

Policy and governance in Africa's economic transformation: new findings from comparative research

David Booth

*Developmental Regimes in Africa Project,
ODI, London*

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Summary

Compared with equivalent countries in Southeast Asia, most sub-Saharan African countries have lacked robust policies for agriculture-based economic transformation. According to the Leiden-based [Tracking Development](#) project (2007-11), this is the main reason why in aggregate Southeast Asia outperformed sub-Saharan Africa on all development indicators over the 40 years from 1960. A complementary conclusion from the ODI-led [Africa Power and Politics Programme](#) (2007-12) is that the more developmental political regimes in both regions are not distinguished by having the kind of institutions advocated by 'good governance' or 'golden thread' theories. Rather, the key issue is their ability to manage the utilisation of major rents in the context of a coherent political settlement, and to do so over a sufficiently long period. Now the [Developmental Regimes in Africa](#) project (2012-13) is pursuing the policy implications of these findings, and addressing some of the key issues arising, including:

- What political conditions allow high-growth episodes to be sustained beyond seven years and the incumbency of a single leader? (Tim Kelsall)
- Can African regimes create protected technocracies that deliver the 'outreach, urgency and expediency' that has underpinned Asian agricultural successes? (Ton Dietz and André Leliveld)
- Under what circumstances have developmental regimes arisen historically, and can those circumstances be reproduced? (David Henley and Helmy Fuady)
- How can the international system be made more favourable to the inception and continuation of developmental regimes in Africa? (David Booth and Frederick Golooba-Mutebi)

Results have been published on the first of these topics. [Tim Kelsall has shown](#) that sustained high growth is associated with the presence of well institutionalised dominant parties, except in Thailand, where it is associated with an independent state bureaucracy.

1 Introduction

The recently completed Tracking Development (TD) Project and Africa Power and Politics Programme (APPP) have important, timely and complementary research findings about the conditions under which successful economic transformation is likely to be achieved in sub-Saharan Africa. These findings have major implications for policy and development cooperation in the region. They also put into relief a number of unanswered questions about the origins and sustainability of developmental regimes in Africa, four of which are the subject of ongoing research in the Developmental Regimes in (DRA) Africa project.

After a brief scene-setting, this paper summarises some central conclusions and policy messages from TD and the Business and Politics research stream of APPP. It explains how they are consistent and can be married up effectively, and how they lead on to the further questions now being addressed. The results of the research stream on the sustainability of regimes and continuity of high rates of economic growth across leadership successions are briefly summarised.

2 African under-performance matters ... still

Over the 40 years starting in 1960, the economic growth and poverty reduction rates achieved in a set of Southeast Asian countries outstripped by a considerable margin what was achieved in a set of initially quite similar African countries. Starting from lower levels of measured per capita income, Indonesia, Malaysia, Vietnam and Cambodia overtook Nigeria, Kenya, Tanzania and Uganda, reproducing in many respects the success of S. Korea and Taiwan a generation earlier. This striking observation is troubling, intellectually and morally, for anyone who identifies with Africa's people and their future. It formed the common starting point of two recently completed research undertakings, the Tracking Development project (TD, funded by the Netherlands Ministry of Foreign Affairs) and the Africa Power and Politics Programme (APPP, funded by DFID and Irish Aid).

Since the late 1990s, the performance of an expanding group of sub-Saharan African economies has markedly improved, justifying the speculation that the Asian 'tiger' economies are about to be matched by African 'lions' or 'cheetahs' (McKinsey Global Institute, 2010; Radelet, 2010). The new higher rates of economic growth have been reasonably sustained, are not entirely due to high commodity prices and have been accompanied in at least some of the countries by reductions in aggregate poverty incidence. However, African growth is not yet accompanied by the structural changes and widely spread improvements in productivity that are associated with successful development. There is growing awareness among regional economists of the need for African development to

emulate more closely 'transformative' approaches that have proven their worth in Asia, which is normally understood to imply a more activist role for the state (Amoako, 2011; ECA and African Union, 2011; Whitfield, 2011). These concerns and this awareness provide an important entry-point for the findings and emerging policy implications of Tracking Development and the APPP.

3 Urgent need to learn lessons about policy

The TD findings suggest placing particular emphasis on the continuing failure of African leaders to adopt the three-legged policy approach which was critical to success in Asia: macro-stability + economic freedom for smallholders + a strong rural bias in public investment (van Donge et al., 2010). This implies a view on the relatively timid agricultural public spending targets set under the African Union's Comprehensive Africa Agriculture Development Programme (CAADP) and on why even when countries approach the 10% spending target, rural development programmes seem to lack the 'outreach, urgency and expediency' which characterised Southeast Asian development strategies (Henley, 2010).

The TD findings place a large question-mark over the continuing appeal in Africa, even in technical and academic circles, of the idea of short-cutting rural productivity growth, and moving directly to a growth pattern based on urban services or value addition in manufacturing. TD calls for hard thinking about how to combat illusions of this type in countries where the political threat of a mobilised (e.g. communist-led) peasantry is almost entirely absent and even large-farmer interest groups do not, or no longer, exercise strong political influence. These issues have also been central to the PEAPA research which informs this conference.

