

Developmental Regimes in Africa

Policy and governance in Africa's economic transformation

New findings from comparative
research

David Booth

*International conference on the political economy
of agricultural policy in Africa, Roodevallei, South
Africa, 18-20 March 2013*

The Tracking Development Project

The Richer Harvest

Economic development in Africa and Southeast Asia compared

The 'Tracking Development' study

2006-2011

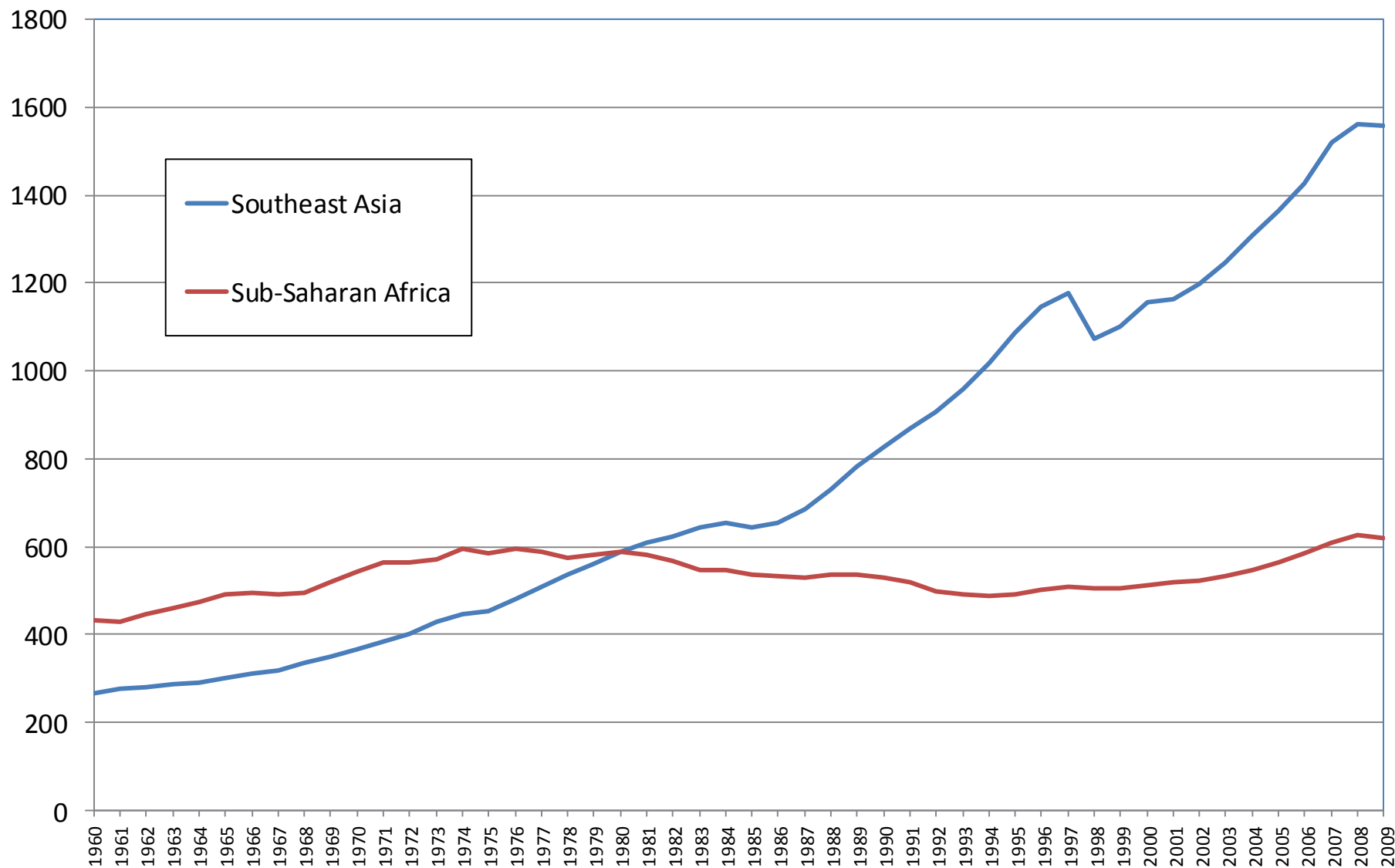
Dirk Vlasblom

A publication from the African Studies Centre

Leliden, 2013



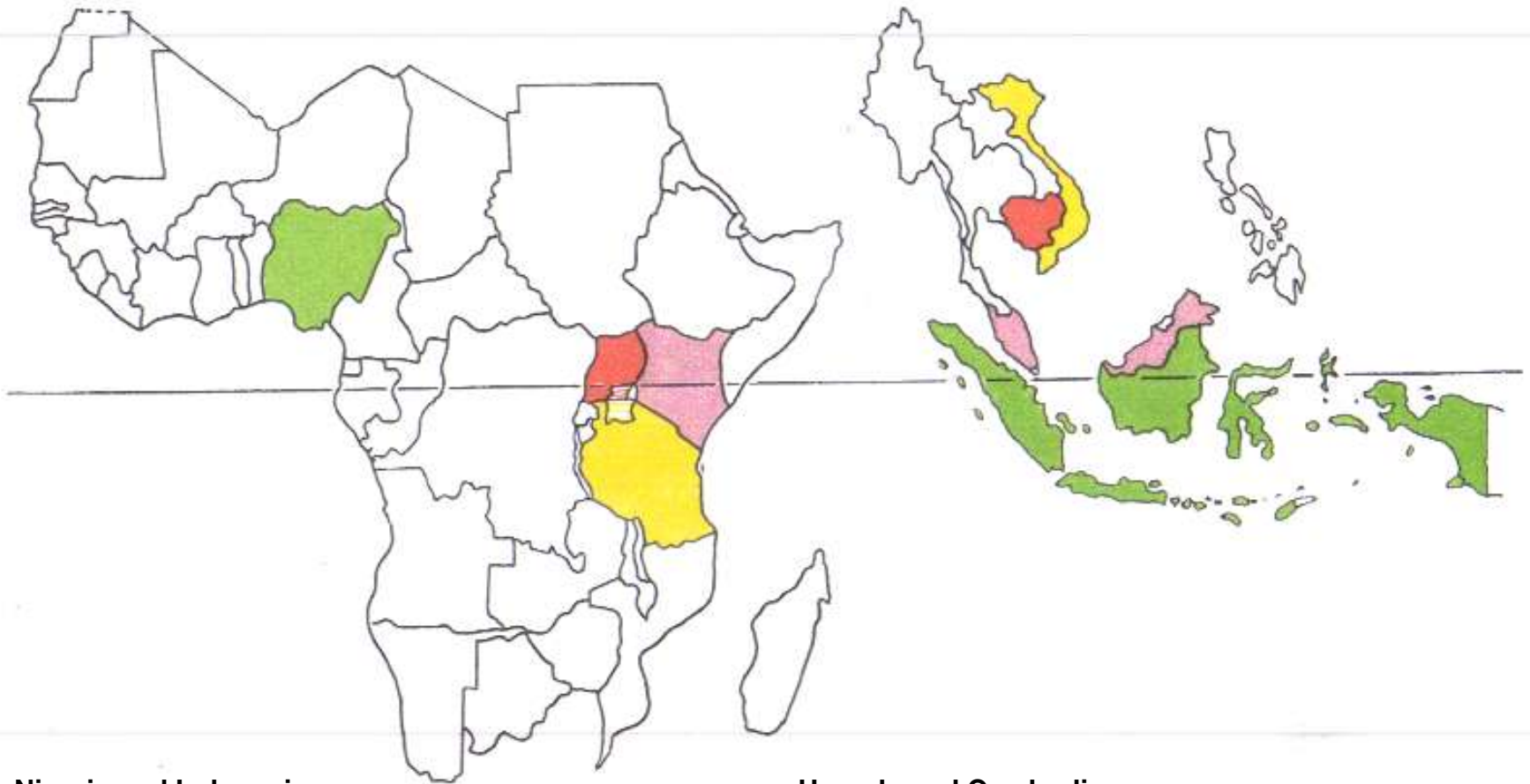
Southeast Asia and Sub-Saharan Africa: GDP per capita (constant 2000 US\$), 1960-2009



