

# Political Research Quarterly

<http://prq.sagepub.com>

---

## Pre-Colonial Institutions, Post-Colonial States, and Economic Development in Tropical Africa

Pierre Englebert

*Political Research Quarterly* 2000; 53; 7

DOI: 10.1177/106591290005300101

The online version of this article can be found at:  
<http://prq.sagepub.com/cgi/content/abstract/53/1/7>

---

Published by:



<http://www.sagepublications.com>

On behalf of:



Western Political Science Association



The University of Utah

Additional services and information for *Political Research Quarterly* can be found at:

Email Alerts: <http://prq.sagepub.com/cgi/alerts>

Subscriptions: <http://prq.sagepub.com/subscriptions>

Reprints: <http://www.sagepub.com/journalsReprints.nav>

Permissions: <http://www.sagepub.com/journalsPermissions.nav>

**Citations** (this article cites 20 articles hosted on the  
SAGE Journals Online and HighWire Press platforms):  
<http://prq.sagepub.com/cgi/content/refs/53/1/7>



# Pre-Colonial Institutions, Post-Colonial States, and Economic Development in Tropical Africa

PIERRE ENGLEBERT, POMONA COLLEGE

It is well known that Africa's development lags behind that of other regions. Lesser known is the substantial variance in development fortunes within Africa, with "miracle" economies compensating for the region's development disasters. Prevailing theories of Africa's average performance fail to account for intra-African disparities. Using empirical evidence from cross-sectional data, this study offers a new explanation for success and failure in African development, which builds upon the insights of neo-patrimonial theory. It argues that variations in the extent to which post-colonial state institutions clash with pre-existing ones largely account for what differentiates state capacity and economic growth across the region. The greater the incongruence between pre- and post-colonial institutions, the greater the relative power payoffs to domestic elites of adopting neo-patrimonial policies over developmental ones. The article challenges thereby the social capital and ethnic homogeneity theories of African under-development, and offers substantial qualifications to the "imported state" hypothesis.

Sub-Saharan Africa's development has lagged behind that of other regions since the end of the colonial period. There has been no shortage of theories to

---

Note: An earlier version of this article was presented at the 1998 Western Political Science Association Annual Meeting. I am grateful to Robert Bates, Paule Bouvier, Laurie Brand, Deborah Brautigam, Steve Conroy, Francis Deng, Carol Graham, CRD Halisi, Jon Isham, Michael Kevane, Charles Lockhart, Terrence Lyons, Pat McGowan, Jeff Nugent, Meghan O'Sullivan, Jim Robinson, James Ron, Michael Schatzberg, Alice Sindzingre, Richard Sklar, Nicolas van deValle, and Crawford Young for their support and/or helpful suggestions at one point or another of the research leading to this article. The usual exoneration applies.

Political Research Quarterly, Vol 53, No. 1 (March 2000): pp. 7-36

explain this weak performance, from dependency-inspired approaches which stressed Africa's unequal insertion in the world capitalist economy (Rodney 1972; Amin 1974; Organization of African Unity 1980) to rational-choice theories which laid the blame with African politicians and bureaucrats who, facing a disorganized peasantry, chose agricultural and industrial policies which served their own benefits rather than their country's development (World Bank 1981; Bates 1981). The latter approach led to a flurry of reforms in the 1980s, under the leadership of the World Bank's Structural Adjustment Programs (SAPs), with the purpose of reducing the size and scope of government intervention in the economy. The failure of SAPs to bring Africa back on the path of growth (Callaghy and Ravenhill 1993; World Bank 1994) and the developmental success of East Asia where governments routinely intervene in the economy (Haggard 1990; Amsden 1985; Evans 1995) cast a shadow of doubt over market-based reforms in the early 1990s and raised the puzzling questions of why similar policies lead to different outcomes in different regions (*African Development* 1991; Rodrik 1994, 1996).<sup>1</sup> Under the impetus of work done both in political science (Evans, Rueschmeyer, and Skocpol 1985) and in the new institutional economics (North 1981, 1990; Findlay and Wilson 1984; Eggertson 1990), a "new consensus" has now emerged which suggests that it is the lack of state capacity and institutional quality which is responsible for economic stagnation in Africa (World Bank 1989, 1992, 1994; Brautigam 1991; Hyden and Bratton 1992; Ndulu and van de Walle 1996; Lewis 1996). State capacity is generally understood to refer to the capacity to design and implement policies, make credible commitments, run an efficient bureaucracy and provide constraints to opportunistic behavior.<sup>2</sup> The recent empirical literature on the links between economic growth and bureaucratic and institutional efficiency supports the claim that the quality of state institutions matters (Mauro 1995; Keefer and Knack 1995; Sachs and Warner 1997).

The consensus breaks down, however, once we move beyond the observation of weak capacity to the analysis of its determinants. Three approaches compete here. The first one makes institutional quality a function of a country's level of social capital (Coleman 1990; Putnam 1993). Putnam (1993: 15) explains north-south differences in the institutional performance of similar regional

---

<sup>1</sup> Although the World Bank and the IMF have seized upon the occasion of the East Asian financial crisis to impose a relative retrenchment of the state in these economies, there is no agreement as to whether state intervention was a significant factor in explaining their downturn. In addition, the crisis has had relatively little effect on the *long-run* development performance of these countries. The only caveat in comparing African and East Asian policies is that Africa's export promotion strategies have taken place in the context of low industrial output and mainly involve mineral and agricultural commodities.

<sup>2</sup> A concept akin to, but less far-reaching than, Migdal's (1988) "capabilities" or Wallerstein's (1980: 113) "state strength."

governments in Italy by contending that the "active, public spirited citizenry" of the north, marked by "egalitarian political relations" and by "a social fabric of trust and cooperation" lies at the root of the north's superior institutional capacity. Generalizing the Italian case, he offers that a nation's level of "civic culture" is the main determinant of its institutional performance, a theory which has antecedents in comparative politics (Almond and Verba 1963, 1980). This approach (popularized by Fukuyama 1995) is rooted in, and has contributed to further develop, an economic theory of social capital (Coleman 1990; Helliwell 1996; Widner and Mundt 1998; Keefer and Knack 1996; La Porta et al. 1997). Social capital is the resource by which the civic culture contributes to political and economic development. It is a compound of trust, norms of reciprocity, participation and equality, and of associative life. According to this theory, Africa's stagnation, poor governance and weak state capacity derive from its low level of civic culture and social capital: vertical patron-client relations prevent effective political participation and equality; the weight of tradition stifles the emergence of associative life; and strong ethnic identities prevent the spread of trust in society. The World Bank has recently embraced this cultural and social-capital discourse in the African context (Serageldin and Taboroff 1994; Dia 1996) and has engaged on several projects based on the assumptions of social capital theory (World Bank 1997).

The second theory of state capacity in Africa can be subsumed into the proposition that African countries have weak institutions and adopt poor policies because of their ethnic diversity. This point of view lies at the core of the work of Easterly and Levine (1997) who argue that ethnic diversity has led to social polarization and entrenched interest groups in Africa and has thereby increased the "likelihood of selecting socially sub-optimal policies" as ethnic representatives in government fail to internalize the entire social costs of the rent-creating policies they adopt. This is in fact an application of Olson's theories of collective action with an ethnic twist (Olson 1965, 1982). Using a measure of "ethno-linguistic fractionalization" which estimates the probability that two persons, randomly selected among a country's population, will belong to two different ethnic groups, they find ethnic diversity to be a significant predictor of poor policies, weak institutions, and low growth in world-wide cross-sectional regressions. Applying these results to Africa, they contend that ethnicity largely accounts for the growth differential between Africa and East Asia.

Finally, several scholars have proposed a political theory of Africa's stagnation according to which African leaders, having inherited artificial polities from colonialism, resort to neo-patrimonial strategies to foster their power and prevent the dislocation of their peasant societies. These neo-patrimonial policies, essentially redistributive in nature, use the resources of the state to pursue their political and essentially private aims of power maximization. As a consequence, the capacity of the state is weakened and growth-enhancing policies are avoided

(Jackson and Rosberg 1982; Clapham 1982; Médard 1982; Sandbrook 1985, 1986; Bayart 1993; Boone 1994; van de Walle 1994; Lewis 1996).

Although each of these theories presents a *prima facie* credible explanation for the continent's average stagnation, there is, however, an empirical observation that neither one of them is able to account for; that is, the wide variation in economic performance and state capacity observed across Africa. Indeed, countries such as Botswana, Mauritius, or Cape Verde have grown at between 4 percent and 6 percent per capita per year since their independence whereas citizens of Chad, Djibouti, or Mozambique, on the other hand, have gotten about 2 percent poorer every year over the same period. Any theory which purports to explain Africa's central tendency for stagnation must also be able to account for such diversity within Africa. Yet, problems of measurement notwithstanding, there appears to be no clear relationship between patterns of social capital and developmental performance within Africa (Widner and Mundt 1998). Nor are the continent's success stories significantly different from its failures in terms of their ethnic composition.<sup>3</sup> Finally, all but one African states are structures inherited from colonialism and, hence, the imported nature of the state is not either, by itself, a factor of differentiation within Africa.

