

Freedom, Control of Corruption, and Political Stability:

Is this a Door to Economic Prosperity in Africa?

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Introduction

Economic prosperity is one of the holy grails to a government. With the right amount of political stability, economic prosperity can be one step closer. The goal of this paper is to discover the relationship between political stability and freedom. Control of corruption is as influential as freedom and it has been carefully examined as well.

Political stability is often associated with democratic institutions, and provides investors the opportunity to trust the market. Private markets have allowed a state to achieve economic prosperity. They have helped countries from around the world grow. They experienced high economic and societal growth rates. Those states were only presented the opportunity however to accept investors because they had political stability. Is it a coincidence that political stability is associated with democratic society? A better question might ask the comparison between democratic society and economic growth. Before one can search for insight into that question, the following should be asked.

How does freedom affect political stability? To narrow this broad idea, this paper attempts to target a region that is particularly unstable. This area of the world is highly undemocratic, although many democracies exist. It allows for corruption, but in the democratic societies of this part of the world, corruption is under control. This area is the Sub-Saharan region of Africa. Therefore, this paper looks to determine the political stability of states in the Sub-Saharan with regards to primarily freedom, but also control of corruption. How does freedom affect political stability in the 47 countries in the Sub-Saharan?

Theory and Hypotheses

H0 - A change in freedom does not affect political stability in Sub-Saharan Africa.

H1 - If freedom increases, then political stability also increases in a Sub-Saharan country.

Those countries that have higher scores of freedom, rated by *Freedom House*¹, will also have a higher level of political stability, rated by *The World Bank Group*². A truly political stable country is free. Without freedom, citizens turn to forms of coercion to have changes in policy. Revolutions, civil wars, and other bloody conflicts occur when a large enough homogeneous group does not have freedom. In a democracy, voting can occur, and a decision is respected peacefully based on the outcome of an election. Therefore, as freedom increases, political stability will also increase.

H2 - If freedom decreases, then political stability also decreases in a Sub-Saharan country.

The corollary to H1 is the basis for this theory. A country that has an authoritarian regime, or even a dictatorship, will have increased likelihood of political instability. As a side note, political instability and the lack of political stability will be referred to as the same concept. Lack of political freedom hinders non-violent protest and expression. Normally, citizens less prone to violence would have another option. Instead, they are left only with a violent approach to policy change. An uprising throws the region, or state, into political instability.

¹ See <http://freedomhouse.org/template.cfm?page=1> (this is the website for *Freedom House*)

² See <http://info.worldbank.org/governance/wgi/index.asp> (this is the website for *The World Bank Group's Governance Indicators*)

H3 - If freedom increases as control of corruption increases, then political stability increases dramatically in a Sub-Saharan country.

In addition to what is proposed in H1, if corruption is under scrutiny, less of the outcomes are left to chance. Corrupt officials take advantage of a situation, often squandering resources and time for their own benefit. Without the role of a corrupt leader (or multiple leaders), political stability will increase. The amounts of resources, in addition to other collective goods, play a great role in the stability of an area. If the resources are at an optimum level, then the political stability will increase. If both freedom and control of corruption are high, then political stability will increase at a compounded level.

H4 - If freedom decreases as control of corruption decreases, then political stability decreases dramatically in a Sub-Saharan country.

This is the corollary to H3. If corrupt officials are squandering resources in addition to denying freedom to citizens, political stability will drastically be unstable. If not immediately, then future instability will occur. The compounding effect of citizens desiring change, of any sort, with dwindling resources as a catalyst will foment future political stability problems. If a reversal in policy is not enacted, then the state's autonomy or even surrounding regions' will be threatened. This is the most desirable result for a state especially since it is difficult to reverse.

Many different policies are considered desirable for any state. Economic growth, productivity of the overall population, and autonomy of the state are but only a few. These characteristics can be used to define the success or failure of a state. Getting to the pinnacle however can be a difficult problem to solve. Even understanding the correct course of action for one state can be difficult. Political stability is a key factor that allows for, with few exceptions, a state to achieve its goals.

Literature Review³

Although other factors are important, political stability is one of the most if not the defining factor. Without sovereignty and autonomy, a country will not be able to interact with other countries. The state will cease to exist and, in fact, internal strife may literally tear the state into pieces. In this situation, the best outcome is for the state to become multiple different entities that do not fight. The other extreme is quite different. The state may have the same dividing effect, but the divisions could lead to civil war and massive battles. This could shatter the very foundation of any efficient institution, in both cases, and the state could be divided for generations. End outcomes could mean death on a large scale ranging anywhere from genocide to catastrophic ethnic war.

This study will not be investigating all the factors that influence political stability since the length of time does not permit this paper to do a proper analysis. Instead, it will focus on freedom as the main factor on political stability. Control of corruption is also considered an influential factor. It could also affect political stability as much as freedom in certain regions. Other extraneous causes that will not be covered in this paper are rule of law, voice and accountability, foreign involvement, and a variety of other institutions. A keen awareness to these is noted since other research has shown that these have

³ See APPENDEIX A for Annotated Bibliography

influences in any state (Tiffiany 2010; Tebaldi and Mohan 2010; Feng 2001). In addition, this study should only be actively applied to other areas that are similar in political culture and background to the Sub-Saharan region. It could be detrimental to a society that attempts to apply these concepts without considering all ramifications. A certain sense of balance between cultural relativity and ethnocentrism should be considered in relating this information.

