

Research Project Framework Paper

Political Economy & Political Settlements Analysis of Employment Creation Schemes in Agriculture & Manufacturing Sectors in the Context of Inclusive Growth in Africa

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1. SUMMARY OF PROPOSED RESEARCH PROJECT

Partnership for African Social and Governance Research (PASGR), in partnership with the International Development Research Centre (IDRC) is launching three-country case studies on wage employment creation schemes in *agriculture* and *agro- manufacturing* sectors in the context of inclusive growth in Africa. The study proposes to use ‘political economy’ and ‘political settlements’ as the governance analytical lens. Agriculture and agro-processing industries have been selected for a number of reasons:

- a. Both possess great potential and elasticity to generate wage employment and alleviate poverty in Africa, but have failed (Dercon & Gollin, 2014; Fan et. al, 2009);
- b. Possess backward and forward linkages with other sectors of the economy unlike the service sector that is mainly based on consumption and non-tradable goods (Eboh, 2011);
- c. Both are main source of structural transformation and economic growth as shown by examples in South East Asia (Van Donge, et. al, 2012; Henley, 2013; Tania Li, 2011);
- d. Substantially influenced in Africa by politics, hence amenable to types of political settlements in the country (Poulton, 2012; Poulton & Kanyinga, 2013; Chisinga, 2012; Berhanu, 2012; Rosario, 2010; Action Aid, 2009).

Using stakeholders’ forum as an entry point, researchers from Ethiopia, Nigeria and Kenya will examine the why and how of the constraints to wage employment in innovative agriculture and agro-processing manufacturing schemes, and what can be done in the context of different types of African political settlements. The study has the potential to make the following contributions:

- i). Provides new and usable knowledge on how political settlements approach can (and in fact is being used to) promote win-win (inclusive) growth. Policy actors¹ and development practitioners who wish to support inclusive growth in Africa will find the study very useful.
- ii). Leads to high quality policy relevant publications in academic and policy related outlets.
- iii) Provides important discussion materials for PASGR proposed donor round table meeting to explore further governance research projects in Africa.

¹ The term ‘policy actors’ is used instead of ‘policy makers’ to connote broader stakeholders in the employment arena. The actors include local & national politicians, small and large scale commercial farmers, industrialists, civil society organizations, donor agencies and researchers

2. PROJECT BACKGROUND

In Africa, most of the past two decades have witnessed remarkably high rates of economic growth. For example, between 2004 and 2012, African economies grew by an estimated annual rate of about 6% (African Economic Outlook 2014). Yet, the labour force employed in wage-paying jobs only increased by 0.4% per year (McKinsey Global Institute, 2012:21) thus excluding millions of available men and women from gainful employment. This pattern of jobless growth shuts the door to much needed opportunities for the bulk of the population. Growth is inclusive if it provides high levels of employment and rising wages to the citizens, and further enables them to have a say on the orientation of the growth process (IPC-IG, 2013; Ranieri & Ramos, 2013; Khan, 2012). Without the inclusion of critical segments of the population, the political and social conditions necessary for the consolidation of growth is missing and the growth process itself is shallow and imperilled.

Driving home the precarious nature of the recent growth spurt in Africa, Booth (2015) notes that despite the economic up-turn, improvements in smallholder agricultural productivity are patchy or non-existent while mining, construction and the service sectors are booming in response to international demand and the needs of new aspirant middle classes. The recent growth also ignores the acquisition of technological capabilities and the up-scaling of manufacturing or agro-processing enterprises. In general, he notes that consistent 'state policies in support of either agricultural transformation or technology-based industries are notable by their absence'. Despite the growth spurt, the basic structures of African economies inherited from colonialism remain untransformed.

Within the resulting milieu of jobless growth, women in particular have been severely affected, relegating the majority of them to precarious and vulnerable employment in an informal sector weighed down by large numbers of ill-resourced entrants. The African Development Bank (AfDB) observes that nine in ten workers in African rural and urban areas have informal jobs and most employees are women and youth. The proliferation of the informal economy in Africa is attributed to the opportunities it offers to the poorest and most vulnerable segments of the population, such as women and youth (AfDB 2013). Though sections of the informal economy offer some prospects for accumulation, most participants in it are barely scrapping by. Therefore, large sections of the informal economy offer possibilities, not so much for the inclusion of these women, youth, and the poor, but for their 'adverse incorporation'.