In this article I offer and test a different theory of state capacity and economic growth which can account for the wide range of performance across African countries. It builds upon the idea of imported statehood in Africa (Badie 1992) and upon the neo-patrimonial approach to African under-development (Sandbrook 1986; Boone 1994). Its crucial difference, however, is that rather than stressing the exogenous origins of the state, it highlights its varying degrees of congruence with pre-existing political institutions and norms of political authority. Hence, it takes the imported nature of the African state for granted, and accounts for diverse degrees of neo-patrimonialism and diverging development outcomes by stressing differences among African countries in the extent to which the imported state conflicts with pre-existing political systems. In doing so, this article offers specific arguments and empirical evidence which challenge theories linking institutional quality in Africa to levels of social capital and to ethno-linguistic fractionalization. The results have far-reaching implications with respect to the desirability of territorial and institutional stability in Africa, and they illuminate the issue of state collapse as an ultimate consequence of the legitimacy deficit of African states.

### STATES WITHOUT POWER, STATES WITHOUT CAPACITY

Formal institutions such as the state<sup>4</sup> will be more likely to be efficient, in

---

<sup>3</sup> The evidence on these claims with respect to social capital and ethnicity will be developed later in this article.

<sup>4</sup> In this context, the state is meant to refer to much more than government or regime. It includes

the sense of promoting growth, the more they are congruent with informal institutions and norms, the more they are endogenous to their own societies, and the more they are historically embedded in domestic social relations.<sup>5</sup> In short, state legitimacy breeds state capacity. Following Holsti (1996: 80), state legitimacy can be defined in two ways. "Vertical" legitimacy refers to the existence of an agreement over "the principle(s) upon which the 'right to rule' is based." "Horizontal" legitimacy, on the other hand, entails a consensus about "the definition of the community over which rule is to be exercised." Compared to other regions of the world, Africa is relatively short of both dimensions of state legitimacy. Within Africa, however, there are substantial variations on both grounds too.

Variations in state legitimacy condition the developmental capacity of states by shaping the strategies of power of domestic elites. Leaders of historically non-legitimate, incongruent, or mismatched states are indeed faced with a peculiar challenge and are limited in the options available to them to address it. Having originated outside domestic social relations and having failed to be appropriated by previously dominant social forces, their states do not represent the established instruments of hegemonic control. From colonialism, they inherited the instruments of statehood but not the power that came with it in colonial days. These leaders were indeed often the product of the colonial system and had limited power foundations in pre-colonial societies. Even when they originated from traditional chiefly families, as Houphouët-Boigny in Côte d'Ivoire, Modibo Keita in Mali, and several others, the customary foundations of their authority were mostly communal and failed to extend to the country as a whole.<sup>6</sup>

Because of the lack of social agreement over the rules of the political game in these states—what Ekeh (1975) refers to as the problem of Africa's "two publics"—contestation of policies by social groups, opposition parties, or interest groups tend to turn into challenges to the state itself. Parliamentary stalemates or budget crises lead to military takeovers, disputes about recruitment patterns in the administration or armed forces to armed rebellions, and arguments on the allocation of national resources to secession and irredenta attempts. Coups in the 1960s in Upper Volta, Benin, and the Central African Republic, for example, were the direct consequence of fiscal crises. Civil wars in Somalia and Chad originated over issues of regional recruitment of state personnel. Secession attempts in both Katanga and Biafra proceeded from a perception that the benefits of local

---

territory, administration, army, government, constitution, laws and judicial system, and justifying myths and images of power. Hence, the state is physical, organizational, and ideological.

<sup>5</sup> For the genesis of this argument, see Eckstein (1961), North (1981, 1990), Granovetter (1985), Evans (1989, 1995), Cornell and Kalt (1995), Dia (1996).

<sup>6</sup> With the possible exception of Julius Nyerere of Tanzania, son of a chief, who never capitalized or played upon his ethnic roots and relied instead on ideology and in the unified use of the Swahili language in an attempt to create national appeal.

natural resources were being threatened or unfairly distributed by national authorities.<sup>7</sup>

This propensity for systemic political crises further weakens the actual power of leaders and ties their hands as policy makers. Indeed, shoring up their fledgling power by providing efficient government is rarely an option, as development policies require the active involvement of the state apparatus and assume some level of supply response on the part of private agents. Both of these expectations are less likely to be fulfilled the more the state is perceived as illegitimate. Hence, the lack of initial state legitimacy not only reduces the power of governing elites but also the relative power payoffs they can derive from developmental policies. This is the root of both the lack of such policies among African governments, and of their propensity to abandon aid-driven policy reforms such as stabilization and structural adjustment programs. Of the 26 countries which had embarked upon adjustment programs with the World Bank by the early 1990s, for example, 11 had actually recorded a macroeconomic policy deterioration and nine had implemented less than a third of the required reforms (World Bank 1994: 261).

The ruling elites of low legitimacy states find it therefore less destabilizing to adopt neo-patrimonial strategies of power with their attendant propensity for corruption, clientelism, nepotism, or regionalism. These policies substitute patron-client links for the lack of moral legitimacy of the state and offer the regime a new lease on life. They buy short-term acquiescence and provide a quick fix to their hegemonic crisis. Neo-patrimonial policies are therefore the equilibrium outcome of illegitimate post-colonial statehood, a condition which entails a dichotomization of power and state structures. State illegitimacy makes it more likely that the generation of power for domestic elites will take place at the expense of formal state institutions which are turned into resources to finance the "fusion" or "reciprocal assimilation" of elites (Boone 1994; Bayart 1993; Bratton and van de Walle 1997; Lewis 1996).

State legitimacy is therefore a crucial variable in determining the odds of neo-patrimonialism in any given country. But, with almost all African states having been arbitrary colonial creations to begin with, what makes some of them more legitimate than others? Contrary to often held assumptions, their imported nature, their alleged "suspended" condition, "in mid-air above society" (Hyden 1983) or the centrifugal heterogeneity of their societies are not by themselves factors of low legitimacy. After all, modern states everywhere eradicate competing institutions as part of their own rise (Spruyt 1994) and historically the European

---

7 See Campos and Nugent (1997) for a quantitative look at the incidence of political violence in Africa and Morrison et al. (1989) for systematic narratives of the conditions underlying structural instability in African countries.



concept of nation-state has been exported to other regions without similar consequences. Furthermore, pre-colonial African states were by no means ethnically homogeneous. In fact, Fortes and Evans-Pritchard (1941) contend that most of them were usually born of the encounter of different groups and retained their heterogeneity through their periods of formation and consolidation.

The legitimacy of the African state is in fact a function of its congruence with pre-existing political systems and norms of political authority. Although all African states but Ethiopia were imported, not all of them ended up equally arbitrary to the societies they now comprise. In some cases, the post-colonial state clashes with stateless pre-colonial cultures and brings different state systems together while splitting apart long-integrated political cultures. At other times, however, there is a reasonable approximation between pre- and post-colonial states both in terms of existing political cultures and geographical boundaries. In these latter cases, the colonial episode is more a parenthesis of foreign occupation than a defining moment in history. It no longer creates the state but temporarily deprives it of its sovereignty. Whereas the populations of non-legitimate states live their independence as "alienation" from their history (Davidson 1992)—"we are the rightful rulers" said an Ashanti chief at the independence of Ghana in 1957 (Apter 1968)—those of legitimate ones experienced the end of colonialism as the restoration of their statehood.<sup>8</sup>

Somalia provides an example of incongruent and illegitimate statehood in Africa. Although greatly homogeneous in terms of ethnicity, its boundaries fail to incorporate large segments of Somali populations living now in Kenya, Ethiopia, and Djibouti. Meanwhile, within Somalia itself, the clannish nature of the political system conflicts with the idea of centralized statehood (Samatar 1997). The Democratic Republic of Congo (former Zaire) provides another case in point. A highly artificial creation derived from the exploration of the Congo river by Henry Morton Stanley and the exploitation of ivory and wild rubber in the river's basin by King Leopold II of Belgium (Hochschild 1998), the country brings together different state systems and non-state societies and splits across its borders important kingdoms or political culture areas such as the Lunda and the Bakongo.

At the other end of the African state legitimacy continuum lie countries such as Botswana, Lesotho, or Swaziland. Based on pre-colonial kingdoms, or federation of kingdoms in the case of Botswana, these contemporary states by and large approximate the contours and political cultures of their pre-colonial roots. Their southern African location is not alien to this condition. In all three cases, the encroachment of Boer settlers from South Africa at the end of the nineteenth century led national authorities to request the establishment of a British protectorate, choosing colonization over the threat of institutional extinction (Brownlie 1979).

---

<sup>8</sup> On the concept of "restored states," see Alexandrowicz (1969).



As colonies they were therefore much less arbitrary than most of their African counterparts. Upon reaching independence in the 1960s, Lesotho and Swaziland resumed their monarchic structures. Botswana became a republic but the hegemony of the traditional Tswana cattle-owner hierarchy remained unchallenged and a descendant of the royal family assumed the presidency. These are in fact modernized "traditional" African kingdoms, relatively unique examples of successful institutional syncretism south of the Sahara.