One factor that will not be covered due to other research is the role of militant and terrorist groups. Although these radical organizations influence political stability, their role is not fully developed.

“What was once simply a seemingly benign terrorist presence in sub-Saharan Africa is starting to transform into a movement, with states such as Nigeria, Sierra Leone, Liberia, and the Democratic Republic of Congo (DRC) now lending arms, financial support and radical militants to the extremist jihadist movement of internationally sponsored terrorist organizations such as Al Qaeda” (Tiffiany 2010: 960).

For example, only in recent years are radical factions using Somalia as a passage way from the Middle East into Sudan and into the heart of Africa, and challenging the political stability of Sub-Saharan countries simultaneously (Tiffiany 2010: 961). Tiffiany posited that “failed states are breeding grounds for terrorists” (2010: 962). When someone feels that they are not being trusted, one also tends to not trust others. “The findings suggest that a higher level of perceived physical insecurity increases the probability that a person will support the use of political violence” (Tiffiany 2010: 979). Terrorism, albeit important to understanding political stability, is overly complex at the moment. It is still developing as a current factor since that indicator is currently being understood.

Instead, a focus will be done strictly on more developed and inherent concepts. “Democracy and other major characteristics of political institutions have [a] significant consequence for private investment” (Feng 2001: 271). Simply put, political stability has implications for the idea of the state. Political freedom increases private investment, political instability decreases private investment, and policy uncertainty decreases private investment (Feng 2001: 271) This is important to realize since economic factors influence political ones as much as political factors influence economic ones. “Numerous works have identified investment as a major vehicle for accelerated growth, along with other variables such as education, inflation, government consumption, demographic change, and political institutions” (Feng 2001: 288).

The goal of this paper is to fill in one gap in a process. This process is from the beginning of statehood to the end (or most modern point). Many gaps in understanding exist from the beginning of a state to either the success or failure of that state. It is clear that at least one major event occurs, but pinpointing that is more difficult to show. Perhaps political stability is one of the missing links. Political instability fractures a state and causes poverty. The path to poverty is rendered as a concrete path for at least Sub-Saharan countries (Tebaldi and Mohan 2010: 1051). Colonization, geography, human capital, and early institutions lead to current institutions and eventually to market inefficiency and misallocation of resources (Tebaldi and Mohan 2010: 1051). Poverty is but one path. “Political instability will not only hurt income levels through market inefficiencies, but also escalate poverty incidence via increased income inequality” (Tebaldi and Mohan 2010: 1063). Political instability is one of the main institutions that cause poverty. To truly understand what influences poverty an understanding of the

causes of political stability will be developed. Afresh, the goal of this paper is to understand political stability with the hope that it will be a missing link in the understanding of state evolution.

Methods⁴

Data was taken from *Freedom House* to determine freedom. Indicators of freedom are listed as (1) political rights and (2) civil liberties. These concepts are further subdivided and described on the official website⁵.

Data was taken from *The World Bank Group* to determine both political stability and control of corruption. Indicators of these concepts are further subdivided and described on the official website⁶.

By finding the Pearson correlation between control of corruption and political stability, abstract relationships could be logically understood. Likewise, by finding differences of means between freedom and political stability, other relationships could be comprehended. A great deal of trust in the information from the two databases has allowed for more reliable data. Although the validity may not be perfect, it is within acceptable parameters for judging relationships between countries.

Because of the large number of countries in the Sub-Saharan region, that region was chosen. 47 countries in that region exist. Therefore, 47 countries were the sample size. It is a most-similar-system design. Most of the countries have much in common with each other. For example, they are all in the same geographic location, relatively speaking in comparison with the world. Also, they have similar political culture, history, colonial background, and overall resemblance. While each state is not exact replicas of one

⁴ See APPENIDX B for variables, reliability, and validity

⁵ See <http://freedomhouse.org/template.cfm?page=1>

⁶ See <http://info.worldbank.org/governance/wgi/index.asp>

another, they are similar. The decision to not include all of Africa was a conscious choice. Not every African country has the same political culture. Egypt, to name just one, has a much more extensive history. Also, some of the northern countries border the Europe and have different extraneous variables. For example, political culture in Morocco is influenced by French politics. Sub-Saharan countries are, in fact, isolated compared to most other regions in the world.

Two cases were studied. First, Cape Verde was chosen because it exemplified a free state. Also, it was isolated and was most different from the other states in Africa. The question that provoked though was: What did Cape Verde do right? Cape Verde also supports H1 and H3. Second, Somalia was chosen since it represented a highly politically unstable country. The opposite question that could be answered was: What did Somalia do wrong? Somalia also supports H2 and H4.

Results^{7 8}

Comparative Component

The data was fascinating and insightful. It allowed for interesting statistics, and also interesting case studies. Intriguing thoughts can be formed from this data.