Southeast Asia and Sub-Saharan Africa

before 1960: colonial rule; agrarian economies with primary product exports

since 1960: corruption and weak institutions



Nigeria and Indonesia
oil giants

Tanzania and Vietnam
post-socialist countries

Uganda and Cambodia
post-conflict countries

Kenya and Malaysia
politically stable open economies

Three preconditions for sustained growth with mass poverty reduction

in Malaysia since 1958, Indonesia since 1967, and Vietnam since 1986

- 1) Macroeconomic stability**
low inflation, little currency overvaluation
- 2) Economic freedom**
for farmers and entrepreneurs
- 3) Pro-poor public spending**
on agriculture, public services, and rural infrastructure

Underlying principles of successful development strategy

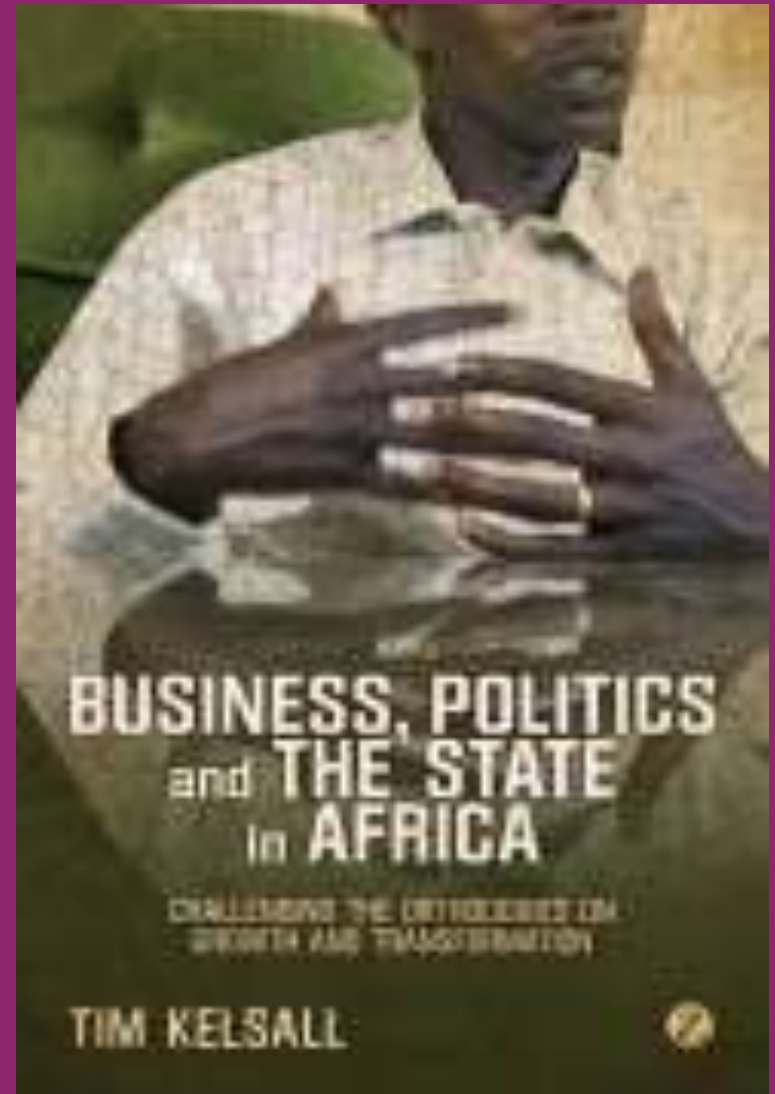
- 1) scale: mass outreach
- 2) urgency: direct impact
- 3) expediency: ends above means

in sum: increase the earning power of as many people as possible, as quickly as possible

