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Before the meeting, Chabal said he'd published a new book, *Culture Troubles: Politics and the Interpretation of Meaning*, and had developed the argument in *Africa Works* further in a journal article 'How Does Africa Works Work?' in English in an Italian journal called *Annali*, special 2002 issue on Africa, published in 2004.

- Title of the ODI meeting series raises 2 issues: (i) what a dev state is and (ii) what a process of rebuilding is?
- Raising questions about how aid policy can contribute to these two topics.
- Focus analysis on state decline and failure in Africa – the assumption must be that state has failed/collapsed if there is a need to rebuild it.
- Focus on Africa as least developed. Before one can rebuild one needs to understand why state has become weakened and why it has failed to implement policies conducive to sustainable development.
- Growing donor awareness that lack of development in Africa is connected with political situation and not just economy. After decade of transition e.g. shift to multi-partyism – still little evidence that African governments can achieve the Nepad aims, let alone the MDGs.
- Debate about decentralisation – assumption that devolved governance is better able to achieve what centralised government can't. Donors like decentralisation. Lots of theory and evidence about this. Decentralisation = enhanced legitimacy of local government and accountability = offers potential for improvement. Question remains: is decentralisation always developmental or beneficial and will it contribute to faster and better development?
- Chabal mentions this because it is on agenda. Too little research on how decentralisation is actually working in Africa.
- Relationship between state and government in Africa. Two issues: (i) difficult to understand what has happened without understanding what happened to post-colonial state, and (ii) record outside Africa suggests development rests ultimately on quality of government. Can't separate quality of state and its effectiveness.
- Need closer attention to evolution of state in Africa.
- Trend among donors was to call for smaller states, however evidence is that this didn't result in development or improvements, and now state is seen as too weak. Even the WB now agrees.

Two parts to presentation:

- (i) look at post-colonial state
- (ii) issue of good governance

(i) look at post-colonial state

- Donors – growing understanding that politics and the state is important. However, policy must be framed by realisation 'that the state in Africa is seldom what it appears to be';
- Post-colonial state should be conceptualised as overlapping layers of formal and informal spheres of power – clientelistic ethos; not separate spheres;
- patrimonial rules = rulers primarily accountable to followers and legitimacy derives from ability to deliver resources. Politicians expected to act in office as patrons of clients and there is no meaningful distinction between public/private;
- patrimonial state found in number of countries after independence – he cites Ivory Coast as good example. Where there is a successful blend formal and informal rule, the ruler ensured bureaucracy operated fairly well and reconciled formal and informal demands. Government was able to balance rigours of state responsibility and clientelistic needs. One party configuration of power required of

ruler that he seek to placate a wide range of ethnic interests to increase his legitimacy;

- success of state measured by citizens by how well it worked according to informal rules – but external donors measured it according to how its formal institutions appeared;
- Different divergent demands – use state revenues to satisfy patrimonialism but to get resources had to satisfy donor demands. During cold war donor often turned blind eye if formal institutions appeared good;
- But ultimately informal/formal demands not compatible – particularly under economic stress/crisis. Frantic search for resources. Aid was biggest source of revenue over time and increased dependence on donors. After Cold War, the scope for aid diminished and debt got out of control. Therefore had to agree to Structural Adjustment Policies (SAPs). This spelt the end of ‘the functioning neopatrimonial state’ – rulers could no longer balance informal/formal demands as outside funding was reduced. Officially operated to norms of formal sector but informal came to dominate increasingly. Impact => state capacity reduced, elite competition increased. Aim became to deplete resources of state before rivals did and there was a ‘frenzied use of state resources,’ as privatization and other SAP measures took hold. Impact of multi-partyism therefore contributed to this deterioration of the state;
- Enormous difference between countries in Africa – ranging from those more efficient/able to operate in formal sector (Botswana) and those that don’t operate at all (Zaire) however clear trend in decline in state efficiency and often results in state failure.