The following lists are the descriptive statistics for the 47 countries:

Average Political Stability was -0.57 between -2.5 and 2.5
 Average Corruption was -0.63 between -2.5 and 2.5
 Average Political Rights was 4.45 on a scale of 7
 Average Civil Liberties was 4.17 on a scale of 7.

⁷ See APPENDIX C for code book

⁸ See APPENDIX D for EXCEL file

Percentage of Political Rights Score (Scale of 1 to 7):

1	6.38%
2	10.64%
3	19.15%
4	10.64%
5	17.02%
6	21.28%
7	14.89%

Percentage of Civil Liberties Score (Scale of 1 to 7):

1	2.13%
2	14.89%
3	17.02%
4	23.40%
5	23.40%
6	10.64%
7	8.51%

The percentage of countries that were considered:

Free	19.15%
Partly Free	46.81%
Not Free	34.04%

The following list is an analysis for the 47 countries:

The average political stability compared to freedom between -2.5 and 2.5 in countries that were free in Sub-Saharan Africa is 0.41

The average political stability compared to freedom between -2.5 and 2.5 in countries that were partly free in Sub-Saharan Africa is -0.56

The average political stability compared to freedom between -2.5 and 2.5 in countries that were not free in Sub-Saharan Africa is -1.12

The average control of corruption compared to freedom between -2.5 and 2.5 in countries that were free in Sub-Saharan Africa is 0.11

The average control of corruption compared to freedom between -2.5 and 2.5 in countries that were partly free in Sub-Saharan Africa is -0.63

The average control of corruption compared to freedom between -2.5 and 2.5 in countries that were not free in Sub-Saharan Africa is -1.05

The Pearson correlation between Control of Corruption and Freedom is $r=0.71$

The difference of means between freedom and political stability is of great value. Each difference is greater than .56; one fifth of the entire scale. The incredible affect that freedom has on political stability is paramount. This explains a major cause of political instability. When freedom is not present, so too is political stability not present. Likewise, the correlation of $r=0.71$ between control of corruption and political stability is extremely strong. Both variables have incredible relationship to each other. When control of corruption is present, political stability is also present. Overall, political instability is strongly correlated to levels of freedom and control of corruption.

*Case Study Component*⁹

This is more so highlighted specifically in both case studies. Cape Verde is extremely representative of a state that functions well. In stark contrast, Somalia is an extremely dysfunctional state, if it even resembles a state. Literally, on one side of Africa, a successful island region produces a state, and on the other side of Africa, a failed state had surfaced.

Cape Verde

First, Cape Verde has had success since it was independent in 1975 (Rich, 2008: 221). From an American point-of-view, colonial relationships with their former empire are frowned upon, “however the postcolonial relationship [that Cape Verde had] can be seen as potentially aiding later government stability in Cape Verde ... Portugal maintained a rather positive relationship with Cape Verde, accepting independence while maintaining economic cooperation with its former colony” (Rich, 2008: 229) This was the opposite with another colonial island in Africa. “In contrast, relations between France

⁹ See APPENDIX A for case study citations

and Comoros remained strained at best for much of the time since independence” (Rich, 2008: 229).

Timothy Rich compared two case studies between Comoros and Cape Verde finding that a “feedback loop that likely arises” (2008: 225). This happens in either a positive manner or one that is negative. “Since independence, Cape Verde has maintained more of commitment to education, with literacy rates reaching nearly 80% in recent years whereas literacy rates have actually declined in Comoros over the past twenty years” (Rich 2008: 230) In fact, Cape Verde is extremely stable and is able to maintain that stability, “even when the 2001 Presidential election was decided by only twelve votes. In stark contrast, Comoros rarely has a stable government” (Rich 2008: 230).

Other successful factors that have supported this positive loop in Cape Verde are the representation, of 5847/5847 (Citizens to Representatives), very high ease of emigration, and a President/PR system (Rich 2008: 221-222). In fact, a natural path dependency has occurred: privatization of public sectors leads to increased investments, then, political and economic stability; as a result foreign entities are taking stock in Cape Verde (Rich 2008: 223) Speculation leads one to believe that more privatization occurs and the feedback loop continues. Foreign investment is the main factor that grows Cape Verde, and if it were political instable, then it would be more like Comoros (Rich 2008: 230)

Somalia

Almost the polar opposite, insofar as political stability, little to no infrastructure exists and low levels (if any) of control of corruption is present in Somalia (Kimenyi, et al 2010: 1347) “Any profit that was meant to jumpstart Somalia when it gained

independence was lost. “Instead, the revenues were squandered by corrupt and opportunistic civil servants and politicians on nonproductive activities” (Kimenyi, et al 1340-1341). Somalia was not able to set up the initial institution that Cape Verde had. It did not have any institution to resemble it. More to the point, it did not have much of an institution at all.

“...a stable macroeconomic environment is considered crucial in providing the types of incentives that would enhance the ability of entrepreneurs to engage in wealth-creating activities—that is, there must be stability in order for the economy to secure the high levels of savings and investment that are key determinants of economic growth” (Kimenyi, et al 2010: 1339).

“The fact that institutions are a critical determinant of economic, social, and political development is apparent when one takes a close look at the development record of virtually all the countries in Africa” (Kimenyi, et al 1340). The fact that those states that set up proper institutions, without help, or with help in the case of Cape Verde, are more successful as a state now.

