Kjær, A M 2014 From 'Good' to 'Growth-Enhancing' Governance: Emerging Research Agendas on Africa's Political-Economy. *Governance in Africa,* 1(1): 2, pp. 1-10, DOI: http://dx.doi.org/10.5334/gia.ac

RESEARCH

From 'Good' to 'Growth-Enhancing' Governance: Emerging Research Agendas on Africa's Political-Economy

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This paper explores the nature of the governance debate in African politics. It offers an overview of key debates since the governance concept first emerged in development circles. Through a review of the critique of the 'good governance' agenda, the paper demonstrates the futility of a rigid application of pre-defined good governance institutions in African states. Rather, it argues that there is a need for understanding the political feasibility of possible alternative growth-enhancing governance initiatives. The paper argues that growth-enhancing governance will always be context dependent and that there is a need for more research into potential political incentives that might lead ruling elites to adopt policies for growth-enhancing governance. To this end, it is necessary to improve our understanding of the particular features of ruling coalitions that enable growth-enhancing governance. To do this we need to research the organisation of ruling coalitions and how they are financed, and we need to know more about the role of elections in shaping policies and their implementation.

Keywords: governance; Africa; development; political-economy; political incentives; growth-enhancing governance

Introduction

The 'good governance' concept was predominant in debates on African governance throughout the 1990s and into the new millennium, and from the outset it represented a prescriptive and, to a large extent, normative agenda. However its assumptions were increasingly questioned among development researchers and the critique of the agenda became stronger and more visible over time. The purpose of this paper is to critically assess the debates on governance in Africa, and to suggest ways to move it forward. The argument is made that in moving away from the rather naïve assumption that a blue print governance model will promote growth, scholars need to carefully focus on the political economic context and the kind of governance it enables. In particular, understanding political incentives is important.

In order to capture the essence of the debate, this paper takes the reader through four stages. First, it outlines the origins of the governance debates in respect of how to promote growth and reduce poverty. Second, it explains how the normative base and feasibility of the good governance agenda have been questioned, and then how the causal assumptions underpinning the agenda have been critiqued. The final section outlines an emerging research agenda on growth-enhancing governance and political incentives.

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Governance and growth in Africa

How to achieve economic development and reduce poverty was the central issue from which the concern with governance in Africa arose. As the continent faced continued economic crises throughout the 1970s and 1980s in spite of the fact that many governments had embraced the structural adjustment agenda of the international financial institutions — especially the International Monetary Fund (IMF) and the World Bank — these institutions had to ask why. Governance defined as 'the manner by which power is exercised in the management of a country's economic and social resources for development' (World Bank, 1989: 60) became a key part of the explanation, and a series of World Bank publications pointed to 'bad governance' in terms of corruption, inefficiency and the lack of accountability as impeding reform implementation and growth (World Bank, 1989: 60, World Bank, 1992). Hence, the policy recommendation became better governance; getting prices right was not enough — getting institutions right was as crucial.

In addition to the economic policy reforms that had been posed as a condition for receiving structural adjustment loans, a series of new policy recommendations on governance reform was added to the list of conditionalities. Such reforms had to do with reforming the civil service, for example through removal of functions that were duplicated, reforming pay and staff management systems, or cutting down on the number of civil service staff. In addition, anti-corruption initiatives were supported in order to improve accountability such as support for parliamentary accounts committees, ombudsmen institutions or other such measures. Support for civil society also became part of what were conceived as governance programmes and in addition, during the 1990s, human rights and democracy also became associated with good governance. This broader understanding of good governance was mainly promoted by western governments in their role as bilateral donors because the World Bank mandate prevented it from interfering with a country's domestic political affairs (Kjær, 2004). Thus support for all sorts of civil society organisations ranging from human rights NGOs to service delivery NGOs increased during the 1990s. The idea was that a strong civil society would be better able to hold governments to account (Hadenius and Uggla, 1996, Kjær and Olum, 2008). Although definitions on governance differ in the various publications of bilateral and multilateral donors, a common understanding of governance among development partners did emerge. It was perhaps best expressed in a joint multilateral publication from 2000 which can be seen as representative of the understanding of governance in the development community. Here, governance is the 'institutional capability of public organisations to provide the public and other goods demanded by a country's citizens or their representatives in an effective, transparent, impartial, and accountable manner, subject to resource constraints' (World Bank, 2000). With its focus on citizen demands and accountability, this definition has an understanding of governance that basically reflects the norm of western liberal democracy.