(ii) issue of good governance

- Issue of the prospects for the ability to rebuild states in Africa is therefore a practical one;
- Some donors have a vision that the market can propel societies and state building forward – however, there is no example in the 20 century of development or growth occurring other than with strong state direction;
- There has long been a debate about role of state as enabler or manager (giving direction) of development– less agreement about history of those countries that have successfully developed. Some suggest limited role for the state, other suggest more central state role. However, little doubt that minimal feature needed for dev in state, and these are not tied to whether a state is democratic or not. A developmental state
 - guarantees order and peace other than by repressive measures and uphold RoL, which requires functioning legal framework;
 - maintains basic admin organisation at a minimum, which regulates and enables economic activity over time;
 - ensure sufficiently operational infrastructure e.g. communication, transport, electricity;
 - provide basic health and education and if possible expansion of higher technical training, which is crucial;
 - ensure finance and banking infrastructure;
- These features are missing all over Africa;
- These features constitute good (i.e., efficient) government and they have little to do with whether the states is democratic/authoritarian;
- Lessons from Asian Tigers:
 - strong or efficient state is fundamental to economic growth;
 - state directed investment critical
 - access to world market important in several aspects e.g. comparative advantage

- economic growth depends on investment in human capital
- Culture is important but not always obvious in which way -- e.g. Confucianism identified both as pro- and anti-dev. by commentators.

What state decline means for future of Africa

- 1960s-70s: after independence a period in which neopatrimonial state functioned quite well in a number of countries. Post-colonial state worked with some degree of efficiency – balance made between formal and informal demands, export economies. However during period little sustainable economic growth. Why? (Ghana's GDP more than S Korea's in 1950s);
- Some commentators stress external factors – place in world trade, leads to African states being vulnerable to vagaries of market, which impeded long term growth;
- Others point to structural weakness and instability of African politics.

Latest thinking is that failure of state is a primary reason for the absence of development. There are 2 factors:

- o State decline doesn't have gradual negative effects. Below certain 'threshold' the efficiency of state falls off rapidly, a collapse, and doesn't have role other than clientelistic. Can identify this point;
- o Such decline is more than mere administrative corrosion; it is an increased dominance of informal over formal and there is a rapid destruction of the bureaucracy that was established at independence.

In addition:

- There is the frequent assumption that reinstitutionalisation is merely a technical process. But only in cases where there is still relatively good governance can practical assistance (aid) improve efficiency of institutions and bureaucracy.
- Where state decline has gone through/below the threshold there is no longer scope for repairing damage by technical means alone. Training not sufficient. Not just question of state working less well but question of state not working at all. It has become part of the problem. Function it used to discharge has come to end as the state has become the arbitrary preserve of individuals, who are parasitic.
- When the informal becomes dominant, civil servants and bureaucracy increasingly neglect formal duties in order to exploit state for own clientelistic ends, which entails plundering of public resources for pat purposes. In extreme cases bureaucrats sell their public services, charge fees for doing their jobs.
- Politicians seek above all to appropriate external transfers = rent on holding office. Must contend with domestic competitors and donors who attach conditions. However those who control state have crucial advantage as they clutch onto office and donors have no choice but to deal with them.
- So there is a "threshold of expectations" as well as "threshold of efficacy" that can be broken through as a the State deteriorates and spirals downward into a state of decay.
- After independence Africans believed state could perform both formal and informal functions, i.e., had purpose beyond clientelistic role. Over time Africans came to see state as merely a predatory body that they couldn't benefit from. Once majority of population loses expectations that state can be anything other than patrimonial they lose hope of it modernising or offering them help. Africans' cynical view of benefits of democracy or decentralisation.
- Process of state decline changes qualitatively below a threshold of expectations and efficiency. Above this there is hope that a state can improve bureaucracy, institutions and governance, but below these the state is deprived of substance and may need to be rebuilt from scratch. Little precedence of this happening historically and it appears to be very difficult.

- Therefore, need to focus on problems that arise because:
 - o Imperative to avoid state decay below this threshold. How to measure the threshold? There is no precise indicator of limits but no mystery by which process state begins to fail and population lose faith in potential of politics. Local and external expertise should both be used to investigate this area. Starting point for aid organisations to listen to what people say. But because most outsiders come with own agenda they rarely do listen.
 - o No difficulty in identifying leaders that are concerned with avoiding state decline. They can deliver on effective government and can help repair the state. Functioning neopatrimonial systems require functioning formal state. Administration had to function 'properly'. Can identify politicians who are committed to and can deliver on more efficient government.... Museveni when he first took power but not now when he is more interested in playing the 'political game'.
 - o In some states there never was any bureaucratic capacity (e.g., Zaire) – distinction between those which have had functioning state inherited from colonial period, and those that never have.
 - o Even well organised states have achieved level of collapse that have rendered them useless (e.g., Ivory Coast). Political strife, incompetence, competition are the root causes of collapse.
 - o Where there is political will more efficient state can emerge. Leadership matters but not too much store can be put in it (e.g., Mali).
 - o Key determinant of good governance, then, is the way in which power is exercised. Neopatrimonialism is compatible with minimally operationally government but dynamics of informal system eventually weaken state.
 - o Aid can help sustain neopatrimonial networks, preventing state decline below the threshold, propping up the state until political pressure from below can put it all forward but neopatrimonialism will not deliver development
 - o Devolution of power, decentralisation, can only work to improve conditions when state is committed to improving conditions (efficiency, development).
 - o Efficiency and development, if it occurs, will result in increased state legitimacy, which is important.