Contrasting concepts of development

Southeast Asia	Sub-Saharan Africa
incremental (but potentially rapid)	transformative
poor people become richer	poor countries acquire things rich ones have (technologies, industries, goods, rights, institutions)
growth	modernisation
productivity	education
inclusive	elitist
oriented toward undesired starting point of development: mass poverty	oriented toward desired end point of development: industrial or post-industrial modernity
concerned with establishing immediate priorities	concerned with making comprehensive plans

Africa Power and Politics Programme: Business and Politics research stream



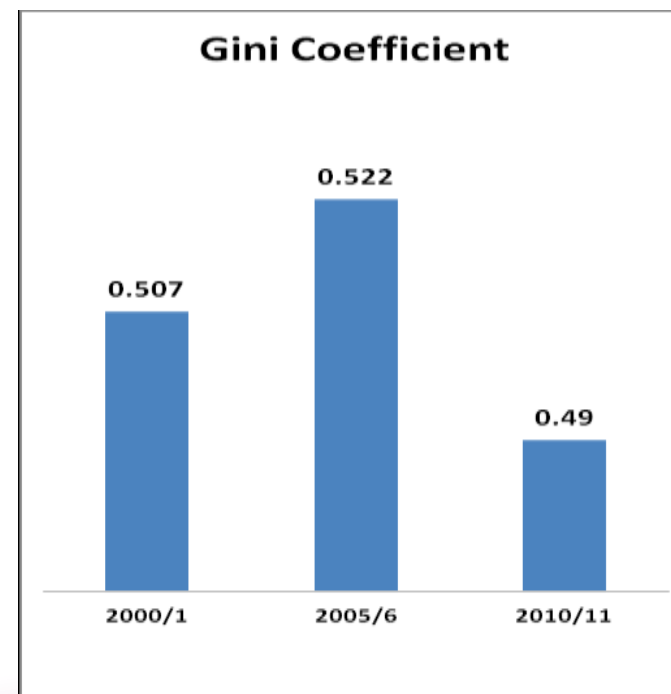
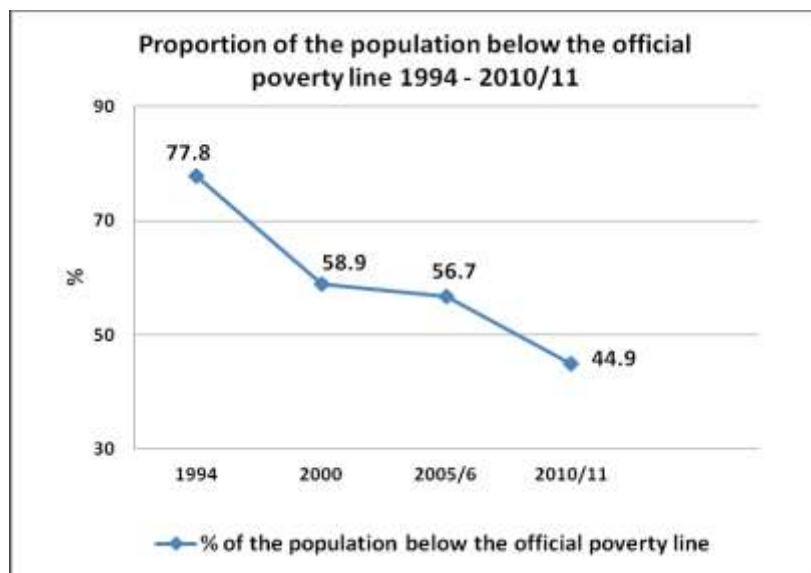
The modal pattern in sub-Saharan Africa

- Rent extraction is a source of personal enrichment for political as well as business elites
- Leadership is unwilling or unable to restrict rent taking, as allocation of rent opportunities keeps it in power
- Creating rent opportunities drives policy-making, as there is no other source of campaign financing
- Corruption permeates the system; no moral authority to prevent this
- Bureaucratic quality is comprehensively undermined