The assumption for the good governance agenda was that improved governance would lead to economic growth. The agenda rested very much on the concept of rent seeking (for example, Krueger, 1974, Bates, 1981). If the state intervenes in the economy and thus creates rents, opportunities for individual rent seeking behaviour and corruption are created. In such situations, bad governance impedes economic growth; the rule of law is not enforced, neither is the protection of private property rights, or other features that make a market economy function smoothly. A lack of secure property rights tends to deter possible investors. This argument resonated well with governments in the western world who would rather support democracies than dictators, and many NGOs already based their work on human rights based approaches that were well in tune with the good governance agenda. In addition, the assumption that better governance leads to growth was supported by the fact that large N regression analysis would show strongly positive correlations between indicators of good governance (such as the rule of law, voice and accountability, or government effectiveness) and growth (Knack and Keefer, 1995, Kaufmann et al. 2007).

In the latter part of the 1990s there was a change in the way governance reforms were supported. Early governance programmes would support governance reforms in countries where there seemed to be government commitment and ability to implement reforms. In other words, a recipient country did not have to demonstrate good governance but simply a will to improve governance. Gradually, however, the number of specific institutional reforms grew into an ever lengthening list (Grindle, 2004). This became difficult to monitor, both for recipient governments that often had limited capacity, and for donors. Hence, in the late 1990s, development partners gradually moved away from adding more policy conditions to the list and leaned towards a more comprehensive partnership with the recipient country in which donors committed themselves to supporting an overall agenda for poverty reduction. Development partners emphasised that recipient governments should adopt national poverty reduction strategies through a process characterised by good governance; all stakeholders should be included, and civil society organisations and interests groups should be heard to allow a national consensus on country strategies to emerge. It was a gradual move away from a focus on policy and institutions towards a concern for political processes (Lauridsen, 2012). Good governance became an essential component of most African countries' poverty reduction strategies. *Ex-ante* support to good governance reforms was substituted by *ex-post* support to countries that adopted processes characterised by good governance.

Good governance was included as a crosscutting component in the national poverty reduction strategies of most recipient countries in Africa. The Ugandan national strategy from 2004, for example, had four pillars: enhancing production and competitiveness; addressing conflict and security; good governance; and human development. The document states that 'It is generally agreed that good governance implies democracy, respect for human rights, non-sectarian government, a legal system that is accessible, just and not too slow or costly. Transparent, efficient accessible and affordable government, a competent and adequately remunerated public service, a strong sense of partnership between government and other agents, and a positive contribution to international peace and security' (Republic of Uganda, 2004: 115). The understanding of governance in Uganda's strategy is typical of the understanding with which other African countries operate. The move to the more comprehensive poverty reduction strategy paper approach implied a broadening of the governance agenda so that, in addition to public sector reform and anti-corruption programmes, human security issues and fiscal management also played a role (Craig and Porter, 2003).

The extent to which all stakeholders really were included or were heard when drafting the national strategies was questioned from the outset. In addition, national strategies were often seen to be rather 'a menu than a meal' in the sense that they reflected a long wish list of initiatives rather than the policies that were actually going to be implemented. During the first decade of the new millennium, recipient countries gradually abandoned the name 'poverty reduction strategy papers' and started calling their plans National Development Plans. This is not to say that the focus on governance has disappeared. The focus on good governance continues, but its predominance may not be as striking as in the first years of the

2000s, and also the way in which governance is conceptualised is gradually changing. One reason for the decline of the significance of governance is that a number of new donors have become more important to African countries, such as China, India, Brazil, Saudi Arabia, and South Korea. These donors tend not to focus as much on governance issues. China, for example, gave aid to Zimbabwe's Mugabe during a period in which most OECD DAC donors had cut their aid. Another reason for the reduced significance of the good governance agenda may be that many African countries gradually depend less on aid than they used to because their economies are growing and this has resulted in increased tax bases and improved revenues from newly found minerals, gas, and oil. This gives African governments more room to manoeuvre; they have gained some autonomy vis-à-vis western donors and this may have affected the extent to which they include governance concerns in their development plans. Finally, a third reason why the good governance agenda is declining is the fact that it has been increasingly challenged on a number of counts. Its normative base has been questioned, the feasibility of implementing it has been challenged, and the assumptions about the causal relation between governance and growth have been problematised.