It is these differences in the congruence of pre- and post-colonial structures which account for the variance in levels of state legitimacy across Africa. Varying levels of legitimacy, in turn, create diverse sets of constraints to the power of political elites. The weaker the legitimacy of the state they inherit, the more likely it is that political contestation will turn into challenges to the state itself and the greater, therefore, the instability of the regime. In such conditions, elites are more likely to resort to neo-patrimonial than developmental policies, not least because the former are less likely to entail difficult distributional decisions and trade-offs of present to future consumption that they can ill afford. Finally, the more neo-patrimonial the nature of the ruling system, the weaker the effectiveness of government institutions, the poorer the quality of governance, and the worse the choice of economic policies. Over time, the capacity of such governments to design and implement policies further deteriorates. The law turns irrelevant. Trust in institutions, weak to begin with, further evaporates and leads to worsened corruption. Governments become unable to take sustained action, to make credible commitments, and to enforce the rules of the game. Meanwhile, their spending rises in proportion to their economy. Long-term investments are neglected to the benefit of current expenditure on wages, consumption, and for the creation of additional state agencies to provide prebends (Joseph 1987). In the end, the instrumental legitimacy of systemic patronage, while substituting for the lack of political legitimacy of the state, introduces a systematic bias in policy away from long-run growth and leads to a decrepitude of national institutions. Hence, the attempts by the elites to remedy their power deficit leads to the ruin of the state itself. In historically legitimate states such as Botswana, on the other hand, elites are freer to adopt developmental and industrial policies as their hegemony is well established. Opposition to government policies does not usually translate into challenges to the state. As a result, Botswana's rulers, to stay with this example, have received high marks for their management of the economy and of the country's two main resources: diamonds and cattle (Picard 1987; Harvey 1992; Lewis 1993). The government has actively intervened in the economy with the legitimacy that its long-established hegemony conferred upon its leaders and, therefore, without the need to finance new networks of political support. This has freed the regime to follow developmental policies and generate further legitimacy for itself out of development.

## EMPIRICAL ANALYSIS

*The Dataset*

The findings of this study are based on cross-sectional data covering up to 40 Sub-Saharan African countries. Estimates of economic growth cover the period from independence or 1960 (whichever comes latest) to 1992 and were calculated using data from the Penn World Table (Heston and Summers 1991). The same source and time frame were used for other growth-related variables, such as initial income levels at the time of independence, average government spending and public and private investments in proportion to GDP.<sup>9</sup> Because the model hypothesizes that state legitimacy's effects on economic growth are mediated through state capacity, the findings also make use of an index measuring the quality of governance, a simple unweighted average of the following five indicators: the capacity of a government to make credible economic commitments; the risk of expropriation of private investments; freedom from corruption; the quality of institutions including the judicial system; and the quality of the bureaucracy. These five variables are measured as averages of bi-annual values over the 1985-95 period and are compiled from data purchased from the Political Risk Service Group (PRS), a U.S.-based consultancy which makes it available for a nominal fee.<sup>10</sup> Each of these indicators is scaled 0-10.<sup>11</sup> Previous work by Mauro (1995), Keefer and Knack (1995), Sachs and Warner (1997), and Barro (1997) have established the impact of these indicators on economic growth, even after controlling for possible endogeneity (Mauro 1995).

Because the PRS data comes for only 32 African countries, I increased the sample size by sending the exact same questionnaire as used by PRS's consultants to country authors at the Economist Intelligence Unit (EIU), a similar consulting company based in London, England, for which I free-lanced from 1988 to 1998.<sup>12</sup> This survey generated data for an additional ten countries. In countries which had data from both PRS and EIU sources, the indicators correlated at 0.70, suggesting rather limited problems of measurement errors. At any rate, this article's hypothesis makes the good governance index a dependent variable, and measurement errors in dependent variables are not a significant problem (Greene 1993).

<sup>9</sup> For similar empirical growth models, see Barro (1991) and Barro and Sala-i-Martin (1995).

<sup>10</sup> These data are also sometimes referred to as ICRG, which stands for *Inter-Country Risk Guide*, a publication of PRS.

<sup>11</sup> This involved a re-scaling of the data. In the original PRS data set, some of these indicators are on a 0-10 scale and others on a 0-6 scale according to their relative weight in PRS's overall country risk index which includes several other indicators.

<sup>12</sup> My thanks to Stephanie Wolters, Africa Editor at the EIU at the time, for facilitating this survey. Although I was then the author of the Democratic Republic of Congo reports, I did not include myself as a respondent.

I created two original measures of state legitimacy, along both its vertical and horizontal dimensions (Holsti 1996). The first one is a dummy variable which captures vertical legitimacy, the embeddedness of the post-colonial state into pre-colonial relations of authority. Each state is measured against a series of dichotomous outcomes at each stage of which it can fail the test of legitimacy and receive a value of 0. First, a country receives a 1 if it was never colonized (a presumption of endogenous statehood), 0 otherwise. Only Ethiopia scores 1 on this account.<sup>13</sup> Next, a country receives a 1 if there was no human settlement prior to colonization, 0 otherwise. Most islands, except for Madagascar and Comoros, score 1 on this account. The assumption is that, if there was no human settlement before colonization, there can be no conflict between pre- and post-colonial institutions. Finally, in case there was some political authority or structure before colonization, a country scores 1 only if the new state does not do severe violence to this pre-colonial arrangement, otherwise it scores 0. This is a rather subjective criterion, but I kept my own biases in check by only including countries assessed as legitimate along these lines by Crawford Young (1988) and Jean-François Bayart (1996), two of the most prominent Africanists in the world. These were Botswana, Burundi, Lesotho, Rwanda, and Swaziland.<sup>14</sup> Together with those which had cleared the legitimacy hurdle at earlier states (Ethiopia, Cape Verde, Mauritius, Sao Tome and Principe, and the Seychelles), the total of legitimate African states amounts to ten.

The second original variable captures the idea of horizontal legitimacy, i.e., the extent to which there is agreement about what community the state rules over. Concepts of societies, institutions, political identity and the like are extremely fluid and subject to competing definitions. In Africa, it is often argued that people identify politically with their ethnic groups but there is much debate about the origins, meaning, and very existence of ethnic identity. Several scholars have argued that ethnic groups and identities were to a large extent creations of the colonial period (Davidson 1992; Bayart 1993; Gray 1995) whereas others have demonstrated that they evolved as a function of modernization itself (Young 1976; Bates 1983). In addition, in institutional terms, ethnic identity is no guarantee of political identity; indeed, many pre-colonial African societies were

---

<sup>13</sup> The occupation of Ethiopia by Mussolini's Italy from 1935 to 1941 hardly qualifies as colonization.

<sup>14</sup> The inclusion of Burundi and Rwanda as legitimate African states may surprise in view of their extremely violent recent history and the deep contestations of political authority between their Hutu and Tutsi citizens. Both states existed, however, before colonization by Germany and then Belgium, and both states had Tutsi-dominated political structures with Hutu majorities (Lemarchand 1970; Pabanel 1991). European colonization greatly altered the political division of labor between these groups, however, amplifying and crystalizing dimensions of political and social inequality and leading thereby to disastrous political systems. Yet, in order to remain consistent in my categorization of countries and to avoid tinkering with the data, I rank them among legitimate states in view of their pre-colonial existence. Although this reduces the magnitude of the findings, it increases their robustness.

lineage-based and did not have organized political structures outside the family. Yet, it is most probable that ethnic identification provides a relatively good proxy for the sense of pre-colonial political identification of the citizens of contemporary African countries, although it will be more artificial at some times than at others. Consequently, I used data on the ethnic distribution of contemporary African countries (Morrison et al. 1989) to compute the percentage of their population which belongs to an ethnic group split between at least two countries. The identification of split groups was obtained from Asiawaju's *Partitioned Africans* (1985) and Murdock's *Ethnographic Atlas* (1967). Subtracting this proportion from 1, I created a proxy for the congruence of modern African states vis-à-vis pre-colonial institutions—horizontal legitimacy—which can take on any value between 0 and 1. In a sense, this variable bypasses the problem of whether ethnic identity is a fair measure of political identity. Indeed, unlike the index of ethno-linguistic fractionalization (ELF) used by Easterly and Levine (1997) which measures alleged social heterogeneity, the horizontal legitimacy variable actually measures the extent to which the state is arbitrary, irrespective of the heterogeneity of the underlying society. Somalia's ELF score, for example, is a low 8 percent as some 95 percent of its population are Somali. Yet, there are also Somali in Djibouti, Ethiopia, and Kenya, suggesting that, although very ethnically homogeneous, Somalia remains highly arbitrary as a state from a territorial point of view. This is also true for its two other ethnic groups, the Affar and the Issa, who are present in neighboring countries. As a result, Somalia scores close to 0 on the horizontal legitimacy variable, making it almost totally incongruent to pre-colonial institutions. Such radically different results appear frequently across the sample and illustrate what different realities are captured by the two variables (insignificantly correlated at  $-0.19$ ).

Other variables, measuring related dimensions of institutional structure and political culture, are mostly used as control variables. The standard deviation of the population-weighted mean of a country's different pre-colonial political systems serves as an indicator of pre-colonial institutional pluralism. The mean takes on a value between 1 for lineage-based societies and 3 for kingdoms or empires, with chiefdoms scoring 2 (Morrison et al. 1989). Its standard deviation measures the extent to which a given country contains a plurality of different pre-colonial systems and political cultures.<sup>15</sup>

### *The Impact of State Capacity on Economic Performance*

I first reproduce, in the African context, the results of Mauro (1995), Keefer and Knack (1995), Sachs and Warner (1997), and Barro (1997) on the links

<sup>15</sup> In Table 2, these two variables are referred to as "state-like nature of the pre-colonial systems" (for the mean) and "heterogeneity of pre-colonial systems" (for the standard deviation).

between state capacity and economic growth. I use a reduced-form growth equation, as in Barro (1991), controlling for initial level of income (the higher a country's income level to begin with, the slower it is expected to grow as the marginal productivity of additional investments declines),<sup>16</sup> government spending (expected to have a negative impact on growth as it displaces resources away from investments and implies greater taxation of private agents), and investments (which contribute to growth by increasing the stock of available capital).<sup>17</sup> As Table 1 indicates, the index of good governance is positively and significantly (at the 5 percent level) associated with growth in Africa, while all other control variables behave as expected. A one-point increase in the governance index results in almost half a percent increase in annual per capita growth. Although not shown in this table, this result is robust to different specifications, controlling for mainland status, the occurrence of wars and civil wars, and policy distortions proxied by the black market premium for foreign exchange.