The ‘resource curse’ or “The abundance of mineral resources, especially oil, has been found to increase the probability of state failure [in African countries]” (Kimenyi, et al 1346) and “economic factors such as extreme poverty, low income, and overall economic decline have also been cited as indicators of state failure” (Kimenyi, et al 1346). These factors should not be neglected, but as indicated by the difference in means, those countries that could control corruption have not failed. Somalia did not produce outcomes that guaranteed freedom, and did not control corruption. It exemplifies the worst case scenario and is highly politically instable.

Conclusion and Implications

All hypothesis and theories have been confirmed to be true. Although correlation does not imply causation, the data has strong implications that political stability is influenced greatly from the level of freedom in country. In addition, a strong correlation exists between control of corruption and political stability. This means that a state that has a better control over the corruption, at least in Africa, and provides freedom and liberty to citizens has an increased chance of political stability. It is difficult to find an external variable that causes *both* freedom and political stability other than initial institutional structure.

In the case study of Cape Verde, the initial institution was set up with the help from an established ex-empire European state. Portugal had democratic ideas, and still does today. It is possible that democratic countries that help new states form are increasing their overall capacity to be politically stable.

By contrast, Somalia had no European intervention when becoming independent. Democratic ideas from external sources were beginning to challenge the institutions of Somalia only after an institution had time to solidify. This implies that a window of opportunity exists before political stability (or political instability) has been fortified in a state. The intriguing concept of the feed back loop could explain this. ““International donors place a premium on stability and thus are more likely to give more money to those with at least a recent history of stability” (Rich 2008: 225)

“International aid to microstates presumably can reduce domestic tension by increasing public services and diminishing inequality. Furthermore, dependence on international aid may persuade states to make reforms that encourage future aid packages. Similarly, foreign investment allows for greater public goods and a higher per capita income, creating more economic opportunities than would otherwise be available. Representatives and representative institutions can greatly shape state society relations, providing both stability and opportunities to challenge the state. Democracies in particular are routinely touted for their ability to mollify interethnic relations (Karasimeonov, 1993)” (Rich 2008: 219)

If a state is stuck in this feedback loop, like Somalia, a state should follow basic steps to symbolically lay a new foundation. Reforms of all kinds, including political and economical are the first steps. Second, stability must exist in a state before institutional arrangements can be met. (Kimenyi, et al 2010: 1339) The institutional changes can then be a guiding force towards economic growth; economic growth being the end goal. The understanding presented is to produce a foundation those steps (Kimenyi, et al 2010: 1339).

Future studies should examine these findings a second time. Perhaps other sources should be used as indicators to gather a second opinion on this data. In addition, economic information, ranging from GDP, Gini Coefficient, etc, should be gathered and compiled. Then, it can be analyzed to look for strong correlation between political stability and economic prosperity; with regards to other institutional indicators like freedom and control of corruption. In fact, a more compressive study looking at all governance indicators would be the most beneficial if time permits.

This paper attempts to open a metaphorical door to finding the opposite of poverty. Does economic prosperity occur when political stability is achieved? This could occur when institutions are created correctly, based only upon freedom and a firm control of corruption. This has happened on larger scales, such as in European countries. Would

it be possible to happen in smaller states like those that exist in the Sub-Saharan region?

“Structural factors which apply to larger states may seem to apply to smaller ones as well” (Rich 2008: 231). If this is true, then the only cause that should occur is democratic intervention in the Sub-Saharan region. According to these findings, with enough democratic institutional development, freedom will increase and control of corruption will increase. This will cause political stability to increase dramatically, and soon to follow, economic development will reach all time highs.

APPENDIX A

Howard, Tiffany (2010). "Failed States and the Spread of Terrorism in Sub-Saharan Africa." *Studies in Conflict & Terrorism*. 33, 11: 960-988.

Page 960

"Plagued by state failure"

"What was once simply a seemingly benign terrorist presence in sub-Saharan Africa is starting to transform into a movement, with states such as Nigeria, Sierra Leone, Liberia, and the Democratic Republic of Congo (DRC) now lending arms, financial support and radical militants to the extremist jihadist movement of internationally sponsored terrorist organizations such as Al Qaeda."

"the majority of conflicts and terrorist activity in the region are not connected to international sponsorship or a comprehensive agenda against a specific target in the West. "its network of failed and weak states are simply unable to sufficiently monitor its borders or govern its territory"

Page 961

-usage of Somalia as a passage way from the Middle East into Sudan into the heart of Africa

"but with constant civil wars, brutal dictatorships, and violent struggles for power, sub-Saharan Africa has become a region of failed states."

Page 962

"there is an insidious pattern of deprivation within failed states that drives ordinary citizens to engage in and support political violence"

"failed states are breeding grounds for terrorists"

Page 963

"terrorism and violence then become a legitimate avenue to obtain political and economic resources."

Page 966 – without the good of security, a state can not provide any other good.

