

INAF U6164:

Political Economy of
Development:
Africa and the World

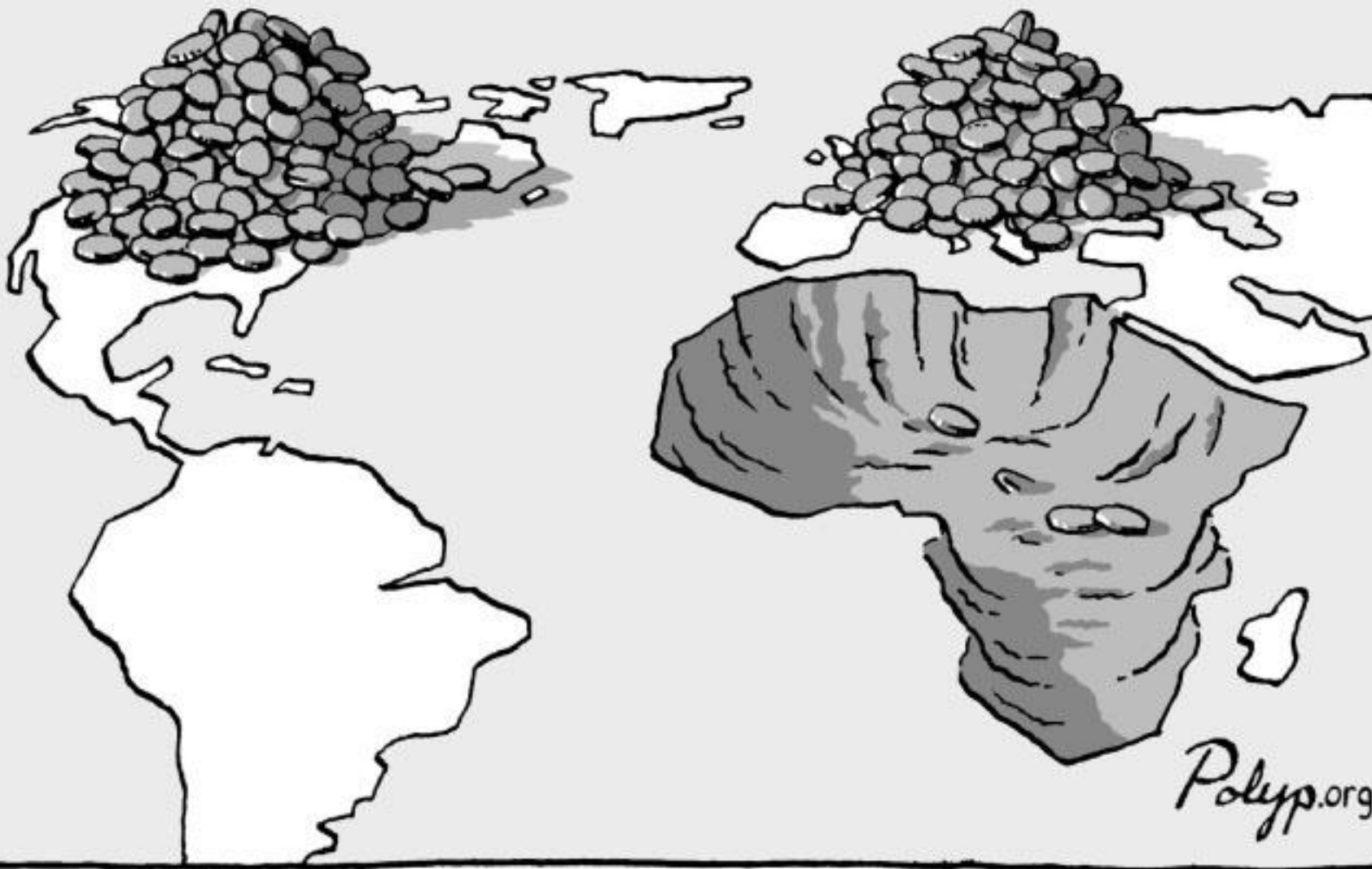
Week 6: Independence & the politics of
personal rule

Instructor: Chris Blattman

Logistics

- Midterm Week 8 (March 12)
- For those with SIPA project travel
 - Email me and cc your program director
 - Makeup midterm, probably March 25 at 4pm
 - May be able to accommodate earlier start (2pm)

1. Reflections on colonialism

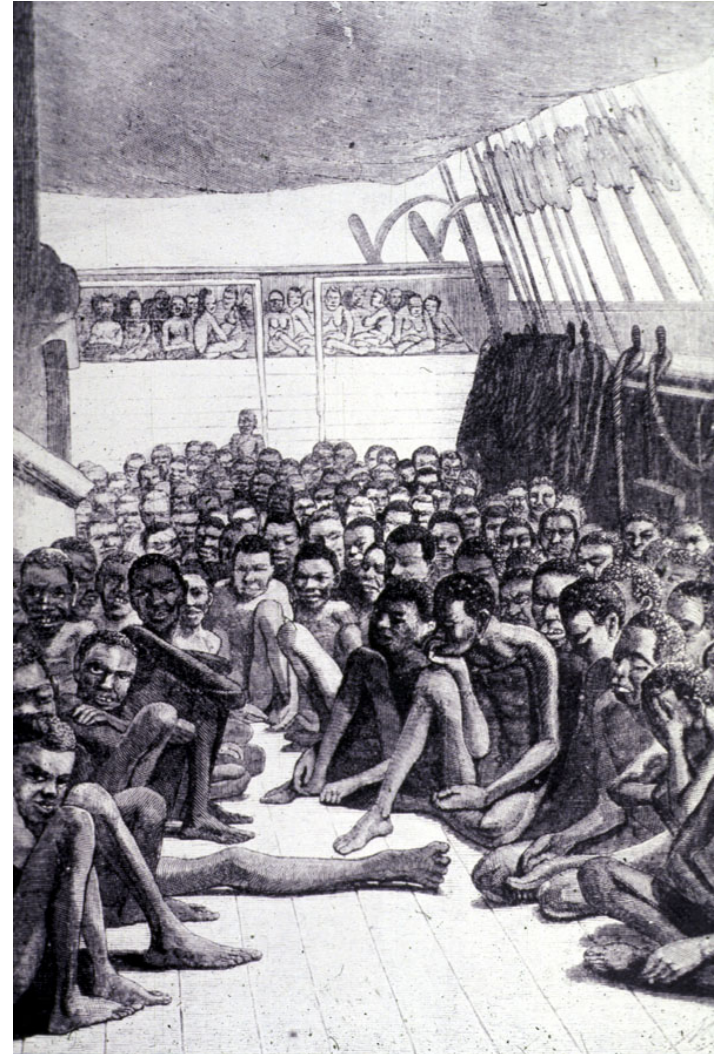


Polyp.org.uk

Did Europe grow rich on its colonies?

The “No” argument

- The goods and labor extracted from Africa small relative to the GDP of Europe
- Goods, labor, and capital explain relatively little long term growth
- Real roots of European growth were institutional and technological
- The most exploitative states actually developed growth-slowing institutions (Portugal, the US South)
- Colonialism actually quite expensive and unprofitable



Did Europe grow rich on its colonies?

The “Yes” argument

- Slaves a key ingredient in settlement of Americas and global commercial revolution
- Inputs and markets
 - Accelerated specialization and innovation
 - Enriched bourgeoisie
- Profits from trade tipped the power from princes to merchants
 - Led to capitalist, market-oriented states and institutions



Gentilhomme à la mode de 1695, jeune homme de la bourgeoisie en 1710,
d'après des gravures du temps.

What about for the colonized?
Was colonialism good or bad
for development?

The usual answer:
It depends

There is a great deal of variation across the colonized

1. Introduced statehood to otherwise stateless societies?
 - Promotes development through stability and defense, public goods and investment
2. Imposed statehood is clumsy or arbitrary?
 - Limits stability and investment
3. Increases inequality and strengthens autocracy?
 - Limits prospects for modern economic growth
 - In extreme, could lead to instability and state dissolution
4. Introduced factors that stimulate growth (and possibly institutions)
 - Human capital, life-saving medicines, lower transport and transaction costs, productive technology
5. Exterminate population and ship in Europeans?
 - Who bring in the state, institutions, human capital, technology...

Development for whom?



Many policy and historical questions imply a trade off between the well-being of the born and the well-being of the yet-to-be-born

Helps to ask: What is the counterfactual?

1. Left to its own devices?
 - Internal warfare until state development (and economic development) takes place?
 - Stagnation?
2. Conquering and colonization by another?
 - Germans, Turks, Russians, Americans, Chinese...
 - Colonization was, in large part, a realpolitik move: take for yourself so others do not
3. “Enlightened” engagement?
 - Trade, alliances, diplomacy...
 - Is this the tack taken in the past 50 years?

2. Independence and the politics of personal and patrimonial rule

African independence



- **British:** case by case, between 1957 and 1980
- **French:** all at once in 1960 (except Guinea and Togo)
- **Portugal and Southern Africa:** chose to fight it out

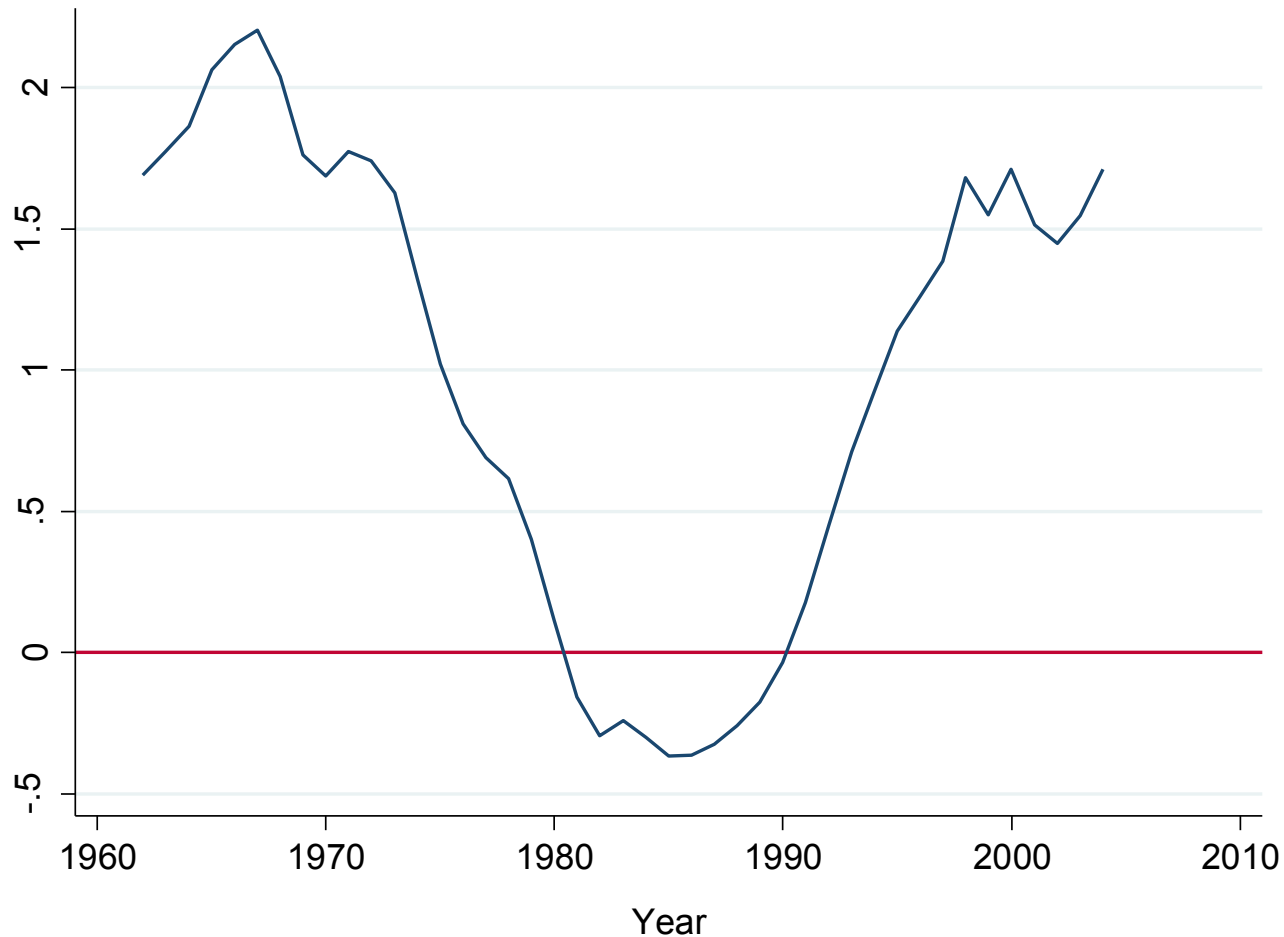
Independence starts on a good note

- Ghana
 - Strong economy
 - Budget surpluses
 - Extensive education system
 - Basic infrastructure
 - Elected legislatures



1957

Part of what we want to explain (And why post-Independence politics matter)



Average African growth rates (unweighted) calculated using Penn World Tables data for all sub-Saharan African countries with populations greater than 1 million.

