J. of Modern African Studies, 42, 2 (2004), pp. 163–187.
DOI: 10.1017/S0022278X04000084 Printed in the United Kingdom

Political institutions and developmental governance in sub-Saharan Africa

Rod Alence*

ABSTRACT

This article addresses the question of whether, or under what conditions, democratic institutions contribute to 'developmental governance' in sub-Saharan Africa, in forms such as coherent policy formulation, effective public administration, and limited corruption. While few dispute the desirability for Africa of democracy and good governance in theory, many remain sceptical about whether the two necessarily go together in practice. Using a simple framework informed by the new institutional economics, I analyse the impact of political institutions on governance quality in a sample of 38 sub-Saharan African countries. The main finding is that a combination of democratic contestation and institutional restraints on governments' discretionary authority substantially improves developmental governance. Judged against liberal democratic ideals, Africa's emerging democracies have many shortcomings. Yet the article shows that democratic institutions systematically enhance African states' performance as agents of development.

INTRODUCTION

Political institutions and governance are leading items on the African development agenda. Most observers recognise that any adequate account of the region's poor performance must extend well beyond narrowly economic factors. Adverse world market conditions and internal structural rigidities on their own do not adequately explain Africa's stagnation and decline. Meanwhile, the changes in relative prices central to the structural adjustment programmes controversially prescribed by the International Monetary Fund and the World Bank have, whatever their merits, proved insufficient to generate sustained growth and development (Collier & Gunning 1999; Lewis 1996; Ravenhill 1993). By the late 1980s, limitations

* Senior Lecturer in International Relations, University of the Witwatersrand.
I am grateful to Francis Ikome, Michael O'Donovan, John Stremlau, and two anonymous referees for helpful comments. This article builds on parts of a paper presented at a May 2003 conference held by the Electoral Institute of Southern Africa. Any errors are my responsibility.

of African states – reflected in weak policy formulation, ineffective public administration, and corruption – featured prominently in official diagnoses from both sides of the structural adjustment debate (UNECA 1989; World Bank 1989). Consensus emerged that dysfunctional political institutions and governance bear much of the blame for the region's disappointing economic performance, hindering the successful pursuit of any development strategy – whether oriented towards capitalism or socialism, self-reliance or global integration (Mkandawire & Soludo 1999; Ndulu & O'Connell 1999; Sandbrook 1986; van de Walle 2001).

Changes internationally and in the region during the early 1990s broadened governance-related concerns beyond merely strengthening states' technical and administrative capacity to include promoting democracy. The Soviet Union's collapse removed the superpower rivalry that had previously discouraged Western governments from linking bilateral aid to democracy (Whitehead 2003). African governments eager to attract financial assistance therefore faced tangible pressures to move towards more open and competitive political regimes (Clapham 1996: 187–207; Harbeson 2000). Meanwhile, rising internal opposition mobilised behind the banner of 'civil society' in seeking to dislodge authoritarian governments (Anyang' Nyong'o 1987; Harbeson *et al.* 1994; Lewis 1992). The resulting wave of democratisation reinforced broader approaches to governance, moving from a narrow focus on public-service reform to include the more ambitious goals of fostering political responsiveness and accountability (Diamond 2001; Healey & Robinson 1992; Hyden 1992). This conception continues to exert profound influence on the regional development agenda. It features prominently in a recent collaborative report by the World Bank and several African research bodies (World Bank 2001). Similarly, the African Union's New Partnership for Africa's Development (NEPAD) endorses democracy and good governance as essential 'conditions for sustainable development' (African Union 2001; Hope 2002).

Yet while few dispute the desirability for Africa of democracy and good governance in theory, many remain sceptical about whether the two necessarily go together in practice. In an early broadside on the 'democracy and governance' synthesis, Richard Jeffries (1993) argued that indiscriminate promotion of multiparty democracy threatened to undermine some of Africa's most promising experiments in effective governance, citing the non-democratic governments of Jerry Rawlings in Ghana (before the 1992 presidential election) and Yoweri Museveni in Uganda as illustrations. More generally, sceptics have questioned whether democracy is likely to alter the neopatrimonial governance widely blamed for African states' failures as agents of development. 'Neopatrimonial' describes states that, despite possessing the formal structures of modern bureaucracies, operate on patrimonial principles – characterised by personalised political authority, weak checks on the private appropriation of public resources, and pervasive clientelism (Callaghy 1987; Jackson & Rosberg 1982; Médard 1982). Enhancing such states' developmental performance can be seen to require the insulation of policymaking and implementation from arbitrary political interference. From this perspective, subjecting politicians to greater societal pressures through democratisation may seem at best to miss the point (Bienen & Herbst 1996; Callaghy 1993). Indeed, some influential analysts have concluded that democratisation in Africa has mainly served to erect a façade of institutional respectability, behind which deeply rooted patterns of neopatrimonial 'big man' governance continue to dominate (Bratton & van de Walle 1997; Chabal 2002; Joseph 1997, 1998; van de Walle 2000).

Fundamental questions regarding the political and institutional bases of good governance in Africa thus remain unresolved. Foremost among these is whether, or under what conditions, democracy contributes to 'developmental governance', in forms such as coherent policy formulation, effective public administration, and limited corruption. Does democratic contestation enhance African governments' responsiveness and accountability to their populations' needs and interests? Or does it feed temptations for excessively 'politicised' behaviour that damages developmental prospects? Are stronger political and institutional restraints on discretionary executive authority the key to eradicating neopatrimonial governance? And, if so, can the restraints imposed within democratic regimes – namely, those grounded in the institutional separation of powers and political pluralism – be the foundation for improved governance in Africa?

This article aims to clarify the impact of political institutions on governance quality in sub-Saharan Africa. Drawing insights from the new institutional economics, I emphasise institutions' role in influencing the alignment between governments' immediate political incentives and the requirements of longer-term economic development. I analyse the sensitivity of governance to underlying political institutions in a sample of 38 African countries. More specifically, I exploit evidence of considerable (yet often overlooked) intraregional variation in governance quality, assessing the extent to which it can be attributed to levels of political contestation, and to the presence or absence of institutional restraints on governments' discretionary authority. My use of statistical techniques differs from the qualitative institutional analysis more common in research on African states. However, the article is intended to complement (rather than substitute for) more detailed country studies. I focus on substantive issues, leaving methodological details for an appendix.

The remainder of the article proceeds as follows. The first section lays out a framework to guide the analysis of political institutions and governance. The second describes the empirical analysis, clarifying the effects of democracy and executive restraints on governance quality. The third discusses substantive implications regarding political and institutional bases of developmental governance in Africa. A brief conclusion follows.

POLITICAL INSTITUTIONS, GOVERNANCE AND DEVELOPMENT

Increased attention to political institutions and governance is not confined to research on African development. Within the discipline of economics, the 'new institutional economics' has broken with the conventional neoclassical focus on factor endowments and technology. It emphasises politics and institutions in accounting for the wide variation in economic structure and performance throughout history and across the world (Acemoglu *et al.* 2001; Kaufmann & Kraay 2002; North 1990; Rodrik 2003). An important insight is that successful development depends on a political and institutional environment that aligns the political incentives facing governments with the requirements of economic growth and improved social welfare. The closer the alignment, the more likely governments are to make credible and sustained commitments to constructive policies and systems of public administration. Conversely, where governments' incentives are at odds with developmental imperatives, policymaking and implementation are vulnerable to economically damaging political opportunism.

