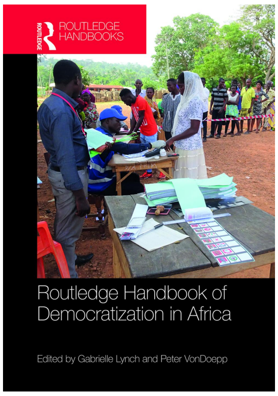

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Gabrielle Lynch, Peter VonDoepp

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Peter M. Lewis
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29

ECONOMIC GROWTH AND DEVELOPMENT

Peter M. Lewis

In the early decades following independence, the majority of African states were ruled by military or single-party regimes. By the 1980s, a severe economic downturn affected much of the continent, depressing growth and living standards. In theory and through observation, authoritarian governance and poor development outcomes seemed to be associated. Analytical models of neopatrimonialism, institutional deficits, and rent-seeking dominated the political discourse. When political liberalization and reform swept Africa in the early 1990s, questions about the interplay between democracy and development were highlighted. From one vantage, there were sound reasons to expect that more open and participatory government could produce better economic performance. Indeed, the continent's accelerating growth from the late 1990s contributed to a narrative of "Africa Rising" through democratization and economic reform.

However, a contrary perspective criticized the assumptions of a "Washington Consensus" around the virtuous cycle of economic and political liberalism. Elite politics and structural barriers to growth could hamper economic regeneration, while persistent inequalities might undermine the legitimacy of electoral regimes. As economic growth in Africa abated with decreases in global commodity prices after 2014, new questions emerged concerning the relationship between governance and development. Several empirical analyses have shown a strong association between democratic quality and economic growth, although other observers have noted lagging performance in open electoral regimes such as Ghana and South Africa, alongside progress in authoritarian states such as Ethiopia and Rwanda.

Consequently, the relationships between democracy and development remain subject to debate. A variety of political conditions influence development, including the quality of state institutions, the commitments of leadership, and the nature of political coalitions with producer groups. These important factors do not necessarily correspond with regime type, which opens the possibility for successful development strategies to be crafted under different political systems. Considering the entire range of regimes in Africa since independence, multiparty systems generally appear to be more adept at managing the political challenges to economic transition, although some non-democratic governments have advanced a developmental agenda.

This chapter assesses the evolving debates regarding political regimes and economic development in postindependent Africa. The following section reviews the evolution of political systems and economic performance until the 1990s. The era of democratization and economic recovery, and potential linkages between these changes, are then considered. This is followed by a review of the empirical literature on regime types and economic growth. A succeeding discussion looks at more recent contributions to the debate, including analyses of political settlements, industrial policy, and authoritarian developmental regimes. Concluding observations look at the changing assumptions of the debate and possible future paths across the region.

Regimes and development in the African context

Since the early years of independence in Africa, there has been a lively contention over political regimes and economic development. In the 1960s and 1970s, however, democracy was not prominent on the agenda, given the prevalence of authoritarian regimes across the region. Instead, debates on development during this era centered largely on ideological and strategic competition (Young 1982). Governments such as those in Tanzania and Ghana advanced eclectic socialist models, while rivals in Kenya and Côte d'Ivoire pursued more market-oriented agendas. In the 1970s, several states including Angola, Mozambique, and Ethiopia adopted orthodox Marxist-Leninist programs.

Doctrinal labels aside, there were actually many similarities in policy and governance across regimes. In dozens of systems, power became highly centralized and personalized around executives, who articulated a set of patronage structures and clientelist networks as a basis for rule (Ake 1996). Core coalitions often consisted of family, co-ethnics, or elites within the ruling party and the armed forces. The expansion of public employment, subsidies, and services bolstered populist appeals and extended the basis of support for the ruler.

State-owned enterprises, agricultural marketing boards, and public development banks largely became instruments of political distribution, enabling leaders to confer benefits to supporters rather than serving developmental purposes (Gallego and Wantchekon, this volume). Approaches to development emphasized import-substituting industrialization (ISI) as a strategy for reducing external dependence and advancing domestic markets and productive capabilities. The implementation of ISI, built around extensive subsidies and protection, often fostered uncompetitive, costly ventures while serving patronage goals.

These problems of policy and institutions did not immediately hamper economic performance. From the late 1950s through the mid-1970s, African countries reflected average gross domestic product (GDP) growth of about 5 percent annually, yielding modest increases in per capita incomes. Yet by the late 1970s economic trends began to deteriorate, and many states saw the onset of economic distress. Growth waned, debt pressures accumulated, and numerous governments found themselves moving toward insolvency. In the next decade, countries across the continent experienced severe economic downturns that depressed growth and living standards. The long crisis persisted for nearly two decades (Callaghy and Ravenhill 1993; van de Walle 2001; Cooper 2002; Radelet 2010).