4 Policy and institutions

The TD findings rest on the powerful evidence-base of historical comparison using matched pairs of Southeast Asian and sub-Saharan African countries. While APPP also drew on studies of Asian experience, it concentrated on exploiting the analytical benefit of comparative studies of African regimes across time and space.

The findings from this work have reinforced the central messages from TD. They also shed light on the institutional variables that lie, as it were, between the ultimate drivers of the initiation of developmental political regimes (e.g. threat or actuality of a mobilised, communist-led peasantry) and the pattern of policy and policy implementation (rural bias, outreach, urgency, etc.).

APPP researchers accept that failure to adopt sustainable development strategies grounded in rural transformation in countries like Nigeria and Ghana owes a good deal to 'flawed vision' arising from the intellectual background of key technocrats (Henley et al., 2010). However, APPP has also found that the technocratic schools of thought that came to the fore in different countries at different moments can also be explained by political rationality, since politicians usually select the kinds of technocrats that are sympathetic to their particular legitimisation strategies and exigencies of survival (Lewis, 2007; Killick, 2010).

Common sense and empirical evidence suggest, furthermore, that good policies are effective only when they are combined with appropriate institutions. APPP has found a pattern in which the best performing African states all employed a centralised institutionalised structure for managing economic resources and rents with a view to long-term interests (Kelsall, 2011a; 2011b). This core feature shaped the willingness and capacity of these regimes to choose policies (and technocrats) and design institutions to meet the needs of their situation, adopting a 'problem solving' approach rather than aping Western models (Booth, 2011a) or practising 'isomorphic mimicry' (Pritchett et al., 2010).¹ This type of structure is not currently favoured by donors in Africa, but it can also be discerned in the most ethnically diverse, and arguably most 'African-like' Southeast Asian states, namely Indonesia and Malaysia.

These findings provide pointers for domestic and international actors as to which institutional variables are critical in enabling transformative growth in Africa, and which are not. They confirm an initial hypothesis common to TD and APPP, that combating 'neopatrimonialism' as such is not good development policy. Rather, it is necessary to make distinctions among more and less developmental forms of more or less patrimonial regimes. Similarly, 'good governance' as conceived over the last quarter-century is a poor diagnostic tool, while the concepts underpinning the more naive forms of democracy promotion also tend to miss the point.

5 Implications for policy

While the core of this theory about institutions may appear abstract, its implications for policy and practice are quite clear and direct, as well as usefully complementary to messages about the desirable content of development strategies. Once they understand what really distinguishes a developmental leadership (or in Paris Declaration terms, country-owned development) under African conditions, domestic and international actors can think in a coherent way about how they may be able to support, sustain and even perhaps help to create such regimes (Booth, 2011d).

¹ APPP local governance research is confirming that these are the variables that determine the capacity to deliver the essential public goods on which ground-level development depends (Booth, 2011b).

At a minimum, they will be better placed to deal with regimes that appear to have some of the right qualities (e.g., Ethiopia and Rwanda; Booth and Golooba-Mutebi, 2011; Vaughan and Gebremichael, 2011). More ambitiously, they may be able to contribute to resolving the developmental impasse that has arisen in extreme form in countries like Kenya and Nigeria, and in a weaker form in Ghana, where competitive politics is well entrenched but in a form that does not deliver the conventionally expected benefits of democracy. A theme which unifies these messages about institutions of governance with the TD messages about policy direction and implementation is the danger of complacency about Africa's current situation and future prospects, within Africa and in the global system (Booth, 2011c).

6 Unresolved questions

That having been said, there are some areas in which the practical implications of TD and APPP research are not completely clear because the evidence is incomplete or contradictory. These areas concern respectively:

- What political conditions allow high-growth episodes to be sustained beyond seven years and the incumbency of a single leader?
- Can African regimes create protected technocracies that deliver the 'outreach, urgency and expediency' that has underpinned Asian agricultural successes?
- Under what circumstances have developmental regimes arisen historically, and can those circumstances be reproduced?
- How can the international system be made more favourable to the inception and continuation of developmental regimes in Africa?

Sustaining high growth regimes

A feature of the post-independence 'developmental patrimonialisms' studied by APPP is that they eventually succumbed to the forces of normal neopatrimonialism, their success having depended to a significant extent on the personal style of a dominant leader. The long-term vision and robust management approaches observed in the current Rwandan and Ethiopian regimes are associated by some observers with the individual inclinations and talents of their leaders, and the literature dwells frequently on issues of succession. In the successful Asian states, on the other hand, developmental regimes persisted for long enough for gains to become more or less self-sustaining, possibly because leadership took a more institutional form from the beginning. Can we draw some firm inferences from the available experiences about what it will take for African developmentalisms to become institutionalised?

Islands of effectiveness?