6 qualities of post-Independence politics in Africa

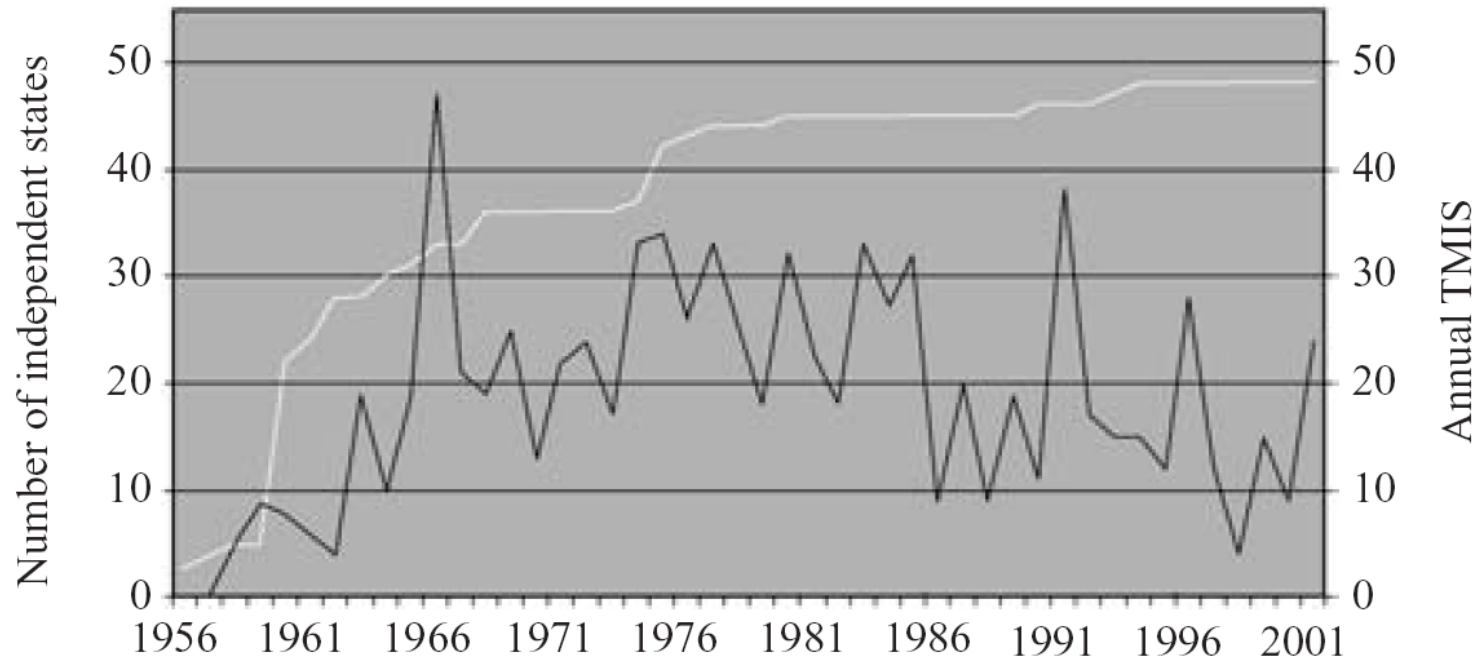
1. Militarization
2. Centralization
3. Personalization
4. Developmentalism
5. Patronage politics
6. Bloatedness



1. Militarization and coups d'état

FIGURE I

Successful and failed military *coups d'état* in sub-Saharan Africa, 1956–2001
(by year).



Total Military Interventions (Coups d'Etat) in McGowan, P. J. (2003). "African military coups d'état, 1956–2001: frequency, trends and distribution." *The Journal of Modern African Studies* 41(03): 339-370.

The violent overthrow of the government by military became a norm in Africa

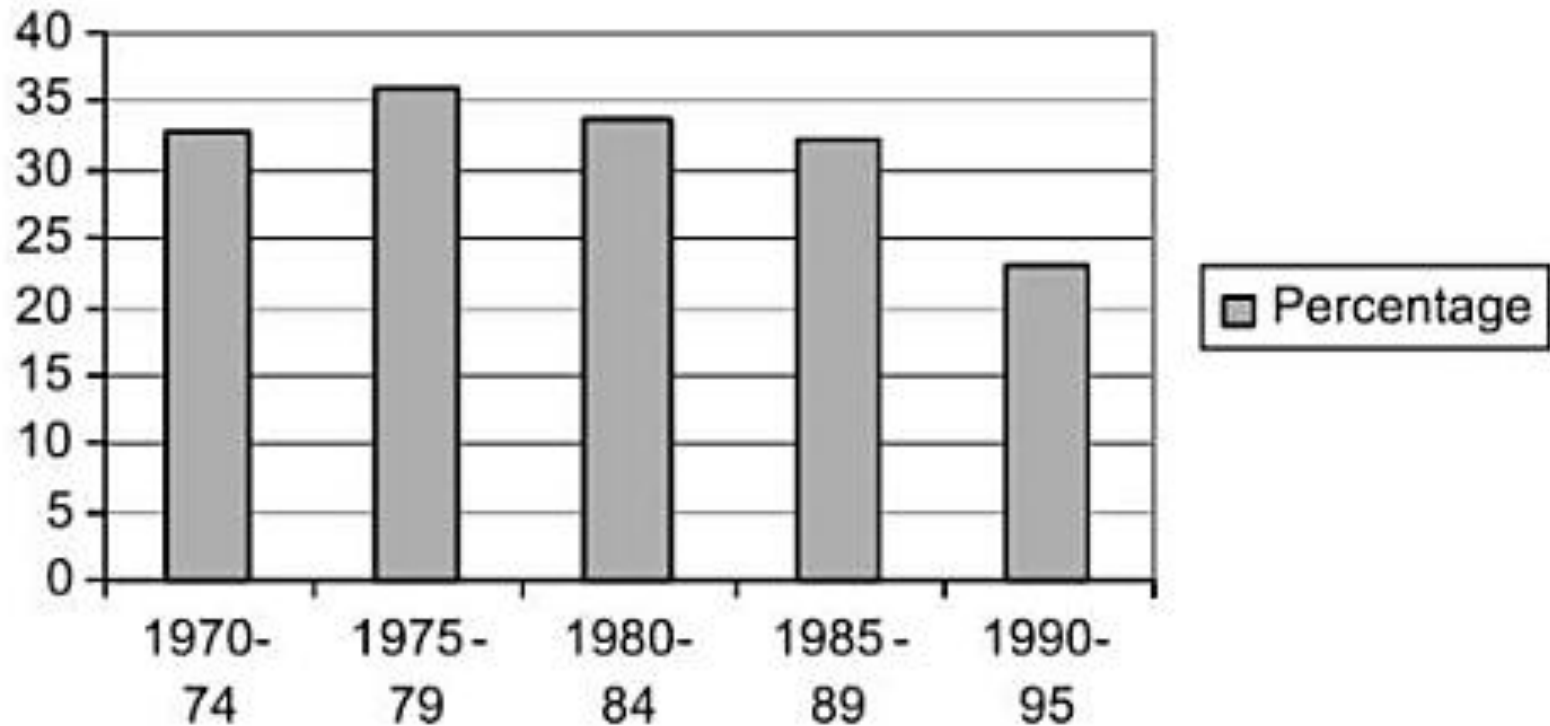


Figure 2.2. Percentage country years in which country ruled by military head of state.

2. Centralization of power

- The “gift” of the British and French:
 - Parliamentary systems outnumbered presidential systems 4 to 1 at time of independence
- Within a decade, all but 3 would switch to centralized presidential systems
 - Botswana, Mauritius, South Africa
- The ease with which control was centralized came as a surprise to many



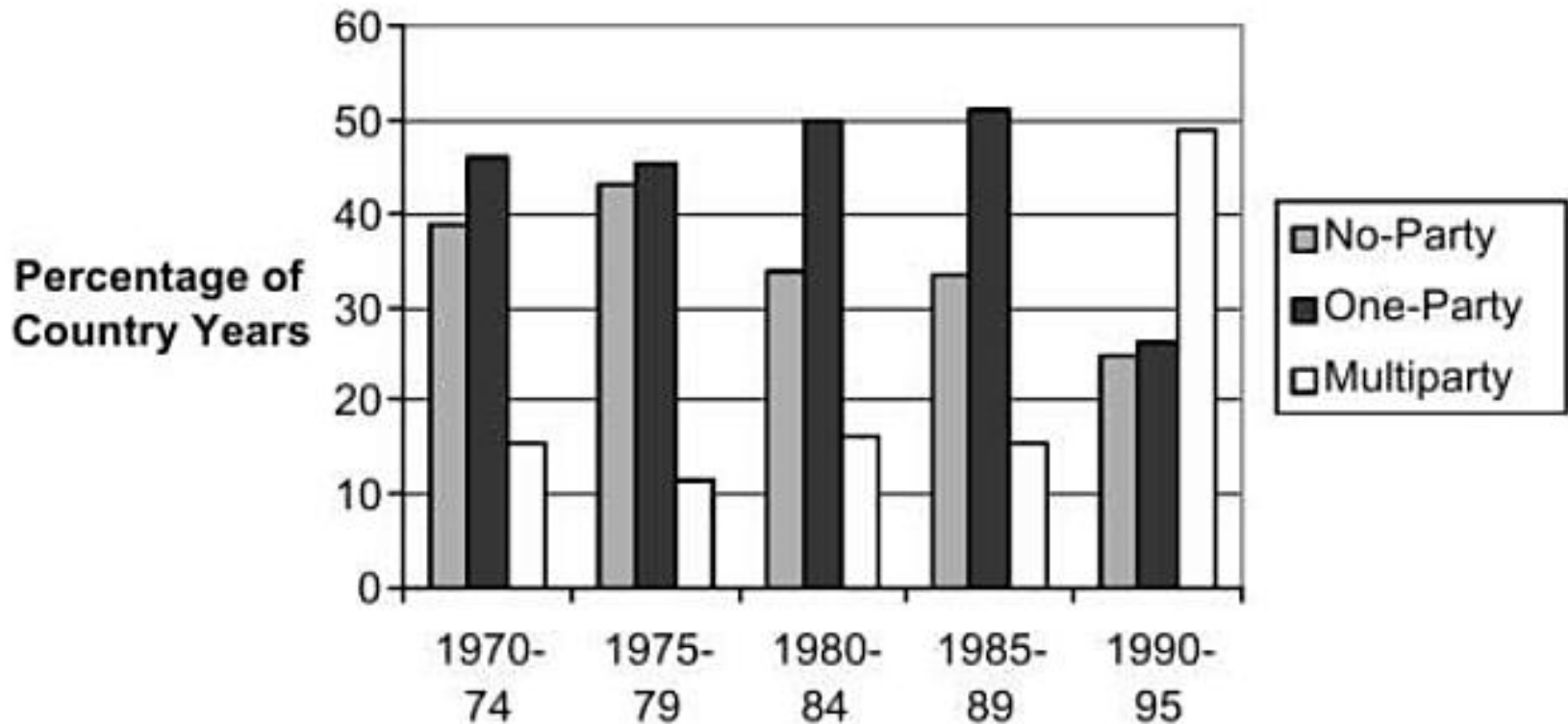
In DRC/Zaire

- Before Mobutu
 - Power divided between a National Assembly, a President, and a Prime Minister
 - Provinces had a great deal of independence from the center
- Mobutu changed the constitution and by 1966 ruled by decree



2. Centralization of power

Multiparty → “One party” or “no party” rule



Arguments for No- or One-Party Rule

- The **economic** argument: Focus on state-led economic development
- The **political** arguments
 - These states and economies too weak for decentralized or representative government
 - ‘Modernization theory’: economic development precedes democratization
- The **tradition** argument: “Democracy is not for Africa. There was only one African chief and he ruled for life.” Mobutu
- The **unity** argument: “one party, one leader, one government and no nonsense about it” Hastings Banda (July 1964)

This was a general tendency worldwide

“The commitment to representative government was the first commitment the political left threw overboard: only an educated and informed electorate could exercise its right to vote, and until such an educated and informed socialist electorate could be created, a centralized party was necessary in its place.”

– Brad DeLong, *Slouching towards Utopia*

3. Personalization



“L’état, c’est moi.”

- Louis XIV, King of France

“The strongman, usually the president, occupies the center of political life.

Not only the ceremonial head of state, the president is also the chief political, military and cultural figure; head of government, commander-in-chief of the armed forces, head of the governing party (if there is one) and even chancellor of the local university.”

- Richard Sandbrook



Sandbrook:

“His aim is typically to identify his person with the “nation.” His physical self is omnipresent: as in Orwell’s 1984, Big Brother is plastered on public walls, billboards and even private homes.



“His portrait also adorns stamps, coins, paper money and even T-shirts and buttons often distributed to the party “faithful.”

Schools, hospitals and stadiums are named after him.

The mass media herald his every word and action, no matter how insignificant.”

Renames himself Mobutu Sese
Seko Kuku Ngbendu waza
Banga

Officially translated as: “the all-
powerful warrior who, because of
his endurance and inflexible will
to win, will go from conquest to
conquest leaving fire in his
wake.”

Repeatedly changed his official
title from The Marshal to The
Supreme Emperor to King of
Zaire.



4. Developmental state

(Crawford Young)

- Government expected to provide schools, health care, jobs, infrastructure...
- Citizenry expect state-led, not private sector, development
- Culture of entitlement?

“most of our development so far has had to be carried out by the Government itself. There is no other way out...

We'll transform the Gold Coast into a paradise in ten years...”

- Kwame Nkrumah, President of Ghana (1962)



5. Patronage Politics



(a.k.a. patrimonialism)

(a.k.a. clientelism)

How does one hold this together?

