

Development as a collective action problem: Addressing the real challenges of African governance

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There is growing expert consensus that the better government that sub-Saharan Africa needs is not so easily identified with the usual concept of good governance. For some years, there have been calls for governance reforms to be based not on Northern ‘best practices’ but on case-by-case diagnostics, so that the priorities and modalities attain a ‘good fit’ with the particular needs and possibilities of specific countries.

We agree with this view, but argue that not enough has been done to spell out its implications. As argued by Merilee Grindle,² it is time to specify more fully what country reformers, and the development agencies that support them, should do differently.

APPP and African governance

The findings of the Africa Power and Politics Programme (APPP) – synthesised here and in the accompanying report³ – begin to fill this gap. APPP studies, carried out in seven research streams from 2007 to 2012, ranged across countries and issues. But they focused on one overarching question: which institutional patterns and governance arrangements work well, and which badly, in supporting the provision of the public goods and other intermediate conditions that matter for successful development?

The research tapped into the diversity of Africa’s experience with different forms and varieties of governance across countries, sectors and time periods, questioning the blanket use of terms like ‘rent-seeking’ and ‘neopatrimonialism’. Using a comparative approach, it investigated the possible meaning and feasibility of ‘working with the grain’ of African societies, rather than using institutional templates of doubtful relevance. In this policy brief, our findings are brought together with a central



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argument about their implications for current thinking and practice to improve governance and support development in Africa.

‘Good fit’ not good enough

The change of approach conveyed by the concept of ‘good fit’ is important. APPP is very much one of its offspring. However, there is little evidence so far that this trend in thinking has led to a substantial change in practice among country reformers or international agencies. Much of the newer governance programming looks much like the old kind. Even the most reflective country activists and the best governance advisers have trouble imagining what to do differently.

APPP research confirms that basing governance reforms on country realities must be interpreted in a more radical way if it is to have significant impact. Our overarching conclusion is that governance challenges are not fundamentally about one set of people getting another set of people to behave better. They are about both sets of people finding ways of being able to act collectively in their own best interests. They are about collective problem-solving in fragmented societies hampered by low levels of trust.

Putting this more technically, African reformers and their international supporters need to abandon the straitjacket of ‘principal-agent’ thinking. It is more realistic to understand governance limitations as the product of multi-faceted collective action problems. A smarter approach to reform and international cooperation for development would take this as its starting point.

The principal-agent straitjacket

The dominance of the principal-agent perspective blocks constructive thinking about governance reform in Africa. In that perspective, reform initiatives divide between those addressing the so-called ‘supply side’ of better governance and those emphasising the ‘demand side’.

In the former, the assumption – usually unstated but necessary – is that governments want and need help to deliver development honestly and effectively. This has been criticised as managerialist and insufficiently sensitive to the political dimensions of the problem.

In the latter, there is an implicit assumption that, whilst the commitments of governments are open to question, citizens have a definite and uncomplicated interest in holding governments to account for their performance as agents of development. Reforms should therefore be about supporting this ‘demand’.

We think this is problematic. In the real world, coordination challenges and collective action problems stop both governments *and* citizens from acting consistently as ‘principals’ in dynamic development processes.

What is a collective action problem?

The concept of collective action problems refers to the theory first elaborated by Olson and then developed by institutional theorists such as Ostrom.⁴ This theory is concerned with the particular conditions that lead to the under-provision of public goods or collective benefits, including many of the preconditions for successful development. Such goods are ‘non-excludable’: those who do not contribute to their production cannot be excluded

from their benefits. There is therefore a ‘free rider problem’ that weakens the motivation to contribute.

As Ostrom and others have shown, small-scale communities often have institutions that prevent the destruction of open-access resources. Modern states do provide public goods to some extent, even in the poorest countries. However, in Africa collective action problems remain widespread and are at the heart of the challenge of development. They exist at all levels, affecting the choices of presidents, bureaucrats and business communities as well as those of civic actors and peasant households.⁵ They are often subject to ameliorative action – but not if they are approached in a ‘best practice’ mode or using a principal-agent conceptual framework that assumes away the principal challenge.

Refocusing on collective action problems and solutions

These arguments are supported by a significant existing body of research-based evidence and practical learning, including the experience of many practitioners who, for whatever reason, remain within the principal-agent straitjacket. APPP research has organised, complemented and elaborated this evidence. Findings on five particular topics have contributed to the overall conclusion.

Political regimes and economic transformation

Africa today requires not just sustained growth but economic transformation. Since market failures are widespread, the situation calls for sound ‘second-best’ policy measures implemented by economically active states. The dominant view for the last 25 years has been that African governments cannot be trusted with interventionist policies, and there continue to be good grounds for this position. However, it is too generic and suffers from one of the central features of the principal-agent perspective: reluctance to open up the ‘black box’ of elite decision-making and examine what is inside.

In opening the black box, APPP comparative studies of business/politics relations and cotton-sector reforms have revealed unexpectedly diverse experiences. As in Asia, some African regimes have delivered transformational policy packages when, under particular conditions, political elites have overcome the collective action problems that ordinarily keep them focused on narrow self-interest and the short term.

It makes sense, therefore, to distinguish between more developmental and less developmental forms of neopatrimonial regime. That means focusing on the ways in which rents are generated and deployed, and the nature of the underlying political consensus. Today, levels of transformative commitment differ

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between countries like Ethiopia and Rwanda on the one hand and countries like Ghana and Tanzania on the other. The contrast relates to the different ways political competition shapes rent utilisation.