In the past, economic stagnation had been attributed as the main challenge to employment creation, income growth and equity. But with consistent high growth rates over a period of two decades, understanding the constraints of wage employment² creation in Africa is beyond simple economic analysis and explanations. In fact the African Development Bank report of 2012 shows that the region's fastest growing economies—which include Ethiopia, Rwanda, Tanzania and Uganda—have the lowest employment intensity of growth (AfDB, 2012; African Growth Initiative, 2013). Understandably, the African Union (AU) has raised concerns about the political and social consequences of increasing unemployment, inequality, poverty and social exclusion (AU, 2011). The need for inclusive growth has become a major issue across African countries. *How inclusion is understood in the African context and how it can be achieved are major objectives of this research project.*

Experiences from South East Asia show that promotion of inclusive growth requires sustained development of productive employment sectors, which also requires the involvement, not withdrawal, of the state in terms of growth-enhancing policies and investments on a scale that private entrepreneurs often cannot provide (van Donge, et. al, 2012; Henley, 2013; Whitfield & Therkildsen 2011). Policies that support productive employment creation include the promotion of innovation, market demand, and political support. But these policies can also induce rent seeking behavior when economic organizations take advantage of ineffective state institutions to subvert their actual implementation. This was what happened during the drive to industrialization in the immediate post-independence period in much of Africa. It is noteworthy, that since the 1980s, much of economic policy in Africa has been targeted precisely against such rent-seeking opportunities. On the whole, in the African context, making sense of socio-political developments and developing policies to promote economic growth have been done through the lens of two dominant paradigms: neo-patrimonialism and neo-liberalism. However, these paradigms are now coming under sustained scholarly criticism. As a consequence of the identified flaws in the paradigms, some scholars are now proposing an alternative path, based on the political settlements paradigm. It is argued that this approach provides the possibility of overcoming the blind-spots and value-laden assumptions of the two previous paradigms. By drawing attention to the real institutional, economic, and political struggles which have shaped contemporary African states, the political settlement paradigm promises not only to provide a more nuanced explanation for the socio-economic trajectories of African states, but also provide

² Wage employment includes any salaried or paid job under contract to another person, organisation or enterprise in both the formal and informal economy.

the policy insights necessary for overcoming non-inclusive growth and untransformed economies. *Investigating whether the political settlements approach can deliver on these important promises is another important objective of this research.*

2.1 Neo-Patrimonialism, Neo-Liberalism and Political Settlements

Neo-patrimonial approaches have dominated political economy research on Africa in recent decades (Mkandawire 2013). As Gray & Whitfield (2014, 2) note, with the onset of economic decline in the 1980s, most analysts abandoned the study of concrete processes of capitalist development and economic transformation on the continent. Instead, attention shifted to the explanations for poor economic performance. Neo-patrimonialism and neo-liberalism sought to provide explanations for the economic decline. In so doing, both created the basis for policy prescriptions – or advanced explicit policy platforms - that have been largely rejected by the political settlements approach. Neo-patrimonialism argues that in Africa the formal structures of the modern state are only a shell for the exercise of power by individuals using hidden transcripts based on informal and culturally determined repertoire. In this hybrid form of rule, informal patron-client political ties determine the management of power, rather than the formal and impersonal Weberian principles on which the modern state is supposedly built. The blurring of the dividing line between the public and the private creates the room for the gross abuse of state resources by rulers who nevertheless maintain their power through buying support from their clients. The rule of law and the rational bureaucratic principles of the modern state suffer as a consequence. The resulting politicization of the allocation of scarce economic resources, and in some cases, the idiosyncratic behavior of individual leaders are all seen as explanations for the economic decline suffered by many post-independence African states.

On its part, neo-liberalism based its arguments on public choice/rational choice theory to explain African economic decline in terms of weak institutions and the rent-seeking behavior of African leaders. As Mkandawire (2013, 9) notes, within both the neopatrimonial and the neo-liberal paradigms ‘the answers posited invariably point towards some form of malevolent state simply acting on behalf of, or at the behest of, ruling interests.’ Though both paradigms are coming from somewhat different premises, they both converge on the need for open markets and better governance in African countries. Both assume that business-state relations in Africa are always collusive and about rent-seeking, and that rent-seeking is always unproductive. The paradigms assume that the freeing of markets from political influence and the rise of formal authority through rational-legal state institutions are pre-requisites for successful economic performance.

Through Structural Adjustment Policies (SAPs), neo-liberalism sought to roll back the African state, privatize the economy and 'get the price right'. These were all assumed to lead to more rational and equitable use of resources. Much of the so-called Post-Washington Consensus and the PRSPs that followed the SAPs have not deviated substantially from this neo-liberal template.

It is not so much that the observations on the dysfunctions of the post-colonial African state were wrong, but that they were traced to the wrong sources – the malign choices of gluttonous African 'big men'. Within these paradigms, governance is frequently reduced to the cynical exchange of material benefits for political support; the symbolic legitimation of authority implicit in Weber's concept of patrimonialism and any capacity for the ruled to exert some control over their rulers are lost (Pitcher *et al*, 2009). Secondly, the assumption that privatization and political liberalization would necessarily 'free' the economy and politics ignored the deep historical and structural roots of the problem and the continuing capacity of African elites to protect their interests even under these new market-friendly conditions. Finally, by assuming that free markets and an unobtrusive state would automatically lead to the development of economic comparative advantage linking African economies into the global market, the paradigms bypassed the real question of the domestic capitalist transformation of Africa states and its historical obstacles. Under neo-liberal influence, African economies virtually returned to their colonial template of exporting limited raw materials in exchange for manufactured goods from outside. The growth in African economies in recent years were not the result of the neo-liberal experimentation of the past two decades, but largely the result of increased demand for raw materials from China and India, the demands of a rising but still limited African middle class and opportunities created by new technologies in ICT.