Arguably the strongest temptations for governments to jeopardise their own countries' developmental prospects are rooted in political insecurity. Governments facing imminent threats to their hold on power often have shorter time horizons and are more preoccupied with placating the specific groups most pivotal to their survival (Ames 1987; Levi 1988: 32–3). They are thus likely to give high priority to the short-term interests of narrow constituencies, at the expense of longer-term social welfare. Such tendencies can lead to myopically self-interested political interventions into policymaking and public administration, with economically damaging consequences.

The main potential checks on these temptations are political institutions that force governments to 'internalise' the social costs of their opportunistic behaviour. For example, institutions of political representation make governments responsive and accountable to broader constituencies through competitive elections, and often restrain governments' discretionary authority by creating multiple 'veto players' whose approval is required for policy changes (Tsebelis 2002). Historically, such institutions have emerged from hard-fought struggles between governments and their constituents, as self-enforcing bargains in which governments accept limits on their authority in order to reap the benefits of presiding over secure systems of political and economic rights (North & Weingast 1989; Weingast 1997). The bargains are 'self-enforcing' in that, once struck, governments must find it to be in their own political interests to abide by them (Shepsle 1991). Institutionalising limits on governmental authority is especially difficult in postcolonial settings, since under colonial rule political and fiscal restraints are often enforced authoritatively by the imperial power, and at independence domestically self-enforcing substitutes are underdeveloped (Collier 1991).

Accounts of neopatrimonial governance in Africa emphasise phenomena associated with political insecurity and weak institutions. The centralisation of political power and its seemingly arbitrary exercise are symptoms of the state's weakness in a hostile environment (Callaghy 1987; Zolberg 1968). Political opportunism routinely drives policymaking, at the expense of developmental objectives (Sandbrook 1986; van de Walle 2001). For example, governments choose policies benefiting politically threatening urban consumers over rural farmers, and favour the clientelistic distribution of state patronage over the provision of welfare-enhancing public goods (Bates 1981; Herbst 1990). With weak institutional checks on the private appropriation of public resources, patronage networks permeate the state's administrative structures, compromising public-service effectiveness and fuelling corruption (Bayart 1993; Chabal & Daloz 1999; Ekeh 1975). This pattern so profoundly affects opportunities for social advancement that class formation comes to be determined by relationships more to political power than to economic resources (Diamond 1987; Sklar 1979).

Yet rather than assuming neopatrimonial tendencies to be essential and constant attributes of African states, variation in governance quality can be imagined. Accounts of neopatrimonialism show how insecurity and weak institutions lead governments to behave in politically sensible yet economically damaging ways. They thus identify political and institutional bases of dysfunctional governance in Africa. However, the new institutional economics suggests that governance quality can conceivably be quite sensitive to prevailing political institutions. For example, institutions improving the alignment between African governments' political incentives and developmental objectives would be expected to produce more constructive policies and systems of public administration. They would, in this sense, provide political foundations for the organisational cohesion and social embeddedness of what are sometimes called 'developmental states' (Englebert 2000; Evans 1995; Mkandawire 2001). On a scale of governance quality, then, the dysfunctional patterns associated with neo-patrimonialism fall near the bottom, but more developmental patterns can be imagined that would be placed higher.

A crucial empirical question is whether governance quality in Africa is in fact sensitive to political institutions. Although governance quality has been a major theme in political theory for centuries, any particular operational definition is bound to be contestable (Chabal 1992: 164–78; Dunn 1986; La Porta *et al.* 1998). In this article, I focus on three dimensions central to Africa's development prospects: economic policy coherence, public-service effectiveness, and limited corruption. In the next section I show that, contrary to common perceptions, governance quality varies considerably among African countries. Exploiting these intraregional differences, I examine whether particular configurations of political institutions affect 'developmental governance'.

POLITICAL INSTITUTIONS AND GOVERNANCE QUALITY IN AFRICA

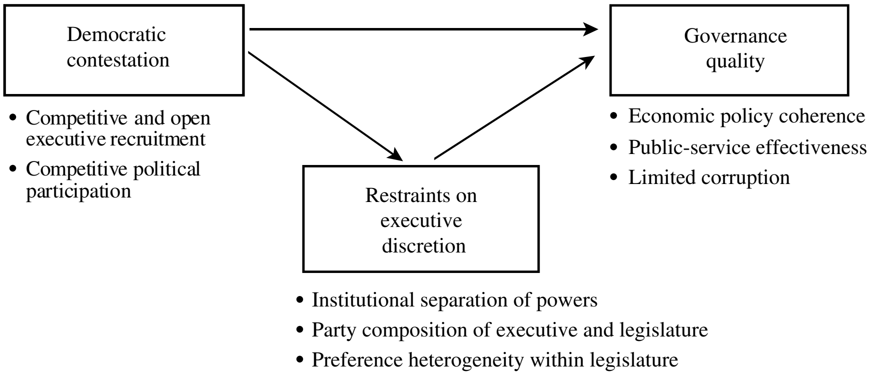
This section analyses governance quality's empirical sensitivity to two features of underlying political institutions: levels of political contestation, and the presence or absence of restraints on governments' discretionary executive authority. After describing indicators measuring these concepts, I estimate causal relationships using a sample of 38 sub-Saharan African countries.[1] (Details on data sources, coding procedures, and statistical estimation are in the appendix.)

Concepts and measures

Figure 1 contains a simple causal diagram to guide the analysis. Three key concepts are highlighted, with arrows showing the direction of cause and effect. If democracy and good governance go together, then positive effects must connect democratic contestation with governance quality, whether operating directly (the top arrow), or indirectly through executive restraints (the causal path following the other two arrows). The bullet points below each box summarise more concrete definitions used to translate the concepts into empirical indicators.

Beginning from the right, 'governance quality' is measured by indicators of three dimensions of states' developmental performance: economic policy coherence, public-service effectiveness, and limited corruption.

FIGURE 1
Analysing political institutions and governance



World Bank researchers calculated these indicators as part of a world-wide study of governance (Kaufman *et al.* 2003). They are based on data collected for 1999–2000 from several sources, including polls of experts conducted by commercial risk-rating agencies, and resident surveys conducted by other organisations. These polls and surveys posed descriptive questions about specific features of governance. Using multiple sources improves the reliability of the indicators, which are grounded in respondents' informed but subjective perceptions.[2] The compilers have also shown that the indicators are positively associated with economic growth, confirming that they are useful (if imperfect) measures of states' developmental performance (Kaufmann *et al.* 1999; Kaufmann & Kraay 2002).

The first governance indicator listed in Figure 1 is 'economic policy coherence'. It is based on assessments of 'burdens imposed by excessive regulation in areas such as foreign trade and business development', and the inadequacy of government regulation in areas such as banking supervision and promoting competition (Kaufmann *et al.* 2003: 3). The indicator is premised on 'market-friendly' views about economic development, and this potentially biases it against policies informed by other perspectives.[3] However, ideological differences do not appear to distort the African ratings seriously. For example, in highly rated countries like Botswana and Namibia, the state plays a prominent economic role. Meanwhile, poorly rated countries like the Democratic Republic of Congo (Kinshasa) and Angola would be rated poorly on any plausible scale.