- Governments hold onto power through:
 1. Coercion and repression
 2. Distribution of resources
 3. Foster shared identity, state legitimacy (the nation)

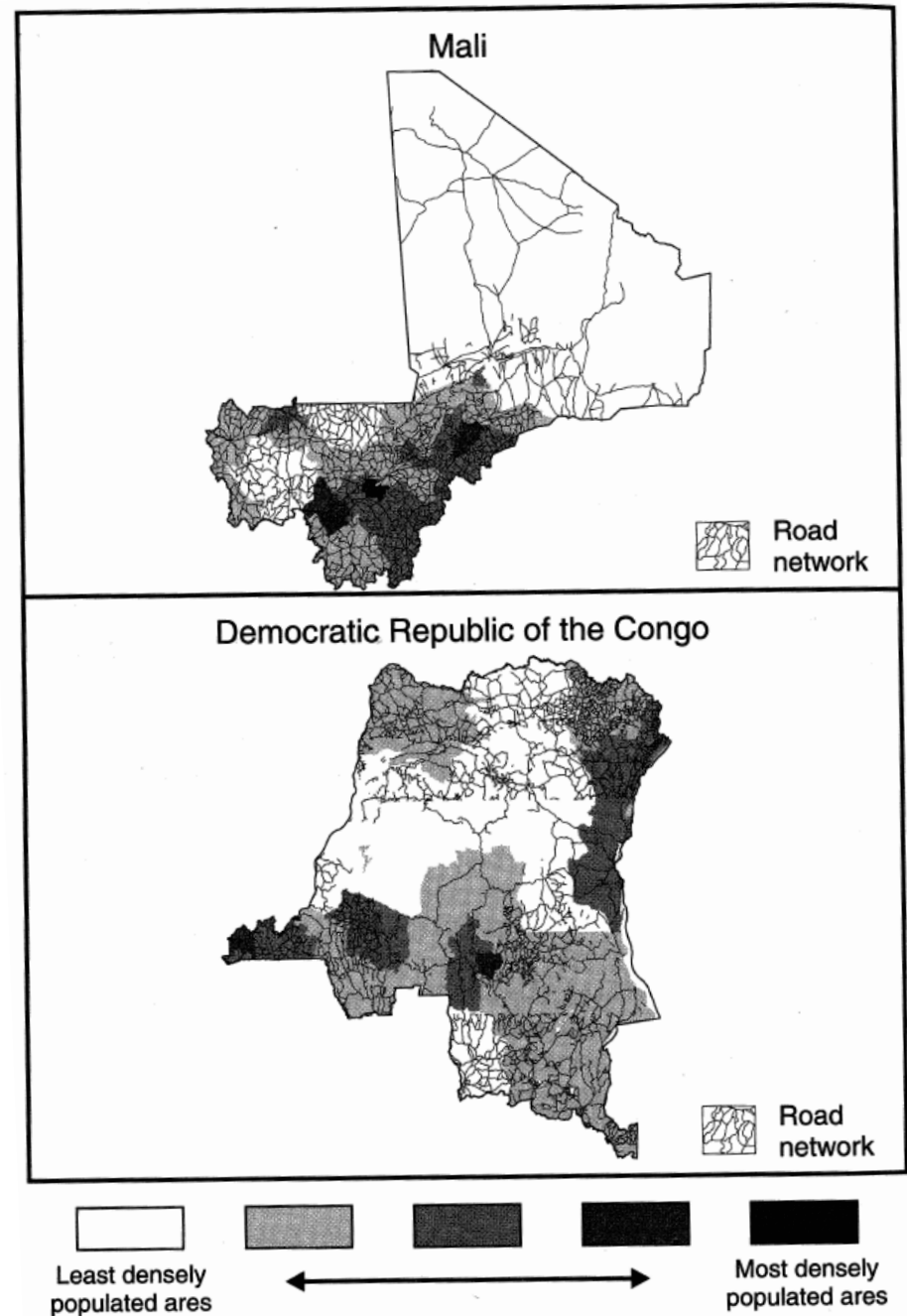


Figure 5.7. Mali and D.R.O.C. Compared

Clientelism = Control

- Leaders are not patrimonial because they like giving presents
- Patron-client ties area means of control in a young, multi-ethnic, poorly integrated territory
- Patronage is a substitute for repression, nation-building, and service delivery



RULE OF THE GUN

With U.S. Aid, Warlord Builds Afghan Empire



Adam Ferguson for The New York Times

A security post on the road controlled by Matiullah Khan in southern Afghanistan. He leads a private army that earns millions of dollars guarding NATO convoys. [More Photos »](#)

By DEXTER FILKINS

Published: June 5, 2010

TIRIN KOT, Afghanistan — The most powerful man in this arid stretch of southern [Afghanistan](#) is not the provincial governor, nor the police chief, nor even the commander of the Afghan Army.

Rule of the Gun

Mercenary's Fief

Articles in this series will examine the strongmen who are exploiting lawlessness in Afghanistan.

At War

Notes from Afghanistan, Pakistan, Iraq and other areas of conflict in the post-9/11 era.

[Go to the Blog »](#)

It is Matiullah Khan, the head of a private army that earns millions of dollars guarding [NATO](#) supply convoys and fights [Taliban](#) insurgents alongside American Special Forces.

In little more than two years, Mr. Matiullah, an illiterate former highway patrol commander, has grown stronger than the government of Oruzgan Province, not only supplanting its role in providing security but usurping its

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5. MAUREEN DOWD: Two Presidents, Smoking and Scheming
6. PAUL KRUGMAN: Truth About Jobs
7. The iEconomy: The Patent, Used as a Sword
8. They Work Long Hours, but What About Results?
9. Well: The Doctor's Bag for the New Millennium
10. Daredevil Sets Sight on a 22-Mile Fall

[Go to Complete List »](#)

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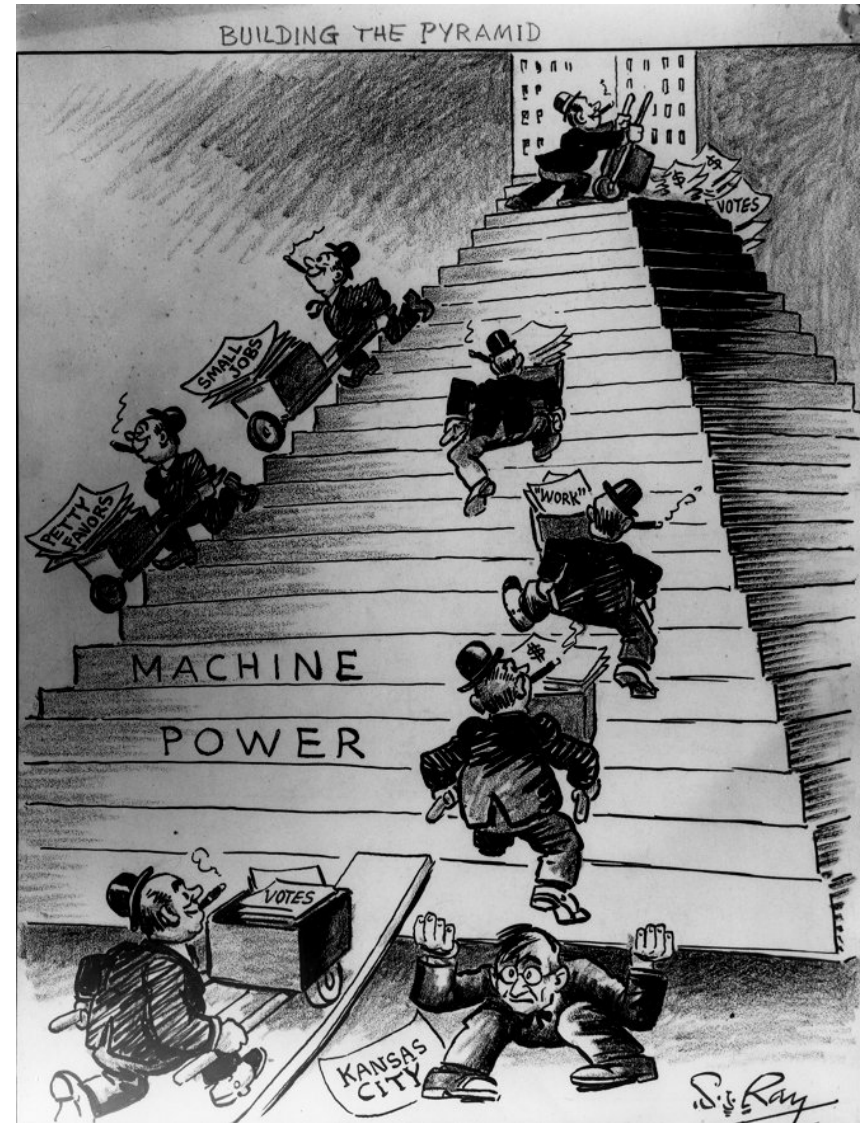
SHARE

Patronage took on an ethnic character

(Ethnic politics in two slides)

A near universal phenomenon

- People everywhere want a share of the pie
- They build coalitions to pursue their interests
- In many (all?) societies, these coalitions are sometimes ethnic-group based



So why ethnic coalitions in Africa?

- Intrinsic value
 - Social identity and other-regarding preferences
- Shared interests
 - Region
 - Economic relations
- Shared institutions of coordination, communication and enforcement
 - Shared language and traditions
 - (In some places) strong pre-colonial ethnic organization
 - Strong norms of sharing and redistribution within kin groups
- Absence of other focal points?