Page 979-981

"The findings suggest that a higher level of perceived physical insecurity increases the probability that a person will support the use of political violence." "higher level of perceived corruption within the national government increases the probability that a person will support the use of political violence." "the more difficult it is for voters to remove an ineffective leader from office, the more supportive they are of using political violence as an option." "the more difficult it is for respondents to receive the public goods of education and health care from the government, the more supportive they are of using political violence as an option." "if their private property has been seized... a respondent will support the use of political violence." "the more educated a respondent, the more likely they are to support the use of political violence."

Page 982

"state failure increases the likelihood that citizens will support the use of political violence in these fragile sub-Saharan African states."

"absence of the government is a significant precursor to political violence."

Page 983

"the conditions in failed states... then encourages them to support the use of terrorism and political violence to obtain tangible political and economic resources."

APPENDIX A

Tebaldi, Edinaldo; Mohan Ramesh (2010). "Institutions and Poverty." *Journal of Development Studies*. 46, 6: 1047-1066.

Page 1047

"Corruption, ineffective governments, and political instability will not only hurt income levels through market inefficiencies, but also escalate poverty incidence via increased income inequality."

"This article discusses the theoretical links between institutions and poverty and estimates the impacts of institutions on poverty."

Page 1048

"From a theoretical standpoint, one can treat institutions as an aggregate index that broadly measures the *attribute* discussed above without accounting for every single nuance related to the concept of *institution*."

Page 1049

"good governance is a pre-requisite for poverty alleviation. The study argues that to achieve good governance it is crucial to have: (i) institutions that establish sets of laws between political and economic agents; (ii) establishments that administer public services; (iii) human capital that staff government bureaucracies; and, (iv) transparency and interface of authorities and the public."

Page 1051

Chart described →

A mixture of Colonization, Geography, Human Capital, and Early Institutions → Current Institutions → Market inefficiency and misallocation of resources → Poverty

Page 1054, 1057

"It could be the case that poverty creates economic and social conditions that prevent the development of good institutions, rather than the other way around."

Page 1057

Human Capital Density in early 20th century has a positive influence on Institutional Measures

Better Institutions lowers poverty levels

Geography does not affect poverty

"political stability may be obtained through political systems that do not promote the set of conditions needed to generate economic growth and/or distribute benefits of economic growth to all groups in society."

Page 1060

"geographical conditions of a society determine the yield and productivity of the agricultural sector, which a majority of poor rely on."

Page 1063

"political instability will not only hurt income levels through market inefficiencies, but also escalate poverty incidence via increased income inequality."

"Hence, in terms of policy implications, this paper suggests that policies aimed at reducing poverty should first consider improving institutions in developing countries as a pre-requisite for economic development and poverty eradications."

APPENDIX A

Feng, Yi (2001). "Political Freedom, Political Instability, and Policy Uncertainty: A Study of Political Institutions and Private Investment in Developing Countries." *International Studies Quarterly*. 45, 2: 271-294.

Page 271

"This paper examines whether democracy and other major characteristics of political institutions have any significant consequences for private investment."

Political Freedom increases private investment

Political instability decreases private investment

(Political stability increases private investment)

Policy uncertainty decreases private investment

"This paper contributes to the study of the political economy of investment in a variety of ways."

Page 272

"There are usually two major premises behind the argument that democracy reduces incentives for private investment. First, democracy is thought to spur a desire for immediate consumption... Second, democracy allows the median voter to redistribute income toward the poor."

Counter-argument

"While policy adjustments under a democratic government may help reduce long-term radical political change, the prospect of or potential for regime change underlies an autocratic government. Between the two, investors prefer the democratic process—which, at least, institutionalizes the redistribution system—to the political uncertainty, characterized by irregular government change, which overhangs an autocratic system."

Page 273

"When a political regime is unstable, consumers decrease savings and increase consumption since their savings may become worthless. Additionally, political upheavals often displace people or deprive them of jobs, making saving money unrealistic."

"In sum, political instability, on the one hand, makes job opportunities less attractive and less available, thus diminishing the potential pool of savings. On the other hand, it wreaks havoc with the efficient allocation of resources and the formation of fixed capital necessary for economic development."

Page 288

Numerous works have identified investment as a major vehicle for accelerated growth, along with other variables such as education, inflation, government consumption, demographic change, and political institutions."

"political institutions on a major stimulant of economic growth—"

"strong correlation between political institutions and private investment holds for developing countries."

Becoming more Democratic is worth the instability "mitigating the negative effects" of getting there.

Page 289

"This study finds a change toward democracy and openness actually alleviates the negative consequence of political instability."

APPENDIX A

Rich, Timothy (2008). "Island Microstates and Political Contention: An Exploratory Analysis of Cape Verde and Comoros." *African and Asian Studies*. 7, 2/3: 217-233.

Page 217

"Microstates, especially island microstates, are routinely ignored in cross-national studies."

Page 218

"Island microstates with high population density, ethnolinguistic divisions, relatively weak economies, few natural resources, and little sway in international politics (save their vote in the UN General Assembly) appear to be perfect breeding grounds for domestic contention."

"Few conflicts in microstates however have developed into civil war."

Page 218, 219

"The increase of one person or one dollar to a protest movement potentially has more effect in a population of 50,000 than 50,000,000."