In theory and through observation, authoritarian governance and poor development outcomes were closely associated in Africa (Ake 1996). Many analysts of Africa's economic crisis emphasized the role of predatory rulers and patronage-driven political systems (Sandbrook 1985; Callaghy 1990; Carbone, Memoli, and Quartapelle 2016). Authoritarian regimes had limited accountability to their publics, sustaining political control through military structures or dominant political parties grounded in patron–client networks. The model of "neopatrimonialism" focused on systems of personalized power, centralized authority, and institutional weakness (Bratton and van de Walle 1997). Others stressed problems of pervasive clientelism and corruption, focusing on the dispersal of economic rents rather than the dominance of personal rule (Joseph 1987).

In many states, leaders had broad discretion in allocating public resources, and maintained support through clientelist distribution, rather than building collective goods such as law, infrastructure, or social services. Public revenues were often diverted to maintain political support, and governments mediated access to resources, jobs, and market opportunities. Political control of the economy fostered economic stagnation, fiscal crises, and deepening poverty. The malign effects of these practices were evident across a range of systems, with little variance by ideological orientation or purported development strategies.

As economic conditions worsened across the region in the early 1980s, many governments turned to the multilateral financial institutions, the International Monetary Fund and the World Bank, for vital emergency finance and assistance with debt rescheduling (Callaghy 1990). Economic adjustment programs came with stringent policy conditions, requiring fiscal cutbacks, reduction of public employment and programs, currency devaluation, trade liberalization, and privatization of state-owned enterprises, among other orthodox, market-oriented reforms. Following economic stagnation and the improvised austerity of the initial crisis, donor conditionality further constrained distributive politics and added to popular hardship.

The democratic wave and economic change

Economic decline fueled political protest, as citizens in many countries moved beyond material grievances to target systems of corruption and authoritarianism that they held responsible for the crisis. Beginning in 1990, military leaders and single party governments began to concede demands for multiparty electoral rule. Despite variance in the actual outcomes across the continent, the "third wave" of democratization had arrived in Africa (Huntington 1991).

Questions about the relationship between democracy and development were highlighted when political opening and reform swept the region. A lineage of democratic theory and comparative political economy suggested that more open and participatory government could produce better economic performance. If governments became more accountable, transparent, and rule-driven, they would be inclined to perform better and to produce broad economic gains as a basis for support.

The apparent link between democratic rule and economic growth has several premises (Lewis 2012; Carbone, Memoli, and Quartapelle 2016). At the most general level, there is the nominal affinity between democracy and markets (Lindblom 1977). Both systems rely on open information flows, choice, and decentralized outlets for decision-making. Authoritarian regimes find it difficult to manage the complexities of information and discrete choices needed for a dynamic market economy. Conversely, market systems give rise to pressures for transparency that influence governments to relax control. As Lipset (1959) has emphasized, the world's mature democracies are also market systems, which supports this association.

Democratic systems rest on accountability to voters and civic groups, which induces leaders to improve the economy and public well-being (Lewis 2012; Bates and Block 2018). In systems characterized by regular elections, political competition, activism among civic associations, and an independent media, politicians will find stronger incentives to furnish public goods, expand the economy, and enhance livelihoods for citizens. As argued by Amartya Sen (1999), even in circumstances where democratic accountability is limited, a relatively open public domain of information and popular voice makes it difficult for leaders to entirely disregard popular welfare or to commit flagrant violations of rights. Institutions of accountability impel officials toward better performance as a basis for political survival.

The nature of democratic transitions in Africa also spurred improvements in economic management. Economic grievances were prominent catalysts of popular protest in the late 1980s and early 1990s, as virtually all opposition movements during this period of political dissension raised charges of corruption and malfeasance (Bratton and van de Walle 1997). Similar criticisms were evident during later transitions in Nigeria and Kenya. While civic activists and political challengers were not solely focused on economic concerns, the narrative of deprivation was prominent in movements for change, and participants in opposition coalitions would be expected to press for better oversight of the economy.[1]

Democratization provided space for associations that could lobby for improved economic conditions and more open access to markets. During the 1990s, advocates of improved governance mobilized around such issues as business conditions, corruption, legal reform, and budgetary transparency. Political change emboldened labor unions and other popular groupings that demanded social services, enhanced incomes, and efforts to improve equity. Renascent civil societies in Zambia, South Africa, Ghana, Nigeria, and Kenya, among others, were potential vehicles for economic change.