Consequence: The bloated state

Autocracy & limited accountability

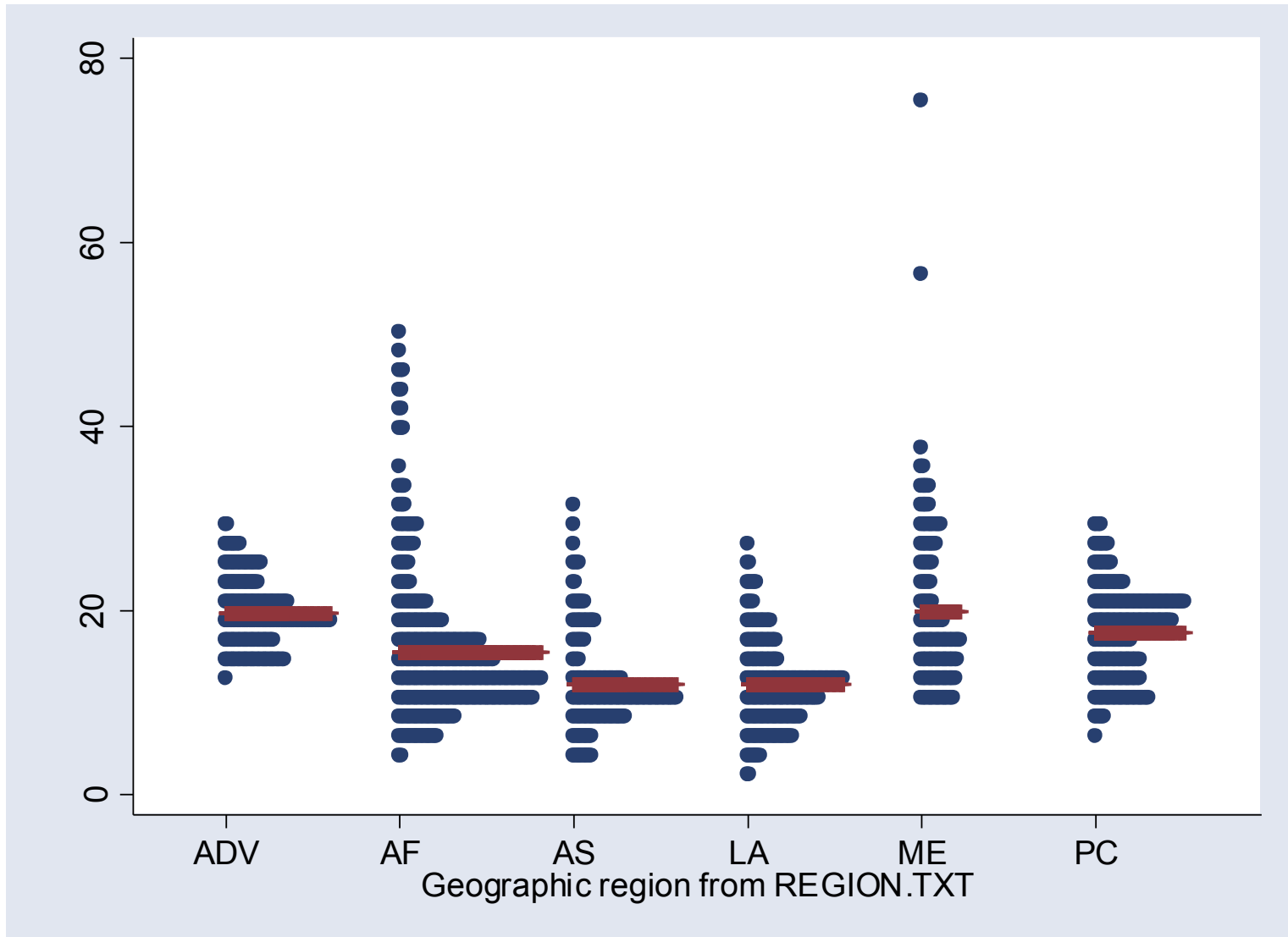
+ Personal rule

+ Developmentalism

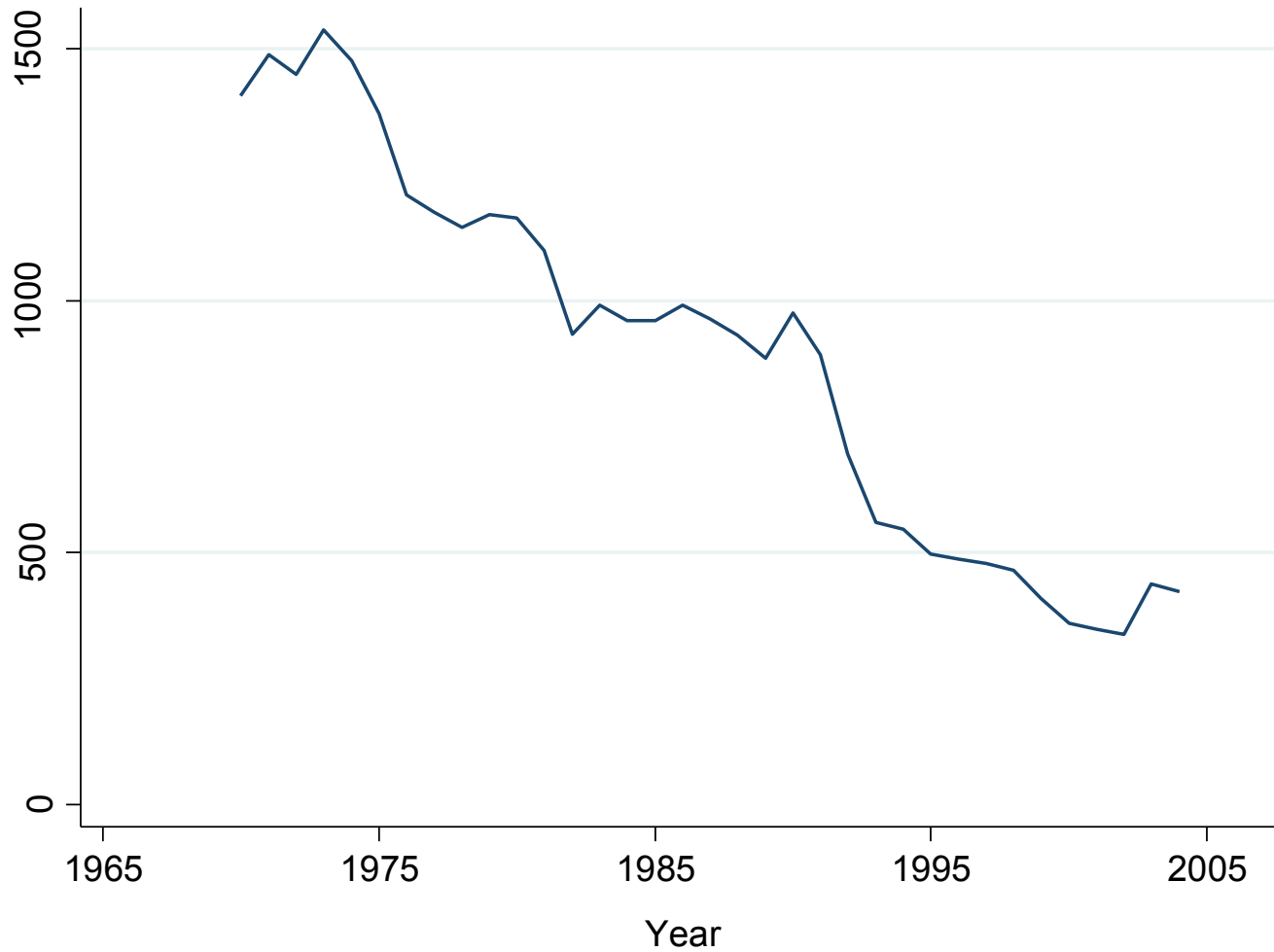
+ Patronage, Kleptocracy

= Bloated, bankrupt government

State spending as a percentage of GDP



Decline of Zaire's economy





1981



1992

CHUTE D'UN REGIME DICTATORIAL LE 17 MAI 1997

AVANCE DE L'AFRIQUE SUR LE MONDE

FUYEZ LES ANS FUYEZ
LES JOURNAUX ICI D'ABORD

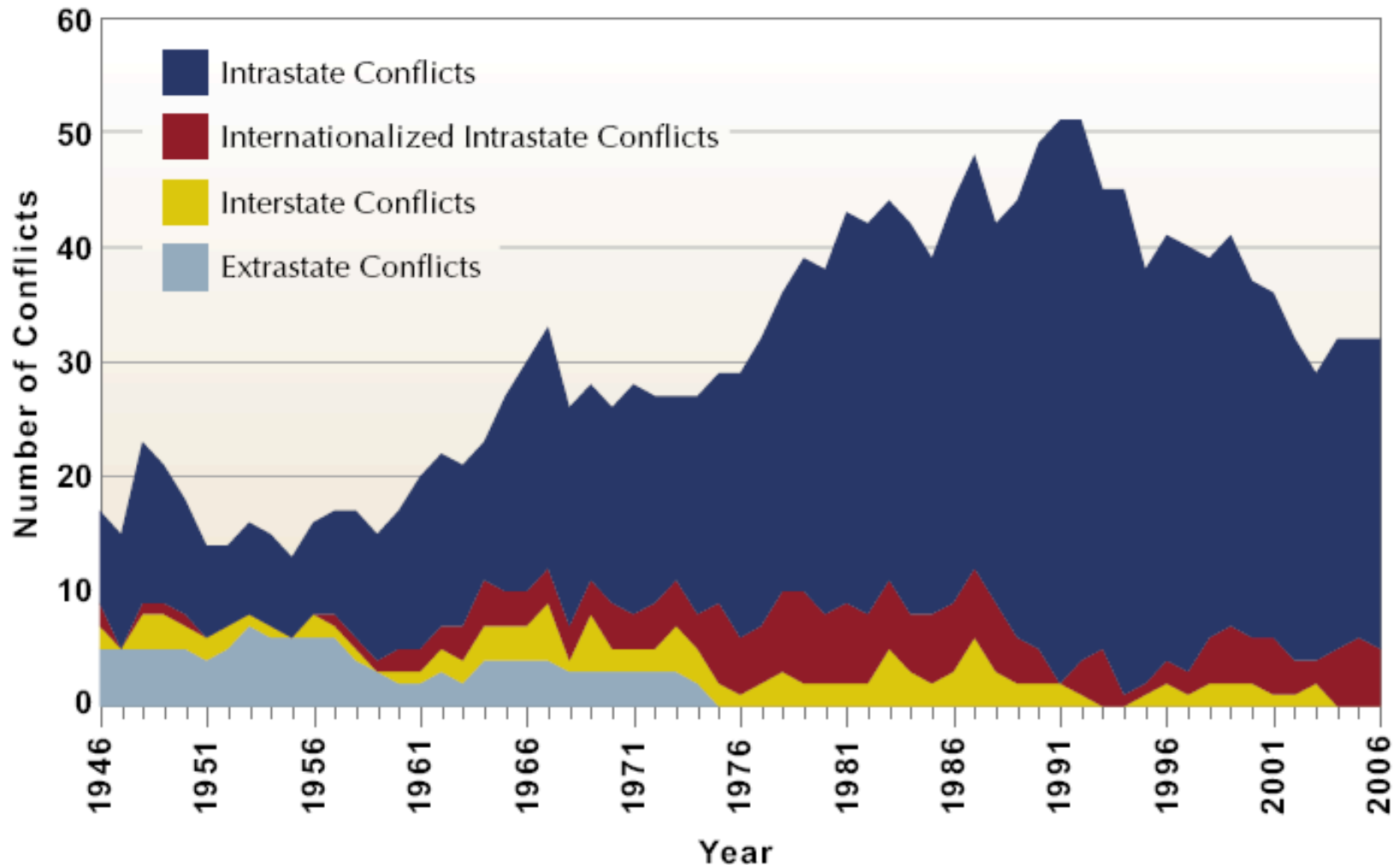
VIVE LA
LIBERATION

Shule 99



Political instability rampant in the weakest states

State-Based Armed Conflicts by Type, 1946-2006



Parallels to Latin American post-independence



- Rapid and relatively unexpected decolonization
 - Napoleon's invasion of Spain and Portugal 1807-1811
- Elite capture of the state
 - Nominal democracies
 - Limited voting rights, no secret ballot
- Entrenched interests fail to liberalize many Spanish colonial policies
 - Maintain regulations and privileges
 - Continues trade restrictions
 - Land concentration

Like Africa, mass political instability

TABLE 1
VIOLENCE INDICATORS FOR LATIN AMERICA, 1800–1879

Decade	Deaths from War and Civil Conflict	Total Population (000)	Deaths per 1,000
1800–1809	0		
1810–1819	474,360	14,820	32
1820–1829	307,439	16,822	18.3
1830–1839	8,565	19,047	0.4
1840–1849	147,680	21,566	6.8
1850–1859	220,688	24,492	9
1860–1869	357,141	27,869	12.8
1870–1879	18,500	31,303	0.6

- Unlike Africa, wars over borders of new nations

The post-independence financial decline

- Economic mismanagement
 - Patronage, fraud
 - Poor investments
 - Expensive wars, armies
 - Military spending 1822-60 about 77% of total budgets
- Effect of wars
 - Provoke capital flight
 - Diminish immigration
 - Balkanize trade and production
- Borrowed wildly on international markets
- Defaulted by 1820s, 30s

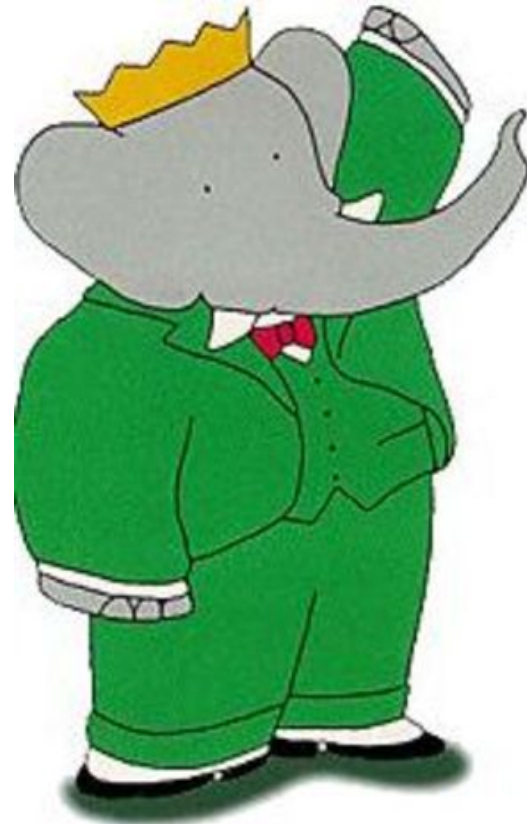
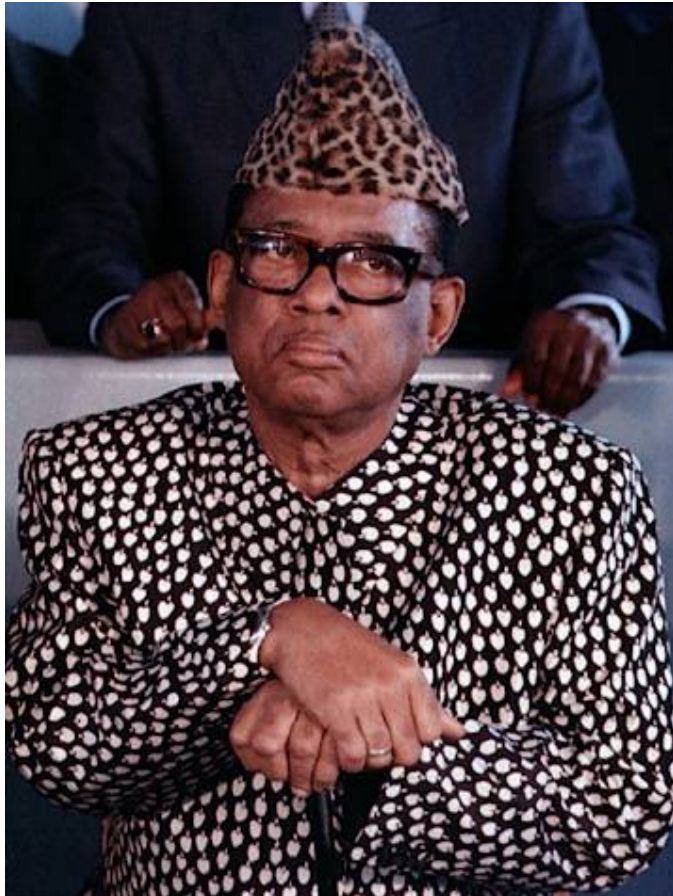
3. The roots of centralized,
despotic, personal, patrimonial rule

Six political explanations

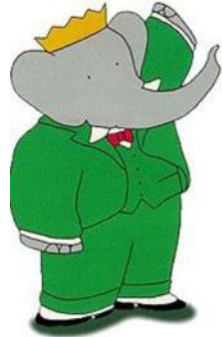
1. Colonialism established despotic rule
2. Or colonialism didn't go far enough?
3. International ideologies and bad choices
4. Leaders matter
5. Or are new states naturally weak?
6. It's the international system

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Who is the poster child for
despotic rule?



Mahmood Mamdani: “Decentralized despotism”



Need for a cheap
and ‘politically
correct’ means
to colonize



Indirect rule



“Decentralized
despotism”



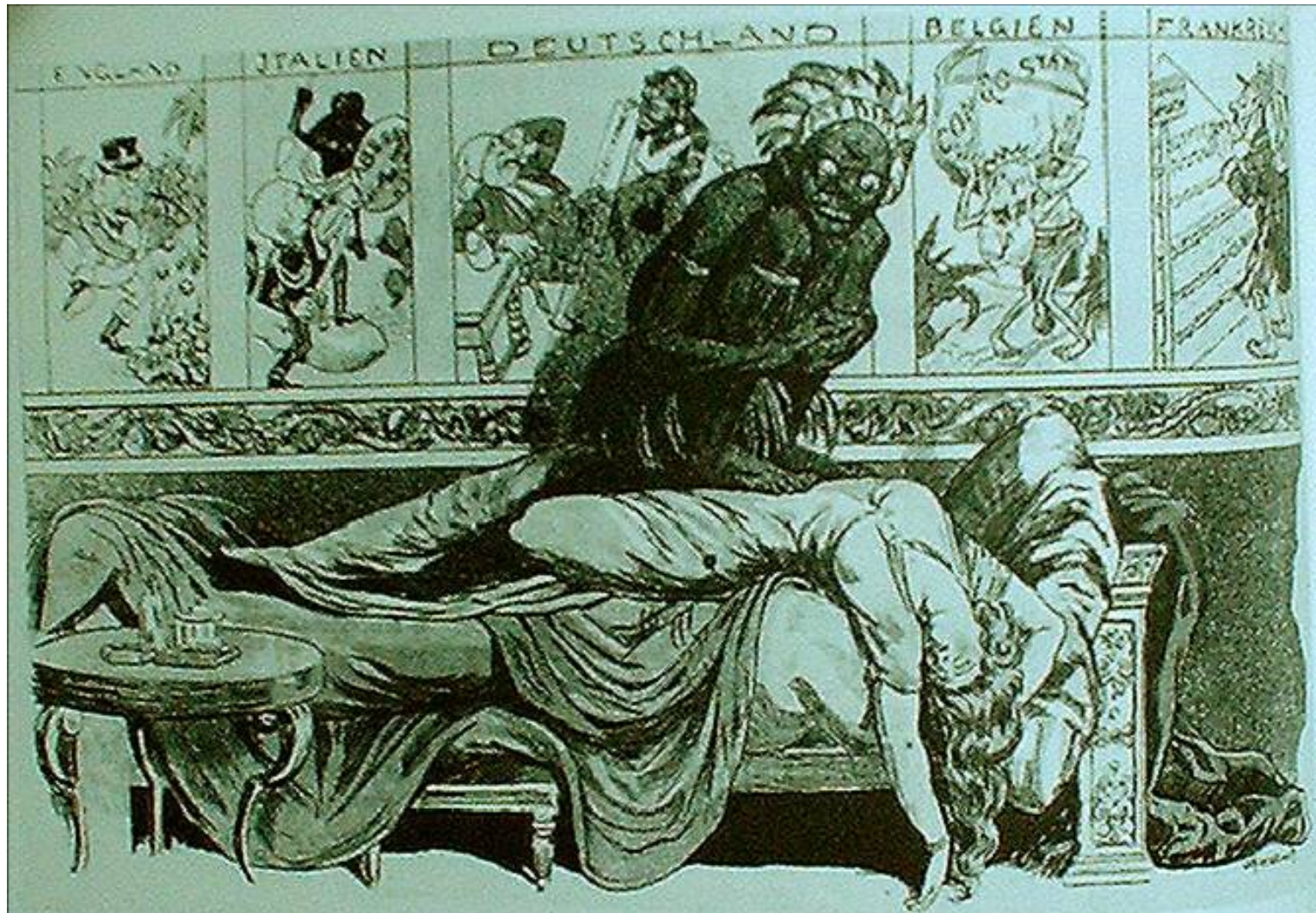
Centralized
despotism



Current
economic
performance

- Ethnic rule
 - Creation of a “Native Authority”
 - Appointed
 - Invented chiefs where they did not exist
- Ability to tax, force labor
 - Fortified from external threats
 - Accountable only to colonial authorities above
- New national governments took on colonial role
 - Appointed local leaders
 - Command state above

1. Colonialism established despotic rule
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Like a succubus Africa weighs on Europe's rest. One of the numerous malaises (but perhaps the heaviest) which now burden the old continent. Each European power has here its obstacle... *Le Rire* (18.iv.1896),

British and French made a hasty, unexpected exit

- In 1950s, envisioned a slow transition to self-rule over decades
- But could not hold back tide of independence
- Advantages?
 - Avoided development of broad-based, militant nationalist movements
 - Allowed them to maintain good relations and avoid disorder

Rapid decolonization → Economic and Political immaturity?