Interestingly enough, however, the prevalence of the rule of law has a more significant positive impact on growth than the quality of the public administration. The rule of law index averages the indicators of government commitment to its contractual engagements, risk of expropriation and quality of institutions (including the judiciary). The public administration index averages the extent of corruption and the quality of the bureaucracy.<sup>18</sup> The weaker impact (statistically insignificant) of the public administration index in Table 1 results from the lack of growth effect of the absence of corruption, which contradicts the findings of Mauro (1995). A possible interpretation of this result would suggest that, at low levels of state formation and income such as in Africa, the role of government in promoting growth lies more with the quality of its overall governance, such as its overall accountability, respect for commitments and guarantee of the rule of law, than with the specific actions of its bureaucracy. As development takes place and demands on the state become more complex, the quality and integrity of the bureaucracy gain in importance. From a pure economic point of view, therefore, the World Bank's recent emphasis on curbing corruption may be consequently slightly misguided for low-income African countries.

---

<sup>16</sup> Because this is not a linear effect, I add a squared term.

<sup>17</sup> Table 1 presents simple ordinary least square regression results. Because this article's main concern is not about the relationship between these variables and growth but in showing the effects of state legitimacy on growth, I do not control for the endogeneity of both investments and governance. Other studies have done so (Mauro 1995; Barro 1997) and have established the robustness of this specification.

<sup>18</sup> For all the PRS variables, greater number signify a better performance. A country scoring 10 on corruption is therefore entirely free from corruption.

≡ TABLE 1  
GOVERNANCE AND GROWTH IN SUB-SAHARAN AFRICA

	(1)	(2)	(3)
Intercept	0.4335* (1.853)	0.2763 (1.341)	0.5416** (2.322)
Convergence	-0.1249* (1.798)	-0.0807 (1.325)	-0.1534** (2.214)
Convergence squared	0.0086 (1.632)	0.0053 (1.156)	0.0108** (2.066)
Government spending (% GDP)	-0.0006 (1.675)	-0.0007* (1.747)	-0.0007* (1.829)
Investment (% GDP)	0.0013*** (3.185)	0.0012*** (3.486)	0.0015*** (3.349)
Good Governance Index	0.0043** (2.206)		
Rule of Law Index		0.0061*** (3.480)	
Public Administration Index			0.0011 (0.814)
Adjusted R <sup>2</sup>	0.53	0.59	0.47
F	7.87	10.04	6.72
Prob > F	< 0.01	< 0.01	< 0.01
N	40	40	40

Note: Dependent variable is average annual per capita GDP growth from the date of independence or 1960, whichever comes latest, until 1992. Ordinary Least Square (OLS) estimation with the absolute value of White (1980) heteroskedasticity-consistent t statistics in parentheses. Data sources and definitions can be found at [www.politics.pomona.edu/englebert.html](http://www.politics.pomona.edu/englebert.html). \*\*\* Sig. < 0.01; \*\* Sig. < 0.05; \* Sig. < 0.10.

### *The Impact of State Legitimacy on Good Governance*

This section tests this article's main hypothesis that the more legitimate the state, the greater the quality of its governance. Table 2 presents a model where governance (measured by the EIU-enhanced ICRG index) is a function of a country's former colonial power, the occurrence of civil wars, measures of social heterogeneity, and the extent of state legitimacy. The results indicate a strong, significant, and robust effect of both vertical and horizontal state legitimacy on governance, irrespective of the model's specification. Vertical legitimacy contributes between 1.5 and 1.8 points to the governance index which is measured on a scale of 0-10. Given the limited range of the index in Africa (from Liberia's



score of 2.19 to Botswana's 7.1), state legitimacy actually explains about a third of the variance in state capacity across the continent. As for horizontal legitimacy, the coefficients of equations (4) and (5) indicate that a fully horizontally legitimate state, i.e., one whose entire population is composed of ethnic groups fully contained within its boundaries, would score 1.6 to 2 points higher on the governance index than one whose entire population belongs to ethnic groups partitioned by colonial borders, after controlling for colonial legacy, civil wars, and diverse measures of social heterogeneity. Again, in view of the range of the dependent variable and of the numerous control variables, this is an effect of remarkable magnitude, suggesting that social agreement on the sense of what makes a political community is more important even to state capacity than consensus on the historical foundations of political authority. Given the cross-sectional nature of the data and the limited sample size, the adjusted  $R^2$ s are also unusually high. Figure 1 offers a visual display of the strength of the relationship between horizontal legitimacy and governance.

The effects of some of the control variables in Table 2 are also worth noting. Colonization by Great Britain and France seems to favor the development of state capacity whereas Belgian rule had the opposite effect which confirms the consequences of the paternalistic style of Belgian colonialism and of its lack of development of an indigenous administration. Not surprisingly, civil wars hurt state capacity as does the heterogeneity of pre-colonial systems. This latter variable reinforces the interpretation of the effects of state legitimacy by highlighting that the greater the variety of pre-colonial political cultures and systems that a state comprises, the weaker its capacity.

Particularly worth noting is the effect of the state-like nature of pre-colonial systems on the quality of contemporary governance. In one of his lesser known pieces of work, Mancur Olson (1987) argued that several low-income countries, including most of Africa, were failing the test of development because of their lack of historical experience with large-scale state-like organizations. If this were true, one would expect to find a positive relationship between the state-like nature of the pre-colonial systems in Africa and our measure of contemporary state capacity and governance. The results of Table 2 are, however, unambiguously in the opposite direction: the more state-like on average the pre-colonial societies of today's African states, the weaker the quality of contemporary governance. Hence, the experience of large-scale statehood appears to be inimical to state capacity and development. Shedding doubt on Olson's hypothesis, this finding tends instead to support the state legitimacy theory. Indeed, the more state-like were a country's pre-colonial institutions, the weaker the allegiance of these populations to the post-colonial state. Societies with strong state traditions seem to find the post-colonial state less acceptable, less legitimate, more arbitrary than their more lineage-oriented counterparts that can be thought of as providing the modern state with an institutional blank page. Stereotypes about the political adaptability of the



TABLE 2  
GOOD GOVERNANCE AND LEGITIMACY IN SUB-SAHARAN AFRICA

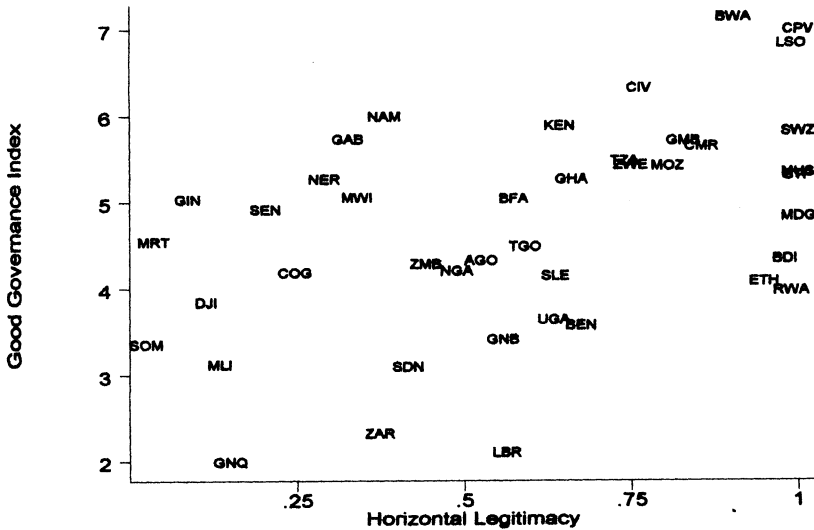
	(1)	(2)	(3)	(4)	(5)
Intercept	5.0064*** (6.817)	3.8212*** (7.945)	6.1680*** (7.151)	3.7805*** (8.693)	6.2910*** (5.584)
British Colonialism	1.4416* (1.807)	1.6302*** (3.996)	1.644*** (10.843)	1.2503** (2.487)	1.1843*** (5.010)
French Colonialism	1.0860 (1.371)	1.5507*** (3.119)	1.3311*** (4.025)	1.3648** (2.487)	1.1043*** (2.821)
Belgian Colonialism	-0.4246 (0.555)	-0.6714* (1.831)	-0.4681*** (3.201)	-0.7890 (1.633)	-0.6075** (2.242)
Portuguese Colonialism	1.5153 (1.551)	2.1650*** (3.481)	1.1087** (2.116)	0.7779 (1.124)	-0.6869 (1.088)
Civil Wars	-0.0535*** (4.479)	-0.0501*** (4.759)	-0.0509*** (5.900)	-0.0364*** (2.874)	-0.0338*** (3.345)
Heterogeneity of Pre-Colonial Systems	-1.0528*** (2.866)	-0.6504** (2.163)	-0.8040*** (3.109)	-1.3730*** (3.075)	-1.6944*** (4.430)
Multiplicity of Languages	-0.0232 (1.004)	-0.0133 (0.630)	-0.0275 (1.633)	-0.0361* (1.784)	-0.0567*** (5.195)
Ethno-Linguistic Fractionalization	-0.5171 (0.818)	0.0810 (0.143)	-0.2695 (0.470)	0.1941 (0.282)	-0.1302 (0.180)
Vertical Legitimacy		1.5675*** (5.639)	1.8297*** (8.579)		
Horizontal Legitimacy				1.6371*** (3.087)	2.0348*** (4.991)
State-Like Nature of Pre-Colonial Systems			-0.9827*** (3.135)		-1.0804** (2.488)
Adjusted R <sup>2</sup>	0.47	0.61	0.71	0.61	0.73
F	4.48	29.39	68.74	11.30	41.89
Prob. > F	< 0.01	< 0.01	< 0.01	< 0.01	< 0.01
N	33	33	33	33	33

