing the scope of government, this statement makes clear that it continued to regard the failure of African nations to develop, even after far-reaching structural adjustment, as being due to deficits of African governance. Although the Bank no longer regarded African state structures as something to be minimized, it continued to regard African states as the source of the problem. This was the birth of anticorruption as an integral part of World Bank policy: "Africa needs not just less government but better government. Ultimately, better governance requires

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14 The rebirth of interest in state theory as such, and in the nature and logic of the African state in particular, perhaps contributed to the Bank's own insights on the role of government in development (Clapham 1996, 44f.; Evans, et al, 1985).

15 Khan (2002, 18) puts the point nicely when he writes that in the Bank's new stance toward the state, "the emphasis was on rightsizing rather than downsizing the state."

political renewal. This means a concerted attack on corruption from the highest to the lowest levels" (Ibid. 5).

Third, and as will be dealt with in the subsequent section, the World Bank seemed to shift course dramatically on the issue of popular democratic participation. It is in this context that democracy emerged as a key component of *good governance*:

> A better balance is needed between the government and the governed. Thus the report sets out a range of proposals aimed at empowering ordinary people, and especially women, to take greater responsibility for improving their lives – measures that foster grassroots organizations…and that promote nongovernmental and intermediary organizations. The growing conviction is that development must be more bottom-up, less top-down (Ibid., xii).

These trends in official World Bank policy continued throughout the 1990s, especially under the leadership of James Wolfensohn, who in 1994 took the helm at the World Bank and from the first day sought to implement a radical change of course. This would be based on what Wolfensohn would later call the *four pillars* of Bank policy:

a) The government and the people of the developing countries must be in the driver's seat.

b) Partnerships must be inclusive and straddle the main categories of development actors – governments, private sector, civil society, and aid agencies.

c) Assistance must be selective, with the type of assistance – financial or technical, for example – to be determined by country circumstances and delivered by the appropriate partnerships.

d) The development community needs to think beyond individual donor-financed projects to larger country-led national and regional strategies (World Bank 1998, 1).

Among these pillars we find, first, the Bank's commitment to increasing the involvement and authority of local governments to preside over their own processes of reform, as well as the Bank's conviction that quality governance is of utmost importance, which necessitates a greater role for governance actors beyond those at the helm of the state. In general, over the course of the 1990s we find a decided shift away from the *Washington Consensus* that marked World Bank policy throughout the structural adjustment era toward a *Post-Washington Consensus* advocated primarily by Joseph Stiglitz, the Bank's chief economist and senior vice-president for development policy during this time. Although he continued to recognize the importance of encouraging private markets and defending against the dangers of inflation so closely associated with extensive state intervention in the economy, Stiglitz insists that

> making markets work requires more than just low inflation; it requires sound financial regulation, competition policy, and policies to facilitate the transfer of technology and to encourage transparency, to cite some fundamental issues neglected by the Washington consensus (1998, 1).

The third pillar of Wolfensohn's World Bank, would involve attempts to put an end to the *culture of loan approval* in which World Bank officials consistently extended and prolonged loans to governments in spite of demonstrable misuse and abuse of funds. Instead, the Bank was to conduct periodic spot financial audits of its own projects, and in general be stricter regarding their clients' actual use of Bank funds. Surprising as it may seem, it turned out that for all the harshness of the structural adjustment regime, the actual follow-up on the implementation of these reforms was astoundingly low. This needed to change. In addition, Wolfensohn's tenure would see the Bank refocus – at least rhetorically – on poverty reduction, thus concentrating more directly on serving its *ultimate* client, the poor.

As many authors have noted (see Winters 2002, 102), it was only at the end of the 1990s that the World Bank began to acknowledge corruption as a serious issue with regard to the use and misuse of development loans. Although it would be wrong to say that the issue of corruption was foreign to the World Bank, it is true that Wolfensohn was responsible for moving anticorruption and *good governance* into the spotlight, raising the status of these two policy elements from more marginal aims to cornerstones of the Bank's development policy.[16]

[16] As pointed out in the introduction, Paul Wolfowitz, Wolfensohn's successor at the World Bank, himself stated that "the Bank first acknowledged corruption as a major impediment to development only ten years ago. But since then, it has been leading the development community in coming to grips with this very serious, but long-ignored problem." The Millennium Challenge Account Program (MCA) that has been pushed forward under the authority of Wolfowitz constitutes an apotheosis of sorts in terms of the role of corruption in the West's development policy. A country's eligibility for funding under this program is determined by their relative positions on sixteen different categories, but in the category *Control of Corruption* they must score above the median of all eligible countries in order to receive funding.

The Bank's adjustment of its own development policies and rhetoric had once again proven its ability to avoid the inertia that afflicts most bureaucratic institutions of this size. More importantly, it proved it could respond effectively to critique and take up its role as a key institution for assisting in giving globalization with a human face and providing for development in the interests of the poor, rather than their rulers.

2.2.5 Critics of the Evolution of World Bank Policy in Africa

Not all observers are so sanguine about this shift in the Bank's approach. Criticisms of the reformed World Bank are legion and can be found across the political spectrum, the majority of which cast doubt on the purported *pro-poor* redirection of the Bank's policy focus. Especially in the United States, we find a right-wing critique that rejects the World Bank's reforms as a step in precisely the wrong direction. Instead of deepening involvement in developing countries, these critics would like to see a drastic cut in the Bank's official lending, arguing that private sector loans are not only quantitatively sufficient, but the only really effective way of promoting development. Strengthened by the findings of a deeply critical Congressional commission report on the IFIs (Meltzer 2000, 9), these critics do not call for shutting down the Bank altogether, but they would like to see it become a "niche player" (Krueger 1998, 2009) involved solely in the poorest countries of sub-Saharan Africa and Southeast Asia. In short, the best way of helping the poor in Africa is to let free markets spread their blessings without hindrance from above. On the other side of the political spectrum, which was perhaps the most vocal at the turn of the millennium, was the "Fifty Years is Enough" movement, which called either for a complete closure of the Bank, due both to the draconian adjustment measures it imposed on developing countries and to its complicity in cases of massive corruption and support for unsavory governments (Danaher 1994; Chossudovsky 1997), or for its radical overhaul (Oxfam 1995).

Between these two extremes, we find many critics who doubt both the intentions of the Bank's reforms as well as its willingness to follow through on its lofty and principled rhetoric. There is a whole slew of critical metaphors that have been used to characterize this gap between the Bank's statements and its actions. With concern to the Bank's new emphasis on encouraging country ownership, leadership and empowerment in the formulation and implementation of policies, Ben Fine (2001) remarks that "what the new consensus does analytically is to strengthen and widen the scope for discretionary intervention [on the part of the World Bank, J.G.] under the guise of good governance…and wrap it up in terms of local ownership" (26). Where the Bank claims to be putting countries "in the driver's seat," Pincus and Winters (2002) point out that the Bank in fact takes a "taxicab approach to partnership, in which the country is in the driver's seat, but no one is going anywhere until the Bank climbs in back, gives the destination, and pays the fare" (13f.).

No small number of critics have also refused to put the meager success of the Bank's endeavors down to adverse circumstances, instead attributing this to a lack of will on the part of Bank leadership to truly reform. Hildyard (1997), for instance, refers to the post-Washington consensus as a "repackaging and updating of neoliberalism" (2). Harrison (2007) not only emphasizes how "deeply destabilizing to the social and political fabric of African societies" (372) structural adjustment has been, but also doubts whether the greater role it accords to the development state really amounts to much of a change at all in the Bank's worldview. He claims instead that the aim of what he terms the *second generation reforms* (SGRs) promoted in *model countries* such as Uganda, Tanzania and Mozambique is merely to turn "weak rent seekers into strong nightwatchmen," both of which are charged with ensuring that foreign economic interests are well served while maintaining stability at home (373). If the Bank has changed its stance at all on the role of government, it has been merely in order to *embed neoliberalism.* In particular, he attacks the three pillars of the World Bank's definition of governance (transparency and accountability, the rule of law and participation), claiming that in each instance, it is not so much the local population but the foreign donors who benefit:

> 1. *Transparency and accountability*: The central aim here is to render state processes routine and predictable. It is not to open up governance to potentially drastic reformulations at the hands of a citizenry, but to discipline the state into certain strictures of administration… 2. *The 'rule of law'*: The project here is to construct within the state the capacity to stabilize property relations… Governance as the rule of law is… about 'getting the property rights right.' 3. *Participation*: The goal here is to ensure that state execution of policy is more predictable and stable….Participation – a strongly normative and progressive term – is instrumentalised as a form

> of corporatism – to 'bring people on board', to ensure a terrain that is conducive to state policy (380f).

David Moore (2007) is just as harsh in his criticism of the World Bank's new *hegemonic* project, stating that the Bank's ultimate political and economic role is "to take in and modify the legitimating ideologies of a constantly changing capitalism so that they meet the needs and demands of their counterparts in capitalism's hinterlands" (14). Ben Fine (1999; 2007) attacks the World Bank's shift toward an emphasis on *social capital* as an important factor in economic development for the very fact that this shift in emphasis remains situated within the neoliberal logic, insofar as it continues to place growth above all other considerations of political and social life. Political and social elements are addressed solely according to their importance in accelerating growth, and this narrow and instrumental focus means that the new post-Washington consensus

> will be mild in reassessing the past practices of the old and how they were rationalized by those who will, presumably, continue to provide the rationale for the new agenda in the future. Whatever its merits, the literature on the developmental state will be ignored, as in the past, in pushing forward an agenda based on social capital and the need to enhance the market and relieve market imperfections (Ibid., 134).

The Bank's shift towards anticorruption and democratization in particular are thus often regarded as having little to do with its desire to promote the welfare and political rights of African populations as such, instead serving to facilitate the implementation of the reforms from which it refused to back down even in the face of severe protest. These critics maintain that the Bank's aim is merely to garner consent to policies over which African populations would have but marginal influence. The purpose is not to invite honest and open nationwide discourse over how to best formulate a program of development, but to enable reform-friendly politicians to act all the more independently of the population's interests, having proven their legitimacy by means of free and fair elections. Lawrence Summers sums up the Bank's self-critique by stating that "policy makers know much more [about] how to design a technically sound adjustment than they do about how to get adequate political support to sustain such a program," and the problem the Bank has to face consists in finding out "how to preserve the benefits of democracy without letting popular forces subvert the economy" (Summers 1994, xi).

Talk of ownership and empowerment through democracy thus prove to be instruments for maintaining stability; and that is how democratization originally found its way into the definition of *good governance.* It is worth noting in passing, however, that this can produce anything but satisfactory results. As Mkandawire (1999) notes, such an instrumental approach to democratic reform can produce worrying outcomes and even undermine the Bank's search for stability:

> If organized social groups are to be convinced that they can meaningfully air their grievances through these formal structures, then they are likely to use these channels and respect the outcomes. If, however, these formal institutions are not receptive to their voices and, worse, if they are empty shells that are bypassed by other institutions or social groups with impunity, then the quest for solutions outside normal democratic channels will be encouraged (132).

Although there are certainly grounds to criticize both the motivations behind and the implementation of the Bank's reforms of its own policies, the discovery of the importance of democracy and good governance were at least partially the product of a very real learning process about the relationship between severe economic reforms and their social and political consequences. Nevertheless, the apparent motivation behind the Bank's new perspective on democracy was not the wish to ameliorate the hardships that austerity measures would entail for African populations, but to better implement the same genre of policies, while successfully coping with and defusing the discontent that would surely continue to arise. Although it would be false to write off democratization as a tool for swindling African populations and getting them to sign off on a raw deal, this explanation certainly accounts for much of the *realpolitik* behind the World Bank's advocacy of democracy and good governance. For this same reason, it is worth taking a closer look at the development of democracy as an element of *good governance* after the end of the Cold War, when it quickly moved to the center of the Bank's policy of *conditionality.* Because of the sheer expanses of literature on this topic, it is worth dealing with the issue more systematically.

2.3 The Wave of Democratization Hits Africa

2.3.1 Standard Interpretations

What we might call the *mainstream* interpretation of the first world's democratic turn views the United States' increased attentiveness to and insistence on democratization as a kind of moral turn towards a more selfless and ideal-driven foreign policy, one that is orientated towards the needs and desires of African populations. With the disappearance of the Soviet Union and the threat of Communist expansion in Africa, the United States in particular was finally free to pursue its democratic ideals and establish democracy for its own sake. Francis Fukuyama is the most prominent and extreme representative of this view, seeing the end of the Cold War as "the end point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government" (Fukuyama 1989, p. 9). Larry Diamond presents a similar view, though he is both more sober and more representative of this *mainstream* interpretation of post-Cold War foreign policy. After expressing regret at the United States' *politically and morally misguided* policies during the Cold War, as well as its "refusal to acknowledge its own mistakes and share of responsibility for the disasters that befell countries like Liberia and Somalia," he goes on to claim that with the Cold War's end, "the United States and other Western democracies are increasingly free to deal with Africa on the basis of enduring principles rather than narrow, short-term, and strategic self-interest" (Diamond 1995, 253). Michael Bratton remarks in the same vein that as "the Soviet Union faded from the scene as a contender for a sphere of influence within Africa," the USA could afford to "indulge a moralistic streak in their national temperament by embarking on a crusade to promote democracy" (Bratton 1997, 160, 162). According to this interpretation, therefore, the United States' renewed insistence on human rights is to be traced back to one and the same geopolitical shift. Once the Soviet Union disappeared, so did the global political alternative that forced the United States to refrain from intervening in other sovereign nations' internal affairs. Finally, the USA would be able to realize the universality of its own principles of government and its own notions of political justice.

Contrary to this mainstream interpretation, there are some authors who deny that there has been any change in the motivations behind the West's foreign policy. The West's seeming rediscovery of democracy is thus to be written off as mere rhetoric, while economic and strategic interests remain the lodestone of foreign policy in Africa. Democratization, therefore, is in essence nothing but old wine in new casks. Several cases are cited in which both the United States and France continue to support African autocrats whenever significant economic or strategic interests are in play: Mobutu Sese Seko up until the late 1990s, Meles Zenawi's increasingly autocratic regime in Ethiopia, brutal authoritarian regimes in Equatorial Guinea and Nigeria, as well as increasingly dubious presidents such as Museveni in Uganda and Kagame in Rwanda. Therefore, political conditionality cannot be regarded as a way of pressuring African rulers to make a turn for the better, but merely as moral cover for cutting foreign aid and other costs involved in supporting rulers that have lost their usefulness as an anti-Soviet bulwark and have thus become expendable (Bratton 1997, 162; Schraeder 1994, 250ff.). Likewise, the United States' insistence on human rights cannot be viewed as a sign of increased concern with the plight of African populations, but as a mere pretext for undermining the sovereignty of African governments and expanding American influence over African countries' internal affairs.

The most vocal representatives of this last interpretation are to be found in the so-called *anti-globalization* movement; however, this interpretation is not always intended as an indictment of the self-centered and amoral nature of Western foreign policy in Africa. Harbeson (1995), for instance, ascribes the Western powers' relative abandonment of their previous engagements in Africa to an understandable turn *inward* or return *closer to home.* He traces the United States' declining interest in aiding and supporting African governments and populations to a decline in its own economic power, to a corresponding reassessment of its priorities that inevitably means scaling back its involvement in Africa. He views the European countries' relative disengagement from Africa as a result of their understandable desire to expand their economic and political relations with one another and with the former communist countries of Eastern Europe. For Germany in particular, the costs of reunification necessitated that development assistance be rolled back, or rather shifted back home. This relatively sharp cut in bilateral involvement went hand in hand with the more prominent role played by multilateral assistance to Africa in the form of IMF and World

Bank loans (Harbeson 1995, 6-10). Schraeder and Clapham argue in this same vein by pointing out that the United States' relative disengagement from Africa was predictable and inevitable, since the only reason Africa ever played any significant role in America's foreign policy was the existence of the Soviet Union (Clapham 1996, 194). With the disappearance of this rival superpower, Africa could be expected once again to become a "backburner" issue (Schraeder 1994, 250ff.). Clough (1992) argues explicitly that the United States should take Africa off its foreign policy agenda, claiming that most of the problems of instability that America might fear on the continent can be traced back to short-sighted American support for African autocrats. Therefore, a simple policy reversal is in order.

Yet another interpretation provides a synthesis of the *mainstream* interpretation and this last, more critical interpretation. On the one hand, it concedes that the Western powers' have a genuine moral interest in promoting the democratization of Africa, and also traces the timing of this shift to the disappearance of the Soviet Union. On the other hand, the interpretation maintains that Western powers still pursue economic and strategic interests on the continent, and that their engagement in Africa is hardly pure altruism. Therefore, their Africa policies are marked by the pursuit of two separate and potentially conflicting goals: democratization and economic/strategic self-interest. Where these two goals come into conflict, self-interest will inevitably win the day. Bratton (1997), for instance, defines *stability* as the Western powers' core interest in Africa, summarized most succinctly and poignantly by the phrase *Mobutu or chaos.* Indeed, the dramatic media impact of the conflicts in Liberia, Somalia and Rwanda weakened the fervor with which the United States, and the West in general, were willing to foster democratization in the region. Instead, they sought to bolster the image of a "new generation of African leaders," including Yoweri Museveni in Uganda, Jerry Rawlings in Ghana, and Meles Zenawi in Ethiopia, all of whom came to power on the backs of military coups. Over the last several years, as Ethiopia has become ever more important for American strategic interests in Somalia, Zenawi's autocratic regime has come in for less and less criticism from Washington; the same goes for Museveni's contribution of Ugandan military support in Somalia. In the same vein, Martin (1995) coined the term *creative ambiguity* to describe France's post-Cold War stance on democracy in Africa. This meant that although there were many cases in which France would employ pressure to democratize in cases where it was no longer willing to fund expendable autocratic regimes, authoritarian leaders who remained of vital importance and maintained their close bonds with France were sure to be spared such pressure.[17]

Finally, a last interpretation of this foreign policy shift stands the mainstream interpretation on its head. It claims that the nature of American and French interests during the Cold War were mostly ideologically driven, and that post-Cold War reality signaled a return to *realpolitik*. Whereas the Cold War saw France strive to expand and consolidate its cultural dominance and influence in Africa, and the United States sought to combat an ideology it saw as hostile to its own political principles, economic self-interest became the guideline of foreign policy after the Cold War. This has exposed rivalries between the Western powers on the African subcontinent; and it has led to particularly acute conflicts between Paris and Washington (Schraeder 2000). As implausible as the idea may be that the Western powers were primarily driven by *ideological* goals during the Cold War, while the United States' current policy of democratization and anticorruption is driven by base economic interests alone, this interpretation is noteworthy because of the relationship it posits between democratization and economic self-interest. Of all the various interpretations of the Western powers' post-Cold War policy shift, this is the only one that sees a positive relationship between democratization and economic and/or strategic self-interest. In conjunction with this view, I claim that democratization does not constitute a free-standing goal pursued for its own sake, which can then occasionally end up in conflict with the separate goal of economic and/or strategic self-interest. Although these two aims can conflict with each other in principle and occasionally do in reality, I claim that just as is the case with the fight against corruption on the part of the World Bank, the United States views and pursues democratization as an *instrument* in the pursuit of its economic and strategic self-interest on the African subcontinent. In short, democratization needs to be understood as an instrument of *realpolitik*.

17 Monga's claim of a *prodictatorship bias* in their aid programs, while perhaps not true for Western aid programs in general, is indeed borne out by the contours of French aid policy (1999, 59-60).

2.3.2 An Alternative Account

The central question that we need to answer, therefore, is *how* democratization serves as such an instrument. I will take the United States as an example to explain this connection, as it represents the leading power in terms of democracy promotion in Africa. First, we will need to offer a more precise explanation of just what the United States' post-Cold War interests are in Africa; subsequently we can turn to democracy's instrumental value in the pursuit of these interests.

It is true that at the end of the Cold War, Africa lost the strategic role it had primarily played as an anti-Soviet bulwark. The immediate consequence was a dramatic cut in support for former U.S. allies in the region. This in turn opened up the floodgates for opposition movements and brought on the fall of several longstanding African dictators. In some cases it led to the holding of elections and a nascent democratization process, in others it led to the brink of civil war and beyond. What is important to note, however, is the purpose for which the United States dropped its support for these autocrats. What caused them to lose American support was not their non-democratic nature, but the loss of their strategic role; not their unsavory methods of rule, but their expendability. In this sense, the United States' first and most prominent *democratization measure* was highly passive. The aim was not so much to institute democratic reforms, but to cut the costs of its involvement in the region.[18] This is underlined by the fact that the financial means required to consolidate the democratization process in these countries were not stocked up, but rolled back drastically.

However, contrary to what some policy experts maintained at the time (Clough 1992), it would be wrong to claim that Africa was no longer of any strategic importance for the United States; instead, it took on a new and different, albeit more marginal role (Volman 1993). Nor is it true that Africa was no longer an object of rivalry after the disappearance of the Soviet Union; rather, new rivalries were revealed – primarily between the United States and France, but also with England, Germany, and Japan. And fifteen years later, the rapid rise of Chinese influence on the subcontinent has made it a major rival of the Western

[18] As we will see in Chapter 3, it would be just as wrong to assume that the surge of internal opposition movements was a democratic surge. For many of these groups, the fall of a dictatorial regime was not an opportunity to bring their respective country towards democracy, but to bring it under their own control.

powers and has forced the latter to reevaluate their current Africa policies.[19] In short, "Africa is in play" (Lyman and Dorff 2007, 3). Most prominent among the United States' interests in Africa is the continent's strategic resources, such as oil, gas and uranium (Lyman and Dorff 2007; Martin 1995). Especially in view of the increasingly unstable situation in the Middle East, the states along the Gulf of Guinea are coming into greater focus as a potential energy supplier (Soares de Oliveira 2007). In addition, Africa is increasingly looked upon as a source of foreign investment; one of the key elements of the Clinton administration's economic initiatives in Africa was to raise U.S. market share in Africa from seven percent in 1997 to ten percent in 2002.[20] *Trade not aid* – the motto of American development assistance to Africa in the 1990s – and the African Growth and Opportunity Act also represent efforts to expand America's economic presence on the African continent. To succeed in this endeavor, the United States quickly realized that it would need to break France's quasi-monopoly of influence over francophone Africa. This was the issue at the heart of the very public *éclat* between France and the United States over access to markets in francophone Africa. Warren Christopher stated quite bluntly in October 1996 that "the time has passed when Africa could be carved into spheres of influence, or when outside powers could view whole groups of states as their private domain,"[21] which, as Schraeder (2000) points out, was a clear stab at France's dominance in francophone Africa (396). Aside from these economic interests, the United States has located a whole host of strategic threats emanating from the African subcontinent, all of which have demanded increased attention: Islamic fundamentalism and Islamic terrorism, arms and nuclear weapons proliferation, acquired immune deficiency syndrome (AIDS), interstate conflicts and civil wars, as well as failing, failed and collapsed states.

There are many who point out that the United States is hardly so naïve as to believe that democratization and the installation of liberal institutions is a cure-all,

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19 It is remarkable that as recently as 2001, writings on foreign powers in Africa contain hardly any mention of China. Since that time, Chinese-African relations have become a mainstay in every journal of African studies. The implications of China's burgeoning influence in Africa with regard to policies of democratization and good governance are only starting to come into view (Large 2008; Tull 2006).

20 U.S. State Department, Congressional Presentation for Foreign Operations (Fiscal Year 2000), Washington, DC: U.S. Government Printing Office [GPO], February 1999,2ff.); see also Schraeder 2000, 402.

21 Quoted in Howard W. French, "U.S. and French Sniping Heats Up Over Paris's Links to Africa," New York Times, 17 October 1996.

a universally applicable method of promoting American interests abroad. On the one hand, we can find many cases in which the United States even assisted in overthrowing democratically elected leaders or discouraging democratic oppositions in allied countries as soon as it has seen its own interests threatened. On the other hand, however, the conclusion that democracy must be seen in opposition to or separate from American self-interest fails to recognize the very real instrumental value that democratization has for United States foreign policy. We can discern three different senses in which democratization and good governance are useful instruments in the service of these American economic and strategic goals. First, democracy can be a useful method for removing hostile regimes and heaving parties or politicians into power that are more open to American influence. As Schraeder (2000) points out, this was also one of the key motives for America to push for democratization in francophone Africa. By supporting democratic oppositions,

> the United States has little to lose and everything to gain by excoriating pro-French elites who impede the transition to a new political order….From the perspective of local U.S. ambassadors, for example, promoting multiparty democracy is a low-cost strategy with potentially high returns–namely, the replacement of pro-French elites with new leaders potentially more sensitive to U.S. interests" (Ibid., 409).[22]

This also explains why France's stance on democratization in francophone Africa was much less principled and much more ambiguous than that of the United States. The replacement of pro-French elites with other parties or candidates threatened to undermine French influence on the continent (Clark and Gardinier, eds 1997; Daloz 1999). The difference between France and the United States in terms of their respective commitment to democratization therefore does not appear to be as much a difference in their moral-political principles as in their respective positioning in the region. Whereas France had much to lose with the possibility of democratic regime change, the United States could regard democracy as a vehicle for attaining greater influence.

But even where the tables are turned and the U.S. has a stake in keeping certain regimes in power, the possibility that such a friendly regime might be replaced by a less receptive government does not necessarily make democratization a

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22 As Connell and Smyth (1998) also point out, this is an interest that not only African democratic elites seek to take advantage of, but also guerilla insurgencies who attempt to gain the interest of U.S. policymakers (88-89).

threat to be avoided. Indeed, the Bush administration's post-9/11 foreign policy yields several examples in which the United States has pressed for democratic reforms in countries whose governments have proven to be staunch American allies.[23] The second way in which the United States regards democratization as a useful foreign policy tool is therefore as a means for promoting the legitimacy of friendly regimes. Analogous to the World Bank's later insights into the role of the African state in the process of structural adjustment, the United States now hopes that the introduction of democratic institutions and practices can bolster the legitimacy of allied governments, thus placing America's relations with these countries on a more solid foundation. In this context democratization is a way of ensuring that a nation's receptiveness to U.S. interests is not merely dependent on the presence of particular individuals in power, but is established across all political parties and *anchored* in the society as a whole. U.S. dealings with Zenawi in Ethiopia represent a striking example of this logic. In both cases, the promotion of democratic institutions and practices is a means for strengthening friendly rulers by encouraging them to *anchor* their rule in the consent of their citizens, thereby achieving the kind of stability that comes with democratic legitimacy.

The last way in which democratization is regarded as a useful foreign policy instrument concerns cases in which stability is considered a goal in itself. In many cases, the United States does not have a sizeable stake in the presence of one particular individual or party in power; and often political conflict as such – be it between rivals over state power, between populations and their governments, and even between nations – is a greater threat than the removal of the incumbent regime, e.g. state failure and its potential consequences, such as massive numbers of refugees and the creation of safe harbors for terrorists. The third and final way in which democratization has instrumental value is thus summarized in the term *conflict prevention.* If, for instance, rivals over the centralized state authority can be brought to compete democratically, their rivalry will not escalate into a civil war. Instead, the loser will submit to the winner, and the winner will in turn provide the loser with a measure of institutionalized influence as a legitimate opposition, and stability will be maintained. Post-Cold War administrations have been convinced that if African regimes can be made to

[23] The administration of Barack Obama, however, has scaled back these efforts in the light of disappointments in Iraq and Afghanistan.

concede and uphold their citizens' basic rights and allow them to participate in the political process, the latter's discontent will not turn into violent opposition, but will be directed along more productive and constructive channels. Finally, therefore, democratization is viewed as a tool for pacifying the numerous latent and "hot" conflicts in Africa that derive from the various tumultuous political changes that have accompanied the long and arduous birth of the *new world order.* It is true that the hopes placed on democratization's usefulness in terms of creating and maintaining *stability* for the most part have gone unfulfilled, such as in Nigeria and Kenya. Nevertheless, this does not alter the fact that this is just how many American policymakers calculated and continue to calculate.

2.4 Conclusion

Contrary to widespread assumptions, the central role of good governance in the foreign policies of Western powers over the last twenty years cannot be explained merely with reference to a moral or scholastic awakening, but is primarily due to changes in these powers' interest constellations. With the close of the Cold War, the incentives for giving aid and political support to corrupt autocrats declined sharply, and in some cases even disappeared. At the same time, at least for the U.S., democratization and anticorruption provided tools for expanding American influence on the continent while pushing back French influence, for putting American-African relations on a more solid foundation within African society, and for conflict management. Although the promotion of good governance and the securing of African allies represent objectives that *can* conflict with each other, it is also crucial that we recognize how good governance can be useful foreign policy tools. That allows us to account for why the U.S., for instance, promotes democratization in one country while turning a blind eye to corruption and bad governance in another. In both cases, the demands of *realpolitik* provide the answer.

3 Corruption and Good Governance in Development Economics

Regardless of the interests and motivations underlying Western powers' efforts to combat corruption and promote good governance in Africa, what still demands explanation are the nature and causes of corruption and bad governance themselves. After all, despite any disagreements about the honesty or effectiveness of these efforts to improve the quality of African politics, there is one thing to which all sides to the debate agree: African politics *is* corrupt and plagued by bad governance. And yet, it turns out that these terms are not so easy to define. In fact, the enormous amount of empirical and theoretical work on the varieties, dimensions, effects and causes of corruption bears witness to the uncertainty as to what the term *corruption* actually signifies. This uncertainty is exacerbated by the fact that the term has become both an omnipresent buzzword and a handy moral accusation for bad governance in general. This chapter offers an overview of the general academic debate on corruption in developing countries in general and in Africa in particular – its definitions, dimensions and categorizations. The issue of corruption is then situated within the larger debate on the role of institutions in economic development, drawing in particular on the work of Douglass C. North. Although we need to exercise caution when determining what effects corruption has on development, there is little doubt that the impact is negative. This relationship between corruption and economic development represents the basis for the current academic concern over corruption in Africa. Although it is understandable that the detrimental effects of corruption on development are the primary justification for Western donors' efforts to combat corruption and promote good governance, the focus on corruption's effects too often drowns out a discussion of its causes.

3.1 Defining Corruption

Corruption has become a buzzword in the truest sense of the word: a catch-all phrase used by the most diverse parties to indicate and characterize the source of the evils that plague not only the inhabitants of sub-Saharan Africa, but of both the developing and developed worlds as a whole. One should be careful in employing such buzzwords, for they generally operate on the assumption of a shared understanding about what they actually refer to. More often than not, that assumption turns out to be demonstrably false. For instance, if we take what is perhaps *the* buzzword of our time – *globalization* – we find that it refers to very different phenomena depending on who is using the term. What a cultural anthropologist researching the habits of indigenous peoples means by globalization differs starkly from what an investment banker looking to make a fortune in an *emerging market* means; and that differs from what is meant by economists, NGO rank-and-filers or the pilot of a container ship. And yet, all would certainly agree that globalization is a reality, perhaps the defining phenomenon of our era, even if the term says nothing more than that some undefined entity is becoming *global.*

The same goes for the term *corruption.* Though most would agree that corruption deserves strict moral condemnation, this tells us little about what corruption in fact signifies. The term itself says nothing more than that power – be it economic or political – is employed in a way that violates its intended purpose. But what constitutes a violation depends on a whole host of variables. Once we scratch the surface and try to get a deeper sense of the meaning of corruption, we find that the simplicity of moral condemnation is shattered, leaving us with shards of difficult questions and uncertainties. Defining what counts as corruption turns out to be no mere formality, but an imposing philosophical endeavor. Once we take into account all the various phenomena the term is supposed to describe, we are faced with a laundry list of social acts and facts encompassing every sphere of social life and activity (Bardhan 1997, 1320f). And if we restrict our purview to what we could consider political corruption, the task hardly gets any easier. Measuring the frequency and severity of corruption in any objective fashion proves to be an almost impossible task, not to mention finding viable touchstones of comparison between different countries or even within a single country over time.[24]

On the one hand, the difficulty of capturing and assessing the dimensions of corruption derives from the fact that subjective bias is almost always in play. This bias derives from two different sources: first, there is the moral standpoint that regards corruption as evil per se. As understandable as the judgment is, it nevertheless places obstacles in the path of a sober analysis.

> Any discussion of corruption must contend with the fact that the institution is almost universally condemned. Insofar as this criticism is based on moralizing – explicit or implicit – self-interest, or ideology, it can be a formidable obstacle to rational analysis (Leff 1964, 8).

And in his seminal work on the causes and effects of corruption on economic and political development, Nye (1967) states the following:

> What we need to advance the study of the problem [of corruption, JG] is to refute and replace *specific* a priori hypotheses with propositions based on such data rather than with the generalities of the moralists. Corruption in developing countries is too important an issue to be left to the moralists (427).

Second, this bias derives from the feeling of being harmed by a particular use of social and/or political power. For example, foreign investors view corruption as a problem not – or at least not primarily – because of any moral virtues they might entertain, but because they are the ones paying the bribes. Their dislike for having to pay bribes can be compared with their displeasure at having to

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24 Lambsdorff (2001) provides a fine illustration of the difficulties involved in getting a grasp on what makes the use of political power a *mis*use of that power, especially if that misuse is endemic: "Corruption has been defined as the misuse of public power for private benefit. But the term 'misuse' can be open to different interpretations. In section 3 [of Lambsdorff's brochure on corruption and public welfare, JG] it involved the rules set up by a benevolent principal which were trespassed by a self-seeking agent. This approach is no longer valid if the principal itself is maximizing its self-interest because the rules in this case do not deserve public adherence. The term corruption may be misplaced when applied to a disobedient agent who is disloyal to rules that are themselves the result of self-seeking. Instead, it may be more accurate to assign this term to the principal's own self-seeking behavior. In this case 'misuse' is not clearly related to the trespassing of rules, which are the principal's own creation. The principal may create an environment where laws do not prohibit the self-enrichment of a ruling class, a situation where insufficient regulation is in place to restrict politicians' self-seeking. Corruption can even accompany and underlie the writing and enforcing of rules and laws designed with the intention of furthering the principal's corrupt goals.... The term 'misuse' can no longer be applied to violating rules (in the legal sense). Instead, the act in question must either be regarded as illegitimate by the general public, or it may be an act that contradicts the public interest (19)."

pay any kind of tax, legitimate or illegitimate. Accusations of corruption hurled by up-and-coming African politicians at the *ancien regime* often stem less from an abhorrence of corruption than from their own desire to ascend to power and take control of the means of dispensing patronage.

The task of defining what counts as corruption and measuring the frequency of its occurrence is thus anything but a straightforward, objective, and scientific endeavor. Because the term is such a clear moral condemnation of the misuse of social power, it often betrays more about the intentions of the party advancing the objection than the party on the receiving end. Leys (1965) lays out four questions that need to be answered in order to arrive at a common ground for analyzing corruption in a given society:

> (1) What is being called corrupt and does it really happen? […] A precise statement is required of the rule and the sense in which it is said to have been perverted.
>
> (2) Who regards the purpose which is being perverted as the proper or 'official' purpose?
>
> (3) Who regards the allegedly corrupt action as perverting the official purpose?
>
> (4) What are the short-term and long-term consequences of the behavior in question, both of each particular case and of such behavior generally? (221f)

On the other hand, the difficulty of defining and capturing the dimensions of corruption also arises from the very nature of the object under investigation. After all, corruption only rarely occurs in the light of day or in the eyes of the public. It is a largely backroom affair – or under the table, behind the back, out of sight, depending on one's preferred metaphor. As the oft-cited fourth century Indian thinker Kautiliya writes in his opus *Arthasastra*:

> Just as fish moving under water cannot possibly be found out either as drinking or not drinking water, so government servants employed in the government work cannot be found out (while) taking money.[25]

Tracking occurrences of corruption and measuring its extent is therefore just as difficult as defining corruption. And even if we get a clear sight of all instances of corrupt behavior, the dividing line between behavior that is corrupt and behavior that is perhaps cynical and/or self-seeking, but nevertheless legitimate, is almost never clearly defined. The location of that line can vary depending on a

[25] Cited in: Kangle 1972, 91

country's political context and culture. On the one hand, all modern definitions of corruption express some version of the abuse of public office for private gain;[26] but on the other hand, even this seemingly straightforward definition of corruption proves on closer inspection to be fraught with difficulties. Theobald (1990) points out three possible touchstones for defining corrupt behavior, pointing up the moral, historical and political assumptions each criterion entails. First, the notion that positions of political power are defined as *public office,* making their use of power for *private* gain corrupt, is not a universal political norm, but an historically contingent phenomenon linked to Western, modern capitalist economies. In pre-modern societies, the use of public power for private gain was *the* defining purpose of holding power; in many third world societies, gift-giving at the political level is often socially approved and even demanded. A clear separation between public office and private interest constitutes an overly simplified idealization of bureaucracies:

> In fact, the vast body of literature on formal organizations, both public and private, clearly demonstrates that the performance of all bureaucratic roles involves an element of discretion or some degree of flexibility in the interpretation of rules and procedures. Indeed many writers have argued that without this area of discretion bureaucracies could not function; rigid adherence to the rules would rapidly bring administration to a standstill. Therefore to base one's conception of corruption on deviations from the norms of public office when such deviations are usual, if not necessary, is to invite confusion (4).

Second, if we take the *public interest* as the defining criterion for proper public behavior, we will find that this too can be a vague notion, especially given the size and complexity of modern societies. As we will see in Chapter 4, the existence of the public interest cannot be taken for granted, but rests on certain political economic circumstances. And in Chapters 5 and 7, we will see that in societies marked by deep ethnic and/or economic divisions, the public interest is extraordinarily difficult to define, since there is little consensus about what

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26 "Corruption is the abuse of entrusted power for private gain" (Transparency International); "The abuse of public power for private gain" (World Bank 1997); "Corruption is the misuse of public power for private profit" (Senturia 1931, vol iv); "The practice of using the power of office for making private gain in breach of laws and regulations nominally in force" (Andreski 1968, 92); "Corruption is behavior of public officials which deviates from accepted norms in order to serve private ends" (Huntington 1968, 59); "Corruption is behavior which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence" (Nye 1967, 565).

that interest might entail. And as we will see later on in the present chapter, in many cases one could argue that the corrupt use of office can even prove to be beneficial for the public interest. Third and finally, if we take *public opinion* as the yardstick for measuring the behavior of public officials, there is the danger that this will privilege the more *vociferous* (Ibid., 7) portions of the population who have the capacity to elevate their particular, private opinions to the rank of *public opinion.*

Indeed, politicians and lobbyists are constantly moving about within a *gray area* between serving constituents and abusing power in their favor. This gray area could in fact be regarded as a congenital feature of modern political systems. Although "the abuse of entrusted power for private gain" may seem at first blush to be a clear-cut definition, on closer inspection it proves to demarcate a remarkably amorphous sphere. In most cases, even the use of publicly entrusted power for public gain entails using that power to benefit specific private interests. Whenever, for instance, a government provides a *public good,* be it the creation of infrastructure, financing research and development, arms funding, farm subsidies, and even welfare, the result is someone's *private* gain – either construction companies, research institutes or the firms that put their findings to use in business, arms corporations, farmers or the unemployed. Demonstrating that furthering one of these private interests is in fact intended to and ultimately does serve the *public* interest is not only difficult, but can often only be determined after the fact. If a government subsidy proves unsuccessful, benefitting only the immediate recipients of government funds at the cost of the entirety of taxpayers – is this corruption? Is it not all too easy to claim that the ultimate intention of the subsidies was to further the public good, but that the endeavor simply did not go according to plan? And finally, is it not legitimate for elected officials to serve the private interests of the constituents who placed them in office – with their own, very private votes?

3.2 Surveying and Measuring Corruption

The pervasiveness of corruption in modern politics, as well as the uncertainty involved in demarcating the line that divides corruption from the normal workings of politics, is reflected in the expanses of literature on the issue of corruption. There is a plethora of studies indicating and analyzing the myriad forms that corruption takes in the third world and elsewhere (Bull and Newell 2003; Johnson 2004; Rose-Ackermann 1978, 1997; Spector 2005). We also find several empirical studies on the forms of corruption in sub-Saharan Africa in particular (Hope and Chikulo 2000), as well as various World Bank reports (1997; 2000), especially the periodic publication of its *Worldwide Governance Indicators* (WGI). In a recent study, *The Many Faces of Corruption*, the World Bank has gone beyond what it regards as the overly *blunt* character of previous, mostly macro-level empirical studies and the overly broad distinction between "petty" and "grand corruption" by focusing on diverse forms of corruption within individual sectors of the private and public economy, such as forestry, pharmaceuticals, transport, utilities, and the national budget process (Campos and Pradhan eds, 2007). Moreover, the discussion of various forms of "legal corruption" underscores the thin and often indefinite line between bribery and honest business practices or political favors (Kaufmann and Vicente 2005).

When it comes to measuring the depth and reach of corruption, we can find no less than 140 publicly accessible sets of corruption indexes, which in turn gather together surveys of all kinds of corruption in developing countries. To name just the six most widely used indexes: The *International Country Risk Guide* (ICRG), Business International (now incorporated into The Economist Intelligence Unit), Freedom House's "Freedom in the World" publication, Transparency International's *Corruption Perceptions Index* (CPI), the World Bank's *Country Policy and Institutions Assessments* (CPIAs) and its semiannual so-called *KKZ* or *KKM* indicators, named after the report's authors Kaufmann, Kraay, Zoido-Lobaton and Mastruzzi (since 1996).

Yet this imposing volume of surveys does not necessarily present us with a clear picture of the extent and depth of corruption within various countries. In a paper published by the Development Centre of the Organisation for Economic Co-operation and Development (OECD), Arndt and Oman (2006) raise several concerns about both the quality of these indexes and the uses to which they are put by the business and donor communities.[27] They distinguish between, on the one

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[27] The political impetus behind the explosion of interest in the issue of corruption is underlined by the fact that many of the aporias inherent in capturing the dimensions of corruption were already dealt with in detail as early as 1969 (Scott 1969). It would take another two and a half decades for these questions to reach the mainstream of development discourse.

hand, the inherent difficulties involved in any attempt to measure the dimensions of corruption, make cross-country comparisons and track the development of corruption over time, and on the other hand, the questionable bias on the part of those that assemble these indexes and put them to practical use. First, the authors cast doubt on the objectivity of these sets of indicators and point out that in fact, none of them even claim to be objective. The *Freedom in the World* report issued by Freedom House, which categorizes countries as either *free, partly free* or *not free,* is based on the assessments of in-house experts that judge countries' institutional performance according to what is undoubtedly a very political document – the 1948 United Nations (UN) Universal Declaration of Human Rights. As diverse as Freedom House experts' professions may be, all are "united in the view that American leadership in international affairs is essential to the cause of human rights and freedom."[28] That will certainly color these experts' assessments of other countries' quality of governance. Transparency International's (TI) CPI index is a kind of survey of surveys – all of which are gathered from interviews with the domestic and international business communities. This raises many questions about the perspective according to which this index measures the quality of government institutions. TI itself warns explicitly that its survey must not be mistaken for an entirely objective assessment upon which, for instance, one could or should make definitive decisions about investment or aid; nor is it intended as a reliable measure of progress in improving institutions. Instead the list more or less aims to shame corrupt countries and instigate a *race to the top* in the perceptions of the business community. Arndt and Oman raise similar concerns about the World Bank's governance surveys, pointing out that they tend to favor the views of *external stakeholders* over internal stakeholders, men over women, and that the general business bias of the database means that this index is not necessarily a good indicator of how well a government fulfills its task of governing an entire polity:

> To attribute better governance scores to countries whose regulations make it easier to fire workers – as does the World Bank's "Doing Business" set of indicators, for example – implies a significant degree of subjective judgment on the part of those who construct this facts-based indicator (31).

The World Bank also acknowledges these concerns, noting in its 2005 World Development Report that

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28 http://www.freedomhouse.org/template.cfm?page=2 (30.6.2011)

> although societies benefit greatly from the activities of firms, the preferences of firms don't fully match those of society. This tension is most evident in taxation and regulation. Most firms complain about taxes, but taxes finance public services that benefit the investment climate and other social goals. Many other firms would also prefer to comply with fewer regulations, but sound regulations address market failures and can therefore improve the investment climate and protect other social interests (7).

Furthermore, although there are differences between the quality and comprehensiveness of these various indexes, they all have deficiencies in terms of their usefulness for combating corruption. This is partly due to the fact that the source material and the criteria according to which it is sorted and evaluated are not always clear, and only rarely available to the users of these indexes. The overarching ratings given to various countries do not give a clear idea of where governance problems lie, thus making it difficult to formulate strategies for targeting and combating vulnerabilities. Nor do most of the indices lend themselves to tracking the progress (or regress) countries have made or experienced over time.[29] Perhaps it is not so surprising, therefore, that we find so much controversy over the level of corruption that actually obtains in different countries. Both the objective difficulties involved in defining and measuring it, as well as subjective bias, appear to put a clear assessment of the situation of corruption in different countries almost entirely out of reach.

Although it is important to keep these caveats in mind, it would also be wrong to doubt that corruption is a widespread and significant phenomenon in the developing world, particularly in Africa. Although it is difficult to know where exactly to draw the dimensions of corrupt behavior, borderline cases have no effect on clear-cut cases of corruption. Difficulties in tracking the contours and changes in levels of corruption do not prevent us from getting a clear enough sense of which countries are plagued by corruption and which countries merely have some minor symptoms. We should not let uncertainties about the actual dimensions of corruption prevent us from making at least *some* general claims about the kind and amount of corruption in different countries.

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[29] The authors' main plea is therefore for more t*ransparency i*n terms of the criteria and source material employed in putting together their indices. This would allow a clearer understanding of what a country needs to do and where it needs to intervene if it is to identify the sources of corruption and eliminate or ameliorate them.

Before we address the various theories on the consequences and causes of corruption, I want to situate this more narrow issue within the context from which it has emerged: the more general debate on the relationship between institutions and economic development.

3.3 Institutions and Classical Theories of Development

What now constitutes the *mainstream* theory of development and the role of government in development differs significantly from the conception that prevailed at the *birth* of modern development economics. During the first few decades after WWII, development orthodoxy accorded the state a much greater role in the development process. Government was to function not only as a source of capital, but also as a conductor of the entire development process. It was to be at the center of a comprehensive planning process that would ensure accelerated development, raising third world countries out of their state of economic inferiority and elevating the standard of living to a level comparable to advanced industrial nations.

This theory was based on the conviction that the market alone is incapable of bringing about accelerated development, especially given the specific economic circumstances of the developing world and their relation to the advanced industrial nations. According to the so-called Prebisch-Singer thesis, these countries' status as primary commodity exporters put them at a structural disadvantage: Because of the low income generated by these goods, their low elasticity of demand and the high volatility of commodities markets, the terms of trade between these goods and the industrial products of the developed world would necessarily develop to the disadvantage of primary commodity exporters. The latter would receive less and less for these products in terms of industrial imports. In short, the mechanisms of the market would automatically discriminate against producers of raw materials, locking third world countries in a state of undevelopment.

Therefore, the state was called upon to play a more dominant role in the process of development. In order to compensate for the vagaries of world market mechanisms, the state was to intervene in order to provide resources that the market would not. This meant fostering industrialization, i.e. building up a whole palette of manufacturing industries that could reverse the trends in the terms of trade and free developing countries from the perils of dependency on primary commodities. That in turn would ensure rapid development and a corresponding rise in living standards. Government involvement was not only to comprise injections of capital, but also comprehensive development planning, including the nationalization of key industries, import substitution, manipulation of exchange rates, and a whole host of other measures. Although the nature and the extent of these interventions varies depending on the particular subgenre of the *dependency school*, all these varieties of the theory have two things in common: first, they reject the neoclassical notion that what is needed for development are markets and nothing but markets; second, they advocate increased government intervention in the economy.

This *classical* development theory, which dominated development economics well into the 1970s, has now been relegated to the periphery of the debate on third world development. Although it is currently enjoying a kind of renaissance in the works of various *heterodox* economists who point to the necessity of comprehensive state intervention in economic development, it still occupies the margins of what we would now define as the mainstream of development economics (Amsden 2001; Chang 2003, 2007, 2010; Chibber, 2003; Shaikh, 2007). The key difference between the current *orthodox* and classical heterodoxy clearly consists in the role of property rights within the process of development. Whereas classical theories have a more *instrumental* and *pragmatic* perspective on property rights, judging state interventions into property rights almost exclusively with regard to their effectiveness for development, the current mainstream notion emphasizes the importance of the stability and sanctity of property rights.

3.4 The Liberal Account of Institutions in Economic Development

Contrary to what the term *liberal* might suggest, political institutions have also come to play a prominent role in liberal theories of economic development, which generally regard the free workings of the market as the only viable motor of economic development. This view is often traced back to the work of Douglass C. North, the founder of so-called *New Institutional Economics.*[30] The importance that North ascribes to institutions for economic growth and development is indeed remarkable. He takes them to be responsible for nothing less than the "rise of the Western world" (North Thomas 1973), that is, for the explosive economic development in the countries that are now the world's leading economic powers. By converse, he claims that if economies perform poorly over time and fail to achieve sustained growth and development, that is because "the institutional constraints have provided the incentive structure for such activity" (North 1990, 110). He regards institutions as the explanatory key to unlocking what he calls "the central puzzle of human history," which is "to account for the widely divergent paths of historical change" (1990, 6).

North's approach has its point of departure in a critique of neoclassical growth theory, which assumes rational agency, perfect information, an absence of diminishing returns, competitive equilibrium, and equal private and public rates of return (1990, 24), thus presupposing "perfectly specified and costlessly enforced property rights, that is, zero transaction costs" (North 1981, 5). According to this theory, levels of investment and technological change are the decisive factors for determining economic growth and development. Although North is far from denying the importance of these two factors, he rejects the notion that they are the causes of growth, claiming instead that investment and technological advance *are* growth, and thus cannot explain its causes. He points out that "the major source of changes in an economy over time is structural changes in the parameters held constant by the [Neoclassical] economist" (North 1981, 57). While the latter takes an efficient set of property rights for granted, thus presupposing positive incentives for growth, North reminds us that efficient property rights are in fact very rare in the economic history of nations.

Among other things this would help us account for why neoclassical economics' assumption that all economies will eventually converge as a result of trade has been refuted so strongly by reality. In the real world, we find just the opposite: a seemingly unbridgeable gap between rich and poor countries. In North's view,

[30] North also displays a strong affinity with authors who emphasize the contribution of culture to the rise of the West (Weber 1993; Landes 1998; Bauer 1976) And in recent years he has placed increasing emphasis on the role of culture in determining institutions, and thus their indirect role in determining economic performance (North 2005).

if we are to tell an accurate story of growth and development, we will need to examine what underlies investment and the invention and application of technology. In other words, we will be compelled to analyze the institutional structures of the economy and society. According to North, these structures are what create the incentives to undertake economic activity and bring about growth in the first place. They provide the fertile ground upon which the seeds of economic growth – investment, technologies, and their products – can be sown and eventually brought to bear fruit. In the first instance, this requires developing a theory of the authority that establishes and upholds the institutional structure, the bedrock of economic growth and development – the state.