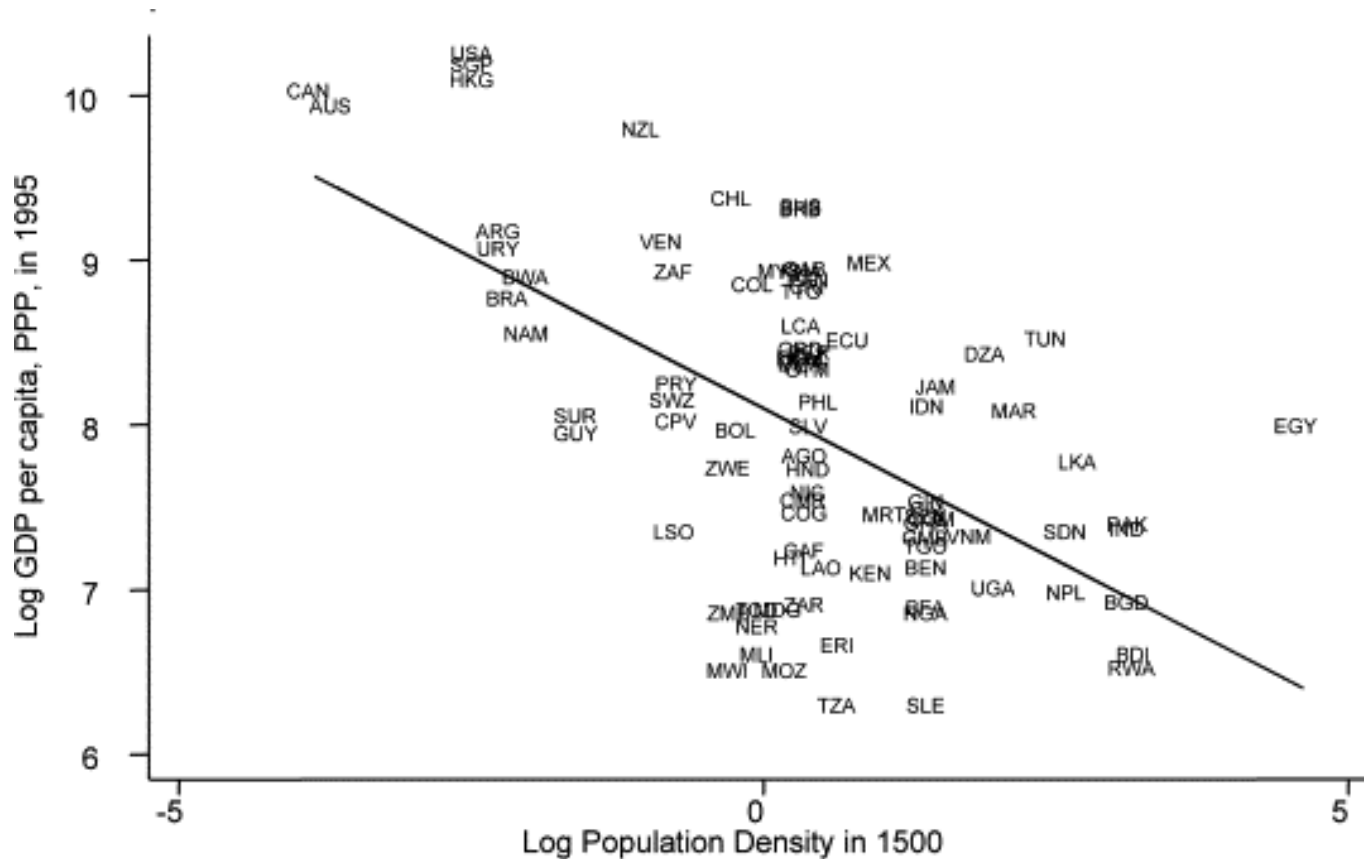
- Low human capital levels → ill-equipped to man these bureaucracies
- Few national traditions, symbols or consciousness
- Parliamentary systems had little history or popular legitimacy
- “Power was personalized because it was never properly institutionalized” (van de Walle)

Could colonialism have created any other “goods” for Africa?

- Professional bureaucracy
- Basic infrastructure
- Technological diffusion – especially agriculture
- Export-orientation
- Legislative systems
- Internationally-enforced borders

“The reversal of fortune”

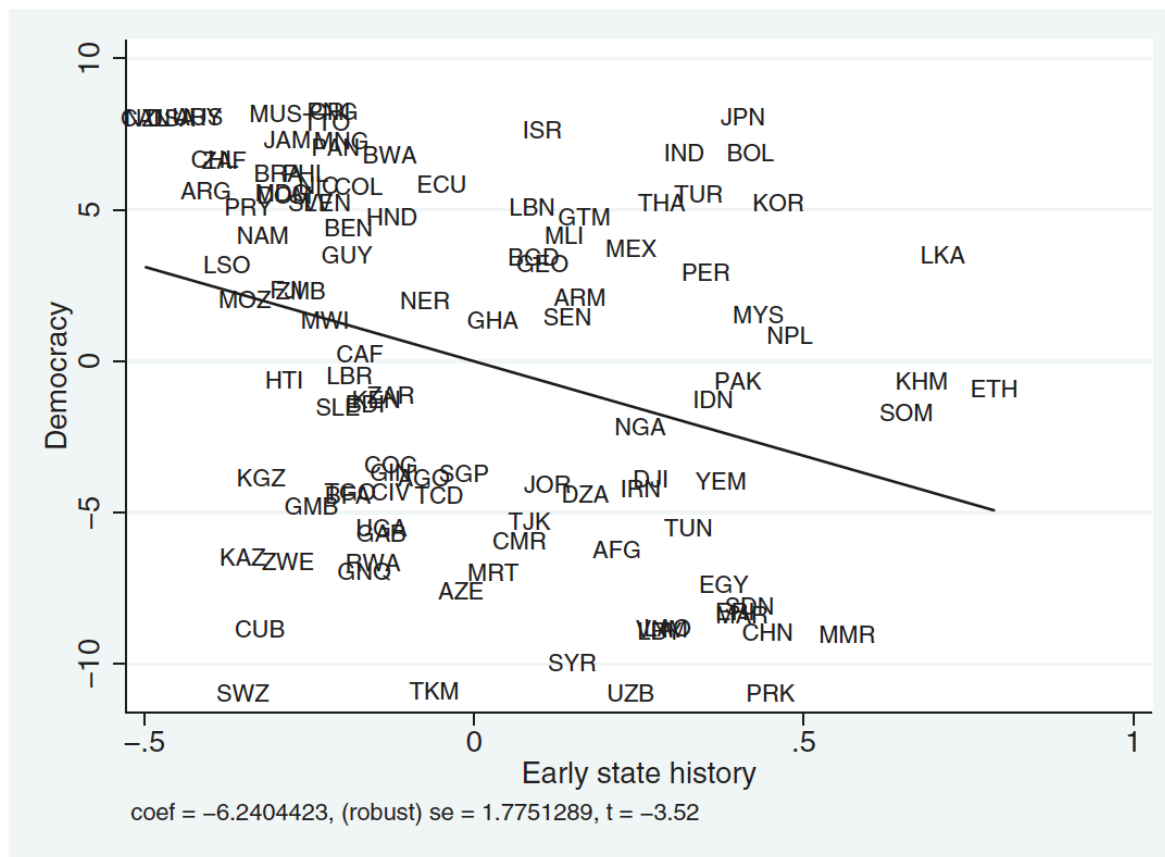
Acemoglu, Johnson and Robinson



Pre-colonial state development an impediment to the post-colonial development of democracy

The anti-Mamdani argument?

FIGURE 1. Democracy and Early Statehood outside Europe



The legacies of colonialism

On the one hand...

- Professional bureaucracy
- Basic infrastructure
- Technological diffusion
- Export-orientation
- Enforced borders
- Legislative systems
- Slow process of nation building

On the other...

- Left small and weak
- Few roads and rail built
- 95%+ illiteracy
- Dependency
- Uncontrolled hinterland
- Rule by ethnic despots
- Tradition of coercive labor and taxation

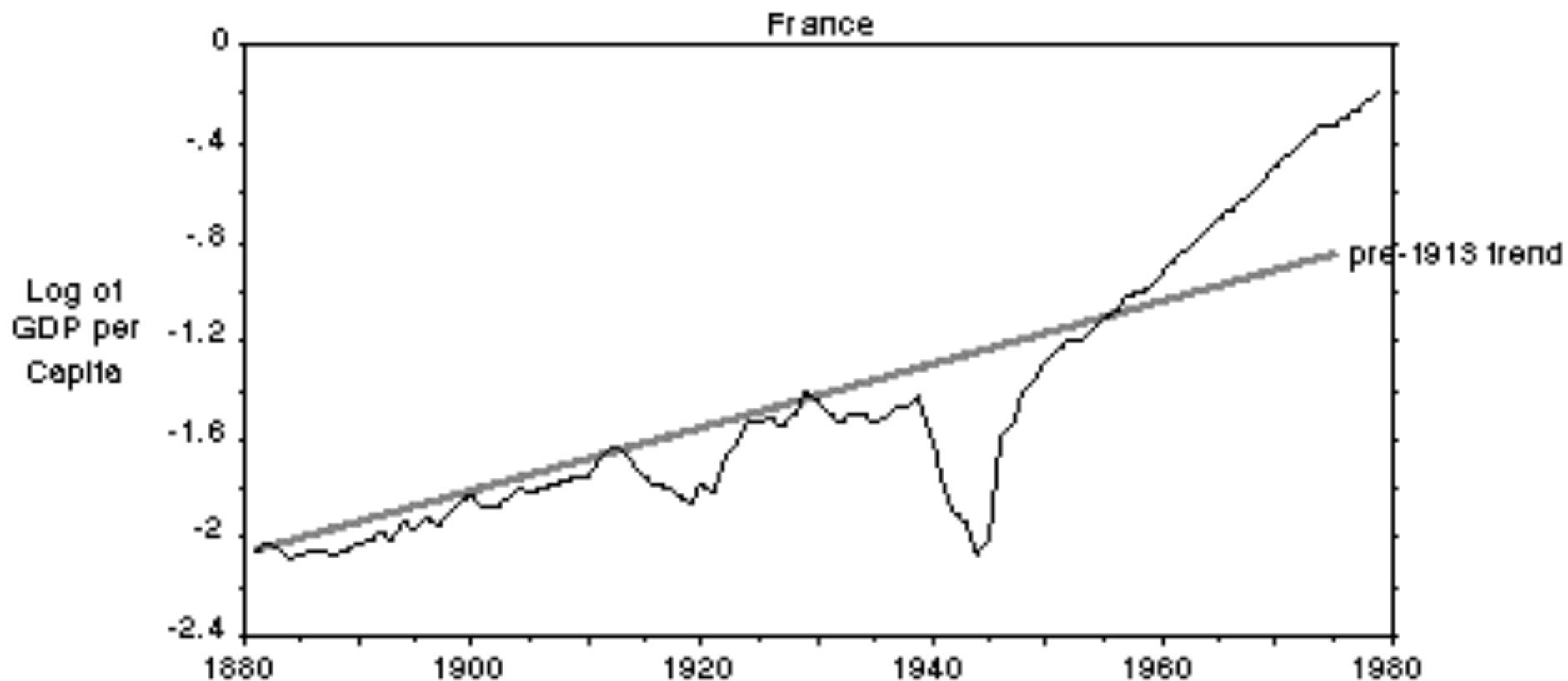
Illiteracy rates in Portuguese colonies 1959 (after 500 years of Portuguese Presence):

- Mozambique 98%
- Angola: 97%
- Guinea Bissau: 99%

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Global capitalism and free markets have suffered a great crisis

e.g. Not obvious that western Europe would use markets to coordinate economic activity.



Belief in the ability of the market to coordinate economic activity severely shaken by Great Depression.



“nobody in Europe believes in the American way of life--that is, in private enterprise; or rather those who believe in it are a defeated party--a party which seems to have no more future.”