Developmental patrimonialism? Rwanda versus the SSA modal pattern

Modal pattern	Rwanda
Personal enrichment of political elites	RPF benefits corporately from Tri-Star/CVL dividends
Leadership stays in power by allocating rent opportunities	Leadership is gambling on staying in power by generating public economic and social benefits
Policy-making affected; no other source of campaign financing	Policy-making protected; RPF campaign financing underwritten by CVL profits
Corruption permeates the system	Corruption control is able to be effective
Bureaucratic quality undermined	Bureaucratic quality is not undermined

Some reasonable results



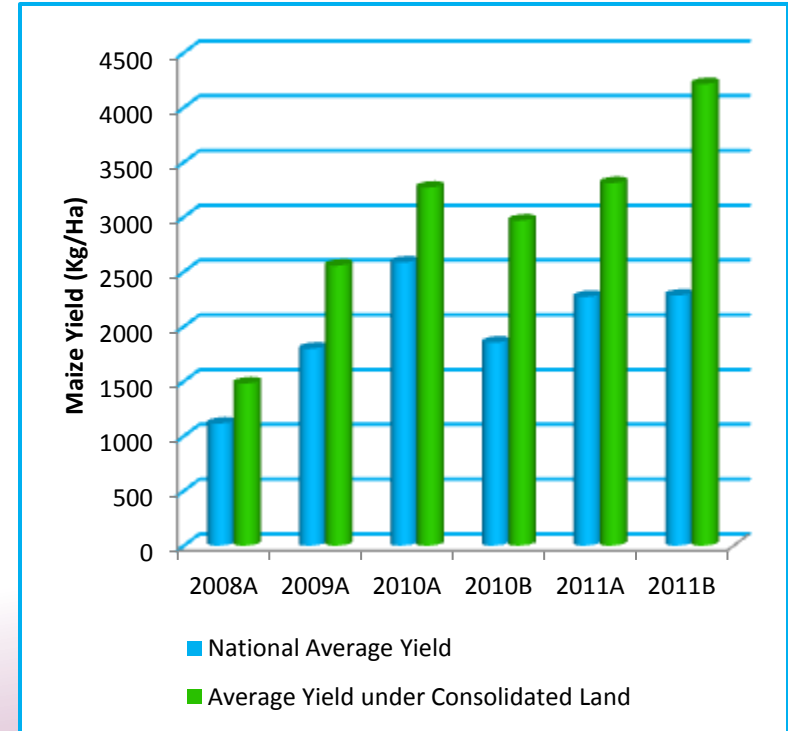
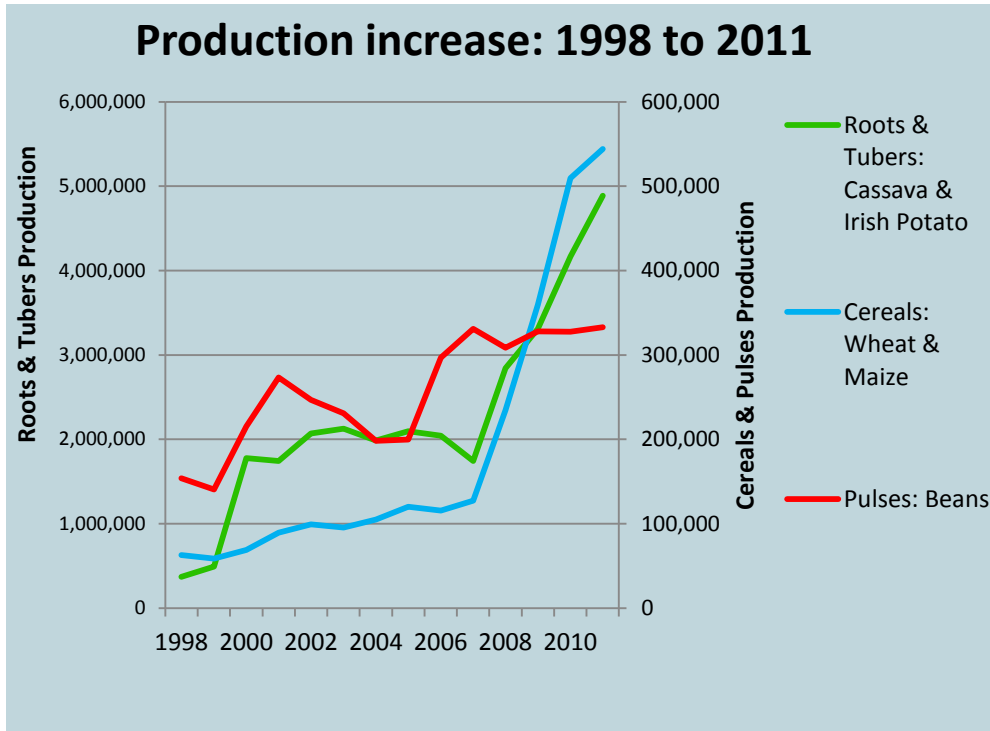
	2006	2010/11
GDP growth, annual average 2006-10	8.4%	
Infant mortality (per 1000 live births)	86	50
Maternal mortality (per 100,000 live births)	750	487
Total fertility rate	6.1	4.6