The other two governance indicators focus on the quality of public administration. 'Public-service effectiveness' is measured using information about 'the quality of public service provision, the quality of the bureaucracy, the competence of civil servants, the independence of the civil service from political pressures, and the credibility of the government's commitment to policies' (Kaufmann *et al.* 2003: 4). It captures both the public service's internal organisational capacity and its insulation from arbitrary political interference in implementing public policy.[4] 'Limited corruption' is measured using a straightforward definition of corruption as 'the exercise of public power for private gain' (Kaufmann *et al.* 2003: 3). It captures the prevalence of microlevel behaviour that compromises the state's ability to pursue developmental objectives as an organisation.[5]

Moving one box to the left in Figure 1, 'restraints on executive discretion' refers to limits on executive authority imposed by the political and institutional context. Executive restraints are measured using an indicator created by Witold Henisz (2002) that 'incorporates data on the number of institutions with veto power in a given polity and … on the alignment and heterogeneity of the political actors that inhabit those institutions'. It is based on a simple theoretical model, in which executive discretion is limited by institutionally determined veto players, and in which restraints become more restrictive as veto players' political affiliations and policy preferences diverge further from the executive's (Tsebelis 2002). Importantly, executive restraints are characterised solely by the institutional and political context in which the executive operates, and not by the behavioural 'restraint' exercised within that context. I use the Henisz indicator to divide African countries into two categories: those where, as of 1999, the institutional separation of power and political pluralism imposed meaningful restraints on executive discretion, and those lacking any such restraints.

Finally, 'democratic contestation' focuses on basic procedural characteristics that make democracy possible. African countries are classified using data from the well-established Polity IV study of regime characteristics (Polity IV Project 2000). I use ratings on two institutional dimensions: the competitiveness and openness of executive recruitment, and the competitiveness of political participation. Countries that met minimum thresholds for democracy on both dimensions in 1999 are classified as 'democratic'; countries that lacked meaningful contestation on both dimensions are classified as 'non-democratic'; and countries that allowed some meaningful contestation but fell short of the criteria for democracy are classified as having 'restricted' contestation. By emphasising procedural criteria, the indicator distinguishes democratic contestation from other characteristics that affect how political institutions (democratic or otherwise) work (Schmitter & Karl 1991).

TABLE 1

Political institutions in the sub-Saharan African sample, 1999

	Political contestation		
Executive discretion	non-democratic	restricted	democratic
Some meaningful restraints	Guinea Uganda	Burkina Faso Central African Rep. Kenya Mali Senegal Tanzania Zambia	Benin Botswana Madagascar Malawi Mauritius Mozambique Namibia South Africa
No meaningful restraints	Burundi Chad Congo, Dem. Rep.* Congo, Rep. Côte d'Ivoire Eritrea Gabon Gambia Guinea-Bissau Lesotho Mauritania Rwanda Sierra Leone* Togo Zimbabwe	Angola Cameroon Ethiopia Ghana Niger Nigeria	

Note: Asterisks mark countries with 'collapsed states'. For details on data sources and coding procedures, see the appendix.

Table 1 lists African countries in the sample according to levels of political contestation and the presence or absence of executive restraints, as of 1999. On contestation, 8 countries are classified as 'democratic' and 13 as 'restricted', leaving fewer than half (17 of 38 countries) in the 'non-democratic' category. On executive discretion, 17 countries are classified as having meaningful restraints, while the remaining 21 lack such restraints. A clear positive relationship between contestation and restraints is evident, with all 'democratic' countries possessing restraints, nearly all 'non-democratic' countries lacking restraints, and countries with 'restricted' contestation having a fairly even mix of restrained and unrestrained executive discretion. This correlation reflects the fact that the definition of democratic contestation requires open political competition, while the definition of executive restraints requires at least some political pluralism.

To help isolate institutions' direct effects on governance quality, I control statistically for four factors causally prior to the concepts in Figure 1: income per capita in 1990, ethnic fractionalisation, state collapse, and institutional quality in the 1980s. Political contestation and governance quality are both positively correlated with income. Not controlling for income could therefore inflate estimates of democracy's impact on governance.[6] Using 1990 income helps avoid (erroneously) controlling for income differences produced by governance changes during the subsequent wave of democratisation. The control for ethnic fractionalisation accounts for the difficulties in building political institutions and achieving good governance in multiethnic societies (Alesina *et al.* 2002; Easterly & Levine 1997). Controlling for state collapse prevents the two (non-democratic) sample countries where central political authority had broken down completely in 1999 from distorting the estimates. Finally, the control for governance quality in the 1980s helps eliminate the effects of reverse causality, running from prior governance quality to political institutions.[7]

Institutional effects on governance quality

To simplify interpretation of political institutions' effects, the three governance indicators are scaled from zero to ten. On each indicator, I assigned the worst score in the African sample a value of zero, and the best score a value of ten.[8] A few countries' average scores illustrate the range of governance quality in Africa.[9] Angola, the Republic of Congo (Brazzaville), and Zimbabwe are three of the six African countries that in 1999–2000 had average governance scores below 2·0. Non-African countries with comparable scores include Haiti, Iraq, and North Korea. At the high end, Botswana, Namibia, and Mauritius are the only African countries with average scores above 8·0. Non-African countries with similar scores include Costa Rica, Greece, Italy, and South Korea. The mean and median scores for the African sample are around 4·5. Countries with average scores between 4·0 and 5·0 include Cameroon, Mauritania, Tanzania, and Uganda. The indicators' estimated measurement precision is such that most scores should fall within plus or minus one point of their 'true' values, while nearly all should fall within about two points.[10]

The most important findings of the statistical analysis pertain to the combined effects of democratic contestation and executive restraints on governance quality. As Table 1 shows, contestation and restraints generally go together in practice. All countries in the sample where contestation exceeds a minimum democratic threshold have meaningful restraints, and nearly all countries lacking political contestation also lack executive

TABLE 2
The impact of democratic institutions on governance quality

Governance indicator	Estimated effect of democratic institutions	Confidence interval (90 %)
Economic policy coherence	2·8	1·3 to 4·2
Public-service effectiveness	3·6	2·2 to 5·0
Limited corruption	3·7	2·4 to 5·1

Note: The estimated effects are calculated as the expected differences in governance quality in two otherwise identical countries: one with democratic contestation and executive restraints, and the other lacking both. The effects are expressed on a scale in which the best-governed country in the African sample is assigned a value of ten and the worst-governed (excluding 'collapsed states') is assigned a value of zero. See the appendix for further details.

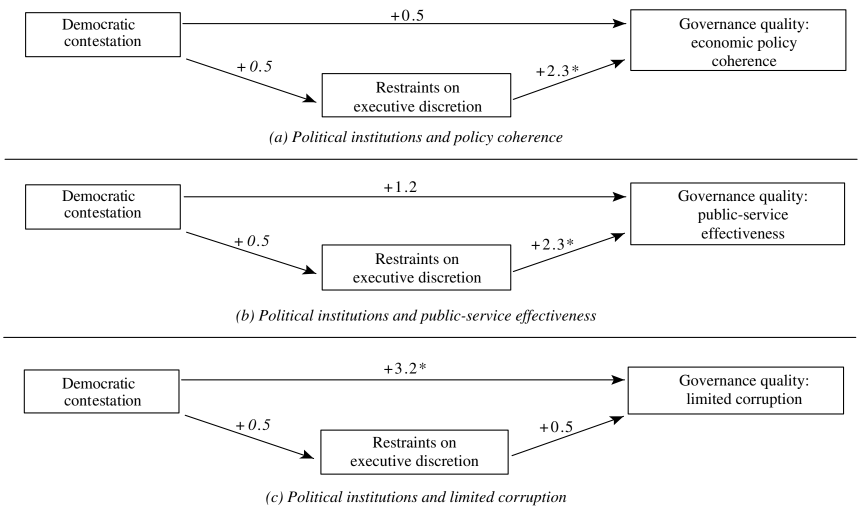
restraints. In assessing democratic institutions' impact on governance quality, it therefore makes sense first to examine the effects of contestation and restraints jointly. Consider two otherwise identical African countries, one with democratic contestation and executive restraints, and the other lacking both. Do these differences in political institutions produce substantial differences in governance quality?