The normative base and the feasibility of the good governance agenda

The governance debate as it has played out among Africanist scholars has been substantially influenced by the fact that it is used in a prescriptive sense. In other words, governance was captured by donors and used as a reform recommendation. Since the development community is constituted by practitioners and academics alike, there is a very blurred distinction between governance as prescription, i.e. a partly normative agenda set up by donors about desirable reforms, and governance as explanation, i.e. using the governance framework to understand political phenomenon in Africa. Because of this, governance has not commonly been understood as an analytical framework in African debates.

Criticism of the normative basis of the governance agenda arose quite soon after the concept emerged. It was argued that 'good governance' programmes essentially represented an attempt at transferring western liberal democratic systems to African countries without regard to the particular African context. Hence, it was argued that the concept of governance should be less loaded with western values (Hyden, 1992, Hyden et al, 2004). For example, it should be possible to speak of better governance without necessarily implying that the country was moving towards a western liberal democracy. In addition, many African scholars objected to the neoliberal ideology underpinning good governance reforms and argued that their strong element of cutting down public expenditure and retrenching civil servants contributed to a further erosion of capacity (Mkandawire and Olukoshi, 1995). Some African scholars argued that reforms might fail, not because they were impeded by corrupt practices, as donors sometimes claim, but rather because the reforms were simply at odds with the ideas about what constitutes the best policies.

A number of scholars also questioned the feasibility of governance reforms. Some pointed to the paradox that the most radical and comprehensive reform plans tended to be adopted in aid-dependent countries that generally had much less capacity to implement them (Batley 1999, see also Therkildsen, 2001), and so the governance agenda was criticised for being unrealistically long involving a large number of un-prioritised reforms. In a seminal article Merilee Grindle argued that donors tended to focus on governance *gaps* in recipient countries rather than what was realistically achievable. She pointed to the fact that the long and ever expanding list of governance reforms considered necessary to achieve development and poverty reduction was of little use in that it provided no help in prioritising or indeed sequencing reforms. The move to the comprehensive approach and the adoption of country poverty reduction strategies did little to ameliorate this fact. Without questioning the fact that good governance would ideally be desirable, she nonetheless argued that an analysis of country context would allow more knowledge of what would realistically be feasible. She pointed to the need for more research on the social, political and economic context of reform so as to identify what would be good *enough* governance, in terms of a set of minimal conditions of governance necessary to allow political and development to occur (Grindle, 2004: 526).

Another line of critique was based on an analysis of African political systems as neo-patrimonial, i.e. as hybrid state forms in which formal rational institutions exist on paper but tend to be overshadowed and dominated by personal and informal relations (Bratton and van de Walle, 1997). By definition and from a neo-patrimonial lens, such systems are characterised by low levels of efficiency, endemic corruption, and the lack of ability to implement policies favourable for the nation as a whole. Rather, policies tend to benefit particularistic groups in society and, as an analytical lens, neo-patrimonialism was used to explain why economic reforms stall and why democratisation processes seem to be only partial. To illustrate, a reversal to clientelistic politics may reduce the likelihood that the public service can be genuinely reformed because clientelistic recruitment patterns are essentially at odds with recruitment based on merit. For example, retrenchments in the civil service can very well take place when staff that are laid off are not important to power holders. In Uganda, the civil service was cut down from 320,000 employees in 1990 to 160,000 in 1995. But these were mostly cleaners, nursing aides or people who voluntarily accepted a quite generous retrenchment package (Kjær, 2002). When it came to cutting down the number of appointees, whose political loyalty was important, it was rather more difficult and the number of ministers (cabinet and ministers of state) grew in Uganda during the 1990s — from around 30 to 72 at the time of writing. Numbers of presidential advisors and other employees of state house have also increased.

