Is Good Governance Necessary For Economic Progress in Africa?

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By Richard Joseph

The third wave of democracy arrived in Africa in the early 1990s, well after the pursuit of pro-market reforms advocated by western aid agencies and international organizations. When that wave subsided, a good governance agenda of the rule of law, accountability, transparency, and human rights persisted. A third of the states of sub-Saharan Africa are today substantially democratic while the rest consists of quasi-democratic, electoral authoritarian, autocratic, and failed states. Yet the driving force of change is less democratization than economic growth; and most countries share in the economic upswing that has moved the region higher on global growth charts. Virtually all African governments make the requisite genuflections to the good *governance agenda however diluted in actual practice. Aid flows remain buoyant, direct foreign investments led by China are climbing, and remittances from diasporas add to positive financial flows.*

Having drifted from Africa during the quarter-century of economic stagnation and contraction that began in the 1970s, leading economists are returning to the study of the continent. Drawing on the experiences of Asian economies, some are challenging prevailing paradigms that regard governance and institutional failures as the greatest impediments to sustainable and transformative growth in Africa. They are a force to be reckoned with as they bring to policy debates confidence in their methodologies and access to networks that connect academia with international agencies and finance and development ministries in rich and emergent countries. Social scientists in other disciplines, and policy analysts more generally, should take account of these analyses and arguments and their implications for political and socio-economic progress in Africa. This paper, which will appear in a forthcoming edited volume, responds to this important challenge.[i]

Industrial Policies and Contemporary Africa: The Transition from Prebendal to Developmental Governance

Africa has entered a new era of economic growth after decades of sustained efforts to promote reforms. During the 1980s, it was recognized that the economic strategies implemented during the first two decades of the post-colonial period had largely failed. Economies were stagnant or in decline, core institutions were eroding, and there was a steady outflow of intellectual talent and financial resources. An economic recovery became apparent in the mid-1990s and has strengthened over the past fifteen years, matching the last sustained period of growth in Africa that began in the mid-1950s. [Radelet 2010] Accompanying the economic downturn was political stasis and decay. Competitive party systems eroded and few countries were even minimally democratic in 1990. The economic and political quandary heightened concerns about the legitimacy, efficacy and even coherence of the nation-state systems bequeathed to Africa by colonialism. [Joseph 1999; Herbst 2000; Young 2012]

The resumption of economic growth in much of sub-Saharan Africa, and the stabilizing of political systems after democratic and other reform processes of the 1990s, have re-engaged the attention of economists. Their studies are multiplying and so is the application of theoretical models based on experiences in other regions. Invariably, these analyses take into consideration the state and governmental systems. Even more problematic for many economists are factors involving society, culture, and institutional legacies. The prospect of high sustained growth in Africa raises the possibility of the transformation of these countries from a reliance on primary agricultural production and mineral extraction which have characterized their economies for decades.

John Page, among others, has underscored this fundamental challenge: "In poor countries structural change—the shift of resources from low productivity to high productivity uses—is a key driver of economic growth. In both theory and history, industry has been the sector that leads the process of structural change." However, "on average manufacturing in Africa's low-income countries is smaller as a percentage of GDP than it was in 1985." Consequently, "Africa has experienced very little growth enhancing structural change." "There is little evidence," he further contends, "that significant structural change has underpinned Africa's recent growth".[ii][2012: 86-87] A critical question, therefore, is whether the widely reported GDP increase in a score of African states since the mid-1990s will be more than a transitory episode.

Roger Myerson is an economist who has expressed a keen interest in "the problematic nature of governments in Africa." "The great central question", he suggests, "is what can anyone do to try to improve the quality of governance." What is needed, he continues, is "some conceptual framework for thinking more clearly about the fundamental political problems that impede economic development in so many countries."[iii] Some contemporary development economists, however, do not regard "the problematic nature of African governments" as a central concern, nor do they ponder what can be done "to improve the quality of governance". The contention that the "fundamental political problems that impede economic development" require a revamped "conceptual framework" is not always acknowledged. Myerson's comments highlight two contrasting perspectives: one concerned with governance, and other societal, impediments to growth; the other contending that major governance issues can be taken up further along the path of economic progress.[iv]

In most African countries, however, it is often difficult to disentangle state, politics, and economy, as excerpts from a commentary by Kenyan anti-corruption crusader, John Githongo, show:

- Kenya's $34 billion economy is the largest economy in east Africa, constituting more than half that of the region and 60 percent of its middle class.
- Some of the most entrenched politicians are facing charges at the International Criminal

Court, which has introduced accountability to a class…that has run the country since independence with a mixture of corruption, crony capitalism, repression and a delicate waltz with the west.

- The recent discovery of oil and other mineral deposits has raised the stakes further.
- One of the continent's most venal, ruthless yet sophisticated elites has tended to mobilize according to tribe.
- Despite President Mwai Kibaki's laissez-faire approach to economic management and corruption, Kenya has done well economically. In the past ten years, gross domestic product has risen 33 percent.
- Violence that followed elections in 2007, when Kenya came dangerously close to civil war…The danger of more bloodshed is dangerously high. The effects of violence would reverberate throughout the region and damage hopes of an economic renaissance.[v]

Virtually all African countries must find a path through the state-governance-economy thicket described by Githongo. There is little consensus about how this can be done.

Industrial Policies and the Developmentalist State

"'Industrial policies', meaning policies by which governments attempt to shape the sectoral allocation of the economy, are back in fashion and rightly so." [Greenwald and Stiglitz 2012] Martin Wolf provides a useful summary of industrial policies. While recognizing "the decisive contribution of market forces", it acknowledged that the government plays a key role "in prodding those forces in the right direction… guiding the economy and overcoming obstacles to the process of continued economic upgrading."[vi] In line with this perspective, Akbar Noman and Joseph Stiglitz [2012] pose specific questions about contemporary Africa:

1. Could government play a more active role in promoting development?
2. If so, what should it do? What are the governance requirements for a more activist state?
3. What lessons could Africa glean from the experience of Asia?
4. "How could one square accusations of corruption…with the tasks to be performed by the developmental state or its more common and feasible variant, the 'developmentalist state'?" [2012: 4]

Different responses to these questions are provided in papers published in *Good Growth and*

Governance: Rethinking Development Strategies [2012][vii]. At the Pretoria Roundtable on July 3, 2012, Ha-Joon Chang gave one of the most affirmative responses: "The advanced economies all suffered from these problems in the past. When they were at levels of economic development comparable to today's African countries, today's developed countries were actually much worse in terms of suppression of democracy, corruption, state capture, incoherence of the state machinery, nepotism, and other 'pathological' forms of politics. [These problems] "should not make us believe that we have to wait for a perfect state to emerge before doing anything." The Taiwanese model, Chang argues, shows how "islands of competence" can be constructed within a bureaucracy, given greater responsibilities as they succeed, and increase their legitimacy and status until they supplant much of the old bureaucracy [2012]. Implied in his formulation is the presence of an interventionist regime which, in a directive fashion, rebuilds the state machinery from the inside out.[viii] Are such regimes, we should ask, evident in the current growth spurt in Africa? If not, what is the likelihood of their emergence?