In fact, North develops two different accounts of the state, which derive from two opposing schools of thought, both of which he integrates into his theory despite the striking contradictions between them. On the one hand, North draws on the *contract* theory of the state – the theory preferred by neoclassical economics – in order to sketch what could be called the *state in theory.* We are to think of this state as a normal entrepreneur, a *service provider* like any other, whose comparative advantage happens to consist in its potential for violence. The good that this particular agent exchanges for revenue consists in two varieties of violent protection – it protects the private property of individual economic agents by forcible exclusion, and it protects the land, its resources and the populace as a whole from foreign invasion. North claims that the state's specialization in violence, its "monopoly on the use of force" (Weber), derives from the same logic that determines the societal division of labor: comparative advantage and economies of scale. This means that it will be more advantageous for one actor to specialize in violence and develop the wherewithal to provide protection for the whole of society, rather than have all individuals arm themselves and forcibly exclude each other from their respective property – whether other citizens or foreign invaders.[31] He goes on to point out that the services the state provides to society are absolutely essential for economic growth. It lays down the basic *rules of the game,* specifies ownership rights and contractual obligations, without which *impersonal exchange,* i.e. trade over great distances and long periods of time, would be all but impossible. Without the reliable enforcement of property

[31] Bates (2008) has also adopted this basic account, referring to states as *specialists in violence.* Good institutions will come about only if the state "chooses to employ the means of coercion to protect the creation of wealth rather than to prey upon it" (5).

rights, economic actors will not have the incentive to invest their time, energy and resources in long-term productive activity, because they will be wholly uncertain as to whether they will be able to capture the benefits, or whether other agents will profit from these efforts at one's own cost. Like any other entrepreneur, the state is forced to compete for customers against its rivals – either other states or other potential rulers within the state (North 1981, 27). Therefore, it will have an incentive to provide the highest quality service to its citizens for fear that they might switch to another security provider, either by emigrating or by combating the regime in power.

The second theory of the state North draws upon is the *predatory* or *exploitation* theory of the state. North uses this theory to sketch what I will term the *state in reality* (Ibid., 21f). According to this theory, the state is not a service provider in the true sense of the term, because it does not enter into a relationship of exchange with other economic agents, but subjects them to its rule in order to enrich itself at their cost. It does not *specialize* in force instead of, say, pharmaceuticals, nor does it sell protection in exchange for revenue. Instead it imposes a set of property rights on its citizens and expropriates revenue from them in return. The ultimate purpose of the state is not to serve its economy, but to be served by it. It does not seek to *reduce uncertainty*, but to ensure its own supremacy. Therefore, North makes clear that a society's institutional structure is not determined by its members' desire to reduce the uncertainties of impersonal exchange and ensure the protection of their property rights. What constitutes an efficient institutional structure is not what helps to best promote the production of wealth per se, but the wealth of the state that designs, imposes and enforces the institutional structure: "The state […] will encourage and specify efficient property rights only to the extent that they are consistent with the wealth-maximizing objectives of those who run the state" (North 1981, 33f.).

North claims that these two senses of efficiency are in a state of constant conflict; only rarely does a society's property rights structure promote economic growth. For North, the tension between these two opposing theories accounts for the paradox that plagues any theory of the state: Although institutions are the *conditio sine qua non* of economic growth and development, their principal purpose is to maximize the wealth of the authority that designs, installs and enforces them. Hence we arrive at the paradoxical truth that "the existence of a state is essential for economic growth; the state, however, is the source of man-made economic decline" (1981, 20). In order to solve this paradox and establish an institutional framework that works to promote economic growth, North claims that there must be a conjunction of interests between those economic agents whose activity serves overall growth and the political power that designs and enforces the property rights structure. Only on this condition will the state's pursuit of its own economic interests render it a *service provider* to the economy that constitutes the basis of its own wealth and power.[32]

Hernando de Soto (1989; 2000), one of the most prominent liberal economic historians, has applied North's claims about the importance of stable and secure property rights to the case of developing countries. Picking up on North's guiding question, he asks, "What is it that prevents capitalism from delivering to them [people in developing countries, JG] the same wealth it has delivered to the West? Why does capitalism thrive only in the West, as if enclosed in a bell jar?" (2000, 5) His answer has two steps. First, he denies that there is a lack of the material wealth needed to accelerate development in developing countries. Using the example of informal markets in Peru, he claims that the amount of wealth in these economies is much greater than normally supposed (5f). However, it is unable to function as capital because it is held in *defective forms*:

> houses built on land whose ownership rights are not adequately recorded, unincorporated businesses with undefined liability, industries located where financiers and investors cannot see them. Because the rights to these possessions are not adequately documented, these assets cannot readily be turned into capital, cannot be traded outside of narrow circles where people know and trust each other, cannot be used as collateral for a loan and cannot be used as a share against an investment (6).

In short, because the poor in these countries lack clearly defined property rights to the material wealth that they possess, they cannot use this wealth productively in order to create growth and thus promote development. This, according to de Soto, is what separates the West from *the Rest.*

32 In Chapter 5, I will discuss North's historical account of Early Modern Europe (1981, 1990; North and Thomas 1973; North and Weingast 1989), in which he seeks to prove his theory with reference to the differential performance of four different European countries. For now it suffices to point out the enormous influence North's account has had on current development theory and praxis, especially in terms of the importance of secure and stable property rights for long-term economic performance. This is true despite the fact that this historical account does not in fact address the developing world itself, but the history of today's leading industrial nations.

North's influence is also documented by the abundance of research that has sought to build on his theses, describing and explaining the correlation between the quality of institutions (i.e. the security and stability of property rights) and the level of economic performance across developing countries. The results of this research culminated in the World Bank's 2002 *World Development Report*, which deals with the importance of institutions in terms of ensuring the conditions for flourishing markets. In the meantime, the theory has moved beyond the elementary insights provided by North in two ways: On the one hand, the definition and discussion of institutions has moved beyond their effect on property rights; on the other hand, we now enjoy a wealth of empirical research on the specific effects of corruption on economic performance in the developing world.

3.5 Digression on Amartya Sen: What are Good Institutions?

Within development economics, the debate over corruption revolves almost entirely around the beneficial effects of good governance on economic development, and conversely, the harmful effects of bad governance on economic performance. This is not only the case in academia, for as we have noted in the previous chapter, the World Bank and most Western governments have become much more insistent and even aggressive in calling for better and more humane governance in developing countries, referring not least to the salutary effects on the long-desired economic development of these countries. At the same time, many third world statesmen, who see their authority threatened by such demands for change, resort to the longstanding argument that, given their low level of development and the political realities of developing countries, democratic institutions and a free market do not provide a proper "fit" for their countries' particular development needs. According to the "Lee" thesis (15), for instance, authoritarian structures are regarded as necessary and beneficial for economic growth.[33] Many also point to the case of South Korea, where authoritarian struc-

[33] This thesis derives its name from the former authoritarian Prime Minister of Singapore, Lee Kuan Yew. It should be noted, however, that Singapore under Lee's regime has developed some of the harshest and most effective anticorruption laws in the world.

tures have gone hand in hand with accelerated development. In these cases, authoritarian government is viewed as the *price to pay* for accelerated development, an unfortunate necessity of the reality of the third world. Or, to put the point more bluntly, some argue that the end of development justifies the means of authoritarian government. Within development economics as well, we find authors who argue that third world corruption, even in sub-Saharan Africa, is a necessary part of *primitive accumulation,* an unfortunate necessity of forming an indigenous capitalist class, which can then benefit society after it has accumulated sufficient amounts of capital to attain competitiveness (Khan 2002).

Amartya Sen, however, largely rejects the premises of this debate. On the one hand, he agrees that the empirical evidence for the salutary effects of authoritarian government on economic performance is rather thin, and that good governance demonstrably goes hand in hand with *good* governance, i.e. rule of law, secure property rights, democratic freedoms, etc. However, Sen insists on the *intrinsic* importance of political institutions and structures that secure citizens' freedoms, independent of the effects on overall economic performance. He argues for the need to redefine development not in terms of per capita income, growth and investment, but in broader terms of freedom. Even if it could be shown that more dictatorial and corrupt government structures and practices were more effective in terms of accelerating growth, he is certain that people would still have good reason to choose more free, democratic structures. He underlines this claim by raising a question:

> Take for example the well-known argument in economics that a competitive market mechanism can achieve a type of efficiency that a centralized system cannot plausibly achieve … Consider now, contrary to what is generally assumed, a case in which the same economic result is brought about by a fully centralized system with all the decisions of everyone regarding production and allocation made by a dictator. Would that have been just as good a result? (Sen 1999, 27)

Sen therefore distinguishes between two different reasons for making freedom the primary goal of development policy. First, there is an *effectiveness* reason (4): Democratic and honest government provides the best conditions for economic growth. But again, Sen emphasizes that to make that the sole argument for good governance is to invert the true relationship between the ends and means of development. Instead of propagating economic freedoms as a means for promoting the end of sustained development, we should view economic performance as just one means of securing the end of human freedoms – political, economic and social.

Second, and of far greater importance, there is the *evaluative* reason: Political freedoms have intrinsic value, and their expansion not only contributes to development, but *are* development. This is best expressed by the title of his 1999 publication, *Development as Freedom*. What he calls for is nothing less than a redefinition of the very concept of well-being, one that is much broader than traditional economic measures, and which at the same time reveals the limited ability of traditional economic indicators to capture the actual well-being of individuals. Sen illustrates this point by pointing to the gap between indicators of per capita income and, e.g. longevity. He finds great disparities between these two sets of criteria in a number of countries. For instance, although African-Americans in the United States are richer in terms of income,

> it turns out that men in China and in Kerala decisively outlive African American men in terms of surviving to older age groups. Even African American women end up having a survival pattern for the higher ages similar to that of the much poorer Chinese, and decidedly lower survival rates than the even poorer Indians in Kerala. So it is not only the case that American blacks suffer from *relative* deprivation in terms of income per head via-à-vis American whites, they are also *absolutely* more deprived than the low-income Indians in Kerala and the Chinese, in terms of living to ripe old ages (22).

Sen redefines well-being as the expansion of *capabilities,* which do not measure how *opulent* people are, but constitutes a general and multidimensional yardstick for what these people can *do* with whatever resources they may have. Although Sen's broad approach to the definition of welfare makes him a rare bird in the world of economics, his approach has had a great influence on the way the greater development community thinks of and analyzes the developing world. The most striking proof of this is the UN Human Development Index, which includes criteria such as life expectancy, literacy and education among its indicators of well-being. Many of these are drawn directly from Sen's works, and this index also displays similar disparities with indicators that focus merely on per capita income and Gross National Product (GNP). But although Sen consistently argues against traditional economic indicators because of their overly narrow focus on income and investment, he nevertheless recognizes the privileged place that income and investment levels have in determining even the most holistic conception of well-being. It is with this thought in mind that we turn to the other, more mainstream debate on the relationship between institutions and development.

3.6 The Impact of Corruption on Economic Performance: Negative Accounts

Many authors have gone to great lengths to define and quantify the negative impacts of corruption on economic performance and development. In fact, studies on the deleterious effects of bad and dishonest government seem to make up the lion's share of the attention that development economics pays to the issue. This field of study was especially fruitful during the 1990s, and many of its findings have had a significant influence on the formulation of Western development policy, especially on the World Bank's current anticorruption efforts. In fact, the consequences of corruption for development are also what provide the motivation for combating corruption in the first place. Although there remains relatively little empirical research on the effects of corruption in African countries, Sachs and Warner (1997) claim that the cross-country evidence we have is enough to prove that there is no need for an extra *Africa theory*. More recently, Gyimah-Brempong (2002) provides evidence to support the assumption that what goes for the developing world in general will also go for Africa. For these authors, the only real difference is a quantitative one: Africa's governance indicators are worse than the rest of the world, as are its growth rates (Collier and Gunning 1999, 64).

In his pioneering work on the effects of African government intervention on economic development, Robert Bates (1981) claims that corruption is at the root of government interventions and macroeconomic policies that generally place a severe restriction on growth potential. Because of the political benefits of granting favors to urban groups, especially manufacturing elites, African governments have often intervened in ways that damage the agricultural sector, e.g. through marketing boards and other policies that suppress price levels. Because of the sheer size of the agricultural sphere in Africa, policies that discriminate against agriculture are bound to reduce growth (2008, 62). For the same reason, African governments also tend to overvalue the currency and restrict trade flows, thus not only creating opportunities for corruption (see below), but implementing policies that restrict economic performance overall. In short, favoring the city at the cost of the countryside, and large landowners at the cost of small farmers, has not only placed onerous burdens on the bulk of the African population, the majority of which, after all, is made up of small farmers, but has also imposed significant constraints on development in general.

In the meantime, several empirical studies have put the importance of institutions for economic performance to the test. The first set of authors who should be mentioned in this context are those who focus on the relationship between the security and stability of property rights and the level of economic performance. Barro (1989) and Alesina, et al (1992) were among the first to use measures of political instability as proxies for the security of property rights: coups, revolutions and assassinations. The logic for these proxies is twofold: first, leaders who fear being overthrown will be more likely to expropriate property in order to secure their own wealth, or because they "expect to bear fewer of the future costs of their current expropriatory actions" (Knack and Keefer 1995, 209); second, and perhaps more obvious, political instability undermines the very authorities that enforce property rights. The ensuing uncertainty will both encourage current investors to pull out of the country and discourage new investors from putting their money into the country. These authors claim a significant link between measures of political instability and the rate of growth and amount of investment in a country. Freedom House's *Freedom in the World* report has used measures of civil liberties and political freedoms as proxies for the security of property rights, and many other authors have drawn on the same basic criteria (Kormendi and Meguire, 1989; Scully 1988), claiming that these indicators are also a reliable index for the level of economic rights in a country. According to all these studies, the empirical evidence demonstrates that insecure property rights have a clearly negative effect on economic development.

Although Knack and Keefer (1995) question neither the basic premise of North's and de Soto's propositions nor the basic findings of the above mentioned empirical surveys, they criticize the indices employed by Barro, Gastil, etc. for being overly blunt and ambiguous. This is because they do not measure the security of property rights themselves, but do so only by virtue of proxies (208f). Knack and

Keefer instead propose a set of indicators that captures the security of property rights directly, while also accounting for the many other ways that institutions affect the security of property rights, therefore allowing a robust cross-country test of the various institutional factors raised by North and others (e.g. Olson 1982). These factors include the risk of expropriation,[34] rule of law, repudiation of contracts by the government, the quality of the bureaucracy, and finally, corruption in the government. Although the indicators employed by Barro and others might be an indirect sign of corruption levels, Knack and Keefer first provide a direct indication of the effects of corruption itself on economic performance. According to the authors, by using these more detailed measures of institutional quality it becomes clear that the effect of institutions on economic development (measured in terms of the level of investment and the rate of economic growth) supersedes what Barro and others had previously supposed.

Pablo Mauro (1995; 1997) provides an analysis that is both broader and more specific than that of his predecessors, which is one of the reasons why his two key articles on this issue continue to play such an important role in the theory. On the one hand, he limits his focus to *bureaucratic* corruption, putting aside issues of legislative corruption and so-called *grand corruption*; on the other hand, he provides a broader picture of corruption's negative effects, beyond the consequences for the stability and security of property rights. Instead, he addresses levels of total investment, finding a whole array of negative consequences that he claims are *robust* to reverse causation. First, the bribes needed to pay off corrupt officials essentially work like a tax, which necessarily reduces the incentive to invest; but unlike a tax, the extracted revenue does not accrue to the state, which could still possibly make use of the funds in a productive way, but to private agents for conspicuous consumption. Therefore, even the money that *is* invested in the country will be employed less effectively, as a greater or lesser portion of it will be siphoned off into activities that do not directly (or perhaps not even indirectly) promote growth. This goes for both private investment and foreign aid flows. And where these capital flows *are* invested productively, there is a good chance they will not be allocated to those sectors that are most important for development, but to those that offer the best opportunities for graft (1997, 88). Furthermore, even if they are allocated to the proper sectors, their effectiveness

[34] The issue of expropriation risk also receives a great deal of attention in an influential essay by Acemoglu, Johnson and Robinson (2001).

in terms of providing public infrastructure and services will be reduced further still. To take just one example, "corrupt bureaucrats might allow the use of cheap, substandard materials in the construction of buildings or bridges" (Ibid., 87). Finally, a high level of corruption will lead to a poor allocation of human capital, as the more talented and educated will invest their time and energy in rent-seeking activities rather than providing a contribution to overall growth. In all these cases, corruption acts as a burden on investment and its effectiveness for development. The result is a comparatively low level of growth, which Mauro claims is true of a large cross-section of countries.

In its 1997 World Development Report, the World Bank built on the findings of Mauro (1995) and Shleifer and Vishny (1993) to make a further distinction between two different kinds of corrupt governance, one in which corruption acts like an extra tax, and one in which it is a source of general insecurity of property rights:

> In the words of one entrepreneur, "There are two kinds of corruption. The first one is where you pay the regular price and you get what you want. The second one is where you have to pay and you go home and lie awake every night worrying whether you will get it or if somebody is going to blackmail you instead" (World Bank 1997, 34).

In a survey of 39 countries the Bank found that the latter type of corruption had a much more severe impact on growth than the former kind, a finding that was expanded upon and substantiated in an analysis by Campos, Lien and Pradhan (1999: cited in Lambsdorff 2005, 5). The causes for these different forms of corruption will be addressed further below. Shang-Jin Wei (2000) focuses on corruption's impact on levels of foreign direct investment. This is a particularly important issue within the discourse on corruption; indeed, the argument that dishonest and unreliable government works to *frighten off* foreign investors is well-known far beyond development academia. Wei uses an especially broad set of indicators to show that corruption essentially functions as an extra tax on foreign investors, discouraging them from providing developing countries with much needed capital. Like Mauro, he also shows that this corruption "tax" is not matched by an increase of funds in the hands of the state, which could still be invested in public infrastructure and thus contribute to growth, but instead disappears into private consumption, worthless for the aim of accelerating growth.

In an oft-cited study conducted for the IMF, Tanzi and Davoodi (1997) also underline Mauro's hypothesis, researching corruption's implications for public investment and economic growth. Based on their findings, the authors reject the notion that in developing countries, high levels of public investment are not only necessary, but also desirable for compensating lacking international competitiveness and accelerating growth. They claim instead that there are no less than five *channels* through which corruption lowers growth via its effects on public investment. In essence, corruption leads to an increase in spending and a decrease in the efficiency of that spending. Bribe-induced dampers on productive investment simultaneously increase the relative attractiveness of rent-seeking investments. This in turn further encourages rent-seeking while drying up funds for productive investment (Murphy et al 1993). More recently, Acemoglu (2001) and Rodrik (2000; 2002) have used extensive empirical research to call for improved institutions as a way of promoting economic growth. As we will see in the next chapter (Chapter 4), however, both have also been critical of the World Bank's efforts at institutional reform, which they accuse of representing a *one size fits all* approach that is blind to the specific political-economic circumstances within these countries.

Although many of these theories do not address Africa specifically, we can safely assume that all of these negative effects of corruption on the economy apply here as well, if not more. If anything, these institutional factors are not enough to explain Africa's poor economic performance. Although Sachs and Warner (1997) see no need for an extra theory on Africa, Collier and Gunning (1997) attribute Africa's especially poor economic performance to the general lack of *social capital* in these countries, which in part derives from the corrupt nature of African governments and leads, among other things, to poor public service delivery (65f). We will return to this issue in greater detail throughout the rest of the text.

3.7 The Impact of Corruption on Economic Performance: Positive Accounts

As surprising as it may seem, there are several authors who object to this negative picture of corruption. There are three types of objection to corruption's detrimental effects on growth and development: first, some authors object to the modalities of measuring the connection between institutions (including measures of corruption) and economic performance; second, other authors accord less significance to the quality of institutions and argue that there are more important factors for economic development; third, still other authors see a *positive* role for corruption in the process of both economic and political development.

The first group of authors calls for caution with regard to regression analysis, the method usually employed to determine the impact of different indexes of poor governance and corruption on economic performance. In and of themselves, regressions only indicate correlations between different phenomena, but give no direct indication of causation (Aron 2000, 122). Although various different techniques (*dummies*) are used to test the robustness of their analyses, the danger of reverse causation can never be banished entirely.[35] This fundamental ambiguity has given rise to an ongoing *which causes which* debate in development economics – a debate that rages between those who take poor development to be a cause of poor political institutions, and those who claim just the opposite. Therefore, it is advisable to take the findings of regression analyses *cum grano salis*. Furthermore, although Chang (2006) and Aron (2000) agree that weak institutions will have a negative effect on economic performance, they object both to the scarcity and ambiguity of the data (especially with regard to sub-Saharan Africa) and to the failure to distinguish between "the forms and the functions of institutions." They propose instead that

> the appropriate institutional variables to include in investment and growth regressions are those that capture the *performance* or *quality* of formal and informal institutions rather than merely describe the characteristics or attributes of political institutions and society or measure their political instability (Aron 2000, 128).

35 Hall and Jones (1999), Kaufmann et al (1999; 2005), and Mauro (1995; 1997) have developed various instrumental variables or *dummies* to exclude the possibility of reverse causation.

By focusing on these more *realistic* measures of the relationship between institutions and economic growth, we can get a clearer picture of how to proceed in improving institutional structures.

The second set of authors, primarily historians, point to cases in which spectacular growth was achieved under institutional conditions we would now consider very poor, especially according to democratic standards. The most popular historical examples of this phenomenon are the *gilded age* of mid-nineteenth century America (Bardhan 1997; Chang 2002; Theobald 1990), contemporary China (e.g. Shihata 1997) as well as postwar France (Meisel 2004). Bardhan (1997) also cites the Partido Revolucionario Institucional (PRI) regime in Mexico as an example of a corrupt institutional setting that was accompanied by impressive growth. Although these findings certainly compel us to be cautious in assessing the impact of corruption on development, they do not refute the negative consequences of corruption. We could easily argue that in all of these cases, *additional* factors have compensated for the disadvantages of corruption. Bardhan also points out that although corruption may have played a positive role in some of these historical examples, they do not disprove the fact that in contemporary developing countries, corruption is so widespread that it is unlikely to have a positive effect on growth (1329).

This is an important reminder given the role that authors such as Huntington (1968), Leff (1964) and Nye (1967) have had on the corruption debate, all of whom claim that corruption can have beneficial effects on economic and political development. These authors deal primarily with the effects of bribery. For instance, if a country's administrative structures and mechanisms place significant dampers on founding a business, making investments or conducting business activity in general, bribery can allow an entrepreneur or citizen to cut through a thicket of hindrances. Huntington (1968) expresses the issue with admirable clarity when he writes, "In terms of economic growth, the only thing worse than a society with a rigid, over-centralized, dishonest bureaucracy is one with a rigid, over-centralized, honest bureaucracy" (386).

Rose-Ackermann (1978) provides a simple, immanent critique of the benefits of *speed money,* remarking in particular that the "very illegality [of bribery] produces inefficiencies since resources are wasted in keeping transactions secret and in enforcing antibribery statutes" (8). Shleifer and Vishny (1993) support this argument by claiming that secrecy constitutes the greater part of the costs caused by corruption (599).[36] Rose-Ackermann goes on to point out that if a certain corrupt payment system is found to be effective, then it should simply be legalized. Furthermore, it is unrealistic to think that corruption could be limited to situations in which it is desirable: “A system which overlooks corruption in areas where it is ‘economically justifiable’ may find in time that corruption has spread to all aspects of the government structure” (8). Lambsdorff is most succinct when he writes that “losses do not occur because money changes hands, but because corruption renders a principal unwilling or incapable of increasing public welfare” (2001, 32). The issue of corruption, therefore, is broader than the issue of cutting through red tape. Arguments about *speed money, greasing wheels*, and *cutting through red tape* make a largely invalid distinction between a corrupt institutional setting and the efforts of economic actors to cope with that setting. As Bardhan (1997) writes:

> It is usually presumed that a given set of distortions are mitigated or circumvented by the effects of corruption; but quite often these distortions and corruption are caused or at least preserved by the same common factors. The distortions are not exogenous to the system and are instead often part of the built-in corrupt practices of a patron-client system (1323).

Although these authors often give the impression that corruption is a good thing, in fact they do not intend to argue for corruption, but merely point out that in an institutional setting that is inherently corrupt, economic agents will be much better off resorting to corrupt methods. Corruption, therefore, is at most a *second best solution*. Nevertheless, this is an exceedingly weak argument, which in effect only underlines the banal truth that in a system in which all transactions require bribes, one is better off making bribes. In other words, the salutary effects of corruption can only emerge on the basis of widespread corruption. As we saw above, de Soto’s account of the Herculean task of obtaining the necessary licenses for doing business provides a striking illustration of how the necessity of *speed money* only exists against the background of widespread corruption; corruption usually creates the obstacles which bribes can be used to overcome. Finally, Rose-Ackermann argues that the *speed money* argument rests on the same faulty assumptions made by those theorists who take *homo*

36 Mauro (1995) also claims that his empirical research refutes the notion that speed money can be beneficial for economic development when entrepreneurs are faced with a highly inefficient bureaucracy (685).

oeconomicus as the model for rational political behavior. If all public officials and civil servants are assumed to be corrupt, then bribery might indeed be beneficial, but this assumption does not do justice to the complexity of the issue of bureaucratic corruption. Instead, "it assumes a particular model of bureaucracy that is not necessarily valid" (12f).

In addition to the *red tape* argument, Theobald (1990) lists two further instances of corruption's potential benefits: capital formation and the promotion of an *entrepreneurial spirit.* The first rests on the claim that *business is business,* whether it be legal or illegal. In each case of corruption, money is exchanged for a service. If that is the case, corruption cannot be conceived of as a hindrance to investment, for it too *is* an investment (Merton 1968). However, despite the fact that corruption always involves the exchange of money for services, this must not be equated with the kind of business that is good for development: productive activity that *increases* the wealth of the nation instead of merely redistributing it.

Picking up on Huntington's argument, these authors point out that corruption *greases the wheels,* not only in the face of poor governance, but also because the checks and balances of a well-functioning democratic system represent a hindrance on business. In short, corruption allows a process of capital formation that would not otherwise have been possible or profitable (Nye 1967, 490f). Yet this argument is essentially tautological: How do we know that capital would not have been formed *without* the corrupt transaction? Because the transaction happened *with* corruption. That inference clearly flies in the face of evidence that bribes can also reduce investment and capital formation. That the latter would not otherwise have been possible is less a statement about the benefits of corruption than it is an indicator of a poor business environment, which one could argue to be the result of, say, bureaucratic corruption.

Corruption is also viewed as helping to avoid the *chaos of unrestricted competition* (Ibid.) by providing channels for more personalized business relations, while also placing a premium on "ability to pay" (Leff 1964, 11), thus favoring more economically solid firms. However, this argument assumes a false identity between a firm's ability to pay and its economic effectiveness. Just because a firm has the financial power to cover a whole series of bribes does not mean that it is most efficient when it comes to actually providing a service or producing goods. Leff also points out corruption might introduce an element of competition into *a comfortable monopolistic industry* (10), thus promoting economic efficiency. But at the same time, corruption is an effective method of maintaining a monopoly in the face of potential competition, allowing a firm to keep and gain contracts despite its relative lack of competitiveness.

Furthermore, some argue that corruption can benefit not only wealthy entrepreneurs in a position to promote their enterprises through illicit business practices, but also the socioeconomically disadvantaged, who are ill-suited to stand up to economic competition on a level playing field. But of course, corruption can lead to a reduction in opportunities for the disadvantaged, for instance by reducing overall investment, and thus job opportunities. Seen from this perspective, corruption can act as a mechanism of *affirmative action*, promoting social mobility among the underprivileged classes. Finally, corruption can be seen as promoting an entrepreneurial ethos: individual aggrandizement, ingenuity and risk-taking (Nye 1967, 421). However, most would argue that the entrepreneurial ethos is not defined by making money any way possible, but by using ingenuity to provide useful services to the community and thereby acquiring wealth. In short, there is a big difference between entrepreneurs and rent-seekers. Just as was the case with the *speed money* argument, nearly all of these proposed potential benefits of corruption on economic development appear to operate on the assumption of an already corrupt political system, and thus cannot be accepted as valid arguments for the benefits of corruption.

Finally, some authors point to various *political* benefits of corruption. Huntington, for instance, points out that corruption can be instrumental in the formation of mass political parties, thus contributing to the development of democracy (Huntington 1968). In undeveloped countries, political spoils might constitute the only available instrument for building up a political following and encouraging the politically ambitious to become constructively involved in national politics (Theobald 1990, 123). Merton (1968) argues that the personalism of corruption can serve to put a *human face* on a government that would otherwise remain distant and disconnected from the interests of, e.g. the rural population in underdeveloped countries. Bribery might indeed be the only form of interest articulation available to these portions of the population (Leff 1964, 9). In governments that have no institutionalized civil service, "self-interest may be the only means of securing cooperation both within and across departments of state" (Theobald 1990, 122), such that corruption has an integrative function for unstable political systems. Finally, bribery can be a means for resolving conflicts between rival political factions battling over control of the state; the various coalition governments in sub-Saharan Africa formed in the wake of bitter political disputes are often achieved only via a division of spoils between the rival parties:

> On this Walter Lippman cites the president of a Latin American republic explaining that he was in the process of consolidating his regime by giving his most dangerous political enemies ambassadorships with extra large grants. In the past, he explained, they simply would have been shot (Ibid., 124).

Clearly, we could just as easily argue that corruption has a dissipating, and not integrating, effect on national politics by encouraging the development of patronage factions instead of different competing policies for promoting the good of the entire nation. This does not increase trust in the political process, but its instrumentalization in the interest of short-term gains. This is an issue we will return to in Chapter 7 in more detail.

3.8 Conclusion

In this chapter we saw that for various reasons, defining and measuring corruption is a surprisingly complex and imposing task. And it is just as difficult to pinpoint whether and to what extent corruption impacts the process of development. For that reason, caution is required whenever we hurl accusations of corruption or make statements about corruption's impact on growth and development. At the same time, the uncertainties inherent in defining, measuring and gauging the effects of corruption should not hinder us from making some crucial general statements about the dimensions and consequences of political corruption. Even if there are ambiguities and uncertainties about just how harmful corruption can be to economic performance and political development, we would hardly be able to claim that the current political institutions and practices in Africa could have a beneficial effect on the continent's growth and development.

But on the other hand, even if we are justified in assuming that corrupt government has a negative impact on growth and development, this still does not inform us about the *causes* of corruption in developing countries in general and Africa in particular. If we are to arrive at effective solutions to the undeniable problem of poor governance, it is essential that we not only know that and to what extent corruption negatively effects economic performance, but also what engenders this economically harmful political behavior. In short, our grasp of the effects of corruption only tells us how crucial it is that we find strategies for eliminating corruption, not what we in fact need to change. This is especially important given the fact that the discussion of the effects of corruption, as well as the many moral condemnations of corruption, regularly drowns out the debate on its causes. Far too often, the debate on corruption dissolves into a search for immoral, guilty parties. But, as we shall find out in the next chapter, the issue is a good deal more complicated.

4 The World Bank's Anticorruption Strategy: Theoretical Premises and Practical Consequences

After having dealt with the theoretical background on corruption, its effects and its causes, this chapter turns to the World Bank's anticorruption program in Africa, which exemplifies and implements the currently predominant explanation for the causes of corruption in both Africa and the developing world in general: weak institutions of accountability. Contrary to the World Bank's claim that rampant corruption in Africa can be traced to the weak and underdeveloped nature of the mechanisms and institutions for enforcing the public interest, the widespread violation of the public interest and the weakness of the rule of law do not derive primarily from institutional weakness, but from the weakness of the public interest itself. For that reason, anticorruption strategies that focus on watchdog and oversight institutions will not be able to effectively address the causes of widespread corruption. In many cases, institutions and measures intended to reduce and contain corruption merely change the form it takes, and can even provide additional channels for corruption. Although the research conducted by the World Bank demonstrates an awareness of the fundamental differences between the political-economic circumstances in Africa and those in the West, the Bank largely fails to implement this insight in its anticorruption practice, instead tending toward an inappropriate *one size fits all* approach.

4.1 The Neoclassical Account of Corruption

The theory of corruption that has had the greatest impact upon the World Bank's anticorruption program represents an implicit critique of several other common explanations of African corruption. First, it refuses to view corruption as a specifically African or *third world* problem. The neoclassical account of corruption instead reminds us that corruption is a worldwide phenomenon found in all countries and in all political cultures, regardless of how *advanced* and *democratic* a country may be. Second, it rejects the notion that corruption can be explained as a mere moral deviation due to irresponsibility, avarice, and other personal moral failings on the part of public officials. Instead, this theory insists that corruption, although morally objectionable and even deplorable, is nevertheless an instance of rational, self-interested behavior. I dub this account of corruption *neoclassical,* because it applies the model of rational behavior at the heart of neoclassical economics to the sphere of politics: *homo oeconomicus*, whose sole motivation is to maximize personal income.[37] The task of theory, therefore, consists in finding the incentives that lead rational agents to engage in corrupt behavior. The general explanation of corruption provided by the theory is that wherever public officials have opportunities and incentives to use their public authority for their own private gain, and to do so with impunity, they will be motivated to engage in corrupt behavior. Although public officials will not necessarily take advantage of these opportunities, the theory nevertheless maintains that when corruption *does* occur, incentives for corruption are the reason.[38]

There are several varieties of this *neoclassical* account of corruption in Africa, but the one offered by Pablo Mauro (1997) is most representative. Mauro trac-

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[37] Rose-Ackermann (1978) provides a counter-model to rational agency, criticizing its behavioral premise: "While the economist's concern with profit-maximizing behavior is of obvious relevance to the study of corruption, it is equally plain that the standard techniques used to analyze private markets are not adequate to the problem. Neither the decision by a politician to trade votes for bribes nor the corrupt bureaucrat's dealings with politicians and interest groups can be treated as simple extensions of the profit-maximizing calculus of the private entrepreneur. Since both politician and bureaucrat operate in distinctive institutional frameworks different from those of competitive theory, a simplistic application of market analysis is not sufficient (2f)." Rose-Ackermann thus argues that although an economic approach to politics can accomplish a great deal, it cannot explain the origination and transmission of the democratic and personal ideals required for preserving a functioning mixed economy (5f).

[38] Lambsdorff (2007) gives a much more detailed account of the model of rational agency, which is at the heart of game-theoretic strategies for combating corruption.

es corruption back to governmental discretion over economic resources.[39] Klitgaard (1988) perhaps illustrates this view best when he formulates the following equation: "discretion plus monopoly minus accountability equals corruption." Wherever, for instance, there are governmental restrictions on trade, government agents will be able to extract bribes in return for import licenses. If the government has subsidies to dispense, government agents can force companies to pay a premium for public support, or use that authority to favor cronies and clients. The same principle holds for other cases of government involvement in the economy: price controls, multiple exchange rate systems, the allocation of foreign exchange, etc (84-86). In short, wherever government officials have authority over economic processes, they will have an incentive to distribute economic opportunities in accordance with their own private interests. This is even true at the lower rungs of the civil service; and excessively low civil service salaries can reinforce the incentive to extract bribes for various basic services in order to supplement a paltry income.[40] Following this same logic, Ades and Di Tella (1999) and Sachs and Warner (1995) claim that there is an inverse relationship between a country's openness to trade, and thus to external competition, and levels of corruption. Wherever producers are not forced to compete over quality and price, but can benefit from special relationships with politicians, corruption will thrive. Lambsdorff (2005) also argues that because competition is assumed to lower suppliers' prices, the resulting rents for private firms decrease in processes of public procurement. The mechanism of open competition gives public officials less leeway to extract bribes, and vice versa (16).

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39 There are several authors who have developed and tested related theories on developing country corruption. Some authors (e.g. LaPalombara 1994) claim that the size of government is a major determinant of corruption: the bigger the government, the greater the corruption. Often this relationship is viewed as being tied to the volume of government redistribution relative to GDP (La Porta et al 1999). Others have also sought to draw a connection between the degree of government centralization and levels of corruption (Huther and Shah 1998; Fisman and Gatti 2002), though Treisman (1999) has provided evidence to reject such a correlation. In this same vein, Lambsdorff and Cornelius (2000) show that there is a positive correlation between level of corruption and the degree to which "government regulations are vague and lax," thus allowing government agents to exploit gray areas for accepting and/or extracting bribes.

40 Despite the intuitive logic of this notion, and the undeniable fact that most civil servants in Africa truly do rely on the various *petit taxes* they acquire through petty bribes, Theobald argues that no definitive connection has been found between civil service salaries and bureaucratic corruption (1990, 23).

This *economic* theory of corruption could be applied to the entire spectrum of government activity. If politicians are able to dispense privileges with impunity, they will have an incentive to do so in a manner that furthers their own private interests, for instance by distributing prebends to political clients. If there are no effective mechanisms for keeping politicians honest, they will distribute political and economic favors to the clients upon whose support they depend, regardless of the inefficiencies this might produce for the economy and the political system as a whole. And if politicians are not made answerable to the polity, there will be little to no incentive to refrain from engaging in corrupt behavior – though there still might be reason to conceal it from the public eye.

What binds these various theories together is the notion that the amount of corruption will be roughly proportional to the opportunities and incentives for corruption. The anticorruption strategy that corresponds to this diagnosis is well known: government liberalization. On the one hand, this means privatizing state companies, increasing market competition and reducing the discretionary authority of government over the nation's resources. On the other hand, this means promoting democratization, expanding and strengthening political competition and government transparency, thus radically reducing the impunity and discretion of political officials to exercise authority in their own interest. The most extreme instance of this strategy consists in the *less is more* politics of the international financial institutions discussed in Chapter 2. The purpose of this strategy was relatively straightforward: Eliminate opportunities for corruption, and take the potential agents of corruption out of the equation entirely. In any case, according to all these varieties of the *neoclassical* theory of corruption, corruption is a result of economic rationality; consequently, the frequency of corruption is inversely related to the strength of institutions for containing and combating it.

4.2 The World Bank and Institution Building in Africa

The *neoclassical* theory of corruption has been a major influence on the World Bank's anticorruption approach. The Bank also rejects the notion that corruption is merely a case of immoral behavior. Although it condemns the actions of corrupt leaders, it is also conscious of the fact that corruption is "a complex phenomenon. Its roots lie deep in bureaucratic and political institutions, and its effect on development varies with country conditions" (World Bank 1997b, 8). The World Bank is likewise convinced that corruption will occur wherever there are widespread opportunities and significant incentives for corruption. And the World Bank is perhaps best known for its strident stance on government liberalization in the third world; but as we saw in Chapter 2, the Bank has learned by experience that although decreasing the scope of government may be an easy way of guarding against distortions caused by government intervention, weakening the government also means constraining its ability to provide much needed government services. In addition, the Bank has recognized that liberalization measures in Africa have not necessarily compelled governments to serve their peoples, but to retreat from the provision of services to the population and focus their efforts on acquiring (reduced) rents. Reducing the ambit of government does not, in other words, guarantee that government will in fact function more efficiently. On the basis of these insights, the Bank has refined its account of corruption, arguing that the latter can lead "governments to intervene where they need not, and it undermines their ability to enact and implement policies in areas in which government intervention is clearly needed" (1997b, 8). By the end of the 1990s, therefore, the Bank no longer maintained a *less is more* stance on developing country institutions; *liberalization* thus took on a different meaning and substance. Although liberalization continued to be a priority, the aim was no longer to *roll back* the development state, but to develop institutions that enable and obligate the wielders of state power to protect the rule of law and uphold the public interest.[41]

[41] Lambsdorff and Nell (2007) also provide a more sophisticated approach along these same lines, offering anticorruption strategies that take advantage of the i*nherent r*isks of corrupt transactions and build institutions accordingly. They argue that because such transactions are constantly threatened by the opportunism of the actors involved, there is always a risk of "double dealing, whistle blowing and extortion. Therefore, governments should introduce measures that amplify these risks and thus undermine the marginal stability of corrupt arrangements. This can be done by employing *asymmetric* penalties and leniencies. The authors sum up the concept of their strategy quite poetically: "Combating corruption is like judo. Instead of bluntly resisting the criminal forces, one must redirect the enemy's energy to his own decay" (1). This is just one example of a broader strategy involving the implementation of various permanent anticorruption mechanisms within country governments. These are to make sure that the fight against corruption does not remain a merely convenient method of discrediting the old rulers and legitimizing the new, but proves effective as a watchdog on a*ll* those involved in government.

In its 1997 *World Development Report*, the Bank accordingly made the fight against corruption just one element within the larger project of overhauling and optimizing the development state, making it more capable of fulfilling the multiple tasks it must undertake to promote sustainable development. Thus it speaks of *reinvigorating public institutions*:

> This means designing effective rules and restraints, to check arbitrary state actions and combat entrenched corruption. It means subjecting state institutions to greater competition, to increase their efficiency. It means increasing the performance of state institutions…And it means making the state more responsive to people's needs, bringing government closer to the people through broader participation (World Bank 1997a, 99).

This was a major step forward for the World Bank, not only because of its previous perspective on the role of government, but because its legal mandate had previously been restricted to economic policy. On the one hand, the Bank recognizes that it is not licensed to intervene in the political aspects of corruption, and that there are strict limits on the extent to which it, as a lender to governments, can support the active involvement of civil society in governance. But on the other hand, it still claims authority to intervene at least in the economic aspects of corruption (1997b, 25). At any rate, this distinction between the political and the economic is extraordinarily hard to define in practice, and few would claim that the Bank has restricted its interventions to the economic sphere. To accomplish its more refined goal of obligating public officials to obey the rule of law and protect the public interest, the Bank has refocused its efforts on establishing and consolidating both *horizontal* and *vertical* governmental accountability.[42] It is convinced that by doing so, it can produce governance outcomes resembling those of the first world.

When it comes to sub-Saharan Africa, the Bank recognizes that it is dealing with corruption on a much greater scale than in other parts of the world, one that ultimately overwhelms the restraints provided by even the best institutional mechanisms. In Africa, the Bank's urgent priority "is to rebuild state capability through an overhaul of public institutions and credible checks on the abuse of state power," going so far as to see Africa caught in a "crisis of statehood – a

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[42] *Horizontal* accountability refers to accountability w*ithin* the apparatus of government, between the various offices of state and the wielders of state power. *Vertical* accountability refers to the accountability of the government to its population. See below for more detail.

crisis of capability and legitimacy" (World Bank 1997a, 162). In Africa, many states simply do not have the wherewithal to effectively uphold the rule of law and provide needed collective goods such as security, infrastructure, etc. Nor do most African governments enjoy the consent of the governed; they are viewed instead as patrons interested only in maintaining their own power and privilege and furthering the interests of their respective clientele. The Bank also recognizes that while the majority of citizens are consistently outraged about corruption in the government, they too subscribe to subnational and tribal loyalties, demanding that representatives serve their particularistic interests at the cost of the public interest – with sometime violent consequences. In even more cases, economic circumstances compel people to join in and support such ethnic and subnational clienteles, thus perpetuating their predominance in African political and economic life.

Nevertheless, when it comes to *combating* corruption in Africa, the Bank insists that "the same mechanisms could be applied around the globe: corruption, despite claims to the contrary, is not culture specific" (Ibid., 9). It rejects the claim that there is a *special* cause for corruption in Africa based on its specific cultural and sociopolitical norms. Although it is aware of both the predominance of ethnic, regional and religious identities and the economic circumstances that perpetuate them, the Bank does not regard these circumstances as particularly relevant when it comes to designing strategies for fighting corruption. The same goes for the claim that Africa is *too poor* or not yet sufficiently developed for good governance. Although the Bank recognizes that low levels of development represent adverse circumstances for the realization of democratic political relations and good governance, it does not regard development as a prerequisite for improving governance. Instead, the Bank simply concludes that "more dramatic efforts will be needed to uproot it. These efforts should be focused on better monitoring of official action" (Ibid.). The Bank's anticorruption policy thus amounts to a laundry list of synonyms for accountability: It speaks of the need for "whistle-blowers" and "watchdogs" who can provide "oversight," "transparency," "monitoring," "supervision," "scrutiny," and "enforcement" (Schedler 1999).

In *theory*, therefore, the Bank acknowledges the substantial difference between the political and social circumstances in the developed world and in Africa. It is also aware of the dramatic difference in the level of corruption between Africa and the West. But the *policies* it prescribes for combating corruption amount to *more of the same*; it applies the same strategies that governments employ in the first world on a greater scale. In practice, therefore, the World Bank operationalizes the assumption that corruption is not a product of socioeconomic structures and circumstances, but is rooted in a lack of mechanisms for keeping politicians honest. But as Magnusson (1999) points out,

> it is one thing to write a constitution and to hold elections; it is quite another for the system to operate as designed. Formal systems do not operate in a vacuum. Multiple interpretations and interests, persistent political and economic conflicts, and a history in which constitutions were essentially irrelevant documents do not augur well for constitutional compliance (224).

As we will see below, the perils encountered by the Bank in its efforts to combat corruption in Africa demonstrates that the widespread violation of the public interest on the part of officials at all levels of government does not merely derive from weak institutions for protecting the public interest, but from the weakness of the public interest itself.

Because the notion of the *public interest* plays such a crucial role in my analysis, and because it is often taken for granted in both everyday political discussion and much academic analysis, it is worth examining this concept in a bit more detail. This will give us a better sense of how the outcome of the Bank's efforts to build and reinforce institutions that ensure accountability to the public interest in fact give expression to the weakness of the public interest in Africa.

4.2.1 Digression on the Concept of the Public Interest

That states derive their existence and legitimacy from a *public interest* is usually taken for granted. And yet, this is a very complex phenomenon. Although we generally assume that the job of government consists in defending and furthering the public interest, there is endless controversy about what that interest actually is. On the one hand, everybody agrees that the public interest is not identical with any individual's private interest; but on the other hand, all citizens invoke the public interest as a way of furthering their own private interests, casting it in the light of a greater good. Politicians are also constantly invoking the public interest, referring to it in all their legislative and executive interests, also and especially when they take measures that go against the interests of a particular group, sometimes even against a majority. In these cases the use of the term *public interest* does not represent a somewhat dishonest way of promoting a particular private interest, but is a reminder that the public interest does not indicate the sum of all individual private interests, but often demands the sacrifice of individual private interests. Nobody confuses the notion of the public interest with the idea that government should promote everybody's individual interest. The public interest is instead something that exists separate from each citizen's individual interest. What that interest actually consists in and what it needs to succeed is, of course, a matter of great controversy among both politicians and private citizens. In fact, it represents the essence of public political discourse. In some countries, this debate can lead to lively discussion between politicians; in others, it can lead to civil war. It all depends on the severity of the dispute over what the content of the public interest is and what that entails for individual citizens and/or groups of citizens.

The concept of the public interest expresses the unique relationship between the state and individual citizens in a modern, democratic nation-state. What the everyday usage of the concept of the public interest shows us are the peculiar circumstances under which it arises. On the one hand, citizens freely pursue their own private interests in competition with others; but on the other hand, citizens recognize the need for a superior authority that can provide the conditions under which each can pursue his or her individual interest. The authority of the state therefore does not derive from the fact that it is supposed to promote the sum of all individual interests within society, not even in the most perfect democracy. Rather, the authority of the state derives from citizens' agreement to *put aside* or *abstract from* their private interests and concede to the formation of a political authority that upholds the common interests of private citizens over and against each of their individual interests. This agreement – the *social contract*[43] – consists in the all-sided willingness to submit to an authority which

[43] To speak of a *social contract*, an agreement between citizens to form a state, is not to claim that such an agreement ever actually took place in history. Rather, the idea of the social contract characterizes the grounds for the i*mplicit c*onsensus of the citizens to respect the laws laid down by the state. It characterizes their motivations for respecting those laws, and the condition under which these laws are regarded as legitimate. Only if laws reflect the desire of citizens to reach agreement about necessary, general rules for their social interaction are

upholds not this or that particular interest, but the sanctity of the *law*, and which provides goods not for this or that individual interest, but *collective* goods. In that sense, the political embodiment of the public interest consists in the rule of law; its economic embodiment consists in the provision of goods and services that private citizens are unable or unwilling to bring about on their own power: security, infrastructure, education, health care, etc. These tasks, entrusted to the state by the citizens, represent the source of the state's legitimacy and the public interest it is to pursue.

In everyday discourse, we often make casual reference to the public interest and the moral imperative of the rule of law. But perhaps this is precisely because we often forget what a complex matter the public interest is. We forget what a revolution this notion brought about in political history and what a difficult and precarious consensus that is. In fact, the stable existence of the rule of law is exceedingly rare in the history of political formations in general and of nation-states in particular. A public interest that prevails over private interests, embodied in widespread respect for the law and the willingness to make financial and personal sacrifices in order to allow for the provision of collective goods, cannot be assumed to exist in each society. This is a rare feat – even if nearly every modern society is organized as a nation-state with the ostensible claim to represent a public interest and respect for the rule of law. Although this is often assumed to be a question of moral commitment among politicians and the population, history and logic teach us that moral beliefs and convictions are not enough. Rather, as I will argue in more detail in Chapter 6, *material* foundations are needed to provide the incentives for both politicians and the public to make such moral commitments. Politicians will only be willing to submit to the rule of law and defend the public interest if they are convinced that this is in their own self-interest, even if only over the long term. And the public will only be willing to submit to the rule of law and a state authority if citizens accept that as a necessary condition for their own well-being, and if they believe the corresponding commitments and sacrifices will pay off in terms of a livelihood, or at least the prospect of a livelihood.

these laws legitimate. For the most contemporary, and the most sophisticated account of the theory of the social contract, see Rawls (1971; 1993).

We will return to the material foundations of the public interest and the rule of law in Chapters 6 and 7, but at this point it is important to recognize that the *public interest* is not an entity that we can take for granted as a given fact in all countries. This means that fighting corruption, violations of the rule of law and the public interest is not merely a matter of effective legal enforcement. Kaufmann, one of the primary theorists of anticorruption policy, puts the point best when he addresses several myths about anticorruption policy:

> Myth #7: *Fight corruption by fighting corruption*. A fallacy promoted by some in the field of anticorruption, and at times also by the international community, is that one 'fights corruption' by fighting corruption' – through yet another anticorruption campaign, the creation of more 'commissions' and ethics agencies, and the incessant drafting of new laws, decrees, and codes of conduct. Overall, such initiatives appear to have little impact, and are often politically expedient ways of reacting to pressures to do something about corruption (2005).