Neo-patrimonialism was also seen to reduce the likelihood that political democratisation would be genuine because in a neo-patrimonial system power tends to be concentrated in the hands of the ruler. Van de Walle highlights the continuation of executive dominance in Africa in spite of the introduction of electoral politics (Van de Walle, 2001); most countries have presidential systems and in several countries — Burkina Faso and Uganda, for example — the executive has successfully managed to change the constitution to lift term limits and become presidents for life. In addition, one dominating party often controls events and the opposition is often very weak and split in personal and fractional struggles (Chege, 1995, Rakner and van de Walle, 2009). Likewise, members of parliament tend to become new pawns in the game of palace politics instead of representing the aggregate interests of the people (Sørensen, 1997). On the whole 'Africa now harbours a large number of rudderless regimes, drifting between success and catastrophe, with pretensions to electoral legitimacy but no real popular backing to speak of' (Chege, 1995: 47, see also Bratton and van de Walle, 1997). Introducing elections does not mean eliminating patrimonial features and many elections are neither free nor fair; they are wrought by power struggles and characterised by regimes that use patronage and public means to buy political legitimacy (Aké 1996, 5–7). The December 2007 elections in Kenya were an example of how a system widely perceived to be moving in a democratic direction reversed into ethnic violence due to suspicions that the incumbent President Kibaki had rigged the results. It was also argued that donors could even contribute to maintaining neo-patrimonial regimes because they provided sources of funding for patronage (van de Walle, 2001, Brautigam, 2000).

In sum, neo-patrimonialism was used to argue that good governance reforms might not be feasible but conversely it was argued that good governance reforms were exactly what was needed in order to diminish neo-patrimonial features (Brinkerhoff and Goldsmith, 2002). If there was corruption, therefore, one should adopt anti-corruption programmes; if there was clientelism, one should encourage more accountability, and so forth. In this way, the debate quickly became circular. Scholars adopting a neo-patrimonial analytical lens themselves became subjects of criticism (Leonard and Strauss, 2003, Therkildsen, 2005, de Grassi, 2008). They were, for example, criticised for focusing only on obstacles to reform, finding difficulty in analytically grasping the factors that accounted for reform success. Differences between or within countries, and between sectors, or changes over time, were difficult to explain adopting a neo-patrimonial framework (Mkandawire, 2001, Therkildsen, 2005, de Grassi, 2008, Kjær, 2009). Despite critique of the neo-patrimonialism analytical framework it did bring out an important objection to good governance reforms; namely, that reforms may stall due to informal political institutions.

These challenges to the feasibility of governance reforms did not remain unheard. They led development partners to acknowledge that understanding informal institutions and the domestic political economic contexts of governance reforms would be necessary in order to understand whether particular reforms were implementable or not. Hence, a number of donors embarked on doing more context specific analysis (Hyden, 2006). The British development agency, for example, carried out what was termed 'Drivers of Change' analyses, in which a country's institutional history was analysed, its political economy explored, and how the local context would impact on prospects for successful reform (Chhotray and Hulme, 2006). Likewise, a number of bilateral and multilateral agencies developed frameworks for carrying out so-called 'governance assessments' in recipient countries in which they could identify institutions and local interests at stake as a result of specific reforms (OECD, 2009).

Partly due to the mixed success record of reforms, and to the critique of governance offered by a number of academics, an increased sensitivity to the context in which governance reforms were to be carried out thus emerged.

Questioning the assumptions about causality

Perhaps an even more fundamental critique of the governance agenda was one that questioned the assumption that better governance would lead to growth, the so-called 'governance-first' assumption (Lauridsen, 2012). The critique was based on an historical analysis of the strategies adopted by the more developed countries to achieve growth. Chang showed that, at the time when their own development processes took off, the now rich countries lacked most of the institutions we would say characterise good governance. For example, they did not have consolidated democracies, they did not have very efficient bureaucracies, and they only had rudimentary systems to protect individual property rights (Chang, 2002: 70–101). In fact the now rich countries were 'institutionally much less advanced in those times than the currently developing countries are at similar stages of development' (ibid: 120). Chang thus argued that rich countries apply double standards when they demand certain levels of institutional standards from least developed countries, that they never attained themselves at comparable stages of development (ibid: 135). In other words, there may be no need for a country to adopt sweeping governance reforms in order to achieve growth.