Note: Dependent variable is Good Governance Index (scale 0-10), averaged over 1985-1995 period. Ordinary Least Square (OLS) estimation with the absolute value of White (1980) heteroskedasticity-consistent t statistics in parentheses. Data sources and definitions can be found at [www.politics.pomona.edu/englebert.html](http://www.politics.pomona.edu/englebert.html). \*\*\* Sig. < 0.01; \*\* Sig. < 0.05; \* Sig. < 0.10.

Igbos of Nigeria (Ottenberg 1960), the baLuba of former Zaire and the Kikuyu of Kenya, all three lineage societies, reinforce this interpretation.

Note, furthermore, that the negative effects of a pre-colonial state-like political culture appear at a significant level only after controlling for the heterogeneity

FIGURE 1  
CORRELATION BETWEEN HORIZONTAL LEGITIMACY AND GOOD GOVERNANCE



$r = 0.48, p < 0.01$

See appendix for country codes.

of pre-colonial systems comprised in contemporary states. In the absence of such control, the estimation is blurred because of the instances of state-like systems which match contemporary states, such as Botswana, Lesotho, and Swaziland. It is only when a state-like pre-colonial culture is captive of a larger contemporary state structure (such as the Buganda of Uganda) or is split across post-colonial boundaries, such as the Lunda of Congo (ex-Zaire), that the conflict of allegiance surfaces between both structures. Introducing the measure of heterogeneity of pre-colonial systems in the equation controls for such variations and highlights the full effects of pre-colonial state-like cultures in arbitrary post-colonial states.

In general, the results of Table 2 strongly support the hypothesis that the more legitimate the state, the greater the quality of its governance, and that the lack of congruence of the African post-colonial state with respect to pre-colonial institutions is damaging to its capacity to manage development.

#### *State Legitimacy and Economic Growth*

By increasing the returns of neo-patrimonial policies to political elites and, thereby, reducing the state's capacity for good governance, state illegitimacy—both

vertical and horizontal—has cost Africa dearly in terms of foregone economic growth. *Ceteris paribus*, those African states which are either embedded into pre-colonial political institutions or were built *ex nihilo* grow about 1.6 percent faster per year, in per capita terms, than their “illegitimate” counterparts (Table 3, Model 2). Similarly, a state that entirely cuts across ethnic groups and forces their pre-colonial institutions to straddle its borders grows about 1.2 percent slower per year, in per capita terms, than a state whose ethnic groups are entirely contained within its borders (Table 3, Model 3). These effects are robust to the usual controls of growth regressions, including the original level of income (convergence and its squared term), government expenditure, and the level of investments, as well as to controlling for good governance.<sup>19</sup> In comparison to Table 1, Table 3 shows the diminished developmental effects of governance after controlling for legitimacy, suggesting that, at its root, Africa’s governance crisis is a crisis of legitimacy.<sup>20</sup> Although not shown here, the legitimacy effects of Table 3 are robust to controls for mainland status, landlocked situations, country size, and measures of social heterogeneity.

The combination of the regression results on governance and growth gives credence to this article’s hypothesis. To summarize it once more, the more illegitimate or incongruent a state, the weaker the moral foundations of its elite’s power and the loyalty of its citizens. Consequently, the greater the relative pay-offs of neo-patrimonial policies over policies which rely on bureaucratic mobilization or popular participation, and the more likely the elites to resort to the former to stabilize their power. These policies hijack the financial, legal, and bureaucratic resources of the state for particularistic interests, lowering thereby its capacity to perform its primary functions and reducing the prevalence of the rule of law as “shadow” institutions develop in parallel to formal ones.<sup>21</sup> These failures of capacity and governance in turn put downward pressure on rates of economic growth. In view of these findings, the next two sections discuss the merits of the competing hypotheses of social capital and ethnic homogeneity.

### REVISITING THE SOCIAL CAPITAL THEORY OF GROWTH

The acknowledgment of the failure of market-based reforms in Africa in the early 1990s coincided with the publication of *Making Democracy Work* by Robert

<sup>19</sup> In this context the governance index is expressed as its own residual after regressions on vertical and horizontal state legitimacy. Since the residual is the unexplained part of the regression, it describes that portion of good governance which is not a function of state legitimacy. This technique also avoids problems of multicollinearity in estimating the effects of legitimacy and governance together in the same equation.

<sup>20</sup> Although the governance coefficient in Table 3, Model 3, is identical to that in Table 1, Model 1 (0.0043), this is the result of chance alone. In Table 3, this coefficient actually signifies a smaller effect on growth because the index itself is measured as a residual and has therefore a smaller variance.

<sup>21</sup> See Reno (1995) for the telling example of Sierra Leone.

≡ TABLE 3  
ECONOMIC PERFORMANCE AND LEGITIMACY IN SUB-SAHARAN AFRICA

	(1)	(2)	(3)	(4)	(5)
Intercept	0.5322** (2.351)	0.2322 (0.956)	0.4704** (2.265)	-0.0114 (0.046)	0.4277* (1.936)
Convergence	-0.1486** (2.187)	-0.0615 (0.859)	-0.1340** (2.192)	0.0046 (0.064)	-0.1230* (1.849)
Convergence Squared	0.0104* (2.016)	0.0040 (0.751)	0.0094** (2.058)	-0.0007 (0.138)	0.0086 (1.699)
Government Spending (% GDP)	-0.0007* (1.926)	-0.0005 (1.309)	-0.0006 (1.636)	-0.0005 (0.826)	-0.0005 (0.834)
Investment (% GDP)	0.0015*** (3.277)	0.0013*** (3.185)	0.0014*** (3.168)	0.0014*** (2.789)	0.0015*** (2.528)
Good Governance Index <sup>a</sup>	0.0027 (1.496)	0.0034* (2.007)	0.0043** (2.089)	0.0024 (1.503)	0.0034* (1.708)
Vertical Legitimacy		0.0165*** (3.284)		0.0243*** (4.222)	
Horizontal Legitimacy			0.0123* (1.854)		0.0109 (1.348)
Ethno-Linguistic Fragmentation				0.0180*** (3.320)	0.0024 (0.298)
Adjusted R <sup>2</sup>	0.49	0.59	0.54	0.52	0.41
F	6.76	9.81	7.81	7.29	4.32
Prob. > F	< 0.01	< 0.01	< 0.01	< 0.01	< 0.01
N	40	40	39	36	35

Note: Dependent variable is average annual per capita GDP growth from date of independence or 1960, whichever comes latest, to 1992. Ordinary Least Square (OLS) estimation with the absolute value of White (1980) heteroskedasticity-consistent t statistics in parentheses. Data sources and definitions can be found at [www.politics.pomona.edu/englebert.html](http://www.politics.pomona.edu/englebert.html). \*\*\* Sig. < 0.01; \*\* Sig. < 0.05; \* Sig. < 0.10.

<sup>a</sup> Orthogonal to both horizontal and vertical legitimacy (computed as residual of index separately regressed on legitimacy indicators).

Putnam in 1993 in which he argued that traditions of civic culture were responsible for the quality of political institutions in Italy's northern regions. He also contended that northern Italy's "networks of civic engagement" were a component of the broader idea of social capital, a compound of "features of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions" (1993: 167).

At first sight, the social capital approach appears to be receiving increasing amounts of empirical evidence. Putnam's (1993) study of Italy was backed up by strong quantitative results. More recently, Keefer and Knack (1996) have offered cross-national evidence of the beneficial effects of trust (based on the World Values Survey) on bureaucratic efficiency, stability of property rights, contract enforceability, and economic growth. In a similar vein, La Porta et al. (1997) have also found "trust" to be inversely associated with corruption and positively associated with bureaucratic quality. Furthermore, their research also appears to support Putnam's (1993) contention that hierarchical religions discourage civic participation and institutional efficiency. At the micro level, Narayan and Pritchett (1997) suggest that the larger their associational activity and trust in people and institutions, the more income accrues to Tanzanian households.<sup>22</sup>

Nevertheless, despite social capital's popularity and apparent explanatory power, theoretical and empirical studies in the field seem to suffer from substantial shortcomings. First of all, as a theory applicable to Africa, social capital fails the test of accounting for variations in performance across countries. Indeed, most of Sub-Saharan Africa shares a substantial amount of common cultural features (Murdock 1967; Binet 1970) despite variations in political systems from lineage-societies to state-societies. Nevertheless, and despite the continent's low average, there is a widespread range of economic performance across the region. Hence, cultural features do not appear *prima facie* to provide a convincing rationale for variations in the levels of state capacity and economic performance.