As Gray & Whitfield (2014, 2) noted, the rise of the rational-legal state authority advocated by the two paradigms 'is the result of capitalist development rather than its pre-requisite'. They suggest that historically, 'good governance' institutions come after the development of capitalism rather than preceding it. Gray & Khan (nd) add that the evidence that these good governance characteristics are a precondition for development is weak. In the East Asian tiger economies, governance structures did not correspond to the requirements of the good governance model with levels of corruption which were often very high during the early period of rapid economic growth. At the same time, the rule of law was far from satisfactory, and accountability was often far removed from the democratic ideal. 'Yet states in these successful

economies had other critical governance capacities that allowed them to sustain high levels of investment, and to absorb and learn the use of advanced technologies rapidly'. The authors note that the Asian example suggests that the governance capabilities critical for development are those necessary for the rapid transformation of productive capacities but the conventional governance approach touted in Africa focuses primarily on transparency and accountability to ensure efficient pro-poor service delivery by the state and tends to ignore these critical state capacities. The 'good governance' agenda in Africa stymies the cultivation of such transformative capabilities. Even with the best of efforts, these 'good governance' objectives are unachievable in the short to medium term because they run counter to the deep historical evolution of African states and the real nature of the obstacles to economic transformation. Gray & Whitfield (2014) add that the pervasiveness of political clientelism in developing countries, far from being a willful, self-serving choice of malign African leaders, 'is the result of particular features of late capitalist transition, namely, the need to forge political stability for the state, the role of the state in subsidizing technological learning through the creation of rents, and the collapse in traditional systems of property rights that results in endemic primitive accumulation' from the start of colonial rule. All these criticisms point to significant questions about the relevance and sequencing of the 'good governance' reforms in African states (Khan and Gray, nd.). Finally, regarding the paradigm of neo-patrimonialism, Mkandawire points out that it is such a blunt instrument that it lacks the capacity to explain differences between countries or within any country over time.

Building on these criticisms of neo-patrimonialism and neo-liberalism, the political settlements paradigm suggests an alternative explanation for Africa's economic trajectory through the identification of the underlying distribution of power in society, the economic structures which undergird the power distribution, and the political struggles around these processes. A political settlement is defined as a 'combination of power and institutions that is mutually compatible and also sustainable in terms of economic and political viability' (Khan 2010: 4). Gray & Whitfield (2014, 3) note that the economic structures of developing countries create strong incentives for the emergence of patron-client networks and the domination of personalized politics. They argue that accumulation and productivity growth and capitalist transformation necessarily takes place in the context of political clientelism. This process involves shifting resources among sectors of the economy, geographical areas, and groups in society and by necessity such resource shifts can generate some opposition within society. They add that the distribution of power outside and within the ruling coalition determines the political costs of certain policies, as

well as the effectiveness of implementing them, given the resistance or support from powerful groups in society. 'The political settlements approach focuses on how competition among groups shapes the creation, distribution and use of rents, especially learning rents, as well as the ability of ruling elites to implement changes in formal and informal institutions that are contested' (p. 3). It is these processes that shape the emergence of a capitalist sector and variations in these processes, resulting from variations in the distribution of power, largely account for differences in economic performance across developing countries and even within individual countries at different time periods. This paradigm suggests that informal institutions such as clientelism are central to the distribution of resources that maintains political stability even where formal institutions are out of alignment with the underlying distribution of power. Consequently, the starting point for a political settlements analysis is the classification of societies on the basis of their dominant institutions -formal and informal - and the underlying distributions of power within and between them. These institutions are the rules that guide social interaction while also determining the flows of resources to different groups and individuals in society. Gray & Whitfield (2014, 11) add that the concept of power in the political settlements framework is defined as the process through which individuals and groups are able to assert or maintain claims to ownership of property and income flows. This power is expressed through a multitude of channels: direct violence or the threat of it, ideas, sociological and institutional hierarchies, traditional authorities, as well as through access to economic resources.

Before colonialism, the pre-capitalist political settlement in much of Africa was associated with stable but very low rates of growth. Colonialism, unsettled this low growth but fairly stable pre-colonial political settlement. In settler economies of southern and eastern Africa, this process was initiated with the wholesale expropriation of Africans and the dismantling of their property rights by force. The settler capitalists then reconstituted a capitalist political settlement which guaranteed their property rights and regulated economic life. In non-settler colonies, largely in western Africa, such wholesale expropriation was not compatible with the maintenance of political stability because of the thinness of the colonial presence. Here, the demands of political stability necessitated the cultivation of numerous African intermediary groups whose rights had to be taken into account in the organization of the colony. The resulting blurring of rights and the murky distribution of power in the hierarchical and unequal setting created the foundations for the gradual collapse of the extant property rights and the widespread use of clientelism to reconstitute power and rights to resources. Instead of the capitalist political settlement of settler colonies, these colonies developed a clientelistic political settlement in which important informal