Mushtaq Khan adds several refinements to the industrial policy perspective. [2012A; 2012C]

1. The governance capabilities required to pursue new growth trajectories need not be optimal. They may be far from "developmental state capabilities".
2. A dual "learning by doing" process ensues in which actions are taken to overcome market failures while increased capabilities are acquired.
3. The capabilities cannot be transferred from outside. The learning process involves drawing on "tacit knowledge" which differs among countries. Good outcomes can be obtained in different industries organized differently in the same countries.
4. The learning process is not determined *ab initio* and then implemented. Growth requires a continuous adaptation to changing economic and political circumstances.
5. The nature of a country's politics constrains how ambitious it can be. Attention must be paid to institutions "that will work in different countries" and the **"**macro-political order" that determines how such institutions function.
6. No country achieved significant "good governance" capabilities before it developed. So "good governance" should not be considered a "precondition for development".
7. Economically successful countries did not begin with "good governance capabilities". What they had were "growth-producing" governance capabilities that allowed them to sustain growth. The challenge therefore becomes that of identifying the "vital growth-enhancing capabilities".

8. Ultimately, societies have to devise their own political compromises and government institutions that can pragmatically address their growth challenges given their historical and political constraints.

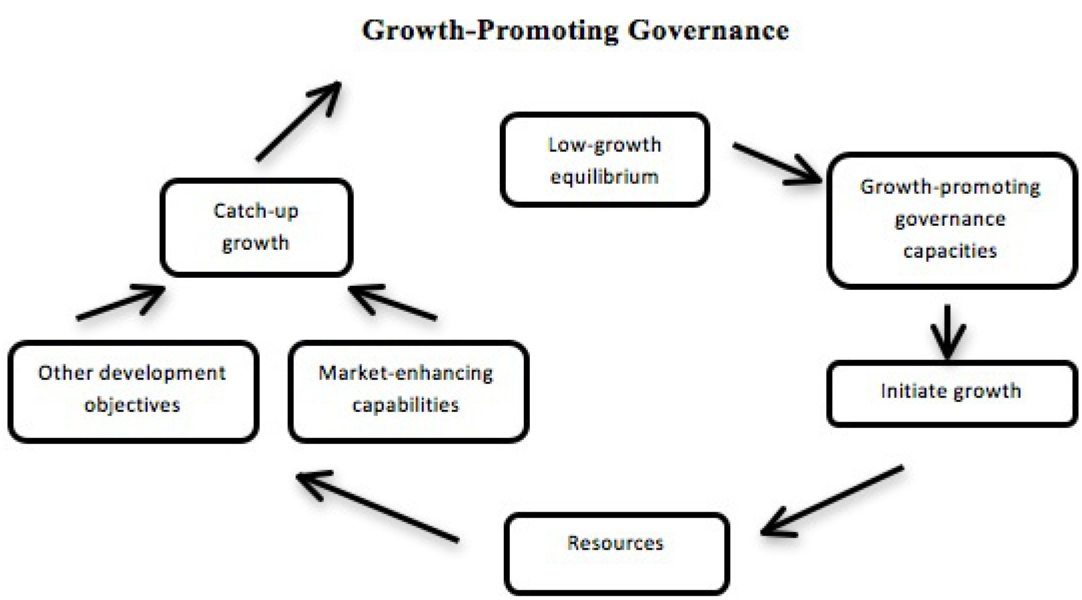
Khan has provided a number of important insights, drawing notably on the Bangladesh experience. There are certain assumptions embodied in his framework. First, it implies the presence of a “growth-enhancing” state, a Janus entity that can see backward and forward, make adjustments as needed, and direct the activities of a range of economic agents in society. This entity contrasts with the state familiar to students of African politics, which has been described as evincing “deeply rooted manifestations of weakness and ineffectiveness arising from decades of postcolonial authoritarian and corrupt stewardship.” [Harbeson 2013] How the gap will be bridged between such state systems and the ones that would play the development-promoting role outlined by Chang, Khan and others is a question to be confronted.

The Learning Agenda

The industrial policy framework includes, at its very core, a learning agenda. These suggestions draw on earlier work by Joseph Stiglitz that emphasized the importance of educational development and especially of the tertiary sector. [Chang 2001] Greenwald and Stiglitz note the significance of understanding how economies best learn, and how they can be organized to increase the production of knowledge considered a central component of growth and development. Moreover, this learning process must be largely endogenous: “Learning takes place locally and must adapt to local differences in culture and economic practice.”[2012] The weakness of African universities, and their significant decline in quality and capacity even while rapidly increasing in number, as in Nigeria, show how much of a challenge this recommendation implies.

Greenwald and Stiglitz echo Khan and others on points whose problematic nature can be indicated. One of these is the significance of drawing on “tacit knowledge”. “There are numerous aspects of tacit knowledge,” they claim, “about how individuals interact with each other, and norms of behavior that affect economic performance, and most particularly, how (and whether) they learn and adapt.” The learning that is essential to the growth process has implications for the state and governmental systems required to facilitate this course: “Each country makes, effectively, decisions about what it will learn about.” “Where does it want to go? What must be learned?” The “tacit knowledge” that guides behavior that impacts economic activities may, however, be non-developmental and generate suboptimal outcomes, a point to be taken up later. The state and governmental system described by John Githongo, and which is present in many African countries, is the agent implied in the statement that "the country makes, effectively, decisions…" Who, it should be asked, speaks and acts on behalf of "the country"? There is a great gap between the self-serving, unaccountable, "agent" represented by many postcolonial African regimes and the "smart state" implied by the industrial policy framework.

The developmentalist state conceived by Khan, or the more modest notion of a "facilitating state" by Justin Yifu Lin [2012], is a sagacious entity. It systematically promotes learning about market opportunities and explores how to seize them. It learns how to strengthen its own operational capabilities, and endeavors to "discover and find solutions appropriate" to the country's conditions. [Khan 2012A: 55] Khan sums up his vision and analysis in a complex sentence: "The answer may be we need to achieve some intermediate and immediate growth-promoting governance capacities to sustain growth which will eventually provide the resources to improve some of these market-enhancing capabilities as well as achieve other development objectives."[2012A: 73-74] To highlight the steps envisaged by Khan, I have distilled his sentence into a diagram:



Assumed but not examined are the socio-cultural and historical factors that facilitate the emergence of a developmentalist/facilitating state; or, conversely, that may impede or render unlikely its emergence without some extra-systemic intervention. The pertinent writings of Dani Rodrik can be applied to this model. Rodrik agrees that the initiation of economic growth — the growth spurt or acceleration — is relatively easy to do. It has happened before in many African countries but just as often fizzled out. This phase does not require significant institutional innovations. However, achieving catch-up growth so that a country escapes the low-growth equilibrium, and the economy undergoes structural transformation in its levels and sectors of productivity — and generates increased employment, incomes and livelihoods — requires new and appropriate institutions. [2007: 43-51] Unlike some contemporary political economists, Rodrik emphasizes the value of democracy — which he calls a meta-institution — in the building, extension and expansion of such institutions. [2007: 51,155]

The Developmentalist Option: Confronting Complexity

The developmental state, as theorized by Chalmers Johnson and elaborated by several others, was a superb modeling exercise. Complex developments in several Asian countries were distilled into a half-dozen key elements. On the basis of this model, Johnson made a rather biblical injunction: "A state attempting to match the economic achievements of Japan must adopt the same priorities as Japan. It must first be a developmental state." In an edited book devoted to this framework, it is interesting to note the chapter by Juhana Vartiainen which opened a few windows to the real world complexities in latecomer countries. [1999] Vartiainen brings to the developmental state debate the experiences of Finland and other Nordic countries in which an "all-encompassing corporatist mobilization of the major agents of the economy was undertaken from the turn of the century onward." [1999: 209] We will take up the "Nordic Advantage" while reviewing the ongoing work of Bo Rothstein and his colleagues in the Quality of Government Institute (QOG), Sweden.