On the one hand, the Bank is right to claim that corruption is not culture-specific (or, we might add, country-specific), as no nation can claim to be wholly immune to the private avarice of public officials. Nor is it wrong to point out that there is a great deal *more* corruption in Africa than there is in the developed world, and that African citizens have far less faith in government officials' commitment to their public duties. On the other hand, the Bank is wrong to argue that African politics is merely *more* corrupt than Western politics. At a certain point, the quantitative difference in the type and frequency of corruption in the West and in Africa represents a *qualitative* difference. The sheer ubiquity of corruption in sub-Saharan Africa undermines the assumption that corruption derives from the weakness of institutions charged with enforcing the rule of law and thus the public interest, and instead raises a set of difficult questions: Does the widespread nature of corruption in Africa instead derive from the weakness of the public interest itself? Does the public interest, the implicit national consensus from which political power derives its legitimacy, have any practical significance at all in these countries? If the use of political power does not serve the public interest, then what interest does it serve and why?

Here we touch on the conceptual problem embodied by the misleading usage of the term *corruption* in discussion of African politics. By referring to the use of public power for private gain as a deviation from public duty, this accusation does not get at the true causes for this use of power, but instead writes it off as a moral failing, such as avarice or a lust for power. Although that accusation might be justified in individual cases, it fails to account for the systematic prevalence of corruption in Africa. And although corruption can undermine the public interest, sowing cynicism and weakening the willingness to commit to a public duty, it is doubtful that such moral deviations could be so systematic as to explain the ubiquity of corruption in Africa, its existence not only at the top levels of government or in certain sections of the bureaucracy, but throughout the entire governmental apparatus. Although moral failings might be common in politics, it is doubtful that the definition of politics in an entire region of the world could be defined as a moral failing.[44] The Bank, though it does not put corruption down to moral failings, nevertheless treats corruption as a deviation from established norms, and thus fails to offer a positive account of the causes of corruption.

A misunderstanding needs to be avoided at this point. To argue that the public interest is weak in African political life is not to claim that Africans have no concept of the public interest and are not outraged by its ubiquitous violation. Indeed, most Africans accuse their representatives of not upholding the public interest, while most African politicians accuse each other of the same. In terms of the political discourse in the public and within government, there is very little difference between Africa and the West. And this is presumably the reason why the World Bank takes the public interest as a given in these countries and rejects the notion that African corruption is any different because of Africa's sociopolitical or socioeconomic circumstances. But what we need to notice and explain is the fact that the public interest has a weak influence on the *practice* of African politics, on both politicians *and* the general population. The weakness of the public interest is not explained by weak morality on the part of African politicians or normal citizens, but by the political-economic circumstances that prevail in these countries. But before this argument can be developed in more detail, we require some illustration of the claim that corruption in Africa is not due to the weakness of anticorruption institutions, but to the weakness of the public interest that underlies the effectiveness of such institutions. To do so, it

44 There have been numerous criticisms of a moral bias at work in the anticorruption and pro-good governance efforts of the developed world (Polzer 2001; Williams 1997), and we also find a similar criticism of the notion of *good* and *bad* governance among the post-structuralist theorists and *development deconstructivists*, though the latter restrict their criticism to the d*iscourse* of corruption and anticorruption (Blundo et al. 2006, 6; see also Escobar 1995, 1997).

helps to analyze the potentially counterproductive and often paradoxical outcome of the World Bank's anticorruption measures in Africa.

4.3 Implications of the World Bank's Anticorruption Program

At each stage of its anticorruption program, the World Bank has been faced with what philosophers would call an *infinite regress.* The tools and mechanisms it employs to combat corruption often threaten to create additional catalysts of corruption. Despite the establishment and expansion of various anticorruption institutions and measures, they are often weak, ineffective or controlled by the elites whose corrupt activities they are meant to restrain (Kpundeh 2004, 123f). Mechanisms for upholding the public interest against the private machinations of those in power often became further entry-points and vehicles for just such machinations. This in turn requires yet another mechanism for upholding the public interest against the threat of corruption inherent in the previous mechanism, and so on *ad infinitum*. Keeping with our philosophical metaphor, in Africa the Bank has been faced with the absence of a *prime mover* that puts a stop to this seemingly endless chain of corruption. Despite certain undeniable signs of progress in some countries, the multiplication of anticorruption mechanisms has in many cases led to a multiplication of the conduits of corruption.[45]

To make this crucial point more concrete, let us take a brief look at three different prongs in the World Bank's efforts to strengthen African institutions of ac-

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[45] Olivier de Sardan gives an almost humorous illustration of this point in what he calls the 'driving license formula': "In almost all African countries, a driving license can be bought from the inspector, during the test. Attempts have been made, from time to time, to take firm measures in order to put an end to these practices: in Niger a policeman is in attendance during the test. The obvious result is that one has to bribe the policeman as well as the examiner." (Olivier de Sardan 1999, 33).
Perhaps even more illustrative of the very baroque outcome of a policy focusing on piling watchdogs on top of watchdogs is the following 1997 press statement issued by the Government of Kenya as a response to the IMF's suspension of loans and its insistence that Kenya ramp up its efforts to combat corruption: "The Government has this morning formed an anticorruption squad to look into the conduct of the anticorruption commission, which has been overseeing the anticorruption task force, which was earlier set to investigate the affairs of a Government ad hoc committee appointed earlier this year to look into the issue of high-level corruption among corrupt Government officers" (cited in Kaufmann 1999, 36).

countability: institutional restraints on power, political competition and democratization, and the participation of *civil society.*

4.3.1 Institutional Restraints on Power

The first component of the World Bank's anticorruption policy consists in ensuring so-called *horizontal accountability,* i.e. accountability within the governmental apparatus:

> The institutional design of the state can be an important mechanism in checking corruption. Of particular importance is the effective development of institutional restraints within the state, which is most effectively achieved through some degree of separation of powers and establishment of cross-cutting oversight responsibilities among state institutions. Effective constraints by state institutions on each other can diminish opportunities for the abuse of power and penalize abuses if they occur.[46]

Institutional restraints are clearly essential to the proper functioning of the democratic political system in the developed world. A system of checks and balances, the separation of powers (especially an independent judiciary), ethics committees, etc., all represent effective, and even indispensable, tools for reducing and preventing the misuse of entrusted authority for private gain. It is only appropriate, therefore, that the Bank invokes the wisdom of James Madison, one of the foremost architects of the American constitution:

> In framing a government to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself.[47]

Diamond et al (1999) support this notion by claiming that modern democratic governance "requires elected political leaders, the state, and even the sovereign citizenry to agree to a complex series of 'self-binding mechanisms'" (1). That is why we find a plethora of institutional restraints at the heart of Western governments, all of which are intended to uphold the rule of law and ensure that

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46 World Bank Web Portal, Anti-Corruption: http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPUBLICSECTORANDGOVERNANCE/EXTANTICORRUPTION/0,,contentMDK:20222043~menuPK:384461~pagePK:148956~piPK:216618~theSitePK:384455~isCURL:Y,00.html (30.6.2011)

47 James Madison, F*ederalist* No. 51 (1788), cited in World Bank 1997a, 99.

legislation obeys the principles enshrined in the constitution. Cross-cutting networks of oversight are intended to obligate the wielders of political power to subordinate their own personal ambitions to the service of the public interest. This is the rationale underlying the entire spectrum of institutions and practices intended to ensure democratic governance – from the promotion of multiparty competition, free and secret elections, to the establishment of various mechanisms of accountability and oversight. Even in the most established democracies in the world, the constitution does not rely on the moral or patriotic conscience of its public officials. It is also for this reason that more and more development scholars have gone beyond calls for democracy and other *restraints from below* and are now placing increased weight on the need for developing institutions and mechanisms of self-restraint. *Without* them, honest government is bound to remain shallow and vulnerable to corruption (Schedler 1998; O'Donnell 1994).

There is, however, an inherent problem with institutions of horizontal accountability: "Who will guard the guardians?" (Diamond et al 1999, 3) In other words, if the authorities entrusted with guarding against corruption by public officials are themselves public officials, can they really be relied upon to ensure honest government? Is there not a danger of collusion? Furthermore, would these officials' fight against corruption be more self-serving than anything else, a way of eliminating their rivals? The proper functioning of these mechanisms relies on a high level of integrity of public officials. Otherwise, these institutions will prove to be ineffective tools against corruption. Indeed, when it comes to the countries south of the Sahara, the issue of guarding the guardians is anything but academic. In Africa, the World Bank sees itself faced with the harsh reality that "upholding the rule of law by prosecuting corruption in a country that is inherently corrupt is a daunting task" (Ibid.). Let us examine the three main mechanisms by which the bank aims to strengthen horizontal accountability in order to get a clear sense of how this inherent danger potential becomes reality in Africa: parliament, the judiciary, and anticorruption commissions.

Parliament

Given the uniquely wide-ranging authority of African executives, which far exceeds even the presidentialist systems of the USA or France, the World Bank has called on African governments to grant their parliaments more policymaking influence and a greater degree of independence from the executive. Members of parliament would then no longer have to beg the president for resources and be beholden to the latter's wishes. Instead, they would be able to hold the president accountable, reduce his capacity to act with discretion and impunity, and force him to execute policy in the interest of the entire country, not just in the interest of his clients. In the parliamentary systems of the developed world, this is both the historical and logical purpose of parliamentary representation. It is a mechanism by which representatives of the general population can exercise influence on legislation and policy. By giving a voice to all the various factions of society, these various interests will be forced to reach compromises and ensure that laws and policies do not unduly disadvantage any particular group, but instead reflect the overall public interest. At the same time, parliament provides a bulwark against corruption, as no single politician and no president can assert the interests of his or her own clientele at the cost of other constituencies, and no politician will be able to hide corrupt dealings for long, being regularly held accountable by the other members of parliament. However, the implementation of this ideal is not always unproblematic. Throughout the developed world there are complaints of *deadlock* in parliament because of politicians' inability to hammer out compromises. Even in the developed countries, therefore, the public interest is not a straightforward matter. Even in the developed world, political corruption and cronyism afflict parliament to a greater or lesser degree; parliament is even occasionally regarded as a breeding ground for corruption, a place where *special interests* get together to push through their agenda against the representative of other groups, with tricks like *log rolling* (Buchanan), *back scratching* and *kickbacks.* Often the process of reaching compromise amounts to something like reciprocal corruption.

When it comes to sub-Saharan Africa, these pitfalls and conflicts become especially acute; African parliaments are often not only incapable, but unwilling to fulfill the hopes the Bank has placed on them. First, in many countries there is little evidence to prove that members of African parliaments are any less prone to corruption than the president. The role the Bank ascribes to parliament also contradicts the Bank's own recognition of the prevalence and predominance of subnational identities in Africa, be they regional, ethnic or religious. Because of that fact, local representatives do not necessarily place a check on the private interests of the president, but assert their own particular interests against the national interest. The Bank acknowledges that by empowering parliaments and encouraging more local representation, there is a very real risk of *capture* by particularistic and regionalist interests and of *gridlock* within the government, fatal for the process of institutional reform (World Bank 1997a, 11). Granting greater authority to local representatives does not guarantee that policy will be formulated and conducted in the name of the entire nation, nor will representatives of various constituencies necessarily make compromises and *balance each other out.* On the contrary, parliament often gives competing interests a forum in which they can fight out conflicts or engage in mutual accommodation. Furthermore, as we will see below, the opposition is not always forced to stand by and watch the corrupt machinations of the executive because of its own weakness. Opposition politicians not only let themselves be co-opted by the executive, their constituencies even demand that they do their best to get a share of the wealth and power that comes with a seat in parliament.

Historically, the strength of the African executive stems from a conviction held not only by many of Africa's first generation of leaders, but also by the departing colonial powers and the USA. In order to turn African colonies into modern nation-states, one would have to make sure that national policies would be formulated *above the fray* – independent of ethnic, regional and religious rivalries and antagonisms. To do so, the particularistic and partly irreconcilable interests of the various ethnic factions would need to be subordinated to a national interest, of which the governing party is the guardian, and of which the president is the guarantor and in some cases even the incarnation. Originally and ironically, therefore, the strength of the executive was an instrument for restraining the abuse of governmental power for the clientelistic interests of local authorities. Clearly, this did not lead to less corruption; but swinging the pendulum back in the other direction does not promise a reduction of corruption either. If the integrity of these politicians is in doubt, empowering them to exercise greater power over state resources and government decision-making processes will be a dubious instrument in the struggle against corruption.

The Judiciary

According to Diamond (1999), the judicial system represents the "nerves and muscles of corruption control" (3). After all, the judicial system is charged with the task of obligating legislators to conform to the precepts laid down in the national constitution, as well as ensuring that politicians and civil servants respect the laws passed by legislative authorities. In this sense, the judicial system is at the heart of the rule of law; it is *the* institution that represents the rule of law against politicians' efforts to use power in their own private (or political) interests. This entails that "if judges are not impartial, professional in their work and independent, the criminal law cannot be relied upon as a major weapon in the struggle to contain corruption" (OSCE 2004, 191). For that very reason, politicians have a significant incentive to undermine the independence of the judiciary. Those with the power to appoint judges have an incentive to put judges in office from whom they can expect favorable decisions. This can also mean exerting pressure on judges with explicit and implicit sanctions, such as withholding necessary resources. It can also mean bribing judges in order to encourage favorable rulings. At the same time, the power accorded to those in the judicial system – judges, but also lower magistrates, clerks, lawyers, and even secretaries – means that the trustees of the rule of law also have a significant incentive to engage in corrupt behavior.

If we take a look at the state of the judicial system in Africa, we will obviously find many differences in terms of honesty and efficiency, but the overall picture is bleak. Throughout the region, public confidence in the judiciary is very low. A few examples convey the overall picture in the region: In Tanzania, for instance, corruption flourishes especially in the lower courts:

> Court clerks demand bribes in order to open new files, deliver files to where they are required and to hide files of accused persons. Personal secretaries and typists accept bribes in order to produce copies of judgments for various crimes. Magistrates are offered bribes in order to reduce sentences, reduce penalties, withdraw charges, obtain bail and order court injunctions. Corruption is also reported to cause delays and to lead to fraudulent or inaccurate records. Due to corruption and inefficiency, only a few hundred cases were being prosecuted and convicted out of over 10,000 cases. Among these, hardly any involved pressing charges against high ranking government officials for corruption.[48]

In Cameroon, Magistrates are known to favor their own religious, ethnic, political affiliations and economic interests when pronouncing verdicts. The Supreme Court is only allowed to step into action and review cases at the President's request, who is also responsible for appointing all judges. Not surprisingly, po-

48 Business Anti-Corruption Portal, Country Profile: Tanzania (http://www.business-anti-corruption.com/country-profiles/sub-saharan-africa/tanzania/corruption-levels/judicial-system/) (30.6.11)

litically sensitive cases generally do not make it to the courts, and the powerful and well connected are essentially immune to prosecution. In Uganda, often considered a model African country by the World Bank because of its adherence to IFI's policy recommendations, judicial decisions are often ethnically biased. The general public often avoids the courts due to the need to bribe court officials. Although corruption appears to be most common in the lower courts,

> it does not mean that there is not corruption at higher court levels simply because no single judge has been prosecuted for corruption in the higher courts. Citizens have reported cases where state attorneys have received bribes to withdraw charges or to conduct poor prosecutions. In other cases, evidence has pointed toward private lawyers that actively offer bribes to judicial staff in order to ensure a favourable outcome for their clients.[49]

Corruption in Africa's judicial systems is generally traced back to two structural causes, apart from accusations about the avarice and personal failings of court officials. On the one hand, the judiciary suffers from a lack of independence from other branches of government, especially the executive. Because the judges and magistrates are so dependent on currying the favor of the president, they have little power to enforce the rule of law, but are compelled to follow through on the laws decreed by the president. On the other hand, and closely related to this first cause, African judiciaries generally lack the financial means to assert their independence. They are woefully underfunded, which not only deprives them of their ability to enforce the law properly, but also creates additional incentives – especially for the lower rungs in the judicial hierarchy – to beef up their salaries by extracting extra fees for basic services.

The World Bank's proposals for fighting corruption in the judiciary correspond to this diagnosis. Although the World Bank also recognizes the need to introduce and/or strengthen ethics codes for court officials, it understands that corruption cannot merely be traced back to the moral attitudes of those in the judicial system. First and foremost, the independence of the judiciary needs to be promoted and secured, in order to shield judges from political pressures emanating from other branches of the government. By doing so, one would at least be able to reduce the ability of politicians to hinder judges from enforcing the

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[49] Business Anti-Corruption Portal, Country Profile:Uganda (http://www.business-anti-corruption.com/country-profiles/sub-saharan-africa/uganda/corruption-levels/judicial-system/) (30.6.2011)

law or from instrumentalizing the judiciary for the private-political aims of the executive or other powerful members of government. Second, securing the independence of the judiciary also means expanding the resources at the disposal of the judiciary, thereby reducing the latter's dependence on the executive and other branches of government. These recommendations certainly appear plausible given the nature of corruption in Africa's judicial systems. It cannot be denied that the failure of the judiciary to uphold the rule of law when it comes to the activities of high-up politicians derives from the fact that the judicial system remains beholden both materially and politically to the favor of the executive. Nor can it be denied that corruption in the lower courts is often due to the underfunding of the judiciary, more or less compelling judicial officials to exploit their share of power in order to improve their salaries.

However, there is a problem with this strategy. Securing the independence of the judiciary by insulating it from political pressure also means establishing the very same equation under which corruption flourishes: discretion plus monopoly minus accountability (World Bank 1997a, 103). In the African context, this could very well strengthen the judiciary as an arena for corruption. After all, we should not forget that the plenary powers granted to judges means that both the opportunities and the incentive to use that power for corrupt purposes is enormous. This point becomes especially clear if we look at one of the main measures for securing the independence of judges: security of tenure. By making the removal of judges extremely difficult, one can ensure that judges do not get deposed for arbitrary reasons; that frees judges from the need to curry favor among politicians and the public in order to be re-appointed to the court. However, that also means granting judges enormous discretion and *benefit of the doubt.* As necessary as that might be for the proper functioning of the judicial system, if the integrity of the judges is at issue, it also represents a serious potential threat to the honesty of the judiciary, especially in the African context.

The difficulty, therefore, lies in establishing judicial independence without sacrificing judicial *accountability*. The World Bank has come up with a twofold approach for dealing with this extraordinarily difficult task. On the one hand, it emphasizes the importance of ethics codes and proper education for judges as a way of ensuring that the officials that fill positions of such power are willing and able to exercise power with integrity. After all, as Diamond (1999) points out, "if a country cannot get high-quality professionals in these positions, all is lost from the beginning" (3). That is an important reminder, especially because it demonstrates the limits of accountability or *watchdog* approaches to combating corruption. If the officials manning these institutions are prone to corruption, the institutions themselves will not necessarily impinge corruption, but merely provide another channel – and in this case, even greater discretion – for corrupt activities. If there is no political will to make proper use of these institutions, they will be ineffective in the fight against corruption, and perhaps even a further conduit of corruption.

On the other hand, the other thrust of the World Bank's strategy for securing the integrity of the judiciary follows the *watchdog* pattern. In order to ensure the accountability of judges, yet another institution is necessary to which the judiciary is to be accountable, e.g. a board of judicial review, one that is accountable to the other branches of government. However, depending on how one views the matter, this either merely pushes the problem back one step or contradicts the whole starting point of the reform efforts. Although this may allow for the accountability of the judiciary, this would not ensure that the institution to which the judiciary is to be accountable is itself free of corruption. And if a board of judicial review is staffed by other branches of government, this would entail making the judiciary subject to political pressure from the government! Again, without the integrity of officials, the judicial mechanism will be an ineffective anticorruption tool. To get a better sense of this problem, let us take a look at an oversight mechanism that became especially popular over the course of the 1990s and into the new millennium: anticorruption commissions.

Anticorruption commissions

Anticorruption commissions (ACCs) – independent national-level bodies charged with combating corruption – have been promoted by both African governments and international development theorists and agents for more than a decade. Not only has the United Nations Convention Against Corruption (UNCAC) made special provisions for the establishment of such authorities, numerous African states have set up their own national agencies charged with the special purpose of tracking down and charging both private and public agents with corrupt activities: Botswana, Nigeria, Kenya, Benin, Uganda, Tanzania, Guinea, Zambia, Malawi, and even Liberia. The model for anticorruption commissions in Africa, and for the developing world in general, is Hong Kong's Independent Commission Against Corruption (ICAC), a well-financed and comprehensive anticorruption agenda divided into three departments focusing on investigations of violations, prevention of future violations, and public education about the issue of corruption. The comparatively positive results of this anticorruption institution gave a major boost to ACCs in Africa. However, Botswana is perhaps the only African country that has managed to emulate not only the structure of the ICAC, but also its effectiveness (Doig and Riley 1998). For the most part, because of a lack of resources and overall political commitment to the idea of independent anticorruption commissions, most African states have failed to live up to Hong Kong's example. Nor have African states managed to achieve anything close to the effectiveness of the ICAC – which has led a number of authors to wonder whether ACCs are at all an effective tool for combating corruption in African countries, or whether they are for the most part a waste of resources (Heilbrunn 2004).

Many African ACCs suffer from severe budget constraints and a crippling lack of resources. Others are, often because of their lack of funds, incapable of asserting their independence from the executive and the parliament. Some of these commissions are accused of being merely *blue-ribbon* installations and *one-shot* attempts to clean up corruption, rather than institutions that address corruption as a persistent, long-term problem. Their effectiveness in achieving long-term reduction of corruption is correspondingly low. African ACCs have failed to go after *big fish* in the upper echelons of government, focusing instead on *small fry* at the lower levels of government. When political higher-ups are accused of corruption, there is relatively little success in actually putting them on trial, to say nothing of successful prosecution. In other cases, ACCs are instrumentalized by leading politicians as a way of going after rivals, a key factor in explaining the remarkably *selective* nature of ACC investigations. And finally, commissions have often been staffed by corrupt officials with no real intention of making a dent in corruption. For these officials, a post is just another opportunity to use public power for private gain. This has led Mwenda (2007) to argue that ACCs have unfortunately represented little more than *window dressing,* a way for states "to win more donor support and funding under the pretext that the state is serious about fighting corruption." A good number of corrupt politicians have retained their status as "sacred cows who should not be touched by the fight against corruption" (44). Where ACCs do actually prosecute corruption, they do so on "a politically selective basis, arresting and prosecuting only a few sacrificial lambs" (Ibid., 87).[50]

There are, however, cases of ACCs that have been headed up by officials of proven integrity. And yet they have for the most part proven incapable of making much progress in the struggle against corruption. The fates of ACCs in Kenya and Nigeria offer stark examples. The Kenyan Anti-Corruption Commission (KACC) was originally a creation of Mwai Kibaki, who ascended to the presidency by defeating ruling party candidate Uhuru Kenyatta on an anticorruption platform, particularly because of the long history of corruption under the Moi administration. In order to fulfill his campaign promises, but above all to lift the freeze on foreign aid that had been imposed on Kenya under the Moi regime, Kibaki created the KACC and appointed the founding director of the Kenyan chapter of Transparency International, John Githongo, to be its director. Githongo went right to work, and he did not need much time to unearth the massive dimensions of corruption under the incumbent regime. After only two years in office, Githongo had caused such a stir that he was forced to flee to England for fear of his life, as his investigations had threatened the positions of far too many heavyweights within Kenyan politics.[51] After Githongo's departure, Justice Aaron Ringera was appointed head of the commission. Ringera, a former law partner of Justice Kiratu Murungi, who was a prime target in Githongo's investigations of the now famous "Anglo Leasing Scandal" (Lawson 2009), was widely considered to have been installed not as a way of combating corruption, but of obstructing efforts to combat it (Ibid., 81). Ringera then stepped down in the Fall

50 See also Tangri and Mwenda (2006) for a similar account of anticorruption institutions in Uganda, generally considered to be a relative bright-spot when it comes to African governance. In another article, these authors provide a summary condemnation of the results of ACCs: "All over sub-Saharan Africa, these [ACCs] have failed to act decisively against the big, corrupt, wrongdoers and have them prosecuted at the courts. Hardly anywhere has a major politician or bureaucrat been punished for illegal and corrupt behaviour. It is this failure to charge high level and well-connected figures (itself connected to the inability of many external donors to address internal political matters) that has created a climate of impunity in African countries and encouraged top leaders to think that they will never be punished for their misdeeds" (2001, 133).

51 In other countries, anticorruption officials have not been so lucky. In Burundi, Ernest Manirunva, who was investigating high-level corruption as an employee for the non-profit organization Olucome, was stabbed to death in April 2009. And in Congo, Bruno Jacquet Ossebi, a journalist who had announced he was joining a lawsuit brought by Transparency International to reclaim the ill-gotten wealth of his country's president, died of injuries from a fire that raced through his home in January 2010 (N*ew York Times*, 10 June 2009).

of 2009 amid accusations that he had made no measurable progress. Although he did admit to having lost the confidence of the public, and thus chose to step down in the interest of the nation, he defended his own record by pointing to the chronic shortage of resources at KACC's disposal. Although he was pressured to step down by Kenya's parliament, it seems clear that this was not so much due to parliament's own interest in fighting graft, but in increasing the effectiveness of institutions they hoped would work (selectively) in their own political favor. Ringera's overall record is typical for African ACC leaders: Although nearly a quarter of parliament was under investigation for petty corruption charges, not a single case has been opened against a single senior government official.[52]

Whereas the KACC has been hamstringed by high-level political pressure, Nigeria's Economic and Financial Crimes Commission (EFCC) has been instrumentalized for political purposes. The commission was originally established by former military and coup leader, and later elected president, Olusegun Obasanjo. As was the case with Kibaki, Obasanjo's anticorruption platform was a response to both domestic and international pressure. He founded the EFCC and gave it the authority to both investigate and prosecute in both the public and the private sector, though it remains for the most part an intra-governmental institution – with no authority to investigate crimes *prior* to its founding. In its first few years, the EFCC was characteristic of African ACCs in that it focused mainly on *small fry*, most of whom were Obasanjo's competitors. It was a rather open secret that the primary benefit, if not purpose, of the institution, was to sideline Obasanjo's political rivals. But in 2006, the EFCC, under the leadership of Nuhu Ribadu, took the surprising step of opening dossiers and filing charges against all thirty-six of the country's state governors, repeatedly claiming that all were guilty of corruption to a more or less severe extent (Lawson 2009, 85). At first sight, this appears to be a positive development, as it represents one of the few instances in which an ACC has gone after bonified *big fish.* However, it is more likely that the assault on the country's governors instead derived from Obasanjo's wish to *clean house* before the end of his tenure; most importantly, it was a way of undermining his chief rival Atiku Abubakar, thereby setting the stage for Obasanjo's own favored, and more obscure, successor, Umaru Yar'Adua. Soon after the terms of most state governors expired (along with their immu-

52 "Head of Kenya's Anti-corruption Commission Aaron Ringera Resigns," T*he Guardian,* 30. September 2009.

nity), and after a few prominent arrests, Attorney General Aondoakaa declared the prosecutorial powers of the EFCC to be unconstitutional and put a stop to the arrests. Although he is largely considered to be right about the unconstitutional nature of the ACC's powers, it is probable that his move to stop the arrests was as politically calculated as the move to carry them out. Once again, it appeared that the empowerment and the disempowerment of the EFCC was decided by the interests of high-level politicians in using that institution as a tool for their own political agendas.

What is the reason for the poor record of ACCs in Africas? On the one hand, the difficulties these commissions have encountered should not be surprising. As Ribadu himself pointed out after being dismissed from power in 2008 and forced to flee to England in 2009 after receiving several death threats, "if you fight corruption, it fights you back."[53] On the other hand, it is important to recognize that the deficits and failures of anticorruption commissions in Africa are in part also due to the overly-institutional approach from which they derive. First of all, anticorruption commissions that are not equipped with prosecutorial powers are entirely dependent on an honest and efficient judiciary, and yet one of the major reasons for establishing ACCs is corruption in the judiciary. A document issued by the Organization for Security and Co-operation in Europe (OSCE) on the issue states the problem best with reference to Hong Kong's model ICAC:

> Another major feature has been that, from the outset, Hong Kong had a judiciary of integrity, which meant that cases were properly heard and processed. In the absence of the rule of law, the experiment would almost certainly have had very different results. This provides the caution that a country intending to follow the Hong Kong path needs also to focus very sharply on the integrity needs of its judiciary (OSCE 2004, 166).

That is why many experts on the subject have recommended giving prosecutorial powers to ACCs in order to maximize their independence from other branches of government. But this approach runs into the same problem that we saw above with reference to judicial independence. By maximizing the independence of ACCs and concentrating anticorruption competence under one roof, one also establishes the very conditions under which corruption tends to flourish:

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53 "Battle to Halt Graft Scourge in Africa Ebbs," N*ew York Times*, 10 June 2009.

discretion plus monopoly minus accountability. Referring to the case of Zambia, Mwenda (2007) writes that

> the immunity of Commissioners against litigation can provide the Commissioners and the ACC with an incentive to perform better and be more efficient. In reality, the safeguard could create a moral hazard in that some Commissioners might become reckless and less diligent, believing that they enjoy absolute and unqualified immunity from any prosecutions…In general, the ACC can refuse to conduct, or can decide to discontinue, an investigation where it is satisfied that the complaint or allegation is malicious, trivial, frivolous and vexatious or that the particulars accompanying it are insufficient to allow a proper investigation to be conducted. … In carrying out its duties, the ACC is not subject to the direction or control of any person or authority, including the direction or control of the Republican President (37, 42).

One could, of course, argue that in order to ensure the honesty and efficiency of ACCs, they need to be made accountable to other branches of government, including the executive; and there are authors who argue for the installation of an additional *ombudsman* in government (Diamond 1999) or for the president or the parliament to put together review committees to judge the performance and the probity of anticorruption commissions.[54] The World Bank also argues that we need "a supplementary channel of public access to government authority if power is being abused and the anticorruption commission does not seem to be doing its job" (World Bank 2000, 2). But just as we saw in the case of the judiciary, the corruption – or at least potential corruption – of other branches of government, along with their ability to pressure and instrumentalize ACCs, are the key factors in the latter's inability to conduct its mission appropriately and effectively. Making ACCs accountable to other government institutions, therefore,

[54] The OSCE again cites the case of Hong Kong to make its argument, which in turn offers a clear illustration of the circularity of *watchdog* approaches to fighting corruption: "Such an agency [ACC, JG] is obviously a ripe target for corrupt interests and for the attention of organized crime. Robust steps have to be taken to prevent it from becoming a victim of corruption itself. Hong Kong has achieved this through augmenting its accountability to the head of government and to the legislature with a series of advisory committees… Should there be reasonable grounds for believing that [ACC, JG] officials have been behaving improperly, the exercise of powers of suspension become necessary while investigations are taking place." That, however, poses a problem: "These powers of suspension, too, can easily be abused. One can imagine a scenario in which the head of an anti-corruption agency might be suspended by a future president, simply because he or she was investigating allegations which might be politically embarrassing." The authors conclude, therefore, that "there must always be an appropriate independent check on the power of suspension," without, however, having explained why that additional check on power should be any less susceptible to the same problem (See OSCE 2004, 169-171).

is to recreate the problem that such commissions are meant to solve. Mwenda, again with reference to Zambia, describes President Mwanawasa's decision to set up an *Anti-Corruption Task Force* in order to compensate for and correct the deficiencies of the country's anticorruption commission. Mwenda argues that there was no real reason why the President should not have sought to strengthen the ACC *itself*, instead of merely creating an additional institution to do the same job, but ostensibly with more accountability. He suspects, for good reason, that the motivation behind the institution is to prevent the independence of the Zambian ACC, while maintaining a semblance of anticorruption intentions by establishing a *new* anticorruption institution under direct Presidential control. There is little doubt that his anger at the commission derives from his frustration at its slow pace in charging and prosecuting Mwanawasa's political rivals. It is all too likely that this new agency does not so much serve to combat corruption as it does to combat corruption that is inconvenient to the President. As Mwenda points out, "many sections of the Zambian public have questioned repeatedly what criteria were used … to offer contracts to some few 'select lawyers' from private practice to work closely with the Task Force in prosecuting cases of corruption" (2007, 65). This is not, however, to argue that anticorruption commissions are necessarily doomed to be ineffective. Perhaps they do not need to be perfect to have an impact. Lawson (2009) makes a compelling point in this regard, using the suggestive power of fable:

> In the tale of the tortoise and the leopard, the leopard catches the tortoise and tells him to prepare himself to die. The tortoise thrashes around, scratching with its hands and feet, throwing sand in all directions and then waits quietly for death. Puzzled, the leopard asks why he did it. The tortoise replies: 'Even after I am dead I would want anyone passing by this spot to say, yes, a fellow and his match struggled here' (89).

Of course it would be wrong to expect independent governmental commissions to come in and put an end to African corruption. That would be to set a nearly impossible standard. What the history of ACCs in Africa does teach us, however, is that a *watchdog* approach is ultimately inadequate to the task of rooting out corruption in Africa. Even John Githongo, a true beacon of anticorruption integrity, recognizes that above all else, fighting corruption is a matter of instilling something much greater than institutional comprehensiveness. It is a matter of instilling the idea of the nation and duty to the nation (2010, 9). Again, when the integrity of public officials is not widely established, mechanisms of oversight will prove inefficient for combating corruption.

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The inherent difficulties involved in combating corruption in countries in which the entire political elite seems susceptible to corruption has led to the realization that institutions of accountability ultimately depend on "the commitment and good intentions of those who hold political power. Where the political will is absent, no amount of laws, bureaus, commissions or draconian punishments will even begin to make an impact on, let alone deal with, corruption (Theobald 1990, 143).[55]

In several different studies on individual African anticorruption efforts, the World Bank (1998a; 1998b) has also emphasized the need for the political will to commit to a real process of reform, while deploring its obvious absence in most African countries. As we saw above, the Bank is right to point out that these watchdog efforts ultimately depend on the political will of those involved. And the Bank is also right to point out that within African governments themselves, there seems to be no powerful interest in exercising power in the public interest. In many African states, where the state has not already faded or collapsed, politics *is* more or less the cultivation of patron-client relations and the accommodation of rivals. Much of the state apparatus has been *captured* by a corrupt political elite, which in turn "leads to systemic corruption because political leaders and other powerful forces are not constrained by society's institutions" (Kpundeh 2004, 133). Here as well, we see that institutions of horizontal accountability rely on a strong public interest and are not sufficient for bringing

[55] The 1975 "Operation Purge the Nation" in Nigeria represents a striking case of the futility of the most draconian efforts at corruption *clean-ups.* After overthrowing the government of Lieutenant Colonel Gowon, General Murtala Mohammed and Olusegun Obasanjo compelled the chairmen of fifty government departments to retire, while expelling between 10,000 and 20,000 individuals from the civil service. For a time at least, the manifestations of corruption seemed to decrease. But the honeymoon would not last for long. In 1983, the Shagari regime was overthrown in a military coup, ostensibly because of the failure of the government to combat widespread corruption, and because of its own complicity in that corruption (Mbaku 2007, 40; Adamolekun 1986, 121f).

it about. Without that basis, institutions of accountability can even turn out to be further entry-points and conduits for patronage, clientelism, and corruption. Although these mechanisms might be viable in developed countries where there is a strong public interest and a relatively low level of corruption, in Africa and other developing countries these mechanisms can backfire.

As Kaufmann pointed out, one cannot fight corruption by merely fighting corruption; widespread corruption is a symptom of a deeper cause. But it is not enough to locate that deeper cause in the lacking political will of African politicians; instead, we need to address the reasons for that lack, especially if we accept the fact that the morality of African citizens is probably neither more nor less prevalent than that of developed country citizens. It is not enough to point out what is lacking in African politics; rather, we need to deliver a positive explanation for widespread patronage and clientelism. The World Bank, however, draws a different conclusion: If African governments are unwilling to make earnest efforts to fight corruption and bring the use of public power in line with the public interest, then in order to effectively *guard the guardians, another* dimension of accountability needs to be established. In this case, the *citizens* need to be brought into the picture and given a strong measure of influence over those in power. Hence, the World Bank, and the developing community in general, now regard democratization not only as a human right, but as a crucial weapon in the fight for good governance. If mechanisms of horizontal accountability prove futile in the face of systematic corruption, then the political apparatus must be made accountable to the general public. This takes us to the next dimension of accountability: *vertical* accountability.

4.3.2 Political Competition and Democratization

The idea behind the concept of vertical accountability is relatively straightforward. By forcing political officials to be accountable to the public, they will be made accountable to the public interest. By allowing citizens to voice their own opinion and influence the actions of public officials, they will be able to effectively obligate politicians to respect the social contract. Multiparty competition thus makes elites' access to power and their ability to maintain that power dependent on their integrity and performance in office. Greater public involvement in the political process obligates parties to have an open ear for the public's concerns and to formulate policies that serve the overall public interest.

> Where governments lack mechanisms to listen, they are not responsive to people's interests, especially those of minorities and the poor, who usually strain to get their voices heard in the corridors of power. […] The best-established mechanism for giving citizens a voice is the ballot box (World Bank 1997a, 10).

The notion that political competition can lead to a reduction in corruption is not wrong in and of itself. If we look at democracies in the developed world, it is an understatement to say that political parties keep a watchful eye over the practices of their peers, that they view every instance of suspicious behavior as a chance to expose the crookedness of their rivals. Although democracies will not be immune to corruption, open competition will work to compel all involved to keep their eyes focused on the urgent problems and challenges facing the nation as a whole, instead of engaging in patronage politics.

> As more people become aware of the performance of specific agencies or officials, they are more likely to exert collective pressure on the agency to perform better. At the same time public agencies will have less opportunity for arbitrary action (World Bank 1997a, 117).[56]

These were the hopes that the World Bank and others attached to the *wave of democratization* that swept through Africa in the 1990s. Once subjected to the institutionalized political pressure of the general population, it was hoped that African leaders would be compelled to abandon their clientelistic and corrupt behavior in favor of the public interest; they would relinquish control over state funds and allow them to be allocated in the most efficient manner for the nation as a whole.

This optimism stood in marked contrast to the conventional wisdom about the prospects for democracy in Africa. Ruling African presidents had long warned of the dangers of introducing open multiparty competition to the continent. Siaka Stevens, former president of Sierra Leone, cursed multipartyism as a syno-

56 On the other hand, there are many authors who contend that t*he l*ocus of corruption in advanced democracies is found in the electoral process. The kind of corruption we find in these countries often thrives on the democratic process: lobbying, special-interest groups, etc. Nevertheless, we could say with a good deal of confidence that corruption is less pronounced here than in Africa. This truth about the role of political competition in the leading industrial nations leads the Bank to conclude that it must also serve as an effective weapon in the fight against corruption in Africa.

nym for "tribal and ethnic quinquennial warfare,"[57] while Tanzanian founding father Julius Nyerere insisted that a one-party state was in fact much more democratic than a political system with several parties representing various divisive ethnic interests. But even apart from these obviously biased views on the matter, a number of political scientists and sociologists were extremely skeptical about the chances of introducing and consolidating sustainable democratic institutions and procedures in Africa.[58] Some maintained, for instance, that the economic foundations needed to support a democratic superstructure were simply absent. Neither the level of income nor the overall stage of development in the region were suited to a democratic regime. A progressive entrepreneurial class was nowhere to be found; a *middle class* destined to bring increased civil liberties could not be expected to appear anytime soon. Africa could boast of almost zero democratic experience in a long and tortured history rife with various subspecies of authoritarianism. Instead, the continent was viewed as being marred by a plurality of tribal and ethnic identities that do not admit of the kind of political and civic norms inherent in democratic society (Lewis 1965). Ekeh (1975) argued that in Africa, there was but "a limited commitment to a national civic realm" (93). Multiparty elections under these circumstances could only mean trouble. Far from increasing the stability and legitimacy of government, competing political parties might mobilize and politicize ethnoregional solidarities, thus exacerbating the disintegrative tendencies of fragile states (Young 1999, 28). Electoral competition could threaten to disrupt arrangements between various ethnic and regional rivals over the balance of power and lead to open conflicts. Many academics seconded the cynical views of incumbent African rulers that democratization would open "political floodgates swamping countries with *scores* of political parties, narrow ethnic and personal power-machines, and thousands of power-aspirants" (Decalo 1992, 30), making democratization the next best thing to widespread anarchy. All in all, Africa seemed to be *infertile terrain* for the seeds of democracy (Joseph 1997, 363).

57 W*est Africa,* 26 April 1982, cited in Decalo (1992, 10). It would be difficult to top the argument delivered by the erstwhile President of Malawi, Kamazu Banda: "God Himself does not want opposition – that is why he chased Satan away. Why should Kamuzu have opposition?" (Ibid.)

58 Samuel Huntington is perhaps the most prominent member of the league of democratic skeptics, pointing out in his seminal essay entitled "Will more countries become democratic?" (1984) that the states of Africa "were unlikely to move in a democratic direction" (214) and even making the somber prognosis that "with a few exceptions, the limits of democratic development may have well been reached" (218).

Furthermore, the international context was considered highly unfavorable for democracy. Cuts to development aid at the end of the Cold War were at odds with the financial and development requirements for a functioning liberal society. Austerity programs demanded by the IMF and the World Bank would only make matters worse by depriving these countries of their few means of maintaining some semblance of order. At the same time, foreign powers, especially France, remained a key source of support for a number of dictators, whenever they saw the likely alternatives as being either anarchy or unmanageable political competition.

However, at the beginning of the 1990s, these doubts seemed to have become irrelevant, refuted by events on the ground. The democratic revolution that had swept across Eastern Europe found its way toward Africa, as pundits struggled to find ever more glorious terms to describe the phenomenon that had taken hold of the African subcontinent. The previously unthinkable was truly taking place. Nelson Mandela was finally released from prison, foreshadowing the cataclysmic events to come, and political liberalization across the region was proceeding at an exhilarating pace. In several countries, starting in Benin and Zambia, so-called *Conférences Nationales* were held in order to determine the modalities of a transition to democracy. These conferences ultimately ousted rulers in Benin, Zambia, Niger, Congo-Brazzaville and Madagascar. Though they failed to achieve this goal in Gabon, Zaire and Togo, they nevertheless changed the rules of the political game (Young 1999, 23). Longstanding dictators not only exposed themselves to the vagaries of multiparty competition, they even accepted the results. In Benin, Mathieu Kérékou accepted his loss and stepped down, followed almost immediately by Kenneth Kaunda, the founding President of Zambia, while in Côte d'Ivoire and Gabon, incumbent regimes undertook a whole series of liberalization measures and were rushing toward democratic elections. The trend would continue throughout the decade, and by the arrival of the new millennium, only six of the forty-eight countries in sub-Saharan Africa had not yet hosted multiparty elections.[59]

And yet, soon after the heady days of the early 1990s, hope would give way to disappointment. This is not only due to the slew of civil and cross-border wars

[59] The exceptions were the DRC, Eritrea, Rwanda, Somalia, Swaziland, and Uganda. By 2010, the only countries not to hold multiparty elections are Somalia and Eritrea (which has solely held local elections).

which soon raged in West and Central Africa, but also to the anemic quality of democratic institutions and practices throughout the subcontinent. The newly born institutional forms seemed to have little effect on the behavior of heads of state or other public officials. Emerging from the process of democratization were forms of government that continue to give political scientists in general and theorists of democracy in particular a headache. A whole new debate was set off about how to categorize these new democracies – if they could even be considered democracies at all. The result has been a plethora of neologisms, all of which aim to grasp the *political gray zone* between "full-fledged democracy and outright dictatorship" (Carothers 2002, 9) in which the new African regimes can be located. First there is the plethora of prefixes attached to these democracies – limited, pseudo, virtual, semi, quasi, proto, illiberal or nonliberal, authoritarian, neopatrimonial, military-dominated, and *incomplete metamorphic.* Then there are the terms that focus on the continuing non-democratic elements of African regimes: electoral authoritarianism, competitive authoritarianism, soft authoritarianism, and electoral autocracy, to name just a few. Finally, and most succinctly, Freedom House has labeled the great majority of these countries *partly free.* Discussion revolves around concerns over theoretical precision and the inflationary use of the term *democracy,* raising doubts about whether the term retains any meaning at all in the face of the numerous modifiers needed to achieve any theoretical clarity (Collier and Levitsky 1997; Schedler 2002). As these modifiers no longer seemed to be temporary qualifiers for regimes moving quickly toward the status of *consolidated democracies,* the modifiers themselves became suspicious, moving several authors to warn against using terms that suggest that African regimes are merely in a *transitional* stage (e.g. Joseph 1999a).[60] Instead, the time had come to recognize that African regimes were not just going through a phase, but had achieved their own kind of stability. The task of theory

60 This assessment is best captured by the title of Richard Joseph's article on the development of African democracy toward the end of the 1990s: "From Abertura to Closure" (1999b). In another article, Joseph argues for abandoning the term *transition* altogether as a theoretical category for explaining events on the subcontinent, instead using the term "reconfiguration of power" (57). This makes clear that Africa is not being analyzed with reference to some idealized endpoint, but in terms of the actual reality on the ground. Hyden (1999) underlines this claim by arguing that "what is going on in Africa right now is not really a largely uncontested progress toward democracy, … but quite a fundamental battle over what kind of political order should prevail," which is why he prefers the term "reconstitution of the political order" to the notion of a "more limited 'regime transition'"(186).

then became to define what kind of regimes had actually emerged (Herbst 2001; Levitzky/Way 2002).

If we survey the effects of democratization on African states, we find a very mixed picture. First, there have been several outright reversals of democratic transitions. The 1990s saw a series of coups in Burundi, Niger, Nigeria, Guinea, Sao Tome e Principe, Sierra Leone, and The Gambia, while the new millennium witnessed coups in Guinea, CAR, Madagascar, Niger and Mauritania, previously considered a relatively stable democracy. Nonetheless, the overwhelming majority of African countries have introduced key democratic institutions: periodic multiparty elections, as well as various institutions of horizontal accountability. However, these institutions merely appear to represent new channels for corrupt patronage politics. In Africa, there is a massive gap between the institutional forms of democracy and the actual substance of the politics that has persisted within those institutional forms.

Analysts of African politics now investigate the issue of democratic *consolidation* in Africa; this means bringing the *substance* of African politics in line with the *formal* structures of democracy. Although there are hardly any outspoken optimists on the matter, there are many who point out that, compared to how long Western countries needed to democratize and the level of economic development at which they did so, the situation in Africa is not all too gloomy. Countries such as Ghana and Benin, for instance, long plagued by coups and still marked by ethnic rivalries, have managed to develop remarkably stable democracies within a relatively brief span of time. Furthermore, despite all of the undeniable setbacks and more or less serious flaws that have emerged along the way, Africa's record on civil rights and the rule of law is still superior to what it was before the *third wave.* Finally, one would be hard-pressed to find a majority of citizens who would favor a return to the days of *big man* dictatorship *without* democratic forms. On the other hand, there are the so-called *Afro-pessimists* who gained more and more popularity as the new millennium approached. The members of this theoretical camp range from authors such as Robert Kaplan (1994), who warned of the "the coming anarchy" in Africa's collapsing states, to authors who have presented a milder version of this same indictment (see Olukoshi 1999, 452).

Regardless of whether one is an optimist or a pessimist, it is indisputable that very early in the democratization process, incumbent regimes discovered and developed ways to "grasp the democracy tiger by the tail and tame it" (Decalo 1992, 26), retaining power while accommodating both domestic and foreign demands for democratization. In Côte d'Ivoire, which was beset by widespread calls and protests for democratization, President Houphouët-Boigny demonstrated that the best defense is a good offense. Quickly legalizing all political parties, he agreed to hold parliamentary and presidential elections; and he did so before any of his rivals could manage to put together a viable election campaign. Using the power of the executive, and having caught the opposition off guard, Houphouët-Boigny managed to secure his dominant position in Ivoirien politics entirely with democratic methods. It should come as no surprise that there was a striking continuity in the *substance* of his post-democratic politics, given the origin and purpose of the democratization process he was so instrumental in bringing about. By securing his own legitimacy in this manner, the President managed to stave off even greater changes to the Ivoirien political system. Further south along the West African coast, in Gabon, President Omar Bongo made use of similar tactics in order to cast himself not as an obstacle to democracy, but as its handmaiden. He managed to decentralize the government, which was no longer under his total control anyway, in order to ensure his own home region a greater amount of autonomy under the new democratic regime – a regime that was expected to benefit primarily the Fang in the north of the country.

These two master tacticians, however, were not the only leaders on the continent to instrumentalize the democratic process in order to maintain personal rule. Two longstanding rulers who had agreed to step down after their electoral losses only did so because their strategies backfired. Kenneth Kaunda in Zambia was certain that he could not possibly lose elections and that they would only prove to be a further buttress for his rule, given all that he believed he had accomplished for the nation (Young 1999, 23). Kérékou was essentially overrun by events, ultimately acceding to the surprising motion to declare Benin's seminal national conference sovereign. In return, he insisted on remaining President until elections could be held. Much to his surprise, the electorate voted him out of office in favor of the former World Bank representative, Nicephore Soglo.

As the decade progressed, African rulers developed a whole toolbox of manipulative instruments for ensuring their personal hold on power throughout the democratization process they were more or less forced to accept. Although this might entail the – very non-democratic and exceptional – technique of simply assassinating a primary rival,[61] usually the measures were subtler and more democratic. One step below the threshold of assassination lies the prohibition of political parties or candidates on various grounds, for instance by means of so-called *nationality clauses,* such as in Côte d'Ivoire, Zambia and Kenya.[62] Then there is the suppression of the press: Although private newspapers have licenses to publish in just about every African country, the ruling party often puts them, along with their distributors and retailers, under great pressure. Furthermore, African regimes have been known to take recourse to the judicial system, over which they exercise enormous influence, in order to obtain injunctions against journalists for libel. Finally, and perhaps most important, there are myriad strategies for undermining opposition parties. Through a combination of accommodation and suppression, incumbents have managed to take advantage of the material desires and political ambitions of Africa's opposition politicians in order to weaken and fragment already weak and fragmented oppositions, effectively thwarting attempts to unite and topple the incumbent in the process.

As a result, despite the fact that *founding elections* in 1990s Africa led to the peaceful ousting of sitting rulers in eleven countries, plus three more who declined to seek reelection, the overwhelming majority of politicians who managed to take power in the first series of elections in the 1990s have been able to remain in power throughout second and third elections. Furthermore, in founding elections that took place relatively late, that is, after 1994, incumbent presidents usually managed to retain control of the executive (Bratton 1999, 22), raising the

61 As in Togo in 1991, when President Eyadéma was widely suspected of attempting to assassinate chief rival Gilchrist Olympio, son of Sylvanus Olympio, whom Eyadéma also helped overthrow and assassinate nearly 40 years prior.