The estimates in Table 2 show that democratic institutions lead to large and statistically significant improvements in governance. On economic policy coherence, democratic contestation and executive restraints together bring an improvement of 2·8 points (plus or minus 1·5 points, with 90% confidence) on the ten-point scale. That is, this institutional configuration raises policy coherence by a margin equal to roughly one quarter of the gap between Angola's and Botswana's scores. Estimated benefits in public-service effectiveness are even larger, at 3·6 points (+/−1·4). And the positive impact in limiting corruption is nearly identical, at 3·7 (+/−1·4). Across all three indicators, the estimates show that a combination of democratic contestation and executive restraints produces substantial improvements in governance. The improvements are large enough to have a major impact on African states' developmental functioning, with the average increment equal to roughly one third of the range between Africa's worst and best governed countries.[11] For comparison, this range is roughly equal to the range between Iraq and Italy (as of 1999–2000), and slightly larger than the range between North and South Korea.

A second set of findings illuminates the implications for governance of 'restricted' political contestation: that is, contestation exceeding levels in unambiguously non-competitive regimes but falling short of a minimum democratic threshold (as in countries in the middle column of Table 1).

FIGURE 2

Decomposing institutional effects on governance



Note: The effects on governance quality are unstandardised multiple-regression coefficients (controlling for 1990 income, ethnic fractionalisation, and state collapse). They are expressed on a scale in which the best-governed country in the African sample is assigned a value of ten and the worst-governed (excluding 'collapsed states') is assigned a value of zero. See the appendix for further details.

On all three governance indicators, the direct effects of introducing restricted contestation are statistically insignificant and very close to zero.[12] However, among countries with restricted contestation, executive restraints still improve policy coherence and public-service effectiveness. On these indicators, restricted contestation can contribute indirectly to better governance, if the political pluralism permitted supports institutional restraints on executive discretion. Several African countries as of 1999 possessed the unfavourable profile of restricted contestation without executive restraints (see the bottom-centre cell of Table 1). This profile is typical of stunted and incomplete political transitions. The statistical estimates show that it produces no governance benefits. They therefore reinforce sceptical assessments of heavily flawed transitions in Africa.

The final set of findings helps clarify the relative influence of democratic contestation and executive restraints on governance quality. Figure 2 contains path diagrams that decompose the effects of the two institutional characteristics. Because restricted contestation has no direct impact on governance, 'democratic contestation' refers only to contestation meeting the minimum criteria for democracy (as in the countries in the right-hand column of Table 1). In the figure, democratic contestation's effect on executive restraints is labelled as 0·5, since knowing whether or not a country has democratic contestation improves the accuracy of predictions about whether or not it possesses executive restraints by 50%.[13] Estimates of political institutions' effects on governance quality are the differences in governance scores (on the ten-point scale) attributable to each characteristic.[14] Because democratic contestation and executive restraints are closely correlated, it is difficult to distinguish their effects very precisely. The starred estimates are, however, statistically significant at a 95% level, meaning that the possibility that the true effect is zero can be rejected quite confidently.[15]

The estimated institutional effects in Figure 2 vary across the three governance indicators. Patterns for policy coherence and public-service effectiveness are similar. Executive restraints exert a large, positive, and statistically significant impact on both indicators, estimated at 2·3 points. Democratic contestation's effect on policy coherence is positive but negligible (0·5 points), while its effect on public-service effectiveness is larger (1·2 points) but still statistically insignificant. Executive restraints are thus the dominant institutional bases of improved governance on the first two indicators. This seems to reflect the value of shielding policy formulation and implementation from arbitrary political interference. In contrast, democratic contestation emerges as more important than executive restraints in limiting corruption. Its direct effect (3·2 points) is large and statistically significant, while the effect of executive restraints fades (0·5 points).[16]

The findings in this section clarify important relationships between political institutions and governance in sub-Saharan Africa, roughly a decade into the region's current wave of democratisation. Of course, measurement is never perfect, samples are always limited, and dynamic processes cannot be captured fully in a cross-sectional snapshot. Yet the analysis identifies observable regularities that highlight governance quality's sensitivity to underlying political institutions. The next section examines the implications for broader debates about political institutions and developmental governance in Africa.

SUBSTANTIVE IMPLICATIONS

Democratisation in Africa has sparked controversies regarding political institutions' impact on governance quality. A central question is whether, or under what conditions, democracy improves African states' performance as agents of development. The neopatrimonial governance widely blamed for Africa's disappointing economic record is symptomatic of wide gaps between governments' political incentives and the requirements of sustained development. Insecurity tempts governments to cater to the immediate interests of politically threatening groups, and weak institutions fail to improve these incentives' alignment with the longer-term welfare of broader constituencies. 'Politicised' policymaking and public administration take root, leading to economically incoherent policies, ineffective implementation, and widespread corruption. More constructive patterns of governance require closer matches between governments' political motivations and the requirements of economic development.

The central finding of the empirical analysis is that democratic institutions greatly improve developmental governance. In all African countries where political contestation meets minimum criteria for democracy, governments' executive discretion is subject to meaningful political and institutional restraints. The combination of democratic contestation and executive restraints in turn improves governance quality on all three indicators. The effects of political institutions on governance are large and statistically robust. They hold at high significance levels, even after controlling for structural factors such as ethnic fractionalisation and national income. They are not statistical artefacts of unusually poor governance in a few collapsed (and therefore non-democratic) states, nor are they products of reverse causation, running from governance to democracy.

The close correlation between democratic contestation and executive restraints makes it difficult to distinguish very sharply between their effects on developmental governance. Regarding policy coherence and public-service effectiveness, executive restraints seem to be the proximate causes of improved governance. Contestation's contribution in these areas is mainly indirect, in providing a pluralistic political environment to support institutional restraints on governments' discretionary authority. Executive restraints in turn discourage politically opportunistic behaviour that undermines policy coherence and implementation. Contestation's impact on corruption appears to be more direct. By making governments more politically responsive and accountable to broader constituencies, it seems to discourage the abuse of public resources for private gain relative to the provision of welfare-enhancing public goods. Distinctions between the effects of contestation and restraints should not, however, obscure the fact that they are highly correlated with each other, and provide complementary foundations for developmental governance in Africa.

The analysis highlights democracy's developmental advantages, but also identifies a specific institutional pattern in which movement towards democracy fails to improve governance. This is where contestation remains 'restricted' – that is, falls short of the minimum threshold for democracy – and where it also fails to establish meaningful restraints on discretionary executive authority. Table 1 lists six countries that fit this profile as of 1999. These include Cameroon and Ghana, where authoritarian incumbents (Paul Biya and Jerry Rawlings) used tightly regulated political transitions to reinvent themselves as elected presidents. The four others are Angola, Ethiopia, Niger, and Nigeria. Besides restricted contestation and a lack of executive restraints, a common feature of this diverse group is that they had (or were on the verge of having) elected governments. They were, as of 1999, apt African illustrations of the phenomenon of 'elections without democracy' (van de Walle 2002). Moreover, the finding that their institutional profile fails to improve governance resonates with sceptical assessments of the developmental benefits of flawed transitions.

But these negative views should not be projected onto countries that have introduced democratic contestation and executive restraints. Many of Africa's emerging democracies admittedly retain neopatrimonial features and (though meeting minimum criteria for democracy) fall well short of liberal democratic ideals (Diamond 2001; Joseph 1997, 1998; Sandbrook 2000: 23–47; van de Walle 2000). For example, political authority remains centralised, with constitutions entrenching presidential authority, and with elections often producing a single dominant party, flanked by weak and fragmented opposition (van de Walle 2003). Meanwhile, political clientelism and related forms of corruption persist, with competition driven less by programmatic or ideological differences than by ethnic or regional conflict over the distribution of state patronage (Berman 1998; Chabal 2002). Yet despite these shortcomings, the findings show that democratic contestation and executive restraints enhance governance quality.