Here I want to consider Vartiainen's statement that "the incredibly complex system of implicit and explicit contracts and moral rules of which a mature economy consists contains a substantial hidden order that has developed …over decades and centuries."[1999: 234] It is this "substantial hidden order" which can facilitate or obstruct the developmental process and should not be minimized. Some of the attempts to apply the developmental state experience in East Asia to sub-Saharan Africa tend to gloss over this "hidden order" in the former, and the "drag" of social, economic and political behaviors in the latter. By contrast, Vartiainen acknowledged "the importance of social and political institutions and cultural norms in fostering economic development and sustaining exchange transactions."[1999: 201] Some scholars engaged in this debate over a decade later are similarly wary of minimizing the behaviors and institutions of long duration that produce suboptimal outcomes in education, health, and infrastructure, as well as in commercial and other economic ventures.

In *Good Growth and Governance*, Banji O. Oyeyinka and Padmashree Gehl Sampath reflect the cautionary perspective of Vartiainen. “Most latecomers,” they argue, “have weak or non-existent state capacities.” They therefore require “an even larger dose of state action, but also of policy competence”, and stronger governmental interventions. [2012: 274] How can that be done in such circumstances? The process of creating institutions that override market forces, they point out, are often stymied by self-interested behaviors of the very persons responsible for designing and/or implementing these policies which contribute to repetitive suboptimal outcomes. “State-led development and lessons learned from East Asian successes” therefore must “be broadened to include factors specific to latecomer contexts”. The developmental discourse must, Oyeyinka and Sampath further contend, be “broadened to capture a wider array of issues than those simulated by the East Asian experiences.” [2012: 277] They identify obstacles which would be familiar to persons who have overseen development projects in Africa: “low-level information regimes”, “low-level knowledge and poor skills for policymaking choices”, domestic structures and socio-economic forces that “are powerful enough to induce socially suboptimal policy choices to retain the status quo.” [2012: 277-278] Next to each of these impediments I can affix a specific set of endeavors in Nigeria that accounted for suboptimal choices, performance, and outcomes and the wastage of enormous human and capital resources.[ix]

Justin Yifu Lin’s formulation of the “facilitating state” is a balanced one. He identifies the tasks to be performed in the state-led model that include “addressing the information gap and externalities”, “targeting industries in line with comparative advantages”, devising industrial policies based on industries and countries which are a step up in the chain of production, and then the judicious use of rents and protection. [2012] But there is no certainty, Lin acknowledges, that the process will unfold in a beneficial manner. The risks are substantial: subsidies and protection could go to firms that prove not to be viable or fail to achieve global competitiveness. The allocation of rents and subsidies could add fuel to already existing rent-seeking behaviors. The attempt to pick winners can result in the picking of losers; and crony instead of competitive capitalism can be fostered. This cautious approach reflects the high uncertainty of successful implementation and thus outcomes.

Stiglitz asks whether some African states have the capacity to fulfill the roles assigned to them by the industrial policy framework. He suggests two options: “full fledged developmental states”, such as Korea, Taiwan, Japan, or “developmentalist states” – Malaysia, Thailand, Brazil – “a less stringent version of interventionism.” This is a helpful point of departure. Izuji Ohno and Kenichi Ohno carry forward this inquiry by noting the considerable variety among East Asian states normally cited. [2012: 222-224] These countries advanced at different speeds, used different mechanisms, and focused on different sectors of their economies. What they all did was develop capacities through learning and discovery. They identified the ultimate goals but not the paths to achieving them. There were missteps, mistakes, and the learning process was endogenous. They encountered weak policy capability, as discussed by Oyeyinka and Sampath, but overcame them through "focused hands-on endeavors to accomplish concrete objectives." [2012: 242] "Capabilities were built in the process of industrialization; they were not prepared *ex ante* as the precondition for growth". [2012: 225] Ohno and Ohno describe this process as "dynamic capacity development: building industrial policy capability through a joint process of tackling the political and economic factors." [2012: 234]

These insights are also reflected in the attitudes of some contemporary scholars of African development, and development practitioners, which focus on "learning by doing". Deborah Brautigam, one of the leading scholars of China's economic engagement with Africa, criticizes U.S. aid policies for being overly skewed to addressing social sectors, such as health, while "not doing much to provide jobs." Six Chinese firms, she points out, "have now invested in Ethiopia's thriving leather products sector but none from the U.S." "We could do a lot more", she concludes, "to help Africans build their own economic pathway to better governance."[x] An "economic pathway to better governance" would, not too long ago, seem like an oxymoron. Others are chiming in, such as Jacqueline Novogratz, CEO of the Acumen Fund, which works directly to help small entrepreneurs in poor countries: "Just start, and let the work teach you," she states.[xi] Two quite different modes of thought are in confrontation. While Ohno and Ohno see a "confusion of causality between growth and governance", another voice claims that better governance *is* "the change that can unlock Africa's potential".[xii] We have to work with, and indeed seek to harmonize, these contrasting but equally important perspectives. One claims that growth-enhancing governance capabilities can be acquired through concrete economic endeavors; the other contends that bad governance, and deficient governments, will obstruct and corrupt even the suggested growth-enhancing process.

The Low-Growth Equilibrium and the Social Trap

What development economists discuss as a low-growth equilibrium, other social scientists have viewed from combined sociological, political and cultural perspectives. [Hyden 1983; Sandbrook 1985; Englebert 2000] One of the most innovative efforts in this regard is the current work of Bo Rothstein and his colleagues in The Quality of Government Institute (QOG) of the University of Rothenberg, Sweden.[xiii] QOG's work centers on how the African predicament of pervasive corruption, and clientelistic and patrimonial politics have yielded governments incapable of producing core public goods and services, much less achieving high sustained growth.[xiv] They describe such countries as having "severely corrupt environments" and their economies as hindered by the reinforcing dimensions of a "social trap". Instead of the standard definition of corruption as "the abuse of public office for public gain," they propose a norm of "impartiality" for public officials. Corruption is its violation "to achieve a private gain." [Rothstein 2011B] The ultimate challenge is the creation of an impartial and universal state which treats all citizens fairly.[xv] While QOG criticizes the limited attention social scientists have devoted to studying corruption, Justin Yifu Lin and Celestin Monga provide a summary of the many innovative approaches to this issue. [2012: 2-3]