The "Washington Consensus," reflecting the views of US donor agencies and the multilateral financial institutions, became a central expression of political and economic liberalism (Williamson 1989). Although often couched in the language of "good governance," this reform agenda professed a mutually reinforcing dynamic between democracy and market-based economic performance. Political opening was expected to advance economic reform, and the resulting improvements in performance would bolster the legitimacy of fledgling electoral systems. Structural adjustment programs were often linked, at least rhetorically, with governance reforms. Bilateral donors in North America and Europe emphasized goals of democratization in the 1990s, and African governments came to regard some degree of political reform as the key to sustaining external resource flows.

The virtuous circle posed by the Washington Consensus, with its strong normative bias, naturally met with challenges. These were of three varieties. Critical theorists from the underdevelopment school argued that neoliberalism was an elite project that would create democratic window-dressing, while furthering economic dependence and inequality. Globalization rendered African societies vulnerable to the pressures of external markets and the structural legacies of unequal economic relationships (Carmody 1998; Cooper 2002; Taylor 2016).

A skeptical view from political analysts suggested that the virtuous circle might instead reveal a vicious cycle (Przeworski 1991). Democratization was desirable from the perspective of rights and participation, but political liberalization offered no panacea to problems of state capacity, institutional weakness, or elite capture. If electoral governments failed to encourage shared economic growth, they might quickly suffer crises of legitimacy and stability. Economic stagnation, renewed crisis, or persistent inequalities could heighten the appeals of authoritarian nostalgia and illiberal strongmen.

An alternate perspective suggested that political and economic reform, at least in the near term, were simply distinct processes with separate challenges, pathways, and logics (Armijo, Biersteker, and Lowenthal 1994). Under any type of regime, particular institutions, policy agendas and political arrangements might advance the economy (Khan 2000; Rodrik 2000). This view led a number of writers to distinguish varieties of authoritarian and democratic regimes, by way of identifying specific qualities that fostered economic advancement or failure. Institutional quality, ruling coalitions, and leadership incentives featured prominently in these analyses (Evans 1995; Kohli 2004).

Throughout a decade of political reform in the 1990s many of these questions lacked convincing answers (Ndulu and O'Connell 1999). Economic recovery across the region was slow and uneven as per capita growth averaged just 0.7 percent from 1995 to 2000 (World Bank 2018). A brief flurry of growth in the mid-1990s gave way to more muted performance as the millennium approached. As discussed below, researchers found only modest evidence that democratization yielded improvements in the economies of most African countries.

Yet during the first decade of the new century, Africa's economic profile improved decisively. The growth of GDP across the region averaged 5.4 percent from 2002 to 2015, yielding per capita increases of 2.6 percent (World Bank 2018). As always, performance was uneven, but a diverse set of countries experienced rapid growth, including resource exporters (Nigeria, Angola, Ghana, Botswana), states emerging from conflict (Liberia, Sierra Leone, Côte d'Ivoire), and some economies without substantial resources that benefited from innovation and accelerated investment (Kenya, Ethiopia, Rwanda). The sustained run of growth was the strongest continental expansion since the decade after independence, and it fostered an exuberant narrative of "Africa Rising."

There were several reasons for Africa's economic recovery (Radelet 2010). Driven by global growth, prices for energy, minerals, and agricultural commodities increased through much of the 2000s, dropping briefly in 2009 during the international economic downturn and then rebounding until a deflation in 2014. The World Bank assessed the price cycle as the longest sustained commodity boom since the decades prior to World War I (Canuto 2014).

Widening economic involvement from China and emerging economies was also important (Brautigam 2009). Chinese engagement injected new resources from investment, lending, and aid, while increasing commodity prices through expanding demand. India, Brazil, Malaysia, Turkey, and several other countries additionally increased their interests on the continent. Further, African countries gained from substantial debt relief as the multilateral institutions and bilateral donors wrote off large obligations under debt reduction programs.

Governance reforms also appeared to be consequential for economic revitalization (Radelet 2010). Institutional changes such as regulatory reform, equities markets and greater judicial autonomy enhanced the commercial climate in numerous countries. Economic oversight improved markedly across the region, reflected in more professional economic officials, independent central banks, and collective statements such as the New Partnership for Africa's Development (NEPAD). The political and institutional developments connected to democratization also appear to have mattered. Legislatures, media, and civic groups scrutinized service delivery and economic performance, regularly criticizing leaders and calling for improvements. Routine elections and increasing transparency altered perceptions of political risk. The sequencing of political liberalization and accelerated growth made the linkage more compelling, although once again, skeptical voices questioned the importance of domestic governance reforms in the region's economic performance.