Page 219

"Others suggest that the closer the size of the major ethnic groups, the greater the chance for domestic conflict as each views success as possible (Horowitz, 1985)."

"International aid to microstates presumably can reduce domestic tension by increasing public services and diminishing inequality. Furthermore, dependence on international aid may persuade states to make reforms that encourage future aid packages. Similarly, foreign investment allows for greater public goods and a higher per capita income, creating more economic opportunities than would otherwise be available. Representatives and representative institutions can greatly shape state society relations, providing both stability and opportunities to challenge the state. Democracies in particular are routinely touted for their ability to mollify interethnic relations (Karasimeonov, 1993)."

"Democratic institutions can provide channels for addressing grievances, potentially leading to a routinization of protests."

Page 220

"representatives in microstates are seldom seen as disconnected to their purported constituency as those from larger countries."

"The general stability of a regime may also be related to the level of anti-state collective action."

"In times of government instability the state may be less able to combat collective action or the least the state's threat of repression may seem less credible."

Page 221

"What sets this study apart is an emphasis on the combinational effect of four factors (aid/investment, institutions, emigration options, and government stability), rather than suggesting that any single factor is necessary or sufficient for decreasing conflict."

Page 223

"Before independence both were heavily subsidized by their colonial powers and little attempt was made to ensure economic viability post-independence."

"To attract aid and investment, countries must take measures to promote political and economic stability."

Privatization of public sectors → Increased investments → Political and Economic Stability → A stake from foreign entities is then being taken in Cape Verde but not Comoros.

APPENDIX A

Page 225

“the feedback loop that likely arises.”

“International donors place a premium on stability and thus are more likely to give more money to those with at least a recent history of stability.”

“Cape Verde uses a fairly pure form of proportional representation in the legislature.”

Page 228

“Established emigrant communities can also assist their home country’s efforts in acquiring international aid. Cape Verdean communities abroad for example were viewed as crucial in securing government development aid.”

“Similarly in Comoros emigration is viewed as the most realistic way to amass wealth while those that return are viewed as heroes.”

Page 229

“However the postcolonial relationship can be seen as potentially aiding later government stability in Cape Verde and instability in Comoros. Portugal maintained a rather positive relationship with Cape Verde, accepting independence while maintaining economic cooperation with its former colony. In contrast, relations between France and Comoros remained strained at best for much of the time since independence.”

Page 230

“In addition, Portugal provided more of an educational infrastructure. Cape Verde was Portugal’s first colony to have schools of higher education, resulting in one-fourth of the population being literate at the time of independence.”

“Since independence, Cape Verde has maintained more of commitment to education, with literacy rates reaching nearly 80% in recent years whereas literacy rates have actually declined in Comoros over the past twenty years.”

“Cape Verde transitioned smoothly, even when the 2001 Presidential election was decided by only twelve votes. In stark contrast, Comoros rarely has a stable government. Since independence, Comoros has endured roughly twenty coup attempts with at least three successes – including one only 28 days after independence.

Coups are so common in Comoros that they have become an expected part of national politics...”

Page 231

“Structural factors which apply to larger states may seem to apply to smaller ones as well.”

Page 221, 222

Country	Cape Verde	Comoros
Ethnolinguistic Divisions	Yes	Yes
Government Mixed	Pres/PR	Mixed Pres/PR
Independence	1975	1975
Area (km)/Rank	4033 (165th)	2710 (168th)
Population Density (km)/Rank	104.38 (70th)	318.41 (21st)
International Aid/Investment*	High	Low
Citizen-to-Legislator (T/Elected)	5847/5847	20938/38386
Ease of Emigration	High	Medium
Government Instability	Very Low (0 coups/attempts)	High (20+ coups/attempts)

Contention Level Low High

* As compared to other countries in the region

APPENDIX A

Kimenyi, Mwangi; Mbaku, John; Moyo, Nelipher (2010). "Reconstituting Africa's Failed States: The Case of Somalia." *Social Research*. 77, 4: 1339-1366.

Page 1339

"...a stable macroeconomic environment is considered crucial in providing the types of incentives that would enhance the ability of entrepreneurs to engage in wealth-creating activities—that is, there must be **stability** in order for the economy to secure the high levels of savings and investment that are key determinants of economic growth."

Page 1340

"The fact that institutions are a critical determinant of economic, social, and political development is apparent when one takes a close look at the development record of virtually all the countries in Africa."

Page 1340-1341

Control of Corruption low

"Instead, the revenues were squandered by corrupt and opportunistic civil servants and politicians on nonproductive activities."

Page 1341

Four institutional flaws addressed.

"absence of the institutions that enhance the ability of entrepreneurs"

Page 1341-1342

"In this paper, we consider the failure of African countries to build growth sustaining institutions as the primary explanation for their inability to achieve sustainable economic growth and development during the post-independence period."

Page 1344

Reforms + Institutional Arrangements = Economic Growth

Failed States have symptoms: "a combination of civil strife, corruption, economic collapse, poor infrastructure, pervasive poverty, little or no rule of law, lack of territorial control, and political instability, which in Africa usually includes destructive ethnic mobilization."

"the state becomes the source of violence directed at a section of its population."