Second, the little empirical work that has been done so far in Africa using Putnam's framework has not delivered encouraging preliminary results. Widner and Mundt (1998) have attempted to apply a theory of social capital to analyze local government performance in Botswana and Uganda. Their findings were that norms of social capital which were correlated in Putnam's Italian case did not cohere in their two African contexts. In addition, they found no causal relationship between social capital and government effectiveness in these two countries. Finally, trust was found to be lower in Botswana where economic performance and democracy have a long track record.

Third, setting Widner's measurement problems aside, one could hardly argue that Africa generally lacks social capital. On the contrary, norms of reciprocity and a sense of community are believed to be prevalent throughout the continent. By way of example, *tontines*, the informal saving arrangements which Putnam mentions as a case of associational life, are widespread in most African countries. Associative life and "networks of civic engagement" are also well developed, despite Africa's image of traditional atavism. In Burkina Faso, for example, horizontal farmers' solidarity groups—the *Groupements Naam*—have existed since 1967

<sup>22</sup> The exception is Helliwell (1996) who failed to find a social capital effect on East Asian growth.

(Ouédraogo 1990) and have by now spread to a dozen other West African countries. Finally, the prevalence of mutual aid associations across the continent (as in northern Italy) has also been well documented (Alexandre 1981: 165).

Fourth, in their study of Indian reservations in the United States, Cornell and Kalt (1995: 412-20) reach conclusions which conflict with the intuition of social capital. The Apache, which they found to have better government and economic performance than the Sioux, have a social structure based on "the matrilineal extended family" and a political structure composed of clans and "bands." Chiefs serve for life, and there is a strong sense of political hierarchy. In contrast, the Sioux emphasize consensus and community. Controlling for everything else then (which Cornell and Kalt do), social capital theory would have predicted the Sioux to be more developed, institutionally and economically, like the northern Italians.

Fifth, in one of the highest-profile attempts to generalize social capital theory to explain the "creation of prosperity" across countries, Fukuyama (1995) failed in his extension of the theory. His assertion, partly inspired by Banfield's (1958) "moral backwardness" argument, that strong family structure impedes the development of social capital and prosperity, runs counter to his own examples of Taiwan and South Korea which grew from low-income to upper-middle and high income in about two decades under the leadership of efficient state institutions.

Sixth, although most recent empirical studies seem to validate the social capital hypothesis, they are nevertheless also subject to several substantial caveats. First of all, in Keefer and Knack (1996) as in La Porta et al. (1997), trust alone is found to affect institutional efficiency and economic performance. Keefer and Knack specifically found no such effect of membership in formal organizations, Putnam's (1993) original measure of social capital. The problem with trust, as opposed to associative life, however, is that it is just as likely to be the outcome of good institutions than their determinant. This is all the more plausible in their research since their measurements of institutional efficiency predate their measurement of trust. Indeed, their independent variable "trust in people" was collected by the World Values Survey over the 1990-1993 period, whereas their data on "efficiency of the judiciary" is an average for 1980-83, "corruption" and "bureaucratic quality" are averages for 1982-95, and GDP growth an average for 1970-93. Hence, isn't it more likely that their data demonstrate that people display trust in institutions that have demonstrably worked well?

Seventh, the evidence provided by Putnam (1993) himself can be read in a manner that does not necessarily support the civic culture hypothesis. Indeed, pervasive throughout his book are remarks which in fact advocate an institutional argument rather than a cultural one. For example, a statement such as "the role of collective solidarity in maintaining the civic order marked the northern cities as *sui generis*" (130) would better serve an argument of institutional embeddedness than of cultural orientation. It could well be therefore that the greatest difference between the Italian north and south is the fact that the city-states,

guilds and communes of the north were endogenous political institutions, whereas the south was under the tutelage of a Norman emperor, an exogenous ruler. As Putnam again writes later: "in the Mezzogiorno [. . .] virtually all the successive dynasties that controlled the South were alien" (136). And this is true too of the Italian unification, which makes Italy somewhat illegitimate for the southerners. After all, Cavour was from Piedmont and Garibaldi was from Nice, France. The saying that Italy was made before the Italians is quite right then, and it is unclear whether southerners ever became Italians.

There is not currently sufficient data to test the social capital theory in a cross-sectional setting within Africa. Inglehart's (1997) World Value Surveys contain data for two African countries only: Nigeria and South Africa. But in view of the above discussion and the empirical findings of the previous section, one can venture the following hypothesis: even though social capital may have beneficiary effects on development and institutional quality, these are likely to be constrained by the historical nature of state institutions. Beyond local benefits, the super-imposition of the state in most of Africa is likely to countervail the potential effects of social capital by preventing its aggregation at the national level and reinforcing the fragmentation of existing networks of trust.

In conclusion, social capital theory appears limited in its explanatory power of institutional and economic stagnation in Africa. At any rate, it falls well short of the predictive power of the legitimacy/congruence hypothesis. It is worth stressing that the essential difference between the two theories is that the latter makes no claim about the necessary cultural contents of institutions or cultural outlook of societies. All that is believed to matter is the match, the congruence, the endogeneity, the institutional "ownership," irrespective of the number of civic associations, the level of trust in society, and other dimensions of civic culture and social capital. Yet, the legitimacy argument remains a cultural theory in the sense that it posits the necessity of cultural embeddedness of institutions. But it does not rank cultural features in terms of their alleged developmental qualities.

### REVISITING THE ETHNIC THEORY OF AFRICAN STAGNATION

The ethnic theory of African stagnation, as expressed by Easterly and Levine (1997), contends that multiethnic societies are polarized and, as a result, the representatives of each ethnic group in the national political system favor the adoption of policies which serve their group at the expense of the state as a whole because the benefits to their group are greater than their share of the national cost of their policies. This Olsonian argument makes politics in pluriethnic societies a source of negative externalities for development. Yet, it essentially suffers from two flaws.

First, in their world-wide regressions, Easterly and Levine actually partly capture legitimacy effects through their ELF variable. Indeed, African states tend



to have greater ethnic diversity than other states of the world and therefore ELF captures some African quality which in fact is the lack of legitimacy of the African state. Because it does so only imperfectly (ELF is correlated at  $-0.64$  with legitimacy), their dummy variable for Africa also remains significant. The persistent significance of the Africa dummy signals the failure of their variable to truly capture the “tragedy” of African growth. This interpretation is supported by my own empirical results. As Table 2 makes clear, ethno-linguistic fragmentation has no significant effect on the quality of governance within Africa (this is equally true in bivariate regressions with ELF as the only explanatory variable).

This latter result has a simple explanation and brings me to my second argument. ELF does probably capture some negative effect of cultural pluralism on state capacity and growth, but it is unlikely that the mechanism through which this takes place is the one Easterly and Levine (1997) hypothesize about polarization and externalities. In fact, it may be more simply that multilingual states are costlier to administer than homogeneous ones. To name but a few of their handicaps, communication is more difficult between the state and citizens in heterogeneous societies, especially those who speak minority indigenous languages; the size of the civil service is likely to be greater than optimal as functions must be duplicated for different linguistic groups; and translations either take a toll on human resources or, if neglected, lower the capacity of the state to reach some groups and increase their likelihood of defection. The stronger findings, in Table 2, with respect to the heterogeneity of pre-colonial systems and the multiplicity of languages support this interpretation.<sup>23</sup>

In growth regressions, there is no ELF effect in bivariate models either (not shown). When controlling for vertical legitimacy (Table 3, Model 4), ELF actually displays a significantly *positive* effect on growth. This effect is not robust to alternative specifications, however, including, in Model 5, the introduction of horizontal legitimacy with which it loses any significant growth impact.<sup>24</sup>

Together these results cast a doubt as to the validity of Easterly and Levine’s findings. They compound misgivings about their conception of ethnicity in Africa as a systematic matter of inter-ethnic competition and conflict. Quite obviously, not all multiethnic societies are significantly polarized (e.g., the United States), and several ethnically homogeneous societies are polarized along different lines, such as religion, class or caste. Hence, multiethnicity by itself is neither

---

<sup>23</sup> These measures capture different social realities than ethnic fractionalization. The diversity of pre-colonial system is a more encompassing measure as either these systems included different ethnic groups or several ethnic groups displayed similar systems (whether state-like, tribal or lineage-based). Language is also a broader measure. Different ethnic groups frequently speak the same language, such as the Tutsis and Hutus of Rwanda and Burundi.

<sup>24</sup> Horizontal legitimacy drops below significance in Model 5 too, partly because of the loss of four observations.

always a valid criterion of social differentiation, nor a systematic factor of polarization. Other modes of inter-ethnic relations are equally possible, such as the accepted domination of a group by others, the cooptation of different groups into the state which Bayart (1993) calls the "reciprocal assimilation of elites," the assimilationist nature of the main group, the absence of any significant minority, and so forth.

### CONCLUSIONS

In this article I have shown that the developmental capacity of African states is partly a function of their degree of legitimacy and congruence with pre-colonial institutions, and that theories which link development to social capital or ethnic homogeneity have limited explanatory power in Africa. The evidence supports my hypothesis that the more illegitimate the state, the more likely political elites are to resort to the types of neo-patrimonial policies which lead to poor governance and economic stagnation. By linking such policies to original conditions of legitimacy and congruence at independence, I am able to explain both Africa's weak average performance and the wide variations which exist in state capacity and growth across African countries. I have shown that Africa has paid a high price in terms of foregone growth by failing in the early 1960s to question the state structures it inherited from colonialism, and have provided some clues as to why Africa counts so few "developmental" states.