From a developmental point of view, the two basic challenges of structural transformation and inequality cast shadows on economic recovery. While most governments have achieved macroeconomic stability, they have not developed the fiscal or institutional capacities to guide productive changes in the economy (Taylor 2016; Whitfield et al. 2015). Despite encouraging growth rates, there has been limited evidence in most African economies of a rise in manufacturing, agricultural productivity, or high value-added services. Without a basic reorientation from subsistence agriculture and low-return services to more competitive and productive sectors, African economies are unlikely to achieve sustained, inclusive growth.

This relates directly to persistent problems of inequality and poverty. Economic growth has not adequately translated into formal employment or enhanced livelihoods in informal activities. During the 2000s, economic improvements brought down the proportion of people in poverty across many countries, but high population growth has meant that the number of impoverished Africans has increased. Moreover, historically wide income gaps have not narrowed in democratizing states, creating the basis for disaffection and dissension.

Moreover, in most nascent democracies, access to information has increased while institutional checks on power remain limited, leading to the tensions of transparency without accountability (Lewis 2010). Through reporting, investigations, and civic oversight, many aspects of public finances and government performance have come to light in African polities. Yet instances of corruption and malfeasance have rarely been prosecuted, and few politicians have suffered consequences for misconduct. The perceived gap between citizens and elites has eroded confidence in governments and fostered populist sentiments in South Africa, Zambia, Tanzania, and Nigeria, to cite some prominent instances.

Some of the noted democratic successes of the 1990s have subsequently stumbled economically, feeding skepticism about the potential advantages of electoral regimes. South Africa has experienced a decade of slowing growth, including a stubbornly high unemployment rate of nearly 40 percent and a series of corruption scandals surrounding former President Jacob Zuma. Mozambique, whose former president, Joaquim Chissano, garnered the first Mo Ibrahim Prize for democratic achievements, has succumbed to increasingly violent party dominance and in 2016 a disruptive debt crisis. Ghana, an exemplar of competitive and civil politics, was roiled by currency shocks in 2015, soon after developing a significant oil export sector. Nigeria plunged into recession on the heels of a peaceful 2015 electoral turnover.

The economic travails of democracies have also accentuated a narrative about the potential of authoritarian developmental regimes. This line of analysis has noted that certain non-democratic regimes may chart a separate path to development, with a strong focus on economic growth and concerted energies toward investment and structural change (Kelsall 2013). Ethiopia, with a legacy of deep poverty and few natural resources, has achieved double-digit GDP growth through much of the 2000s, including a strong push toward manufacturing. Rwanda's growth has averaged nearly 8 percent since 2000 and the government has targeted information and communication technologies as an area of competitiveness. Uganda's performance has slowed in recent years, but from 1993 to 2011 the economy increased at an impressive 7.4 percent on average (World Bank 2018).

Writers in this vein argue against normative blinders on the possibilities for economic change, noting that particular conditions can produce favorable outcomes in authoritarian systems (Booth and Golooba-Mutebi 2012). Leaders with long time horizons have the opportunity to chart effective economic strategy. Strong central institutions including political parties can provide guidance and coordination among producers. The existence of corruption and rent-seeking behavior is not an insurmountable barrier to growth, and may be utilized to provide useful side payments under "developmental patrimonialism" (Booth and Golooba-Mutebi 2012).

Understanding the relationships between regimes and development

The timing of crisis, democratization, and economic revitalization over three decades suggests a causal sequence leading from democracy to development, although, as suggested, a variety of factors apart from governance can also explain some of the large swings in African economic performance (Carbone, Memoli, and Quartapelle 2016). Analysts on all sides of the debate are aware of the hazards of selection bias and the need to avoid generalizing from a small group of cases in democratic or authoritarian categories (Geddes 1990). Valid comparisons should assess most, if not all, of the regimes and economies in the region.

The assessment of comparative economic performance is complicated by several factors. First, the variety among African regimes raises issues of classification. Most governments in the region convene regular elections, although they vary greatly in quality and competitiveness, and are held in different climates of human rights and political liberties. The most widely used governance measurement scales, provided by Freedom House and Polity IV, allow distinctions between well-performing democracies, in which there is free political competition and entrenched civil rights, and more constrained "electoral" democracies in which there is a degree of political competition and rights but notable limits on voter choice or citizen freedoms (Freedom House 2017; Polity IV Project 2018). While acknowledging that authoritarian regimes also exhibit a range of rights and control, non-democratic governments are treated in aggregate for the purpose of most analyses.

A second concern is the need to account for the effects of political transition, which is often a disruptive process with potential effects on economic performance. Many of Africa's democratic transitions have played out in a context of protest or violence, while several new democracies emerged in the wake of civil wars. A number of authoritarian governments were also subject to these dislocations, although without culminating in changes of regime. Consequently, a simple comparison of broad regime types by time period might obscure these transition effects.