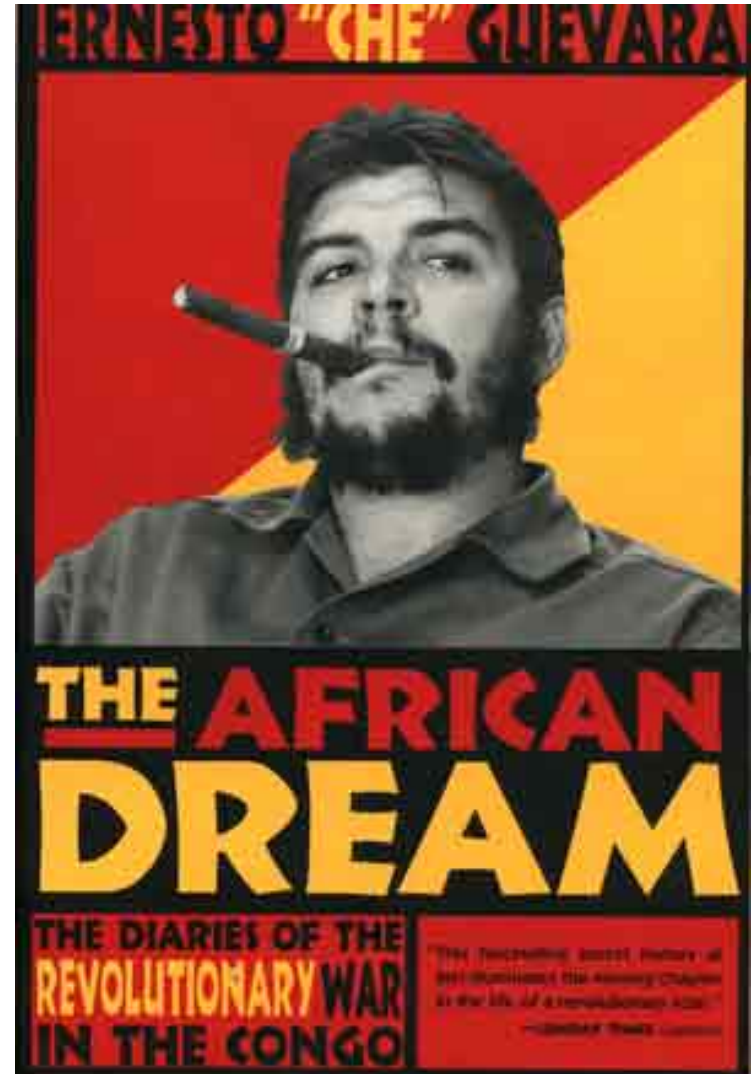
—British historian A.J.P. Taylor, 1945

The rise of the planned economy

- Intellectuals contrasted the collapse of the capitalist system to:
 - High economic growth rates reported by Stalin's Soviet Union
 - Success of wartime controls and plans in West



The left gained credibility from having been staunchly anti-colonial

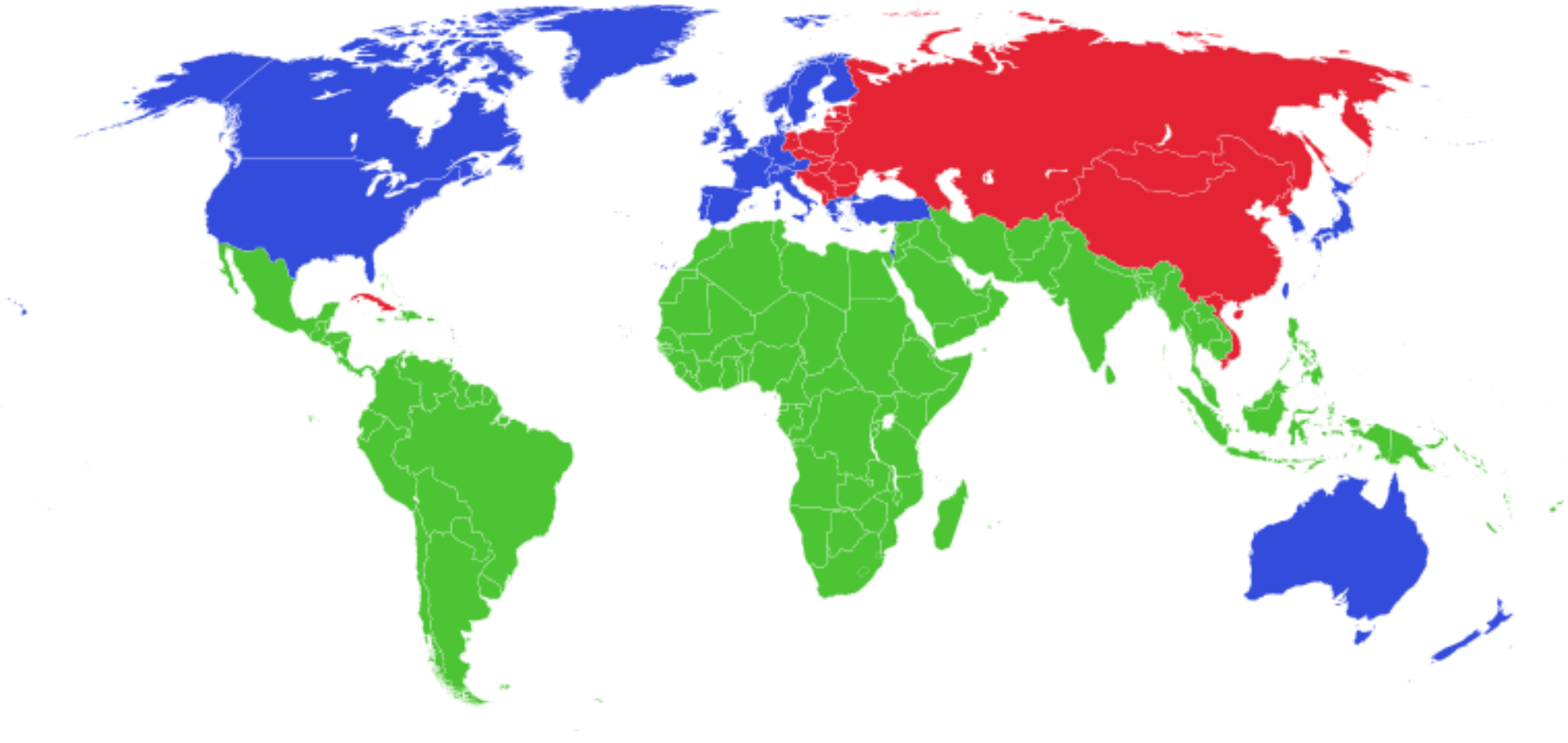


New intellectual currents also cast doubt on the “free” market: e.g. The Dependency School

- Resources flow from a "periphery" of poor and underdeveloped states to a "core" of wealthy states
- Enriches the developed at the expense of the developing
- Manufacturing goods for agricultural ones
- Manufacturing prices rising while agricultural prices falling

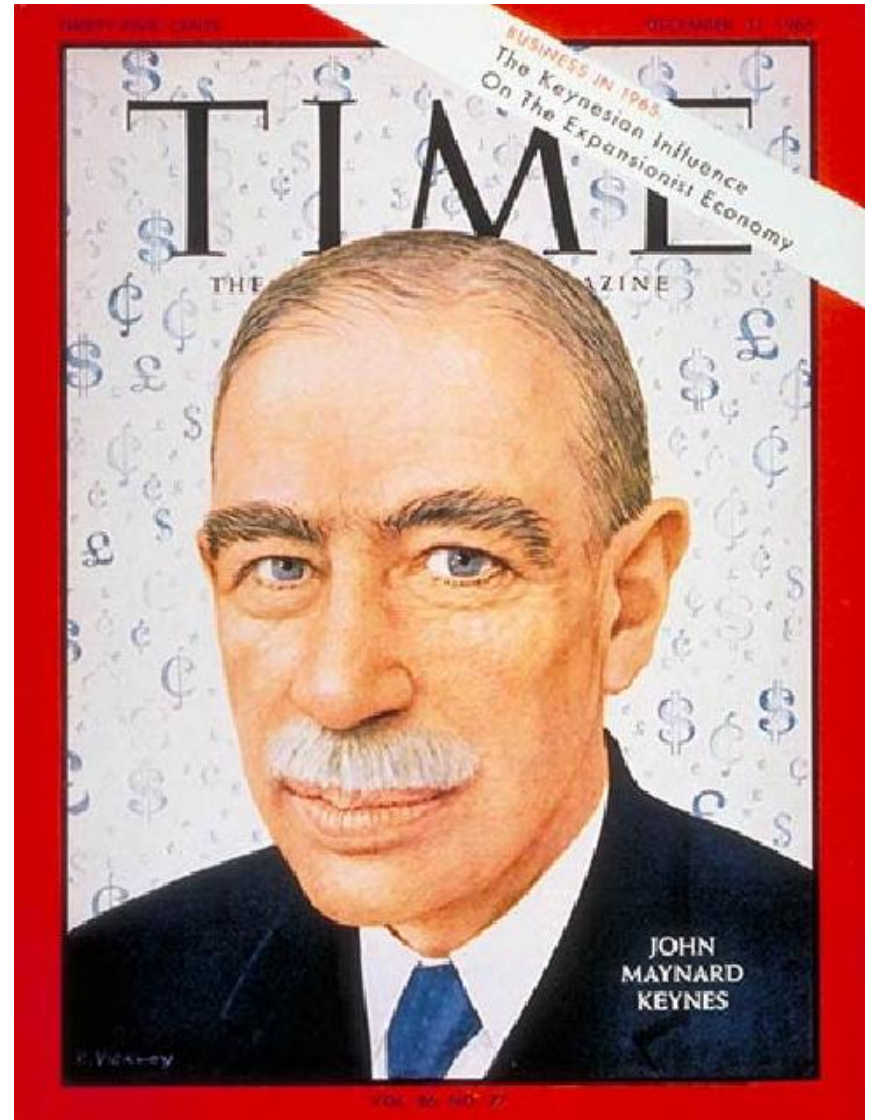
The moment of African independence coincided with a global zenith of confidence in state-led development.

Why did they call it the “Third World”?



The search for a “third way”

- e.g. The Keynesian view
 - Opened a middle ground between fascist-style regimentation and socialist-style national planning.
 - Market economy and capitalist order could be salvaged
 - An activist welfare state could put economies back onto the road to growth.



Industrialization by the state

- Import substitution
 - High tariffs
 - Rationed foreign exchange
- State ownership of firms (parastatals)
- Food price controls
- Nationalization of resources
- Mechanization of agriculture

African Socialism

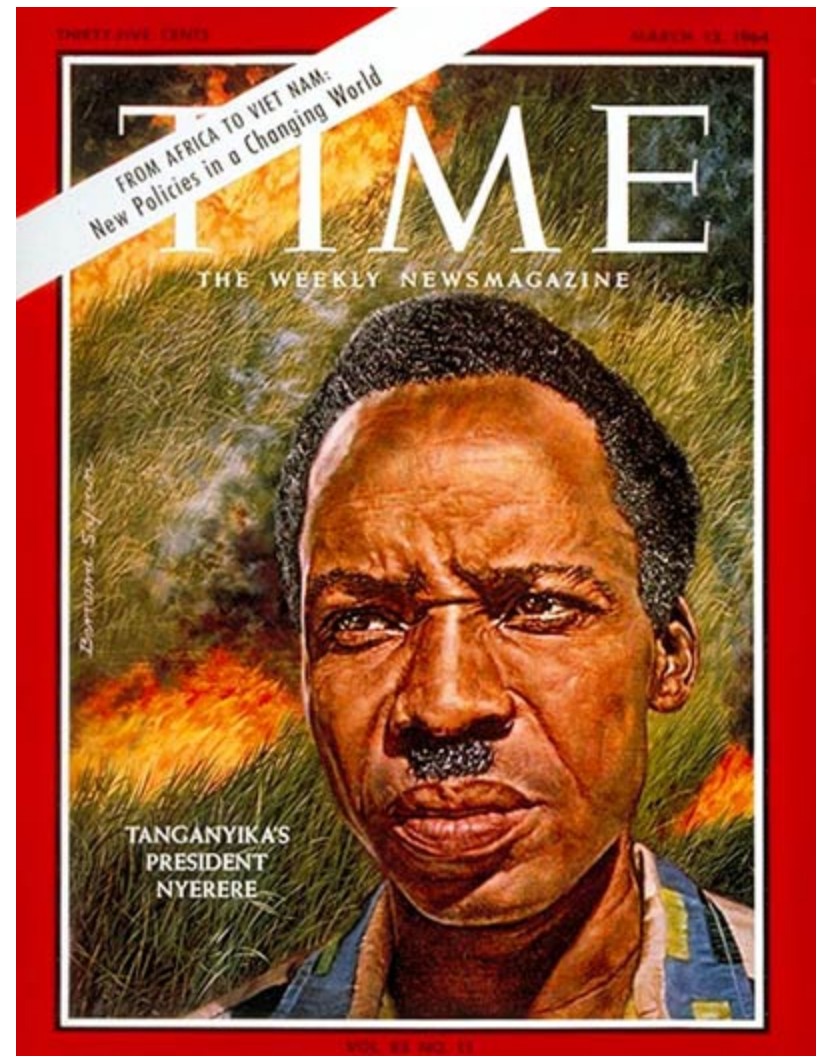
Nyerere & Nkrumah: Socialism is indigenous to Africa

Their take on history:

- Extended family systems
- Communal ownership of the means of production
- Absence of individualistic or class conflict

Implications

- Collectivization
- Centralized regimes
- State-led development
- Self-reliance



Bad choices?

- Did African leaders draw the wrong lessons from history?
 - Planned economies
 - Import substitution and state-led industrialization
 - Developmentalism

But...

- Can we really say statist policies are the root of the bloated, personal, patrimonial state?
 - If states are fundamentally weak, any system vulnerable to perversion
- Perhaps state-centered systems were chosen for a reason?
 - Easier to capture
 - Decentralized systems threaten power

1. Colonialism established despotic rule
2. Or colonialism didn't go far enough?
3. International ideologies and bad choices
- 4. Leaders matter**
5. Or are new states naturally weak?
6. It's the international system

Social scientists prefer systematic explanations

Does not give much credence to chance



“The history of the world is but the
biography of great men.”