These results have far-reaching implications. First of all, they suggest that reforms which are limited to the economic sphere fail to address one of the root causes of Africa's stagnation and are therefore likely to deliver disappointing results, as illustrated by the relative failure of adjustment programs in Africa. Second, they hint that political reforms which focus on democratization, although no doubt desirable *per se*, should not be expected to lift the political constraints to growth in Africa as they may have done in Eastern Europe. Third, I hope this paper will make a significant contribution to the debate in African studies about the sanctity of the borders inherited from the colonial period and to the discussion on the links between stability and growth. Whereas stability is generally believed to be conducive to growth, the stability of arbitrary institutions—brought about in this case by international recognition and enforcement (Jackson and Rosberg 1982)—may in fact hinder the development of the state and the economy. My results deliver indeed a strong indictment of the policy of African heads of states and of the United Nations to maintain African states within their colonial borders after independence. This policy is often credited, even among seasoned Africanists, for having spared Africa the worst evils of prolonged instability (Bayart 1996: 13). Yet, as the present study shows, it may have cost Africa most of its growth differential with other regions of the world and be responsible for the now well-established failure of many contemporary states (Zartman 1995). This is a case of stability hurting growth. By preventing, in the name of national self-

determination, exogenous and fictitious states from adjusting to the institutions of their underlying societies, international law, as determined by a majority of governments from poor countries at the United Nations and the Organization of African Unity, has turned out to be the enemy of development.

APPENDIX  
COUNTRY CODES FOR FIGURE 1

AGO	Angola	MWI	Malawi
BEN	Benin	MLI	Mali
BWA	Botswana	MRT	Mauritania
BFA	Burkina Faso	MUS	Mauritius
BDI	Burundi	MOZ	Mozambique
CMR	Cameroon	NAM	Namibia
CPV	Cape Verde	NER	Niger
COG	Congo	NGA	Nigeria
CIV	Côte d'Ivoire	RWA	Rwanda
DJI	Djibouti	STP	Sao Tome and Principe
GNQ	Equatorial Guinea	SEN	Senegal
ETH	Ethiopia	SLE	Sierra Leone
GAB	Gabon	SOM	Somalia
GMB	Gambia	SDN	Sudan
GHA	Ghana	SWZ	Swaziland
GIN	Guinea	TZA	Tanzania
GNB	Guinea-Bissau	TGO	Togo
KEN	Kenya	UGA	Uganda
LSO	Lesotho	ZAR	DRC (Zaire)
LBR	Liberia	ZMB	Zambia
MDG	Madagascar	ZWE	Zimbabwe

REFERENCES

- African Development: Lessons from Asia*. 1991. Proceedings of a seminar on Strategies for the Future of Africa sponsored by the US Agency for International Development and Winrock International, Baltimore, Maryland, June 5-7 1991. Arlington, VA: Winrock International Institute for Agricultural Development.
- Alexandre, P. 1981. *Les Africains*. Paris: Lidis.
- Alexandrowicz, Charles H. 1969. "New and Original States: The Issue of Reversion to Sovereignty," *International Affairs* 47 (July): 465-80.
- Almond, Gabriel A., and Sidney Verba. 1963. *Civic Culture*. Princeton, NJ: Princeton University Press.
- \_\_\_\_\_. 1980. *The Civic Culture Revisited*. Boston: Little, Brown.

- Amin, Samir. 1974. *Accumulation on a World Scale*. New York: Monthly Review Press.
- Amsden, Alice. 1985. "The State and Taiwan's Economic Development," in Peter B. Evans et al., eds., *Bringing the State Back In*. Cambridge: Cambridge University Press.
- Apter, David. 1968. *Ghana in Transition*. New York: Atheneum.
- Asiwaju, A. I. 1985. *Partitioned Africans: Ethnic Relations across Africa's International Boundaries 1884-1984*. New York: St Martin's Press.
- Badie, Bertrand. 1992. *L'Etat importé: L'occidentalisation de l'ordre politique*. Paris: Fayard.
- Banfield, Edward C. 1958. *The Moral Basis of a Backward Society*. Chicago: Free Press.
- Barro, R. J. 1991. "Economic Growth in a Cross-Section of Countries." *Quarterly Journal of Economics*, 106 (2): 407-44.
- \_\_\_\_\_. 1997. *Determinants of Economic Growth: A Cross-Country Empirical Study*. Cambridge, MA and London: MIT Press.
- Barro, R. J., and Xavier Sala-i-Martin. 1995. *Economic Growth*. New York: McGraw-Hill.
- Bates, Robert. 1981. *Markets and States in Tropical Africa: The Political Basis of Agricultural Policies*. Berkeley: University of California Press.
- \_\_\_\_\_. 1983. "Modernization, Ethnic Competition, and the Rationality of Politics in Contemporary Africa," in Donald Rothchild and Victor Olorunsola, eds., *State versus Ethnic Claims: African Policy Dilemmas*. Boulder, CO: Westview Press.
- Bayart, Jean-François. 1993. *The State in Africa: The Politics of the Belly*. London and New York: Longman.
- \_\_\_\_\_. 1996. "L'Historicité de l'Etat Importé," in Bayart, ed., *La Greffe de l'Etat*. Paris: Karthala, 11-39.
- Binet, Jaques. 1970. *Psychologie Economique Africaine: Eléments d'Une Recherche Interdisciplinaire*. Paris: Payot.
- Boone, Catherine. 1994. "States and Ruling Classes in Post-Colonial Africa: The Enduring Contradictions of Power," in Joel Migdal, eds., *State Power and Social Forces*. Cambridge: Cambridge University Press.
- Bratton, Michael and Nicolas van de Walle. 1997. *Democratic Experiments in Africa: Regime Transitions in Comparative Perspective*. Cambridge: Cambridge University Press.
- Brautigam, Deborah. 1991. "Governance and Economy: A Review." Washington, DC: The World Bank, Policy and Review Department Working Paper WPS 815, December.
- Brownlie, Ian. 1979. *African Boundaries: A Legal and Diplomatic Encyclopedia*. London/Berkeley and Los Angeles, CA: C. Hurst and Company/University of California Press.
- Callaghy, Thomas, and John Ravenhill, eds. 1993. *Hemmed in: Responses to Africa's Economic Decline*. New York, Columbia University Press.

- Campos, Nauro, and Jeffrey B. Nugent. 1997. "In Instability's Eye." Paper prepared for the 72nd Annual Western Economic Association International Conference, Seattle, July 9-13.
- Clapham, Christopher. 1982. "Clientelism and the State," in C. Clapham, ed., *Private Patronage and Public Power: Political Clientelism in the Modern State*, pp. 1-35.. New York: St Martin's Press.
- Coleman, James S. 1990. *Foundations of Social Theory*. Cambridge, MA: The Belknap Press of Harvard University Press.
- Cornell, Stephen, and Joseph P. Kalt. 1995. "Where Does Economic Development Really Come From? Constitutional Rule Among the Contemporary Sioux and Apache." *Economic Inquiry* 33 (July): 402-26.
- Davidson, Basil. 1992. *The Black Man's Burden. Africa and the Curse of the Nation-State*. New York: Times Books.
- Dia, Mamadou. 1996. *Africa's Management in the 1990s and Beyond: Reconciling Indigenous and Transplanted Institutions*. Washington, DC: The World Bank.
- Easterly, William, and Ross Levine. 1997. "Africa's Growth Tragedy: Policies and Ethnic Divisions." *Quarterly Journal of Economics* November: 1203-50.
- Eckstein, Harry. 1961. "A Theory of Stable Democracy." Center of International Studies, Princeton University, Research Monograph No. 10.
- Ekeh, Peter. 1975. "Colonialism and the Two Publics in Africa: A Theoretical Statement." *Comparative Studies in Society and History* 17 (1): 91-112.
- Eggertson, Thráinn. 1990. *Economic Behavior and Institutions*. Cambridge: Cambridge University Press.
- Evans, Peter. 1989. "Predatory, Developmental, and Other Apparatuses: A Comparative Political Economy Perspective on the Third World State." *Sociological Forum*, 4 (4), 561-87.
- . 1995. *Embedded Autonomy: States and Industrial Transformation*. Princeton, New Jersey: Princeton University Press.
- Evans, Peter, Dietrich Rueschmeyer and Theda Skocpol. 1985. *Bringing the State back in*. Cambridge: Cambridge University Press.
- Findlay, Ronald, and John D. Wilson. 1984. "The Political Economy of the Leviathan." Seminar Paper No. 285. Stockholm: Institute for International Studies.
- Fortes, M., and E. E. Evans-Pritchard. 1941. *African Political Systems*. Oxford: Oxford University Press.
- Fukuyama, Francis. 1995. *Trust: The Social Virtues and the Creation of Prosperity*. New York: Free Press.
- Granovetter, Mark. 1985. "Economic Action and Social Structure: The Problem of Embeddedness." *American Journal of Sociology* 91 (3): 481-510.
- Gray, Christopher. 1995. "Territoriality, Ethnicity and Colonial Rule in Southern Gabon 1850-1960." PhD Dissertation. Indiana University, Department of History.
- Greene, William H. 1993. *Econometric Analysis*. New York: Mcmillan.