Third, is the problem of outliers. Several countries with abundant natural resources have experienced wide swings in economic performance, arguably independent of regime type. A number of states have been wracked by civil wars that devastate economies and people, often followed by rapid growth in the immediate aftermath of conflict. A few collapsed or failed states have lost most government functions, in which case it is difficult to speak of a "regime"—Somalia being the obvious example.

A number of empirical comparative analyses have been attempted since the early years of political liberalization in the region. Initially, analysts were tentative about the relationship of political and economic reform. At the end of the 1990s, van de Walle (2001) assessed key economic indicators for thirty-six sub-Saharan African states, finding undistinguished economic records among many democratic regimes in the region. At that time, African democracies averaged slightly lower growth rates, higher inflation, and greater budget deficits than non-democracies. These patterns suggested that political business cycles and high spending would impede growth in democracies.[2]

A clearer relationship between democracy and growth emerged from an analysis by Ndulu and O'Connell (1999). Working with data from 1960–97, they tracked growth for thirty-seven countries in the region, distinguishing between multiparty electoral systems and single-party or military regimes. The small sample of multiparty systems began with comparatively higher per capita incomes, but then consistently outperformed the non-democratic countries over subsequent decades. Despite evident disparities in growth across regimes, the authors sounded a cautious note at the end of the 1990s:

> It would be premature to conclude that Africa's political reforms of the 1990s have helped to generate economic progress. However, we do believe that the increase in political pluralism, in combination with greater unity among African aid donors, bodes well for a continuation of Africa's growth recovery.
>
> *(Ndulu and O'Connell 1999, 41)*

Another cross-national study by Levy (2006) offered stronger indication of a democratic advantage in economic reform. Examining twenty-one African states from 1975 to 2000, the analysis provided evidence that countries pursuing superior policy regimes achieved better economic performance. When countries were categorized according to the quality of their adjustment initiatives, the better-adjusting countries were predominantly democracies or transitional states, the slower adjusters were distributed evenly among democratic and non-democratic regimes, and the non-adjusting states were all authoritarian regimes.[3]

With the passage of time, improved data and longer periods of assessment have encouraged more confident observations about the relationship between regimes and economic performance. A large multi-country study produced through the African Economic Research Consortium strongly affirmed the relationship between regime characteristics, governance, and policy approaches to the economy, producing differences in economic performance (Ndulu et al. 2008). Focusing particularly on the provision of public goods, Stasavage (2005) augmented this view by demonstrating comparatively higher expenditures on education in African democracies.

An analysis conducted by Lewis (2012) has also addressed some of the salient problems in forming a valid profile of economic performance among regimes. The study looked explicitly at the effects of political contention and transition, examining economic outcomes across different types of electoral and authoritarian regimes through the democratic wave of the 1990s. The sample included forty-six countries in sub-Saharan Africa. Each country was tracked from a period spanning three years prior to a political transition (or a default year of 1992 if no transition occurred), extending as far as twelve years from the transition period. Outliers such as Somalia and Equatorial Guinea were excluded (the former for lack of data, the latter for small population and unique resource endowments). Countries in conflict were also filtered to account for these effects. The results are seen in Figure 29.1.

The analysis, employing descriptive statistics, not only indicated that broad regime type was consequential for long-term growth, but also suggested that the quality of democracy

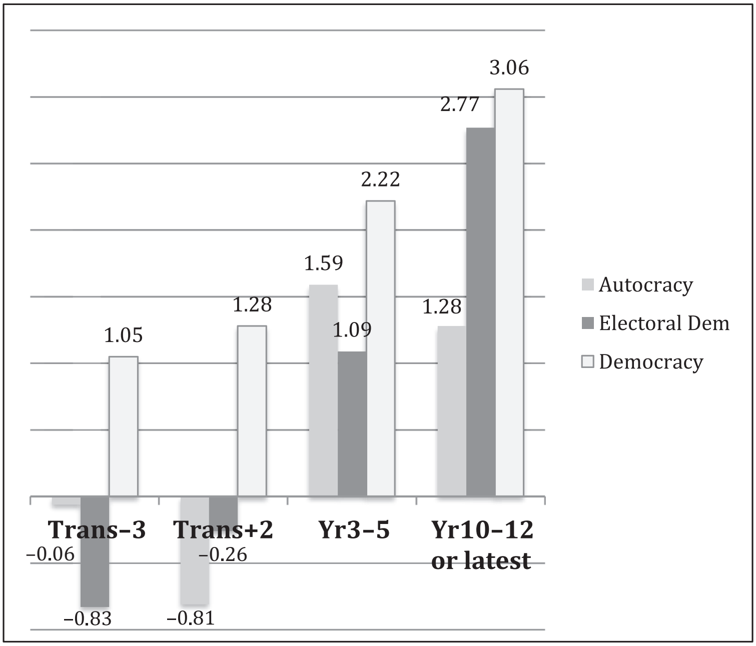

Figure 29.1 Regime transition and economic performance (excluding states in conflict) (percentage growth in real GDP per capita, constant 2000 US$)