Along the same lines, Mushtaq Khan (Khan, 2004, 2010) argued that it might even be detrimental to growth to adopt sweeping governance reforms. Khan's point of departure was a devastating critique of the argument that better governance leads to growth — that the institutions and strategies that underpinned growth in East and South East Asian countries were far from the neo-liberal good governance ideal. On the contrary, 'the few high growth developers have not had better governance indicators than most developing countries' (Khan, 2004: 173). So, the positive correlation between better governance and growth does not show causality. On the contrary, if you look only at the fast growing countries, they have widely varying levels of governance. So have the developing countries with low growth rates. In other words, the difference between the developing countries with high growth and the developing countries with low growth is NOT a difference in good governance characteristics.

Since the rapidly growing countries do not perform better than slow growing countries in term of governance, they must be doing something else to achieve growth. This leads Khan to conclude that most countries have followed a trajectory that is directly opposite of that outlined by the governance agenda; countries first went through a long period of high growth *prior to* improving governance (Khan, 2010, 2012). The same type of observations led Rodrik to emphasise that it is not possible to identify one blue-print set of institutions that can promote growth, and Noman and Stiglitz to conclude that 'no country has ever implemented the current good governance agenda before embarking on development — not the now developed countries nor the rapidly 'catching up' countries of Asia' (Rodrik, 2007, Noman and Stiglitz, 2012: 32).

Setting up institutions of good governance is expensive and may even, in some instances, be detrimental to political stability in African countries. This is because the productive base of least developed countries is very small. They tax only a small proportion of their already small gross national product. The very foundation of political stability in countries with a low resource base has to be informal; it is about patron-client politics and about securing the loyalties of powerful organisations through off-budget means because the budget is by definition very small (Khan, 2010, 2012). For example, enforcing property rights across the board is very expensive and if you wish to secure investments for investors it has to be done in a way that secures property rights for those who are able to make the most productive use of them. This argument also implies that anti-corruption initiatives, however desirable, are likely to fail. In less developed economies — like many of the African economies — political corruption is endemic in the way ruling elites maintain stability and stay in power.

This analysis of why good governance reforms fail is different from the kind of analysis of neo-patrimonialism that treats it as unique to Africa as a general cultural feature. Khan's perspective grounds patrimonialism in the nature of the economy and the way power is organised in less developed economies everywhere, not just Africa (Khan, 2012). The challenge thus becomes one of understanding the organisation of power in recipient countries and the growth-enhancing strategies it allows, not only to promote growth in terms of GDP per capita but to induce a genuine transformation of the economy, as is elaborated in the next section.

The analysis of reform failure also helps us understand why it is necessary to probe deeper into what 'lack of political will' actually entails. The failure of development initiatives and institutional reforms has often been blamed on a lack of political commitment on the part of the leadership. However, a focus on the organisation of power in society and how a stable political settlement is achieved within it forces us to open up the black box of 'political will' to understand political economy in the individual context and the conditions under which real rather than rhetorical politics is generated (Booth and Therkildsen, 2012, Khan, 2012).

Finally, the analysis prompts us to ask questions about what kind of governance developing countries could adopt in order to get development. If sweeping governance reforms are not feasible or even detrimental to development, then what is growth-enhancing governance?

A new research agenda on growth-enhancing governance in Africa

The critiques of the good governance agenda have come out of the debate between mainstream and heterodox economics on the one hand, and from a number of recently completed collaborative research programmes of cross-disciplinary nature with a broad political economy focus on the other.

This has led to a new but growing research agenda that centres on two broad issues. First, since it has been established that good governance does not necessarily lead to growth, the next obvious step becomes one of identifying the kind of governance that *does* enhance growth (Noman and Stiglitz, 2012, Lauridsen, 2012). The second, related issue is the need to explore the political incentives that lead ruling elites to decide and implement growth-enhancing governance (Booth and Therkildsen, 2012).