Simon - Discussant

- Step 1 in Chabal's argument = a list of things a state has to do
- There are other lists around – there is a need to bring them together through the series so that can recognise functioning state, e.g., Lockhart and Ghani list which also has formation of market, management of states assets, managing IR, etc.
- Step 2 in argument = what are features of successful developmental state? Not so much in terms of action but in terms of characteristics of state – Adrian Leftwich (University of York) said development is more likely when five conditions of the state are met: strong elite; autonomous state structures; strong bureaucracy; weak civil society/penetrated by state; human rights protection is poor.
- Summarises Chabal's argument = 3 main elements:
 - (i) below the threshold a state will collapse – interesting and much debated in other fields, e.g. poverty thresholds;
 - (ii) states used to be good and now they're not, and there is trend of decline. However some states were badly governed after independence and have

improved and shift from authoritarian to democracy has not always resulted in state collapse e.g. Ethiopia, which is better now than under Mengistu;

(iii) State collapse caused by decline in state resources because of failure of growth and reduction in aid. This is paradoxical in that reversing resources doesn't always reverse decline.

- State rebuilding – Chabal should say more – was running out of time – is the main solution = find progressive politicians?
- Ends by referring to Hilary Benn's speech (Feb 06) on governance as part of White Paper consultation – model of what good governance is and he said it boiled down to 4 things: authority; responsibility; accountability; legitimacy.

Discussion:

1. Politics is missing from the discussion. There is a lot of discussion of state failure and the response is about structures and the need to change formal institutional arrangements. More critical and implicit are issues of politics, such as whether the state runs an effective interventionist strategy depends on how well its structures are managed. Critical issues of what makes politicians act well or badly need addressing, and simply saying that this is function of clientelism is not adequate response.

Clientelist politics in South Korea produced good effects. Why does it work well in one place and not in others? Argument that there is good clientelism and bad clientelism doesn't cut it. What is critical is to look more closely at detailed dynamics at what produces good/bad politics and political-economic relationships that produce particular patterns of outcomes. (cites Zimbabwe now cf. Uganda 1960s-70s).

Chabal: Argument not about good/bad clientelism but about the way that power is exercised and what consequences it has on functioning of government and on the prospect that government will invest in development. Need to understand the way in which the political sphere operates (relationship between rulers and ruled) so as to sustain a form of neopat. So long as there are expectations that neopatrimonial is a legitimate way to conduct politics, this will be incompatible with more efficiency management that will generate development. Difference between S Korea and SSA – clientelism and corruption were directed to one end, i.e., development in S Korea. This not happening in SSA.

2. Patrimonialism can be great and all politics are patrimonial in some way or another. Shouldn't talk about patrimonial or neopatrimonial and instead focus on developmental states: what makes them?

Chabal: whether we talk about patrimonialism is not the issue – the issue is what is the role of that particular process (whatever it is called) within political system? Neopatrimonialism is not evil, it's just the way things work. It's true that neopatrimonialism exists everywhere, but the question is whether it is the driving force and basis upon which political legitimacy is acquired and maintained. Benn's points – what are the pillars of accountability and legitimacy - in some states this continues to be clientelism and this is what is intractable not the word 'patrimonialism'. In S Korea, legitimacy is measured by the extent to which politicians and business are able to promote S Korea, i.e. basis of legitimacy is different and is one that sustains development. Yes, you can be corrupt but your corruption has to be suited to development and this is not the case in Africa because instead corruption is used for distribution to clients, and not toward development.

3. Which states in SSA are currently above threshold?

Countries above the threshold of efficiency are those that can drive economic development forward and attract investment. 'It's a process' and it's difficult to give a definitive answer.

4. The question of incentives, which is the key question: and this is under-researched. Clues = to what extent are global drivers of bad governance (vis-à-vis the political class) responsible, e.g. resource curse. And should we be looking more carefully at political settlements in countries to explain their part [in state failure?]. When is the deal between different parties robust [and helpful/developmental]? Other countries worked hard at constructing deals between different interest groups (e.g. affirmative action in Malaysia.) Key question = why isn't there an incentive [in Africa] to invest in one's own country?