Source: Regime data from Freedom House; Economic growth data from World Bank, World Development Indicators, calculated by author (Somalia and Equatorial Guinea omitted).
Trans = Transition year or default of 1992. From Lust and Ndegwa 2012. Copyright © 2012 by Lynne Rienner Publishers, Inc. Used with permission of the publisher.

influenced economic outcomes. Well-performing democracies registered the strongest growth, with consistent improvements throughout the turbulent era of the 1990s and early 2000s. More restrictive electoral regimes also outperformed autocracies in the longer term. Countries that moved to electoral democracy were initially stagnant but rebounded following a political transition, with accelerating growth a decade after regime change. For the authoritarian regimes that did not undergo substantive transitions, the stagnation of incomes was deeper and the resumption of growth less robust than even for the weaker democratic cases.

More recently, several authors have made compelling arguments that democracies reflect clear advantages in managing the economy. In a study covering forty-three counties over the three decades up to 2012, Masaki and van de Walle (2018) provide econometric evidence that the level and duration of democratic governance is strongly associated with better economic growth. Not only is their sample and timeline more expansive than earlier studies, but their model also accounts for the turbulence of political transition, which, as noted above, can be a confounding factor in identifying trends.

These results are broadly echoed in a similar analysis by Carbone, Memoli and Quartapelle (2016), who analyze data for forty-three countries in sub-Saharan Africa from 1980 to 2010. They find strong correlations overall between levels and duration of democracy with economic growth. They also separate out sixteen "lion" economies that have performed exceptionally well during the period under study, and the analysis finds a close association between growth and democracy for that distinctive group, even when controlling for additional variables. They conclude that democracy is an integral factor in determining long-term economic performance.

Perhaps the most explicit causal argument to date comes from Bates and Block (2018), who reason that the democratic transitions of the 1990s were a direct source of economic revitalization in subsequent decades. They argue inductively that political liberalization shifted incentives for elites away from appeasing select groups, and toward appealing to electoral majorities. This impelled policy reform and a greater focus on advancing the broader economy. Working from a sample of forty-one countries tracked from 1960 to 2010, they also develop an econometric model to test the association between political change, policy reform, and economic performance. As with the study noted above, Bates and Block account for a variety of factors such as geography and commodity prices, as well as characteristics particular to individual countries. They find a sequence of effects leading from institutions to policy choice, to economic outcomes, concluding that democratization prepared the groundwork for Africa's improved economic performance in the 1990s and 2000s.

The development regime debate redux

Compelling evidence of a democratic advantage in economic performance, however, has hardly resolved the debate on regimes and development. Most cross-national studies capture measures of growth, but not the deeper questions of economic structure, distribution, and popular welfare that have often framed the development agenda (Taylor 2016). While democracies may furnish stronger incentives and better policies for macroeconomic stabilization, there is a less convincing case to be made that electoral regimes have significantly moved African economies toward greater competitiveness and poverty reduction (Lewis 2010).

Seen in this light, analysts and policymakers have been interested in the emergence of a different development path under authoritarian auspices. Rapid growth in Ethiopia and Rwanda, linked to industrialization and innovation, suggest alternatives to the orthodox package of the Washington institutions. This has been accentuated by the growing presence of China, which increasingly stands as an illiberal model of development.

Analysts of these African cases have emphasized the heterodox nature of economic strategy, which embodies a strong component of state guidance and oversight in structuring market factors (Kelsall 2013; Gray 2018). Industrial policy is an important component in economic policy, entailing a degree of protection and public investment (Whitfield et al. 2015). Moreover, clientelist relations and the distribution of state-mediated rents, while intrinsic to the system, are managed by leaders to provide gains to productive activity and capital formation.

Booth and Golooba-Mutebi (2012) use the framework of "developmental patrimonialism" in their study of Rwanda. They argue that state-owned companies and military enterprises operate under "neopatrimonial" patterns of personal control, clientelist relationships, and malleable institutional rules. However, leaders focus on production and economic viability from these enterprises, rather than purely distributive roles. In a wider study of four cases in Africa, Kelsall (2013) emphasizes the divergence between developmental forms of neopatrimonialism and predatory or growth-inhibiting patterns of clientelist control.