62 Frederick Chiluba sought to exclude former President Kenneth Kaunda on the grounds that he was in fact a Malawian – a plan which ended up backfiring, as Chiluba would soon be accused of stemming from Zaire. President Moi of Kenya made similar accusations against Richard Leakey, the former director of the Kenya Wildlife Service, labeling him a "white who would like to recolonize the country." (quoted in: Monga 1999, 52). A leading member of Kenya's opposition, Kenneth Matia, also reopened the question of whether Asians, most of whom can trace their ancestry in Kenya as far back as a century, should still be considered citizens. And in Côte d'Ivoire, Bédié revised the electoral code in order to prevent foreign-born citizens from running for the office of President, a transparent attempt to exclude his chief rival, Alassane Ouattara, from competition.

question of whether African politics is returning to a familiar equilibrium in which the alternation of rulers is the exception and not the rule (Bratton and Posner 1999, 404). Opposition parties in Africa also remain inordinately weak. Even in what are considered the more democratic nations on the subcontinent, Benin and Cape Verde, the opposition party holds less than half the parliamentary seats of the presidential party. Only in a few countries has an opposition party actually contested all of a country's elections (van de Walle/Rakner 2009, 110-111).

Why has democratization had such a poor record in Africa? For many authors, the fact that democratization has led to little more than the institutionalization of shallow electoral procedures of dubious integrity is largely attributable to the fact that the primary impetus for democratization came from abroad in the form of externally imposed conditions on aid. This led to a relative neglect of the prerequisites for truly developing and consolidating the rule of law and democracy in the broader sense, and to an overemphasis on the *institution* of elections at the cost of their actual *substance*. Carothers (1997) remarks in this vein that 1990s African rulers sought to carry off a "balancing act in which they impose enough repression to keep their opponents weak and maintain their own power while adhering to enough democratic formalities that they might just pass themselves off as democrats" (91).

That is why some authors question the role of elections, and even democracy itself, as an element of good governance. Zakaria (1997; 2003) has made this view popular in the wake of the wars in Afghanistan and Iraq. He argues that in many cases, elections by themselves can cause Tocqueville's worst fears to come true: the "tyranny of the majority." This means that the group that has managed to heave a member of their own into the halls of power will then use that power to suppress rival groups, all under the cover of legitimate elections. That is why Zakaria insists instead on the establishment of *constitutional liberalism,* institutionalized respect for the civil rights and liberties of *all* citizens, especially minorities. This would mean the reliable protection of rights and liberties that cannot be attacked or revoked even by the most legitimately elected representatives of the overwhelming majority.

Young (1993) seconds Zakaria's reservations about the value of democratic procedures by pointing out that elections have always been a tool for securing the reign of authoritarian regimes, long before the arrival of the *third wave* of democratization. He points out that elections have traditionally been used as a strategy for recruiting new client networks, they represent an opportunity to co-opt individuals or whole sections of the opposition elite, or just to "clear out dead wood from the governing group" (302). Although it would be wrong to overstate the ineffectiveness of democracy when it comes to establishing good governance on the Western model, we must nevertheless recognize that elections in Africa have proven to be anything but an antidote to corruption. In this vein, Harbeson criticizes the excessive focus on first or founding elections as an indicator of democratic progress, arguing that democracy will have a far better chance if rival parties begin with agreements on the fundamental rules of the political game, be it in the shape of constitutional reform or constitution-like pact making, than if they reverse order and hold elections prior to reaching agreement on basic constitutional guidelines (1999, 43).[63]

The World Bank itself realizes that

> excessive political competition can become a destabilizing factor if it leads to fragmentation of the political system or if it undermines the legitimacy of existing state institutions. Excessive political competition can undermine state capacity and thus create conditions especially conducive to administrative corruption.[64]

We might ask, therefore, where the Bank draws the line between a healthy dose of competition, which obligates leaders to promote the common good, and *excessive* competition, which encourages all out war over promoting *particular* conceptions of *the good.* At what point does electoral rivalry turn into too much of a good thing? If competition over state offices incites ethnic and regional conflict, and even brings a country to the brink of civil war and beyond, then political competition in these countries obviously does not revolve around who can best manage the national interest. Here as well, we find that the effectiveness of this

63 Lindberg (2006; 2009), for instance, argues that elections, although certainly not perfect on any account in the third world, nevertheless contribute over time to the establishment of what Zakaria terms *constitutional liberalism,* i.e. civil liberties and rights. Even elections that are neither very free nor fair can have this effect if repeated often enough. The habitual staging of elections encourages voters to view themselves and thus act more and more as citizens with a right to political influence on national affairs, while politicians will look to build a career defending civil rights rather them pushing them down (2006, 147). Bratton/Posner subscribe to this same view by arguing that although it is important to avoid the electoralist fallacy, the *anti-electoralist fallacy* is no better, which assumes that elections never matter for democratization (1999, 379).

64 www.worldbank.org

institution of democratic accountability rests on the strength of the public interest. That democratic competition plays this role in the developed world can largely be attributed to the strength of the public interest. By converse, where the public interest is weak or contested, political competition can often lead to violence.

This helps us to explain two different phenomena in African democracies. First, although nearly all opposition candidates campaign under the slogan of anticorruption, things look quite different once they take office. In many cases, the newly elected regime proves to be just as corrupt, and in some cases even more so, than the previous regime. Frederic Chiluba in Zambia provides a classic example of a politician who rode to power on an anticorruption platform, accusing the incumbent Kenneth Kaunda of rampant corruption, which was most certainly the case. Upon becoming President, however, Chiluba both fought to prosecute the corruption of the previous regime while building up and expanding his own patronage networks on a scale that arguably matched those entertained by Kaunda. And the Zambian president is certainly not alone. Bayart claims that we should not be too surprised by this finding:

> One has to admit that the copious thefts of State funds by competing networks makes it all the more important for the president of the Republic to enrich himself if he is to affirm his own authority over the other networks. Thus there is no real paradox in seeing all new presidents start off their terms of office with a severe critique of corruption, only to allow their own factions to help themselves to wealth before even their first term is up (Bayart 1993, 226).

Second, the weakness of the public interest helps explain the manner in which the ruling party or administration seeks to undermine the effectiveness of the opposition. Contrary to what is often claimed, Africa's opposition politicians are not always the passive victims of masterful authoritarian tacticians. Not only do these politicians *let* themselves be *weakened* through co-optation, often their entire political activity is motivated by the desire to become important enough to *be* co-opted. Opposition parties in Africa are seldom much more than a "platform for a single individual" (Monga 1999, 49), a vehicle and springboard for launching an individual candidate into the upper echelons of power. And the primary purpose for getting a share of power is to get a share in the *national cake.* There are very few parties that have a national basis, being for the most part regionally based; a politician's ability to muster the support of that regional basis is mostly founded on his or her proven ability to *deliver the goods* to their home region.

Contrary to the Bank's expectations, in most cases African citizens do not judge competing parties according to how well they serve the *nation* or the *public welfare,* but according to their ethnicity, religion or regional origin. In many cases, African voters do not demand that African politicians serve the national interest in an impartial manner, or that they promote overall economic growth. Instead they measure candidates according to their ability to grab a piece of the *national cake* for their respective constituencies. This material prerequisite for mobilizing the electorate is what makes opposition parties so vulnerable to the executive's attempts to undermine the unity of the opposition. Politicians' ability to mobilize political support from below depends on how well they can manage to succeed in currying favor from those above (rather than, say, an entrepreneurial class). It is the president, after all, who continues to control the majority of state resources. That is why opposition candidates will often run as independents, with the sole interest of joining the winning party after the election, reinforcing the presidential majority or just to position themselves favorably (van de Walle/Rakner 2009, 112).

In general, opposition parties enjoy a relatively low level of legitimacy in African countries. Presumably, this is largely due to the fact that the opposition's reasons for candidacy are no different from the incumbent's reasons for staying in power. This suspicion gets confirmed year after year. Both Africans and Africanists realize that candidacy is motivated more often by political careerism than by ideological conviction. In countries where politics is the only path for upward mobility, this is hardly surprising. At the same time, this is what citizens *expect* of their representatives and candidates. As an opposition candidate or party, it is difficult to impress voters. And because the opposition's lack of access to power also deprives them of access to the means required to impress an African electorate, be it one's ethnic group or one's home region, this trend tends to be perpetual (Young 1993, 305). All in all, the incentives for putting up a united front against the incumbent are few and easily scattered.[65]

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[65] Senegal, often considered a democratic pioneer on the continent, provides a clear illustration of this phenomenon. The country's long-ruling Parti Socialiste (PS) was not only willing to involve the opposition in reforming Senegal's electoral code in 1992 and 1996, but also to give opposition leaders ministerial positions in an *Enlarged Presidential Majority* (EPM). Although

Here again, it becomes clear that without a national consensus on the basic content of the public interest, democratization merely provides a different channel for the same practices of patronage and clientelism. We see a similar phenomenon when it comes to African *civil society* and its role in anticorruption.

4.3.3 Civil Society

The World Bank's justified lack of faith in the *honesty* of the political class as a whole, combined with the especially conflictual nature of the rivalry among African elites, has led both the Bank and the wider donor community to place their hopes for accountable governance on African *civil society*:

> Civil society as an independent actor representing the interests of the general public is uniquely positioned to investigate and bring to light cases of corruption (World Bank 1997a, 117).

As a network of organizations coming *from below* and *outside* the state sphere, the World Bank regards civil society as being especially suited to defend the public interest against the private avarice of those in power. To that end, it has worked to promote a multitude of NGOs entrusted with the task of monitoring politicians' activities, keeping them in line with the public interest, or at least exposing their violations. By "bringing the government closer to the people," the Bank hopes in turn to bring the voice of the people into policymaking, thereby "opening up ways for individual users, private sector organizations, and other groups in civil society to have their say" (World Bank 1997, 110).

However, the Bank recognizes that this strategy entails several dangers. For instance, giving the general population a greater say in policymaking might unintentionally favor groups that are more *vocal*, with the resources to make their voice heard and reinforce it with material leverage, while even further depriving other, less *vocal* groups of their ability to influence public policy. It therefore risks creating even greater disparities between *newly enfranchised* groups and

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this was widely considered to be a *deepening of democracy,* Linda Beck argues convincingly that it in fact represents a *detour of democracy,* pointing out that "in the final analysis, EPM is a form of political resource sharing, rather than actual power sharing. Given the limitations of potential clientelism in a dominant-party system, the decision of opposition parties to join the PS government can be seen as an attempt to cope with their short-term needs for access to political resources that can be distributed" (1999, 208).

those with less political clout, e.g. women and particular ethnic groups (Ibid., 111). This would not unite civil society against the threat of governmental corruption, but create divisions that could be further exploited by rival contenders for state power. Furthermore, the Bank is aware that civil society in many African countries differs starkly from what the term might imply:

> It lacks the formal legitimacy of political parties as well as accountability measures – a potential entry point for various civil society groups with questionable motives. A high degree of public scrutiny is thus important to hold civil society groups to the same accountability standards as people in public office or private companies (Ibid.).

The World Bank understands that civil society is not necessarily virtuous just because it is formally independent of corrupt African state structures. On the one side, more and more African NGOs are less and less independent from the state. Due to the increase of aid flows through these organizations, many African politicians have even left politics and joined NGOs, simply because this was more lucrative (van de Walle 2001, 165).[66] On the other side, the Bank recognizes that civil society does not necessarily harbor a unified public interest, but constitutes an array of antagonistic and partially irreconcilable interests. Nevertheless, in practice, the Bank operates on the assumption that civil society *should* play the same role in Africa as it does in the West. There are a number of theorists that have objected to this assumption. Berman (1998), for instance, has remarked the following:

> Based on idealized conceptions of Western experience, analyses of civil society tend to focus largely on socio-cultural forms borrowed from the West – churches, professional organizations, labour unions, universities, etc. – and ignore the dense networks of indigenous institutions that surround and pervade them, i.e. precisely those features of historical experience and the socio-cultural landscape that are idiosyncratically African. If we examine the latter, as we have here, then it is clear that civil society in the sense in which it ostensibly exists in Western liberal democracies does not exist in Africa, where the boundaries between state and society, public and private, are neither clear nor consistent (339-40).

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66 Van de Walle even claims that there is evidence for the fact that the level of corruption within non-governmental organizations is in some cases just as high as within the state (Ibid.). Over the past several years, this has led to a more cautious view of the plethora of NGOs now operating in Africa (de Waal 1997; Hulme/Edwards 1997; Nelson 1995). Even the World Bank itself has come to advise a more cautious view of NGOs' activities in Africa (WDR 1997a, 115-6, 120).

And as Fatton (1995) has argued, African civil society is a "disorganized plurality of mutually exclusive projects that are not necessarily democratic" (77). Pointing to the inherently fragmented and fractional nature of African civil society, Daloz and Chabal (1999) emphasize that, contrary to the assumptions of the World Bank and many theorists of corruption, the nature of African politics is not defined by a clear separation between *the public* on the one hand and *the state* on the other. Instead, the relationships between politicians and their specific clienteles are much stronger than any bonds that unite the population. In strikingly clear terms, they reject the World Bank's assumptions about civil society that are drawn from its role and history in Western countries:

> That is why the development of properly grounded associations charged with the defense and promotion of a "common good" within the public sphere (to take two opposing examples, trade unions and chambers of commerce) is so highly problematic in Africa. Indeed, such attempts at occupational or professional unity are more often than not undermined by internal discords linked to questions of identity or community…The question…is whether the primacy of such vertical and personalized ties on the continent is not such as to invalidate the notion of a functionally based civil society – on the Western model (20).

Chabal and Daloz recommend that we therefore abandon the notion of a counter-hegemonic force within *civil society* strictly opposed to the state sphere, and take a more realistic view of civil society-based *opposition.* In any case, the question is

> whether opposition groups in Africa have a program of political reform capable of changing the existing political order or whether they merely want to gain power so as to employ it instrumentally according to the selfsame political logic. It is true that, in much of Africa, there is a political opposition genuinely committed to the kind of political reform that would increase political accountability…By and large, however, the tendency in Africa is for political opponents to challenge their exclusion from the state in the hope that their agitation will earn them co-optation (Ibid., 26).

The dividing line between the government and society is thus often very thin; in fact, both sides are inextricably intertwined. Because of the high rate at which elites circulate through the government, opposition forces always hope to penetrate or re-penetrate the state (Chabal 1992, 228). Their opposition efforts more often represent an attempt to regain a hold of power, rather than an earnest attempt at reforming how the government operates. "Counter-hegemonic activities are often nothing but attempts to find the most effective entry point for penetrating the state" (Ibid.). Catherine Boone (1994) points out that contrary to the widespread assumption that the corruption of African leaders indicates their *separation* from the interests of their societies, the truth is, in a certain sense, just the opposite. State power in Africa *is* grounded in societally based forms of power. "The forms of domination and economic exploitation that have emerged in contemporary Africa have been shaped in decisive ways by the societies that rulers seek to govern" (109). Because of the divisive ethnic and regional realities within African societies, those few attempts to unite an African society in the context of a transformative social project, i.e. the task of *building* a nation, forming a social contract and a public interest have failed.

Despite the World Bank's concerns about the state of African civil society, its anticorruption practices operate on the assumption that the African state-society relationship operates along essentially the same lines as in developed democracies. Thus instead of taking account of the problematic nature of African civil society in practice, the Bank theoretically divides the African public in two: One part consists in *various civil society groups* composed of citizens looking to assert their interests within the political sphere; the other is made up of the *public*, entrusted with monitoring the activities of other citizen groups and composed of the same citizens who make up these civil society groups. Yet it is hard to see why this strategy would not simply repeat the same futile policy of increased oversight and scrutiny. However we might answer that question, what is clear is that the weakness of the public interest in practice often makes civil society a hindrance to the fight against corruption, if not merely another conduit for its expansion.

It would be unfair to accuse the World Bank of not having devised a *magic bullet* solution to the problem of corruption in Africa, nor is the critique presented here aimed at the Bank's failure to achieve sweeping success in Africa. That would be a very tall order indeed. Instead, it is crucial that we recognize the false *premises* of the Bank's watchdog strategy. Because the Bank assumes that the presence of corruption derives from weak institutions for protecting a public interest that it regards as unproblematic in Africa, it underestimates the weakness of the public interest itself within these countries. It thus fails to take account of the weak foundation upon which institutions of accountability rely.

4.4 Critics of the World Bank's Anticorruption Efforts

Several authors have objected to the World Bank's approach to ensuring good governance and combating corruption in the developing world. One particular genre of criticism is especially fruitful for my analysis. Ha-Joon Chang (2006), Janine Aron (2000) and Dani Rodrik (2003) all criticize the tendency of the Bank to take institutions of good governance in developed countries and transfer them to developing countries, often ignoring or underestimating local political, economic, and social circumstances. Chang, for instance, argues that IFIs have failed to distinguish between the *forms* and the *functions* of institutions, thus focusing on implanting the formal institutions, agencies and mechanisms employed in the developed world to prevent and contain corruption in other parts of the globe (2006, 3). Chang remarks that the Bank assumes that institutional functions such as rule of law, price stability, low corruption, reliable private property rights and contractual agreements can only be brought about by the specific institutional forms we find in the leading industrial nations, e.g. democracy, independent judiciary, etc. This assumption has led the IFIs to ignore the local socioeconomic and sociocultural *setting* into which these institutions are placed, which he views as a key cause for the limited success of efforts at institutional reform in these countries. While Chang (2005, 363) objects to *global standard institutions* (GSIs) that ignore such country differences, Aron (2000) argues that *performance or quality measures* such as "respect for contracts, property rights, trust, and civil freedom" should be accorded more relevance, instead of an approach that merely focuses on "the characteristics or attributes of institutions" (128). These authors consequently argue for a more *trial and error* approach that takes its point of departure from the institutions and sociopolitical circumstances already present in developing countries, and design institutions that can be effective within that local framework.

Rodrik (2003) also supports this idea in his criticism of the World Bank's *one size fits all* approach to institutional reform, which fails to recognize how institutions are more than just a political framework for an economy, but represent the way a society organizes all aspects of its existence, far beyond the more narrow, though important, economic sphere. This means that institutions do not merely exist for the sake of improving growth, but are a reflection of various political, economic and social factors, and must be designed and implemented with this larger context in mind. He therefore criticizes the Bank's *best practice* model, which assumes the possibility of designing a uniform set of institutional arrangements that can be implemented everywhere with more or less the same outcome. He notes that

> "good" institutions – in the sense of institutions that promote and sustain growth – must often have elements that are highly specific to a country's circumstances. An approach to institutional reform that ignores the role of local variation and institutional innovation is at best inadequate, and at worst harmful. China, Mauritius, Botswana are examples of countries that have done very well over extended periods of time with a heterodox mix of institutional arrangements. In effect, these countries have combined orthodox elements with local heresies (13).[67]

These authors are right to point out that the World Bank's policies of institutional reform are based on a false analogy between first-world and third-world politics. The inadequacy of this analogy is most striking in the case of sub-Saharan Africa. These authors recognize the necessity of an institutional analysis that focuses on how institutions are embedded in local sociopolitical and socioeconomic structures. In other words, they recognize that regardless of how effective certain institutions might be in terms of promoting economic development and political integration in the first world, these institutions have broader socioeconomic and sociopolitical presuppositions that cannot be ignored. They argue that if institutional reform is to have any success and lead to governmental structures that enjoy legitimacy and stability, it will be necessary to tailor institutions according to the local setting. They thus stress the importance of understanding the socioeconomic foundations of the institutions that *do* exist in Africa. By analyzing political institutions and practices exclusively in terms of their effects on economic performance and political integration in the first world, the standard approach fails to account for the logic involved in the development of political institutions themselves – both *good* and "bad." Instead of adopting a policy of institutional reform in Africa that seeks to transpose Western institutions onto the African political reality, they argue for a political-economic analysis of both

67 At least in its programmatic rhetoric, the Bank has accounted for these weaknesses in its own approach and made corresponding adjustments. In its 2002 W*orld Development Report*, which focused on institution building, it has acknowledged the necessity of creating institutions that c*omplement* the institutions, technologies, human capabilities and sociocultural circumstances already existing within the individual countries" (2f). However, there remains the ever present question of how much the Bank's adjustment to its rhetoric is matched by an adjustment in its actual practices.

African and Western institutions, which can give us insight into the preconditions of successful institutions.

4.5 Conclusion

The World Bank's approach to combating corruption in Africa ultimately suffers from the fact that it fails to draw the appropriate conclusions from its own theoretical knowledge of Africa's specific political and economic circumstances. The Bank is perfectly aware of the extent of corruption in Africa, and it is also cognizant of the fact that the scale and severity of corruption in Africa presents the Bank with a peculiar set of difficulties. And yet, when it comes to devising practical solutions to the problem of corruption in Africa, the Bank fails to capitalize on this knowledge; its practical strategies instead operate on the assumption that corruption always derives from weak institutions for enforcing the public interest. The reality that the Bank is faced with in Africa, however, is that corruption does not derive from failures to defend the public interest, but from the weakness of the public interest itself. Although it is certainly true that corruption can contribute to the weakness of the public interest, the systematic nature of corruption in Africa cannot be explained by a lack of legal mechanisms to combat it. The next three chapters demonstrate that this fundamental weakness is not a *moral* one, but instead derives from the specific economic circumstances that prevail in these countries.

But before we turn to this question, we still need to fill the gap left by the analysis in the present chapter: If African governance does not serve the public interest, then we need to find out two things: What kind of political interest *does* it serve and why? Only then can we move on to the next crucial issue: an appropriate comparison between the economic foundations of African governance and of the Western model of *good governance.*

5 The African State and the Logic of African Politics: Neopatrimonialism

If the public interest is not the driving force in African politics, what *is*? If African politicians are not accountable to the public interest, to what *are* they accountable? Instead of contenting ourselves with the – undoubtedly justified – accusation that African officials are largely corrupt, we need to put aside our outrage at the state of African governance and investigate the systematic causes for such widespread corruption. Instead of merely pointing to a lack of political will as the cause for the persistence of corruption in Africa, we need to find out what that political will *is* in Africa. This means analyzing "the multiple layers of the body politic and the multiple connections between the political and non-political realms" (Chabal 1992, 31). This involves getting a theoretical grasp on the gaping chasm between the model of the Western state and the reality of the African state, whose hybrid nature is best captured by the term *neopatrimonialism* – a combination of Western governance forms and patrimonial, clientelistic substance. For all the changes that the democratization process has brought about on the subcontinent, it has not been capable of undergirding the public interest upon which good governance rests; the neopatrimonial character of African politics persists.

As mentioned in the overall introduction to this study, any study of African politics – and indeed any study of regional politics – runs the danger of being overly general or overly specific. In this chapter my interest is not to explore the manifold differences between the political structures and practices of the many different sub-Saharan African states, but to pick up on some key common elements of African politics in order to emphasize the fundamental difference between the generalities of African politics and the generalities of politics in the more advanced economies of Western Europe and North America. When it comes to providing solutions for the deficits of governance in Africa, it is crucial that the individual differences between countries be brought to the forefront. But when it comes to underlining a crucial issue overlooked by the mainstream discourse on African politics, a certain degree of generalization is justified, if not indispensable.

5.1 The State in Theory

Before we go on to analyze the nature and functioning of the African state on its own terms, it is useful to get a clearer grasp of what is meant by the term *the state*. When and under what conditions is a state a state? Here we can draw upon the work of Max Weber, whose definition continues to dominate the discourse: a "monopoly on the legitimate use of physical force over a territory" (Weber 1958, 78). This succinct and elegant definition of the modern state can be broken down into the following four elements:

First, a state is an authority that possesses a monopoly on physical *force*. A state is thus a system of political domination. It lays down laws which citizens are to obey, and it punishes any violations using the force at its disposal. By creating, enforcing, and continuously amending these laws, the state manages a particular social order – be it a feudal society, a class society, a totalitarian dictatorship, or a society based on principles such as freedom, equality and private property.

Second, the state possesses a *monopoly* on physical force. This means that there are no relevant rivals to the state's claim to authority. The state alone possesses the wherewithal to legislate and enforce law. A state engaged in civil war cannot, according to this definition, be considered a state in the true sense of the term, because the aims and principles of the social order, as well as the governing apparatus itself, is the object of a hostile dispute between various fractions of society. In these cases, we have a battle over the monopoly on the use of force.

Third, a state is a monopoly on the *legitimate* use of force. Both the state's claim to authority and the social order it establishes and enforces cannot derive solely from the brute force it wields, but must enjoy widespread acceptance among the citizens. This entails that citizens acknowledge the state's sovereign authority and consent – at least in principle and in general – to the body of laws it enforces. The minimum expression of this consent is a lack of organized resistance. But to be a nation-state in the true sense of the term, much more is required than passive submission. Citizens must regard themselves as members of a nation – a body of people who identify with the political community represented by the state. Their *national identity* – be it as Germans, Americans, Ghanaians, Nigerians, etc. – therefore goes beyond the mere recognition of being a legal member of a certain politically defined body, but instead entails a feeling of loyalty and subjective belonging. Certainly, national identity is always a social construction, and this fact will become crucial later in the analysis (Anderson 1983). At this point, however, it is important to note how crucial the construction of national identity, including patriotic and/or nationalistic conviction, is to the concept of a consolidated nation-state.

Fourth, the state exercises its monopoly on force over a given *territory*. On the one hand, this merely means that a state actually has a piece of land over which it can exert its power. It means that a state has the capacity to broadcast its power over the entirety of its legal ambit, over the total expanse of its domain, from frontier to frontier. When it comes to the countries of sub-Saharan Africa, on the other hand, this last feature of the modern state is anything but a given.

Finally, we should add that a sovereign, autonomous state must be able to extract sufficient material resources for maintaining its survival and sovereignty. State theory often assumes this basis to be domestic, with the state financing its necessities by taxing the economic activities of its citizens. This point will also become crucial in the analysis below, as we will find that most sub-Saharan African nations, despite their formal domestic basis of power, in fact draw the lion's share of their resources from external sources.

5.2 The African State in Reality

To what extent do African states, taken as a whole, display these elements of modern statehood? On the one hand, African states are considered to be formally identical to all other states in the international community. Just like all other countries assembled in the United Nations, they are recognized as sovereign states with the sole entitlement to represent the inhabitants of their respective territory. This formal identity contributes to the fallacious notion that the difference between corruption in Africa and elsewhere is merely quantitative, not an expression of a different kind of political system and logic. Yet, this formal identity is the only commonality between African states and their peers. In fact, the overwhelming majority of African states fail to fulfill almost any of these elementary criteria of modern statehood.

Even a brief look at African politics suffices to demonstrate how little the reality of African statehood corresponds to these countries' formal recognition as states of equal stature. First, many African states do not exercise even the most exiguous control over the entire expanse of their territories. In some cases, the state's ambit does not extend beyond the capital, and the control of the state is *de jure* decided by who controls the capital. Here we might think of longstanding regional wars, such as in the Democratic Republic of the Congo (DRC), Chad, Sudan, Nigeria, Mali and Mauritania, as well as the CAR.[68]

Furthermore, a great number of African regimes can hardly claim to be legitimate in the sense described above. Although citizens of most African states regard themselves as Nigerians, Ghanaians, Mauritanians, etc., in many cases regional, tribal or clan identities continue to take clear precedence over national

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[68] The meager extent and precariousness of their territorial control is illustrated most drastically by Jeffrey Herbst with reference to the infrastructure policies of the DRC and other sub-Saharan African states. "There is no strategic reason why most African countries would necessarily have to build roads in order to defend themselves from internal threats…Not a few leaders will have recognized that building roads is quite literally a two-way street: roads allow the capital to reach outward but also allow those in the hinterland to march more quickly to the center of power. In fact, a not illogical strategy for many leaders confronting vast territories would be to try not to reach out to outlying areas and let those areas that want to threaten the state live in relative isolation, rather than face the choice of having to be governed by the center or seizing it themselves. Instead of spending money on roads to secure their authority, African leaders…have strong incentives to engage in patronage politics at the center" (Herbst 2000, 170).
Bayart (1993) provides a striking illustration of this phenomenon: "The progressive incorporation of northern Cameroon into the Nigerian economy, for example, proves that their [the state authorities, JG] hold is fragile. Furthermore, … Somali bandits in the north-east districts of Kenya, and Diola separatism in the Casamance region of Senegal, for example, both expose the vulnerability of the State. Above all the list of provinces south of the Sahara which have detached themselves from all central authority grows inexorably longer: Angola, Mozambique and, with some qualifications, Chad and Uganda are *de facto* partitioned into several sovereign zones even if the fiction of their judicial integrity is piously upheld. The Central African Republic has effectively abandoned its eastern departments" (256).

identity in practice. Over the last several years, we find dramatic examples of this throughout the African subcontinent, of which the numerous conflicts between Hutus and Tutsi in the Great Lakes region are just one particularly glaring and violent example. Nigeria, for instance, represents a particularly complex mixture of ethnic, tribal and religious conflict. The violent conflicts between Luo and Kikuyu tribes during the 2007 Kenyan presidential/parliamentary elections provided an especially recent and drastic illustration of the prominence of ethnic and tribal loyalties in African countries. But even apart from these dramatic recent events, ethnoregional fractionalization and conflict is a defining characteristic of the African political landscape and mark its fault lines in nearly every individual African nation. And where there is a widespread sense of national belonging, the definition of the *national interest* and the *idea of the state* are so controversial and contended that these countries constantly find themselves hovering in low-level civil war. This is not only the case in Zimbabwe, but also in Togo, Cote d'Ivoire, Liberia, Sierra Leone and Mauritania.

Finally, African states have proven systematically incapable of generating the material resources needed to finance their existence. Not only do they dominate the list of HIPCs[69], but the majority remain entirely dependent on development assistance from first world countries. Left to their own devices, many of these states would not be able to fulfill even this most basic economic prerequisites of political existence.

Robert Jackson (1990) offers several different conceptual pairs for depicting the discrepancy between the state in theory and African state in reality. He differentiates between *empirical* and *juridical* statehood, between *positive* and *negative* sovereignty, and finally between *states* and *quasi-states.* According to Jackson, states that have achieved *empirical* statehood have managed to attain real physical control over their territories, subdue internal rivals over the control of state power, and defend their position against other nations. The statehood of these countries is thus physically evident, and it is on that basis that they are recognized as sovereign entities in international political and economic dealings. Applying Isaiah Berlin's distinction between *positive* and *negative* liberty to international relations, Jackson argues that the sovereignty of these states is positive,

[69] HIPC stands for *Highly Indebted Poor Country.* 34 of the 40 states in the debt relief program for HIPCs lie in sub-Saharan Africa.

because they possess the wherewithal to be *their own masters* (Ibid., 29). In other words, they have the means – both financial and violent – to fulfill all core state functions on their own power. By contrast, if a state is recognized as a sovereign entity not because of its success in establishing actual control over a territory and its inhabitants, but because of the willingness of other states to recognize the statehood of that respective state, then the latter's statehood is merely *juridical.* After all, it has not *empirically* demonstrated its capacity for statehood. This is a case of *negative* sovereignty, because although the state is free from outside interference, it is not the master of its entire domain. Jackson points out that this is not a new phenomenon, remarking instead that the "history of the modern state is in no small part a history of rulers who are illegitimate, governments that are disorganized or incompetent, and subjects who are indifferent, isolated, alienated, cowed, or in rebellion" (Ibid., 22). In Jackson's eyes, such states are best described as *quasi-states,* founded solely on the legal recognition and material support of other states. Their statehood is therefore a kind of international legal concession, not their own material achievement.[70]

Clearly, African states fall under the category of *quasi-states* whose statehood is merely *juridical* and whose sovereignty is *negative.* Ultimately, African states fail to meet nearly any of the Weberian criteria for statehood. Their formal identity is paired with the gaping absence of almost every element of modern statehood. However, while many analysts content themselves with the observation that African politics is egregiously deficient, several Africanists have developed a more analytical conception of this gap between the form and the substance of African politics, focusing on how African politics *does* function, rather than on how it does not function. In order to emphasize the methodological importance of this reversal of the standard approach, I turn to some of the more influential authors on this issue: Jean-François Bayart, William Reno, and Patrick Chabal and Jean-Pascal Daloz.

[70] This poses a riddle that we will return to in Chapter 7 (see footnote 109): How have African states managed to maintain their statehood despite the fact that they fail to meet any of the conditions of *positive* sovereignty? Jackson argues that this is due to the peculiar postwar moral order. Whether we agree with this assessment or not, the fact that these states' sovereignty derives from the willingness of other states to recognize them as sovereigns, and to provide them with the means to maintain their sovereignty, does give us a strong first indication that the basis of these states' very existence is not domestic, but external.

5.3 The Myth and the Reality of the African State

5.3.1 Jean-François Bayart

In his highly influential work, *The State in Africa*, Bayart (1993) employs two evocative concepts to define the peculiar nature and functioning of African politics: the *politics of the belly* (*la politique du ventre*) and *the rhizome state* (*l'état rhisome*). The first term refers to the primary driving force of politics in Africa, which is to "eat," that is, to get hold of material benefits by virtue of the power one wields.[71] This obviously differs from the Western notion of politics in which politicians regard themselves as *public servants* – if not always with great integrity – who look to promote the public interest and not their own personal interest or that of their clients. The second term refers to the structures of African politics, using the metaphor of *rhizomes* to distinguish them from Western dichotomies of *the political* and *the private,* between *the state* and *civil society,* the realm of politics and that of the market. In Africa, the myriad vertical and horizontal connections between the political and the private, between rulers and ruled, the state and the market, do not permit such categorial distinctions. For Bayart, in order to grasp the radical difference between African political life and the formal institutions, structures, and practices of Western states, we need to employ new categorial tools and put aside those traditionally used to analyze and define politics in the West. Let us take a look at each concept in turn and how they relate to each other.

The *politics of the belly* refers to the fact that in sub-Saharan Africa, "the social struggles which make up the quest for hegemony and the production of the State bear the hallmarks of a rush for spoils in which all actors – rich or poor –

[71] "In Cameroon they talk of *la politique du ventre* – the politics of the belly. They know that 'the goat eats where it is tethered' and that those in power intend to 'eat.' When a presidential decree relieves a manager of his post, his close friends and family explain it to the villagers by saying 'They have taken his meal ticket.' A leader writer of the Cameroon tribune observed disapprovingly, 'The most irritating thing is that the person concerned, when demoted or promoted, remains firmly convinced that his meal ticket has either been awarded or taken away.' Still in Yaoundé, the word 'cred' – which is often granted by the banks on the basis of political considerations – has become '*kel di,*' meaning 'go and eat.' The terminology of the politics of the belly is not confined to Cameroon. Nigerians talk of 'sharing the national cake.' In East Africa, a faction is called 'kuly' ('eating' in Swahili). When an observer was concerned by the 'appetite' of Guinea's ministers, the head of government replied, 'Let them get on with stuffing themselves. They'll have time to think about it afterwards'" (Bayart 1993, xvii).

participate in the world of networks" (235). On the surface, both the term and its explication appear to echo the widespread moral accusation that African politics is *corrupt*, and that politicians actually commissioned to serve the public instead abuse their power in order to line their pockets. Although Bayart does not deny this phenomenon, he explicitly warns against such a moralistic misunderstanding of his claims. Referring to the widespread use of political or bureaucratic authority for private gain, he remarks that it would be "a grave error to see all these dealings simply as the corruption of the State. They are, conversely, the State's fabric, and the struggle for power is perhaps chiefly a struggle for wealth" (89). In other words, although African politics is largely determined by the struggle for private gain, and thus appears to the Western eye to be a political perversion, we must recognize that African politics *is* this struggle, and not a deviation from some other political model with any real currency on the continent.[72] It is not enough to say that the exercise of political power does not serve the public interest, for this would assume that the state derived its authority from the citizens' desire for a state that is independent of their own private economic pursuits. But that is not the case in most of sub-Saharan Africa; in these countries, there is no clean distinction between the exercise of political power and the pursuit of private aims. Just as African politics largely revolves around the struggle for access to and control over economic resources, economic activity largely takes place with the use of the state's political resources. The task for theory, therefore, is to define this unique, *hybrid* political economy on its own terms.

In order to do so, Bayart maintains that we must abandon traditional Western political categories altogether. In particular, this means putting aside the Hegelian dichotomy between the state and civil society [*bürgerliche Gesellschaft*], between the realm of politics and the realm of economic pursuits. It also means bracketing out the Weberian notion of *legal-rational* politics as opposed to *personalized* politics in which public power benefits its wielders and not its subjects.[73]

72 For that very reason, it is surprising that Bayart, in a later work (1999) coins the term "criminalization of the state" to describe the extent to which political power in Africa is used not only to get hold of resources in the private economy for personal gain, but also to gain access to the resources generated by the *illicit* economy (smuggling, international drug trade, etc.). Even here, however, Bayart points out that we should not be misled by the moral connotations of this term; his aim is instead to emphasize the extent to which the illicit economy has become a crucial resource of many African political elites.

73 Bayart makes this point most explicit when he speaks of the factional struggles inherent in African politics: "There is nothing immediately surprising in this supremacy of the factional dimension. The legal rational model beloved of Max Weber is an historical aberration which,

All of these dichotomies fail to capture the uniquely hybrid reality of African political and economic life. Bayart underlines the fact that in sub-Saharan African countries, the dominant actors are neither wholly inside nor outside the state. Rulers instead *straddle* the political and economic spheres, while subjects make use of both *vertical connections* within the state and various *exit options* in order to evade the grasp of the state altogether. The term *straddling* characterizes how African rulers tend to have one foot in each sphere at once, using political clout to promote private entrepreneurial interests beyond the mere pursuit of rent-seeking, while using economic clout to pursue political power. At the same time, Bayart insists that the strategies of survival employed by African subjects cannot be so easily distinguished categorially from the strategies of personal enrichment employed by African elites (237). Even Africans outside of the elite struggle to make use of patronage networks and to somehow get hold of a portion of state resources. Bayart's point here is not that African citizens are therefore just as morally decrepit as their public officials and leaders, but to drive the point home that this intertwining of the public and the private, the factional struggle over state power and economic resources, is the established *process* of political and economic life in Africa. The task for theory is to find out why.

In order to emphasize this point, Bayart also warns against reducing the politics of the belly solely to the *belly.* The struggle of political agents and their use of public power for private gain represent a form of *politics* in two different senses. First, the use of public power for private gain has become so widely established within the political arena that it defines stable *schemes of action* in which *political repertoires* and *discursive genres* have gained currency and recognition (247), while providing stable guidelines for behavior. This struggle thus defines a marked field of action with clearly definable subjects and more or less regularized strategies. Second, the use of public power for private gain entails a set of norms and ethics that must be obeyed, despite the informal nature of this brand of politics. The politics of the belly is therefore much more complex than the rush for *filthy lucre.* The most typical example of this can be found in the notion of the African *big man.* A man who is able to use power not only to accumulate wealth, but to redistribute it to his clients, becomes a *man of honor* (242), while economic afflu-

moreover, has been modified by various detours and practices of sociability. Outside the narrow time-space – the western industrial societies – of Weber's model the logic of factional struggles is predominant" (216).

ence represents a crucial political virtue.[74] Conversely, apparently undeserved wealth or enrichment that does not benefit others is often denounced as the product of witchcraft. A chief who does not successfully use his resources, authority and connections to promote the prosperity of his village or his tribe loses his honor.[75] The same pattern holds when it comes to democratic procedures in Africa. The criteria according to which African citizens measure candidates are wholly based on this *instrumental* relationship, that is, on a candidate's ability to deliver the goods to his or her constituency. Although Africans also demand that their nation's representatives look after the good of the entire nation and represent the common good, this idea and demand have very little currency *in practice*. What is crucial is that a prospective representative prove the ability to promote and protect the interests of his or her particular constituents. And just as the representatives of other communities are not expected to look after one's own community, finding a candidate who will foster the interests of one's own community becomes imperative. If that goes hand in hand with a representative's ability to garner wealth for himself, then that is only proof of his success in getting a share of the national cake.

This complex interplay between the political and the private is what gives African politics its peculiar shape and distinguishes it so starkly from politics in Western nations. Bayart uses the concept of the *rhizome* state to distinguish the

74 Bayart offers some almost humorous illustrations of this phenomenon in Kenya, Cameroon, and elsewhere. Particularly notable is the example of Côte d'Ivoire: "President Houphouët-Boigny once attempted to discredit a political opponent by describing him as a man who 'didn't own anything, not even a bicycle.' The Ivoirian President was proud of having been the first person to import a Cadillac into the country…He brought the full weight of his wealth to bear in a speech of epic proportions delivered to students: 'People are sometimes surprised that I like gold. It's because I was born in it'" (242). And when he lavished extravagant development efforts on his home village of Yamassoukro, including the construction of a cathedral even greater than St. Peter's Basilica in Rome, the scandal was not about his favoritism for his home village, but the *extent* of that favoritism. The same goes for Mobutu's decision to construct an airport in his home town with a private runway to accommodate the Concorde he used for his travels abroad (Callaghy 1984).

75 In this same vein, Chabal and Daloz (1999) remark: "The question of corruption in Africa cannot be understood simply within the context of the abuse of power. A well-managed moral economy of corruption does involve the abuse of formal power for personal gains. But, ultimately, personal gains are aimed at achieving a position of legitimate respectability recognized by all. While petty corruption is usually despised by the population at large, because it is merely self-serving and usually arbitrary, there is often a recognition that the elites' much more significant abuse of power serves larger and more legitimate 'moral purposes' (159).

African state from the Weberian states typical of the West, and it is worth quoting him at length.

> In short, the postcolonial State operates as a rhizome rather than a root system. Although it is endowed with its own historicity, it is not one-dimensional, formed around a single genetic trunk, like a majestic oak tree whose roots are spread deep in the soil of history. It is rather an infinitely variable multiplicity of networks whose underground branches join together the scattered points of society. In order to understand it, we must do more than examine the institutional buds above ground and look instead at its adventitious roots in order to analyze the bulbs and tubers from which it secretly extracts its nourishment and its vivacity. We are also 'tired of the tree', of this arboreal metaphor of the State which, in truth, has exhausted the theoreticians. Our time would be better spent trying to understand the mysteries of the rhizome (221).

Therefore, Bayart argues that if we are to grasp the distinct reality of African states, we must not be fooled by the formal identity between Western and African states, analyzing the latter in terms of its failure to correspond to a certain political model established elsewhere. Instead, we require conceptual tools that allow us to move beyond the recognition of a gap between the ideal and the real African state and give effective descriptions of what it is that fills that gap. That in turn requires *going underground,* grasping informal politics not as a deviation, but as a crucial element of African politics.

5.3.2 William Reno

William Reno's account of the "Shadow State" and informal markets[76] in West Africa addresses an increasingly common phenomenon in Africa in the wake of the Cold War. Politics in ever more African states is defined not by efforts to manage a formal private economy, striking a balance between promoting growth and raising the revenues needed to fulfill the broad range of tasks required of the state, but by struggles over the revenues generated by informal markets. In many countries, informal markets are the central arena of political action, one of the most effective sources for deriving the means for asserting, expanding and maintaining political power. Precisely because the bulk of African

[76] *Informal markets* are extralegal markets upon which both legal and illegal commodities are traded, but outside of institutional channels and uncaptured by trade laws, tax laws, property laws, etc.

politics consists in seeking to gain or maintain control over informal markets, the latter can hardly be described in contradistinction to the state. The state in these societies does not derive its authority from its claim and its capacity to promote a public economic interest, but from its ability to derive resources in an informal way from an informal economic sphere.

Reno's aim is to get at the political logic behind what are often described as *failed* or *collapsed* states, as well as the specific political and economic formations that have taken the place of the centralized state. In this sense, his account is not only useful as a description of a handful of countries in the West of Africa, rather he gives us a set of methodological tools for analyzing sub-Saharan African politics in general. Reno's account also parallels that of Bayart in many respects. He shares Bayart's rejection of the dichotomy between state and society, and maintains that when it comes to capturing the essence and empirical reality of current African politics, such dichotomies are hopelessly incapable of grasping the alterity of African political and economic life. The latter he describes, in line with Bayart's notion of *straddling*, as a constitutive interweaving between political power and informal markets.

In this context Reno criticizes *state-centered* and *society-centered* approaches to analyzing informal markets in sub-Saharan Africa. Because state-centered approaches regard informal markets as a product of, or reaction to, the decay of state institutions, they do not analyze the survival and/or enrichment strategies employed by both rulers and subjects on their own terms, but as the result of institutional deficiencies and perversions. Society-centered approaches, by contrast, define informal markets as an *exit option* through which African subjects escape the suppression and decay of the State. Informal markets thus represent a kind of revenge of society on the state, a way that subjects manage to carry out their economic activities outside the ambit of the state's supervision and control. Reno claims that this approach suffers from the same fallacy, defining African societies in opposition and in contradistinction to the state. Analogous to the state-centered approach, this means defining the *informal* nature of African political economy as a reaction or response to decay. In this vein Reno points out that "oppositional state-society logics downplay the extent to which economic and political advantages in each sphere are connected" and that "the symbiotic nature of state power outside institutional channels and informal markets is missed where observers see societal opposition in a context of state institutional failure" (16). Reno thus proposes an approach that takes account of the interwoven texture of African political reality, which he summarizes in the term *Shadow State*:

> It is the nature and logic of this contested ground, of informal markets, that offers the best vantage point for advancing a truly political analysis of the decay of formal state authority and the struggle to exercise authority in realms outside institutional state boundaries (13).

Although the term *Shadow State* – similar to the *politics of the belly* – has the same connotations criticized above with regard to the term *corruption,* Reno stresses the systematic and systemic nature of this interweaving between the political and the private spheres. Therefore, if we are to get a clear grasp of African politics, we must get a clear view of how African politics happens at this juncture between formal political structures and informal markets. Here we find a constant redefinition of the boundaries of the political, and one that always overlaps with the boundaries of the economic.

5.3.3 Patrick Chabal and Jean-Pascal Daloz

Chabal and Daloz (1999) agree wholeheartedly with the methodological critique offered by Bayart and Reno. To define African politics as *corruption* is to make a whole series of unjustified assumptions about African states. Above all, it is to assume that the functioning of African states constitutes a deviation from a universal political model. The authors put greater emphasis on this fact than Bayart or Reno, whose methodological critiques are found more on the margins rather than at the core of their respective theories. As pointed out above, Chabal and Daloz reject the notion that African politics is *backward* or *barbaric.* While they describe African politics as the *politics of disorder,* they emphasize that "to speak of disorder is not, of course, to speak of irrationality." On the contrary, African politics is as rational as anywhere else, but it takes place at a different level, namely "in the realm of the informal, uncodified and unpoliced – that is, in a world that is not ordered in the sense in which we usually take our own polities in the West to be" (xix). If they do speak of corruption, they also point out that their purpose is to explain "why corruption is the norm" (xxi).

For these authors as well, grasping the nature and logic of African politics means putting aside traditional categories for defining the tasks and deeds of the state. Chabal and Daloz are especially radical in emphasizing the gap between the reality of African states and the Western state *norm,* claiming that the African state is not only weak, but *vacuous,* and in fact nothing more than an *empty shell* (7). This, again, does not mean that Africa is void of politics; it merely means that we have to seek its operations elsewhere and with a different perspective. Adopting Bayart's language, Chabal and Daloz propose that the true substance of African politics be sought in the "myriad networks which link the various levels of power, from top to bottom" (2). Contrary to the rational-legal structures and operations of Western politics, politics in Africa is *personalized, informal, irreducibly plural,* and *patrimonial.* And throughout their account, Chabal and Daloz stress that this brand of politics is highly *functional*. It is a *politics of disorder*, which thrives on the collapse of formal state structures and in many cases even intentionally contributes to their decay. Corruption and informal politics, therefore, is not the way African politics fails, it is the way – to cite the title of the text at issue – *Africa works.* The politics of Africa *is* the politics of disorder.[77]

5.4 The Concept of Neopatrimonialism

Even if we disagree with the manner in which these authors describe the distinction between the African state and the Western political model, we should take their methodological considerations seriously. Although it might be an exaggeration to define African politics as being solely driven by the *belly,* existing for the most part in the *shadows* and thriving on *disorder,* the state in Africa should be viewed as a particularly ambiguous mixture between two different forms of politics. If we are to give an adequate account of the nature and course of politics on the African subcontinent, we have to grasp these two logics in combination with each other.

77 Therefore, despite the affinity of their account with Bayart's theory of the rhizome state, Chabal and Daloz object to his definition of modern African politics as the *criminalization* of the state because of the connotations that term entails: "The task of the analyst is … to make sense of the rationality for such differences, which is what, for example, the notion of the 'criminalization of the state' purports to offer, although in our view such an approach fails to investigate the extent to which what may pass for criminalization is in fact tied up with the notions of legitimacy and political accountability extant in a given national context" (154).

The concept of *neopatrimonialism* takes us a long way toward an understanding of this ambiguous, dual nature of African governance. The term itself has experienced a revival over the last decade and a half, a sort of *third wave* of its own.[78] Yet originally, the term stems from Max Weber's work on the various historical forms of political domination (Weber 1947 [1922]; 1958 [1918]). Indeed, Weber's writings on the state have played a key role throughout the postwar history of African political economy. His notion of *charismatic* domination was employed by Aké (1966) to describe post-independence African rule, while his concept of *traditional* rule took on a greater role near the end of the 1960s with the rising importance of social-anthropological concepts fused with sociological functionalism (Erdmann and Engel 2006, 7). However, it was the category of *patrimonial* domination that would ultimately come to play the most crucial role in African political theory. Eisenstadt (1973) picked up on Weber's description of this particular type of traditional political domination and coined the term *neo-patrimonialism* to account for the forms of domination found throughout the developing world in the latter half of the twentieth century. The notion was then further developed in the writings of Médard (1982), who made alternating use of the terms neo-patrimonialism and *modern patrimonialism.*[79] The use of the term remains controversial. Often it is used as a synonym for illegitimate authority, which contrasts with Weber's usage of patrimonialism to signify not illegitimate rule, but a particular kind of authority that citizens regard as legitimate, whether we would approve of this authority or not. Weber's purpose was not to denounce patrimonial authority, but to specify it as one source for the legitimacy of the ruler. Pitcher et al (2009) also emphasize in this vein that the term neo-patrimonialism, on the one side, is often conflated with corruption and venality; and on the other side, it is often used to describe a type of regime, rather than a particular kind of legitimate rule (125).[80] Again, it is crucial that we bracket

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78 See Erdmann and Engel (2006) for a useful overview of the theoretical history and development of the term.

79 Clapham (1985) also employed the term relatively early to capture the nature of third world politics, providing a definition that strongly resembles the notion of corruption: "a form of organization in which relationships of a broadly patrimonial type pervade a political and administrative system which is formally constructed on rational-legal lines. Officials hold positions in bureaucratic organizations with powers which are formally defined, but exercise those powers, so far as they can, as a form not of public service but of private property" (48).