groups and processes aided the structuring of economic and political life. This process can vary considerably within and across countries, and as Gray & Whitfield (2014, 13) note, the pace and direction of economic development within the clientelist political settlement is shaped by three interrelated processes that result from the particular characteristics of late capitalist development; these are political stabilization, technological learning and primitive accumulation. Primitive accumulation in this sense is defined, not in the Marxian notion of the antecedence of capitalist accumulation, but as constitutive of the core of the development of capitalism itself. In these settings, primitive accumulation was – and is - the process of accumulation outside the formal market process where political power is used to privilege the accumulation activities of particular individuals and groups. ‘High levels of primitive accumulation are observable across developing countries because traditional property rights structures are in a process of collapse and transition. Property rights are particularly unstable in developing countries because most assets generate an inadequate surplus to pay for their protection. Protection of property rights is an expensive undertaking’ (Gray & Whitfield 2014, 14) invariably guaranteed through the exercise of political power through formal and informal processes. The clientelism and rent-seeking which neo-patrimonialism and neo-liberalism saw as deviations from the ration-bureaucratic rule-based norm are now seen as constitutive of the very process of capitalist transformation itself. While in Asian countries this process led to eventual capitalist transformation, in Africa states, this was not the case.

The key to understanding this divergence lies in the fact that while clientelism and rents were used in Africa largely to achieve political stability around particular individuals or ruling groups, in Asia they were used for much more than that because the Asian states were more coherent, less fragmented, and better resourced in both pre-colonial and colonial times, compared to their African equivalents. In Asia, clientelistic rents were also used to influence processes of technological learning and the consolidation of new property rights around economically productive classes. ‘This ... is at the heart of the developmental state literature on East Asia that identified the pivotal role of rents under conditions where the market alone cannot drive productivity growth’ (Gray & Whitfield 2014, 14). However, the authors also note that the political settlements framework differs from the developmental state literature as the explanation of policy success or failure in the selective deployment of rents and the constitution of new property rights does not only focus on the state; while the state may adopt formal policies of rent creation, the effectiveness of these policies will be shaped by the distribution of power within and outside the formal institutions that manage these rents. Gray & Whitfield note that variations

in economic performance across Africa can be attributable to variations in their political settlements and the resulting capacity to generate and distribute rents, whilst maintaining political stability. 'Variations in clientelism can be explained in terms of two dimensions: (1) the relative power among political elites and their factions within the ruling coalition as well as those political elites and factions excluded from the ruling coalition, and (2) the relative power of domestic capitalists vis-à-vis ruling elites. In turn, these variations are determined by the distribution of power in society at a given point in time' (p, 16).

2.2 Political Settlements and Agricultural Transformation

Contemporary Africa has seen many governments, donors, and commercial private enterprises supporting innovative agriculture and agro-processing schemes with the purpose of diversifying economic structures, improving productivity and expanding wage employment (both casual and seasonal). The schemes include Senegal's horticulture export industry; Ghana cassava and starch industry; Ethiopia & Kenya flower industries; garment in Mauritius; sugar and cashew nut industries in Mozambique, etc. These schemes are sometimes called Export Processing Zones (EPZs) with small and large enterprises involved in the activities. Research reports show that many of the schemes collapse or at best fail to generate the needed jobs because of inadequate supply of raw materials, lack of technological adaptation, weak capacity to implement programmes, access to market, etc. The literature is replete with such technocratic reasons.

Beyond the technocratic explanations for failure, other paradigms like the public choice theory has attributed poor agricultural performance in African states to the pernicious effects of clientelism and rent-seeking in the organization of agricultural development by the state. Pursuing the dreams of development, African states were said to have transferred resources from rural producers to barely efficient urban industries. Furthermore, it is asserted that African states, using a range of instruments from marketing boards to subsidies transferred resources to rural clients, not so much to engineer agricultural development, but to shore up political support around favored clients and constituencies (Bates 1981).

However, in recent times, anecdotal evidence is beginning to emerge that political economy analysis³ could offer alternative and/or better explanation on the constraints to employment

³ Political economy analysis focuses on the structures and institutions that distribute resources and power, the actors that make use of the structures or develop institutions within the structure, and the ideas that influence what they do, their interests that define their

creation schemes⁴ while political settlements approach offers a convening platform for stakeholders to settle on a win-win approach on productive employment schemes. Studies show that political settlements approach has offered opportunities for different political and economic actors (sometimes antagonistic to each other) to converge on productive sectors in Uganda, Ghana and Mozambique and Kenya (see Buur, Tembe & Baloi, 2012; Buur & Whitfield, 2011; Kjaer, et al, 2012; Berhanu 2012). Further studies are needed in different political settings to illuminate political settlements approach of what works and why/why not in agriculture and agro-processing productivity enhancement initiatives with particular reference to labour-using, not displacing, investments, Including out-grower schemes and commercial food crops. *Can the use of the political settlements paradigm generate an alternative explanation for the agrarian trajectory of African states? And what are the policy implications of such an alternative perspective? These two questions are germane to this research project.*