Sources: NISR, EICV3, DHS4



Production & productivity increase for key staples

From a presentation by J.J. Mbonigaba Muhinda,
Rwanda Agriculture Board



► Land consolidation, inputs provision and proximity extension services through the Crop Intensification Programme have been the main contributors to this growth



Four outstanding questions (DRA project)

- 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 survival of developmental regimes in Africa? (David Booth and Frederick Golooba-Mutebi)

First results: Kelsall on succession and growth

Developmental Regimes in Africa

Instilling & sustaining developmental regimes in Africa

Economic growth and political succession: A study of two regions

Tim Kelsall

Working Paper

January 2013

01

Developmental Regimes in Africa

Instilling & sustaining developmental regimes in Africa

A joint initiative between Africa Power and Politics (APP) and Theology Development

Policy Brief

January 2013

03

The succession trap: high growth Africa and the pitfalls of leadership change

Tim Kelsall¹

Sub-Saharan Africa is now the world's fastest growing region, with predictions that in the next decade seven out of 10 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.²

Since the succession issue is raising its head in several of today's 'lion' economies, including Angola, Ethiopia, Rwanda and Uganda, this policy brief examines 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?'

We find that countries that succeed in combining high growth with succession have one of two distinct characteristics:

- a dominant political party with a consensual decision-making tradition, or
- an organic bureaucracy insulated from the political process.

Why does succession affect growth?

Economic growth requires political leaders to make credible commitments that establish de facto property rights – only then will investors be confident that their assets will not be expropriated or undermined. In the early stages of economic growth, a precedent of 'responsible behaviour' on the part of the leadership may generate such confidence. But what happens when the political leadership changes? Obviously, confidence can



Indonesia's Aburizal Bakri (left) with a consensual party with a consensual decision-making tradition. Photo: Public domain (B. Bakri) (Wikipedia)

drop, amid uncertainty over whether the new leadership will honour old commitments.

In 17th century England, such uncertainty was reduced when leaders accepted formal checks on power that limited their ability to renege on old commitments.³ That experience has inspired much current advice on strengthening legislatures and legal systems in the developing world, not to mention currently fashionable ideas about 'inclusive institutions' or a 'golden thread linking the rule of law, the absence of conflict and corruption, and the presence of property rights and strong institutions'.⁴

However, our own research shows that in Asia and Africa today, credible commitments are more likely to be provided by strong political parties or, more rarely, insulated bureaucracies.

Our method

Our study identified medium or large countries in sub-Saharan Africa and Southeast Asia that had experienced high growth for a decade or more since 1960.⁵ We then focused on those that had also

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First results: Kelsall on succession and growth

- In the 1960s and 1970s economic growth in sub-Saharan Africa was respectable, but growth was not sustained, partly because of problems related to leadership succession.
- The study explores this issue 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’, the crucial enabler of succession with sustained 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

Developmental Regimes in Africa



Developmental regimes in Africa brings together **Tracking Development**, led by the ASC & KITLV inter-institutes of Leiden University, Netherlands and **Africa Power and Politics**, led by the Overseas Development Institute, London. The project is supported by the Netherlands Ministry of Foreign Affairs

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