Similar to the development economists, QOG is critical of the "international good governance regime", or what the former calls the good governance agenda, not because its usual objectives — accountability, transparency, human rights, and the rule of law — are not worthy in themselves, but because their pursuit has often been ineffective.[xvi] Many reasons for the ineffective implementation of this agenda are given. A key one, they suggest, is because it is usually based on a principal agent model. The principal agent, the government leaders, are induced and incentivized — usually by external donors — to get the agent, the bureaucracy, to be non-corrupt. These efforts have produced little change in the perception-of-corruption rankings of the countries concerned. Transitions to electoral democracy, according to QOG, have also not served to effect change, as ordinary citizens are also caught in the "social trap" and reinforce it through their voting behavior. [xvii]

There is limited knowledge, QOG contends, regarding how the transition from a severely corrupt environment to a less corrupt one can be made.[xviii] The main reason is because the problem tends to be mischaracterized. Usually absent is the willingness of principals to hold corrupt officials accountable. Lin and Monga make the same point: "the social sciences literature does not provide an incentives-compatible mechanism for political leaders to improve governance and eliminate corruption." [2012: 3] At all levels of society, according to QOG, individuals and groups calculate that the immediate benefits to them of corruption outweigh the costs of behaving differently. Transforming these systems would require collective action that is difficult, and often impossible, to engineer. Two questions converge. How to break out of the low-growth equilibrium? How to break out of the "social trap"?

If the historical experience usually referenced by development economists is that of East Asian economies, for QOG it is that of the Nordic countries. What occurred in Sweden within a few decades in the late 19th century parallels similar developments elsewhere in the region. A transition from corrupt patrimonial governance took place, often in response to military defeat, to effective and non-corrupt bureaucratic systems as a consequence of deliberate actions by political reformers. Rothstein refers to what occurred as a “big bang”. This notion might at first appear inappropriate to characterize changes that occurred over a few decades. However, according to the cosmological model, the big bang was followed by “inflation” in which the cosmos emerged very rapidly, and then settled into evolutionary processes over eons. The key point is that a sharp transition occurred from one mode of governance in both the Nordic and East Asian countries, and this facilitated the expansionary and structural growth that followed. Growth-enhancing governance, in other words, is made possible by a rupture within the macro-institutional framework.

We have two contrasting models, both of which start from similar observations and share similar objectives: exploring how countries trapped in a low-growth equilibrium can experience accelerated growth, and sustain it over the decades necessary to transform economies and social wellbeing. Where they differ is significant. QOG speaks of a social trap which cannot be gradually pried open — efforts to do so usually end up reinforcing the same harmful behaviors — but must be busted open. In this regard, their views are consonant with that of Francis Fukuyama in his explanation of how countries have historically moved from patrimonial to modern state systems. [2011] According to Fukuyama, a bright line separates two fundamentally different ways of regarding and using state offices: one essentially for the private benefit of their occupants, cronies and kin-groups, and the other to advance the public welfare of citizens.

Three decades ago I first published an analysis of Nigeria’s political sociology which I characterized as prebendalism. Here is a summary of this perspective which is consonant with both that of Fukuyama and QOG:

In my adaptation of this concept to Nigerian politics as well as many peripheral capitalist nations, the term prebendal refers to patterns of political behavior which reflect as their justifying principle that the offices of the existing state may be competed for and then utilized for the benefit of office-holders as well as that of their reference or support group. To a significant extent, the ‘state’ in such a context is perceived as a congeries of offices susceptible to individual *cum* communal appropriation. The statutory purposes of such offices become a matter of secondary concern however much that purpose might have been codified in law or other regulations or even periodically cited during competitions to fill them. [Joseph 1983]

In *Origins of Political Order*, Fukuyama similarly applies the fundamental insights of Max Weber: "The hallmarks of the modern office are a separation between the office and the officeholder; the office is not private property; the office-holder is a salaried official subject to the discipline of the hierarchy within which he is embedded; offices are defined functionally; and office-holding is based on technical competence." [2011: 270] Although Fukuyama carries his analysis up to the French Revolution in the first volume of his study, he has set forward the framework that will no doubt feature in the second volume: "Impersonal modern states are difficult institutions to both establish and maintain, since patrimonialism — recruitment based on kinship or personal reciprocity — is the natural form of social relationship to which human beings will revert in the absence of other norms and incentives."[2011: 450] Fukuyama and QOG concur, both in the analysis of the central dilemma and even in their regional frame of reference. Fukuyama calls the transformation process, "Getting to Denmark": a state system that is "stable, democratic, peaceful, prosperous, inclusive and…[has] extremely low levels of political corruption." [2011: 14]

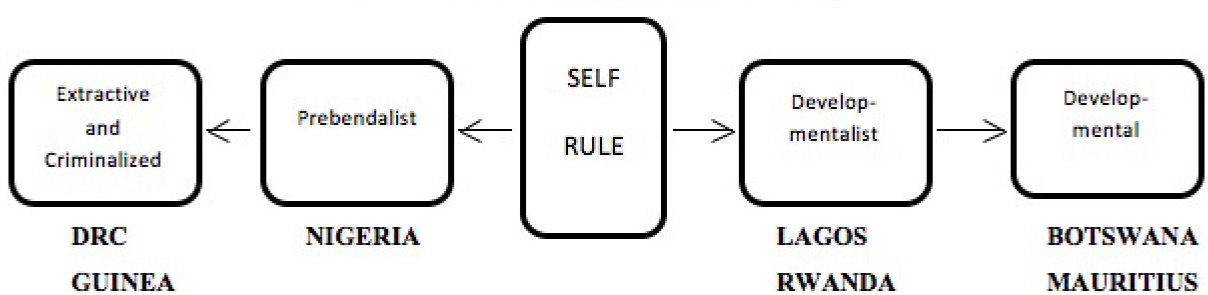
Fukuyama's description of governance in pre-revolutionary France could be applied virtually unchanged to many African countries during the post-colonial era: "The system created by the French government was an absolute nightmare. It virtually legitimized and institutionalized rent seeking and corruption by allowing agents to run their public offices for private benefit." [2011: 339] "A modern France could not arise until venal office-holding was replaced by impersonal, merit-based bureaucracy." [2011: 349] Fukuyama and QOG share a fundamental conviction: this change is not brought about incrementally but reflects a rupture that usually requires the control of state power by a leader and regime determined to execute such a transformation:

The French Revolution was able to reestablish a bright line between public and private interest by simply expropriating all of the old venal officeholders' patrimonies and lopping off the heads of the recalcitrant ones. A new political system in which recruitment into political office was to be based on merit and impersonality – something the Chinese had discovered nearly two millennia earlier – was then brought to the rest of Europe by the man on horseback…The nineteenth-century German bureaucracy that became Max Weber's model for modern, rational public administration did not evolve out of patrimonial officeholding, but rather styled itself as a conscious break with that tradition. [2011: 371]

The analyses of QOG and Fukuyama help sharpen the contrasting perspectives mentioned above. One argues the need to wrest government systems, societies and economies out of an institutional and behavioral matrix characterized by prebendalism and suboptimalism. Another, based on interpretations of the East Asian experience, suggests otherwise. Ha-Joon Chang addresses and, in effect, dismisses the perspective advanced by the QOG. Many believed, he asserts, that "high-quality bureaucracies are very difficult to build and that the East Asian countries were exceptionally lucky to have them from history. However, a high-quality bureaucracy can be built pretty quickly as shown by the examples of Korea and Taiwan." [2012] Korea in the mid-twentieth century, he contends, was characterized by poor governance, high corruption, and low capabilities, just as many African countries today. Other scholars, however, are providing a more nuanced understanding of governance, growth and social welfare in South Korea, even during the years of dictatorship. [Kim, Kwon and Yi 2011] It may prompt similar re-examinations of other East Asian cases.