The kernels of an alternative narrative are implicit in much of the theorizing of political settlements⁵. Our task in this project is to reduce the theoretical insights into testable propositions which we can then confront with the empirics from our various countries. From the theoretical point of view, Khan & Gray (nd) advance a number of propositions that shed important light on the nature of agrarian development in African states with clientelistic political settlements. They note the importance of non-market transfers – primitive accumulation – in the economic life of these states. The background to these non-market transfers is that the bulk of economic activity is still carried out in pre-capitalist (traditional) economic sectors that face growing economic collapse. ‘This collapse is due to the fact that the existing owners of assets, who are organizing production using pre-capitalist methods, and using backward technologies, are increasingly unviable in terms of the incomes they can generate for themselves and for their workers. This means that they are unable to pay for the protection of their assets either through a public system of taxation or through the private purchase of protection. This, rather than the inefficiency of the state, explains why property rights are universally weak and unstable in developing countries’ (Khan and Gray nd, 21). Such non-market transfers are often ‘politically negotiated’ transfers which are not based on a voluntary contract. These non-market transfers

actions and sources of power, and their capacity to act effectively in the formulation and implementation of sound programmes in a country.

⁴ See conference papers on political economy of agriculture policy in Africa (PEAPA)<http://www.future-agricultures.org/research/policy-processes/592-political-economy-of-agricultural-policy-in-africa-peapa#.U9i37q6OvIV>

⁵ Political Settlement theorists do not agree on all points. For example, while Gray & Whitfield (2014) reject the further use of the concept of neo-patrimonialism, others like Booth (2015; 2015a) continue to use a reformed version of the concept. Similarly, while Gray & Whitfield point to the importance of domestic capitalist classes, these are not central to Booth's theorization. Such differences notwithstanding, a fairly distinct Political Settlements perspective can be said to have emerged in opposition to the hegemony of the two paradigms discussed earlier.

include taxes and subsidies targeted at particular groups, allocations of resources by the state through compulsory purchase orders or outright appropriations and allocation of land, and state price fixing that privileges the acquisition of assets by some individuals over others. At the predatory end, non-market transfers can also include outright theft of resources by individuals using military or political power. All these 'non-market transfers involve the state (or its absence) in the exercise of political power to capture resources. In dynamic countries, the transfers benefit emerging entrepreneurs who are subsequently able to protect their investments as their productivity increases, and generate greater surpluses, while in lagging countries resources are captured by political entrepreneurs who are unable or unwilling to make productive investments. In the latter case, non-market transfers appear to be increasingly predatory' (Khan & Gray nd, 22).

The authors note that in states that are highly fragmented – as in much of Africa, the distribution of rents through the state often fails to achieve stability and the extraction of resources can appear to be increasingly predatory. However, it is the very same processes of state activism that lead to both the vicious circle of predatory political corruption (as in many African states) and the virtuous circle of capitalist transformation through primitive accumulation (as in East Asia). While political corruption or primitive accumulation are not desirable, developing countries with a clientelistic political settlement have no feasible alternatives for achieving political stabilization or the restructuring of assets through efficient markets, given their lack of fiscal resources. But for political stabilization and economic transformation to take place, 'we require that the state has the minimal institutional and political capacity to maintain political stability (using political corruption as one of its tools) and we require that those who gain assets through non-market transfers are secure enough in their possession of these assets to begin to engage in productive activities. Otherwise, political corruption and primitive accumulation will both have all the characteristics of extortion and predation' (Khan and Gray nd, 26).

2.2.1 Research Perspective

Moving beyond the theoretical and conceptual issues raised above, we ought to develop clear and measurable variables through which we can begin to explore the applicability of the political settlements approach to the study of contemporary African agriculture. Booth (2015; 2015a) provides a viable starting point in this regard. In one paper, Booth sets out to address the question: What should count as a developmental political regime in the context of contemporary

Africa? In the second, he presents a typology of political settlements that may be present in Africa. Between the two exercises, we can connect particular developmental policies to particular types of political settlement. *In short, through both papers, we can address the question: what policies are developmental in the current context of African states and are these policies connected to particular types of political settlement?*

Booth (2015) makes the point that in the African context, we should be concerned with ‘development regimes’ – an intermediate category between state and government – rather than the ‘development state’ with its origins and intellectual baggage rooted in Asia. Noting that ‘the only generally shared feature of Asian models of development success to date, including China, is the absence of a model, a focus on urgent action to address problems and a willingness to employ trial and error in the search for applicable solutions’, he cautions against the mimicry and abstract ‘modelling’ of the development state that has characterized the debate on the subject in Africa.⁶ He suggests that a developmental regime in Africa is characterized by: 1) policy content that focuses on raising productivity in peasant agriculture as an essential first step; 2) sound policies based on an iterative, problem-solving type of policy process; and 3) a political settlement or elite bargain that allows a national leadership to focus on things beyond winning the next short-term political struggle. Thus, the concept of the developmental regime ‘incorporates a testable hypothesis about the causal connections between sound policy choices, policy-process quality and political settlements’. Our research agenda on agrarian development should therefore zero in on the three key points identified by Booth:

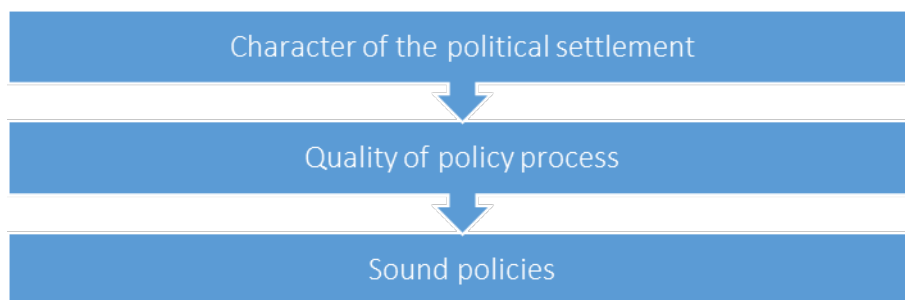
- (a) economic policy *content*,
- (b) the policy-making *approach* based on problem-driven iterative adaptation (‘PDIA’ for short)
- (c) the prevailing *political settlement*.

From this perspective, a developmental regime, concerned with socio-economic transformation and job creation would be one that is ‘actively promoting and supporting a productivity revolution in agriculture and/or pursuing a deliberate ‘industrial policy’ with a view to building capabilities and acquiring new comparative advantages for exploitation within regional or global markets’. Freeing policy-making from short-term clientelistic imperatives is the key to evolving a

⁶ It was Thandika Mkandawire who once opined that in other climes, people just got on with building their developmental state, in Africa he argued ‘we talk about it rather than doing it’.

problem driven iterative and adaptive (PADIA) policy-making orientation. And for PDIA to become a significant mode of policy-making, it needs a supportive political settlement that is not only consistent with underlying power relations but also encourages problem-driven, learning-oriented policy making. Booth argues that from a causal point of view, the hypothesis is that developmental regimes are constituted as shown in Figure 1 with the arrow pointing from the political settlement, through the quality of the policy process, and finally resting with sound policies. From a research perspective, we should *reverse* the arrow, starting from the existing policies, then moving on to the policy process, and ultimately seeking to connect both to a possible political settlement.

Figure 1: A Concept of Developmental Regime



2.2.3 Typologies of Political Settlement

A central issue addressed in Booth (2015a) is the typology of political settlements. The criteria for the typological effort are set out as: (1) a political settlement is a ‘two-level game’. It involves, on the one hand, the relations and interactions among key elites, and on the other, between these elite factions and their respective groups of followers; (2) political settlements are not one-off critical events, but durable ongoing processes with a mid to long term perspective, although they may be initiated by critical one-off events; (3) while a new political settlement may be expressed in particular institutional arrangements such as a new constitution or political party organization, it is not to be identified with them. ‘A settlement is a (re-)arrangement of political and economic power relations, one that is viable in the sense of providing a (long-established or new) means of sustaining the peace’ (Booth 2015a) and inclusive growth.

It is also significant to note that leading scholars of political settlements are far from agreed on the typologies one can derive from the above principles. For the purposes of our research, two sets of typologies are of particular importance, and they are set out in summary form in

Appendixes A and B. Based on our deliberations in Nairobi in April 2015, researchers are encouraged to first attempt to use the typology in appendix A. However, should they prefer, researchers are also at liberty to use the typology in appendix B or any other typology they deem most appropriate.

It should however be borne in mind that actual instances of political settlements can sometimes lie at the boundary between two or more types or will have elements of several.

- (1) How rents are generated and managed,
- (2) how the system is legitimated amongst non-elites,
- (3) and how inclusive the system is – horizontally and vertically – are the key issues worthy of investigation in every particular instance of a political settlement. Furthermore, while there is a high rate of female labour force participation in Africa, poverty and vulnerability continue to have a gender face. Women are concentrated in vulnerable employment schemes. It is not clear how political settlements affect productive employment schemes in which women predominate. In other words, the relationship between political settlements (elite bargain, negotiations, and pacts) and gender equity in employment schemes will be a ground breaking study to come from this project. None of the studies on employment schemes has provided any perspectives on gender equity and gender inclusiveness as outcomes of political settlements. Finally, research on each sector could be more insightful if the following cross-cutting issues are also considered in the analyses:

- (i) urbanisation
- (ii) youth
- (iii) entrepreneurial development
- (iv) and leadership.

3. PROJECT OBJECTIVES, RESEARCH QUESTIONS AND EXPECTED OUTCOMES

3.1 Project Objectives

The main objectives of the studies are:

- (1) to use 'political economy' and 'political settlement' approaches to generate new evidence on constraints on employment creation schemes in Africa and their gender dimensions and;
- (2) further use political settlement approach to convene strategic actors' platform to promote productive employment schemes.