80 As the authors point out, patrimonialism can exist in a democracy just as it can in a dictatorship, though it might take a different form (Pitcher et al 2009, 148). And as we will see in Chapter 7 in the case of Botswana, the reconcilability of patrimonial rule with democracy might even show us a way forward out of Africa's governance problems.

out the moral connotations of the term patrimonialism and first of all grasp the objective nature of this kind of authority.

The compound term *neo-patrimonialism* is intended to characterize a hybrid between two simultaneous forms of political domination, both of which were delineated by Max Weber – *rational-legal authority* and patrimonial authority. The distinction between the two forms of political domination centers upon the relationship between the private and the public sphere. In systems of rational-legal authority, at least in their ideal shape, there is a clear separation between the public and the private, one that is best captured by the concept of the rule of law. That is achieved through the establishment of written rules, standardized bureaucratic procedures and institutions of various kinds, all of which serve to bind the exercise of state authority to the law. The law in turn derives from principles laid down in a nation's constitution, which defines the rights and obligations of both the wielders and the subjects of state power. Private property rights protect against the arbitrary exercise of that power; rules on term limits and conduct in office ensure a clear separation between the offices of state and the individuals who occupy them. Furthermore, the rational-legal form of domination entails a bureaucracy founded on the precepts of meritocracy and professionalism. Bureaucrats are civil servants, i.e. agents of the law, and are to exercise the power granted to them accordingly, neither stepping outside their ambit nor abusing it to further their own private interests.

By contrast, under patrimonial systems of domination, which Weber claims are typical for many small and traditional, or even atavistic, social-political entities, there is no clear separation between the public and the private sphere. The exercise of political authority is not bound by a given body of laws, but is determined by the ruler's personal will, who dominates by virtue of his personal prestige. The ruler does not ensure the legitimacy and stability of his or her rule by keeping to rules and norms that derive from commonly agreed-upon or accepted principles, but by dispensing material favors, concrete benefits to his or her subjects. The latter, therefore, are not so much citizens of the state as they are clients of the individual ruler in power. They do not have a set of rights that delineate their liberties and duties, rather they are treated as "extensions of the 'big man's' household, with no rights or privileges other than those bestowed by the ruler" (van de Walle/Bratton 1997, 61).

As much as many polemical accounts of African governance would suggest that African rule is unambiguously patrimonial, this is to ignore the complexity of African political systems. Each and every African state has a written constitution, political institutions modeled upon the *rational-legal* governments found in the West: separation of powers, checks and balances, cabinets and ministries with defined competencies, a formal bureaucracy, police and courts, etc. And yet, patrimonial practices dominate government *practice*. This hybrid of rational-legal authority and patrimonialism defines the politics of many third world states, particularly Africa. Although patronage and clientelism can be found in all political systems, these practices represent the core of African politics.

The inherent tension between these two forms of political domination makes up the subject matter of the majority of studies on African politics. On the one hand, the theories advanced by Reno, Bayart and Chabal/Daloz offer striking accounts of the gap between the form and substance of African governance, illustrating phenomena that undoubtedly exist in not a few individual instances. Furthermore, their accounts give us an effective methodological warning that we should not rely on the term *corruption* to describe African politics, for it fails to capture the logic that *is* at work in African politics. On the other hand, their stark emphasis on the personal and patrimonial at the cost of the *rational-legal,* as well as their excessive emphasis on the underground and informal, ultimately renders their accounts inadequate for defining the general nature of African politics.

In their respective analyses of the phenomenon of neopatrimonialism, Bratton (1997), van de Walle (1997; 2001; 2006), as well as Erdmann and Engel (2006), retain the valuable insights of the aforementioned theories, while taking up a more balanced and realistic perspective on the interwoven texture of African politics. All these authors stress the importance of not exaggerating the personalistic and patrimonial nature of African politics at the cost of formal institutions. Erdmann/Engel give an especially vivid description of neopatrimonial rule in Africa, citing Bratton and van de Walle along the way:

> Neopatrimonial rule takes place within the framework of, and with the claim to, legal-rational bureaucracy or "modern" stateness. Formal structures do exist, though in practice the separation of the private and public sphere is not always observed. In other words, two systems exist next to each other, the patrimonial of the personal relations, and the legal-rational of the bureaucracy. Naturally these spheres are

> not isolated from each other; on the contrary, they permeate each other; or more precisely, the patrimonial penetrates the legal-rational system and twists its logic, functions and effects. That is, informal politics invade formal institutions. Informality and formality are intimately linked to each other in various ways and by varying degrees; and this particular mix becomes institutionalized (1997:63) (18).

Van de Walle (2001) underscores the importance of not exaggerating the patrimonial dimension of Africa's hybrid states in a critique of Reno and Chabal/Daloz:

> Many students of neopatrimonialism downplay the rational-legal dimension in these states. They argue that formal structures are irrelevant, that all meaningful decision making takes place within a parallel "shadow state" that is entirely patrimonial. They do not believe that policies or ideologies matter, except as a posteriori justification for state predation. I view both of these views as excessive. Even in the least institutionalized states in the region, there are rational-legal pockets attempting to assert themselves…The two tendencies coexist, overlap, and struggle for control of the state in most countries…Neopatrimonial regimes thus exhibit an inherent tension between their two constitutive dynamics (128).

5.5 The Elements of Neopatrimonialism

The most detailed account of the characteristics of neopatrimonial rule can be found in Bratton/van de Walle's seminal account of the *third wave* of African democratization at the start of the 1990s. The authors outline three elements of this characteristically hybrid form of domination as it appears in Africa: presidentialism, clientelism, and the use of state resources. Although they use these categories to describe Africa's postindependence *ancien régimes*, that is, prior to the wave of democratization in the early 1990s, their descriptions continue to have a great amount of purchase when it comes to outlining the character of Africa's current *post-democratization* regimes.

Presidentialism: A mere four of sub-Saharan Africa's forty-five multiparty systems are parliamentary regimes (Botswana, Mauritius, Lesotho and South Africa), while the constitutions of the remaining African nations – with the exception of Swaziland, which is a monarchy – are presidential, and political power is largely concentrated in the hands of the executive. As shown in Chapter 4, African heads of state play a far greater role and enjoy far broader powers than presidents elsewhere, especially in industrialized countries. This is not only true in respect of their generous term limits, but also of the size of their jurisdiction and the degree to which they shape the political culture (van de Walle/Bratton, 63f). In many African countries, the president personally controls ministries and departments. Hastings Banda, the former president of Malawi, represents a particularly extreme example of the ubiquity of presidential control, stating that "nothing is not my business in this country; everything is my business, everything. The state of education, the state of our economy, the state of our agriculture, the state of our transport, everything is my business" (cited in: Jackson/Rosberg 1982, 165). But the presidentialism typical of many African nations goes beyond the narrower sense of political control. The cult of personality plays an arguably greater role in Africa than in any other country since the fall of the Soviet Union, perhaps with the exception of Turkmenistan under the reign of Saparmurat Niyazov, also known as *Turkmenbashi* (*Father of all Turks*). Many African leaders go to great lengths to portray themselves as *fathers of the nation,* and are often perceived to be just that. The role of *big men* in Africa is well known to the Western public.[81]

Many of the founders of independent African countries retained the presidency for decades, thus substantiating the propagandistic notion that the president is more than a placeholder in office, but rather a *founding father.* The most prominent instances are Julius Nyerere in Tanzania, Jomo Kenyatta in Kenya, Leopold Senghor in Senegal, Felix Houphouët-Boigny in Côte d'Ivoire, but also Kenneth Kaunda in Zambia, Hastings Banda in Malawi and Seretse Khama in Botswana. Gnassingbé Eyadéma (Togo) even fostered the impression that he possessed occult powers in order to underscore his intimidating presence (Ellis 1993), while Jean-Bédel Bokassa (CAR) and Idi Amin (Uganda) offer us frightening reminders of how far the cult of presidential personality can go, heading up the ranks of those African leaders who reinforced their legitimacy with well-measured doses of pure intimidation and fear.

81 We should, however, be cautious in claiming this to be a particularity of African culture. The prominence of the president's personality could also largely derive from the relative newness of the nations of sub-Saharan Africa. We might, for instance, think of the role played by George Washington, even beyond his death, in the first decades of the USA. Even today Washington is unabashedly referred to as the *father of the nation.* This is all the more true of leaders such as Kemal Atatürk, Tito or even Charles de Gaulle.

The strength of Africa's executives is complemented by the relative weakness of the other branches of government, a phenomenon described in Chapter 4.[82] In most African nations, key decisions can be made without the agreement of the legislature or the courts, and thus regardless of any eventual disagreements. Even ministries are often relegated to a subordinate role in the governing process, with midlevel managers in the executive often exercising a greater amount of power than the permanent secretaries of the ministries (van de Walle 2003, 309f.).

Clientelism: This is probably the most salient and well known feature of modern African states.[83] Clientelism can be defined broadly as the dispensing of various political and economic favors and/or material rewards in exchange for political support of some kind. These favors might include prebends (the strategic allocation of public offices, such as ministerial and council positions, to key elites), public sector jobs, licenses, contracts and projects, e.g. construction of infrastructure. It can also take the form of allocations of public monies or favorable legislation for certain communities or individuals in order to garner political support or at least acquiescence to the ruling administration or individual.

Van de Walle (2007) makes a key distinction between two separate forms of clientelism: elite clientelism and mass clientelism. For the most part, this distinction amounts to the difference between distributing prebends to key elites and engaging in mass patronage, i.e. dispensing various economic and political favors to greater or lesser portions of the population, usually involving party organizations and electoral politics. In sub-Saharan Africa, elite clientelism is much more widespread than mass clientelism for a straightforward reason –

82 Bratton and van de Walle rightly point out that African countries cannot be labeled *corporatist*, as might be the case of many postwar and even current regimes throughout Latin America. African governments are not marked by an alliance between various more or less powerful social groups, but are much more *top down* in their distribution of power and influence. Individual favors and grants of political influence and power emanate from a more or less central point within the state. The basis of most African elites' power is thus not based on their prominent position within the economy or the society, but on concessions granted by the head of state.

83 There is some debate over the relationship between the concepts of *clientelism* and *patronage.* Erdmann/Engel draw a distinction between favors offered to individuals, which would be a clientelistic relation, and favors provided to more or less sizable groups, which is characteristic of relations of patronage. Other theorists who deal with the properties of neopatrimonial politics seem to largely agree to this distinction, though they do not place any real weight on it. In and of itself the definition does not seem overly compelling. Nevertheless, I adopt the distinction here for purposes of clarity.

most African governments simply do not possess the funds required for cultivating larger clienteles. Prior to the wave of democratization in Africa, the dominance of elite clientelism over mass patronage also derived from the fact that African governments were neither institutionally nor substantively dependent on the political support of broader parts of the population. Sheer acquiescence was more than enough; the cooptation of elites was of much greater relevance. And as we will see below, although the institutionalization of elections and multiparty competition has led to a rise in mass clientelism across the subcontinent, African states continue to lack the funds required to sustain such patronage structures on the scale of, say, 19th century American urban *political machines.* Instead, elite circles in Africa are relatively small.

This tendency towards elite clientelism was reinforced and intensified by the SAPs that were – to various degrees and with varying levels of commitment – instituted throughout sub-Saharan Africa from the 1980s onward. As we saw in Chapter 2, SAPs deprived African governments of much of their patronage resources, though they in no way put an end to government patronage. Instead, African governments retrenched, abandoning their jurisdiction over many issues of social policy, maneuvering so as to accommodate the demands of donors and retain their flow of resources, while managing the latter in order to maintain the needed amount of political support at home. In effect, this entailed focusing the allocation of funds and political clout even more radically within a smaller elite circle, while implementing the demanded reforms only partially (World Bank 1988).

As noted above, the sheer extent of clientelism in Africa has led many authors to speak of a *moral economy of corruption,* with its own set of criteria for legitimacy. Chabal (2009) even goes so far as to claim that African citizens are not even citizens in the strict sense of the term, but clients. And it is according to that role that they judge the legitimacy of their patrons. They do not demand that their bosses act *fairly,* i.e. impartially, but that they distribute a *fair share* of material benefits because of various ties, be they tribal, ethnic, or deriving from some other form of collective. The clientelistic nature of the economy also has a strong influence on the nature of the labor activities performed by the majority of Africans. Much of their labor is performed in the *informal* sector – in the sense that it is neither taxed nor subject to official property, trade and labor laws. This means, for the most part, small-scale buying and selling, or providing limited labor or other services on a temporary or ad hoc basis. This form of labor far exceeds the *formal* labor performed in the civil service or for international companies. More important than this distinction, however, is the fact that this work simply serves a different purpose – not growth, but the enrichment of the patron and the cultivation of important political/economic relationships. This is why, for instance, after the democratization of most African countries, a key source of income has consisted in performing various functions and favors for election capmaigns (Chabal 2009, 113) – yet another instance of the overlaps between the political and economic realms.

State resource control: The far-reaching control that many developing country governments exercise over economic resources is well known, particularly in the field of economics. Over the course of the last half-century, state resource control ranges among the most commonly cited causes of the developing world's failure to grow, especially in sub-Saharan Africa. This notion not only derives from these states' *control* over economic resources, but primarily from the *purposes* for which these resources have been spent.[84] Instead of using public funds to invest in basic infrastructure and provide key conditions for (accelerated) development, African governments all too often use these resources to maintain their own control of government, thus depriving the economy of the resources it needs to grow. *That*, after all, is at the heart of the widespread critique of corruption in Africa. Because public funds are often used to secure legitimacy through the strategic cultivation of political and social clienteles, there are significant incentives for asserting state control over economic resources within the country in order to consolidate and maintain political power. Mobutu's feats in this area are legendary, along with Houphouët-Boigny's management of his nation's cacao revenues, and Ahidjo's personal control over a significant portion of Cameroon's oil revenues. The control over public funds, accruing from the export of natural resources or access to donor aid, is what is at stake in the overwhelming majority of African political conflicts both between and within various political

[84] In fact there is even a contradiction between the clientelistic use of public funds and their long term availability for clientelistic use, since the economically unproductive allocation of these funds, as well as the uncertain dimensions of political exigencies, both put an excessive strain on these funds and fail to contribute to their replenishment. This is especially true if we consider the environment of economic uncertainty fostered by such politically motivated uses of economic resources.

factions, and often in many of the cold and hot ethnic conflicts throughout the region.

As Reno stresses, the state's control of resources also extends further and further into the informal sphere. There is a seemingly limitless number of examples that could be cited to illustrate the intermingling of public power and private markets in Africa. There is Touba in Senegal, which constitutes the center of contraband in West Africa, but does not at all represent an illicit economy that is counterposed to the state. On the contrary, it in fact constitutes an element of the informal state structure in Senegal, through informal concessions and various negotiated privileges based on important personal political relationships (Hibou 1999, 89). The illegal export of various products in Uganda is largely organized by elements within the governing circle. Cameroon and Gabon have seen a sharp rise in poaching in recent years, in part due to the complicity of leading personalities, the military and various senior officials (Ibid.). The West Coast of Africa – particularly in the context of the diamond trade in Sierra Leone – is a hotbed of criminal activity in which government officials are clearly involved. Charles Taylor's illicit operations in complicity with foreign corporations are particularly spectacular, but not entirely unique. The wars in the Eastern reaches of the DRC represent a conflict that has been partially motivated by the desire to gain control over the illicit export of various minerals – and involvement in this trade is predicated on the access to military and political means (Lemarchand 2008).

Bayart refers to just such practices when he speaks of the *rhizome state* and its factions that crisscross the political and economic realms. These structures get to the heart of what Bayart means when he refers to the manifold ways in which political elites *straddle* the spheres of the state and the market. First, political power allows access to *resources of extroversion,* that is, it allows politicians to generate private benefits from their connections with foreign firms, creditors and donors. Second, a job in the civil service offers not only a reliable salary, but perks such as preferential access to credit – a rarity in African economies. Third, and perhaps most well known, political power enables the use of violence for economic predation of various sorts. Fourth, even without the actual use of violence, political power provides access to prebends and thus to economic resources. Finally, the access provided by political power can be transformed into private economic ventures (70f.).[85] In short, access to the state is, if not the central staging ground for private enrichment, the major basis for the economic activities on which most Africans depend. Even in cases where the state is relatively poor and has lost much of its patronage resources, it nevertheless remains "the great enabler" (Chabal 1992, 228).

5.6 Varieties of Neopatrimonialism

Often, neopatrimonial regimes are lumped into one category – corrupt and clientelistic. Although it is true that every African government displays neopatrimonial characteristics to a certain degree, it is crucial that we point out at least some of the different forms that neopatrimonialism can assume within different countries, and within the same country over time. Our moral condemnations of African politics should not lead to a theoretical disinterest in the particularities of different African regimes, a point that will become crucial in Chapter 7. Zolberg (1968) presents us with a relatively early account of different postindependence African regime types, while Bratton and van de Walle (1997, 77ff.) deliver a detailed analysis of these regimes immediately prior to the democratic third wave, categorizing African governments with reference to two different political dimensions – political competition and political participation. Depending on the degree to which various political parties compete over office, and the extent to which the population is involved in the determination of public policy, the authors distinguish between five different modal regimes. The overwhelming majority of African governments represent instances of what the authors call *big man* rule, in which power is concentrated in the hands of the executive, who exercises broad powers over the flow of resources and political influence. This

85 At the same time, however, Bayart is careful to point out that the state's relation to the economy is still ambiguous. Criticizing – mostly Marxist – authors who speak of a *bureaucratic bourgeoisie* in Africa, as opposed to the *business bourgeoisie* of Western industrialized nations, Bayart points out that *straddling* does not mean that the state overtakes the economy, but that there is a constant interweaving between the two. He cites an example from Guinea, often considered a classic case of totalitarian domination of the state over the market: "The 'collective' modes of realising a surplus, which are institutionalized (and demanded by the existence of budgets, plans and so on) are constantly threatened by individual initiatives. The State bourgeoisie tends automatically to become a 'private' bourgeoisie and to reinforce the latter which, incidentally, is always present alongside the former. This process is, however, impeded by the State's need to survive and to maintain the domination of the State bourgeoisie, which ensures that State power prevails" (Cournanel 1985, 230; cited in Bayart 1993, 98).

kind of rule is characteristic for three of the five African regime types – the military oligarchy, the plebiscitary one-party system, and the competitive one-party system. While military oligarchies[86] represent an extreme case of power concentration with little to no popular participation or elite competition, the latter two modes both involve a *relatively* high amount of popular participation (be it in the form of referenda or periodic elections), but relatively low degrees of political competition. In the plebiscitary one-party system,[87] there is usually only one candidate up for vote from the official party, while opposition parties are either *de jure* or *de facto* proscribed. In these systems, popular participation might be high, but is for the most part symbolic, tightly controlled and orchestrated by the rulers. Finally, the competitive one party-system[88] differs only to the degree to which there is genuine competition among ruling elites. Voters would have a choice between two or more candidates – though from the same party with the same platform. A handful of exceptions to the single-party rule could be found in Botswana, Gambia, Mauritius, Senegal, and – hard to believe from our current perspective – Zimbabwe, in which multiparty systems had already taken hold. Although the governments of these countries could not be placed on a par with multiparty systems in Europe or America, and despite the fact that they were marked by many imperfections (e.g. weak oppositions parties, intimidation of the opposition, lacking turnover of key ruling figures), these countries nevertheless had relatively open and regular electoral competitions. Nevertheless, and this is perhaps most striking in the case of Mugabe's rule over Zimbabwe, leaders in these countries quickly lapsed into neopatrimonial habits whenever control mechanisms proved imperfect. The *settler oligarchies* in Namibia and South Africa, racist regimes that could be categorized as *exclusionary democracies* round out the unpleasant list of African regimes at the threshold of the African democratic revolution.

86 This category encompassed (in 1989) eleven countries: Burkina Faso, Burundi, Chad, Ghana, Guinea, Lesotho, Liberia, Mauritania, Nigeria, Sudan, and Uganda (Bratton and van de Walle 1997, 79).

87 This category applies to the largest number of African countries in 1989: Angola, Bénin, Cape Verde, Comoros, Congo, Djibouti, Equatorial Guinea, Ethiopia, Gabon, Guinea-Bissau, Kenya, Mozambique, Niger, Somalia, Swaziland, and Zaire (Ibid.).

88 Cameroon, Central African Republic, Côte d'Ivoire, Madagascar, Mali, Malawi, Rwanda, Sao Tome e Principe, Seychelles, Sierra Leone, Tanzania, Togo, and Zambia.

5.7 Post-Democratic Neopatrimonialism

As we saw in Chapter 4, the hope was that comprehensive democratization would reduce or at least contain the corruption of Africa's postindependence regimes. But as we also saw in Chapter 4, the results have been disappointing overall. Despite undoubtable progress in many African states, patronage and clientelism continue to dominate African politics.

The result of the democratization process undergone by African states is a continuation of the *hybrid* nature of African regimes, a mixture between democratic forms and institutions and clientelistic politics. On the one hand, almost all African states bear the manifold institutions of democracy; on the other hand, it is only with qualifying adjectives that these countries can be considered democracies at all. And after nearly twenty years of democratization in Africa, more and more observers are convinced that African countries are not in a transitional phase on the way toward democracy and *good governance*, but are either moving in the opposite direction, that is, back toward authoritarianism, or they have reached a kind of stability in the twilight zone between democracy and authoritarianism. In two different senses, the state of African politics is here to stay for the foreseeable future. On the one hand, authoritarianism remains; but on the other hand, democratic forms and procedures appear to have gained just as strong a foothold. As much as both incumbent and opposition politicians might abuse the democratic system and go to great lengths to manipulate the electoral process, it is clear both to them and to all that *elections* are what need to be manipulated. Democratic procedures are not to be abolished, but instrumentalized (Young 1993, 303).

In any case, we can see that the key elements of neopatrimonial rule have proven very resistant to the forces of democratization, though they have taken on new forms, or rather made use of new channels. The most succinct and striking term used to describe the effects of democracy on *big man rule* in Africa is undoubtedly that of Bratton and van de Walle (1997) – "big man democracy" (233). In the same vein, we could say that the result of the democratization process on neopatrimonialism has been the emergence of *democratic neopatrimonialism.* This would simply mean expanding the definition of "neo" to encompass not only legal-rational institutional forms, but also modern *democratic* institutional forms.

First, personal rule has not been eliminated. More cynical analysts even remark that periodic elections have done nothing but confer "legitimacy on politicians to pillage until the next depressing cycle begins."[89] Even if one does not wish to go that far, there is more than enough evidence that personal rule is hardly a thing of the past. Second, what about presidentialism? On the one hand, term limits have been established in 33 of 48 sub-Saharan African countries, and they have led to the exit of 14 presidents since 1990. There have been efforts on the part of incumbent heads of state to remove these term limits in order to allow them to prolong their stay at the helm, and these have been successful in a few cases, most recently Yoweri Museveni's 2006 refusal to recognize the two-term limit imposed by the Ugandan constitution.[90] Nevertheless, often these strivings have been met with massive resistance, signaling an unwillingness throughout the political class to put up with such presidential arbitrariness. At the same time, however, term limits have done little to rid Africa of the *imperial presidency* in Africa (Okoth-Ogendo 1993, 74). Power in the African state continues to emanate largely, in fact almost exclusively, from the executive office. The president continues to exercise far-reaching control over resources of patronage and prebends. Laws are often made without recourse to parliamentary legislation, giving rise to the term "government by press release" (Prempeh 2008, 110). The legislature, political parties, and even the judiciary, remain financially dependent upon the goodwill of the executive. As we will see later, this is not an issue of *decentralization* or privatization, but an indicator of the absence of *private* sources of wealth and political clout, i.e. the lack of an entrepreneurial class or *middle class.* Third, and closely related to this last point, *clientelism* continues to be the dominant link between rulers and ruled, between politics and the economy, though this may have taken on different forms under liberalized democratic structures.

The role of ethnicity and other subnational relations continues to dominate the political landscape in Africa; and in some cases they have been a source of violence in the wake of democratization. Some of the more prominent recent exam-

89 Aidan Hartley, *Democracy by Other Means*, *New York Times*, 11 January 2008.

90 This is an especially bitter development for the country's advocates in the West, as Museveni was for a time considered to be a key member of the so-called *new generation* or *new breed* of African leaders who broke the mold of the old *big man* rulers of African *ancien regimes*. Museveni fell into disfavor among Western governments, though his willingness to commit troops to Somalia in support of the transitional government has helped to appease his critics.

ples include the violence surrounding the 2007 elections in Kenya, periodic violence between Christians and Muslims in Nigeria, as well as shocking violence against refugees and immigrants from Zimbabwe and Mozambique in South Africa. However, it should be noted that the ethnic rivalries that have emerged in Africa in the 1990s and 2000s are not *primordial conflicts* that have been unleashed by democracy, but are largely due to the *politicization* of ethnicity as a catalyst for clientelism and patronage.[91] Ottaway notes that in the absence of ideological and programmatic differences, ethnicity remains "the major characteristic by which the various parties could differentiate themselves" (1999, 336). As we will discuss in more detail in Chapter 7, the politicization of ethnicity is a tool for politicians in their struggle to get hold of the national cake. For the citizens, joining in and contributing to clientelistic structures is more or less a method of survival under extraordinarily harsh economic circumstances. However, as recent incidents of violence over the last two decades have demonstrated (e.g. the 1994 massacre of Tutsis by Hutus in Rwanda and the continuing violence in Eastern Congo; the bloodshed between the Kikuyu and the Luo in the aftermath of the 2007 Kenyan elections; and conflicts between Christians and Muslims in Jos, Nigeria), many African citizens do not regard their ethnicity as a mere social safety net, as a politically expedient tool for surviving or securing a livelihood. They take their ethnicity very seriously. Yet although these conflicts might have raged along ethnic lines, it is just as important that we recognize the economic basis of these battles – often over land or access to state resources. We will return to this issue in the following two chapters. Finally, despite extensive privatization, access to state resources remains a primary motivation behind political activity, the central aim of political ambitions. Again, and as we will see in the next section, this is not so much due to an *overbearing* state as to an inordinately weak private economy. The *Shadow State* has established itself across the region, while foreign aid remains the dominant source of revenue. Because

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91 The 1994 genocide in Rwanda, often taken as an extreme instance of an eruption of *primordial conflicts*, in fact represented a "calculated strategy by those who dominated the state to reassert state control and to eliminate challenges to the existing structures of power" (Longman 1999, 340). While it is true that democratization in Africa has given ethnoregional rivalries a new significance and in some cases made them more acute (Ottaway 1999, 299), they have only led to *violence* in four cases (Rwanda, Burundi, Algeria, and Congo-Brazzaville) (Young 1999, 29), only *one* of which can be traced back immediately to the outcome of elections (Congo-Brazzaville). And in the case of South Africa, Ottaway even claims that the openly ethnic nature of political parties even worked to aid the process of democratization over time "by making these parties more sensitive to the demands of particular constituencies" (312).

private capital has not flowed in to replace state subsidies, with few notable exceptions, there simply are no mentionable sources of wealth outside of the state, no matter how feeble that state may be.

5.8 Conclusion

Although African states are formally identical with states in the developed world, they have a different *substance.* On their own, they are for the most part incapable of asserting their authority over the entirety of their territories; they are unable to extract sufficient resources for their survival from their citizens' economic activities; and they are unsuccessful – and often uninterested – in garnering the consent of the population as a legitimate authority. In short, these states do not derive their legitimacy from a domestic political will; nor do they derive their resources from the domestic economy. This means that the relationship between the state and the citizens takes on an entirely different shape – despite the fact that these countries possess all the formal institutions we can find in the developed world. That peculiar shape, that hybrid between legal-rational institutional forms and the substance of patrimonial rule, has been termed *neopatrimonialism.* And its persistence raises some crucial questions that also came up at the end of Chapter 4: Why has neopatrimonialism been so resilient in Africa, despite all the efforts to combat it? Why is the public interest, so crucial to the accountability of government in the developed world, so remarkably absent in African countries?

6 The Economic Foundation of Good Governance: Mutually Advantageous Dependence

In Chapter 5, we saw that although African states display largely the same institutions we find in Western democracies, they continue to be hybrid political creatures, combining the formal institutions of good governance with widespread patronage and clientelism. *Neopatrimonialism* thus constitutes the logic of African politics: the search for and cultivation of patronage networks within, and in spite of, formally legal-rational and democratic political structures. The current chapter addresses the question of what makes a strong or weak public interest, arguing that a robust public interest is not merely based on the moral commitment of politicians and the population, but on the presence of an economic relation that could be termed *mutually advantageous dependence* between the state and society. Only on this basis will those in power have an incentive to respect the rule of law and use their power to promote the public interest; and only on this basis will the population have an incentive to finance a state that impartially upholds the rule of law, rather than seeking cover in relations of patronage and clientelism. And only on the basis of this political-economic relation will there be material incentives for both sides to demonstrate their commitment to a national interest, rather than cultivating subnational and clientelistic loyalties.

6.1 The Political-Economic Logic of Mutually Advantageous Dependence

We generally take for granted that the use of public power for private gain is an *abuse* of public power, an instance of corruption. Contrary to our moral convictions, however, that is not a claim we should so readily accept. After all, both logic and history teach us otherwise. First, it seems intuitive that the purpose of exercising political power is to extract economic gains for those who wield power. Though we might express outrage at Louis XIV's infamous proclamation that "l'état, c'est moi," perhaps we only need recall the widespread suspicion that "those up top are only looking out for themselves" to realize that the use of public power for private ends is anything but an obvious deviation from a universally accepted truth. To cite Kautiliya once again: "Just as it is impossible not to taste the honey (or the poison) that finds itself at the tip of the tongue, so it is impossible for a government servant not to eat up at least a bit of the king's revenue" (Kangle 1972, 91). Second, if we review the history of states, we would find that exercising power for *anything but* the private gain of the rulers means deviating from the historical norm. The notion that political power has a public duty, that its wielders are entrusted with the task of protecting and upholding the public interest and enforcing the terms of a social contract, is hardly a universally valid concept. In fact, it has only been realized to any great extent in contemporary leading industrial democracies such as Western Europe, the United States, and Japan.

In fact, a government that *is* accountable to the public interest appears to be the exception to the rule, the anomaly that deserves explanation, and the *corruption* of the natural purposes of political domination. Clearly, it would be wrong to regard the exceptional character of the institutions and practices of good governance as a reason to change our positive stance on these values and practices. Yet, assuming or insisting on their universality and/or eternality nevertheless obscures our view for the *causes* of good, accountable governance. Indeed, *good governance* appears to be a paradox: How have *rulers* come to regard themselves, and be regarded by their citizens, as *public servants*? Under what conditions is political power accountable to the people over which it holds sway?

Logic and history teach us that a government will only be accountable to its citizens if its wealth and power *depends* on them. To get a sense of this fact, we could cite the theory of rational behavior, which states that individuals only act in a certain way if there are material incentives for doing so. Drawing on this model of behavior, we can surmise that a government will only respect the rule of law, protect private property and provide collective goods needed for the success of the private economy if the latter constitutes the source of the state's own wealth and power. Only then will those in power have an incentive to be accountable to the general public, rather than to the specific clientele from which they do in fact draw the resources for maintaining and expanding their wealth and power. A government's sustained commitment to promote the public interest, to impartially enforce the rule of law and foster the economic activities of citizens that do not hold state power, is predicated on the government's dependency on a *separate* economic sphere from which it draws its material resources – a *private* economy upon whose taxes the state relies. But we need not subscribe to this model of behavior as an explanation of political life; we can concede that humans can and do act morally, even if that might often go against their narrower self-interest. Nor need we deny the fact that political actors not only *invoke* the public or national interest in their actions; we can acknowledge that they often truly act out of a sense of national duty and higher obligation. Furthermore, one could argue that a population could muster the will and the capacity to *obligate* the wielders of public power to respect the tenets of good governance, regardless of whether public officials see themselves dependent on the population's successful economic activities, regardless of whether they see any incentives to do so. As we will see below, citizens have always had to force government officials to establish good governance, often with great resistance from those in power. But despite all of that, we would be safe in assuming that the dedication of public officials to the public interest will only be sustained and sustainable if there are more material incentives for doing so.

In effect, this is merely the converse of the famous American revolutionary slogan, *no taxation without representation.* If a government does not rely on the economic activities of its citizens as the source of its revenue, the wielders of state power will have little reason to concede them representation, nor to be accountable to them more than is necessary for the maintenance of a measure of political order. If, by converse, the state depends on the flourishing of a private economy, public officials will – for the most part – have incentives to keep to the social contract, obey the rule of law, and provide collective goods in an efficient manner. As we saw in Chapter 3, this is the reasoning behind calls for economic liberalization in Africa. The idea is that by depriving governments of direct access to economic resources (nationalized firms, license fees and royalties, export receipts, import customs, etc.), they will be forced to rely on the success of the private economy. This would in turn compel governments to make political concessions to their citizens, granting and respecting civil and political rights, while forcing political candidates to vie for the affections of the citizens.

But although that might be a necessary condition for bringing about a political authority genuinely committed to the public interest, it is not a sufficient condition. Rather, the private economy upon which the state depends must also represent a *viable* source of state wealth and power. It is not enough to make a state rely on the economic activities of its citizens in order to engineer a robust commitment to the public interest. If these citizens' economic activities do not provide a reliable basis for the state, then the state will have little incentive to commit to fostering that basis. Politicians will have little incentive to make a long-term commitment to the public interest, but will seek to derive resources from wherever they can, be it by cultivating certain domestic clienteles needed to maintain power, or by looking abroad for a more reliable basis of wealth and power. In short, good governance and accountable government presuppose a *successful* private economy, an economy that generates reliable surpluses for the state and its agents.

Furthermore, it is not enough for a state to rely on the private economic pursuits of just one small fraction of the population in order to ensure commitment to the rule of law and democratic institutions. That is more likely to lead to a kind of oligarchy – such as could be found today in certain countries in Eastern Europe. In order for the state's dependence on the citizens' economic pursuits to translate into commitment to the public interest as a whole, the state must see itself dependent on the reliable functioning – and thus at least moderate prosperity – of the entire population, entrepreneurs and workers alike. Therefore, sustainable good governance relies on a full-fledged market economy at a relatively high level of development, one that offers prospects for enrichment and/

or a livelihood to the overwhelming majority, not just to isolated pockets of the population.

But that is just one half of the story. Just as the use of public power for private gain is considered to be an abuse of that power, it is also taken for granted that citizens will always desire and demand a government that is accountable to the *public interest.* It is taken as a given that citizens measure their representatives according to how well and how honestly they promote overall welfare, rather than the welfare of particular clients or constituencies. In developed Western countries, one of the harshest accusations that can be made of incumbent or aspiring politicians is that they engage in *Klientelpolitik,* governing on behalf of *special interests* rather than the nation as a whole. But is it so obvious that citizens should demand governance on behalf of the public interest? Not to African citizens, who often assess candidates and incumbents not in terms of their capacity to *lead the nation* and promote the common good, but to grab shares of the *national cake* for their respective ethnoregional constituency.[92] And in fact, although it is common to decry such *atavist tribalism* and even to regard it as proof of just how *unripe* African polities are for modern democracies, nothing seems more intuitive, or intuitively democratic, than demanding that political representatives garner material benefits for their constituencies. Are voters not to choose the candidate most likely to provide material benefits for those who have helped them into office? Once again, it seems that the true puzzle is not how Africans can be so backward as to cling to tribal identities and choose representatives according to such undemocratic criteria, but how and why citizens could demand the *impersonal* and *impartial* exercise of political power. Recall that in Chapter 4, in the digression on the concept of the *public interest,* we saw what a complex matter the public interest is, what a difficult and historically rare feat it is for citizens to agree to submit to a political authority that governs impartially over all particular interests and enforces the rule of law.

To answer this difficult question, we can start by giving the same answer as above. Members of society will only be willing to provide the resources needed for a state authority that upholds the rule of law if they *depend* upon that authority for their own private economic pursuits. Of course, a state might use its mo-

92 As we will see in the next chapter (Chapter 7), there are instances in which the rule of law, and the impartial enforcement of private property in particular, can mean a threat to economic livelihoods and even political identity.

nopoly on force to compel citizens to obey the state's laws and deliver revenues to the state. Or a population might be convinced that it is morally right – or perhaps has a religious obligation – to obey the laws and finance the state. But here as well, we would be safe in assuming that the commitment to the rule of law and the willingness to finance the state will only be sustained and sustainable if the population has real material incentives for doing so, if they are materially dependent on the state's proper functioning and capacity. In modern economies, there is no mystery about the primary reason for this dependence: a state's capacity to protect *private property*. Sellers need and want a power that will ensure that buyers pay for the goods they purchase. Buyers need and want a power that will ensure that the seller delivers the product they have purchased. Employers need and want a power that will protect their right to freely use their property and the labor they have rightfully purchased. Workers need and want a power that will protect their right to receive compensation for their work and to preserve their health. This seemingly obvious need and desire, however, is based on presuppositions that should not be taken for granted:

First of all, the willingness to submit to and finance a political authority that is committed to the rule of law and the impartial protection of private property assumes that the members of society are in constant economic interaction with each other, that each person's economic pursuits brings him or her into contact with others. That willingness therefore presupposes that economic agents are interdependent, that their individual economic interests cannot be pursued without the consent of others. In short, this assumes the existence of a market economy in which economic agents do not produce and consume their own goods, but produce for the market and obtain the goods they need on the market. Second, interaction and economic interdependence are not enough to justify the desire for the rule of law. Many institutional economists point out that the need for legal enforcement only comes about once an economy has achieved a scale in which *impersonal* exchange becomes the rule, when the uncertainty of exchange between actors is not bound by other social obligations that entail the possibility of sanctions for unfair economic behavior. Under these conditions, actors can commit to a sovereign power, standing above all individual citizens, that uses its force to ensure the reliability of property and economic transactions, thus making the pursuit of their private economic interests possible and sustainable.

But why should citizens demand the enforcement of a level legal playing field, i.e. equal protection of private property, rather than competing to get hold of state power in order to extort and/or suppress their economic competitors? This presupposes two closely related circumstances: First, it assumes that people regard the private economy, not the state, as the source of their livelihood. In other words, they do not view the state primarily as a source of income, but as a legal and institutional necessity for the success of their private economic endeavors. Second, therefore, it assumes that the private economy offers a *viable* source of income: There must be a relatively prosperous economy, one that offers citizens good prospects of making a livelihood, thus also giving them the incentive to support a state authority that protects the rule of law and promotes the overall private economy. In other words, the economy must be prodigious enough to allow the people to not depend on the state as a source of income, but to view it as a guarantor of a legal framework around a *private* economy that offers viable opportunities to make a living.

Johnston (1997) gives us a sense of what is demanded of both politicians and citizens in order for good governance to be sustainable, and his statement also expresses the economic foundation upon which the ability to fulfill these demands relies:

> A real commitment from both citizens and elites to the value and necessity of the state – not as a coercive force, and certainly not as a resource to be plundered, but rather as a guarantor of important processes and rights whose rules must be taken seriously (78).

Here again, we can deduce that the economic basis for an impartial political authority and the rule of law is a thriving free market economy. Johnston also points out that this will require "broad based, sustained economic growth" (Ibid.): It is not enough for people to have to depend on the legal protection of the state in order to engage in economic transactions; these transactions must offer reliable prospects of ensuring a livelihood. By contrast, if citizens have little real chance of earning a livelihood under the auspices of the rule of law and the reliable protection of private property, they will have an incentive to find other ways of getting a hold of resources, for instance by tapping into the resources of a patron in return for political or economic favors. Even here, they might have an incentive to support a state that has the capacity to provide them with material support, but that is not, strictly speaking, a need for the rule of law, but for material assistance – which can also be provided, perhaps even more efficiently, by non-state actors within networks of patronage.

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With this brief logical sketch, we can get a sense of the economic foundation beneath the widespread conviction and the undeniable empirical fact that the rule of law and an advanced market economy go hand in hand, that the free market and an impartial state authority are two sides of the same coin. My claim is that *mutually advantageous dependence* between the state and the economic activities of its citizens constitutes the political-economic basis of a *public interest* in the rule of law. Therefore, the institutions of good governance will only be viable if the economic might of the state rests on the economic activities of its own subjects, making the state dependent on their success. Conversely, these subjects will only be willing to support a state if they regard the latter as an important condition for their private economic interests. Where this relation of mutually advantageous dependence is lacking, institutions designed to enforce the public interest and the rule of law will be built on sand.

6.2 The Rise of Modern Institutions in the West

The history of state formation and institutional development in Western Europe confirms this claim. In these countries, the rule of law, institutions and practices of horizontal and vertical accountability, accountable government and democratic participation, all developed in step with governments' increasing dependency on the economic pursuits of their citizens. This is not to say that there was a smooth transition from a certain state of economic dependence to the establishment of representative institutions. The development of these institutions, as we will see later, was always a matter of struggle between society and the state. Although the latter became increasingly dependent on the private economy, it was still necessary to force state rulers to recognize that dependence and follow through on it with institutional reform – or accept a democratic revolution.

There are two general historical stages to this process. First, as governments became more dependent on taxing private economic activities in order to attain the resources they require (particularly for waging war), they were forced to concede a greater voice in the affairs of government to a growing entrepreneurial class, increasingly adjusting policies to the needs of the private economy. Second, as the healthy functioning of European economies became more reliant on a healthy and educated workforce, European governments were forced to give in to the demands of an increasingly rebellious and economically powerful working class.

This claim about the lessons of Western state formation contrasts with the lessons that the World Bank and mainstream development economics often draw from this history. It is common to point to the institutional development of the West as definitive proof of the importance of good governance for economic development. The solution to lacking economic development in Africa and the rest of the third world thus appears obvious: Get good institutions, encourage honest and transparent leadership, along with a professional civil service, and growth will follow close behind. Douglass C. North is an especially prominent representative of this line of argumentation. The World Bank's institutional reforms could even be considered an operationalization of North's claim that the remarkable economic performance of Western Europe over the last centuries is due to its institutional structures, especially in terms of the security of property rights and restrictions on the power of the state to alter property rights, determine taxation and formulate economic policy. As we saw in Chapter 3, North regards institutions as *the* decisive factor in economic development. He illustrates this claim with an historical account of Early Modern Europe, arguing that institutions of accountability were the determining factor in explaining differential economic performance between Early Modern European countries such as Spain and England.

Although North, and the World Bank, are right to argue that institutions of accountability are an essential prerequisite for long-term robust economic performance, growth and development, the history of Western institutions teaches us that these institutions in turn presuppose a state of mutually advantageous dependence between the state and society. Secure property rights and an entrepreneur-friendly institutional framework derive from a situation in which the *public* authority has become dependent on the success of a *private* economic class. For this reason only, the interests of those in power coincide with the *public* interest – the protection of the rule of law and the growth of the economy. Although North draws entirely different lessons from the history of Western institutional development, his own account in fact verifies the role of mutually advantageous dependence within that development. Let us take a look at his account in more detail.

In his most well-known study on the institutional history of Western Europe, North compares the economic performance of four different European countries between 1500 and 1700: Spain, France, the Netherlands and England. In this period all four nation-states were faced with the challenge of developing and deploying military force on a much greater scale than they had in the past. The causes for this are twofold, and both ultimately played a decisive role in the formation of European nation-states. On the one side, rapidly expanding trade created a need to broadcast state power to a greater extent in order to enforce property rights over a much greater area; on the other side, rising competition between nation-states and radical advances in military technology compelled Europe's sovereigns to form armies that were larger, better equipped and more disciplined.[93] As a consequence, the costs for maintaining political supremacy, or for surviving as a political unit, skyrocketed. At the same time, some of these states' were faced with a relative decline in revenue for various reasons. The result was that all these states were faced with a fiscal crisis of more or less drastic proportions, compelling them to find and tap into new sources of revenue while optimizing the sources already at their disposal.

The major way for Europe's sovereigns to get hold of funds immediately consisted in *borrowing*. The Fugger of Augsburg and the Bardi family of Florence are two examples of early financial powers that lent to sovereigns in need of funds to cope with the new political, economic and strategic reality. But although borrowing could help a sovereign cover the immediate costs of waging war and maintaining political survival, this merely pushed the sovereign's fiscal dilemma back a step. At war's end, the sovereign inevitably faced the formidable task

[93] The actual importance of such advances in military technology in accelerating the formation of nation-states with monopoly rulers is controversial. North points out that although it may not have been a prime motivating factor, the costs involved in acquiring this technology and designing armies to use it effectively cannot be ignored.

of repaying these loans. Being the supreme power, a monarch could simply refuse to pay the loans and ruin his creditors – which is just what Edward III did to the Peruzzi and Bardi; Charles V and Phillip II drove the Genovese and the Fugger into ruin (North 1981, 96) with their refusal to service their debts. However, this drastic measure also meant depriving oneself of a major source of finance in the future. If this wellspring was to be kept bubbling, a ruler would need to mobilize financial resources in order to fulfill his obligations as a debtor. He could confiscate the money from his constituents, but this too would mean drying up a potential source of future wealth. This could also be accomplished by conquering neighboring countries and thus securing more *Lebensraum,* as well as gaining control over colonies further afield. And Western Europe was certainly not shy in acquiring and expanding its colonial possessions for just this purpose.

But the most decisive method of increasing revenue consisted in using the state's power to define property rights. And it is this method that North takes to be the determining factor in explaining the differential economic performance of various seventeenth-century Western European nations. The various institutional structures that these states introduced in order to cope with their respective fiscal crises are what separated the successful from the ultimately unsuccessful economies. Let us compare his accounts of Spain and England to make this point more clear.

The Loser: Spain

North discusses the Spanish Monarchs' fiscal policies in the two centuries following the ascension of Ferdinand and Isabella to the throne in 1474. After having wrested the sole power to tax from the Cortes (the Legislature in Spain), Ferdinand and Isabella chose not to lay their hands on the monopolistic privileges of the Mesta, a powerful guild of migrant shepherds and traditionally the chief source of the Crown's revenue. This meant discouraging the expansion of Spanish agriculture, as one of the chief privileges enjoyed by the Mesta consisted in driving their sheep across the fields of farmers along the route between the Estremadura and Castile. This often entailed the destruction of crops, placing a significant damper on the incentive to make large investments in agriculture. North asks why Ferdinand and Isabella should have abstained from curtailing the Mesta's privileges, despite the fact that it would have been more lucrative over the long term to provide a greater degree of protection to farmers' property and thus promote agriculture, especially in view of the increasing scarcity of arable land in Spain.

North cites historian Vincent Vives in pointing out that the motive for this short-sighted fiscal policy can be traced back unambiguously to the Crown's financial crisis of 1484, which in turn derived from the political costs of consolidating its reign over Spain. The only substantial source of revenue immediately available for covering the costs of power consisted in the Mesta's wool exports. Therefore, while it was efficient to grant privileges to the Mesta for the purpose of securing Crown revenues, this policy was highly inefficient in terms of long-term growth. While initially succeeding in acquiring substantial amounts of revenue, the state failed to provide the institutional structures needed for growth and development over the long run. Although Ferdinand and Isabella were able to maintain and cultivate their primary source of revenue, they sacrificed the gains that could have been derived from the expansion of agriculture. The political and financial costs of developing the fiscal infrastructure needed to garner these benefits were regarded as too high and the eventual benefits too uncertain.

This discouragement of overall economic growth in favor of immediate state revenues continued with the ascension of Charles V, who was forced to resort to large-scale borrowing in order to finance the maintenance and expansion of Spain's European and colonial empire. After the seven northerly provinces of the Low Countries broke away from the Habsburgs' empire, revenue dwindled, while inflows of gold and silver from the New World colonies leveled off and fell drastically after 1630. This put the Crown in a desperate situation; it had to get access to revenues immediately. To do so, it carried out all kinds of arbitrary confiscations that would eventually prove fatal to the Castilian merchant community (Elliott 1961, 71), and to commerce and agriculture as well.

North therefore traces Spain's economic and political decline back to two different sources. On the one hand, the Crown's absolute control over the power to levy taxes and decide on spending led to poor fiscal policies and inefficient property rights. The result was economic stagnation. North's presumption is that if the rulers of Spain had involved the nation's wealth holders in the fiscal process, the Crown would not have been able to impose such a stranglehold on the overall economic interests of the society. Instead it would have been forced to support these interests, which would in turn improve the financial state of the Crown over the long term. He finds the second cause of Spain's downfall in the economy's external orientation during its period of undisputed hegemony over Europe. Because its primary sources of revenue consisted in taxing merchants in the Low Countries and the expropriation of precious metals from the New World, the loss of the Northern provinces and the sharp reduction in these inflows had a severe impact on the sovereign's finances. And because of the external nature of the bulk of its revenues, the Crown had little incentive to formulate and implement policies in favor of the *domestic* economy.

The Winner: England

North regards England after the Glorious Revolution as a paradigmatic illustration of the crucial importance of what we might now call good governance in the *economic* sense. He argues that *credible commitment* to property rights and the interests of the private economy was not only the catalyst for military victory over France immediately following the Revolution of 1688, but constituted nothing less than the foundation of England's unmatched economic success in the centuries to come. For North, restrictions on the financial sovereignty of the Crown were critical to this success story – restrictions on its ability to determine and alter property rights at will, as well as to determine both the amount and allocation of its revenues.

Starting in 1603, under the reign of the Stuarts, the Crown had considerable freedom to decide on the collection and allocation of tax revenue. At the same time, Crown expenditures far exceeded revenues, making the search for new sources of revenue a major priority (North 1989, 809f.); it therefore resorted to raising customs via various *impositions* as well as *forced loans,* the repayment of which was highly unpredictable and irregular. North notes that these loans eventually came to appear more and more like taxes – but without parliamentary assent (Ibid.; see also Ashton 1960). The result was extreme insecurity of property rights; the Crown's access to citizens' wealth was both arbitrary and far-reaching. In addition, the Crown sold monopolies, thus discouraging competition and innovation, while clearly disrupting the economic interests of suppliers and consumers. Finally, an expansion of peerage, the sale of dispensations, and other forms of patronage served to increase Crown revenues. Parliament strongly protested to what it took to be arbitrary and harmful violations of their traditional property rights. For Parliamentary interests, necessity demanded finding ways of restricting the discretionary power of the Crown over the wealth of the nation, which meant challenging the royal prerogative, the Star Chamber (which combined legislative, executive, and judicial powers into one body), and the royal payment of judges. The intensity of their discontent and the resoluteness of the Crown meant that civil war stood at the door.