- Haggard, Stephan. 1990. *Pathways from the Periphery: The Politics of Growth in the Newly Industrializing Countries*. Ithaca, NY, and London: Cornell University Press.
- Harvey, Charles. 1992. "Botswana: Is the Economic Miracle Over?" *Journal of African Economies* 1 (3): 335-68.
- Helliwell, John F. 1996. "Economic Growth and Social Capital in Asia," National Bureau of Economic Research, Working Paper 5470.
- Heston, Alan, and Robert Summers. 1991. "The Penn World Table (Mark 5): An Expanded Set of International Comparisons, 1950-1988." *Quarterly Journal of Economics*: 106 (2): 327-68.
- Hochschild, Adam. 1998. *King Leopold's Ghost: A Story of Greed, Terror, and Heroism in Colonial Africa*. Boston: Houghton Mifflin.
- Holsti, Kalevi J. 1996. *The State, War, and the State of War*. Cambridge: Cambridge University Press.
- Hyden, Goran. 1983. "Problems and Prospect of state Coherence," in Donald Rothchild and Victor Oloronsula, eds., *State versus Ethnic Claims: African Policy Dilemmas*, pp. 67-84. Boulder, CO: Westview Press.
- Hyden, Goran, and Michael Bratton, eds. 1992. *Governance and Politics in Africa*. Boulder, CO: Lynne Rienner.
- Inglehart, Ronald. 1997. *Modernization and Post-Modernization: Cultural, Economic and Political Change in 43 Societies*. Princeton, NJ: Princeton University Press.
- Jackson, Robert H., and Carl G. Rosberg. 1982. "Why Africa's Weak States Persist: The Empirical and the Juridical in Statehood." *World Politics* 35 (1): 1-24.
- Joseph, Richard. 1987. *Democracy and Prebendal Politics in Nigeria: The Rise and Fall of the Second Republic*. Cambridge: Cambridge University Press.
- Keefer, Philip, and Stephen Knack. 1995. "Institutions and Economic Performance: Cross-Country Tests using Alternative Institutional Measures." *Economics and Politics* 7 (3): 207-27.
- \_\_\_\_\_. 1996. "Does Social Capital Have an Economic Payoff? A Cross-Country Investigation." Mimeo.
- La Porta, Raphael, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert Vishny. 1997. "Trust in Large Organizations." *American Economic Review Papers and Proceedings*, 87 (2): 333-38.
- Lemarchand, René. 1970. *Rwanda and Burundi*. New York: Praeger.
- Lewis, Peter M. 1996. "Economic Reform and Political Transition in Africa: The Quest for a Politics of Development." *World Politics* 49 (1): 92-129.
- Lewis, Stephen R. 1993. "Policymaking and Economic Performance: Botswana in Comparative Perspective" in Stephen J. Stedman, ed, *Botswana: The Political Economy of Democratic Development*, pp. 11-24. Boulder, CO: Lynne Rienner.
- Mauro, Paolo. 1995. "Corruption and Growth." *Quarterly Journal of Economics* 110 (3): 681-712.
- Maddala, G. S. 1983. *Limited-Dependent and Qualitative Variables in Econometrics*. Cambridge: Cambridge University Press.

- Médard, Jean-François. 1982. "L'Etat Sous-Développé en Afrique Noire: Clientélisme Politique ou Néo-Patrimonialisme?" Travaux et Documents No1. Bordeaux: Centre d'Etudes d'Afrique Noire, Institut d'Etudes Politiques.
- Migdal, Joel. 1988. *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World*. Princeton, NJ: Princeton University Press.
- Morrison, Donald, Robert Mitchell, and John Paden. 1989. *Black Africa: A Comparative Handbook*. New York: Paragon House.
- Murdock, George P. 1967. *Ethnographic Atlas*. Pittsburgh, PA: University of Pittsburgh Press.
- Narayan, Deepa, and Lant Pritchett. 1997. "Cents and Sociability: Household Income and Social Capital in Rural Tanzania." World Bank, February 6. Mimeo.
- Ndulu, Benno, and Nicolas van de Walle. 1996. "Africa's Economic Renewal: From Consensus to Strategy," in Benno Ndulu and Nicolas van de Walle, eds., *Agenda for Africa's Economic Renewal*. Washington, DC: Overseas Development Council.
- North, Douglass C. 1981. *Structure and Change in Economic History*. New York: Norton.
- \_\_\_\_\_. 1990. *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.
- Olson, Mancur. 1965. *The Logic of Collective Action: Public Goods and the Theory of Groups*. Cambridge, MA: Harvard University Press.
- \_\_\_\_\_. 1982. *The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities*. New Haven and London: Yale University Press.
- \_\_\_\_\_. 1987. "Diseconomies of Scale and Development." *Cato Journal* 7 (1): 77-98.
- Organization of African Unity. 1980. *Lagos Plan of Action for the Economic Development of Africa 1980-2000*. Geneva: International Institute for Labour Studies.
- Ottenberg, Simon, ed. 1960. *Cultures and Societies of Africa*. New York: Random House.
- Ouédraogo, Bernard L. 1990. *Entraide Villageoise et Développement: Groupements Paysans au Burkina Faso*. Paris: L'Harmattan.
- Pabanel, Jean-Pierre. 1991. "Le Burundi: Un Etat d'origine traditionnelle," in Jean-François Médard, ed., *Etats d'Afrique Noire: Formations, mécanismes et crises*. Paris: Karthala.
- Picard, Louis. 1987. *The Politics of Development in Botswana: A Model for Success?* Boulder, CO: Lynne Rienner.
- Putnam, Robert D. 1993. *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton, NJ: Princeton University Press.
- Reno, William S. K. 1995. *Corruption and State Politics in Sierra Leone*. New York: Cambridge University Press.
- Rodney, Walter. 1972. *How Europe Underdeveloped Africa*. Washington, DC: Howard University Press.



- Rodrik, Dani. 1994. "King Kong Meets Godzilla: The World Bank and The East Asian Miracle." CEPR Discussion Paper No. 994; April.
- \_\_\_\_\_. 1996. "Understanding Economic Policy Reform." *Journal of Economic Literature* 34 (March): 9-41.
- Sachs, Jeffrey and Andrew Warner. 1997. "Fundamental Sources of Long-Run Growth." *American Economic Review Papers and Proceedings* 87 (2): 184-88.
- Samatar, Abdi Ismail. 1997. "Leadership and Ethnicity in the Making of African State Models: Botswana versus Somalia." *Third World Quarterly* 18 (September): 687-707.
- Sandbrook, Richard. 1985. *The Politics of Africa's Economic Stagnation*. Cambridge: Cambridge University Press.
- \_\_\_\_\_. 1986. "The State and Economic Stagnation in Tropical Africa." *World Development* 14 (3): 319-32.
- Serageldin, Ismail, and June Taboroff, eds. 1994. *Culture and Development in Africa: Proceedings of an International Conference held at the World Bank, Washington, DC, April 2 and 3, 1992*. Washington, DC: The World Bank.
- Spruyt, Hendrik. 1994. "Institutional Selection in International Relations: State Anarchy as Order." *International Organization* 48 (Autumn): 527-57.
- van de Walle, Nicolas. 1994. "Neopatrimonialism and Democracy in Africa, with an Illustration from Cameroon," in Jennifer Widner, ed., *Economic Change and Political Liberalization in Sub-Saharan Africa*, pp. 129-57 Baltimore, MD: Johns Hopkins University Press.
- Wallerstein, Immanuel. 1980. *The Modern World System II: Mercantilism and the Consolidation of the European World-Economy, 1600-1750*. San Diego, CA: Academic Press.
- Widner, Jennifer, and Alexander Mundt. 1998. "Researching Social Capital in Africa." *Africa* 68 (1): 1-23.
- White, H. 1980. "A Heteroskedasticity-consistent Covariance Matrix Estimator and a Direct Test for Heteroskedasticity." *Econometrica* 48: 817-38.
- World Bank. 1981. *Accelerated Development in Sub-Saharan Africa: An Agenda for Action ("Berg Report")*. Washington, DC: The World Bank.
- \_\_\_\_\_. 1989. *Sub-Saharan Africa: From Crisis to Sustainable Growth. A Long-term Perspective Study*. Washington, DC: World Bank.
- \_\_\_\_\_. 1992. *Governance and Development*. Washington, DC: World Bank.
- \_\_\_\_\_. 1993. *The East-Asian Miracle*. Washington, DC: World Bank.
- \_\_\_\_\_. 1994. *Adjustment in Africa: Reforms, Results and the Road Ahead*. A World Bank Policy Research Report. Oxford: Published for the World Bank by Oxford University Press.
- \_\_\_\_\_. 1997. "The Initiative on Defining, Monitoring and Measuring Social Capital," September 4. Internal Mimeo.
- Young, Crawford. 1976. *The Politics of Cultural Pluralism*. Madison: University of Wisconsin Press.

- \_\_\_\_\_. 1988. "The African Colonial State and its Political Legacy," in Donald Rothchild and Naomi Chazan, eds., *The Precarious Balance: State and Society in Africa*, pp. 25-66. Boulder, CO: Westview Press.
- Zartman, I. William (ed.). 1995. *Collapsed States: The Disintegration and Restoration of Legitimate Authority*. Boulder, CO: Lynne Rienner Publishers.

---

Received: June 21, 1999

Accepted for Publication: October 21, 1999

penglebert@pomona.edu