Whitfield and colleagues (2015), drawing on work from Khan (2010), argue that economic rents are essentially neutral for investment and growth. Political settlements, including coalitions and organizational arrangements, can either channel rents toward productive accumulation or dissipate resources and foster stagnation. They apply a political settlements framework to understand the relative success or failure of industrial policy across four African states. In this view, elite cohesion and bargains among segments are the decisive elements in economic change. Regime type is not a structuring factor in economic paths: some authoritarian systems may foster economic transformation, while many democracies can fail to coordinate change. Settlements are relatively independent of government type.

Writers tracing the achievements of authoritarian developmental regimes do not necessarily prefer non-democratic rule, but seek to shed light on heterodox strategies as a counterpoint to the dominant neoliberal discourse (Gray 2018). They also urge us to recognize different pathways toward economic transformation. There are weaknesses as well as contributions in this line of discussion. With a small number of cases and fairly recent evidence, much of the analysis has an aspirational quality rather than assessing a strong record of performance, as was the case in earlier studies of Asian developmental states. When considering the entirety of regimes across Africa, it is increasingly clear that participatory systems have a greater probability of sustained growth, while autocracies have narrow if significant opportunities for a developmental breakout.

However, by considering the full range of better-performing economies in the region, it is possible to identify general qualities of governance that can improve developmental outcomes. Three areas are especially notable: leadership, institutions, and coalitions. From a comparative perspective, economic development has been advanced by regimes in which leaders pursue performance-based legitimacy, governments build peak institutions for economic management and to protect property rights, and elites forge strategic coalitions with producer groups.

In governments that have successfully promoted long-term development, leadership has been a critical factor in setting goals, managing change, and driving agendas. Developmental leaders were instrumental in virtually all the notable cases of rapid transformation in Asia and Latin America (Henley 2015). A common attribute of these individuals is the way they crafted accountability based on economic performance and gains in public welfare. Although most were authoritarian rulers, they relied on legitimation founded on the delivery of development (Lewis 2007). These attributes have historically been sparse among African regimes, where elites typically preserve support through clientelism and instrumental relationships.

Democratic theory suggests that transparency and electoral politics provide incentives for delivering economic improvement, and the empirical record seems to support the association between political liberalization and economic performance. However, contemporary African democracies also reflect many features that limit accountability. Strong presidential governments, dominant political parties, and the persistence of clientelist networks tend to reduce the pressures of electoral competition and reinforce inequalities among elites and citizens (Lewis 2010). In recent years, indices of governance have noted the declining quality of elections and the manipulation of institutions to extend presidential authority. These are worrying trends from the perspective of accountability and leadership incentives. The struggle in South Africa between state capture by a corrupt elite and replacement by a reformist leadership illustrates the tension. In this instance, the tension seems to have been resolved favorably through constitutional means, although in many other states, such as Zimbabwe, Zambia, or Nigeria, problems of leadership selection remain paramount.

In authoritarian regimes, the question is reversed: what factors would induce accountability in leaders that are not subject to criticism or electoral reversal? Here, comparative insights are especially helpful. Slater (2010) has examined developmental regimes in South-East Asia, observing that compelling security threats have mobilized governments to pursue development as a path to state survival. It is noteworthy that in Ethiopia and Rwanda—both post-conflict states with continuing domestic inequalities—leaders have articulated strategies of development to legitimize regimes and mitigate conflict. A similar logic was evident during the early phases of Yoweri Museveni's rule in Uganda, although the regime has moved toward more clientelist and predatory practices over time.

The quality of institutions is another critical dimension that has been a focus in the field of development (Acemoglu and Robinson 2012). Academics and practitioners have shifted away from a concern with "best practices" that elaborate the full range of desirable institutional changes for competitive capitalism. Rather, most analysts are concerned with sufficient conditions to move toward higher growth and productive investment (Rodrik 2000). Comparative evidence suggests that poorly performing economies can garner rapid gains from basic macroeconomic stability, the provision of essential infrastructure, and essential security for private investment (Levy 2006; Lewis 2007).

From this perspective, two dimensions seem to be instrumental: (1) the delegation of authority to peak institutions of the economic bureaucracy, including finance, planning, and central banks; and (2) minimal guarantees to property rights that remove the most pervasive concerns about expropriation from political risk (Rodrik 2000). These institutional foundations appear as the requisites for providing essential public goods, charting economic strategy, and fostering conditions for investment in fixed capital such as land or factories. In the absence of credible commitments to macroeconomic stability and security of property, asset holders are likely to prefer liquidity through commerce, rental havens and currency arbitrage, as well as shifting capital abroad (Lewis 2007). These strategies may generate wealth for a small segment of the population, but they do not contribute to the formation of economic capacity over time. In Acemoglu and Robinson's (2012) account, "institutions of property" provide the basis for systematic investment in productive assets.