After the Glorious Revolution of 1688, England's institutional structure was thoroughly altered. Parliament established its supremacy, also and especially in fiscal matters, as well as the independence of the common law courts. This served to place credible restraints on the power of the Crown to intervene and alter the property rights of the wealth holding class sitting in Parliament, while essentially compelling the state to be a reliable debtor and an honest bargaining partner. In essence, Parliamentary interests forced the monarch to acknowledge his financial dependency on the wealth, and therefore on the economic interests, of the increasingly powerful entrepreneurial class, and to act accordingly. In return for their increased power to determine the state's fiscal policies, the interests represented in Parliament consented to put the government "on a sound financial footing" by furnishing it with adequate tax revenues. As North points out, this consensus played no small part in enabling King William to launch a large-scale war against France (1989, 817). England's subsequent rise to the pinnacle of economic power needs no mention.

6.3 Lessons from Western Institutional Development

For the World Bank and a number of development economists, North's account of institutional development in England and Spain proves that if African countries are to succeed in promoting economic growth and development, they must do two things. First, they must design property rights that encourage investment and production, instead of corrupt rent seeking, and enforce these property rights in a reliable fashion, abstaining from *arbitrary* interventions.[94] This

[94] As pointed out in Chapter 2, Hernando de Soto (2000) is also an influential proponent of the view that reliable property rights are the alpha and omega of economic development. He also demonstrates his claim with reference to the history of North America, particularly the

involves, second, empowering economic interests within society to have a say in government policy, fiscal and otherwise, while curtailing the plenary powers of the state. The freedom of the state to alter property rights and conduct economic policy must be restricted, enabling *credible commitment* to the protection of the existing set of economic rules and regulations. The role that England's post-revolution Parliament played in ensuring such commitment on the part of the Crown, thus bringing about strong economic growth and both a financially sound and militarily capable state, demonstrates the necessity and benefits of reliable property rights, the rule of law and representative institutions.

Surprisingly enough, North himself appears ambiguous on this point. On the one hand, he infers from his own general convictions about the role of institutions in economic performance that economic misery throughout the third world is a function of these countries' inadequate institutional structures:

> If organizations – firms, trade unions, farm groups, political parties, and congressional committees to name a few – devote their efforts to *unproductive activity*, the institutional constraints have provided the incentive structure for such activity. Third World countries are poor because the institutional constraints define a set of payoffs to political/economic activity that do not encourage productive activity (North 1990, 110).

On the other hand, North concedes that his historical account of England's superior economic performance might not be definitively true:

> One could point to the robust economy (particularly at the local level) that existed in seventeenth-century England despite the uncertainties that we have described. There exists neither a definitive theory of economic growth which would define for us the necessary and sufficient condition nor the evidence to reconstruct the necessary counterfactual story (1989, 831).

Nevertheless, North stresses that the evidence from contemporary third world countries corroborates his historical account:

> But we are convinced from the widespread contemporary Third World and historical evidence that *one* necessary condition for the creation of modern economies dependent on specialization and division of labor (and hence impersonal exchange) is the ability to engage in secure contracting across time and space. That entails low transaction costs per exchange. The creation of impersonal capital markets is the

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rocky development of property rights systems in the Western territories and in gold mining communities of California.

> single most important piece of evidence that such a necessary condition has been fulfilled. And we have told a story of how these institutions *did* come about (Ibid.).

Again, there is no doubt that England's institutions of accountability played a key role in the nation's epoch-making economic performance in the centuries to come. But regardless of their economic *effects*, North's own account shows that these crucial institutions rely on two economic *prerequisites*. First, it presupposes that the government is dependent on the revenues generated by a rising entrepreneurial class; second, it presupposes that this relation of dependence is advantageous to the state, that it proves a fruitful and reliable source of political might. After all, as we saw in Chapter 3, North argues that although institutions are absolutely essential for promoting long-term economic growth and development, they are not at all designed to serve economic growth per se, but the economic interests and political aims of the authority that imposes and enforces them. Institutions are a function of the state's desire to maximize *its* revenue, to sustain and promote *its* power, not to provide a courtesy to its constituents or to promote overall and long-term economic growth. The only growth it is interested in is growth that benefits its own needs and desires for resources. Only when the state's desire for growth *coincides* with the interests of those that generate growth will these institutions attain any substantial effect and influence. That is what the case of Early Modern England proves: It shows both how dependent the Crown had become on an English entrepreneurial class *and* how well it fared within this dependence.

For this reason, we cannot ignore the process and the prerequisites that lead to good institutions and economic development.[95] There are, in fact, a number of political scientists and economic historians who claim that the state's increasing dependency on the economic activities of its citizens played the decisive role

[95] In his provocatively titled book, *Kicking Away the Ladder* (2003), Ha-Joon Chang argues that the West's demand that third world governments improve institutions of accountability are thoroughly hypocritical. He goes through nearly every element of the governmental apparatus in what he terms *now developed countries* (NDCs) and points out how these institutions and practices were introduced and consolidated at a much higher level of economic development than the level at which much of the developing world, especially Africa, currently finds itself. Thus he warns, "the historical experience of developed countries in this regard tells us an interesting story that should make the reader pause before readily buying into the current orthodoxy that democracy is a precondition for development" (Ibid., 72). Yet, although Chang is right that first world nations introduced democratic institutions rather late, he makes no indications as to whether he thinks there is a certain political-economic logic to this late development.

in the emergence of institutions of vertical and horizontal accountability. The notion is founded upon a relatively widespread interpretation of political development in both Early Modern Europe and colonial America. It has exercised a far-reaching influence on political scientists such as Robert Bates,[96] James Buchanan, Margaret Levi, Michael Mann, Barrington Moore, Jr., Charles Tilly, etc. And these authors were in turn influenced by an earlier generation of German and Austrian authors such as Otto Hinze and, above all, Joseph Schumpeter (Ross 2004, 230). Yet again, what is often taken from these accounts are the beneficial *effects* of representative institutions, rather than their political-economic *presuppositions*. The lesson learned is always the same: institutions are essential for development. What these authors show, however, is that institutions themselves rely on certain political and economic circumstances. To emphasize this point, it is worth reviewing the studies of Charles Tilly on the history of European state formation, who focuses on the political-economic requirements and processes underlying the development of Western institutions of accountability.

6.4 Charles Tilly: Accountability and the Bargaining Process

Like Douglass North, Charles Tilly also argues that the need to develop and deploy military force on a much greater scale was a major factor in the emergence and consolidation of modern European nation-states and modern state institutions. For Tilly, war is essentially the fire in which European states were forged, and one of his essays on the issue thus bears the fitting title "War-Making and State Making as Organized Crime" (Tilly 1985). What this rather provocative title also suggests is that Tilly's conception of the state diverges starkly from both neoclassical contract theory and North's own, more ambiguous conception of the state. Whereas North comes down neither wholly on the side of contract theory nor on the *predatory theory* of the state, Tilly leaves no mystery as to the role and purpose of violence in the founding and upholding of what he calls the modern

96 Bates' argument (1999) is based on the role played by *economic mobility*. The more mobile the assets of the citizens were, the more the monarch would be forced to get the cooperation of the citizens in the taxation process. In order to achieve that, the taxed would have to be granted a greater measure of political influence. The need for taxation forced the concession of representation – and thus the rise of parliaments.

national state. Quoting the economic historian Fredric Lane, he delivers his own critical and cynical version of North's notion that the state can be conceived of as a *service provider* in the field of security and protection: "governments are in the business of selling protection...whether people want it or not" (Ibid., 175). Tilly argues that if we insist on regarding the state as a seller of protection, then we would do well to call this particular kind of protection by its name – *racketeering* (Ibid., 171). And given the historical deeds carried out by the wielders of state power, especially in early modern Europe, it certainly seems plausible to categorize states as authorities that create a good deal of the danger against which they offer to protect their citizens. Tilly insists, however, that his remarks are not to be understood as an unreserved condemnation of state power. His essay is not meant as a revolutionary treatise, but is of a much more theoretical nature. It "springs from the hope that the European experience, properly understood, will help us to grasp what is happening today, perhaps even to do something about it." More important for our purposes, he aims to "eliminate faulty implicit comparisons between today's Third World and yesterday's Europe" (Ibid., 169f.).

Tilly defines the purposes pursued by the modern state quite succinctly. In his eyes, they seek to "check or overcome their competitors and thus to enjoy the advantages of power within a secure or expanding territory" (Ibid., 172). The state is not a service provider to other entrepreneurs on an equal legal level, but is a power that subjects populations to its own rule, engaging its peers with hostility in the quest for more territory, more power and more wealth. If, however, states are such clearly predatory creatures, which reign over their people and strive to maximize the resources they can extract from their territories, then we are faced with the very same paradox dealt with above: "Why, despite obvious interests to the contrary, did rulers frequently accept the establishment of institutions representing the major classes with the populations that fell subject to the state's jurisdictions?" (Tilly 1992, 32).

His response to this question also bears a resemblance to North's account of the dawn of modern nation-states. Tilly also recognizes that Europe's rulers were faced with a relative fiscal crisis as they stood at the threshold of becoming nation-states. Given the drastically increased costs of political survival, Europe's rulers were compelled to locate new sources of capital, fresh sources of revenue for funding a wide array of expenditures. This "inevitably involved them in establishing regular access to capitalists who could supply and arrange credit and in imposing one form of regular taxation or another on the people and activities within their sphere of control" (Tilly 1985, 172).

Because European states had become dependent to a much greater extent on resources that were under the immediate control of their subjects, they were forced to *bargain* over the terms of access to these resources. To that end, states either granted privileges to certain narrow but especially crucial sectors of the economy (such as the Mesta in Spain), or promoted sectors that were especially *progressive* in terms of advancing the nation's overall economy (such as in Holland), or even went so far as to grant wealth holders an extensive amount of institutionalized influence in the formulation and implementation of fiscal policy (as in post-revolutionary England under William and Mary). As states prepared for large-scale war, they were essentially *forced* to develop key elements of modern nation-states. Above all, they were forced to establish regular sources of income. Herbst (2000) notes that while "rulers may have recognized that their tax system was inadequate, a war may have been the only prompt that would have forced them to expend the necessary political capital and to deploy the coercion required to gain more revenue" (114). These states thereby introduced institutions of large-scale extraction, rapidly expanding systems of tax collection. Successful rulers were therefore able to eliminate or at least subdue their rivals, establishing their own monopoly on the use of force and the acquisition of economic resources for political purposes, in turn raising their capacity for war, and so forth. Through these three processes (warmaking, resource extraction and institution building), states entered into agreements with different socioeconomic classes that granted loans to the state, ensured the acquiescence of the general population, or provided other technical services. Depending on the character of these alliances, each European state received its distinctive character (Tilly 1985, 183).[97]

97 "Variations in the difficulty of collecting taxes, in the expense of the particular kind of armed force adopted, in the amount of war making required to hold off competitors, and so on resulted in the principal variations in the forms of European states" (Tilly 1992, 172). For instance, where the resources required for large-scale war could be obtained with relatively little extraction of resources from the private economy, the military tended to play a greater and more independent role in the state. Tilly cites Spain as the most striking European example of this phenomenon (Ibid., 184). By contrast, where the state's protection of a certain economic class outweighed the interest in waging war over the acquisition of foreign territories and resources, the policies of the nation were dominated by the oligarchs in these protected classes, such as was the case in Holland and Venice.

Tilly goes on to point out that nearly the entire spectrum of what we might term the *social infrastructure* of modern societies "began as byproducts of rulers' efforts to acquire revenues and compliance from their subject populations" (Tilly 1992, 31). He even takes this to be the essential origin of the entire modern concept and reality of *citizenship* – the product of countless negotiations between rulers and ruled in their struggle over the means of state power. The state's dependency on the productive activities of certain portions of its population made it answerable to popular demands more than it had ever been before. Just as important, the necessities of mobilizing for war was a crucial factor in the creation of national identity – the willingness of a population to not only identify itself with the nation, but to act with a sense of national duty. In other words, it encouraged the population to not only regard the state apparatus as a crucial protective authority, but to be willing to provide the state with the resources required to fulfill this role.

6.5 Digression on Modernization Theory: Rising National Income and the Middle Class

What these accounts of Western institutional formation illustrate is that the development of institutions of accountability is not merely determined by a certain level of national income, as is often implied by apologists of third world autocracies who point out that these countries simply are not wealthy enough to be able to *afford* democracy. There is an equally misguided notion that as economic performance improves and the economy grows and develops, improved governance will follow close behind. But as Theobald (1990) points out, "to assert that corruption is simply a consequence of underdevelopment runs the risk of embracing a rude evolutionism which envisages a proportionate decline in the volume of abuse with each percentage improvement of GDP" (164). As pointed out in section 5.2, the emergence and consolidation of good governance is always a matter of power relations and power struggles.[98] It is not enough for the

[98] Rueschemeyer et al (1992) place particular emphasis on this point: "Our most basic premise is that democracy is above all a matter of power…The central proposition of our theoretical argument virtually follows from this: it is power relations that most importantly determine whether democracy can emerge, stabilize, and then maintain itself even in the face of adverse conditions" (5).

wielders of political power to become objectively dependent on the prosperity of the private economy, nor for that dependency to be objectively advantageous to the state. In order for that state of dependence to translate into good governance, the wielders of power often have to be forced to concede and follow through on that dependence, regardless of whether they regard that dependence as advantageous or not. In short, in order for rising national income to turn into institutional change, increasing wealth must be translated into political clout. It is for this reason that an entrepreneurial class is often accorded such a progressive role in the development of representative institutions. To the degree that a class can use not only its wealth, but its economic importance as leverage, it will be more capable of extracting concessions from the government, such as basic rights to far-reaching influence on state policies, not only via lobbying, but via parliamentary representation.

Today, with regard to developing countries, the middle class has come to occupy this progressive role – if only in the theoretical world of development economists. Lipset (1959), Moore (1966) and Huntington (1968) have provided seminal accounts for this *modernization* theory of institutional development, while authors such as Przeworski and Limongi have carried the torch (e.g. 1997). Jeffrey Sachs (2005) represents the most recent and prominent scholar in this tradition, arguing that as a country's income rises, so will the quality of its governance, not simply because there is more money in the country, but because "a more literate and affluent society is better able to keep the government honest by playing a watchdog role over government processes" (312). He thereby picks up on the argument presented by Inglehart (1997), who also argues that as education levels rise, a more articulate public will be more capable of organizing and communicating its demands (163).[99] These authors are right to locate the catalyst of change in the middle classes, though often they downplay the violent processes of struggle involved in translating the economic clout of this class into political reforms that elevate their interests to the nation's raison d'état. For that same reason, it is difficult to argue that we should sit back and wait for African countries to get richer, for a robust middle class to emerge. Regardless of the level of development, change will always require political struggles. The flipside of that

[99] Inglehart's account is superior to that of Sachs, because he emphasizes that the political leverage that comes along with the rising wealth of the middle class is not its *watchdog* role, but its ability to modify and even revolutionize the purposes of government.

truth is that states – whether in yesterday's Western Europe or today's Africa – could be forced to respect its dependence on what the economy produces. My argument, however, is that in order for that dependence to translate into sustained good governance, material incentives for the state are needed.

6.6 The Logic of Democratization in Western Europe

The logic of this process is further confirmed by the expansion of civil and democratic rights to the propertyless working classes in Western Europe. And given that North's account is viewed as proof of the crucial significance of good governance, it is worth noting that North's account of England does not at all describe the emergence of good governance as it is understood today, but of a "merchant oligarchy" (Acemoglu, Johnson and Robinson 2005, 3). As Wraith and Simpkins (1963) put it so poignantly:

> For two hundred and fifty years before 1688, Englishmen had been killing each other to obtain power…The settlements of 1660 and 1688 inaugurated the Age of Reason, and substituted a system of patronage, bribery, and corruption for the previous method of bloodletting (60).

In order for *all* the various elements of good governance – e.g. equal rights and democratization – to be established, another near-revolution would be necessary, extending equal political and economic rights to the propertyless working classes. What is true for European states' political concessions to the ascendant propertied classes is all the more true when it came to enfranchising the other, less endowed classes. It was a long, rocky road from the origins of parliaments to the comprehensive democratization of Western Europe. European governments were hardly enthusiastic about extending democratic rights to the broader masses in the late nineteenth century. From worries about the rabble bringing down the political order to concerns that increased popular participation in government policy would lead to uncontrollable inflation, even those governments ideologically committed to representing the people were hardly pleased at the prospect of enfranchising the working classes, women, and other groups. This was even the case for Scandinavian countries now considered thoroughly democratic (Hobsbawm 1987, 86). Various European governments employed diverse measures to control parliamentary participation – whenever they could not simply prevent it in total. They juggled and shifted coalitions more or less successfully in order to co-opt and undercut opposition parties. Strategies for dealing with and trying to cope with these unwanted arrivals in the corridors of power became inevitable, once it was clear that democratization had likewise become inevitable. Hard rejection gave way to a *soft embrace,* a way of *domesticating* these wild beasts of the political forest (Ibid., 102).

Whole libraries could be filled with literature on this topic; here my purpose is to remark on the *logic* at work in these historical events. There are essentially two reasons for this *inevitability* that eventually drove Europe's ruling classes to alter course and seek to *cooperate* with the political challengers they nevertheless regarded as a potential threat to the social order. First, the sheer size and force of the movement made it impossible to ignore and suppress over the long term. Second, one of the causes of the movement's size and force was the increasing economic importance of these classes. The increasingly industrialized basis of the economy demanded that the working class be capable of reliably fulfilling its role in the economy. This was ultimately not to be had without both political concessions and economic support. This political-economic dependence went hand in hand with universal voting rights, the right to form unions, as well as of the modern welfare state and increasingly comprehensive labor laws. Again, we see the same logic at work. To the extent that a government becomes dependent on the success of a certain set of particular interests, it will be vulnerable to forces demanding political concessions. And the more these concessions prove advantageous to the economy upon which the state relies, the more likely it is that institutions of good governance will be consolidated.

6.7 Bottom-Up Dependence

But there is another side to mutually advantageous dependence. First, if we look back at the history of England and the rising entrepreneurial class that would secure ever more influence on legislation, we could ask why this increasingly powerful class should stop there. Indeed, North also asks why this class should have been willing to accept the concessions of the political power and insist on the rule of law and more participation, rather than asserting their own exclusive control of political power. And we could pose the same question with regard to the rise of the working class in the late nineteenth and early twentieth centuries: Why did workers' movements insist on *equal* democratic rights, contenting themselves with an impartial state authority, rather than on a *dictatorship of the proletariat*? Clearly, neither of these sets of demands were to be taken for granted. For instance, after the English opposition seized power from the Crown during the English Civil War, it abolished the monarchy and the House of Lords. The restoration of the Crown continued the bloody disputes between both sides, until the Glorious Revolution created a kind of *balance* between the Crown and Parliament. As for the working classes, the question of *social democracy* or *communism* was not only a matter for debate, but an object of vicious and prolonged armed struggle.

Again, there are heaps of literature on the historical rise of both the entrepreneurial and the working classes in Western Europe, but here it is important to focus on the basic logic at work in these historical advances. Crucial economic factors influenced the course of history in both of these cases. First of all, with the establishment of secure property rights, the entrepreneurial classes essentially saw their own private economic interests – accumulating monetary wealth – become "the wealth of the nation." Their money interests became the dominant interests upon which the livelihood of the population and the wealth and power of the state depended. Public policy became a matter of managing the success of their affairs as a class. Although this might not mean *absolute* power for entrepreneurs, it did make them the *dominant* actors in the economy. For the wealthier classes of old, therefore, the benefits of respecting a state power that acknowledged their property rights and regarded their economic activity as the source of the wealth of the nation were clear.

As for the working classes, Hobsbawm (1987) notes that "no class had a more consistent and continuous need for positive state action on economic and social matters, to compensate for the inadequacies of their unaided collective action" (129). Again, at the time it was not obvious that the newly politically empowered masses would not seek to overtake the state, rather than demand that the state provide social support. But regardless, these demands clearly rested on the conviction that their role in the private economy provided a viable source of income, as long as just wages and working conditions prevailed.[100] This was not least due to the rapid development of European economies at the time, which offered the working classes a viable livelihood. Although it is true that workers' movements, by demanding an extensive network of social services, viewed the state as a source of material income, not merely as a guarantor of their rights and of a level playing field. However, it is important to note that workers did not turn to state support because they found no prospects in a non-existing private economy, rather they were involved in the process that *created* the funds from which they sought to draw material support in the times in which they could not work or no longer worked. Their need for state support was thus not a need for *charity* in the context of an absolute lack of resources, but for supplemental income they needed to function efficiently in the context of a rapidly expanding economy. This point will become especially important in the following chapter (see 7.2.1).

6.8 Conclusion

The strength of the public interest, and thus the effectiveness of institutions of accountability, does not merely rest on moral commitment to a greater good, but upon economic foundations. The latter cannot be measured in terms of a nation's income level, but in a political-economic relation of *mutually advantageous dependence.* The history of institutional development in the West attests to this political-economic logic. The development of a constantly growing market economy meant that Western European states' subordination to the interests of private economic actors proved to be an effective source of state wealth and power. Conversely, the developing market economy provided private economic actors with the incentives to accede to an impartial state power that would enforce the rule of law and provide the collective goods needed for the flourishing of the private economy. In the interest of this functioning economy, the citizens are willing to equip the state with the financial resources needed for its tasks of upholding the law and fostering the economy. The history of good governance in the West, in short, is the history of the development of mutually advantageous

[100] Finally, World War I played a pivotal role in this regard. War, a tried and true instigator of national fervor, combined with real prospects of material prosperity thanks to the skyrocketing rise of capitalist industrialization in Western Europe, were indispensable ingredients in turning the working class into first-class citizens.

dependence. By converse, and as we will see in the next chapter, the *absence* of mutually advantageous dependence entails the absence of the institutions of good governance. And Africa's recent history is the history of that absence.

7 The Lack of Mutually Advantageous Dependence in Africa

After having discussed the concept of *mutually advantageous dependence* in the previous chapter, the current chapter argues that in Africa, this political-economic relation is largely absent or severely underdeveloped. Hence, despite the *formal* existence of Western institutional structures, the latter remain all too often mere shells for a different political substance: patronage and clientelism. The concept of the *rentier state,* a category originally applied to Middle Eastern states that derive their revenues almost exclusively from the export of oil, helps us to understand the economic causes for the lack of mutually advantageous dependence. Although most African states neither earn the same amount of revenues as Middle Eastern oil states, nor even export oil or other valuable minerals to a very large extent, the political-economic principle captured by the concept of the rentier state applies to African countries just the same. Because African states do not and/or cannot rely on their citizens' economic activities as a viable basis for revenue, due to both a woefully underdeveloped economy and the availability of alternative sources of revenue, these states have no incentive to promote a public interest and provide the collective goods required for the flourishing of the private economy. Instead, politicians cultivate the external sources of their power, while nurturing domestic clienteles to maintain a minimum of required political support at home. Because African economies are simply too weak to support a sustainable state authority, *forcing* African states to rely on their own economies – a currently popular proposal within development economics and development policy – will hardly be effective. Conversely, despite African citizens' widespread calls for the rule of law and good governance, in many cases their economic circumstances offer them only weak incentives for committing or submitting to such a project: a severe shortage of economic opportunities in the private economy; low wage civil service jobs that allow and compel the use of public authority for private gain; smallholder agriculture, sometimes on the basis of communal property rights; informal and illicit trade. Attempts to make the economy a reliable basis for the wealth and power of the state thus often provoke conflicts, demand major economic sacrifices and entail severe political impositions, especially on the rural population. In many cases, citizens resort to patron-client relationships because of immediate needs and political identity, regardless of potentially disadvantageous economic effects in the long run.

It is important to clarify that this is not to claim a kind of economic determinism, and it would be especially perverse to argue that African politicians are condemned by their past or by external circumstances to engage in the unsavory activities they do. To analyze the economic foundations underlying the widespread occurrence of corruption is not to deny the agency of African politicians – nor of the citizens over whom they govern. The widespread corruption of African states stems, on the one hand, from the failure to build polities and economies on the Western model and, on the other hand, from efforts to maintain political stability and power in the face of that failure. Today, African politics largely represents efforts to not only cope with the exigencies of maintaining power in the face of failed nation-building projects and a disadvantageous world-economic position, but to *profit* from it with more or less brutal methods.

7.1 Lacking Advantageous Dependence I: Top-Down

7.1.1 The Concept of the Rentier State

As we saw in the previous chapters, African governments are constantly accused of focusing their energies on rent-seeking, rather than fostering productive investment. For that reason, and to an increasing degree, African states are characterized in the literature as *rentier states.* The author most commonly credited with coining the term is Hussein Mahdavy (1970), who used it to describe states that receive substantial rents from "foreign individuals, concerns or governments" (428). Initially, the term was applied to Middle Eastern states – in this case Iran in the 1970s – that derive the overwhelming majority of their revenues from the export of oil. The state's income, therefore, does not derive from the taxation of domestic economic pursuits, but from rents accruing from foreign trade, be it in the form of licensing and export fees, or in the form of monies paid to nationally owned oil companies. Beblawi (1987) would later refine this definition to indicate states in which not only *rent situations predominate* and in which the source of these rents is external, but also in which the government is the primary recipient. In a rentier economy, only a small minority of individuals are "engaged in the generation of this rent (wealth), the majority being only involved in the distribution or utilization of it" (51). Although Beblawi likewise focused his analysis on Middle Eastern oil states, the principle also applies to states that obtain the greatest part of their revenues from the export of minerals or – most important for Africa – foreign aid.[101] Galal Amin (1974) points out that while

> oil revenues finance the whole of investments in the oil countries as well as a good part of those of Lebanon, foreign aid finances the whole of Jordan's investments and a good part of those of Egypt, Syria and the Sudan. But whether financed by aid or by oil revenue, whatever is invested in both cases is not the result of any obvious sacrifice borne by the investor (48).

Beblawi refers to this circumstance as a "break in the work-reward causation" (1974, 52). In both cases, because the government derives its revenues from external sources, it does not acquire them by bearing *sacrifices,* that is, by *tapping* into the domestic economy, exacting taxes of various sorts, promoting local investment and general business conditions, managing labor disputes, designing and administering social insurance, etc. Despite the *formal* existence of the respective ministries and administrative bodies, they do not represent the focus of these states' policies. Although Amin likewise focuses on the situation in Middle Eastern countries, the theory can easily be applied to the states of sub-Saharan Africa. In fact, the subcontinent houses every specimen of rentier state. Along the Gulf of Guinea, we find oil states meeting all of Beblawi's criteria,[102] and their importance as exporters of crude oil to Europe, the U.S., and various

[101] According to Beblawi's definition, states that derive the bulk of their revenues from the export of agricultural commodities cannot be defined as rentier states for three reasons. First, the export of these commodities produces very little revenue; second, most of these revenues go to private producers, not the government; third, agricultural production is very labor intensive, which means that a greater majority of the population will be involved in the production process.

[102] "Petroleum is the lifeline of these states to an unprecedented extent: on average, 68 % of government receipts emanate from the oil sector. Secondly, they share a relationship struck with a small number of oil majors holding a *de facto* monopoly over the technology and finance

Newly Industrialized Countries (NICs), especially China, is growing daily: Nigeria, Cameroon, Chad (via the Chad–Cameroon pipeline), Equatorial Guinea, Gabon, Congo-Brazzaville, Angola, Ghana and Sao Tome e Principe (both of which anticipate massive future revenues from recent finds of offshore oil and gas deposits), and – inland from the coast – Sudan. But oil is just the start. Several African countries are major exporters of other minerals of crucial industrial importance. Topping the list in terms of variety and scale is the DRC (from tin and copper to diamonds and coltan), accompanied by Guinea (bauxite/aluminum), Zambia (copper), Niger (uranium), Namibia, Sierra Leone and Botswana (diamonds), etc. A relatively recent source of rents is the sale of massive tracts of land to foreign agricultural firms for export, the most explosive recent example being Madagascar, but also in the DRC, Kenya, Ethiopia, Tanzania and Sudan. Finally, as we saw in Chapter 5, African countries are perhaps most well known for occupying the greater portion of spots on the list of HIPCs, receiving rents despite, and precisely because of, their lack of any resources of worldwide economic importance.

7.1.2 The Effects of Extraversion on the Economy

The detrimental effects an *extraverted* rentier economy can have on the overall economic performance of developing countries have been well documented. There have been a number of studies on the so-called *resource curse,* which refers to the paradoxical fact that states with greater national resource endowments tend to grow more slowly than nations with fewer natural resources (Auty 1993). Sometimes this is traced back to an equally paradoxical phenomenon termed the *Dutch disease*: Countries that derive the bulk of their revenues from the export of oil tend to have overvalued currencies, as the demand for the nation's currency is out of all proportion to the economy's actual level of development. A high exchange rate due to oil demand is in turn a hindrance for still developing industrial export sectors. This, however, is not applicable to most of Africa, where the export of raw materials might dominate in relative terms, but is not too significant in absolute terms.

needed to exploit the increasingly remote and, more often than not, offshore petroleum deposits" (Soares de Oliveira 2007, 7).

On the left, dependency theory (see, e.g. Amin 1976; Frank 1967; Furtado 1965) once provided a highly influential account of the perils of being a primary commodity exporter within a world economy dominated by industrialized countries. The theory originally sought to explain the causes of lacking development in Latin America, and would later be applied to Africa (Amin 1972; Rodney 1972). The theory claims that the extraversion of third world economies is an expression of their subordinate and *peripheral* role within the capitalist *world system* and the corresponding imperialistic designs of the great powers. Therefore, the undevelopment of these countries is not just a *state of being* preceding a process of development, but a product of the system of world trade, whose iron economic laws necessarily lead to a state of undevelopment. These countries are therefore *under*developed.

In addition, dependency theory argues that the economic position of underdeveloped countries has drastic consequences for the nature and operation of government (Rodney 1972; Fanon 1965). Because of the constraints imposed by the world market and its guardians, third world governments are denied any real political freedom of action. Hence there is no opportunity to promote development or enter into any kind of positive relationship with the population. The power that *is* in the hands of third world governments derives from their function as *handmaidens* of capitalists from the *core* countries. The rising frequency of military coups and the installation of military regimes across Africa in the decades following independence could therefore be explained as a functional necessity of the demands of the world market and its dominant actors. Because the latter's ambitions did not include any prospects for development in *peripheral* countries, repressive regimes were required to subdue potential rebellions and maintain the security needed for a reliable course of business (First 1970; Decalo 1976). The only way to escape this trap of underdevelopment and political repression would be to gain a measure of autonomy from the world market – either through policies such as import substitution and the promotion of infant industries, or by radically delinking from world market competition and achieving a greater measure of autarchy, or at least regional autarchy.

On the one hand, there is no denying the subordinate and peripheral economic role of African economies, nor the fact that African regimes have been functional for and functionalized by both former colonial powers and the American and Soviet superpowers (see Chapter 2). On the other hand, however, African regimes cannot be viewed as mere dependent variables of foreign interests, as passive victims bound to execute orders issued by the dominant actors of the world economic and political order. Although dependency theory might denounce African regimes' repression, it rarely discusses their actions in terms of their own self-interested rationales, and is therefore inadequate for capturing and explaining that rationality, cruel as it might be. Although dependency theory is right to emphasize the predominantly external nature of African regimes, it radically denies the latter any agency.[103] As Bayart (1993) points out, Africans "have always been active agents in the 'mise en dépendence' of their societies, sometimes opposing it and at other times joining in it" (24). To ignore the agency of these regimes is to ignore the *historicity* of African politics – the fact that African rulers and peoples were necessarily co-authors of their own history of domination and subordination, of power and resistance.[104] Since independence, African rulers have quickly learned – more or less skillfully – to take advantage of external interests and relations for their own ambitions and internal power struggles. In the Cold War, many regimes were able to garner significant material support by playing the superpowers off against each other (Clapham 1996, 140) and as we saw in the previous chapters, even during the era of structural adjustment African leaders often managed to accommodate the demands of foreign governments while maintaining their power and minimizing their obligations (van de Walle 2001, 223). African regimes have managed to compensate for the weakness of their regimes by intensifying the exploitation of their subjects, making deliberate and calculated use of the external relationships upon which these regimes depend in order to mobilize the resources they need to

[103] Chabal (1992) gives a more methodological version of this critique: "In sum, the strength of underdevelopment theory is that it points to the political implications of the very real condition of economic dependence which formal independence left untouched. Its weakness is that it does not possess the conceptual apparatus plausibly to link its economic model with the domestic politics of specific individual countries" (23).

[104] "The incompleteness and ambivalence of African political societies will then be better understood: an apparatus of control and domination or a line of dependence are not just what the government or imperialism want them to be, they are also what the actors, even if they are subordinate, make of them" (Bayart 1993, 37). Although he shares Bayart's focus on restoring *historicity* to the explanation of African politics, Mamdani (1996) criticizes the recent tendency to swing the pendulum too far to the other side: "Dependency theory is thereby stood on its head as modern imperialism is – shall I say celebrated – as the outcome of an African initiative!" (10) In this connection he cites Talal Asad: "Even in the inmates of a concentration camp are able, in this sense, to live by their own cultural logic. But one may be forgiven for doubting that they are therefore 'making their own history'" (Asad 1993, 4).

assert their own hegemony. Finally, African leaders have managed to find ways to make do in a world in which they have no competitive industries whatsoever, instead deriving resources from the illicit economy. These *Shadow State* endeavors testify to African regimes' ability to exploit even the most subordinate international economic position. On the one hand, therefore, we cannot ignore the iron constraints imposed on African regimes by their economic bases which, to a large extent, are external. Although it would be wrong to succumb to a theory of economic determinism, Clapham (1996) is right in arguing that to claim that

> the structures through which political power is exercised must ultimately achieve some kind of congruence with the structures of economic production is not mere Marxist dogma, but an enduring fact about political life, internationally as well as within individual states (25).

On the other hand, we have to recognize that when it comes to Africa's regimes, their actions are indeed *their* actions. The task for analysis is to analyze their rationality, their motives and intentions. To do so, we need to bring "politics back into the picture" (Badie 2000) and analyze their actions in terms of strategies employed by (constrained) agents, rather than in terms of "a fixed, economically determined structure peopled by cardboard natives and arch-imperialists" (Soares de Oliveira 2007, 7).

7.1.3 The Political Deficiencies of the African Rentier Economy

Because African regimes obtain the overwhelming majority of their revenues not by taxing the domestic economy, but by extracting and exporting raw materials and receiving foreign aid, these regimes do not depend to any great extent on the economic activities of their citizens. African governments therefore have little incentive to enter into a *bargaining process* with their citizens in order to obtain economic resources, such as was the case for nascent Western European nation-states. There is little incentive to make political concessions to the population in terms of rights, law enforcement, popular representation within government, and effective economic policies. Because African leaders have weak incentives to extract resources from the population, they have little reason to dedicate the use of public power to promoting the economic pursuits of their citizens; and they have little motivation to open up the formulation and execution of that power to public influence. Here again, we see the converse of the American revolutionary slogan, *No taxation without representation*: If a state has weak incentives to foster the local economy and erect systems of taxation in order to extract reliable revenues, it will have weak incentives to accommodate their demands for political rights and political influence: Without taxation no representation! As a result, when it comes to the states of sub-Saharan Africa, "the kinds of iterated and multifaceted interactions between rulers and ruled that provide both public participation in policymaking and a means by which rulers keep an eye on the public tends to be weak if they exist at all" (Smith 2004, 233).

The bargaining processes that African leaders do enter into with their citizens have a different aim. The point is not so much to enforce rights and grant real political influence, but to distribute favors, access to the state's economic resources and/or a portion of political power. The distribution of subsidies and prebends does not result from the state's need to show its accountability to a public interest, but to cultivate minimal political support by accommodating relatively small clienteles. One of the most familiar ways of cultivating that support consists in offering government employment, one of the main causes of Africa's notoriously oversized bureaucracies. That is obviously not a way of subordinating the exercise of state power to the protection and promotion of a public interest; on the contrary, it is a way of binding clients to the state, sealing the latter's dependence on the favor of the party or ruler in power.

There is another crucial reason for the absence of institutions and structures through which the state is committed to uphold the rule of law and be open to the population's needs and demands. It is the same reason why Western European countries *did* eventually bring about such institutions and structures: war. African states have never been faced with the necessity of waging war on the scale of Western European states during their nation building phase.[105] There has never been an urgent necessity for, or much of an interest in, the kind of large-scale mobilization of human and material resources required for war. This also means that one of the major engines for the formation of national identity

[105] Coquery-Vidrovitch (1976) has pointed out that although wars certainly have been fought in Africa, even in precolonial times, they were never waged for the purpose of conquering territory, rather than for women, cattle, and slaves (105). The exigencies of war, and the attendant consequences in terms of institution building, were thus radically different. There was no real desire to establish and maintain control over certain territorial areas, rather the purpose was essentially to plunder.

and loyalty (Herbst 2000, 97ff) has been missing in Africa. Of course, this is not to say that Africa *should* engage in large-scale war in order to bring about good governance, but it is important to recognize again that the various institutions of good governance are not merely a matter of morality, but often stem from more urgent historical circumstances related to the survival of the state and the assertion of its economic and/or strategic interests.

The reason why African states have never been faced with this necessity can largely be traced back to the *state-friendly* nature of the postwar international order. As we saw in Chapter 5, African countries were recognized as sovereign states without having to prove their autonomous capacity to control their populations and provide their citizens with basic state services. Instead, the former colonies were granted the right to sovereignty by virtue of having been former colonies. Although African nationalist leaders often succeeded in mobilizing large parts of the population for the independence struggle, no African state achieved recognition by having demonstrated all the capacities of a modern state, by having mobilized the population in the context of a national struggle to conquer, establish or defend a territory.[106] These nations' statehood, their claim to control a certain territory and represent its inhabitants, was more a birthright than a state-building achievement. In short, these new nations did not have any compelling reason to establish structures through which they could tap into the economic resources produced by their populations; hence, they have not been forced to concede far-reaching political influence to their citizens. At the very most, Africa's new leaders had to win elections; and mobilizing the citizens to cast a ballot, especially in the context of decolonization, is an entirely different and easier endeavor than motivating them to supply the extensive financial resources required for war. A state's desire for votes in a one-off election gives

[106] Jackson and Rosberg (1990) attribute this fact to the peculiar *moral* norms of the postwar world order: "All sovereign states today including some which are far more chaotic than the Austro-Hungarian or Ottoman Empires ever were – such as Chad or Lebanon – enjoy an unqualified right to exist and high prospects for survival despite their domestic disorganization and illegitimacy. This categorical right derives from new international norms such as anti-colonialism, ex-colonial self-determination, and racial sovereignty underwritten by egalitarian and democratic values which like so much else have their origins in Western social and political movements" (24). Though there is certainly some truth to this normative element of the recognition of these states, we should also note the more base, strategic and economic interests on the part of the superpowers that determined the postwar order (see Chapter 2).

citizens much less leverage than its desire for permanent access to a portion of the economic surpluses they produce.

Furthermore, once independence had been won for the majority of the former African colonies, the newly independent regimes insisted on retaining the boundaries they inherited from their former colonial masters, almost totally abstaining from efforts to expand their territorial reach or support secessionist struggles.[107] This respect for state sovereignty stands in marked contrast to the fact that many African regimes have been unable to maintain a clear hold on power *within* their countries. In Africa, therefore, we are faced with what is almost the exact opposite of traditional state models as they are designed by political science: extremely well-ordered and relatively harmonious international relations, accompanied by highly turbulent and unstable domestic relations (Herbst 2000, 105). Yet it is not very surprising that African regimes should place great weight on each other's state sovereignty, despite their lack of *empirical statehood.* After all, many African regimes have encountered potential secessionist threats within their own countries; undermining a foreign sovereign by supporting such groups elsewhere would only set a dangerous precedent at home.[108] Because of these two particularities of the international system, African rulers

[107] Tanzania represents an interesting exception to this phenomenon. The country supported Biafra's fight to secede from Nigeria in the 1960s, and was also widely accused by other African nations for violating the principle of national sovereignty due to its support for France-Albert René's 1977 coup in the Seychelles. Nyerere faced similar objections for his decision to invade Uganda in 1978 in order to depose Idi Amin in response to Amin's declaration of war on Tanzania, because of Tanzania's supposed support for anti-Amin rebels. Yet Tanzania's invasion had neither the intention nor the effect of establishing territorial claims abroad or questioning national borders. A second exception is Siad Barre's unsuccessful attempt to conquer the Ogaden, home to vast numbers of people of Somalian ethnicity, during the brief but brutal Ogaden war in 1977/1978. Third, in 1994 the Tigrayan People's Liberation Front (TPLF), which had overthrown the regime of Mengistu Haile-Mariam and taken over the Ethiopian state, allowed its ally the Eritrean People's Liberation Front (EPLF) to secede from Ethiopia and proclaim the independent state of Eritrea.

[108] It should be noted, however, that African regimes have long since managed to find ways of having their cake and eating it too. While they still, almost without exception, proclaim the sanctity of existing boundaries and reigning sovereigns, there are several cases in which African states have gone to great lengths to support antigovernment movements in their neighboring countries. Perhaps the most obvious example can be found in the two *African world wars* of the 1990s, in which the leaders of Uganda (Museveni) and Ruanda (Kagame) more or less openly worked to undermine the government of their former ally (Kabila) in the fight against Mobutu in Zaire. Another recent example is the case of Chad and Sudan, in which both governments have provided material support (either by allowing them to operate from their own country or even providing various forms of military support) to rebel groups in the other country.

have never been compelled to enter into the *bargaining process* from which institutions and practices of good governance emerged in Western Europe during its long phase of national formation and institutional development. Because African states enjoy external recognition as equal members of the international community, despite the fact that they possess neither *empirical statehood* nor *positive sovereignty,* even their very existence as states could be labeled *rentier.*

7.1.4 Forcing State Dependence on Society: A Path to Good Governance?

It is now widely recognized that the survival and sway of African regimes does not depend on their relationship with their own citizens, but on their relations with foreign governments and foreign business. Nor is it a secret that these conditions are fertile ground for corruption and venality. That is precisely what George W. Bush – at the launch of the Millennium Challenge Account – purportedly sought to correct when he called upon African governments to *invest in their peoples,* rather than in private rent-seeking or prestige projects. And with a touch of rhetorical flourish, Thomas Friedman wrote that both Middle Eastern oil regimes and African statesmen should learn a lesson from other developing countries such as Taiwan, India, Lebanon, Morocco, or Dubai:

> In short, oil countries can flourish under repression – as long as they just drill a hole in the right place…Countries without oil can flourish only if they drill their own people's minds and unlock their energies with the keys of freedom…Most open and democratizing Arab countries…had to learn how to tap the talents of their people rather than their sand dunes.[109]

This is the thought that underlies the increasingly popular calls to reduce or even put an end to foreign aid to Africa, as a way of forcing African regimes to rely on the economic activities of their citizens (Calderisi 2007; Easterly 2006).[110] After all, because most African states survive on the funds provided to them by international actors, these countries' creditors have the leverage that their citizens do not. Instead of waiting for citizens to develop the economic lever-

[109] Thomas Friedman, "Drowning Freedom in Oil," New York Times, 25. August, 2002.
[110] There is even a number of African authors, most notably James Shikwati and Dambisa Moyo (2009) who have called for an end to aid to African regimes for this same reason.

age needed to force their government into a real bargaining process, the idea is to use external coercion to bring about that state of dependence. The hope is that this would force African governments to do two things: First, if they have no choice but to design policy in the interest of the domestic economy, then they will be forced to make their policies more economically efficient and, more importantly, develop effective bureaucratic structures in order to collect revenue efficiently. By developing these bureaucratic structures, the state would be able to expand its relationship to its citizens, while making the state much more sensitive to the economic needs of society. Second, African governments would thereby be forced to make political concessions to the citizens and commit to the public interest. Making the state economically dependent on the citizens would give the local population a much greater amount of real leverage to effectively demand efficient government services, expanded political representation and honest government. By cutting off alternative sources of funding, one could remove incentives for bad government and bring about an urgent necessity for political and economic reform in the interest of the general population, thus establishing systems of taxation *and* representation.

However, there is a problem with this strategy, one that also highlights the objective difficulties involved in trying to promote political and economic reform in Africa from abroad. Bates (2008) gives us a first indication of the consequences forcing a government to rely on insufficient public revenues, using his own game-theoretic *fable*:

> Within the framework of the fable, the decline in public revenues represents a decline in the rewards from public service. In the face of such a reduction, those who control the means of violence find the income derived from the protection of civilians declining relative to the returns from predation. By the logic of the fable, they would therefore be more likely to turn to predation. Rather than providing security, those who controlled the state would become a source of insecurity, as they sought to extract revenue from the wealth of their citizens (25).

As we saw in the previous chapter, the state's dependency on the economic activities of its citizens is just one part of the foundation of good governance, and not sufficient to bring about the latter on its own. The state's dependency on society is only a catalyst for good governance if that dependence proves advantageous to the state. At the very least, this would require that the domestic economy be capable of sustaining the state on its own power, but even that minimal demand is not necessarily enough to create the incentives for real political change. Let us recall the institutional development in the West, of which we had a brief overview in the previous chapter:

In Western Europe, states were forced to bargain with their citizens because of a need for resources they could only obtain from the latter's economic pursuits. But by erecting systems of taxation and by granting political representation in return, they were tapping into what were at the time enormously fruitful sources of revenue. For instance, the English Crown's concessions to Parliament meant that the Crown had access to resources produced by what was at the time the most effective wealth-creating machine in the world. The bargaining processes undergone by European sovereigns with their rising commercial classes turned out to be highly advantageous for these sovereigns due to the economic prowess of the classes with which they were forced to bargain. That in turn made the new institutional arrangement sustainable. Being dependent on *these* classes was, though this might not have been clear to the sovereigns at the time, an attractive state of dependence. This also explains why such protodemocratic concessions became a model for other states looking to develop and modernize their societies. And we see the same principle at work when it comes to extending rights and representation to the working classes. Of course, workers' movements were necessary in order to compel political reform; nevertheless, what made these reforms sustainable was the fact that it was advantageous for European states to address the economic needs and political desires of the working classes, precisely because their labor and their consumption had become an integral part of the wealth of the nation. In both cases, bargaining with the population meant that the state could tap into economic resources that would ensure the *expansion* of the state's capacities both at home and abroad.

In Africa, the situation is obviously different. Forcing African states to depend on the economic activities of their citizens means forcing them to rely on an exceedingly weak economic basis. In fact, it is uncertain whether these economies are capable of sustaining state structures at all, whether they are able to deliver the extensive resources required for a well-functioning state apparatus. For African nations, being forced to rely on their domestic economies would not mean expanding the financial resources and capacities of the state, but weakening them decisively in both the short and the long term. It is unclear, therefore, whether state structures would even be capable of surviving the transplant of its economic basis. It is even more uncertain whether these economies can deliver the resources needed to finance all the government tasks needed to allow the nation to compete economically and politically in a world in which other states are far more potent. Again, we see a crucial distinction between Western institutional development and the current situation in Africa. In Western Europe, the sovereigns who deigned to bargain with their citizens were among the most powerful nations in the world, and were not faced with rivals that were as economically and strategically superior as are today's leading nations. Let us take a look at this economic basis in a bit more detail in order to underline the complexity of the situation:

First, there is the overall weakness of African economies, their exceptionally low level of development. There is a severe shortage of capital throughout the subcontinent, and thus a widespread lack of means to pursue business opportunities. That also means high levels of unemployment, which can place onerous demands on the state in terms of preserving the health, education and even morale of the population. Second, African economies are marked by the predominance of smallholder agriculture. The small size of such agricultural operations, their lack of capital and low level of productivity mean that their surpluses are extraordinarily small. In many areas, producers struggle to produce more than enough for their own subsistence, while the surpluses they generate are simply not competitive. That is an extraordinarily weak basis for a state – especially given agricultural productivity in other countries (along with the subsidies many developed countries distribute to their farmers, only exacerbating Africa's difficulties). In fact, for a combination of geographic, demographic and economic reasons, Africa's economies have *never* been capable of sustaining state structures. Several authors have argued that even in pre-colonial times, African rulers were compelled to engage in long-distance trade relations because of the weakness and precariousness of domestic resources. Iliffe (1995) has pointed out that contrary to widespread images of Africa as a resource-rich country, in terms of the resources that matter for long-term robust development, Africa is dreadfully poor. If we view the sheer geography and demography of Africa from the pre-colonial era onward, we find conditions thoroughly inadequate for supporting state structures on the model of European nation-states. Here it worth quoting Clapham (1996) at length:

> What emerges is a continent which, despite recent population growth, is still sparsely inhabited, with dense concentrations of people in relatively few places…. Over much of the continent, both people and resources are thinly and precariously spread. Huge tracts of territory are suited only to animal husbandry, and require the people who inhabit them to move long distances with their flocks and herds to take advantage of seasonal conditions. Other areas have soils and rainfall which can sustain only temporary cultivation. Scattered and mobile people are likely to generate neither the resources on which permanent governmental institutions rely, nor the social structures and values needed to uphold them (28).[111]

Converting African countries' weak economic basis into a foundation for sustainable state structures is an imposing endeavor, one that entails enormous economic *and* political costs. This held true for the colonial powers as well, which had little interest in developing their colonies into full-fledged market economies. Instead their aim was to extract raw materials for use in production in the home countries. For the most part, this relatively restricted interest in the colonial economies made colonial administrations extremely reluctant to *capitalize* the countryside by forcibly dividing African farmers from their small parcels of land, undertaking a process of *primitive accumulation* such as had ushered in the era of modern industrial development in Western Europe. This reluctance derived in part from fears about the potential political consequences – or rather, the costs involved in dealing with resistance and revolt in the countryside. It was politically expedient to maintain smallholder agriculture and strengthen local (tribal, chiefly) authorities.[112] Colonial powers in Africa thus practiced various forms of *decentralized despotism,* under the monikers of "indirect rule" or "administration directe" (Mamdani 1996), in which the aim was to split up and isolate the population under various administrative sub-divisions as a way of restraining the spread of political resistance. Each administrative division would ideally contain a culturally and linguistically homogenous *tribe.* The population

111 Lonsdale (1981) provides a similar account of precolonial Africa, which bears striking parallels to the current relationship between state and citizenry on the continent: "Scattered populations tamed innumerable internal frontiers. Agricultural productivity was low and uncertain. African societies could carry only lightweight political baggage, the tribal chiefdom. Kinship rather than power mapped out social obligations. There was insufficient social surplus to support governmental institutions. Law was a matter of mediation rather than adjudication. If power were exerted beyond mere management, for extraction, it was defeated by secession, popular protest by political migration" (171).