Page 1346

The 'resource curse': "The abundance of mineral resources, especially oil, has been found to increase the probability of state failure."

"Economic factors such as extreme poverty, low income, and overall economic decline have also been cited as indicators of state failure."

Page 1347

Little to no infrastructure, Low levels (if any) of control of corruption

Page 1348

"Somalia is one of the most homogenous countries in Africa in terms of ethnicity (85 percent Somali), religion (99 percent Sunni (Muslim), and language (85 percent Somali)."

Page 1349

"It is along these clan and subclan identities that subnational tension or violence occurs in Somalia."

Page 1353

"Probably no other sovereign state in modern history has remained in a collapsed state for as long a time as has Somalia."

APPENDIX B

Independent Variable – Freedom

As indicated by *Freedom House*¹, each country was scored on a scale from 1-7 for political rights and civil liberty. A score of 1 in each category is most 'free,' and a score of 7, is 'not free.' These scores were computed by complex scoring of subcategories that were scored from 0-4, except in Questions A and B. Finally, the average is taken between and political rights and civil liberty. 1.0-2.5 is considered Free. 3.0-5.0 is partly free. 5.5-7.0 is not free.

Validity – This is somewhat valid since it does provide a measure. It does capture a basic understanding of freedom in different countries. The greatest problem is the level of subjectivity that is used to rate different countries. Granted, Freedom House is commonly accepted and used thus it holds more validity than other sources.

Reliability – The 2009 data (reported in 2010) was used. This will not change since it has been published. It is highly reliable data.

Dependent Variable – Political Stability

"Political stability and absence of violence measures the perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including domestic violence and terrorism."² This is indicated by *The World Bank Group*.

Validity – This is somewhat valid since the measure was chosen subjectively. Because this is a common source used by many different organizations, it has higher validity than other sources.

Reliability – The 2009 data (reported in 2010) was used. This will not change since it has been published. It is highly reliable data.

Primary Intervening Variable – Control of Corruption

"Control of corruption captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests."³ This is indicated by *The World Bank Group*.

Validity – This is somewhat valid since the measure was chosen subjectively. Because this is a common source used by many different organizations, it has higher validity than other sources.

Reliability – The 2009 data (reported in 2010) was used. This will not change since it has been published. It is highly reliable data.

¹ See http://www.freedomhouse.org/template.cfm?page=351&ana_page=374&year=2011 for a detailed rubric of scoring notes.

² Taken from *The World Bank Group*. See <http://info.worldbank.org/governance/wgi/pdf/pv.pdf> for a detailed rubric of scoring notes.

³ Taken from *The World Bank Group*. See <http://info.worldbank.org/governance/wgi/pdf/cc.pdf> for a detailed rubric of scoring notes.

APPENDIX C

Column A: Country Name

Column B: Political Stability and No Violence

Estimated point value on a scale of -2.5 to 2.5 in 2009. Higher values correspond to better governance outcomes.

Column C: Standard Error

Note: there is roughly a 70% chance that the level of governance lies within plus or minus one standard error of the point estimate of governance.

Column D: Number of individual sources

of governance data in which each country appears

Column E: Control of Corruption

Estimated point value on a scale of -2.5 to 2.5 in 2009. Higher values correspond to better governance outcomes.

Column F: Standard Error

Note: there is roughly a 70% chance that the level of governance lies within plus or minus one standard error of the point estimate of governance.

Column G: Number of individual sources

of governance data in which each country appears

Column H: Political Rights;

1 represents the most free and 7 the least free rating. The ratings reflect an overall judgment based on survey results.

Column I: Civil Liberties;

1 represents the most free and 7 the least free rating. The ratings reflect an overall judgment based on survey results.