The institutional framework can be complemented by compacts between political elites, governing institutions, and strategic producer groups, which are often decisive for sustained economic change. Sometimes these relations are forged through formal policy and consultative mechanisms, although often the relationship is mediated through informal ties and clientelist networks. The most revealing work on government–business relations has emphasized the importance of implicit bargains that protect property rights and bolster confidence in committing capital (Handley 2008; Taylor 2012; Kelsall 2013; Whitfield et al. 2015). These relations are often structured by the relative strength of private-sector interests and state agents, although there are circumstances that violate this assumption. In South Africa, strong business leverage has not prevented state capture and corrosive clientelism. Ethiopia's regime, facing a weak business class, has used state initiative to compensate for weaknesses in the private sector.

Producer alliances can be crafted along the lines of particularism or sectorial policy. Special lobbying and personalistic relationships between political elites and business groups have effectively bolstered investment and production under some developmental regimes. While the liabilities of "crony capitalism" were displayed during the Asian financial contagion of 1997–98, it is also the case that several high-performing economies in the region were built through webs of political sponsorship (Lewis 2007; Slater 2010). Many have noted the predatory features of government relations with business families in South Africa and Kenya, although political alliances also seem to have advanced productive activities in Nigeria and Ethiopia. While most political relationships form around collusive rent-seeking, it is possible to apply strategic distribution with expectation of performance as part of a growth strategy (Gray 2018).

Sectorial policy is a more general approach to bolstering incentives and furnishing protection for strategic producer groups. A longstanding policy bias against rural producers has been cited as a prime source of the African crisis (Bates 1981; Bates and Block 2018) A number of governments have sought to remove liabilities such as marketing boards and heavy taxation of exports, while a few have focused on delivering infrastructure, inputs, and technical support to farmers. In manufacturing, industrial strategy and formal consultative arrangements have been successfully utilized by regimes in other regions. African initiatives in this area remain tentative, although a range of governments has sought to plan sectorial change and have brought organized business into the policy process (Handley 2008; Taylor 2012; Whitfield et al. 2015).

Conclusion

Democratization and political reform swept the African continent for a decade after 1990, yielding multiparty elections in dozens of countries and the expansion of political space across the region. The subsequent recovery of African economies, which accelerated markedly in the 2000s, highlighted debates about regime type and development. Electoral regimes have persisted in Africa, although not without signs of weakening democratic practice and institutions (Freedom House 2017). Nonetheless, empirical studies have shown an increasingly confident association between democratic systems and better economic performance. A counterpoint to this picture has arisen from authoritarian developmental states that have shown impressive gains in recent years.

Contemporary debates over development encompass both policy and political factors. Many observers emphasize the democratic advantage in development, which increases the probability of developing accountable politics and macroeconomic stability. The counterpoint stresses the possibility that some non-democratic regimes can pursue heterodox strategies of accelerated development. While stressing the range of regimes that may foster effective governance, there is a normative and empirical case for the potential of democratic systems. There is little advocacy of an "authoritarian advantage" in African development, despite growing attention to authoritarian avenues of change.

In addition, basic assumptions about economic strategy have shifted. While many analysts and policymakers remain cautious about engagement with the global economy, there is no longer a strong preference for comprehensive state management of the economy, or assertive protection from global markets. Many governments seek greater integration into the international economy, and several are drawn to export-oriented industrialization as an economic strategy. Pragmatic approaches to government intervention, along with an emphasis on macro-economic fundamentals, have been incorporated in the new consensus.

The pressing questions on regimes and development in Africa cluster around the possibilities for democracies to become more strategic and deliberate in their interventions, the options for authoritarian governments to chart a path of rapid growth and legitimation, and the potential for improved governance to foster developmental transitions in African economies. If a new model of accountability and transformation can gain traction on the continent, then policy learning and linkages might generate different neighborhood effects to shift the region's economic pathways. The diversity of governance and economic performance on the continent opens possibilities for these new directions.

Notes

1 The discussion here builds on Lewis (2012).
2 Democracies also registered substantially higher investment spending than non-democracies, which over time could compensate for the growth-hampering effects of inflation and fiscal deficits. See van de Walle (2001, 255).
3 In Levy's (2006) classification, "strong adjustors" include Benin, Burkina Faso, Ghana, Malawi, Mali, Mozambique, Uganda, and Zambia; all but two were electoral democracies by 2000. "Later adjustors" include Cameroon, Chad, Guinea, Madagascar, Mauritania, Niger, Senegal, and Tanzania, three of which were democratic by 2000. The "polarized governance" countries included Côte d'Ivoire, Kenya, Nigeria, Togo, and Zimbabwe, all of which were essentially authoritarian regimes during the 1990s.

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