For example, limiting executive discretion improves governance, even if political authority remains concentrated. Executive restraints are anchored in institutionally separated powers and political pluralism. Democratic constitutions formally limit discretionary authority, among other ways, by establishing judicial independence, affirming the public service's organisational integrity, and specifying presidential term limits. A pluralistic environment is crucial in allowing political parties and civil society to try to hold governments to these limits. Doing so is a constant struggle, especially where opposition parties hold few parliamentary seats and civil society organisations are weak (Gyimah-Boadi 1996, 1998; Young 1994). Still, defending constitutional provisions does not require a legislative majority, and the findings show that executive restraints improve governance, even if a single party continues to dominate electorally. Democratisation in Africa may not have triggered overnight transitions from political monopolies to perfect political competition, but the benefits of moving from unregulated monopolies to (imperfectly) constitutionally regulated ones should not be underestimated.

Similarly, the persistence of clientelistic and ethnic politics in Africa's emerging democracies does not preclude substantial improvements in developmental governance. Clientelism and ethnicity are both often associated with poor governance, in that they tend to encourage competition for a fixed basket of particularistic benefits, at the expense of providing more generally welfare-enhancing public goods (Clapham 1982; Rothchild & Olorunsola 1983). With respect to clientelism, governments throughout the world use mixes of clientelistic benefits and public goods to attract political support. By forcing governments to build broader constituencies, democratic contestation creates incentives for expanded public-good provision (Estévez *et al.* 2002). Turning to ethnicity, ethnic cleavages are multilayered, and institutional arrangements affect which layers are politically salient. Democratic contestation creates incentives for politicians to emphasise ethnic cleavages that encompass larger potential support bases (Bates 1983; Mozaffar 1995; Posner 2001); and recent evidence suggests that democratisation has not generally intensified ethnic conflict in Africa (Scarritt *et al.* 2001; Smith 2000). Democratic contestation can encourage greater provision of public goods to broader constituencies, even if ethnicity (at some level) remains politically salient, and if anecdotal evidence of political clientelism persists.

The empirical analysis neither assumes nor predicts any particular trajectory of political and institutional change in Africa. If the recent past is a reasonable guide, some countries will move towards greater democracy, while others will struggle to maintain prior gains. I argue that democratic institutions promote developmental governance by countering temptations for politically opportunistic behaviour that is economically damaging. Yet the same insecurity that creates these temptations may also tempt insecure governments to transgress institutional limits on their authority. The developmental benefits of democratic institutions, and the difficulties in building and keeping such institutions are, in this sense, two sides of the same coin. Looking internationally, current political conditions on balance are becoming more favourable to democracy. Since the end of the Cold War, democracies are more likely to be rewarded with resources and legitimacy, while governments in non-democratic regimes find the global environment more uncomfortable. Within the region, the New Partnership for Africa's Development, with its emphasis on democracy and good governance, reflects an emerging inclination among some African governments to embrace these tendencies.

The findings point towards a largely overlooked empirical affinity between democratic institutions and developmental governance in Africa. All else being equal, countries combining open and competitive politics with institutional limits on executive discretion are achieving higher-quality governance. If improved governance yields its expected developmental benefits, this will in turn create social and economic conditions conducive to democracy's survival. The relationship between material well-being and democracy is complex, but the worldwide record of the past half century shows that rising national income makes democratic regimes more durable (Przeworski *et al.* 2000). Rather than being a luxury that African countries can only afford once they have developed economically, democracy appears to provide an institutional platform for improved economic performance.

❦ ❦ ❦

This article has analysed the relationship between political institutions and governance quality in sub-Saharan Africa, addressing the question of whether, or under what conditions, democracy contributes to 'developmental governance'. Drawing insights from the new institutional economics, I have focused on institutions' potential role in influencing how well governments' immediate political incentives are aligned with the requirements of longer-term economic development. The main finding is that a combination of democratic contestation and institutional restraints on governments' discretionary executive authority improves governance quality substantially. Judged against liberal democratic ideals, Africa's current batch of democracies has many shortcomings. Yet the article has shown that democratic institutions are improving African states' performance as agents of development.

While offering preliminary answers to important questions about political institutions and developmental governance in Africa, this article has raised others. For example, further research is needed to track the dynamics of the region's emerging democracies, which cannot adequately be captured in a single, largely contemporaneous, cross-sectional analysis. Moreover, the article's 'first cut' at specifying causal links between political institutions and governance leaves much room for refinement. On both these fronts, greater 'dialogue' between studies that analyse cross-national patterns and others that provide detailed accounts of country-specific processes is likely to be constructive. With sub-Saharan Africa's wave of democratisation well into its second decade, understanding political institutions' impact on governance will continue to be central to understanding the region's prospects for economic development.

NOTES

1. The sample includes all sub-Saharan African countries with populations of at least one million for which adequate data were available.

2. The statistical procedures used to combine the data also yield estimates of the aggregate indicators' precision. Indicators are less precise for countries where fewer data sources are available, or where the available measures are weakly empirically associated with the underlying governance concept. For a detailed discussion of the aggregation methodology used in the World Bank study, see Kaufmann *et al.* 2003. In the statistical analysis, I use weighted-least-squares regression to account for the indicators' varying precision.

3. The compilers label this indicator 'regulatory quality', using a broad operational definition that encompasses a wide range of economic policies (Kaufmann *et al.* 2003: 85). They intend it to measure policies' conduciveness to economic growth, and not simply the absence of state intervention in the economy. The indicator's broad scope justifies its use as a measure of 'policy coherence', with the important caveat that 'coherence' is within the compilers' specific (and contestable) understanding of appropriate policy.

4. The indicator is broader than, but closely conceptually related to, measures of 'Weberianness' that distinguish between the organisational features of patronage-based state structures, on one hand, and professional public bureaucracies, on the other (Evans & Rauch 1999; Rauch & Evans 2000).

5. All corruption is not equally harmful. Corruption may sometimes even have beneficial effects, for example, reducing the transaction costs of 'profit sharing' among small and stable groups of political and economic 'cronies', thereby promoting productive investment (Kang 2003; also see Bardhan 1997). Where democratic institutions make governments responsive and accountable to broader constituencies, they can be expected to discourage socially damaging 'rent-creating corruption' more strongly than they discourage arguably more benign forms of 'profit-sharing corruption' (Bhagwati 2000: 61–3).

6. To the extent that cross-national differences in 1990 income reflect persistent differences in governance quality, the income variable can be taken to control for longstanding legacies of prior governance.

7. I used the Knack & Keefer (1995) corruption indicator because it has the broadest coverage, although it is available for only 27 of the 38 countries in the sample. Having confirmed that controlling for prior governance quality does not substantially alter the findings (see estimates in the appendix), in the text I report results based on the analysis of the full sample.

8. In defining the scale, I excluded the two collapsed states so that they do not 'stretch' its lower bound downward. The collapsed states may therefore receive negative governance scores.

9. The three governance indicators are closely correlated with each other, with correlation coefficients in the (unweighted) African sample ranging from 0·55 to 0·76.

10. Measurement precision varies from country to country, as explained by Kaufmann *et al.* 2003. Adjusted to the ten-point scale used here, the average standard errors for the African sample are: policy coherence, 1·2; public-service effectiveness, 1·1; and limited corruption, 1·1. For comparison, the governance indicators' standard deviations in the (weighted) sample are between 2·7 and 2·8.

11. For a recent study that finds similar institutional effects on the rule of law in developing countries, see Andrews & Montinola 2004.