There is also a need to explore in greater detail some aspects of the relationship between good policy and institutional context. Policy thinkers need to know more about institutional effectiveness at a macro, systemic level, and micro, operational level, and the links between the two. TD research found that successful Southeast Asian states created 'islands of effectiveness' in small but crucial parts of the state apparatus (Henley et al., 2010). This has been picked up in APPP thinking, which identifies 'technocratic integrity' in key state apparatuses as a feature of the more developmental neopatrimonial regimes (Cammack and Kelsall, 2010; Cooksey and Kelsall, 2011). Another important research programme – Elites, Production and Poverty – has recently developed a striking synthesis of evidence on the conditions which generate effective state support to productive sectors, including the terms on which industry leaders and state officials interact (Whitfield and Therkildsen, 2011).

In the context of recent discussion about the strengths and limitations of 'pockets of effectiveness' in African administrations (Crook, 2010; Leonard, 2010; Blundo, 2011; Roll, 2011; forthcoming), it ought to be possible to extract some further juice from these convergent TD, APPP and EPP findings. For example, we might hypothesise that a critical limitation of extant examples of islands of effectiveness in Africa is that they do not include the key organisations supporting agriculture (cf. Poulton et al., 2006; Poulton, 2010).

Regime origins

But what does it take to get such regimes started? Sooner or later, the comparative analysis of regime types brings the focus back to the question of whether the threat or actuality of a rural uprising is a *sine qua non* for the initiation of a developmental regime. This question cannot be considered settled by already completed work in either of the two programmes.

It is clear that in Asian history a range of different sorts of national 'shock' contributed to the key developmental turning-points from Japan's Meiji Restoration onwards. The pro-rural, pro-smallholder policy biases that TD finds in Southeast Asia but not in Africa seems to reflect, in some combination still to be determined, the influence of a peasantry mobilised under communist auspices and independent aspects of the elite mindset. In Africa, the shock effect of large-scale killing, including in rural areas, contributed to the genesis of the current regimes in Ethiopia and Rwanda, influencing elite attitudes towards rural development to some extent, if not sufficiently.

To be useful for policy, however, thinking about shock effects needs to encompass possible functional equivalents which are both less devastating in

their effects and closer to the levers actually available to specific policy actors. Historical experiences that would bear closer scrutiny in this context include the motivating effects of late-colonial crises in Malaysia and Botswana (Lang, 2009); the impending end of US aid to S. Korea in the 1960s (Weiss and Hobson, 1995; Cumings, 2005), and the ending of budget support to Kenya in the late 1990s and mid-2000s.

The global context

A final question which requires further attention is how the international system might become less unfriendly and more conducive to the emergence and continuity of developmental regimes. There is a growing case for donor countries to pay more attention to the non-aid policies through which they influence, mostly for the worse, the incentives of the rulers of poor countries (Moore et al., 2009; Brown et al., 2010). TD and APPP research suggests in addition the need for fresh attention to reversing the tendency for ideological globalisation to promote mimicry as the standard approach to policy choice and institutional design in the South. One effect of this is a 'kicking away of the ladder' by which now developed and middle-income countries reached their current position, and in more fields of policy and institutional change than originally visualised by Chang (2002). This line of argument would justify further elaboration.

7 First results: Kelsall on sustainability

Research on three of the four issues is ongoing. On the first topic, results have recently been published in a Working Paper and a Policy Brief written by Tim Kelsall. The findings and conclusions may be summarised as follows.

Sub-Saharan Africa is now the world's fastest growing region, with predictions that in the next decade seven out of ten of the world's most expansionary economies will be African. This is not the first time, however, that African economies have proved dynamic. They grew respectably between 1960 and 1974, and a handful posted extremely rapid growth rates. This growth was not sustained, however; a result, in part, of problems related to leadership succession.

Since the succession issue is raising its head in several of today's 'lion' economies, including Angola, Ethiopia, Rwanda and Uganda, Kelsall has examined comparative evidence from two regions, sub-Saharan Africa and Southeast Asia, to answer the question: 'Under what conditions does high economic growth survive leadership succession?' He explores how countries can avoid the succession trap, by means of a qualitative comparative analysis of fast-growing countries in Southeast Asia and Africa. Contrary to currently fashionable

ideas about 'inclusive institutions' and 'golden threads', it finds that crucial to combining succession with growth is the embedding of policy-making in strong institutions of one of two types:

1. a dominant party with a tradition of consensual decision-making and leadership succession, or
2. a strong, organic bureaucracy, effectively insulated from changes in political leadership.

Preliminary research by Ton Dietz on the topic of politically protected technocracies and 'islands of effectiveness' will be presented in the conference panel on Developmental Regimes in Africa which is introduced by the present paper. The presentation by Fred Golooba-Mutebi extends work on the Rwanda case undertaken for APPP and the PEAPA project in a direction which begins to address the unanswered questions about incentives and international conditions affecting the origins and survival of developmental regimes in Africa.

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