112 At the same time, by empowering local authorities in this manner, and by tolerating restraints on the development of large-scale agricultural holdings, colonial powers ultimately undermined the economic efficiency of the agricultural sector, as well as the financial strength and political authority of the colonial state (Boone 1994; Berman 1998).

would live within indigenous institutions and be subjected to "tribal discipline" via local structures of authority (Berman 1998, 315). Here we can see the intimate connection between colonial demands on Africa's economy and the nurturing of what are often considered *primitive* African traditions. Although Africa's system of ethnic and tribal relations extends far into the pre-colonial past, both peasant agriculture and ethnic clientelism were reproduced and reinforced by the colonial powers' economic and political aims in the region.[113] African rulers at independence inherited this economy as well as the same political structures it supported. And like the former colonial administrations, most African regimes also had misgivings about capitalizing agriculture and promoting rapid industrialization because of the economic and political costs. This will be discussed in more detail in the next section (6.2) with reference to smallholder agriculture's effect on the lack of advantageous *bottom-up* dependence in Africa.

African governments that have made efforts to bring about a broad-based economy that provides the resources for a well-functioning state have been largely unsuccessful; and many African countries have never even attempted such an endeavor, either due to a lack of interest or a lack of means. In addition, the prospects for bringing about a relation of advantageous dependence are bleak, precisely because of the severely deficient African economy, especially compared to its competitors in the developed world and among so-called emerging markets. Therefore, we are faced with a quandary that we will return to in Chapter 8: By providing aid and foreign support for African governments, we undermine incentives for African governments to make the economic activities of their own citizens into their economic base. However, by cutting outside support and forcing governments to be dependent on their own societies, we merely undermine the state, whose legal and financial capacities are crucial for development.

And yet, we still have not captured the difficulties in their entirety. In addition to the difficulties involved in bringing about the advantageous dependence of the state on society, there are the difficulties in creating an advantageous de-

[113] Mamdani provides the most detailed account of how colonial powers' system of indirect rule decisively shaped relations between African citizens and their political masters (see also: Kasfir 1976). Perhaps the most famous instance of an intertribal conflict that was exacerbated by the colonial authorities in their efforts to keep their colonies under control is that between Hutus and Tutsis in the Great Lakes region.

pendence of society on the state. Let us take a closer look at the other half of this equation:

7.2 Lacking Advantageous Dependence II: Bottom-Up

It is generally assumed that African peoples *want* good governance, that they desire the impartial protection of the law, the efficient provision of public goods (e.g. security, infrastructure, health, education), and the effective promotion of the overall economy. If African citizens do not enjoy such good governance, then it is because venal politicians deny it to them, with the more or less open support of foreign interests. Certainly, African citizens complain about corrupt politicians; they lament the unreliability or even absence of the rule of law, the unwillingness and inability of the state to provide basic government services and dedicate itself to the promotion of the overall economy. Many have even given their lives in the struggle for more honest governance. In that sense, there is no substantial difference between the criticisms and demands of African and Western citizens. It is customary for both to appeal to the public interest and to suspect politicians' unwillingness to serve it. Bringing about good governance, therefore, seems to merely be a matter of forcing politicians to follow through on the demands and desires of their citizens, to have an open ear to their needs and to make the necessary concessions.

However, despite this identity between African and Western citizens, the economic circumstances in African countries provide only weak incentives for supporting and financing an impartial state authority that upholds the public interest. These incentives are especially weak given the drastic nature of the changes and reforms that would be necessary to bring about *sustainable* structures and practices of good governance. Because of these lacking economic incentives, following through on citizens' desires and demands for better governance is extraordinarily difficult.

7.2.1 Undeveloped Economies

There are several reasons for this. The first concerns the overall lack of economic opportunities in the private economy. On the one side, there are very few business opportunities for aspiring entrepreneurs due to the lack of both capital and consumer markets. On the other side, there is a massive shortage of employment opportunities for job-seekers. What both sides urgently need is not so much the impartial protection of the rule of law – as important as that might be – but immediate support from whoever can provide it. Their immediate need is not for a central authority that enforces the rule of law and regulates terms of exchange in the context of a functioning market economy; instead, many Africans are in need of charitable support within a context of greater or lesser deprivation, in the face of lacking or undeveloped economic exchange. In this situation, there are strong incentives to get hold of patronage resources, to become a client in a patronage network – be it regionally, ethnically or religiously based.

Here we can see the difference between the *bottom-up* dependence discussed in the history of democratization in the West and African citizens' need for charitable state support. As we saw in Chapter 6 (6.7), although workers in Western Europe were dependent on material state support in times of unemployment, sickness and old age, their demands for social insurance arose in the context of their involvement in a functioning market economy in which they played a crucial role. These workers were involved in the process that *created* the funds from which they were to draw material support in the times in which they could not work or no longer worked. Their need for state support was thus not a need for *charity* in the context of an absolute lack of resources, but for the supplemental income needed to function efficiently in the context of a rapidly expanding economy.

In Africa, however, the situation is different. Although African citizens certainly are dependent on material support because of their sheer level of poverty, they do not merely need state supplements to the income they derive from their involvement in a functioning economy, rather they lack any other economic alternatives. They are not involved extensively in the production of the resources from which they then need to derive welfare services, but stand largely outside any functioning economy and need support on that basis and in that *unproduc-*

tive context. This need for state support is not conducive to the construction and maintenance of permanent and impersonal state structures, but can favor the continuity and reinforcement of personal dependence, such as can be found within clientelistic systems. In Chapter 6, I pointed out that citizens will only support an authority that upholds the rule of law if they depend on that authority for their own private economic pursuits. Although many impoverished African citizens might depend on state support, they do not depend on it for their own *private* economic pursuits, simply because there are so few such opportunities. Therefore, if citizens are not involved in a private market economy in the context of which they require legal protection and *supplemental* material support, it will be extraordinarily difficult to establish the structures required for enforcing the rule of law. Otherwise, subnational actors will be able to jump into the breach, providing at least a modicum of support and demanding services from their clients in return – regardless of how economically inefficient and morally questionable these arrangements might turn out to be in the long run.

The second reason also relates to this general lack of economic opportunity within the private economy. The weakness of the private economy puts a premium on public sector employment – not only because government jobs are the only jobs available in a weak and stagnating economy, but because they also come with a measure of political authority that can be used to one's own advantage. Holding a civil service position affords the opportunity to extract petty bribes; and the generally low-level of civil service salaries often *compels* them to do so. In fact, what is often taken to be widespread immorality on the part of African civil servants in fact represents a necessity of survival. For this reason, there is often little incentive to fight for a reduction of the civil service because of the strains it imposes on the nation's budget, but to *get into* the civil service and secure at least a portion of the meager *spoils.* The lack of other, better economic alternatives makes public sector employment, despite the low wages often paid there, an extremely effective way for African states to garner support and cultivate clienteles. Therefore, unless there are other reliable opportunities for earning a livelihood, cutting back the bureaucracy in order to ease the burden on the budget will mean serious resistance from this *relatively* well-connected part of the population, despite the many Africans who would certainly be relieved to not have to pay the many *petits taxes* demanded of them daily.

7.2.2 Smallholder Agriculture

The third reason concerns smallholder agriculture, the predominant sector of the African economy. For all the processes of *modernization* and *urbanization* that Africa has undergone since independence, smallholder agricultural production remains the reality for the majority of the subcontinent's inhabitants: "Today, over 60 percent of the African workforce is engaged in the agricultural sector, and a majority of all African households rely on pastoralism or a family smallholding for at least a part of their livelihood" (Boone 2007, 567). As mentioned in the previous section, African smallholder agriculture is characterized by low levels of capital, technology and productivity, and thus also by relatively small surpluses. In many cases, production rarely exceeds what is needed for subsistence, and is woefully uncompetitive. But what does this mean for African farmers' relation to the state? Many political scientists and economic historians have argued that these economic structures are often correlated with ethnic political structures, tribal loyalties and religious affiliations. And in Africa, the patron-client relation has always dominated the political landscape.[114] But even if we could not claim a necessary connection between smallholder agriculture and patron-client political structures, African agricultural structures do often work against the desire for a national political authority dedicated to the rule of law and an overall public interest in favor of patronage networks. Let us take a closer look at this correlation:

In the first instance, the small size of landholdings means that most African farmers are dependent on the state in order to produce at all. Although this partly involves their dependence on the state's capacity to enforce law and regulate the exchange of their surpluses, what is much more urgent is the state's capacity to provide crucial inputs to production, such as fertilizer, technology and credit. Farmers' inability to mobilize the capital required for these inputs reaches back to colonialism, and has not only had far-reaching effects on the economic composition of African agriculture, but on the political consciousness of the citizens as well. Under colonial rule, peasants' ability to pursue their economic interests by getting hold of resources, especially land, depended on their ability to

[114] Even in the pre-colonial era, *big men* headed up sophisticated and intricate clientelistic networks "involving reciprocal but unequal relations with 'small boys,' as well as power over women and children, and those held in the diverse forms and degrees of servitude of pawnship and slavery" (Berman 1998, 311).

maintain kin, client or ethnic affiliations. Their economic ambitions depended on their relationship to the chief, because of his ability to garner and distribute resources deriving from the colonial administration. Patron-client relations thus not only defined access to resources, but also the relationship between the majority of African citizens and their political authorities. Their respect for and loyalty to the *tribal chief* did not stem from the latter's ability to enforce property rights, but to share in *rents* originating with the colonial authority. This is where Berman locates the socioeconomic basis for Bayart's concept of the *politics of the belly,* as well as for the formation of ethnic identities – which he traces back to the colonial structures of indirect rule: "The internal and external factors of ethnic construction, cultural invention and political negotiation" led to both an increasingly clear definition of "ethnic cultures and identities and a significant expansion of the scale of ethnic communities" (Ibid., 330).

Because of the notoriously low level of surpluses generated by African farmers, the latter have few incentives, or even the required capacity, to deliver the resources needed to sustain full-blown state structures, especially if agriculture constitutes the predominant resource for sustaining a modern state with its manifold tasks. In fact, African governments that did seek to overcome their external orientation and mould their domestic economy into a viable economic basis inevitably imposed severe economic and political burdens on the rural population. Ghana under Kwame Nkrumah represents the most widely cited example of this phenomenon, of which Bates (1980) gives a well-known and detailed account (See also Chapter 3 (3.6)). After Ghana's independence from England, Nkrumah pursued a twofold economic project that he hoped would heave Ghana into economic *modernity* and allow it to match the model provided by the world's dominant economic powers. First, he aimed to rapidly industrialize the Ghanaian economy; second, and closely related to the first goal, he sought to increase Ghana's economic autonomy, so that the economy and the revenues of the state would no longer be at the whim of notoriously fluctuating primary commodity prices on the world market. Nkrumah thus realized that the nation's prosperity depended on Ghana's ability to "stand on its own feet," make the domestic economy into a reliable foundation for the state, rather than being dependent on the conjunctures of the world market and the dominating producer countries. That meant rapidly modernizing the economy, diversifying production, and above all, strengthening industry.

Clearly, this ambitious project would mean giving special treatment to urban, industrial interests, which were after all the heart of Ghana's rise as an economic power. That meant pushing down the costs of industrial inputs as well as foodstuffs in order to keep wages down; this could be achieved by lowering producer prices for agricultural goods and raw materials, which in turn entailed severe cuts to producers' income and greater demands on agricultural output. The mechanism for achieving this aim consisted in so-called *agricultural marketing boards*, an instrument employed not only in Ghana, but throughout sub-Saharan Africa. In essence, the government thereby forces agricultural producers to sell their goods to a single buyer – the state in the shape of the marketing board. The latter thus enjoys a secure monopsony, giving it enough market power to effectively determine the prices that agricultural producers receive for their commodities. For Ghana's agricultural producers, the state's attempt to turn the domestic economy into a reliable power base for the Ghanaian state was consequently a more or less drastic attack on their livelihoods. This also reveals that the project of economic autonomy does not entail that the state will serve an *overall* economic interest, but inevitably involves favoring one set of economic interests at the cost of others. In this case, the project of rapid industrialization favored urban industrial interests over rural producers. For Nkrumah's project, the political support of both industry and the industrial workforce were crucial, in turn opening the door for networks of corruption and favoritism on the part of Nkrumah's Convention People's Party (CPP).[115] The hardships these policies entailed for the rural population, especially for cocoa farmers in the Ashan-

[115] Nkrumah's undeniable favoritism for urban interests is often taken as grounds for claiming that the ultimate purpose of his economic policies was to benefit a small circle of cronies at the cost of the *general population.* Easterly gives an especially suggestive account of Ghanaian corruption (2001, 256-7). However, Easterly thereby ignores the larger economic project that Nkrumah had in mind, as well as the objective political and economic difficulties and traps involved in such a project. In that sense, Easterly's critique represents a typical case of writing off African governance as a mere moral deviation, rather than attempting to grasp the structural conditions behind such political behavior. In his famous 1997 article on *Africa's Growth Tragedy,* co-authored by Ross Levine (1997), Easterly fails to mention *any* economic reason for why Nkrumah chose to freeze producer prices, instead ascribing this to *rents* and to the country's ethnic makeup: "In the early 1950s Kwame Nkrumah, himself from one of the coastal Akan groups, split off from the traditional Ashanti-based independence party. He pushed a bill through colonial legislature in 1954 to freeze the producer price of cocoa. An Ashanti-based opposition party [whose region is the center of cocoa production, JG] to Nkrumah ran against him in the 1956 elections with the slogan, 'Vote Cocoa,' while also pushing for secession. With most of the other groups favoring Nkrumah, these efforts failed. Nkrumah continued to tax cocoa heavily" (14).

ti-dominated inland, helped fuel the discontent that would eventually lead to Nkrumah's overthrow in a 1966 military coup.

But we need not go back so far in Africa's past to find a case of the conflicts that ensue as a result of programs of modernization and economic autonomy. Rwanda offers a more recent example: The current administration under former Tutsi rebel-leader Paul Kagame and the his ruling RPF party (Rwandan Patriotic Front) has undertaken an ambitious campaign to bring rapid economic and political development to this war-torn nation, emphasizing the economic independence and self-reliance of this *reborn* nation. Rwanda has come to be considered a relatively bright spot on the continent, with comparatively low levels of corruption, a remarkable state reconstruction project, and a target of massive foreign investment.[116] The skyscrapers and booming construction projects in the capital, Kigali, are perhaps the most visible and widely known expression of Kagame's modernization campaign. However, the government has also launched a *rural re-engineering mission* (Ansoms 2009) with the aim of transforming the country's predominantly smallholder agriculture into a "professionalized motor for economic growth, centered on commercial farm units" (Ibid., 292). The goal is to get rural producers to move beyond subsistence production to a more commercial and diverse economy. The government has laid out its plan most clearly in its "Strategic Plan for Agricultural Transformation." The main task consists in transforming "subsistence agriculture into commercial agriculture with all its involvements in terms of institutional, social changes of behavior and distribution of roles and responsibilities between different stakeholders" (2004, 33). As Ansoms points out, Rwanda's land policy goes a step further, claiming that "the Rwandan family farm unit is no longer viable […] The reorganization of the available space and technological innovations are necessary in order to ensure food security for a steadily and rapidly increasing population."[117] This ambitious program is also in line with longstanding World Bank proposals for African agriculture: reforming inefficient agricultural structures, promoting larger-scale commercial outfits, and getting the state out of the business of providing direct inputs to agricultural production (World Bank 1996).

116 Kagame's reputation has suffered a good deal of damage because of his efforts to oppress opposition figures, and he has even been accused of being a leading figure in the genocidal killings of Hutu refugees in the Eastern DRC.

117 Government of Rwanda, "National Land Policy," Ministry of Lands Environment, Forests, Water, and Mines. Kigali, 2004. Cited in Ansoms (2009, 297).

Here again, we have an example of a state that aims to make its own economy capable of supporting a process of economic and political development. But what does that mean for smallholder peasants, who make up the majority of Rwanda's rural population?[118] First, this has meant focusing on maximizing output, which obviously favors larger commercial competitors, who unlike most small-scale rural producers can afford to take the risks of large investments in technological and other inputs. The question at the heart of the debate over the implementation of this transformation strategy concerns the fate of Rwanda's near-subsistence farmers: Will the process eject farmers from the land who cannot afford to compete, or will there be a process of collectivization (by which smallholders would concentrate their landholdings under common administration). Although the Rwandan government has been careful to draw a distinction between maximizing agricultural output and abandoning uncompetitive farmers to whatever fate the market doles out, the government's *Vision 2020* document has the stated aim of reducing the amount of population dependent on agricultural production by 35 percent, from 85 to 50 percent. And it is entirely unclear whether jobs in other industries will be at all available to *pick up the slack.* More realist observers reckon that there is no way for Rwanda's economy to absorb such a flood of landless workers. In addition, the government has applied its policy of *villagization* – originally intended to resettle Tutsi refugees in compound villages – as an instrument for making the use of land more efficient. The results have been disappointing, if not disastrous, essentially amounting to a large-scale expropriation.[119]

The worry is that increasing agricultural productivity in this way will not simultaneously reduce poverty, but could even increase it, while at the same time overthrowing an entire economic way of life – with all the political consequences that could entail. Again, we can see that rapidly engineering a domestic economic basis can be a real threat to certain portions of the population; and in this case as well, the rural population is the most disadvantaged. The dangers involved in this program have meant that Rwanda's economic modernization program has produced the opposite of the intended effect. Instead of bringing

118 According to the Rwandan government's "Strategic Plan for Agricultural Transformation," over 90 percent of all production units are small family farms, with an average size of less than one hectare (10).

119 Human Rights Watch (2001), *Uprooting the Rural Poor in Rwanda.* New York: Human Rights Watch.

the state closer to the rural population, it has subordinated the rural population to a national agenda quite detached from their own well-being and their own way of life. This is partly explained – and exacerbated – by the fact that Rwanda's current political elite and its national-centralizing aims *are* wholly detached from the rural population. The elite is largely composed of foreign-born Tutsis who have little connection to rural life in general, and certainly not to Rwanda's rural population, which is predominantly Hutu.[120]

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The conflict between state ambitions to transform the domestic economy into a robust economic basis for the state and the rural population's livelihood and political identity has had far-reaching effects throughout the history of independent – and colonial – Africa. One effect is most famously described by Hyden (1983) in his account of the African peasant agricultural system and the consequences for the state-citizen relationship. His argument is that African politics continues to be dominated by an *economy of affection,* which denotes "a network of support, communications and interaction among structurally defined groups connected by blood, kin, community or other affinities, for example, religion" (8). He refers to this system as a kind of welfare state from below, which allows peasant producers opportunities to escape the demands of the development state (9). As a result, the peasantry in Africa remains *uncaptured.* In many African countries, the state has not been able to integrate the peasantry sufficiently into effective market structures, as the majority still retains control over the land, which for the most part they use for self-subsistence. For that reason, they stand *with one leg* in the market economy and have the option to escape as soon as the state seeks to implement measures to make agriculture more economi-

[120] This new project stands in marked contrast to Habyarimana's (Rwanda's former Hutu president, whose death in a plane crash – possibly by assassination – was the spark that set off the 1994 Rwandan genocide) glorification of Rwanda's rural producers as the "Rwandan ideal." Verwimp (2003) cites a speech of Habyarimana: "If in the 25 years of our independence Rwanda has known a lot of success in its struggle for progress, if it has been able to take a number of important steps, it is in the first place our farmers who made this happen…it is their total devotion to their work, every day…their fabulous capacity to adapt, their pragmatism, their genius, their profound knowledge of our eco-systems that allowed them to extract an amazing degree of resources from their plots of land (16).

cally efficient, and to make it a more reliable basis for the wealth and power of the state. The flipside is that the state itself remains "suspended in mid-air over society and is not an integral mechanism of day-to-day productive activities in society" (7).

Instead, their economic circumstances make the cultivation of clientelistic favoritism more preferable, regardless of how meager the immediate benefits may be, and how economically inefficient this might be overall and in the long run. That is a major factor in accounting for the influence that tribal chiefs and ethnic, subnational structures continue to play throughout the continent. The sacrifices that, e.g. agricultural marketing boards have often demanded of rural producers throughout the African subcontinent are one of the major reasons why, in many countries, rural producers can remain largely uncaptured by the state. African peasants have made use of a number of *escape options* in order to avoid the grasp of the state and the demands its development ambitions often make on them. These include reducing agricultural output, returning to subsistence agriculture or *self-encapsulation* (Chazan 1994, 270), migration, and above all, fleeing into the informal economy. This last *exit option,* involvement in illicit and informal trade, perpetuates the lack of incentives to provide resources for an impartial authority that enforces the rule of law and upholds the public interest. These groups' livelihood *depends* on being outside of the law and outside of the formal reach of the state. And as was pointed out in Chapter 5, if the state is involved in these informal markets, then it is not to promote the rule of law, but in order that politicians can also get a share in the spoils generated on informal and illicit markets.[121]

7.2.3 Land Tenure Reform and the Political Consequences

Boone (2007) points out that the issue of land tenure not only represents a conflict between growth-promoting and market-promoting measures, on the one hand, and the livelihood and subsistence rights of small farmers on the other, but also concerns the very nature of citizenship and the state in sub-Saharan

[121] See Bayart et al (1999) for an account of the growing illicit trade in Africa, especially along the west coast of Africa. Ellis (2009) gives special treatment to the case of Nigeria, the leading African actor in the international drug trade.

Africa. Land tenure is thus not just an economic issue, but also a decisive factor in shaping structures of political authority and defining the terms of political identity. It is worth quoting Boone at length on this point, who claims that

> in many African countries, fundamentals of constitutional order and state character are at stake in land politics. In agrarian society, to reform the rule of land tenure is to redefine the relationship between and within communities, and between communities and the state. That is what is being contemplated in more than twenty African countries that have undertaken in the last decade to overhaul existing land tenure legislation, design new national land policies, and/or rationalize and unify land codes…This means that land law reform, whether wittingly or unwittingly, involves decisions about the political structuring of society (unified or segmented, hierarchical citizenship rights; recognition of "groups" or individuals); alternative visions of state authority (nested, mediated, spatially fragmented, or unified and consolidated), and commitments about the locus of political sovereignty (individual, communal, central state)…Across the African continent, struggles over land law are finding expression in, or contributing to, political conflict over national citizenship rights, upsurges in xenophobia, or anti-foreigner sentiment both inside and outside the electoral arena (558).

Boone examines three different land tenure arrangements and the respective consequences in terms of the structures of political authority and the definition of citizenship and political identity: private property rights, communal rights, and user rights. Let us take a look at each arrangement in turn:

The first land tenure arrangement is the private property regime. This arrangement has traditionally been favored by the World Bank, and is the focus of land reforms in, e.g. Zambia (1995), Uganda (1998), and Malawi (2002). The purpose of these reforms is to *depoliticize* land ownership and make the market the authority over who makes use of land. The World Bank not only regards private property as the most economically effective land tenure arrangement, but also as an effective way of combating corruption and liberalizing African regimes: By depriving politicians of their authority to distribute land, farmers could be freed from political dependency on favors from patrons in power. This would mean, in the words of a 1996 Government of Senegal study, changing land tenure from "a right granted by the state to a property right that is recognized by the state."[122] In many countries, this arrangement also enjoys the support of women's groups

[122] Government of Senegal, "Plan d'action Foncier (PAF) du Senegal, Octobre 1996," Archives Nationales du Senegal (ANS) poIII 4, 416. Cited in Boone 2007, 580.

who would potentially stand to benefit from having the distribution and ownership of land freed from traditional inheritance rights.

This kind of land reform has far-reaching consequences not only for the economic organization of the African countryside, but also for structures of political authority and even political identity. This can be seen most clearly in Uganda, where there is an intense conflict between President Museveni and the Bugandan king. Delegating the task of land distribution to the market would mean eliminating the king's privileges in this regard, depriving him of one of the pillars of his traditional authority. The same goes for other African countries in which chiefs and traditional rulers possess political authority on the basis of their ability to distribute land. That in turn means making radical changes to the political identity of rural farmers, who would no longer be subject, for example, to the authority of the Bugandan king when it comes to *the* means of earning a livelihood. Instead they would be subject to the expanded powers of the central state to regulate the use of land and the exchange of title. In that sense, land reform constitute a more or less dramatic political revolution. But this is not only an issue of redefining political authority, but also political identity. This issue will become more apparent in the discussion of communal land rights below. At this point, we can already note that by transferring communal land rights into private property rights, the relationship between the individual and the community – both fellow farmers and rural authorities – is transformed. No longer are farmers existentially tied to their fellow communal members, but are in a certain sense set in opposition to the others. In a system of private property rights, members of the community no longer encounter each other economically as fellow members of a local community, but as buyers or sellers, on opposite sides of the transaction.

As we saw in the case of Rwanda, there are also some problematic consequences for rural farmers, who could be in danger of losing their subsistence rights to land. After all, making land tenure an issue of private title in countries where communal land rights predominate (often without formal registration) necessarily goes hand in hand with expropriation. In a country in which a majority of the population depends on subsistence farming, the consequences of this expropriation could be severe if other methods could not be found for compensating those who have been dispossessed. For the same reason, proponents of rural producers' land rights in Senegal, Malawi and Zambia have staged massive protests against the privatization of land rights (Ibid., 581). This is a striking example of the surprising fact that many African citizens do not have strong economic incentives to support the impartial protection of this cornerstone of the rule of law, namely private property rights. Furthermore, it is uncertain whether privatizing land tenure would eliminate corruption, or instead create a new channel for clientelism. Although a system of individual property rights would eliminate a typical arena of patronage, the privatization process itself is fertile ground for corrupt machinations (Hibou 1999).

For that very reason, even the World Bank has backed off from its hard-line stance on the privatization of land tenure in recent years, leaving the door open for communal property rights arrangements on the condition that they are enforced transparently. In recent years, some African countries have legislated a return to the *status quo ante*, actually restoring communal property rights where once private property or user rights prevailed. In Senegal and Burkina Faso, decentralization programs have reinforced the land control of long-standing local elites and traditional communities. In Côte d'Ivoire and Niger, land law reforms in the 1990s limited market forces and reinforced historical rights to land – which is precisely what the subjects and the King of Baganda are calling for (Ibid., 573). But here as well, we see how closely land tenure arrangements affect the nature of political authority and identity. In these cases, decentralizing land tenure laws means restoring and reinforcing the same systems of indirect rule that prevailed under colonialism, making the local population de facto subjects of local authority, primarily dependent on the rule of local authorities (Mamdani 1996). It would thus not only undermine the authority of the central state, but the whole idea of national citizenship and the whole nature of the public interest. Making land distribution dependent on communal and historical structures also raises the question of who has a right to claim membership to these communities; it raises the question as to whose interests are counted within that public interest. In several African countries, the restoration of communal land rights would mean expropriating and driving out *foreigners* from certain rural regions (an issue that has been at the center of recent intense conflicts in Côte d'Ivoire). Finally, there is the problem of women's rights discussed above: Women might be forced to submit to traditional ownership laws that systematically discriminate against them (Boone 2007, 573).

Finally, Boone addresses the *user rights* land tenure arrangement, which “calls for land registration and titling as a means to stabilize the land access and use rights of the small farmers now cultivating the land” (Ibid., 574). This arrangement has come to be regarded as an especially fair, flexible, and pro-poor approach because it ties land title to the actual usage of the land; but at the same time, it is not regarded as being very economically efficient, because land title would not be allocated via the market to those who could make the most productive use of the land. In addition, it is often seen as being closely related to the communal rights arrangement, as it ties ownership to people actually living and working in a given community. But as Boone points out, this is not always true, arguing instead that in many situations, the users of the land are not members of the community, but “in-migrants (strangers, foreigners, new comes, lessees, sharecroppers, workers) who have displaced, moved in alongside, or entered into a contingent farming contract with indigenous communities or community members” (Ibid., 576). Again, Côte d’Ivoire provides an example, whose 1998 land law forbids non-nationals from acquiring full ownership rights, instead giving that authority to local chiefs – a matter of harsh discrimination against the large number of Burkinabe immigrants engaged in agriculture, and one of the sources of the current conflict in the country.

These descriptions reveal the intimate connection between economic structures, political structures and political identity in Africa, especially in rural Africa. And especially important for our purposes, these cases reveal that Africans are often integrated into economic structures that do not offer incentives to support or finance an impartial authority that protects the rule of law and the public interest as it is envisioned and realized in the West. Such political arrangements can in some cases even represent a real threat. The implications for policy are, at the very least, the compulsion to understand the complexities involved in transforming institutions that are regarded as arenas for corruption.

7.2.4 Conclusion

These descriptions of Africa’s economy give us a sense of the key difference between the African situation and that of England in the account offered by Douglass North. In early modern England, the economic interests of the rising classes did not consist in gaining a share of monopoly rents generated by the economic activity of the Crown, but in their own private economic pursuits. Nor were they dependent on the Monarch for the provision of economic resources and material inputs to production. Their political desires and demands were correspondingly different: They did not seek clientelistic relations with the Crown, but the security of property rights that only the sovereign could provide – in addition to its capacity for international power projection, a key prerequisite for profitable international trade. Perhaps the primary reason for this is that England's rising entrepreneurial class *had* economic means and clout, but could not make full use of it. In Africa, there is only a very weak entrepreneurial class, which is *entirely* dependent on the state for economic resources, connections and support. Although in some countries it would be an exaggeration to say that entrepreneurs are only entrepreneurs by virtue of their connections to the state (Bayart 1993), in many countries this is largely true. There is thus little incentive for these classes to demand equal representation, respect for the rule of law and a clean separation between the public interest and the individual economic interests of the citizens. This would in effect mean cutting off one of the main sources of these entrepreneurs' wealth. Even urban industrial populations are not really separate from the state, and are thus an unreliable voice for the rule of law and the impartial defense of the public interest, as they also depend largely on state favoritism.

And for the majority of Africans who make up the rural population, though many complain of corruption and clientelism, their economic circumstances only provide weak incentives for supporting a political authority that enforces the rule of law. They are dependent on the state, but to a great extent, their dependence derives from the sheer lack of economic resources and opportunities in these countries. This makes a demand for impartial state authority a real risk to these individual groups' livelihoods, as that merely sets the stage for a struggle over scarce resources, in which not all sides can win. Although one could say that every economy involves a struggle for scarce resources, we need to recognize the difference in the severity of that struggle. In a developed market economy that offers at least a prospect for all sides to secure a livelihood, the fight for resources is not a life and death struggle. In Africa, however, *losing out* in the fight for scarce resources does not just mean being relatively worse off, but it can mean a real threat to livelihoods and lives. That, to pick up on the line of argumentation in Chapter 4, is not something that can be solved through the construction of oversight mechanisms and institutions of accountability. Without a developed market economy that offers opportunities and real prospects for all to earn a secure livelihood, there will be little incentive to support and provide the needed resources for a state that can uphold the rule of law and promote the public interest. If the population is forced to scramble for scarce economic resources, the economic basis for a public interest, a common interest in an authority that regulates the terms of their transactions, will be unstable at best. We will return to this thorny issue in Chapter 8, but first, we need to address a potential misunderstanding of the line of argumentation developed in the last two chapters.

7.3 Failed Nation-Building Projects in Africa

Although we can point to underlying economic realities in order to explain the nature of contemporary African politics, it would be wrong to succumb to a kind of *economic determinism* and argue that African politics is merely an outflow of iron economic laws and circumstances over which African regimes have no control. Although we can locate the origins of African politics in political-economic structures that were either imposed or intensified in the colonial era, it would be wrong to conclude that African regimes are merely the victims of their past. Contemporary African politics is instead made up of efforts to react and adapt to these circumstances – to "make the best of things" in ways that are rarely pleasant for African citizens. More specifically, I argue that these political practices derive from the failure of efforts to build nations and national economies along the lines of Western industrialized countries. Most sub-Saharan African states have not managed to establish a hegemonic definition of the political and economic purposes of the nation, its economy and its political power, nor to bring about an economy that provides a viable livelihood within that hegemonic definition of the national interest. Indeed, the majority of African governments have not even tried.

Nevertheless, African regimes have managed to find ways of surviving and coping – even quite prosperously – with this failure by employing all the tools of neopatrimonialism discussed in Chapter 5. Therefore, the strategies that reflect the failure to build nations on the model of Western Europe and North America are also the strategies by which African regimes seek to cope with this failure and profit from the circumstances.

7.3.1 Africa at Independence

The first generation of African leaders did not merely inherit countries marred by widespread poverty and undevelopment. They also inherited a set of colonial state institutions they managed to wring – with more or less resistance – from their colonial masters. Although the experiences of colonization and decolonization were not unique to Africa, in one crucial sense the African case differed from the end of the colonial era in the Americas, Asia and the Middle East. The difference concerns the relationship between the newly independent states and their populations. In Africa, the end of colonialism did not signal a return to pre-colonial forms of sovereignty and pre-colonial institutions, as was the case in much of Asia – with the obvious exception of India. Africa's decolonization also differed from that of North and South America, where Spanish and British colonists, or their descendants, continued on at the helm of the newborn state institutions – with the obvious exception of Rhodesia. Instead,

> new domestic elites, trained in the colonizer's schools, speaking the colonizer's language, and often wearing the colonizer's clothing styles, took over the colonial state and made it theirs (Englebert 2000, 76).

The elites that arrived at the head of African states did not want to return to the pre-colonial, pre-state era, but sought to push forward with the project of building *modern nation-states* on the Western model.[123] However, the institutions

[123] Some Africanists, most notably Basil Davidson (1992), trace the sorry state of African development back to this decision to adopt the political model of the nation-state to an African continent which had done just fine without it. For African nationalists, by contrast, adopting the political and cultural aims and traditions of the colonial powers was proof that they were civilized and equal to their former colonial masters: "The nationalist's notion of the African community was, at least in the beginning, largely a reaction to that of the European. The nationalists usually were those who had been educated, assimilated or in other ways acculturated into colonial society. Their claim to moral and political authority issued largely from their success in penetrating that society and/or in rising through the colonial hierarchy. The notion of success was different in each imperial system but the process was the same. The nationalists came from that section of society which had been 'civilised.' To the colonial mind 'civilisation' was proof that colonialism was working: civilizing the African meant taking him out of his traditional community. To the Africans, they, the nationalists, were proof that

they inherited and intended to strengthen and expand were wholly alien to and disconnected from the preexisting political and economic structures in place in Africa. The political institutions that now formally belonged to Africans retained neither a material nor a *mental* connection to the societies over which they stood. As much as decolonization and Africa's independence represented an enormously significant historical step, the contribution it made to the actual construction of modern nation-states was more symbolic than substantive.[124] It is for this reason that, at the moment of independence, African states are often regarded as "states without nations" (Lonsdale 1981, 196).[125] The regimes that had taken over power from the departing colonial authorities therefore enjoyed neither *vertical* nor *horizontal* legitimacy.

Many of independent Africa's new heads of state faced competing sources of allegiance, rival authorities commanding the loyalty of larger or smaller portions of the population. Chinua Achebe conveyed this widespread reality best when he wrote that the African state was "an alien institution and people's business was to get as much from it as they could without getting into trouble" (1960, 38). Ironically enough, this lack of vertical legitimacy was partly due to the *success* African nationalists had in agitating and mobilizing the population against the colonial authorities. In the struggle for independence, they encouraged the common man to regard the government as illegitimate, to neglect his duties as much as possible and insist on his rights as much as possible. But given the nationalists' own lack of legitimacy in taking over state institutions, they would soon become the *victim* of the same doubly disloyal stance they encouraged in two ways (Ekeh 1975). On the one hand, they were faced with a population that regarded the *public realm* not as a realm for performing duties, but for getting what one can and shirking duties in return. On the other hand, they raised the

Africans could compete with Europeans on their own terms and thus successfully challenge the racial legitimation of the colonial enterprise" (Chabal 1992, 44).

124 Chabal provides a nice architectural metaphor to describe the contribution of independence to nation building in Africa: "The land had been staked, planning permission had been won and the foundations had been laid. But the building remained to be done" (1992, 120).

125 Other authors have found various phrases to illustrate this phenomenon, which is familiar to most people as the *arbitrariness* of African borders that do not correspond to the ethnic identities and loyalties *on the ground.* Englebert (2000) sees a "mismatch between state and society"; Badie (1992) speaks of African states as *imported states* that borrowed wholly external and alien European institutions for a political-economic basis that could not support them. Chabal defines these newborn states as *states before nations,* also making a distinction between a *pays légal* and a *pays réel* (1992, 138).

expectations that the masses would place on independence. After shaking off their colonial masters, they now saw themselves faced with popular demands they themselves had encouraged.[126]

The main rivals facing Africa's first generation of leaders were the subcontinent's many *traditional leaders* – local and regional chiefs and kings, many of whom had seen their authority strengthened and expanded under colonialism as instruments of *indirect rule.* For the colonial rulers, chiefs had been trusted intermediaries (especially in the British colonies), who now found themselves jilted at the altar of independence. From this perspective, it is not hard to comprehend why traditional leaders were not all too excited about what independence boded, especially given the rhetoric and the apparent intentions of the nationalists who had assumed control over the fate of Africa's newly independent entities. In the prelude to independence, they often fought rearguard actions in order to secure their voice and sway within the new nation.[127] In the Upper Volta, there was a failed coup attempt by Mogha Naaba, king of the Moni, the dominant

[126] Tom Mboya – a prominent Kenyan politician in Jomo Kenyatta's administration and key figure in the formation of Kenya African National Union (KANU) – illustrates how mobilizing for independence meant awakening expectations and cultivating a consciousness that could easily backfire upon African leaders once they had achieved the goal of overthrowing the colonial master. It is worth quoting him at length: "For the effective struggle against colonialism and for the work of economic reconstruction after Independence, it has come to be accepted that you need a nationalist movement…A nationalist movement should mean the mobilization of all available groups of people in the country for the single struggle. This mobilization is based on a simplification of the struggle into certain slogans and into one distinct idea, which everyone can understand without arguing about the details of policy or of governmental programme after Independence. Mobilization is planned on the assumption that, for the time being, what is needed is to win independence and gain power to determine one's own destiny. Everyone is taught to know the one enemy – the colonial power – and the one goal – independence. This is conveyed by the one word round which the movement's slogans are built. In Ghana it was 'Freedom,' in East Africa it is 'Uhuru' and in Northern Rhodesia and Nyasaland 'Kwacha' (the dawn). In this way one word summarizes for everyone the meaning of the struggle, and within this broad meaning everyone has his own interpretation of what Uhuru will bring for him. The simple peasant may think of Uhuru in terms of farm credits, more food, schools for his children. The office clerk may see it as meaning promotion to an executive job. The apprentice may interpret it as a chance to qualify as a technician, the schoolboy as a chance for a scholarship overseas, the sick person as the provision of better hospital facilities, the aged worker as the hope of pensions and security in old age. The interpretation of the goal is not immediately relevant or important, when compared with the importance of mobilization of the entire population" (Mboya 1963, 61-62).

[127] Traditional leaders often argued their case in tones reminiscent of African military leaders, pointing out that "as the custodians of hallowed tradition, they embodied a deeper legitimacy than politicians who came and went like the changing of the seasons. Amongst other things, this meant that they were duty-bound to speak out on behalf of their people when the politicians got it wrong" (Nugent 2004, 107).

ethnic group in the region. The king of the Buganda – perhaps the most favored traditional authority under British rule – in southern Uganda also proclaimed independence from the newly formed nation of Uganda. In Ghana, the king of the Asante rightly saw independence – especially given the rhetoric of Kwame Nkrumah, the paragon of African modernization, as a dire threat to his ambitions of regaining sovereignty with the departure of the British. The Muslim Brotherhood in Senegal (the *marabouts*) were well aware of their strength within the nation, and counted on being involved and respected in the project of independence. In addition, there were the Mandinkas in Senegal, Somalis in Kenya, Ovimbundus in Angola, Makua in Mozambique, Northerners in Chad and Southerners in the Sudan – all with competing loyalties and power claims with which Africa's leaders would have to find ways of coping. And in many countries, parallel systems of power emerged all but unscathed from the colonial era and that constituted potential channels of *counter-hegemonic* ambitions.

These competitors for the loyalties of the population entailed the absence of horizontal legitimacy in the newly independent African countries, that is, the absence of a cohesive body politic and a common national identity with clear priority over, e.g. religious or ethnic identity. Of course, Africa's borders are not congruent with Africa's ethnic constellations, but were designed in accordance with European powers' rival strategies in their colonial scramble. The problem, therefore, was not so much an absence of a sense of belonging on the part of Africa's citizens, but the presence of alternative identities and loyalties within each country. Within the new territories, there was no common language or culture – with the exception of Swaziland, Lesotho and Cape Verde. Finally, there was a variety of ethnic, racial, religious and cultural groups,[128] combining to form a difficult set of building blocks for Africa's ambitious new helmsmen. In short, African regimes were faced with a crisis of sovereignty and nationality. On the one hand, their monopoly on the use of force and the instruments of political control was anything but secure, and their command over the loyalties of the population even less so.

[128] For an overview of this heavily researched area of African life, see Smock and Bentsi-Enchill 1975.

7.3.2 Two Political Strategies

This disconnect at the dawn of independence – between the institutions inherited from the colonial state and the institutions established within African society – is often regarded as the cause for Africa's contemporary ethnic rifts, for African regimes' lacking sense of national responsibility and their tendency to cultivate ethnic followings and exacerbate ethnic tensions. Englebert (2000) represents an extreme example of this type of account, who argues that the "empirical weakness of African states is a product of their history" (74). He traces Africa's economic woes back to this same source, since the assertion of political hegemony in the face of Africa's sociopolitical circumstances entailed exorbitant costs. In addition, the lack of legitimacy enjoyed by African regimes due to the *mismatch* between state and society meant that these regimes could not demand the necessary sacrifices for rapid economic development and modernization. Objections to individual modernization policies – or policies in general, for that matter – quickly turned into objections against the state *itself* (Ibid., 179ff.).[129] Because African regimes could not rely on any common national history or common social characteristics among the members of the society over which they now reigned, they were ultimately unable to fashion them into a coherent whole with a sense of national identity and, above all, loyalty. For that reason, the practice of ethnic clientelism and corruption is inevitable – a matter of historical and cultural baggage.

My claim, however, is that the cause for Africa's contemporary political situation does not lie in its historical origin, but in the failure to construct nation-states. Although the conditions for nation building in Africa were, and still are, extraordinarily unfavorable, we nevertheless need to recognize that this is not merely a matter of historical determination, an inevitable destiny, but ultimately a matter of historical contingency. It is worth recalling that *all* instances of na-

[129] This is also how Englebert explains the oft-cited exception to the African rule of corruption and poor development – Botswana. He argues that the institutions developed here after independence were embedded in precolonial relations of authority and represent the extension of pre-existing political hegemony. Therefore, Botswana (along with Lesotho and Swaziland) benefited "from a degree of historical continuity and legitimacy unrivaled throughout Africa, with the exception of Ethiopia" (Ibid., 83). In this case, therefore, "state legitimacy lifted the policy constraints on elites that most other African states face. Because the leadership did not need to establish its own hegemony over society and competing loyalties, it faced fewer incentives to introduce growth-inimical distortions and to divert state resources" (Ibid., 115).

tion building involve the invention and reinvention of history, that the process of forming national identity always involves biased interpretations of history for the purpose of forming a population into a people, a nation (Anderson 1983).[130] Although we can – and should – point out the various political, economic, socio-cultural and historical factors involved in the failure to construct nation-states and a corresponding *public interest,* there is ultimately no greater explanation for the failure than contingency itself. That being said, let us take a brief look at the evolution of African politics after independence in order to get a sense of the nature of this failure. Clearly, it will not be possible to give a detailed account of the history – and decline – of individual African nations. Instead, I will pick out certain exemplary cases and historical instances to illustrate my argument that neopatrimonial politics, the *politics of the belly,* and corruption stem not merely from the private avarice of African leaders, but from the thoroughly political project of coping with the failure of nation building and of profiting from the circumstances at hand.

There were essentially two options open to Africa's *founding fathers* in their search for hegemony over society and over the definition of the nation's future political and economic path. Although nearly all these leaders entertained the ideal of creating modern nation-states, their strategies for doing so differed. This difference was mainly a function of how they chose to deal with the rival sources of authority they faced within their newly independent nations. Their strategies varied in terms of how daring or realistic they were in asserting their own legitimate claim to the loyalty of the population. The first option was to assert nationalist hegemony and build the nation-state via two associated projects: first, modernizing the economy; second, forcefully imposing a unified and sole national identity. The second option was to use the resources of the state in order to *accommodate* rival sources of authority, preserving the power of the ruling regime as a kind of precondition for the eventual political and economic development of the nation. Let us examine each of these strategies in turn.

[130] Chabal (1992) formulates this same objection as a critique of mainstream political science: "What has often been missing is a sense that the question of nationality and sovereignty is not peculiar to contemporary African politics but central to the politics of the nation-state *qua* nation-state. Understanding the specific nature of the crisis of nationality and sovereignty in the African post-colonial context requires an analysis which sets the process in its world historical, and not just African, setting. The emergence of nationalism as a powerful political force which led to the creation of nation-states is a modern historical phenomenon of which Africa, by way of the colonial process, became a part" (132).

Building the Nation

The first strategy can be labeled, borrowing a term from Pierre Englebert, the *revolutionary centralizing trend* or *radical modernization*. The motto of this strategy was formulated by Ghana's Kwame Nkrumah, who called upon Africa's leaders and peoples to "seek ye first the political kingdom." The most notable examples of this approach, beside Nkrumah, are Nyerere in Tanzania, Touré in Guinea, but also Keita in Mali, Yaméogo in Upper Volta and even Mobutu in Zaire. The economic component of this nation building effort consisted in radical economic modernization: heaving the nation's undeveloped economies into the industrial era and – depending on the country – more or less earnestly promoting economic self-reliance. Politically, this project entailed fostering and imposing a new national identity that would correspond to the forward-looking projects the nationalist leaders had set out for themselves. Although the latter explicitly drew on a pre-colonial past, sometimes renaming their countries after ancient kingdoms (Ghana, Mali, Benin),[131] it was clear that these rulers had no intention of returning to pre-colonial institutions and identities. Instead they sought to invent and reinvent national identities that would fuse together and overcome the various different and sometimes competing identities within the nation. Although they would draw on tradition, traditional identities were to be relegated to the cultural sphere, subordinated to a national self-consciousness. As we saw in Chapter 5, this endeavor often went hand in hand with the establishment of a cult of personality, a strategy of developing a symbolic figure around which the nation could – at least mentally – rally and in whom the nation could see the embodiment of their national cohesion.

But above all, this required that traditional leaders be overthrown or at least subdued. In Ghana, Nkrumah's pre-independence efforts to undermine the authority of the kings – arguing in the name of democracy and even in the purported best interest of the chiefs themselves – continued on seamlessly into the postcolonial era, such that within a few years of independence, even the most powerful traditional rulers had been brought to heel. In Uganda, Obote's initial efforts to woo the Bugandan king would give way to the abolishment of the monarchy and the exile of the Kabaka, along with the majority of his court. In Tanzania, Nyerere's polemics against traditional rulers were based on his con-

[131] Guinea's first president, Ahmed Sekou Touré, adopted his last name from Almany Samory Touré, a great West African Muslim leader and resistance fighter to colonialism.

viction that the persistence of chiefs meant the persistence of tribalism and thus divisiveness within the nation. Nyerere was intent on establishing direct contact between the Tanganyika African National Union (TANU) party and the population, depriving the chiefs of their residual powers over law and order, ultimately replacing chieftaincy with elected local councils. Nyerere even went so far as to restructure the geographical and demographic composition of the population in the context of *ujamaa*,[132] moving the population into collectivized farming villages.[133] Touré's attacks on traditional rulers were perhaps the most brutal and thorough, crushing the Fulani aristocracy of Fouta Djallon and effectively putting an end to the authority of the chiefs within the first years of his reign.

Despite isolated successes in overthrowing traditional leaders and cultivating national identities, this brand of nation building ultimately proved to be a failure – at least compared to the visions entertained by the authors of such campaigns. By the 1970s, this project had come to a more or less violent end.[134] Nkrumah was overthrown by a military coup in 1966, while other nationalist leaders were forced to make concessions and find ways of accommodating influential traditional leaders who they could not manage to depose or subdue.[135]

The roots of this failure are twofold. First, there is the overwhelming difficulty of the task. After all, the process of nation-building is nothing short of an orchestrated revolution, involving the overthrow of rival authorities and the creation of a whole new set of political and economic structures that provide the basis for a new way of life and a new identity. Again, a brief look at the history of the West demonstrates the historical upheavals – and intense bloodshed – involved in the

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132 The word *ujamaa* is Swahili for *extended family* or *familyhood*, emphasizing the notion that an individual becomes a person *through* his or her relationship to the broader community.

133 This was Nyerere's version of *African socialism*, a term that in Africa primarily signified efforts to modernize and industrialize, and for which the USSR was not only an alternative source of financial, political and military support, but even an outright model because of its success in fashioning a nation out of a broad array of national identities – regardless of the brutality with which the Soviets pulled off this impressive *feat*.

134 There were, however, a few isolated revivals of these campaigns: Ratsiraka in Madagascar and Sassou-Nguesso in Congo during the 1970s, and Sankara in Upper Volta, which he renamed Burkina Faso in the 1980s. Sankara's Marxist-Leninist regime also provides a clear example that the primary motive and meaning of African socialism. Essentially this was a term for the project of nation building, forming a people and a national identity, along with what were perceived to be the economic necessities of that political project.

135 After the failure of *ujamaa*, Tanzanian peasants essentially disengaged from the state and returned to preexisting social structures and practices (Hyden 1982). Even Touré in Guinea was forced to bargain with traditional leaders and reach arrangements over power sharing.

process of creating and consolidating a nation-state. Second, the sheer economic weakness of Africa's postcolonial state made this task all the more daunting. Although Africa's new state entities had achieved formal independence, their economic bases continued to be external, and their ability to mobilize the resources needed to take on the project of nation-building were restricted, on the one hand, by their dependence on external political and economic interests and, on the other hand, by the (relatively) meager sources of wealth at home. As we saw above, the economic structures of African society were entirely unable to support a state, especially given its enormous financial needs in the face of such an undertaking. Just as important, these new states had little to offer to their populations besides a new *political* identity. It could provide no material basis for the loyalty of the people. In Ghana, for instance, though we find the same phenomenon elsewhere in Africa, modernizing the economy might have meant creating new sources of income in the cities, but it also entailed *squeezing* the peasants (Bates 1981). For these sectors of the population, modernization meant a direct attack on their livelihoods, not an open road to a more prosperous future.

Africa's modernizing nationalists were thus ultimately forced to recognize the limits of their own power, the resilience of alternative authorities and loyalties, and the weakness of their economic base. This pushed the *radical modernizers* of yesterday closer and closer toward the other strategy for bringing about national cohesion in Africa's newborn nations, to which we now turn.