12. In regressions of each of the governance indicators on the institutional and control variables, the coefficients (standard errors in parentheses) for a 'restricted contestation' dummy variable are: economic policy coherence, 0·17 (0·99); public-service effectiveness, 0·02 (1·00); and limited corruption, −0·29 (0·67).

13. The measure is a proportional reduction of error, calculated by comparing the number of cases classified correctly using a binomial probit model containing only the control variables (20 of 38) with the number classified correctly using a probit model that also includes a dummy variable for democratic contestation (29 of 38). Because all eight countries in the sample with democratic contestation also possess executive restraints, standard tests of statistical significance are not applicable. The 'lack'

of significance is thus due to the very close empirical relationship between contestation and restraints (evident in Table 1), rather than to the relationship's weakness.

14. The estimates are unstandardised coefficients from regressions that include the control variables. Complete regression results are reported in the appendix.

15. None of the unstarred estimates in Figure 2 is statistically significant even at the modest 80 % level.

16. Democratic contestation seems to be particularly important in countering ethnic fractionalisation's tendency to worsen corruption in noncompetitive political environments. Estimates of ethnic fractionalisation's negative effects on the three governance indicators are included in the regression results in the appendix. The effects on corruption are largest, but they are only modestly statistically significant (87 % confidence). For a study of how ethnicity and democracy interact to affect governance quality that reaches conclusions broadly consistent with the findings here, see Collier 2000.

REFERENCES

Acemoglu, D., S. Johnson & J. A. Robinson. 2001. 'Colonial origins of comparative development: an empirical investigation', *American Economic Review* 91, 5: 1369–401.

African Union. 2001. *The New Partnership for Africa's Development*, framework document. Abuja: African Union.

Alesina, A., A. Devleeschauwer, W. Easterly, S. Kurlat & R. Wacziarg. 2002. 'Fractionalization', *NBER Working Paper* 9411. Cambridge, MA: National Bureau of Economic Research (data accessed at <http://www.stanford.edu/~wacziarg/downloads/fractionalization.xls>).

Ames, B. 1987. *Political Survival: politicians and public policy in Latin America.* Berkeley, CA: University of California Press.

Andrews, J. T. & G. R. Montinola. 2004. 'Veto players and the rule of law in emerging democracies', *Comparative Political Studies* 37, 1: 55–87.

Anyang' Nyong'o, P. ed. 1987. *Popular Struggles for Democracy in Africa.* London: Zed.

Bardhan, P. 1997. 'Corruption and development: a review of issues', *Journal of Economic Literature* 35, 3: 1320–46.

Bates, R. H. 1981. *Markets and States in Tropical Africa: the political basis of agricultural policies.* Berkeley, CA: University of California Press.

Bates, R. H.. 1983. 'Modernization, ethnic competition, and the rationality of politics in contemporary Africa', in D. Rothchild & V. A. Olorunsola, eds. *State versus Ethnic Claims: African policy dilemmas.* Boulder, CO: Westview, 152–71.

Bayart, J.-F. 1993. *The State in Africa: the politics of the belly.* London: Longman.

Berman, B. J. 1998. 'Ethnicity, patronage and the African state: the politics of uncivil nationalism', *African Affairs* 97, 388: 305–41.

Bhagwati, J. 2000. *The Wind of the Hundred Days: how Washington mismanaged globalization.* Cambridge, MA: MIT Press.

Bienen, H. & J. Herbst. 1996. 'The relationship between political and economic reform in Africa', *Comparative Politics* 29, 1: 23–42.

Bratton, M. & N. van de Walle. 1997. *Democratic Experiments in Africa: regime transitions in comparative perspective.* Cambridge University Press.

Callaghy, T. M. 1987. 'The state as lame leviathan: the patrimonial administrative state in Africa', in Z. Ergas, ed. *The African State in Transition.* Basingstoke: Macmillan, 87–116.

Callaghy, T. M. 1993. 'Political passions and economic interests: economic reform and political structure in Africa', in T. M. Callaghy & J. Ravenhill, eds. *Hemmed In: responses to Africa's economic decline.* New York: Columbia University Press, 463–519.

Chabal, P. 1992. *Power in Africa: an essay in political interpretation.* Basingstoke: Macmillan.

Chabal, P. 2002. 'The quest for good government and development in Africa: is NEPAD the answer?' *International Affairs* 78, 3: 447–62.

Chabal, P. & J.-P. Daloz. 1999. *Africa Works: disorder as political instrument.* Oxford: James Currey.

Clapham, C. 1982. 'Clientelism and the state', in C. Clapham, ed. *Private Patronage and Public Power: political clientelism in the modern state.* London: Frances Pinter, 1–35.

Clapham, C. 1996. *Africa and the International System: the politics of state survival.* Cambridge University Press.

Collier, P. 1991. 'Africa's external economic relations, 1960–90', *African Affairs* 90, 360: 339–56.

Collier, P. 2000. 'Ethnicity, politics and economic performance', *Economics and Politics* 12, 3: 225–45.

Collier, P. & J. W. Gunning. 1999. 'Why has Africa grown slowly?', *Journal of Economic Perspectives* 13, 3: 41–66.
Diamond, L. 1987. 'Class formation in the swollen African state', *Journal of Modern African Studies* 25, 4: 567–96.
Diamond, L. 2001. 'Developing democracy in Africa: African and international imperatives', paper presented at Stanford University workshop on 'Democracy in Africa in comparative perspective'.
Dunn, J. 1986. 'The politics of representation and good government in post-colonial Africa', in P. Chabal, ed. *Political Domination in Africa: reflections on the limits of power*. Cambridge University Press, 158–74.
Easterly, W. & R. Levine. 1997. 'Africa's growth tragedy: policies and ethnic divisions', *Quarterly Journal of Economics* 112, 4: 1203–50 (data accessed at <http://www.worldbank.org/research/growth/ddeale.htm>).
Ekeh, P. P. 1975. 'Colonialism and the two publics in Africa: a theoretical statement', *Comparative Studies in Society and History* 17, 1: 91–112.
Englebert, P. 2000. *State Legitimacy and Development in Africa*. Boulder, CO: Lynne Rienner.
Estévez, F., B. Magaloni & A. Diaz-Cayeros. 2002. 'The erosion of one-party rule: clientelism, portfolio diversification and electoral strategy', paper presented at the annual meeting of the American Political Science Association, Boston.
Evans, P. 1995. *Embedded Autonomy: states and industrial transformation*. Princeton, NJ: Princeton University Press.
Evans, P. & J. E. Rauch. 1999. 'Bureaucracy and growth: a cross-national analysis of the effects of 'Weberian' state structures on economic growth', *American Sociological Review* 64, 5: 748–65.
Gyimah-Boadi, E. 1996. 'Civil society in Africa', *Journal of Democracy* 7, 2: 118–32.
Gyimah-Boadi, E. 1998. 'The rebirth of African liberalism', *Journal of Democracy* 9, 2: 18–31.
Harbeson, J. W. 2000. 'Externally assisted democratization: theoretical issues and African realities', in J. W. Harbeson & D. Rothchild, eds. *Africa in World Politics: the African state system in flux*, 3rd edn. Boulder, CO: Westview, 235–59.
Harbeson, J. W., D. Rothchild & N. Chazan, eds. 1994. *Civil Society and the State in Africa*. Boulder, CO: Lynne Rienner.
Healey, J. & M. Robinson. 1992. *Democracy, Governance and Economic Policy: sub-Saharan Africa in comparative perspective*. London: Overseas Development Institute.
Henisz, W. J. 2002. 'The institutional environment for infrastructure investment', *Industrial and Corporate Change* 11, 2: 355–89 (data accessed at <http://www-management.wharton.upenn. edu/henisz>).
Herbst, J. 1990. 'The structural adjustment of politics in Africa', *World Development* 18, 7: 949–58.
Heston, A., R. Summers & B. Aten. 2002. *Penn World Table*, version 6.1. Philadelphia: Center for International Comparisons, University of Pennsylvania (data accessed at <http://pwt.econ.upenn.edu>).
Hope, K. R., Sr. 2002. 'From crisis to renewal: towards the successful implementation of the New Partnership for Africa's Development', *African Affairs* 101, 404: 387–402.
Hyden, G. 1992. 'Governance and the study of politics', in G. Hyden & M. Bratton, eds. *Governance and Politics in Africa*. Boulder, CO: Lynne Rienner, 1–26.
Jackson, R. H. & C. G. Rosberg. 1982. *Personal Rule in Black Africa: prince, autocrat, prophet, tyrant*. Berkeley, CA: University of California Press.
Jeffries, R. 1993. 'The state, structural adjustment and good government in Africa', *Journal of Commonwealth and Comparative Politics* 31, 1: 20–35.
Joseph, R. 1997. 'Democratization in Africa after 1989: comparative and theoretical perspectives', *Comparative Politics* 29, 3: 363–82.
Joseph, R. 1998. 'Africa, 1990–97: from *abertura* to closure', *Journal of Democracy* 9, 2: 3–17.
Kang, D. C. 2003. 'Transaction costs and crony capitalism in East Asia', *Comparative Politics* 35, 4: 439–58.
Kaufmann, D. & A. Kraay. 2002. 'Growth without governance', *Economia* 3, 1: 169–229.
Kaufmann, D., A. Kraay & M. Mastruzzi. 2003. 'Governance matters III: governance indicators for 1996–2002'. Washington, DC: World Bank (data accessed at <http://www.worldbank.org/wbi/governance/govdata2002>).
Kaufmann, D., A. Kraay & P. Zoido-Lobatón. 1999. 'Governance matters', *Policy Research Working Paper* 2196. Washington, DC: World Bank.
King, G., M. Tomz & J. Wittenberg. 2000. 'Making the most of statistical analyses: improving interpretation and presentation', *American Journal of Political Science* 44, 2: 347–61.