Growth-enhancing governance

The premise for exploring features of growth-enhancing governance is that broad based growth cannot be sustained, and sustainable poverty reduction cannot be achieved, unless economies undergo a process of structural transformation. Such a process of economic transformation is a long term and macro-level phenomenon through which countries change what they produce and how they do it. Economic transformation involves shifts in the output and employment structures away from low-productivity and low-wage activities into higher-level productivity and income activities for a substantial number of people. They also involve the upgrading and diversification of their production and export basket, as well as changes in the norms and values of society (Tsakok, 2011:, 6, Whitfield, 2012). Economic transformation is driven by several separate but interacting and interconnected processes: agricultural transformation, export diversification, technology capability building among firms, industrial deepening, and industrial upgrading.

Economic transformation does not happen by itself in least developed countries. This is because they do not have the technologies — or importantly the know-how to use the technology — and investments in learning and upgrading are expensive and may require a period of economic loss. Also, the existence of market failures may make it necessary for governments to intervene (Lauridsen, 2012). The kind of large-scale investments that may be needed for a country to catch-up do not occur in the market on their own; government may need to socialise the risk by guaranteeing loans or buying shares, for example In sum, there is a need for pro-active government involvement.

So, in identifying growth-enhancing governance, the challenge becomes one of identifying the kind of industrial policy that is needed and not least that is feasible in a specific country context.

Industrial policy here is to be understood broadly. It can be about trade, services, agro-industry or even agricultural initiatives, since raising agricultural productivity is part of the process of structural transformation (Badiane, 2011). Strategic industrial policy is made up of interventions that increase diversification by deepening and upgrading (Lauridsen, 2012: 348). In identifying what would be the most appropriate interventions, the newly developed East Asian and South East Asian countries have often been referred to. Governments in South Korea, Taiwan, but also to an extent Indonesia and Thailand, all intervened successfully in their economies. For example, they provided protection for infant industries through tariff, they provided export subsidies to selected industries conditioned on performance requirements, and they subsidised loans (Evans, 1995, Amsden, 2001). The difference was, however, that these governments had the governance capabilities necessary to carry out such measures. This is not the case in many African countries today. Moreover, the particular industrial policy needed may vary from country to country so that it becomes as futile to try to transfer the East Asian developmental state model,as it was to transfer the western liberal good governance model. So in Khan's words 'the only viable strategy for most developing countries would be a less ambitious strategy that addressed some of the market failures that the good governance strategy is implicitly trying to address, but without attempting the ambitious implementation strategies of either the good governance agenda or the East Asian developmental states' (Khan, 2012: 129).

Khan's argument resembles Merilee Grindle's call for good *enough* governance in that it emphasises the need for scaling down the ambitious agenda and assessing context more. The difference is that it focuses much more on the needs of the economy and on identifying bottlenecks and possible interventions in specific sectors. But in addition to becoming less ambitious, there is still a need for identifying political incentive structures if we want to understand the feasibility of possible interventions.

Political incentives for growth-enhancing governance

A number of large collaborative research programmes on politics in Africa have recently focused on the kind of incentives that lead African ruling elites to adopt policies that promote development and hence deliver public goods.[1] Given that improving governance across the board may not be possible these research programmes have sought to identify what sometimes makes initiatives successful (Booth and Therkildsen, 2012). Although the African modal pattern may be patron-client politics, there are a few country exceptions in which policies have been growth-promoting and within African countries we can identify sectors in which policy intervention has been successful and the governance capabilities to sustain them have been built. Hence the research programmes have sought to identify and explain variations between and within African countries, and have focused on how political elites make choices about policies and their implementation. As Booth and Therkildsen explain on behalf of five large research programmes, this endeavour 'concerns governance and the institutional context, but not Good Governance' (ibid: 7).