Many political economists, when they wish to show that African countries can have state/society/economy experiences that replicate East Asia, often point to the examples of Botswana and Mauritius. But these two countries, which avoided the low-growth equilibrium and social trap, have long been regarded by Africanist social scientists as exceptions whose impressive achievements have little carry-over implications for most of the continent. Mauritius, with a heterogeneous racial composition, diverse colonial heritage, and sustained competitive party politics, adopted *dirigiste* economic management and welfarism. However, it is so distant from the African land-mass that it often does not even appear on maps of the continent. Botswana has benefited from an unusual combination of a small population, exceptional leadership, a core ethnic configuration, and well-managed resource wealth.[xix] [Samatar 1999; 2002] Daron Acemoglu and James Robinson, in elaborating their distinction between inclusive and exclusive political and economic institutions, use Botswana and the Congo to represent these alternatives in Africa. [2012] But they are outliers. The challenge in Africa today is exiting the default prebendalist systems and transiting to developmentalist political economies, as representing by the following diagram:

Prebendalism vs. Developmentalism[20]



Prebendalism to Developmentalism

Considerable work has been done defining the developmental state and explaining its key features. The elements of this model, however, constitute “too ambitious” a project for most African countries where core infrastructures have atrophied along with the bureaucracies needed to maintain them. To imagine such entities “governing the market”, as Robert Wade describes the developmental state, is not a realistic proposition. [2004; 2012] Among the score of African countries now experiencing accelerated growth, more feasible are the developmentalist variants suggested by Noman and Stiglitz. From Justin Yifu Lin, we can also think of the developmentalist state as a “facilitating state”. Four sets of “facilitating factors” appear critical:

1. Growth and Development Leadership
2. Growth and Development Institutions
3. Growth and Development Society and Culture
4. Growth and Development Resources (Human/Natural/Financial)

A country such as Nigeria could be well endowed with the fourth factor — human, natural and financial resources — but all of the other three could become warped away from developmentalism. How these four factors are dynamically coordinated is the challenge to be confronted in all African countries, if an exit from the low-growth equilibrium/social trap is to be negotiated. South Africa, approaching the end of the second decade of post-apartheid rule, is facing the same dilemma.[xxi] As Oyeyinka and Sampath contend, this is a more daunting scenario than the one considered in the growth-enhancing governance model based on a “simulation” of the East Asian experience.

In my introduction to the edited volume, *State, Conflict and Democracy in Africa* (1999), while discussing Deborah Brautigam’s chapter on Mauritius, I remarked: “The challenge of explaining how a dysfunctional state can be transformed into one that enjoys authority and legitimacy while facilitating socioeconomic development can prompt exercises in conjecture and advocacy”. [1999:13] After summarizing her chapter, I concluded: “Since 1989, many political experiments have been launched in Africa. Identifying the ones that are likely to combine state building, democracy, and economic growth is a vitally important project that requires similar studies of the *actual exercise of power and the building of institutions* in a range of countries.” [italics added] After another decade marked by resumed growth, we are in a position not just to hypothesize about how to sustain these processes, based on the quite different societies and cultures of Scandinavia and East Asia, but by examining how they are being actually executed in Africa. A shift can therefore be made from conjecture and advocacy to analysis and interpretation based on how these processes are unfolding.[xxii]

Space does not permit a full discussion of these models. However, two contrasting cases, Rwanda and Lagos State in Nigeria, can be summarized briefly from the optic mentioned above: "growth-enhancing governance is made possible by a rupture within the macro-institutional framework." They illustrate models of developmental governance that can be characterized as authoritarian and democratic. Developmentalism is propelled by leaders and regimes that are committed to moving their societies out of the low-growth equilibrium, building globally competitive economies, and avoiding replicating the "modal pattern in sub-Saharan Africa…in which 'rent-seeking' is widespread and uncontrolled, and associated with both political and administrative corruption."[xxiii] Booth and Golooba-Muteba [2012:7] The governments concerned do not just rely on indigenous "tacit knowledge". Rather, they assess what the knowledge needs are and contract with foreign institutions to provide technical and organizational knowledge to supplement what is locally available. In view of their different histories, ethnic composition, and colonial experiences (Belgian/British), their leaders have considerably different social and political forces with which to contend.

David Booth and Frederick Golooba-Muteba call Rwanda under the rule of Paul Kagame and the Rwanda Patriotic Front (RPF) a case of "developmental patrimonialism".[xxiv] Through RPF- controlled holding companies, "politically-generated opportunities for profit are comprehensively institutionalized and centralized." [2012: 9] Using the regime's monopoly powers, Fukuyama's bright line could be instituted and enforced. As a consequence, "recruitment and promotion decisions are able to be based to a large extent on merit and effectiveness", a wide range of public goods could be generated, and "corruption is quite uncommon in [the] public service at any level." [2012: 14] In Lagos State, one of Nigeria's 36 states with a population comparable to Rwanda's of over 10 million, a comprehensive state-directed transformational exercise has been pursued since 1999 under former state governor Bola Tinubu (1999-2007), and especially his previous chief-of-staff and now governor, Babatunde Fashola.[xxv]

Unlike Rwanda, growth and development in Lagos State is taking place in a highly democratic environment. While the business-politics relationship in Rwanda "rests on a centralized management of rents", Lagos State pursues a vast array of public-private partnerships along with a multiplicity of state-created ventures in power-generation, transportation, water supply, environment, and physical security. There is no equivalent in Lagos State of the holding companies, allied with the ruling party, that control major business ventures in Rwanda. There are areas of overlap between the two systems. In Rwanda, the UK-trained Rwanda Revenue Authority is seen as “harsh and inflexible [and]…unlikely to make concessions to anybody.” [2012: 18n] The Lagos State growth model was propelled by the creation of a taxation system which generates so much income from individuals and corporations that the state covers a substantial proportion of its operating budget from internally generated revenues.[xxvi] It has also tapped into international capital markets.