Chabal: What drivers/processes can generate attributes of the developmental state? Its difficult to answer because may involve having to confront unpalatable truths: e.g., most African politicians don't see development as priority – priority is to obtain more resources = quite different assumption to the one that external donors make that politicians want to pursue development. In the absence of the pie growing bigger politicians have to grab resources from those who have it (e.g., Zimbabwe and Uganda). In this situation no mystery why resource curse operates the way it does, though Angola manages its industry better than Nigeria.

5. Domestic pressure is needed to move away from neopatrimonialism: Any concrete suggestions for outside actors can support this activity?

Chabal: You cannot support an activity which people do not want to undertake. If people see clientelism as a better way out of a predicament then there is little you can do. If they don't feel this – i.e., if they feel they want to make a change – then what do outsiders do? Then they can give support. E.g., Pentecostal churches in W Africa are the fastest growing organisations – an institution that explains to people their situation and offers answers. Clientelism/neopatrimonialism is the central plank of unequal reciprocity in which these societies operate and can't disregard this – not a normative issue. Civil society will eventually press upward.

6. Need to recognise that state building is a long term process. How are states created? How long can it take? It took between 1700s and 1945 (after European 'civil war') in Europe. The colonial legacy is that states were just left behind, with few trained civil servants/people; bureaucracy lacked capacity. But were post-independence states really states that were going to stand the test of time. They were states that were already collapsing. Can we meaningfully call these entities states that were meant to last? In social historical terms Africa is not at the stage that state apparatus makes it appear. The % of peasants in Uganda now is similar to that in France in 1789. There is an inverse relationship between propensity for democracy and the level of aid, citing Kenya, Uganda and Tanzania's democratic elections/third term issues and aid inflows.

7. Chabal's is a convincing but depressing argument. The problem with looking to Asia is that it impossible to conceive of that type of nationalism playing the same role in Africa that it did there. Secondly, there isn't an indigenous capitalist class that can be taxed and make demands on state. Sources of reform of state are hard to find. But he is more optimistic about the positive force of party competition in certain circumstances than Chabal. How about Goren Hyden's idea that historical process is something that occurs rigorously in stages and need capitalist class before have hope of having dev state? (citing Hyden's, *No Shortcut to Progress*). On other hand, Colin Pulton (?) at Wye College has done research on reform of marketing systems

in agriculture sectors in Africa and found that institutional blockages that normally prevent or slow development, export-oriented agriculture, are being challenged/ solved by private initiatives. The question is: is this the way forward? If what is necessary to reform the state is a capitalist class that is effective that can generate productivity improvements, should we shift attention from state to supporting these sorts of private sector initiatives?

Chabal: Indigenous capitalist class is fundamental, so the question becomes how to proceed without it. Need for balance between capitalist class that is pushing the state to make it possible for it to move ahead. Go back to old Marxists' argument re Africa: there is not enough capital penetration rather than too much. We can't just focus on state. No answer. Best example of capitalism is cocoa farmers in Gold Coast before independence. But there is potential for a capitalist class to develop in Africa – many entrepreneurial Africans return to Africa, having had success overseas. The reason they can't move forward is political factors. Elections – can help in some circumstances, but won't trigger process of development.

8. How do you explain virtuous enclaves within African state systems, given the suggestion of impossibility of progress given the political economy that you describe? Whole parts of African government can perform well on many dev fronts e.g. tax authorities in Ghana – how can these be explained given incentives of system?

Chabal: There are individuals in Africa who are committed to more virtuous circles. But the question is whether they can become a political force? So far, this has not happened for reasons that have been explained. They lack interlocking structures to push this forward. We need to study these returning, successful businessmen, over time. This analysis is not based in pessimism but realism.

9. Chabal's suggestion of a threshold – at what point do you become cynical? Are these thresholds universal e.g. Latin America has low expectations and certain amount plundering but state still functions. Would it not be better to speak of 'direction of travel' not threshold, where you are relative to where you were? If you can persuade people that things are getting better than maybe point that people get less cynical

Chabal: useful idea – 'direction of travel'. People can gauge change.

10. To blame everything on aid falling and debt going up is inaccurate. Lots of other factors, e.g. population growth, global economic decline 1970s, resource prices, etc = world economics.

Chabal: not blaming all on these factors but world system is same for all players. States decline for political reasons. Finally, Benn's 4 words all mean the same thing.