The African Power and Politics Programme found that, on a country basis, incentive structures that promote investments in productive and service sectors may occur when rent-management becomes centralised. The APPP researchers identified periods of sustained growth in countries such as Cote D'Ivoire (1960–75), Kenya (1965–75), Malawi (1964–78) and Rwanda (2000 to date) (Booth, 2012: 25, Kelsall, 2013). In these countries, centralisation allowed ruling elites to put some limits to the rent-seeking activities in the patron-client politics and to gear rents towards productive uses. What made centralisation possible is less clear, but in the case of Rwanda, one part of it may have been the fact that the ruling party owns its own companies which gives it the opportunity of sustaining political loyalty without using public funds (Booth and Golooba-Mutebi, 2012). Another factor is that, coming from the Tutsi minority, the present ruling elite has had an incentive to deliver to the Hutu majority in order to stay in power.

The verdict is still out on what provides incentives for ruling elites to decide on policies that promote economic transformation and growth. Doner, Richie and Slater argue on evidence from South East Asia that 'systemic vulnerability' provides incentives for growth-enhancing governance (Doner et al, 2010). Systemic vulnerability consists of a mix of an external threat to the regime, resource scarcity, and the threat of domestic protests against the regime and hence the need to offer side-payments to important interests domestically. This combination of factors provides a strong incentive for elites to increase the availability of resources (Henley, 2013).[2] The two countries in Africa that have seen strongest signs of growth-enhancing governance recently, Rwanda and Ethiopia, have not been subject to the same kind of systemic vulnerability because there was no external threat from a foreign power to the same extent. However, both countries arguably experienced other features of systemic vulnerability (Poulton, 2012). The Rwandan ruling elite based on the Rwanda Patriotic Front still faces threats from Hutu rebel groups just across the border in the Congo in a situation of relative resource scarcity even if large sums of aid has partly made up for the lack of resources. The Ethiopian EPRDF regime faces threats both from groups in Somalia and Eritrea, and from groups within. Poulton thus argues that since the regime is well aware of its lack of broad based support, it has to seek legitimacy though pursuing broad based growth strategies (Poulton, ibid: 21). This is perhaps the reason why Ethiopia has pursued a comprehensive policy to provide rural farmers with agricultural extension services (Berhanu, 2012).

Even when overall incentive structures for ruling elites, as in much of the rest of Africa, are not favouring growth-enhancing governance, sector specific incentives may occur within individual countries. On the sector level, the Elites Production and Poverty (EPP) programme has identified incentives to provide growth-enhancing governance in specific productive sectors. The entry point is the assumption that ruling elites will promote productive sectors if they perceive this will help them remain in power (Whitfield et al, forthcoming). Promoting productive sectors is generally not easy, it is risky and requires long-term investments and hence a temporary shift away from consumption. It also requires building public agencies that have the capacity to implement the adopted industry policies. To remain in power, therefore, ruling elites will often prefer to adopt other and safer strategies. These include accommodating important powerful individuals and groups which can be done by allocating resources to them or by appointing important individuals to senior positions rather than considering what would be best for developing a productive sector. If promoting a productive sector means shifting resources away from important powerful individual groups, ruling elites will lose support, and the stability of the ruling coalition may be threatened (Khan, 2010). On the other hand, if supporting a productive sector means that politically important factions are kept accommodated, then such support is more likely.

Another way of staying in power is of course by winning elections. Elections in Africa have generally been analysed in terms of whether they are free and fair, whether they contribute to democratic legitimacy, and whether there was rigging or vote-buying. Elections have also been analysed in terms of how they co-exist with, and at times even reinforce neo-patrimonialism (Lindberg, 2003, van de Walle, 2001). A positive feature of elections in Africa has also been observed, namely that the more elections held in a country, the greater the tendency to respect basic freedom rights (Lindberg, 2006). However, it has been less well understood how elections may affect the decision and implementation of public policies (Kjær and Therkildsen, 2013). We know that ruling elites like to make decisions that are widely visible and popular in an elections context. This also goes for Africa where universal primary education has often been decided during an election campaign (Stasavage, 2005). In Uganda, we know that elections have affected the implementation of important agricultural policy reforms in adverse ways that gave ruling elites an advantage but hurt the programme (Joughin and Kjær, 2012). Rather than for the benefit of small farmers' groups, the programme has benefitted lower level factions of the ruling coalition (local chairmen of the ruling party and others) who were able to mobilise support for the ruling party.