Political regimes and public goods

The differences among regimes – in terms of the ways political elites use rents – are not just relevant to the transformation of national economies. They also influence the extent of major blockages to public goods provision as experienced locally and within particular sectors.

APPP research on local governance focused on key bottlenecks in provision of public and merit goods in several fields, including maternal health, market facilitation and sanitation. It found that blockages are more likely to be addressed where:

- sectoral policy regimes and policy-driven institutional frameworks are coherent
- national political leadership motivates and disciplines the actors responsible for the quality of provision
- an enabling environment exists for problem solving at sub-national levels.

The findings suggest that these are *variables*, not fixed features, even in broadly neopatrimonial systems. The main differences are between countries with developmental-patrimonial and more competitively clientelistic political regimes.

On the first two variables, and possibly the third, Rwanda is outperforming Malawi, Niger and Uganda according to the APPP field studies. Bottom-up pressures to perform have little impact in the absence of politically-driven policy coherence and provider discipline. On the other hand, strong top-down pressure, as in Rwanda, provides a context in which concerns at the grass roots can be heard and addressed.

Development as big-picture problem-solving

Transformational policies within broadly neopatrimonial contexts have been associated with post-colonial or post-war situations that are unlikely to recur. So the most urgent policy questions relate to options for the modal type of contemporary African regime, where clientelism is competitive and operating under a formally democratic political constitution.

The challenges centre upon problems of collective action among political elites that sideline the large and risky investments required for economic transformation. They also include the design of democracy in multi-ethnic societies such as Kenya and Nigeria, and the syndrome of ‘single-party thinking in a multi-party context’ observed particularly

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in Malawi. These variant forms of competitive clientelism threaten even current levels of well-being and social peace.

‘Big-picture problem-solving’ is hard but not impossible, as the turnaround in the fortunes of parts of Latin America over the past 25 years shows. Potential second-best solutions that have not been exhausted include as yet untried variants of power-sharing and the ring-fencing of key developmental functions.

Local problem-solving

APPP research also reveals the importance of local (sub-national) problem-solving. Improving public services is generally recognised as an important issue. However, international thinking on the subject has been dominated by panaceas originating in unrealistic principal-agent thinking, including many of the arguments used to promote democratic decentralisation, client power and ‘social accountability’.

Our fieldwork findings join a large volume of previous research in suggesting that the empirical basis for these claims is weak. Movements that improve the provision of public goods almost always involve actors on both sides of the divide between ‘government’ and ‘citizens’. The boundaries between social and political mobilisation are often blurred as well.

These have been constant themes of ten years of research at the Institute of Development Studies.⁶ But the implications have yet to be fully drawn. Such findings are often translated by practitioners into a simple message about joining up demand and supply sides of governance reform. As a consequence, the importance and potential of local problem-solving is under-appreciated.

We argue for a more sophisticated interpretation that emphasises the need to overcome problems of coordination, credibility and collective action among sets of actors with complex interdependent interests. There is a place for external intervention in helping to solve such problems, but only under strict conditions. The conventional idea of supporting a pent-up ‘demand for good governance’ must be put aside. Particular care should be taken with providing donor funds and organisational templates to local self-help groups, which can easily weaken existing capacity for collective action.

Practical hybridity

Typically, solutions to coordination and collective action problems mobilise actors from different domains, including the state. For related reasons, the institutions that emerge from effective local and sectoral problem-solving are often 'practical hybrids' resulting from conscious efforts by elements of the modern state to adapt to local preferences and ways of doing things.

APPP analysis of two sectoral experiences – in local justice provision and public education reform – shows how and why a hybrid approach to institutional design can make sense in the African context. It demonstrates the validity of the idea of 'working with the grain', when the potentially misleading parts of that metaphor are stripped away: socially, it is too costly to invent institutions completely from scratch.

Conclusions

Simple forms of good governance thinking continue to influence the parameters within which externally-promoted reform efforts operate in sub-Saharan Africa. The now influential idea of 'good fit' governance reform challenges this, but is insufficient so long as it is limited to inverting the terms of a principal-agent perspective.

Viewing development as a multi-layered collective action problem offers a clearer way forward. However, it poses further challenges to the way development is seen and the modalities by which development cooperation is delivered. The principal-agent framework takes reform into safe and relatively generic territory. Addressing

collective action problems is more challenging, because such problems are specific to each situation and generic remedies will not work.

What is needed is detailed knowledge not only of the actors and settings involved, but also of the extent to which solutions may need to be practical hybrid institutions that borrow from local cultural repertoires. Undoubtedly, getting engaged in these kinds of ways is difficult for actors that are not thoroughly embedded in the relevant situations.

Under current arrangements, officials and advisers in development agencies may not be in a position to play a significant role in such actions. However, as we said in Policy Brief 01, the design of development cooperation needs to adapt to reality, not the other way round.

Ministers, parliaments and voting publics at both ends of the development assistance relationship need to be convinced that development progress is about overcoming institutional blockages, usually underpinned by collective action problems. It is not all about resource shortages or funding gaps; indeed, under certain common conditions, direct funding of development initiatives is harmful.

On the other hand, institutional blockages *can* be overcome, and external actors may be able to make a positive contribution. But this requires skilled labour, and exceptional local knowledge and learning capabilities. It may well require more 'arm's length' development cooperation, delivered by organisations that can work in ways that are far more embedded and adaptive.

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