On the issue of financial probity, words used to describe Babatunde Fashola could be equally applied to Paul Kagame: “Fashola has acquired a reputation that embodies the very qualities Nigerians often complain have been lacking in their leaders: technocratic competence, commitment to results and above all, integrity.”[xxvii] Rwanda and Lagos both exemplify growth-enhancing governance; both are seeking to build regionally and internationally competitive market economies; and both are making considerable use of global partners. None of this would be possible without a macro-institutional rupture. The Rwandan case is well known as a consequence of the 1994 genocide and the high publicity brought to the regime by its foreign advocates, such as former U.S. president Bill Clinton. The macro-institutional rupture followed armed conquest by the RPF, the battles and interventions in neighboring Congo, and the determination of this regime to keep all opposition forces at bay using whatever draconian measures it deems necessary.[xxviii] The macro-institutional rupture in Lagos State is based on the developmentalist/welfarist policies and philosophy of Chief Obafemi Awolowo, who served as Premier of Nigeria’s former Western Region and Federal Commissioner of Finance and Vice-President of the Federal Executive Council during the Nigerian Civil War.[xxix]

The political success of the Action Congress of Nigeria (formerly Action Congress) in Lagos State since 1999, and the recapture of control by Awoist parties of most of the states of southwest Nigeria in recent elections, have enabled Tinubu and Fashola to implement their transformational policies. The Lagos State government is demonstrating that economic restructuring, accompanied by major infrastructural developments, can take place while adhering, in significant measure, to a “good governance agenda” of accountability, transparency, the rule of law, and operational efficiency. As many microfinance institutions, public health, and worker training schemes are introduced, the government is also showing that industrial policies favorable to corporate growth can be combined with major social welfare programs.

What this brief summary of these two cases of developmental governance demonstrates is that the four facilitating factors – leadership, institutions, society/culture, and resources – can appear in different configurations in contemporary Africa. Prebendalism is so endemic to Nigeria that it would be unreasonable to expect that it would be curtailed in half-a-generation in the multi-ethnic and multi-religious megalopolis of Lagos State.[xxx] However, it has not been of a level to hinder the significant socio-economic and infrastructural advances. Moreover, opportunities for initiatives in developmental governance have been encouraged at many levels and in many sectors. [Fashola 2009] As the main locus of Nigeria's vigorous and diverse media, innumerable civil society groups, and vibrant party politics, many instruments of vertical and horizontal accountability are available to the populace to limit the abuse of power. Rwanda cannot replicate the Lagos model in its circumstances (although it may eventually have to adjust to growing international criticism). Nigerians would not tolerate a RPF-type regime, and a system based on generating and "managing rents in a centralized way", even if this is done "with a view to the long term." [Booth and Golooba-Mutebi 2012: 9] To adapt a comment once made by Richard Sklar about African democracy, Africa is today a workshop of developmental governance. [1983] Before long, the issue of whether East Asian growth models can be adopted there may be less salient as the continent continues to generate viable ones of its own.

Good Growth and Good Governance

Countries cannot achieve sustained and transformative growth, involving the shift from largely subsistence agricultural economies to globally competitive ones, and the generation of well-paying jobs for their urbanizing populations, without significantly improving ways of managing their collective affairs through appropriate institutions.[xxxi] Justin Yifu Lin and Célestin Monga are seeking to formulate an approach that does not minimize the political and social constraints in Africa while pursuing growth-enhancing governance. They acknowledge the correlation between Africa's stalled development and the low quality of governance [2012: 5] Yet, in line with Chang and Khan, they believe that "the dominant view of good governance as a pre-condition for economic success is…misguided." [2012:2] Similar to most participants in the Pretoria Roundtable on Industrial Policy, they recommend shifting the focus from the many items on the "good governance agenda" to "actionable policies that poor countries could implement to foster inclusive growth in a pragmatic and incentives-compatible way." [2012: 2] Lin and Monga believe they have an answer to the growth-governance conundrum:

The observation that the generally low quality of governance in Sub-Saharan African countries (at least as measured by available perception indicators) is correlated to their level of economic development may be a first step in solving an apparent mystery. What is crucially needed to fight corruption and improve governance in low-income countries is *a development strategy that offers few opportunities for state capture and rent-seeking activities*. In other words, the main solution to corruption is to create a policy environment where there are few opportunities and gains for such externality-generating activities. We suggest economic development strategies be geared towards industries, sectors, and policies with few opportunities for rent-seeking.[xxxii] [italics added]

However, as was shown earlier regarding Mushtaq Khan's "answer", resolving the mystery of the growth-governance nexus in Africa can generate further conundrums. The Lin/Monga formulation hovers on a tautology: "the main solution to corruption is to create a policy environment" where there is reduced corruption ("few opportunities for rent-seeking"). Yet, "severely corrupt environments", as Rothstein and his colleagues argue, are characterized by "state-capture and rent-seeking". Industrial policy strategies usually require the allocation of subsidies and rents to enable indigenous firms to get started and grow until the subsidies and rents can be phased out. As mentioned earlier, Rodrik contends that high quality institutions are needed for countries to advance beyond the growth acceleration stage. By contrast, Lin and Monga state that "the dynamic development of competitive firms and industries *eventually leads* to institutional development."[italics added; 2012: 2] Their hypothesis corresponds to the one cited above from Deborah Brautigam that economic growth can provide a path to better governance. The "answer" proposed by Lin and Monga that state responsibilities must be carried out in ways that reduce "risks of state capture and rent-seeking" [2012: 6] would be agreed to by John Githongo and all anti-corruption crusaders. To avoid a tautological exercise — reducing corruption by reducing opportunities to be corrupt while providing the very instruments and resources that, *pace* Oyeyinka and Sampath, fuel corruption – a "macro-institutional rupture" cannot be avoided.

The QOG contention, supported by Oyeyinka and Sampath, that you cannot achieve "growth-enhancing governance" within "severely-corrupt environments" by just "doing things differently" must be directly confronted. "State-capture and rent-seeking" ***is*** the system in many African countries. Systemic change (and structural economic growth), I would argue, require multi-level as well as multi-sectoral strategies. This is what each of the emerging models of developmental governance in Africa must seek to accomplish. Lagos State is making demonstrable advances with such an approach: combining a macro-institutional "rupture" with growth-enhancing changes at all levels and in all sectors subject to state action, or through guidance and prodding by the state of private actors.

What we do know from decades of post-colonial rule in the continent confirms Fukuyama's observation that "the most universal form of human political interaction is a patron-client relationship in which a leader exchanges favors in return for support from a group of followers." Even when political upheavals take place, "there is constant pressure to repatrimonialize the system."[xxxiii] [2011: 453] Despite major political transitions, and the availability of abundant external assistance, Frederick Chiluba as president of Zambia (1991-2001) and Abdoulaye Wade as president of Senegal (2000 – 2012) used their power and authority largely to replicate autocratic, corrupt and nepotistic systems. The same appears to be happening under Alpha Condé in Guinea, a country whose abundant natural resources have been used to sustain predatory systems over a half-century, condemning its people to widespread poverty and the depredations of transnational crime networks.[xxxiv] The record of the post-1990 period in Africa is clear: If a new government arrives with a Chiluba, Kibaki, Wade, Zuma or Condé at the helm, who is not determined to engineer a pro-development rupture in the state/politics/economy fabric but is content to manage ethno-prebendalist networks, suboptimal rather than transformative outcomes are inevitable.