– Thomas Carlyle (1888),
On Heroes, Hero-Worship and the Heroic in History

This “Great Man” view of history has become fairly unfashionable

Criticisms and alternatives:

- Unscientific
- People are the product of their social environment
- Systemic factors drive events
 - Historical “institutions”
 - Lootable resources
 - International aid and meddling

Yet in centralized states, leaders are autonomous, so idiosyncrasies may matter

- Formal government has few checks and balances
- Other interest groups in Africa also quite weak
 - Few large landowners
 - Unions small and weak
 - Weak private sector
 - Large businesses foreign owned
 - Small middle class, dependent on the state

How would you go about making this question “scientific”? Evidence from “unexpected changes”

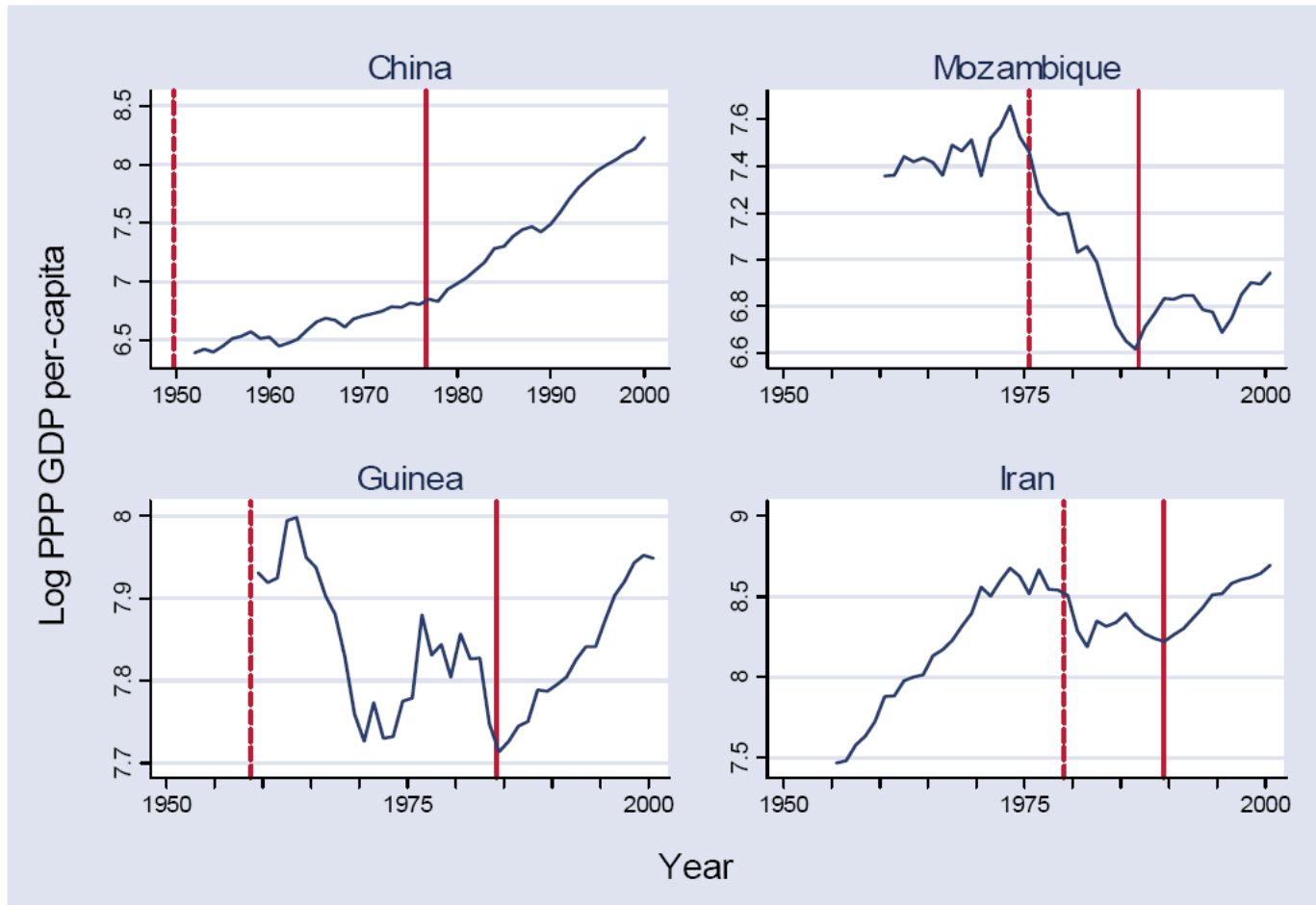


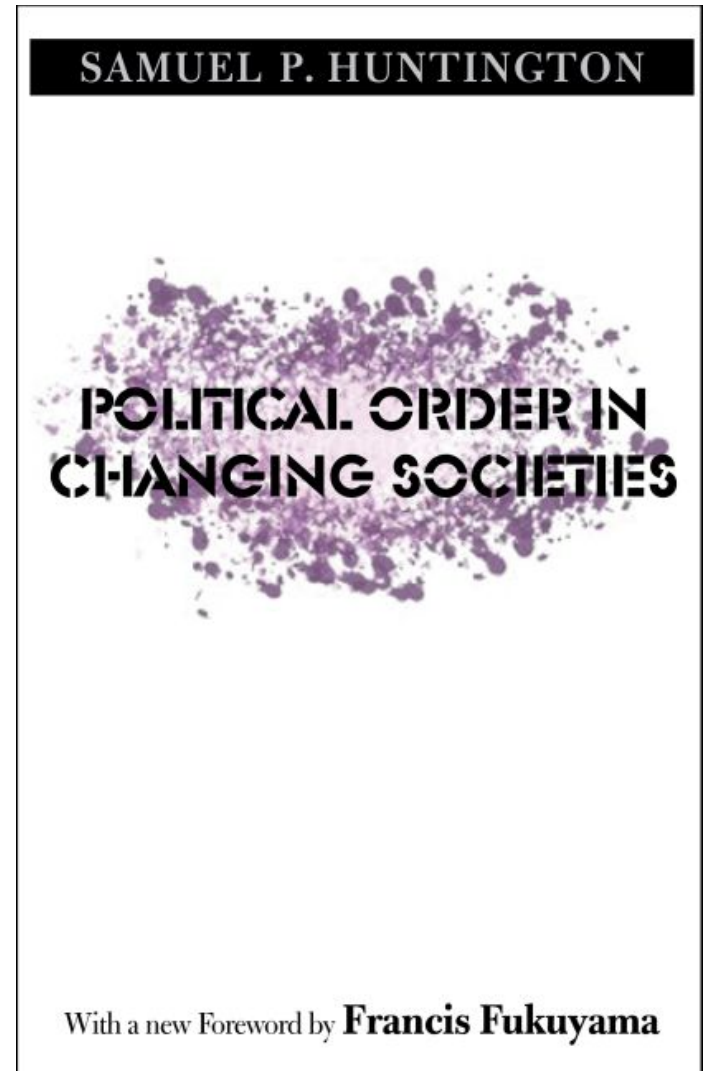
Figure I
Growth and Leader Deaths

Jones, Benjamin F. and Benjamin A. Olken. 2005. "Do Leaders Matter? National Leadership and Growth Since World War II" *Quarterly Journal of Economics*, 120 3, pp. 835-64.

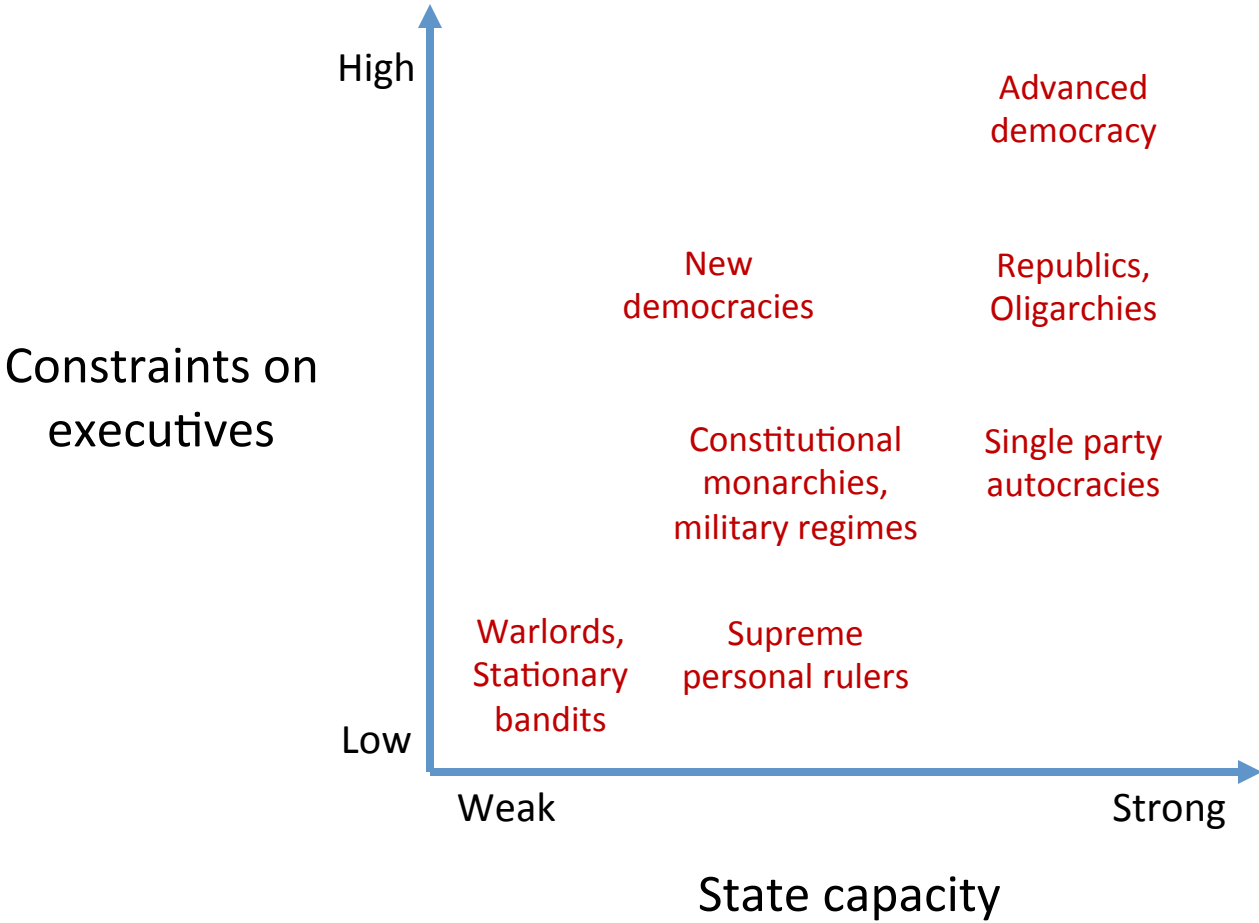
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“Authority has to exist
before it can be
limited.”

– Samuel Huntington



Highly stylized regime types



Weak before, weak later

- The process of state building is slow
- The fundamental determinants of state strength had not really changed
 - Relatively lower history of hierarchical states and bureaucratic structure
 - Low population densities
 - Trade and new technologies destabilized old forms of social control

Degrees of pre-colonial (ethnic) state development

From centralized and hierarchical organizations, to large chiefdoms, to stateless tribes

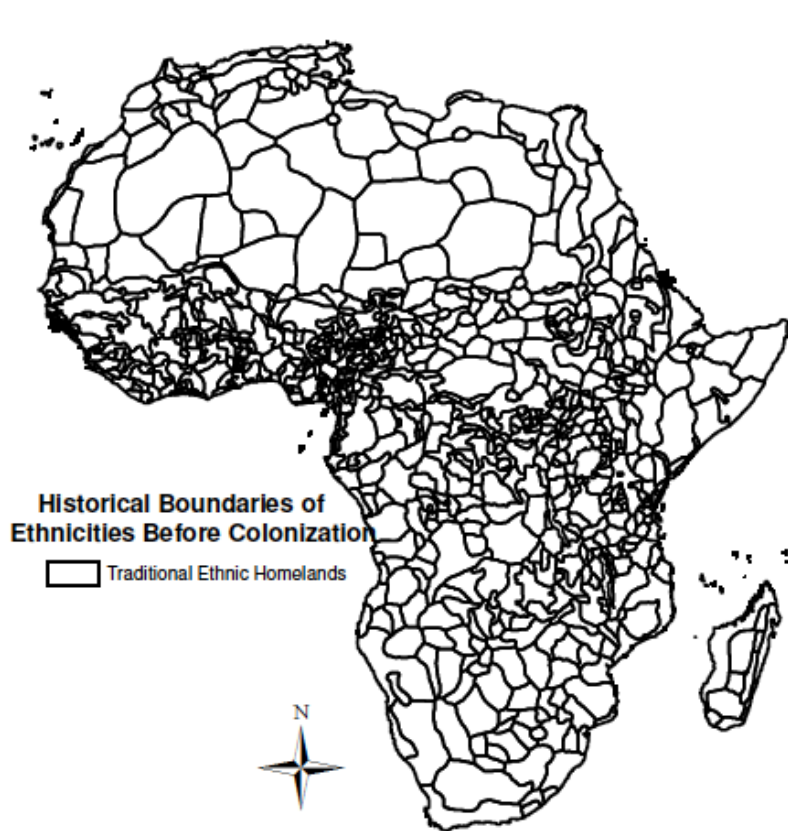


Figure 1a: Ethnic Boundaries

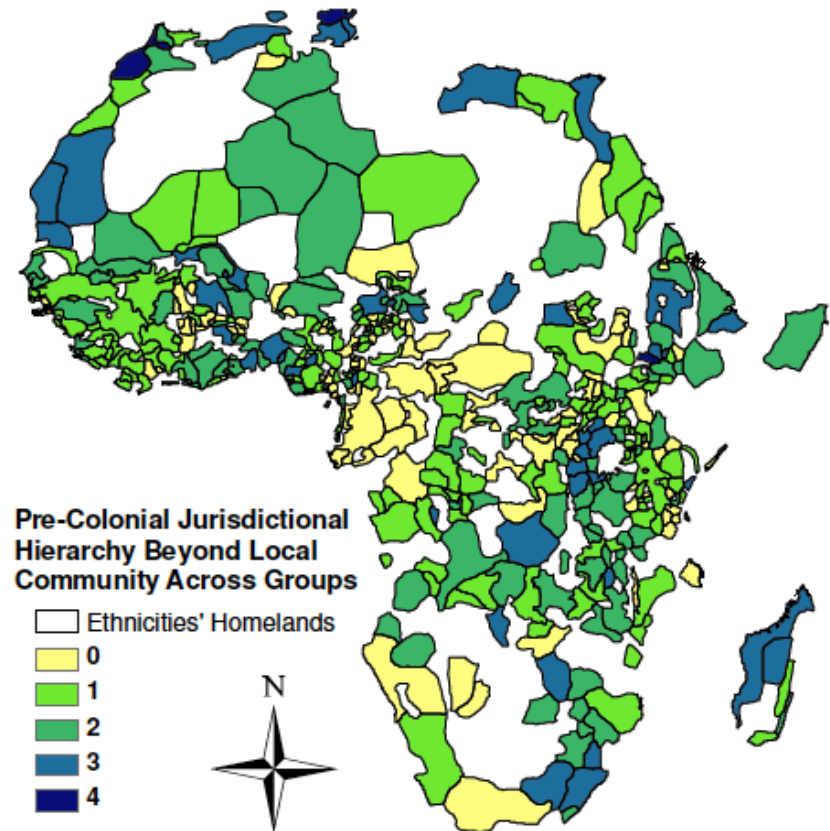


Figure 1b: Ethnic Pre-Colonial ~~Institutions~~ State development

Pre-colonial levels of state development linked to subnational development levels today