Knack, S. & P. Keefer. 1995. 'Institutions and economic performance: cross-country tests using alternative institutional measures', *Economics and Politics* 7, 3: 207–27.

La Porta, R., F. Lopez-de-Silane, A. Shleifer & R. Vishny. 1998. 'The quality of government', *Journal of Law, Economics, and Organization* 15, 1: 222–79.

Levi, M. 1988. *Of Rule and Revenue*. Berkeley, CA: University of California Press.

Lewis, P. M. 1992. 'Political transition and the dilemma of civil society in Africa', *Journal of International Affairs* 46, 1: 31–54.

Lewis, P. M. 1996. 'Economic reform and political transition in Africa: the quest for a politics of development', *World Politics* 49, 1: 92–129.

Marshall, M. G. & K. Jaggers. 2000. *Polity IV Project: political regime characteristics and transitions*, 1800–1999, dataset user's manual. College Park, MD: Center for International Development and Conflict Management, University of Maryland.

Médard, J.-F. 1982. 'The underdeveloped state in tropical Africa: political clientelism or neo-patrimonialism?' in C. Clapham, ed. *Private Patronage and Public Power: political clientelism in the modern state*. London: Pinter, 162–92.

Mkandawire, T. 2001. 'Thinking about developmental states in Africa', *Cambridge Journal of Economics* 35, 3: 289–313.

Mkandawire, T. & C. C. Soludo. 1999. *Our Continent, Our Future: African perspectives on structural adjustment*. Dakar: CODESRIA.

Mozaffar, S. 1995. 'The institutional logic of ethnic politics: a prolegomenon', in H. Glickman, ed. *Ethnic Conflict and Democratization in Africa*. Atlanta, GA: African Studies Association Press, 33–69.

Ndulu, B. & S. A. O'Connell. 1999. 'Governance and growth in sub-Saharan Africa', *Journal of Economic Perspectives* 13, 3: 41–66.

North, D. C. 1990. *Institutions, Institutional Change, and Economic Performance*. Cambridge University Press.

North, D. C. & B. R. Weingast. 1989. 'Constitutions and commitment: the evolution of institutions governing public choice in seventeenth-century England', *Journal of Economic History* 49, 4: 803–32.

Polity IV Project. 2000. *Polity IV Data Set*, version p4v2000. College Park, MD: Center for International Development and Conflict Management, University of Maryland (data accessed at <http://www.cidcm.umd.edu/inscr/polity>).

Posner, D. N. 2001. 'Regime change and ethnic cleavages in Africa', paper presented at Stanford University workshop on 'Democracy in Africa in comparative perspective'.

Przeworski, A., M. E. Alvarez, J. A. Cheibub & F. Limongi. 2000. *Democracy and Development: political institutions and well-being in the world, 1950–90*. Cambridge University Press.

Rauch, J. E. & P. B. Evans. 2000. 'Bureaucratic structure and bureaucratic performance in less developed countries', *Journal of Public Economics* 75, 1: 49–71.

Ravenhill, J. 1993. 'A second decade of adjustment: greater complexity, greater uncertainty', in T. M. Callaghy & J. Ravenhill, eds. *Hemmed In: responses to Africa's economic decline*. New York: Columbia University Press, 18–53.

Rodrik, D., ed. 2003. *In Search of Prosperity: analytic narratives on economic growth*. Princeton, NJ: Princeton University Press.

Rothchild, D. & V. A. Olorunsola. 1983. 'Managing competing state and ethnic claims', in D. Rothchild & V. A. Olorunsola, eds. *State versus Ethnic Claims: African policy dilemmas*. Boulder, CO: Westview, 1–24.

Sandbrook, R. (with J. Barker). 1986. *The Politics of Africa's Economic Stagnation*. Cambridge University Press.

Sandbrook, R. 2000. *Closing the Circle: democratization and development in Africa*. London: Zed.

Scarritt, J. R., S. M. McMillan & S. Mozaffar. 2001. 'The interaction between democracy and ethnopolitical protest and rebellion in Africa', *Comparative Political Studies* 34, 7: 800–27.

Schmitter, P. & T. L. Karl. 1991. 'What democracy is … and is not', *Journal of Democracy* 2, 1: 75–88.

Shepsle, K. A. 1991. 'Discretion, institutions, and the problem of government commitment', in P. Bourdieu & J. S. Coleman, eds. *Social Theory for a Changing Society*. Boulder, CO: Westview, 245–63.

Sklar, R. L. 1979. 'The nature of class domination in Africa', *Journal of Modern African Studies* 17, 4: 531–52.

Smith, Z. K. 2000. 'The impact of political liberalisation and democratisation on ethnic conflict in Africa: an empirical test of common assumptions', *Journal of Modern African Studies* 38, 1: 21–39.

Tomz, M., J. Wittenberg & G. King. 2003. *Clarify: software for interpreting and presenting statistical results*, version 2.1. Stanford University, University of Wisconsin, and Harvard University.

Tsebelis, G. 2002. *Veto Players: how political institutions work*. Princeton, NJ: Princeton University Press.