The Pretoria Roundtable and *Good Growth and Governance* brought to my attention an important wave of work by political economists concerned with how Africa could exit the labyrinth of low productivity and multiple social ills. After reading and reflecting on these studies, I find the proposal that governance capabilities will be "discovered" in the growth process as insufficient as the one being rejected, namely, that improvements in governance will open the door to accelerated growth. Neither perspective, as it concerns contemporary Africa, is compelling on its own. I suggest instead the need to harmonize them, in theory and practice. Moreover as mentioned above, such syntheses *are* occurring in multiple arenas in Africa. Some ideas for follow-up work emerge from this exercise. First, the frontiers of political economy and social science regarding structural economic transformation in Africa represent a gray zone in which theories and arguments often fade into speculation. A determined effort should be made to bring together political economists concerned with Africa and their Africanist counterparts.[xxxv] They can work collaboratively on a new body of research that carries forward the "juxtaposition" initiated in this chapter. Moreover, a research center has been created with the requisite financial and institutional support, within an educational institution, to help unravel the "quality of governance" issues.[xxxvi] QOG can contribute significantly to such a collaborative project, especially as its researchers have the statistical capabilities of modern economists.

The developmentalist models being formulated in actual governing practice in Africa provide an opportunity to focus on what is required to help these incipient efforts succeed. "Islands of excellence" can be created in particular sections of national and provincial bureaucracies. But they can, as often happened in the past, be swamped by waves of prebendalism and political repression. In country after country in Africa, development initiatives have been undermined by such practices. Regarding South Africa, Africa's largest economy whose growth rate is now less than half that of the rest of sub-Saharan Africa, two recent commentaries show how South Africans are beginning to characterize the post-apartheid system. Oxlela Mangcu: "Our government has become the closest thing to what Richard Joseph called prebendalism — a term he borrowed from the sociologist Max Weber and applied to Nigeria. A prebendal government is one in which politicians reward their families, friends and supporters with loads of money."[xxxvii] Morris Sello: 'I am very disappointed in this government. I lost faith in them. They are stealing too much and leaving us with nothing".[xxxviii]

Lin and Monga contend that African policymakers are provided "few actionable prescriptions on how to design policies to achieve their economic and governance goals." [2012: 3] This is certainly true. With regard to the Bola Tinubu/Babatunde Fashola developmentalist model in Lagos State over the past 13 years, however, actionable prescriptions are being fashioned interactively by leaders who, Janus-like, know where their societies have come from, and can convert societal visions into appropriate programs and institutions. A prerequisite that cannot be skirted in such scenarios is a governing entity committed to facilitating/enabling such a process. It may replicate aspects of the developmental state as in Botswana and Mauritius; pursue developmentalism as in Lagos State and Rwanda; or be semi-facilitative, the current situation in several countries. Ghana and Uganda are in the latter category, with developmentalism co-existing with prebendalism. In Ghana, revenues from petroleum export complicate a two-party dominant system in which power can change hands every four years. In Uganda, President Yoweri Museveni and his government have blocked the transition to an electoral democracy. With oil revenues on the horizon, a developmental scenario is even more problematic.

Conclusion: Optimizing the Growth and Governance Transitions

Despite the optimism Africa's recent growth has generated, its manufacturing sector, as John Page shows, "is smaller, less diversified and less sophisticated than it was in the decade following independence." "Without an acceleration of structural change", Page argues, "the region's recent growth turnaround runs the risk of not sustaining its momentum into a middle-income status." [2012: 121] Jeffrey Herbst and Greg Mills also caution about the hurdles to be surmounted: "The boom has not led to much investment to boost businesses and start a virtuous cycle of true poverty reduction through job creation."[xxxix] Moreover, not to be overlooked are three challenges to which, as Fukuyama contends, all countries must respond, or see their progress stymied: building an effective state authority, achieving law-based governance, and enhancing public accountability [2011]. Wherever African countries begin in the process based on their colonial and post-colonial experiences, they cannot advance as modern states without fashioning institutional responses to these imperatives. They may not, in this era, "get to Denmark", and acquire a state system that is "stable, democratic, peaceful, prosperous, inclusive and…[has] extremely low levels of political corruption." But that is the direction in which their people, given a choice, would want to go.[xl]

The pace of population growth, urbanization, climate change and the coming on stream of petroleum, gas and other mineral resources — together with achieving structural economic transformation — will require more effective, law-based and accountable governments. Industrial policy strategies prompt questions about state coherence, legitimacy and efficacy, the Achilles heel of countries with multiple ethnicities and uneven access to education and other fundamental resources and services. The increased attention being paid by myriad institutions and agencies to reducing corruption is particularly important for African countries seeking to make their economies more attractive for investments outside the extractive sector. Acquiring governments capable of "guiding the economy and overcoming obstacles to the process of continued economic upgrading" [Wolf 2012] should not be minimized; nor should the importance of *simultaneously* improving the quality of growth and governance.[xli]

To repeat the contention of Lin and Monga, there are "few actionable prescriptions on how to design policies to achieve their economic and governance goals" that can simply be handed to African leaders in government, business and society. Our era, however, makes it possible for such policies to be designed interactively using methods of "informed experimentation" available through enhanced modes of communication within and among countries [Joseph, M. 2012]. In the absence of governments determined to move their societies decisively from prebendalism to developmentalism, it is difficult to see how the structural transformation of African economies, and the elimination of mass poverty, will be achieved.

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[i] Joseph E. Stiglitz, Justin Yifu Lin, Ebrahim Patel (ed.) *The Industrial Policy Revolution II: Africa in the Twenty-First Century* (forthcoming Palgrave Macmillan)

[ii] These key challenges were also addressed by Célestin Monga in his presentation, "The Globalization Jackpot: Job Dividends from a Multi-Polar World", at the WorldBank/IEA Roundtable, July 2012.

[iii] These comments are excerpted from a personal message of June 19, 2012.

[iv] A helpful summary of different definitions of governance is provided in Justin Yifu Lin and Célestin Monga (2012).

[v] John Githongo, "Violence threatens to drag Kenya back into despair," *The Financial Times*, October 17, 2012.

[vi] Martin Wolf, "Pragmatic search for path to prosperity," review of Justin Yifu Lin, *The Quest for Prosperity: How Developing Economies Can Take Off*, *Financial Times*, October 14, 2012.

[vii] As several authors of papers in this collection were also presenters at the International Roundtable, "New Thinking on Industrial Policy: Implications for Africa", in Pretoria, July 3-4, 2012, I was able to obtain access to a wide range of their ideas, arguments and analyses.

[viii] Page briefly describes how African countries are experimenting with this approach, such as the launching of a cut-flowers industry in Ethiopia [2012: 121]

[ix] For a discussion of these pervasive constraints in Nigeria, see Daniel J. Smith [2007], Wale Adebanwi [2011], and W. Adebanwi and E. Obadare [2013]. South Africa is experiencing the replication of the same syndromes that stymied growth and development in post-colonial Africa. See Lydia Polgreen, "South Africans Suffer As Graft Saps Provinces," *New York Times,* February 18, 2012.

[x] Deborah Brautigam, "It's Business as Usual for China", *New York Times*, September 20, 2012.