So, in order to understand the incentives of ruling elite that promote particular productive sectors, we need to understand how they stay in power through building and maintaining a ruling coalition and winning elections. But we also need to understand the economic actors in the specific sector, how important the sector is to the ruling elite, and how well organised actors are. For example, if sugar producers in Mozambique are well organised, they are in a better position to lobby the government to decide on policies that are in line with their interests (Buur, 2012).

Understanding economic actors also entails knowing whether or not they help fund the ruling party. The way the government earns revenue (formally or informally) is likely to shape incentives too. For instance, if revenue comes primarily from the donors, ruling elites might not have an incentive to provide the sort of governance that benefits its citizens in general. If revenues derive from broad based taxation, on the other hand, ruling elites might have more of an incentive to do so (Moore, 2007). If hardly any revenue comes from taxing the large rural population, ruling elites might not have an incentive to implement policies to benefit farmers. In the same way it is possible to argue that if economic actors fund the ruling party, ruling elites will have an incentive to reward their support by implementing policies (formally or informally) that will be to their benefit. This may be an allocation of land exempting them from tax for example, or other sorts of patronage (Whitfield et al, forthcoming).

With this framework as background, the EPP programme carried out in depth studies of selected productive sectors in four countries – Uganda, Ghana, Mozambique and Tanzania. The programme examined the relation of the actors in the productive sector to the ruling elite; the sector's position in terms of providing financing or electoral support; the capacity of relevant state bureaucracies to enforce policies directed at the sector, and the capabilities of the economic entrepreneurs in the sector. It was found that a combination of two factors provided incentives for the ruling elite to promote productive sectors. What the cases had in common was that all sectors were either i) important for political survival because they helped maintain ruling coalitions or win elections, or ii) they had developed mutual interests with industry actors who were organised enough to push for policies that would promote the industry.

For example, in Mozambique the sugar industry was promoted both because the FRELIMO government could win support in areas with strong RENAMO support at a crucial time in the mid to late 1990s when FRELIMO's power base was not as safe as it became later, and also because party loyalists benefitted from job creation from the rehabilitated sugar factories (Buur, 2012).

The findings of these research programmes improve our understanding of when and how African governments promote development. They have so far generated interesting hypotheses that may be tested elsewhere, and although they have contributed to uncovering the incentives leading to economic transformation and poverty reduction, more research in this line is still needed.

Conclusion

During the very first years of the new millennium, the African governance debate seemed to have come full circle. From identifying bad governance as the source of the African crisis, to recommending good governance programmes, to pointing at neo-patrimonialism as an obstacle to successful reforms, and then the realisation that there may be limits to how much donors can do because of deeply ingrained domestic structures and informal institutions. The debates clearly show that a blueprint model of good governance is not applicable. On the contrary, academic critiques of good governance highlighted important gaps in the way governance was conceived and applied. These critiques inspired a new and still growing generation of research focusing not on good governance but on the kind of governance that will serve to promote economic transformation and reduce poverty, and the likelihood that such governance will eventually be adopted. This research points to exciting new avenues that centre on the incentive structures of ruling elites and how the kind of governance that will succeed in strengthening institutions and promoting economic transformation will not be based on what worked well elsewhere but on what works in the specific context. Rather than concluding that everything depends on the specific political-economic and therefore no general pattern can be discerned, the recent research programmes have begun to build theories that centre on the incentives to ruling elites provided by such factors as elections, resource availability, or vulnerability of the ruling elite.

Notes

1. The African Power and Politics Programme based at the Overseas Development Institute (London), the Developmental Leadership Programme (York), the Elites, Production and Poverty Programme (Copenhagen), the Political Economy of Agricultural Policy (SOAS), and the Tracking Development (Leiden) are some of them.
2. David Henley (2013) questions the extent to which 'systemic vulnerability' really is the explanation for developmentalism in Southeast Asia.

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How to cite this article: Kjær, A M 2014 From 'Good' to 'Growth-Enhancing' Governance: Emerging Research Agendas on Africa's Political-Economy. *Governance in Africa,* 1(1): 2, pp. 1-10, DOI: http://dx.doi.org/10.5334/gia.ac

Published: 28 July 2014