Column J: Freedom Status

0 – Free

1 – Partly Free

2 – Not Free

APPENDIX D

A	B	C	D	E	F	G	H	I	J	
CAPE VERDE	0.8162	0.292	4	0.69925	0.2026	6		1	1	0
GHANA	0.1623	0.218	8	0.06269	0.1525	15		1	2	0
MAURITIUS	0.6102	0.229	7	0.74457	0.1721	9		1	2	0
BENIN	0.4427	0.248	6	-0.64775	0.1624	10		2	2	0
NAMIBIA	0.8045	0.218	8	0.23425	0.1551	12		2	2	0
SAO TOME AND PRINCIPE	0.216	0.292	4	-0.39675	0.2449	4		2	2	0
SOUTH AFRICA	0.0193	0.214	9	0.10269	0.1415	16		2	2	0
BOTSWANA	0.9066	0.218	8	0.85727	0.1551	12		3	2	0
MALI	-0.266	0.218	8	-0.68956	0.1551	12		2	3	0
LESOTHO	0.3555	0.253	6	0.14328	0.1689	9		3	3	1
SENEGAL	-0.147	0.218	8	-0.52876	0.1534	13		3	3	1
SEYCHELLES	0.7114	0.292	4	0.32577	0.2309	5		3	3	1
SIERRA LEONE	-0.399	0.246	6	-0.97821	0.1883	12		3	3	1
MOZAMBIQUE	0.479	0.218	8	-0.41018	0.1541	14		4	3	1
TANZANIA	0.0829	0.218	8	-0.41844	0.1541	14		4	3	1
BURKINA FASO	-0.115	0.218	8	-0.44157	0.1547	13		5	3	1
COMOROS	-1.012	0.333	3	-0.75256	0.2718	5		3	4	1
LIBERIA	-0.993	0.272	5	-0.55674	0.1772	12		3	4	1
MALAWI	-0.059	0.239	7	-0.47268	0.1626	13		3	4	1
ZAMBIA	0.508	0.218	8	-0.5056	0.153	14		3	4	1
GUINEA-BISSAU	-0.488	0.303	4	-1.12416	0.2598	5		4	4	1
KENYA	-1.297	0.218	8	-1.10841	0.1525	15		4	4	1
NIGER	-1.167	0.224	7	-0.65531	0.1794	10		5	4	1
NIGERIA	-1.953	0.218	8	-1.06516	0.1525	15		5	4	1
TOGO	-0.213	0.224	7	-1.07979	0.1857	9		5	4	1
UGANDA	-1.061	0.218	8	-0.87108	0.1525	15		5	4	1
MADAGASCAR	-0.67	0.218	8	-0.24657	0.1551	12		6	4	1
BURUNDI	-1.425	0.253	6	-1.12233	0.1819	10		4	5	1
CENTRAL AFRICAN REPUE	-2.031	0.256	5	-0.82493	0.1988	7		5	5	1
ETHIOPIA	-1.734	0.235	7	-0.71471	0.1701	12		5	5	1
GAMBIA	0.263	0.262	6	-0.55537	0.1983	7		5	5	1
ANGOLA	-0.241	0.224	7	-1.33663	0.1779	12		6	5	2
CONGO	-0.411	0.224	7	-1.21718	0.1808	9		6	5	2
COTE D'IVOIRE	-1.529	0.218	8	-1.16317	0.1662	12		6	5	2
GABON	0.1154	0.224	7	-0.92369	0.1934	8		6	5	2
MAURITANIA	-1.169	0.229	7	-0.65672	0.1704	11		6	5	2
RWANDA	-0.326	0.292	4	0.12571	0.2058	9		6	5	2
SWAZILAND	0.0236	0.262	5	-0.26856	0.2187	7		7	5	2
CAMEROON	-0.409	0.218	8	-0.9195	0.164	13		6	6	2
Congo, Dem. Rep.	-2.13	0.224	7	-1.41668	0.1787	11		6	6	2
ZIMBABWE	-1.436	0.218	8	-1.48936	0.1655	13		6	6	2
CHAD	-1.752	0.248	6	-1.38558	0.176	9		7	6	2
GUINEA	-1.897	0.246	6	-1.22731	0.1932	9		7	6	2
EQUATORIAL GUINEA	-0.024	0.262	5	-1.58438	0.2318	5		7	7	2
ERITREA	-0.798	0.292	4	-0.33257	0.2092	7		7	7	2
SOMALIA	-3.312	0.284	4	-1.73363	0.2226	7		7	7	2
SUDAN	-2.647	0.224	7	-1.2439	0.1794	10		7	7	2

Average Political Stability -0.565846

Average Corruption -0.6334043

Average Political Rights 4.446808511

Average Civil Liberties 4.170212766

APPENDIX D

Political Rights		Civil Liberties		Free	19.15%
1	6.38%	1	2.13%	Partly Free	46.81%
2	10.64%	2	14.89%	Not Free	34.04%
3	19.15%	3	17.02%		
4	10.64%	4	23.40%		
5	17.02%	5	23.40%		
6	21.28%	6	10.64%		
7	14.89%	7	8.51%		

Results:
Descriptive Statistics

Average Political Stability was -0.57 between -2.5 and 2.5

Average Corruption was -0.63 between -2.5 and 2.5

Average Political Rights was 4.45 on a scale of 7

Average Civil Liberties was 4.17 on a scale of 7.

Percentage of Political Rights Score (Scale of 1 to 7):

1	6.38%
2	10.64%
3	19.15%
4	10.64%
5	17.02%
6	21.28%
7	14.89%

Percentage of Civil Liberties Score (Scale of 1 to 7):

1	2.13%
2	14.89%
3	17.02%
4	23.40%
5	23.40%
6	10.64%
7	8.51%

The percentage of countries that were considered:

Free	19.15%
Partly Free	46.81%
Not Free	34.04%

The average political stability compared to freedom between -2.5 and 2.5 in countries that were free in Sub-Saharan Africa is 0.41

The average political stability compared to freedom between -2.5 and 2.5 in countries that were partly free in Sub-Saharan Africa is -0.56

The average political stability compared to freedom between -2.5 and 2.5 in countries that were not free in Sub-Saharan Africa is -1.12

The average control of corruption compared to freedom between -2.5 and 2.5 in countries that were free in Sub-Saharan Africa is 0.11

The average control of corruption compared to freedom between -2.5 and 2.5 in countries that were partly free in Sub-Saharan Africa is -0.63

The average control of corruption compared to freedom between -2.5 and 2.5 in countries that were not free in Sub-Saharan Africa is -1.05

The Pearson correlation between Control of Corruption and Freedom is $r=0.71$