[xi] Quoted in an interview by Adam Bryant, "When Humility and Audacity Go Hand-in-Hand", *New York Times*, September 29, 2012.

[xii] President Barack Obama in his Address to the Ghanaian Parliament, Accra, July 11, 2009.

[xiii] The summary of the analyses and arguments of QOG is based on Rothstein [2011 A and B], Uslander and Rothstein [2012], and Persson, Rothstein and Teorell [2013].

[xiv] Two studies that sounded the alarm about non-developmental politics in newly independent Africa were René Dumont, *l'Afrique noire est mal partie* (Editions du Seuil, 1962), and Stanislav Andreski, *The African Predicament: A Study of the Pathology of Modernisation* (Atherton Press, 1968). An English translation of Dumont's book appeared as *False Start in Africa* (Praeger, 1966), and in a revised edition in 1969.

[xv] Larry Diamond, in a number of publications, has called attention to how bad governance, and especially corruption, has hindered economic and political progress in many countries, as well as the provision of basic public goods. See Diamond [2008; 2011].

[xvi] There is a contrast here with the contention of Steven Radelet (2010) who contends that the emergence of more democratic and accountable governments is the first of five fundamental changes responsible for the economic turnaround in Africa.

[xvii] These entrenched patterns are discussed in the epilogue, "The Logic and Legacy of Prebendalism in Nigeria" I contributed to Wale Adebanwi and Ebenezer Obadare, *Democracy and Prebendalism in Nigeria: Critical Interpretations* (Palgrave Macmillan, 2013).

[xviii] There are analyses characterized as "Afro-pessimism", which have regarded the "the social trap" as one firmly bolted against efforts at political and economic reforms. Bruce Berman, for example, presents African society as trapped in ethnically driven patrimonial politics that has led to the "fragmentation and privatization of state power [and] undermines its ability to act as the agent of such a project of national development." [2004: 48].

[xix] For an application to Botswana of the developmental state model, see Ian Taylor [2012]. It is important for scholars to avoid simply repeating "miracle stories" about contemporary Botswana and pay attention to how the system has tilted in recent years towards the autocratic patrimonial model. See the report of a talk by Amy Poteete, a leading student of Botswana politics and development: "Canadian Professor decries Botswana 'false democracy'", *The Botswana Gazette*, February 4, 2012.

[xx] Countries are listed according to the preponderant dynamics of their political/economic

systems. Whether prebendalist practices in South Africa, for example, now merit its inclusion along with Nigeria in that category is an assessment for South African scholars and analysts to make.

[xxi] Eighteen years after the first post-apartheid government came to power in 1994, the fraying system in South Africa is reminiscent of Nigeria, 18 years after the end of colonial rule. See R. Joseph, "Affluence and Underdevelopment" [1978]. That article was followed by the conceptualizing of the Nigerian system as a case of prebendal governance, a concept now increasingly applicable to South Africa, especially the use of governmental offices in provincial administrations.

[xxii] A new wave of works by Africanist political scientists is doing just that. See, for example, Anne Pitcher [2012] and Scott Taylor [2012].

[xxiii] The timely article by David Booth and Frederick Golooba-Mutebi reference the formulations of Mushtaq Khan, including his contribution to *Good Growth and Governance*, so there is an overlap with this chapter in the questions they address.

[xxiv] The politics-business relations they describe, however, could also be characterized as a form of corporatism and an analysis made based on an extensive literature not limited to the developing world.

[xxv] There is considerable variation in estimates of the population of Lagos. The issue has now become politicized, with the state government's citing a figure several million higher than that of the federal authorities.

[xxvi] In a country notable for tax-avoidance, along with other financial misdeeds, the success in obtaining compliance with tax obligations by Lagos inhabitants and corporate bodies is a remarkable achievement in contemporary Nigeria. However, the presumed ownership by former Governor Tinubu of the private company which manages tax collection, and gets a hefty commission, has been a highly controversial aspect of these operations.

[xxvii] Matthew Green, "The Man who would tame Nigeria's Megacity," *Financial Times*, August 7, 2009. See also Howard French's article on Lagos State: http://www.theatlantic.com/international/archive/2013/07/how-africas-new-urban-centers-are-shifting-its-old-colonial-boundaries/277425/

[xxviii] Victoire Ingabire, leader of the opposition in Rwanda, was sentenced on October 30, 2012 to 8 years imprisonment for "treason and genocide denial." The RPF's treatment of critics in the media and opposition parties is similar to that of another authoritarian developmentalist regime, the EPRDF in Ethiopia.

[xxix] Awolowo came to be recognized as the premier political leader among the Yoruba people, predominant in the southwest, although he failed to win the presidency in the 1979 and 1983 elections.

[xxx] In R. Joseph, Kelly Spence and Abimbola Agboluaje [2013], "Corporate Social Responsibility and Latecomer Industrialilzation in Nigeria", we discuss the daunting obstacles to creating and expanding manufacturing firms in Nigeria. The recent improvement in GDP statistics does not reflect employment growth in the industrial sector or poverty reduction.

[xxxi] "Improved ways of managing their collective affairs through appropriate institutions" captures the essence of my understanding of good governance.

[xxxii] This is a fuller version, provided in a personal message of the statement made in Lin and Monga [2012: 5]

[xxxiii] A few scholars remain dismissive of the now considerable body of work that has been done on personalist and patrimonial political systems in Africa. See Thandika Mkandawire [2012].

[xxxiv] Guinea is a "nation-space" in which multinational firms contract with whoever occupies the seat of government for the rights to exploit its abundant mineral wealth, with little benefit accruing to the population. See the exposé in *The Financial Times* of November 3-4, 2012. For the distressing neighboring case, Guinea-Bissau, which emerged from valiant armed struggle against Portuguese rule only to collapse into unstable and predatory governance, see Adam Nossiter, "Leader Ousted, Nation is Now a Drug Haven", *New York Times*, November 2, 2012.

[xxxv] The latter group would include such scholars as Wale Adebanwi, Deborah Brautigam, Peter Lewis, Anne Pitcher, Amy Poteete, and Scott Taylor.

[xxxvi] QOG makes a case for focusing on the quality of "government" rather than

"governance". The latter, in my understanding, includes the former.

[xxxvii] Xolela Mangcu, "Leaders Don't Plunder," *Sowetan* (South Africa), August 14, 2012.

[xxxviii] Quoted in Lydia Polgreen, "Upheaval Grips South Africa as Hopes for its Workers Fade", *The New York Times*, October 13, 2012.

[xxxix] Jeffrey Herbst and Greg Mills, "The future of Africa's youth hinges on creating employment," *The Financial Times*, November 1, 2012.

[xl] This point has been repeatedly confirmed in Afrobarometer surveys; http://www.afrobarometer.org.

[xli] For a report on the failure of white Zimbabwean farmers, expropriated at home, to succeed in launching commercial agriculture in Nigeria because of their inability to secure basic inputs, see Xan Rice, "Zimbabwean farmers lured to Nigeria struggle for survival," *The Financial Times*, November 2, 2012. Nigeria's food import bill of $10 billion is increasing by 11% annually although many of the items could be produced locally.

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