Accommodating Rivals within the Nation

This strategy bears a slew of monikers, including "pragmatic pluralism" and "elite accommodation" (Englebert 2000), "fusion of elites" (Boone 1994), and "reciprocal assimilation of elites" (Bayart 1993). It is perhaps best exemplified by Leopold Senghor in Senegal and Felix Houphouet-Boigny in the Côte d'Ivoire, though it embodies *the* pattern of politics throughout the continent, especially as the decades progressed. In the first years after independence, we also find notable examples in Ahidjo's Cameroon[136] and in Mobutu's Zaire, as well as in Nigeria throughout the 1960s and 1970s on the part of both civilian and military regimes. The principle underlying this strategy derives from the purpose

[136] Bayart (1979) gives a particularly thorough illustration of this accommodationist strategy in Cameroon.

of retaining political power and ensuring a measure of stability. African leaders realized that they could not entirely crush the power of the traditional leaders. In fact, one could use their power and influence to the advantage of the central state. Their power could be a tool for getting around the weakness of the state and its lack of connection to the majority of the population (Herbst 2000, 176).[137]

On the one hand, and rather ironically, this meant adopting forms of governance once practiced under colonialism. By granting a measure of autonomy and authority to local chiefs, newly installed national leaders could manage to cope with the problems of exercising effective control in the countryside. In practice, this not only meant relying on the colonial apparatus of indirect rule, but expanding and intensifying this mode of domination along with the appropriation of the surpluses (Berman 1998, 333). On the other hand, this meant *exploiting* the ethnic factor and *politicizing* ethnicity. Once it had become clear that the state was compelled to respect local authorities and grant them a share in the *national cake,* there was great incentive to mobilize ethnic identities for the purpose of becoming important enough and *making enough noise* to capture the attention and, above all, the resources of the executive (see Chapter 5).

Above all, therefore, this meant practicing neopatrimonialism – purchasing the acquiescence of local and rival power brokers in order to ensure the stability of the regime and of the nation as a whole. Here it is crucial to recognize that we are not dealing with corruption in the customary sense of the term, i.e. the use of public resources for *private* aims; corruption here serves a *political* aim – the necessity of maintaining political stability, appeasing rival factions in view of one's inability to eliminate or bring them to heel. Rothchild (1985) dubs this strategy *hegemonic exchange* and remarks that because it serves to bound conflicts between rivals over the loyalty of the population, it "facilitates a limited and controlled reciprocity." That in turn makes it a "politically expedient approach to the management of ethnic relations under the condition of scarcity" (92). The challenge was to "balance rival power brokers who based their influence on eth-

137 In fact, these two options open to Africa's first generation of leaders were never wholly exclusive. Often the two strategies were used together, in various combinations over time and place. Herbst (2000) even describes the relationship of nationalist leaders to traditional leaders as schizophrenic. In Tanzania, for instance, "chiefs were deposed as government officials after independence; however, headmen often became the new village executive officers in their own communities, contrary to the policy of transplanting traditional rulers when they were to become local officials" (176f.).

nicity, religion or region and prevent their mutual antagonisms from getting out of control" (Freund 1984, 208). As was stressed in Chapter 5, neopatrimonialism is the way that African politics *works*, not a mere deviation of political aims into the realm of the private.[138]

One could make the argument that, at least originally, these accommodationist and neopatrimonial practices were intended as a kind of precondition for the present stability and future development of the nation. In some instances, this was in fact the purpose of the patronage practices associated with indirect rule under colonialism; in order to foster economic development, there needed to be political stability. However, if these strategies were once a precondition for another, more democratic kind of politics, they are no longer. The *precondition* of nation-state politics has long since become the defining *purpose* of politics. It would now require a good bit of optimism, or perhaps naïveté, to view the accommodationist clientelism of African politics as a *step* toward a greater goal, or as a *stage* within a larger process of national formation. The majority of high-level African leaders who engage in corrupt practices have long since accommodated themselves to this reality, and competition within the state largely revolves around gaining and maintaining access to whatever resources the state has.

Furthermore, even if the purpose of these accommodationist, clientelistic practices was to ensure political stability as a means for growth, Africa's more recent history has shown that this is a self-defeating strategy. It encourages the very centrifugal forces it was once meant to restrain. The practice of patronage requires the diversion of economic resources to this political aim, inciting both the *common man* and wielders of authority to get a hold of wealth through the state. At the same time, it intensifies the importance of ethnic identity by making it a basis for the distribution of resources – a tool that inventive would-be and incumbent politicians are skilled at employing. In the process, this strategy has thoroughly undermined the already weak African state, such that patronage

138 This is not to say that Africa's rulers were *merely* interested in political aims and not at all interested in enriching themselves. Although it is important that we recognize the broader political rationality of practices often merely written off as the outflow of greed and a lust for power, it would be wrong to portray Africa's rulers as selfless patrons only seeking to preserve the stability of the nation. As van Donge points out in relation to Zambia, within the theory of neopatrimonialism, despite its analytical merits, "there is a danger of imputing an economic and political rationality to this behavior which may be designated as theft" (2009, 69).

politics work to further undermine the weak public interest that underlies Africa's governance problems.

On the one hand, the existence of rival authorities, the patronage practiced as a way of coping with these authorities, and the resulting weakness of the state have been one of the prime motivators for the rash of military coups that plagued the subcontinent only a few years after independence, and that recur intermittently up to the present day. Clearly, military officers take note of this weakness primarily in the perceived weakness of their own salaries. From their perspective, that is the most obvious sign that the nation itself is weak, which requires that the military step in and restore the strength of the state. What is striking, however, is the continuity between military and civilian governments when it comes to patronage. This is only partly due to the avarice of military rulers; once in power, military regimes faced the same dilemmas encountered by their civilian counterparts – and they did not need to reinvent the wheel to find the right solution, namely a combination of self-enrichment and politically useful clientelism.

The consequences of these strategies are no secret. Failing, failed and collapsed states dot the African landscape. In many other countries, democratic forms are combined with the same patronage practices that democratization was meant to eliminate or at least constrain. In several countries once considered to be bastions of stability, electoral violence has given the developed world a shock. Many African populations do not trust the government, nor other ethnicities they believe to be at the root of the problem. Indeed, violence between state authorities and the population is matched by xenophobic violence amongst the citizens themselves.

7.4 Conclusion

In this chapter, we saw how mutually advantageous dependence, the economic basis for the rule of law and accountable governance, are mostly absent or underdeveloped in Africa. Because African regimes have access to alternative sources of revenue, they have little incentive to enter into a bargaining process with their citizens, obtaining revenues in exchange for political concessions.

However, the solution of *forcing* these states to be dependent on their citizens' economic activities is contradicted by the fact that African economies are incapable of supporting state structures, especially given the manifold needs of a modern state in the context of international competition. Furthermore, efforts to convert domestic economies into a viable foundation for a capable state impose harsh economic *and* political demands on the population, especially the rural population. That can mean uprooting their sources of income, but also overturning established local structures of authority and even the very political identity of the population. Taken together, this means that in many countries a large portion of the population has only weak economic incentives for supporting a sustainable, impartial authority that upholds the rule of law and the public interest – despite widespread calls for more honest governance.

Furthermore, we saw that in spite of the close relationship between economic structures and systems of political authority, this relationship is not a matter of economic determinism. In fact, Africa's politics are a result of one of two failures: either a failure to engineer a modern nation-state or a failure to maintain hegemony and stability in the face of the improbability of successful nation-building. That has in turn further undermined the African state, leaving us with the following vicious circle: Africa's economic circumstances mean that the public interest, the demand for an impartial authority that upholds the rule of law, is weak. Therefore, the foundations for good governance on the Western model remain weak. At the same time, the weakness of the rule of law and good governance undermines both the public interest and contradicts the economic foundations needed to reinforce that interest. That of course raises an urgent question: How can we find a way out of this vicious circle? That brings us to the topic of the next and final chapter.

8 Conclusion: Difficulties and Prospects for Governance Reform in Africa

This chapter addresses a daunting issue that confronts any author on Africa: How do we come up with effective proposals for improving Africa's political and economic situation? And given the analysis offered here, these difficulties appear particularly overwhelming. For that very reason, a sober assessment of the scale and complexity of the project is the first step toward any adequate solution. The next step consists in looking for positive examples from which one might be able to extract lessons and recipes that could be applied elsewhere. The peculiar case of Botswana, widely considered to be one of the few relatively positive instances of economic development and good governance on the continent, is an obvious place to turn. But as we will see, though there is much to be learned from the post-colonial history of Botswana, there is very little about the politics or economics of this particular country that could easily be transferred to other African countries.

When it comes to devising strategies for change in Africa, we are essentially faced with a difficult choice between two options, both of which will require far-reaching changes both in the foreign policies of the developed countries and among African leaders: If we retain the Western nation-state as the model for good governance in Africa, there is no getting around *doing everything at once,* that is, working to improve governance *and* undertaking extensive support efforts in the interest of economic development. If that project is deemed too unrealistic or too costly, then we may need to abandon the Western nation-state as a model for African governance and instead find ways of building on local power relations and institutions in order to bring about *functional equivalents* for governance services such as security, the provision of infrastructure, health, education, etc. Recent theoretical work on failing states and areas of limited statehood offers some innovative solutions on how to bring about better governance in areas where the institutional prerequisites of good governance on the Western model are simply absent. In particular, these studies emphasize the need to distinguish between *governance* and *the state*, building on local political forms in order to ensure the delivery of governance services outside the context of a consolidated nation-state.

In either case, when it comes to designing strategies for change, the starting point and the first step remain the same: The particular historical, social, political and economic circumstances in each individual country must be given priority over successful recipes adopted from other regions and countries.

8.1 The Difficulty of Proposing Solutions for African Governance

The task of proposing convincing and effective solutions for Africa's political and economic woes is a challenge for anyone who studies Africa and dares to offer an assessment of the reasons for its political and economic shortcomings. This is especially true given the fact that over the last half-century, Africa has proven a kind of graveyard for a whole set of political and economic development approaches. Although debate continues to rage over the merits and demerits of various individual strategies, after several decades of trial and error, no method seems to have produced markedly better results than another. After fifty years of development aid and various projects of economic aid and assistance, the original aims of development economists and practitioners remains as far off as ever.

As we saw in the previous section, the arguments presented in this investigation make this challenge seem all the more unmanageable: Widespread corruption is a symptom of a problem that runs deeper than the morality of the personnel in power and the solidity of institutions; it is a sign of lacking mutually advantageous dependence between the state and society. If that is the case, then fighting corruption means taking on the much larger task of promoting socioeconomic development as a whole. And that does not merely entail raising income levels, but establishing an entirely new set of political-economic relations. But if *that* is the prerequisite for good governance, then we must grapple with an inordinately difficult question: How to bring about a developed market economy in which mutually advantageous dependence could thrive? First of all, such an ambitious aim goes against the grain of current development thinking. There seems to be a broad consensus that the notion of rapidly and extensively *modernizing* African states and economies is a chimera refuted by the history of large-scale development projects in Africa. Moreover, even if we recognize the need to foster these economic foundations in Africa and muster the will to bring it about, such a process cannot be planned or engineered. In the few rare instances where political-economic relations of mutually advantageous dependence have emerged and flourished, they were the product of centuries of struggle and war – along with a healthy dose of historical luck. Furthermore, we should not forget that good governance in the West was achieved under wholly different world-political and world-economic circumstances. What Western countries accomplished from a position of international superiority is what Africa needs to pull off from a position of total economic inferiority. Therefore, the success of these endeavors will also greatly depend on whether they fall in line with the strategic and economic interests of Western powers. So to conclude such an analysis with a clear answer to the challenge of African development appears entirely impossible, if not dishonest and contradictory. So how can such an analysis point out any clear way forward?

Despite this dilemma, and as has also been pointed out in the previous chapter, history shows us that such projects are not impossible, and that the current situation is Africa is ultimately a matter of historical contingency. In that sense, there is no reason to simply give up in the face of the iron laws of economics and the slowly grinding gears of history. Moreover, perhaps a sober realization of the imposing dimensions and difficulties of bringing about good governance in Africa is a crucial part of the answer. In a very real sense, humility in the face of the task ahead is a good thing. After all, it reminds us that the complexity and multifaceted nature of bringing about good governance simply cannot be ignored. This realization underlines the fact that there are no *magic bullet* solutions – a tendency that not only continues to plague the study of Africa, but nearly every political or economic problem that proves especially tricky to solve. The desire to find a way around the intricacies and complexities of an issue and simply cut the proverbial Gordian knot appears overwhelming. Typical examples of this are the notion that secure property rights are the end all and be all of economic development (de Soto 2000), or calls to cut foreign aid and force Africa to find its way to good governance on its own (Moyo 2009), aiding only those countries that manage to bring their own house in order (Easterly 2006; Calderisi 2007). On the other side of the political spectrum, we find the notion that by simply providing debt relief, granting increased aid and giving African governments more breathing room, they will finally be able to perform the kind of governance services that the West demands but only insufficiently supports (Sachs 2005, 2008). Such solutions are bound to fail for one of two reasons. Either they ignore the complexity and dimensions of the issue at hand, or they abandon hope in the face of that complexity. But the question remains: If such *magic bullet* solutions are deemed unrealistic and one-sided, *is* there any other option besides just letting history take its course? Is there no real way of helping produce the prerequisites for improved governance? To give up and "let history take its course" while keeping Western involvement to a minimum seems fatalistic, and is hard to reconcile with the need and the desire to intervene and help Africa achieve better governance and a better economy. And that would perhaps be unrealistic as well, given the fact that in a globalized world, local governance problems never remain local for long.

So what is to be done? Perhaps some lessons can be learned from that small set of African countries in which we find *relatively* good governance, along with *comparatively* strong economic performance, e.g. Botswana. It is worth giving at least a brief review of this country's post-colonial record in order to determine whether we can find recipes for success here, which could then be implemented elsewhere with the hope of achieving at least similar effects.

8.2 Botswana: A Bright Spot on the Landscape of African Governance?

Botswana has long been regarded as an exceptional country in sub-Saharan Africa. There are obvious reasons for this: In a subcontinent plagued by political violence, antidemocratic and authoritarian leaders, as well as widespread economic decline, Botswana has experienced peace and the relative absence of ethnic conflict and political violence throughout its post-colonial existence. It introduced democratic structures, institutions and practices before most other African countries; it has held regular elections since independence, and the ruling party enjoys a degree of legitimacy almost unheard of in Africa; moreover, in terms of the amount and variety of corruption, Botswana has the cleanest government on the continent.[139] Although corruption can be found in the civil service, the latter remains relatively meritocratic and efficient, and has been kept at a minimal size – all of which goes against the trend in the rest of sub-Saharan Africa; the parastatal sector is relatively small and is subject to solid budget constraints. On the economic side, Botswana's economic performance is peerless on the subcontinent. At the close of the last millennium, per capita income was nearly four times the African average and grew at an annual rate of 7.7% since independence (Acemoglu, Johnson and Robinson 2003, 80). In the 1980s, Botswana even moved up from the World Bank/International Monetary Fund's classification as a low-income country to a middle-income country, a true rarity on the subcontinent.

Of course, this is not to say that Botswana does not suffer many of the problems that plague the third world. Botswana has one of the highest adult incidences of AIDS in the world; inequality has always been high and shows no signs of decreasing; the same goes for unemployment. And on the political side, although Botswana's elections have always been certified free and fair, the ruling party is indisputably dominant; Botswana lacks any real opposition party. Minorities – particularly the San – have often experienced oppression and complain of being excluded from the political sphere.[140] That is a laundry list of political and economic woes; and yet, compared with its neighbors on the African subcontinent,

[139] According to Transparency International's 2008 Corruption Perceptions Index, Botswana ranked as the 36th least corrupt country in the world, ahead of many European countries such as the Czech Republic, Hungary, Greece, Malta, Poland and Italy.

[140] With the succession of Seretse Khama's son, Ian Khama, to power, Good (2010) has argued that Botswana also seems to be traveling down the road to personalistic and military authoritarianism: "Repressive agencies have been operationalized, military personnel have entered government in increased number, an informal coterie of advisers has come into being around Khama, and a spate of accusations of extra-judicial killings by state agents have been made. Governance and democracy are thus seriously undermined" (315).

these deficiencies are still relatively marginal. Moreover, their presence makes the relative absence of corruption and ethnic conflict all the more surprising.

What makes Botswana's story so interesting is the fact that it has achieved this relative political and economic success in spite of the fact that its economic and political structures are very similar to the rest of Africa. The initial conditions in the country at the start of independence were miserable: 12 km of paved roads, 22 Botswana university graduates and 100 secondary school graduates. It is landlocked and mostly tropical (Ibid., 83) and its economic structure was entirely based on primary commodity exports (cattle and, later, diamonds and coal). In short, none of the economic conditions seemed to be there for mutually advantageous dependence between state and society. Furthermore, the young state was faced with both internal and external threats. Like elsewhere in Africa, traditional chiefs threatened to destabilize the state, because independence was a threat to their own power and status. Then there was the settler community, which, although relatively small in size, retained its political identity and loyalties, openly opposing independence under *black* leadership and even openly calling for Bechuanaland to become a territory of South Africa. Finally, Botswana was surrounded by hostile white settler regimes in South Africa and Southern Rhodesia. So how do we explain Botswana's history of peace, political stability and economic development?

Acemoglu et al (2003) list several prudent decisions made by Botswana's ruling party, and especially by Seretse Khama, head of state from independence in 1965 until 1980. These decisions would ultimately prove crucial to the country's political and economic development. Although Khama was faced with opposition from both traditional chiefs and white settlers, he was able to bring them together with the less radical element of the new elite under the liberal democratic ideology of the Botswana Democratic Party (BDP) (Molutsi 2004, 166). When the party saw a threat to its power, it never moved to eliminate the opposition, but undertook extensive investment in the country to show its constituents that the party was doing its job. This included widespread investment in rural areas, encompassing infrastructure, health and education. Khama was also successful in breaking the power of the chiefs, forbidding them from sitting in the public assembly, while still including them in the political process, even if they had no real legislative authority. Although prodigious diamond mines were found in the region belonging to Khama's own tribe, Khama immediately moved to put subsoil mineral rights in the hands of the national government – an especially significant decision that helped to stave off intertribal conflict over diamond revenues.

Khama's BDP has also displayed impressive negotiating skills at various key junctures, renegotiating the customs union with South Africa in 1969 to ensure a greater share of cross-border revenues, while also renegotiating the terms of diamond exports with De Beers in 1975 after it had become apparent just how vast the country's mineral wealth was. The party secured a 50 percent share of diamond profits (Ibid., 100), a model for raw material exporters. Unlike other African leaders at independence, Khama did not immediately move to *indigenize* the civil service, but insisted on waiting until there were actually sufficient educated Batswana to competently fill positions – an especially striking example of his legitimacy and freedom to pursue policies that would have been much riskier elsewhere in Africa. The country also used rural marketing boards much more effectively and administered them much more prudently than elsewhere – compared, for instance, with Ghana in the 1960s (Bates 1981). And once diamond production came online, the BDP made sure to budget their expenditures to account for the notorious price fluctuations of raw materials. This would prove to be particularly prescient during the 1980s, when drastic drops in revenues from diamond exports could be partially balanced out by savings from the more bountiful years.

Although these prudent policies played an integral role in promoting both Botswana's economy and its political stability, it should be pointed out that the country also enjoyed favorable political conditions, a result of its relatively unique political and economic history. Three factors in particular should be emphasized: First, because the wealthiest and most powerful interests in the country derived their wealth from cattle exports, political leaders had an economic interest in devising institutions and formulating policies that would favor the property rights and commercial endeavors of this major export industry. This is also a reason why Botswana's marketing boards were so friendly to cattle ranchers. Second, economic growth in the country did not represent a threat to political elites, partly because of the stability that derived from the fact that the nation's institutions were rooted in a pre-colonial past, and partly because of

Khama's legitimacy as an individual. Third, these same institutions established credible restraints on power, making use of traditional institutions, including chiefs, as instruments for administering justice. This helped generate confidence in the fairness and legitimacy of the legal system and the security of property rights. In addition, credible restraints on the power of individual political leaders lowered the stakes for political competition and thus helped to prevent political rivalries from blossoming into open conflict.

As mentioned in Chapter 7 (see footnote 129), Englebert (2000) emphasizes the fact that Botswana's post-colonial institutions were endogenous, rooted in the country's pre-colonial past. They were not imposed from abroad and did not produce a *mismatch* between official state institutions and the society. In fact, British rule left pre-colonial Tswana political structures mostly intact.[141] The continuity this created can be viewed in the person of Seretse Khama, who was the son of the paramount chief of a dominant Tswana tribe. He was only prevented from being later named the paramount chief because of his decision to marry a white woman. When Khama's BDP took power in elections at independence, he and his party enjoyed a much greater amount of historical legitimacy than did leaders in other African countries following independence, regardless of the role they might have played in these countries' fight for independence. Khama's legitimacy did not derive from his role in a one-off political struggle, but from a long tradition of political stewardship. It is this crucial source of legitimacy that allowed Botswana's leaders to design and implement policies and structures that would be beneficial to overall growth and long-term development. In Chapter 7, I made the argument that the corrupt use of public funds does not merely derive from the greed of politicians, but constitutes a political necessity – a means of accommodating rivals. For precisely that reason, good economic policies are often not only politically imprudent, but fatal for the stability of government and the state. But in Botswana, by contrast, sound economic policies were not bad politics. The BDP was not compelled to use state resources to accommodate rivals, which would in turn force the state to get a hold of as many resources as possible for purposes of patronage. Because Khama and the

[141] British imperialism left a relatively light footprint on the country, as it was more interested in the country's strategic location than it was in anything within the country. The country served as a buffer against German expansionism from the West and Boer expansionism from the South, while offering the British a secure path into the continent's interior, as well as for Cecil Rhodes' BSAC several years later (Acemoglu et al 2003, 95).

BDP were not forced to divert resources to these merely political purposes, good economic policies meant good politics. In particular, this meant that the government was free to make decisions that would entail hardships for certain parts of the population, without fearing that discontent would turn into a *fundamental* rejection of the government. Englebert remarks in this vein that

> when recessions did hit, as happened with the drought of the mid-1980s or the slowdown in diamond demand a few years earlier, the adoption of austerity measures by the government did not result in widespread contestation and challenges to either the regime or the state. After diamond revenues fell by 40 percent in 1981, for example, the government adopted a drastic series of austerity measures in 1982, including credit ceilings, interest rate hikes, frozen wages, reduced spending, and a devaluation. No serious political upheaval ensued. It is doubtful many other African governments could have gotten away with these kinds of policies (2000, 114f.).[142]

There is, therefore, a number of structural factors that play a crucial role in explaining why Botswana represents such a striking exception to the misrule and lacking economic growth that plagues the African subcontinent. At the same time, Botswana is a lesson on the power of political will. It teaches us that, as pointed out in Chapter 7, economic circumstances are not everything – despite the key role they play in determining the breathing room a government has to pursue sound policies. Although Botswana's leaders were able to act within a relatively friendly environment, the decisions they made still had to be made by individuals.

At the same time, however, this is what makes it so difficult to draw concrete lessons from Botswana's post-colonial history. The various historical, political and economic conditions that contributed to Botswana's relative success cannot be replicated elsewhere. One cannot undo the history of British imperialism in countries in which its footprint was not so light. This is not to say that the history of colonialism has determined the ineluctable trajectory of African states, which have been independent for a half-century now, but it does mean that the particularly favorable conditions of Botswana's history – in this case the historical legitimacy of the political class – cannot be engineered elsewhere. Furthermore, although several African countries are famous for the wide array

142 Acemoglu et al (2003) also partially trace Khama's prudent policies back to his ability to make tough decisions without having to fear fundamental opposition. For instance, he was able to build a relatively effective bureaucracy without economic groups fearing future expropriation.

of natural resources slumbering underneath their territories, this is not the case for most of sub-Saharan Africa.[143] Most African countries simply do not have the economic resources that would allow them to demand as favorable conditions from foreign companies as Botswana has managed to wring from De Beers. Without this steady flow of funds, the most intelligent economic policies will fail to have much of an impact.

But what about Khama's many shrewd policies and those of his next two successors, Masire and Mogae? These are certainly not determined by history, so could not they be transferred to other countries? But that is not entirely true either. What constitutes a shrewd policy in Botswana would not necessarily be effective in other countries. Again, good economic policies do not always make good politics; and without having good politics, the best economic policies will be thwarted. And as Englebert points out, it was because Khama's administration enjoyed such strong traditional legitimacy that it was able to make decisions that would further long-term development. Because it was not bound by the necessity of using state revenues to pacify and co-opt other rivals, it could follow through on intelligent economic policies. Khama and the BDP did not, therefore, have to expend political and economic resources on maintaining a fictional national unity, a fictional monopoly on the use of force and a fictional administration of the entire territory.

But that, perhaps, is precisely what we can learn from Botswana. What made Khama's various policies so intelligent was precisely the fact that they were tailored to the particular circumstances prevailing within the country. Although there is much basic economic and political sense underlying Khama's governance, it was not the application of universal truths that made Khama such an effective steward of political and economic development, but the fact that he made the right decisions at the right time given the specific conditions in the country. For instance, as Pitcher et al (2009) argue, Botswana could not be said to be an exception to neopatrimonial rule. Patronage networks can be found in Botswana like everywhere else in Africa. And at the beginning of the 1990s, Botswana was also plagued by a spate of corruption scandals that made many African observers fear that the country was taking on some of the *regularities*

[143] It should also be mentioned that from the 1970s until the mid-1980s, Botswana enjoyed one of the highest levels of per capita foreign aid in the world (Molutsi and Holm 1990).

of its African neighbors. And yet Botswana's anticorruption commission, the Directorate on Economic Crime and Corruption (DCEC), has been much more effective and successful than its counterparts in any other African country. Botswana has managed to combine structures of neopatrimonial authority not only with a high level of legitimacy, but also democratic mechanisms and a high level of transparency:

> Botswana's elites have not abandoned patrimonialism or overcome it; rather, they have built a democratic state on a foundation of traditional and highly personalized reciprocities and loyalties. The leadership has been sufficiently secure, politically and economically, to accommodate opposing parties and interests, as well as the rise of a civil society that also brings traditional loyalties into the public arena (Ibid., 145).

Crucial to this unique combination are *kgotlas*, assemblies dating back to the nineteenth century in which ruling chiefs would not only give orders, but also listen to their subjects' complaints and desires.[144] These assemblies therefore offered the common population opportunities for political influence:

> The political structure entailed a strongly institutionalized central authority focused on the chief, combined with strong local representation of constituent units through the public assembly (*kgotla*). And the political sructure of the *morafe* [tribe, JG] is energized by a cultural focus on *both* the hero-chief *and* the power of words (*mafoko*) wielded in the *kgotla* by commoners (Peters 1994, 27-8, cited in Pitcher et al 2009, 146).

We can see this same principle at work in Afghanistan, where the U.S.-led coalition has recently undertaken efforts to tap into local power structures and make them more transparent, rather than replacing these power structures with Western mechanisms of transparent governance. And, despite the dubious success of these efforts in Afghanistan, that is perhaps precisely the lesson that needs to be learned when it comes to sub-Saharan Africa. In that sense, applying lessons from Botswana would not mean adopting and transferring what was done right

[144] Molutsi (2004), however, makes some critical remarks about the tradition of the *kgotla*, pointing out that "in each territory/reserve the chief ruled as autocrat. Women, minority groups, and even enlightened tribesmen were subjected to different forms of discrimination and systematic exclusion. The *Kgotla democracy* was made up of male tribal elders from senior tribesmen. However, this political foundation of tribal identity by which the independence constitution was designed remains highly contested. Despite several incidents of human rights abuse by chiefs and their tribesmen throughout the protectorate period, the essential elements of *reserve identity* and their implied control by the chief remained and continue to remain the cornerstone of Botswana's politics today" (162).

in Botswana, but analyzing each individual country and formulating policies on the basis of the historical, political, economic and social circumstances within that individual country. Rather than applying what worked for Botswana in, say, Nigeria, we need to make Nigeria's historical factors and political economic circumstances the guideline for reform policies. There is no *model* that can be applied to numerous different cases, rather policies must be fashioned according to the particular situation in each individual country.

8.3 A Difficult Choice for Policy

If we take the analysis of African countries within this inquiry, which has focused on the plethora of examples of bad governance, and combine it with the experience of Botswana, which has a record of relatively good governance, then we are faced with a difficult choice when it comes to formulating strategies for change:

If we take Botswana (and other positive examples of governance progress) as proof that it is possible to bring about consolidated, Western-style nation-states with robust institutions of good governance on the African continent, that is, if we retain the notion that the Western model of good governance can be *transferred* to Africa, then there is no getting around *doing everything at once.* In other words, there is no way around the large-scale project of promoting *both* economic development *and* the institutions and practices of good governance. On the one hand, this would mean retaining and increasing efforts to boost economic growth and overall development in Africa. Because of the severe inferiority of African economies in terms of their size and their competitiveness on the world market, promoting rapid economic development will always mean providing large amounts of material development assistance in the form of foreign financial assistance. But of course, that is not all. There is a wide range of demands and proposals on what first world governments can also do in order to facilitate development not only in Africa, but in the third world in general. Although a more detailed treatment of the pros, cons and possible consequences of these individual proposals falls outside the scope of this inquiry, it is worth at least mentioning them in order to convey a sense of the dimensions this project would entail. These include the reduction or elimination of agricultural subsidies to farmers in industrialized countries, especially in the USA and the EU. It could also mean providing more favorable trading conditions to African economies on both the export and the import side, not just *leveling the playing field* and exposing inferior African competitors to head-on competition with suppliers operating under more favorable economic conditions. In addition, this project would require easing access to credit for both African sovereigns and entrepreneurs, as well as an extensive debt relief program. Of course, there is much room for debate about the most effective ways of delivering such economic assistance. Aid need not be exclusively administered by the governments involved; foreign assistance need not always originate with a government or consortium of governments; and it need not all run through the hands of African governments. Nor do all the various individual projects need to be planned by a central authority, either within the respective African country or from one of the donor capitals. Although there are several concerns about the role of NGOs in Africa (see Chapter 4), this does not mean that NGOs are necessarily harmful organizations that should be consigned to the sidelines. In the face of the many advances these organizations have brought about on the subcontinent, this would be a hazardous claim indeed. Nor does each individual project have to be on an especially large scale. Microcredit, for example, is in many cases an intelligent, well-tailored and relatively low-risk way of providing development assistance, often to where it is needed most. Only with these generous economic policies will Africa have a chance to develop competitive economies within the short time frame needed in order to effectively combat poverty and bring about conditions for sustainable and effective good governance.

At the same time, critics of the current system of development aid, especially with regard to Africa, are right to point out the risks and ultimate uselessness of pumping financial assistance into the hands of African governments who are neither willing nor capable of utilizing that assistance in a way that actually contributes to economic and political development (Easterly 2005, 2006; Calderisi 2007). However well-intended that assistance might be, its only effect would be to sustain the very governments and political practices that are not only economically inefficient, but morally questionable. These critics are also right in pointing out that economic growth is not enough to promote good governance, that rising national income does not necessarily go hand in hand with the rising quality of government. And even if that were true, these critics are right to wonder whether we can afford to wait for economic development to bring about the conditions for marked political progress. If we do not want to wait forever for economic growth to translate into political quality, then we will have to find ways of forcing that transition or promoting good governance independent of the progress of a given nation's economy.

However, it would be wrong to take these critiques of the current system of development aid as a reason to shift the thrust of our development efforts too far in the other direction. In other words, it would be a mistake to focus on the building of quality institutions either at the cost of, or as a prerequisite for, economic assistance. Although it is true that corruption and bad governance can undermine both the public interest and the economic development upon which good governance ultimately depends, bringing about the institutions of good governance are not sufficient for bringing about the foundation upon which these institutions can operate reliably. The thesis of this study is that because the stability and solidity of these institutions instead rests on specific, and very demanding, economic foundations, a development approach that merely focuses on institutions will be top-heavy at best and futile at worst. Fortunately, the current system of development aid has not abandoned all mechanisms and programs for promoting economic development, though Sachs (2005, 2008) and others are right to point out that first world countries are altogether doing far too little to support the process of development in Africa. Doing so would mean, at the very least, following through on their promises of increasing development aid in the UN Millennium project (increasing foreign aid to 0.7% of GDP by 2015) and *should* mean increasing the amount of foreign assistance to a much greater degree.

In short, if we uphold the goal of transferring the Western model of good governance to Africa, there is no avoiding providing large sums of aid while at the same time innovating on the institutional front, reducing barriers to trade (e.g. agricultural subsidies for European and American farmers), while ensuring greater accountability on the part of African officials. If, on the other hand, we decide that such an endeavor is too costly, too uncertain and ultimately too unrealistic, then we need to find ways of building on local power relations and local socioeconomic circumstances in order to deliver a modicum of crucial governance services *outside* the context of the developed Western-style nation-state.

Obviously, this would involve a major alteration to the way we define what good governance is and who or what the proper and rightful agents of governance are. To this end, I turn to some recent work in the field of failed states and areas of limited statehood. These theories offer some concrete solutions for governance outside or alongside of consolidated state structures, while at the same time opening up a new field of thought and empirical research on governance in the developing world in general and Africa in particular.

8.4 Innovative Solutions from the Study of Failed States and Areas of Limited Statehood

8.4.1 Questioning the Western Model of the Nation-State

Although it might seem wrong to equate corruption in African states with *failed* states, what is clear is that the widespread and in many cases systematic nature of corruption in Africa is a symptom of a deeper weakness of these states. Therefore, perhaps by studying failed states and drawing on proposals meant to deal with particularly extreme cases of state weakness, we can learn lessons for fighting corruption elsewhere in Africa. Even in the bleakest cases of political failure in Africa, its numerous *failing, failed,* or *collapsed* states, there are some positive lessons to be learned. These derive not so much from positive events within these countries, but from a new theoretical perspective on them. The imposing challenge of rebuilding countries from scratch, as well as the disappointing record of past development policies in Africa (and the third world in general), has compelled many authors to question some of the most basic premises of development theory and policy. In particular, this entails questioning the Western nation-state as a model for African governance. It has meant questioning efforts to transfer and import Western notions and practices of good governance into societies that may be lacking the social, cultural, and normative prerequisites.

Several authors have pointed out that the nation-state should not be regarded as a permanent fixture, as the only feasible model of sociopolitical organization, the only reference point for designing institutions and practices of good governance. Herbst (2004) thus remarks that in both theory and practice, the nation-state is still assumed to be "the only possible unit of political organization despite significant evidence that it does not work" (308).[145] Instead, these authors argue that we need to view the centralized nation-state as the historically contingent object that it is. Clapham (2004) gives the best summary of this theoretical shift of perspective:

> States are not unchanging features of the global political order…States have historically derived from various specific and by no means universally realized conditions, and the global political system has until recent times comprised areas under the control of states, areas regulated by other forms of governance, and areas with no stable governance at all. The idea that the state is a universal form of governance is of very recent origin, and rests on uncertain foundations (77).

Clapham goes on to argue that the idea of statehood as a universal model of political organization in fact derives from European imperialism, from the "creation of a global economy in which statehood was regarded as necessary to secure and regulate access to resources in hitherto inaccessible or uncontrolled areas" (Ibid.). In these countries, therefore, the state is not the product of an endogenous, widespread political will to form a common political organization, engage in a social contract and hand over the administration of the public interest to a public political authority. Instead, the state has external origins, primarily serving the economic and strategic needs of powers whose interests are mostly extractive. Adopting a concept introduced by Bayart (1996), Clapham concludes that the entire problem of failed states revolves around the problem of whether "the 'grafting' of such states…onto uncompromising rootstock can be made to take" (Ibid., 79). In an ever-growing number of cases, the answer appears to be no.

At the same time, Clapham argues that this should not be all too surprising, given the fact that building and maintaining a functioning nation-state is an extraordinarily ambitious endeavor. After all (see Chapter 5), meeting the demands of statehood means securing a monopoly on the use of force, providing security and law enforcement over an entire territory, obtaining and maintaining the consent of the citizens, while obtaining material resources from the

[145] The narrow-mindedness on the part of development theory and policy is all the more surprising given the enormous amount of innovative work in terms of designing peace operations suiting specific conditions on the ground (Ibid.). It is just this kind of innovative thinking that needs to be tapped into when it comes to not just resolving conflicts, but reconstructing a political system.

economy and the international system. The state is not an *all-powerful technology* (Ibid., 83) that can be used to mold society into any form desired. And as we also saw in Chapter 5, many states in sub-Saharan Africa are simply incapable of meeting the onerous demands placed on them.[146] Their further existence is thus often a kind of fiction maintained by the international community for a variety of strategic and normative reasons.

Not only is the maintenance and consolidation of a nation-state a difficult task, state formation has always been an extraordinarily violent endeavor, bound up with immense human suffering (Meierhenrich 2004; Tilly 1975). And we need not look to Africa or the distant past to discover this fact. The wars in Iraq and Afghanistan have made the daunting and violent task of nation-building all too clear. Furthermore, it is entirely unclear, and rather unlikely, that the conflicts we find in Africa can be described as *birth pangs* leading to the formation of modern nation-states. As Clapham notes (2003), "political violence in Africa has rarely achieved the state-creating goals of a Henry VIII or a Louis XIV; much more often it has been state-destroying" (90).

If that is the case, then perhaps we need to take up a whole new perspective on African governance. We have to get accustomed to a fact that already exists in reality whether we like it or not: the existence of non-states or quasi-states alongside consolidated states. Perhaps this is a second best solution, one to be preferred to projects of nation-building that are not only bloody and long, but whose chances of success are historically low. Perhaps we can avoid such *birth pangs* of nation-building by changing what is to be born? This would not mean giving up on the idea of improving governance in Africa or consigning Africa to chaos, but it would entail abandoning the Western-style consolidated nation-state as the instrument for delivering that governance.

A handful of experts on Africa have formulated strategies that build on these insights and seek to address African governance while detaching themselves from the Western nation-state model as an unquestioned premise for govern-

146 As Tilly (1975) points out, African states aren't unique in their failure to survive as *de facto* sovereign states. From an historical perspective, state failure has been more common than state *success*. Europe provides an example. The overwhelming majority of states in Europe during the 1500s failed. Furthermore, "the substantial majority of the units which got so far as to acquire a recognizable existence as states during those centuries still disappeared. And of the handful which survived or emerged into the nineteenth century as autonomous states, only a few operated effectively – regardless of what criterion we employ" (38).

ance in Africa. This involves both devising new modes of governance within these countries, drawing on alternative *governance actors* (e.g. international actors and NGOs) *and* making significant changes to one of the key premises of the international state system. Let us take a look at two of these ideas in turn.

8.4.2 Separating Governance from the State

The first step in these innovative approaches to the problem of African governance consists in making a clear distinction between the concept of *governance* and the institution of the *state.* Whereas governance could be defined more generally as "institutionalized modes of coordinating social action with the aim of creating and implementing binding rules and providing collective goods" (Mayntz 2004), the state refers to the particular institution we discussed in Chapter 5, which possesses a monopoly on the legitimate use of force. Instead of presupposing that the state is the only authority capable of delivering governance services, e.g. security, law enforcement, infrastructure, health care, education, this approach poses an open question: To what extent can governance services be delivered in areas of lacking or limited statehood? Are there *functional equivalents* for a state that can be brought about in order to deliver these goods – without undertaking the construction and consolidation of a centralized nation-state?[147]

This would mean focusing on actual governance outcomes rather than institutional *input,* on getting good governance *results* instead of a predefined governance *provider.* It would also require that we draw on governance actors such as international agencies, NGOs, Public-Private-Partnerships (PPPs), all of which are already at work in sub-Saharan Africa to a greater or lesser extent. This approach would seek to build *upon* local power relations and dynamics, rather than simply *building* institutions that do not correspond to those power relations and are thus overwhelmingly difficult to effectively *graft* onto these countries' socioeconomic and sociopolitical *root stock.*

[147] Tamanaha (2004) points out that not even the rule of law needs to be synonymous with the existence of a centralized state. This distinction is especially difficult in the German language, in which the *rule of law* is generally translated as *Rechtstaatlichkeit.* This would be like demanding that a *constitutional state* be established without a state.

This is a relatively new approach, one that would require an enormous amount of empirical research on each individual country at issue in order to determine just what the prevailing power relations are in a given country and how they can be tapped into in order to achieve satisfactory governance outcomes. This might involve the implementation of concepts such as *soft steering* [*weiche Steuerung*], analogous to *soft power* in international relations, whereby certain governance results could be achieved apart from the power of a centralized state, beyond classic hierarchical structures (Göhler 2007). The question is to what degree such forms of governance are possible without at least a *shadow of hierarchy,* that is, without a state in the background (Draude 2007; Jessop 1998).

Of course, this approach does have some difficult trade-offs. In particular, there is the danger of giving unjustified approval and legitimacy to unjust power structures, just because they are *locally prevalent.* It raises the question of how a balance can be struck between locally prevalent governance and our own convictions on good governance. Here again, we could cite the case of Botswana, with its combination of traditional patrimonial structures that also fulfill democratic *principles*, though perhaps not always with the same *forms* found in Western states. On the one hand, this combination can give us hope that *tailoring* governance solutions to individual countries does not necessarily mean that we have to abandon standards of democracy and transparency. On the other hand, there is the ever-present question of how much these democratic principles are reconcilable with institutions of ethnicity and patronage. This difficulty is currently on display in Rwanda: On the one hand, President Kagame is very insistent on retaining and promoting Rwanda's self-reliance, refusing to simply conform to Western recipes for economic development and political consolidation. He insists that Rwanda must find its own path to success (Zakaria 2009). On the other hand, as we saw in Chapter 7, his program of economic modernization greatly conflicts with the *way of life* in the Rwandan countryside, and could even represents a threat to the livelihood of a significant number of rural Rwandans (Ansoms 2009, 307-309). Although Kagame insists on Rwandan self-reliance, the policies to achieve that are being formulated and implemented by a political elite made up of largely foreign-born Tutsis, while the rural population most affected by these policies are local Hutus. This is a dramatic illustration of the fact that what is *locally appropriate* is not always clear, but is instead a matter of conflict *within* African nations. A final illustration of the difficulties involved in this trade-off between democratic principles and local conditions is given by the following proposal for reforming the international state system as a way of addressing the problem of state failure.

8.4.3 Decertification

In Chapter 5, we saw that the international state system recognizes governments as sovereign authorities regardless of whether they actually fulfill the criteria for *positive* sovereignty and *empirical* statehood. Governments therefore enjoy recognition as sovereign members of the international community, even if they have neither the capacity nor the will to provide governance services to the entirety of their population and their territory, regardless of whether their ambitions go beyond securing access to resources that come with controlling the capital, not least to the foreign aid that comes with having a seat in the United Nations. This has one particularly problematic consequence. The possibility of enjoying international recognition without empirical statehood makes the stakes for controlling the government palace extraordinarily high. After all, being the recognized wielder of government power provides access to material resources and political support that go far beyond what these actors would be capable of mobilizing on their own power. By converse, this means that losing power has drastic consequences, a disaster to be avoided at all costs. These high stakes are what make struggles over control of state power in Africa so intense and so violent; and they also account for why preserving power is the *non plus ultra* of government policies.

One solution that has been proposed by several authors on failing states inside and outside of sub-Saharan Africa is "decertification" (Herbst 2004; Meierhenrich 2004). This would mean depriving international recognition to countries that fail to demonstrate that they in fact meet the criteria for statehood. According to Herbst, the primary criterion would consist in a political authority's ability to "control the agents of violence" (303), though we could also extend this definition to include a state's ability to provide key public services. The DRC, for example, could be deprived of its sovereign claim to the entirety of its territory, given the fact that it controls the Eastern reaches of its territory in name only. The flip side of this policy would consist in granting international recognition to political authorities that do meet objective criteria for statehood, that actually possess a monopoly of force over a given area and offer protection and rudimentary governance services, but without enjoying international recognition. For example, this would mean granting statehood to Somaliland, an autonomous territory in Northern Somalia that has established a de facto state with government services not provided anywhere else in Somalia – which *is* internationally recognized as a sovereign state despite the total absence of a functioning state authority. Several countries and international organizations have in fact begun taking steps towards the international recognition of Somaliland, which has even managed to hold free and fair elections. That is, of course, a relative rarity on the continent, especially given the fact that Somaliland enjoys zero international recognition, and could thus hardly be accused of putting up democratic *window dressing* for the mere purpose of increasing its access to foreign aid.

Naturally, there are several problems facing this strategy. First, it seems to underestimate the strategic calculations underlying the current international state system. It might be true that the origin of the Western-style nation-state in Africa was European imperialism, but the centralized state continues to be the favored political form for Western powers when it comes to shaping relations with the third world. Second, apart from this more abstract issue, there is the problem of determining at what point exactly a state fulfills the criteria for statehood, or when it no longer does so. That would almost certainly be a very problematic, highly controversial debate within the UN, and is not something that could be decided with reference to objective criteria. That would instead be a matter of diplomatic strategy and deal-making. Third, there is the thorny issue of precedence. Would not recognizing de facto substate authorities as deserving of international recognition set off a wave of secessionist movements across the globe, including within European countries?[148] Fourth, we are faced with the

148 Kosovo's recent independence offers a striking example of how problematic this issue is: Serbia and Russia were not the only countries to object to declaring Kosovo an independent state. Spain, England, Slovakia, Greece, Moldavia were all more than hesitant to stoke the fires of secessionist movements in their own country (whether these actually represent a real threat to the unity of the country or not) by granting official recognition to a secessionist movement elsewhere. And within Africa, the recent independence of South Sudan is a kind of litmus test for the re-division of African states. At the moment, the course of secession does not offer much cause for optimism – though not because of the internal practicality of secession, rather because of the conflicts between the former mother country and the newly born country. Further to the North, what will become of Libya is still very much an open question. The course of the conflict will determine whether Libya remains a united country

same moral issue mentioned above. To what extent should we be willing to recognize local authorities merely because they exercise de facto control over their territory?

Proponents of decertification, however, respond that secession is a reality in Africa, regardless of whether it is officially recognized or not. Furthermore, declaring the mere possibility of secession does not mean that the international community cannot be selective and discriminating in their choices about who gains or loses internationally recognized statehood. In addition, raising standards for sovereign recognition would in turn lower the stakes for competition over control of the country, instead linking access to the resources provided by membership in the international community by making that access conditional on the demonstrative provision of governance services. At the same time, however, many weak states can only provide the services of a truly sovereign state if they have access to international resources. Forcing them to meet these criteria before granting them recognition and resources would deprive them of the very resources they would need to fulfill these criteria, even if they had the will to do so.

Although the idea of decertification and constructing new forms of governance outside the model of the centralized nation-state might seem drastic, they are the only strategies that take account of the fundamental nature of Africa's governance problems. They are the only strategies that display a sense of the scale of what needs to be changed in African governance, whether we are dealing with post-conflict failed states or just severely corrupt governments. What makes these suggestions worthy of consideration is the theoretical impulse from which they originate. They do not make the mistake of taking Western forms of governance for granted, nor do they claim that the kinds of governance we find in Africa merely represent more or less easily fixable deviations, but that these forms have roots in the social organization of African societies. In any case, this is a very promising field for empirical research on how to bring about good governance on the basis of real, local power relations.

A word of caution, however: This approach still deals with governance in Africa from a largely institutional perspective. It therefore also has a tendency to ig-

under new leadership or whether it will split into two or three states based on traditional divisions (Tripolitania, Cyrenaica and Fazzan).

nore the economic basis of *any* political system. In particular, it runs the danger of adjusting forms of governance to what are still inefficient and miserable economic circumstances, rather than creating the economic basis for better forms of governance. This is a difficult question indeed: Should we reduce efforts to promote Africa's *economic* development, merely writing off that old ambition as a bad case of idealism, disproven by history? Should we instead content ourselves with political institutions that are well adapted to poor economic circumstances, instead of *also* undertaking large-scale theoretical and practical efforts to correct the latter? Despite the merits of these innovative approaches in terms of their methodology, to a certain degree they represent the same shift in the program of international aid and development support criticized above: The move toward political reform is one that goes away from support for economic development.

8.5 Conclusion

Both of these choices – a great expansion of financial assistance combined with political reform in order to bring about Western-style good governance, or the construction of new models of governance within Africa that are more realistic and yet still morally acceptable – will require an enormous amount of resources and political will on the part of both developed world governments and African governments. And unfortunately, the chances for such a mobilization of material resources and political will are not very promising. But regardless of which path is chosen, the starting point would be the same. If sustainable solutions to the problems of African governance are to be found, a thoroughgoing analysis of African politics on its own terms, including the political, economic, social and historical circumstances that prevail within each individual country is essential. We will need to abstain from the understandable tendency to latch on to strategies, solutions and mechanisms that work in one country and yet might prove futile elsewhere. Ultimately, there is no way around reinventing the approach to reform in each individual African state, and constantly revising it in the face of shifting economic and political, international and domestic circumstances.[149]

[149] The most promising approach in this regard is that of Esther Duflo (2011) and the group of so-called *Randomistas.* Duflo has in a certain sense forced development theory out of the ivory tower and out into the field, carrying out randomized applications of various development strategies in order to test their real effectiveness. This approach of designing develop-

This means much more than ensuring *local ownership* of reforms; it does not just mean making sure that local governments are *on board* when it comes to formulating and implementing reforms, however necessary and helpful that may be. Who owns the policy is not as decisive as whether that policy suits the conditions in that country or not. And that can often mean depriving local governments of ownership. In some cases, this could mean promoting economic liberalization, in others it could mean devising mechanisms for combating corruption that has come about as a result of liberalization. In some cases, fighting corruption could mean creating a well-resourced, autonomous anticorruption agency, in others it could mean keeping government departments lean and well-monitored. In some countries, there will be a need for a massive increase of aid, in others there will be a need to make sure that revenues are better allocated. In some countries, local relations of authority can be tapped into as a mechanism of enforcing good governance; in others, enforcing good governance will mean cutting back the authority of local chiefs. And in *all* cases, fighting corruption and improving good governance will demand constant supervision of results *and* the constant willingness to change course. Issues of timing and sequencing, consistency and flexibility, details and broad aims, short-term changes and long-term sustainability will all have to be juggled at once. That is a daunting task, and it is no wonder that improving governance will mean, above all, undertaking efforts to mobilize the political will, both internationally and within Africa, to support the process of economic and political development. And for many countries in Africa, a giant first step would consist in merely finding the right set of tools to combat and control corruption.

At the same time, these conclusions open up a path for further research. Indeed, it is a path that is already well trodden, and yet nevertheless in need of constant reworking. If the starting point for reform consists in a more precise understanding of the political-economic circumstances of individual African countries, then alongside a *theoretical* understanding of the political-economic relationship between states and citizens, we need extensive *empirical* research on Africa. The theoretical thrust of this study, therefore, necessitates going beyond such theoretical generalities and delving into – doubtlessly more complex – empirical particularities.

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ment policy from the ground up has come to be regarded as a kind of shot in the arm for the battle against poverty, and it remains to be seen whether and how this approach will have an impact on the actual implementation of development assistance.

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