United Nations Economic Commission for Africa (UNECA). 1989. *African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation.* Addis Ababa: UNECA.
van de Walle, N. 2000. 'The impact of multi-party politics in sub-Saharan Africa', paper prepared for annual conference of the Norwegian Association for Development Research, Bergen.
van de Walle, N. 2001. *African Economies and the Politics of Permanent Crisis, 1979–99.* Cambridge University Press.
van de Walle, N. 2002. 'Elections without democracy: Africa's range of regimes', *Journal of Democracy* 13, 2: 66–80.
van de Walle, N. 2003. 'Presidentialism and clientelism in Africa's emerging party systems', *Journal of Modern African Studies* 41, 2: 297–321.
Weingast, B. R.. 1997. 'Political foundations of democracy and the rule of law', *American Political Science Review* 91, 2: 245–63.
Whitehead, L. 2003. 'Democratization with the benefit of hindsight: the changing international components', paper presented at the nineteenth world congress of the International Political Science Association, Durban.
World Bank. 1989. *Sub-Saharan Africa, from Crisis to Sustainable Growth: a long-term perspective study.* Washington, DC: World Bank.
World Bank (with the African Development Bank, the African Economic Research Consortium, the Global Coalition for Africa & the United Nations Economic Commission for Africa). 2001. *Can Africa Claim the Twenty-First Century?* Washington, DC: World Bank.
Young, C. 1994. 'In search of civil society', in Harbeson *et al.*, eds. *Civil Society and the State in Africa.* 33–50.
Zolberg, A. 1968. 'The structure of political conflict in the new states of tropical Africa', *American Political Science Review* 62, 1: 70–87.

APPENDIX: METHODOLOGICAL DETAILS

Data sources and coding procedures

Governance quality. Based on indicators described by Kaufmann *et al.* (2003), using data for 1999–2000. The indicator I call 'economic policy coherence' corresponds to 'regulatory quality' in the original data set; 'public-service effectiveness' corresponds to 'government effectiveness'; and 'limited corruption' corresponds to 'control of corruption'. I placed each indicator on a ten-point scale, with the worst-governed country in the sub-Saharan African sample (excluding collapsed states) coded as zero, and the best-governed coded as ten. (Kaufmann *et al.* 2003 report governance indicators for 2001–02; however, because data on political contestation and executive restraints were unavailable for 2001, the 1999–2000 indicators were the most recent I could use in the regression analysis.)

Executive restraints. Based on a 'political constraint index' described by Henisz (2002), using data for 1999. I created a dummy variable identifying countries with positive values on the '$\text{polconiii}_{\mathbf{2002}}$' version of Henisz's index. Zimbabwe emerged as an anomaly, with an extremely low score on the constraint index (0·02) compared with the other 'positive' countries (mean, 0·30; minimum, 0·10; standard deviation, 0·16). I therefore recoded Zimbabwe to zero.

Political contestation. Constructed from two components of the Polity IV indicator of 'institutional democracy' (Polity IV Project 2000; Marshall & Jaggers 2000: 12–13), using data for 1999. I first coded the 'political participation' and 'executive recruitment' components according to the original Polity IV procedures. On 'political participation', a value of 3 corresponds to 'competitive'; 2 corresponds to 'transitional' (an intermediate category between either 'restricted' or 'factional' and 'competitive'); and 1 corresponds to 'factional'. On 'executive recruitment', a value of 2 corresponds to 'election'; 1 corresponds to 'transitional' (an intermediate category in which one executive in a dual executive is chosen through competitive election, or in which a country is making a transition to competitive elections); and these values were increased by one point if competition for the position of executive (or at least one member of a dual executive) is open to the politically active population. (For further details on the Polity IV codes, see Marshall & Jaggers 2000: 12–25.)

I classified countries with values of two or more on both 'political participation' and 'executive recruitment' as cases of 'democratic contestation' (that is, contestation exceeding a procedural minimum for democracy). I classified countries with total scores less than two as cases of 'non-democratic contestation'. The remaining countries are 'restricted contestation'.

State collapse. A dummy variable to indicate countries that, according to the Polity IV data set, experienced 'complete collapse of central political authority' in 1999 (Polity IV Project 2000). The two cases of state collapse in the sample were the Democratic Republic of Congo (Kinshasa) and Sierra Leone.

National income level. The natural logarithm of gross domestic product per equivalent adult for 1990 at international (purchasing-power parity) prices, taken from the Penn World Table, version 6.1 (Heston *et al.* 2002).

Ethnic fractionalisation. The probability that two randomly selected individuals fall in different ethnic categories, as defined by Alesina *et al.* (2002).

Institutional quality in the 1980s. An average rating of 'limited corruption' during the 1980s. The original data are from the International Country Risk Group, a commercial risk-rating firm. The decade averages were calculated by Knack & Keefer (1995), and my source is the Easterly & Levine (1997) data set.

TABLE 3

Regression estimates (weighted least squares)

	Dependent variable								
	economic policy coherence			public-service effectiveness			limited corruption		
Independent variables	(1a)	(1b)	(1c)	(2a)	(2b)	(2c)	(3a)	(3b)	(3c)
Executive restraints	2·27**	2·70**	2·61**	2·33**	1·89**	2·56**	0·51	−0·08	0·64
	(0·66)	(0·77)	(0·77)	(0·83)	(0·74)	(1·02)	(0·60)	(0·53)	(0·73)
Democratic contestation	0·51	0·89	1·39	1·24	2·67**	1·51	3·24**	4·62**	2·68*
	(0·72)	(0·55)	(1·76)	(0·95)	(0·96)	(1·55)	(0·91)	(0·91)	(1·41)
Collapsed states	−5·21**		−5·92*	−1·90**		−2·05**	−0·50		−0·23
	(2·31)		(3·02)	(0·70)		(0·99)	(0·85)		(0·94)
Log (real GDP/EA, 1990)	0·38		0·65*	0·88**		1·04**	0·68*		0·67
	(0·35)		(0·36)	(0·33)		(0·37)	(0·35)		(0·43)
Ethnic fractionalisation	0·24		2·36	−2·67		−1·83	−3·76		−4·29
	(2·63)		(5·03)	(2·38)		(3·70)	(2·36)		(3·64)
Institutional quality, 1982–9			−0·58			−0·27			0·08
			(0·66)			(0·52)			(0·47)
Constant	1·83	4·20**	−0·56	−1·69	2·72**	−3·02	−0·01	2·24**	0·19
	(2·43)	(0·72)	(4·56)	(3·03)	(0·51)	(4·42)	(3·38)	(0·40)	(4·17)
R^2	0·55	0·34	0·57	0·59	0·46	0·57	0·67	0·56	0·66
Std. error of the estimates	1·98	2·29	2·21	1·91	2·10	2·01	1·67	1·83	1·57
Observations	38	38	27	38	38	27	38	38	27

Note: Heteroscedasticity-adjusted standard errors are in parentheses. $*p < 0{\cdot}10$; $**p < 0{\cdot}05$. Weights are inverses of the governance indicators' measurement variances.

Regression estimates

The regression estimates were calculated using weighted-least-squares, to account for the varying measurement precision of the governance indicators (with weights equal to the inverses of the measurement variances). Major results are reported in Table 3. Three sets of estimates are presented for each governance indicator. The first (labelled (a)) is the preferred set, regressing the governance indicator on the institutional and control variables. These are the estimates discussed in the main text of the article (and used to construct Table 2 and Figure 2). The second set of estimates (labelled (b)) excludes the control variables, for comparison. The third (labelled (c)) contains the control for 'institutional quality in the 1980s', and because of limited data availability uses a smaller sample of 27 countries. The similar institutional coefficients in columns (a) and (c) helps rule out the possibility of reverse causation.

The combined effects of the two institutional variables reported in Table 2 are based on simulations generated from the preferred '(a)' parameter estimates. The simulation technique is explained by King *et al.* (2000). To run the simulations, I used the 'Clarify' program, version 2.1 (Tomz *et al.* 2003), within Stata, version 7.0.