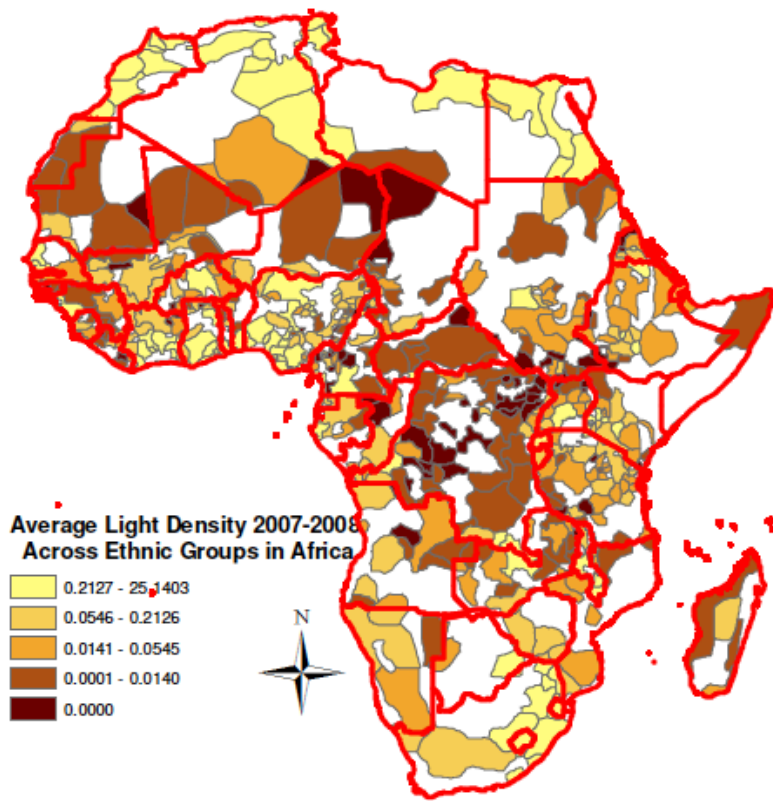


Figure 3a: Luminosity at the Ethnic Homeland

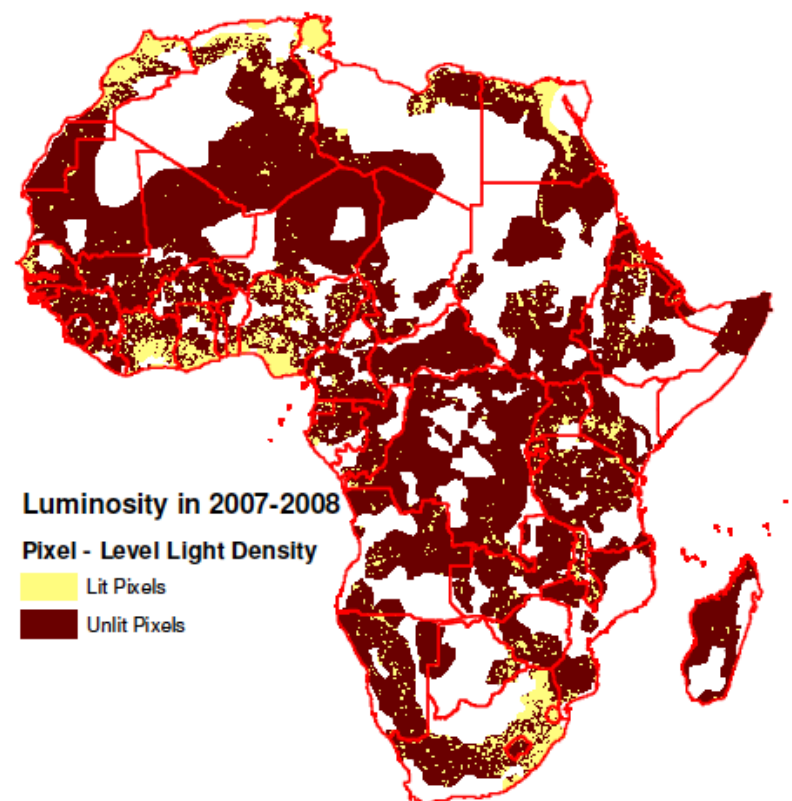


Figure 3b: Pixel-Level Luminosity

How long will it take the average fragile state to get to the governance levels of a Kenya, Botswana or Vietnam?

ICRG indicator	Indicator level		Years to threshold at pace of:			
	Current actual, fragile situations	Threshold	Recent average, fragile situations	Average, non fragile all countries	Fastest 20	Fastest over the threshold
Bureaucratic Quality	1.0	2.5	Infinity	116.1	19.9	12.0
Corruption	1.8	3.5	Infinity	Infinity	27.4	14.3
Military in Politics	1.9	4.0	Infinity	103.4	16.6	10.3

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6. **It's the international system**

How the Cold War shaped the international system

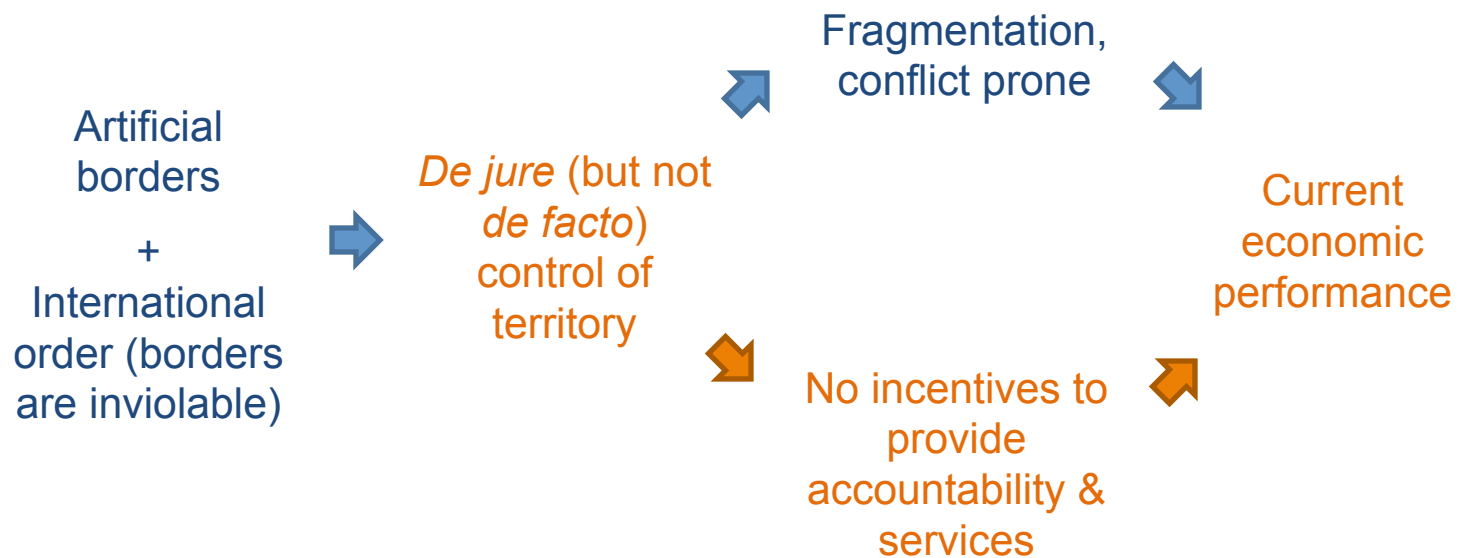
- Small transgressions threatened fragile peace
- US and USSR want a system that contains conflicts in the periphery
 - Fear is that small wars escalate to nuclear war
- Developed rules, norms and institutions that would preserve peace
 - Non-interference
 - Territorial integrity



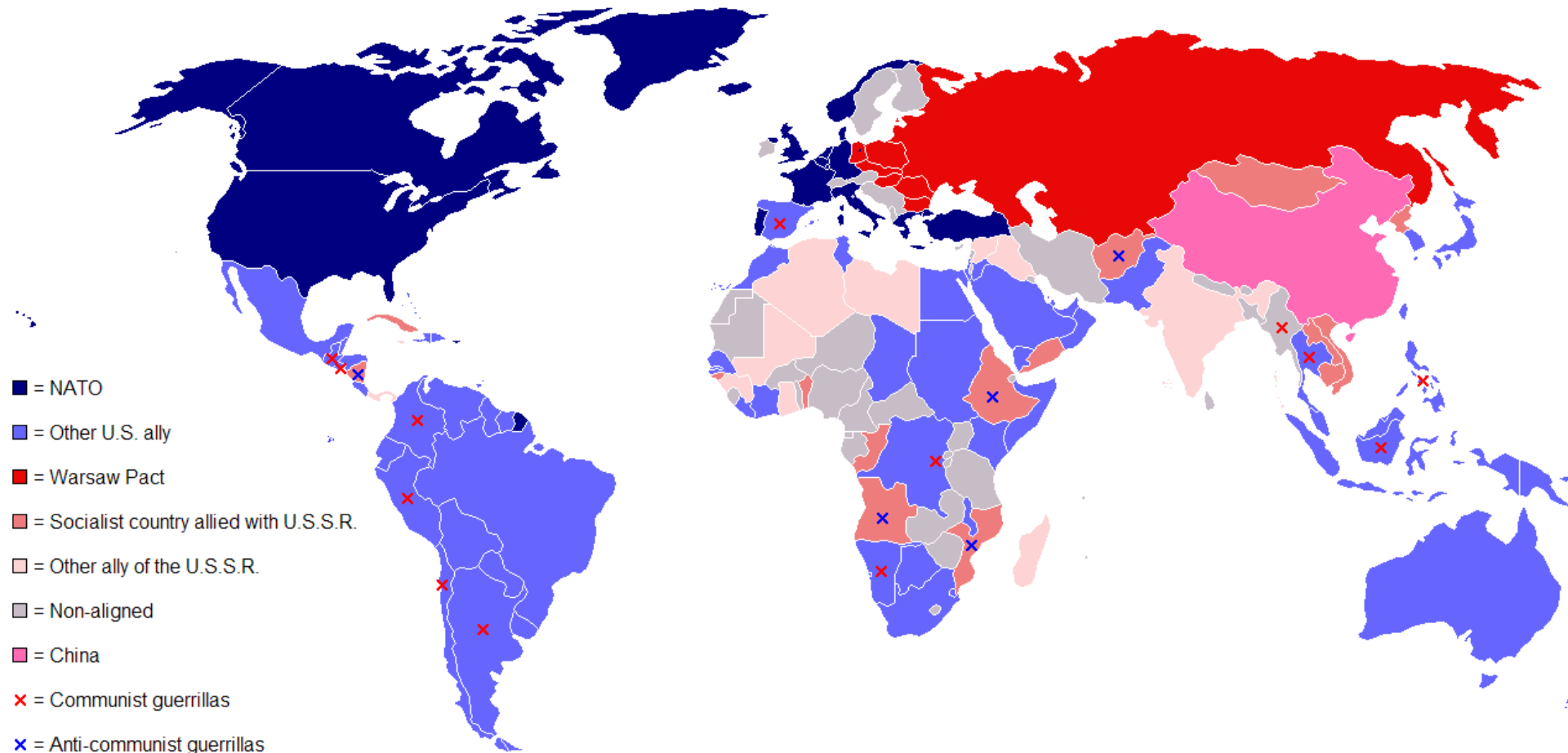
Did the global powers froze Africa in an unstable political equilibrium?

- Non-interference
 - Populations the victims of their leader's cruelty and incompetence
- Territorial integrity
 - Frees state from need to control periphery

“Territorial states” insulate African leaders from state-building and public accountability



Western powers more interested in winning Cold War than sustainable state building (They may be thugs, but they're our thugs)





Foreign aid further removes African leaders from accountability

(van de Walle, Herbst)

- Keeps thugs in power (even unintentionally)
- Further frees elites from obligations of state-building
 - Reduces need to build legitimacy and raise taxes
 - Reduces need to provide services, law and order, security
- Similar effect as natural resource wealth
 - State has access to unconditional resources
- States accountable to donors, not citizens and civil society

What I want you to take away

1. Economic failure in the 1980s was a function of political failure in the 1960s and 1970s
2. Political failure after independence was deeply rooted in Western influence
 - Colonial meddling
 - Rapid withdrawal
 - Imported ideologies
 - Trade and technology disrupting old power forms
3. But state building takes time
 - Not clear that states would have been any stronger without Western influence