To achieve that the study will specifically:

- a. Choose case studies of agricultural and agro-industrial projects in the study countries;
- b. Convene strategic stakeholders forum in each country that would enable different interest groups to identify constraints and opportunities in the selected case studies;
- c. Carry out the political economic study of the case studies;
- d. Examine the current configuration of political settlements in the case studies;
- e. Where relevant, use informal platforms of different interest groups to discuss how alternative political settlements or coalition can help provide a win-win scenario;
- f. Use the knowledge generated from the study to further inform policy discussions with governments, donor agencies and private businesses that are interested in promoting productive wage employment schemes in different African political settings and;
- g. Publish the findings of the study and disseminate widely.

3.2 Indicative Study Questions

The overarching questions that the research would find answers are:

1. What is the policy context for agriculture in the country of study?
2. What is the political economy of the cases chosen for study?
3. How is the policy making process related to these cases conducted – how inclusive, how iterative, how developmentalist?

4. How were different political settlements arrived at within a country and in the agricultural sector?
5. Under what conditions do ruling elites or coalition support a particular wage employment promoting scheme in Agriculture and/or agro-processing sectors?
6. To what extent does contestation over -- and access to -- rents associated with natural resources (government/donor revenues; or special discretionary favors) crowd out entrepreneurial interest in and labor-intensive export oriented agriculture and manufacturing sectors?
7. To what extent has agricultural development in the country been focused around supporting productivity gains among small farmers, versus providing support for extensive, capital-intensive commercial agriculture? And to what extent is this as a consequence of the political weakness of small farmers?
8. How is success or failure of a particular wage employment scheme in agriculture or agro-processing manufacturing industries related to the nature of the political settlement in a country and sector to be determined and what policy implications can be drawn?
9. How do different political settlements on employment schemes enhance or constrain gender equity and gender inclusive outcomes?

3.3 *Expected Study Outcomes*

Two outcomes are expected from the study:

- a. Development of strategic stakeholders' forums that have the potential to facilitate policy engagement and research evidence uptake in productive employment schemes in the study countries.
- b. High-quality policy relevant publications under the umbrella of PASGR and partners. The papers will be presented in high level academic and policy conferences/seminars.

4. ANALYTICAL OUTLINE OF PROJECT

4.1 *Study Analytical Framework: Political Economy and Settlements*

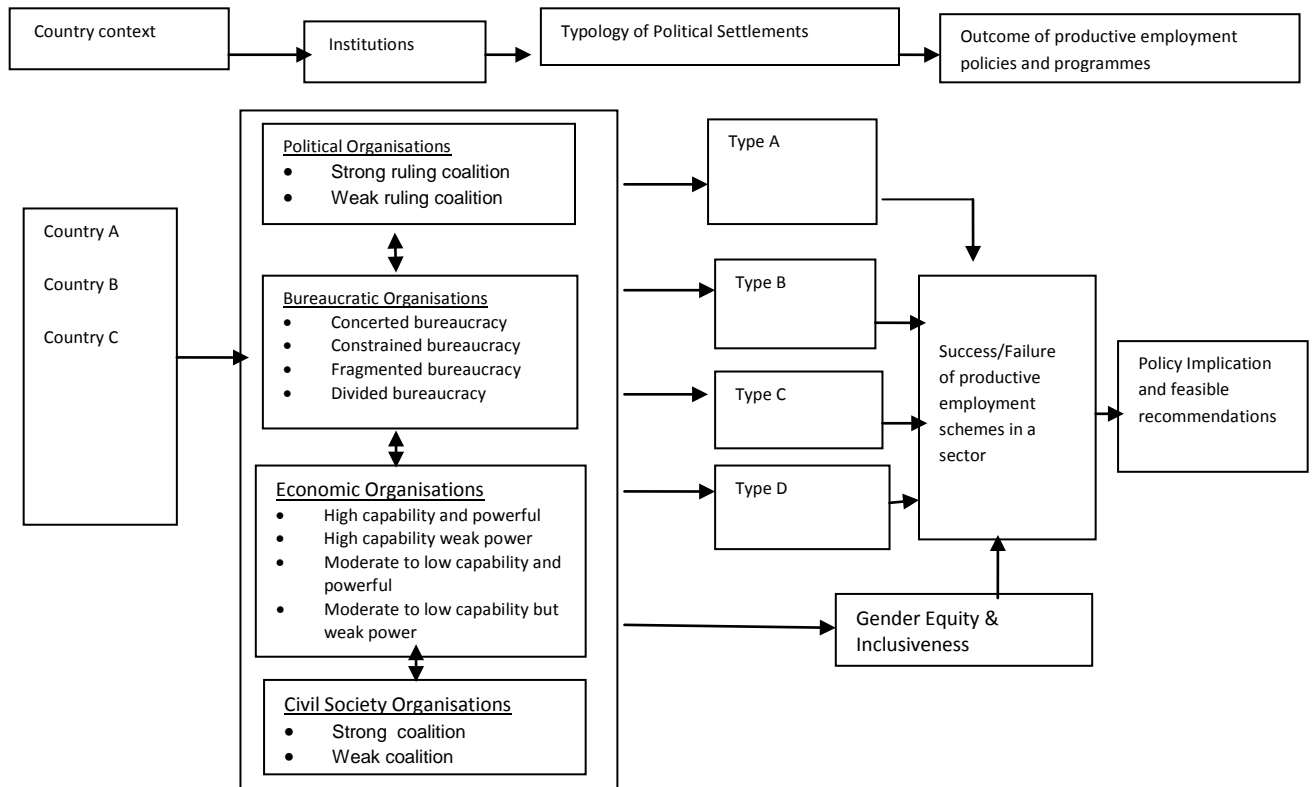
In Africa, different types of political settlements are formed from the interaction of political, bureaucratic, and economic organisations. Depending on the type of political settlement that is arrived at in a country context, productive wage employment policies and schemes could be successful. The analytical framework for this study draws from Poulton, 2012; Khan 2010; 2012; Kelsall, 2013; North, 2007; Whitfield and Therkildsen, 2011; Laws, 2012. It is based on the following hypotheses:

- Ruling coalition or elites will support productive wage employment schemes when they perceive that will enable them continue to stay in power.
- Promoting productive wage employment would demand targeted investments, policies and programmes that in the short term only benefit entrepreneurs in a certain industry. Their political allegiance to the ruling government is imperative.
- Ruling elites build coalitions and seek to win elections. Coalitions are often maintained through patronage and by maintaining clientelist relations.
- Promoting productive wage employment schemes is a long-term undertaking of which results cannot be ascertained immediately. Looking for short-term gain, this condition does not offer adequate incentives for ruling elites to take initiatives or provide sustained support to employment schemes.
- Ruling coalition will implement supportive policies and strategies for a productive sector depending on the actors in that industry and the interest and strength of those actors in relation with the ruling coalition.
- In the African context, regional, religious or ethnic factors may facilitate or undermine the capacity of particular elites to attract electoral support in some parts of the country. These might then influence the willingness of such elites to invest in job creation schemes in such regions, regardless of the presence or absence of investment potentials.
- To be successful in building productive employment in a clientelist environment, political support may be needed.

The above hypotheses shows that successful promotion of productive wage employment in agriculture and agro manufacturing schemes will be shaped by complex political settlements

between political, economic and bureaucratic interest groups and strategic calculation of short and long term routes by each of these actors. A number of hypotheses can be tested pitching one political settlement model with productive employment schemes either in agriculture or manufacturing industry (see analytical framework in Fig 2).

Fig 2: Analytical Framework of the Study



The types of political settlements in a country context can be described as independent variables while employment schemes in agriculture/industry as dependent variable. When non-economic organisations like civil society and traditional chieftaincies are added to the institutional model, they could modify the political settlement that is arrived at. When different actors, their ideologies, interests and powers are separated analytically, it becomes possible to examine how these interactions or configurations contribute to the constraints of wage employment creation schemes in the two productive sectors.

4.2 Gender Dimensions

More than 60% of African women participate in the labour market. The study will critically examine any effect of political settlements on their participation in specific employment schemes. In the selection of cases to study, we will pay particular attention to productive employment schemes that have high female participation.

4.3 Commissioned Studies in Three Countries

Each country study will cover about two schemes in commercial agriculture or two schemes in agro- processing as agreed at the April 2015 workshop in Nairobi; and further combine ‘political economy’ and ‘political settlements’ analyses. Each country will provide a longitudinal analysis showing historical and contemporary trends in the sectors.

4.4 Selection of Study Countries and Profile of Targeted Researchers

PASGR and IDRC have agreed on the 3 countries that the study will cover based on a defined typology of political settlements (see annex A) and knowledge of specific wage employment schemes in agriculture and manufacturing sectors in the country. These countries are Ethiopia, Kenya and Nigeria. An initial ‘scoping study’ to map employment schemes in Africa has been helpful in identifying and selecting the study countries.

4.5 Strategic Stakeholders’ Forum

The country studies will commence with the identification of the relevant case studies. This will be followed by the convening of strategic actors/stakeholders forum where interest groups will have the opportunity to discuss with the researchers, the constraints in specific employment schemes that have been selected, the political settlements/coalition currently in place, and how the study intends informing and influencing policy uptake. The stakeholders will be key informants to the study and will also be part of a coalition group to be involved in policy discussions and uptake. After completion of the study, and with support of partners, PASGR will organize a regional dissemination workshop that will bring together policy actors, public and private sector practitioners in the area of employment creation, and researchers together to discuss the research findings on what works and what does not and why.

4.6 Role of PASGR and Partners

PASGR will lead and coordinate the entire research project: provide leadership, sign contract with researchers, organize research workshops, hire resource persons and ensure research rigor and quality. The partners will provide technical and financial support and further use their network to help organize stakeholders' forum and policy dissemination of research findings.

5. CONTRIBUTION OF THE STUDY TO NEW KNOWLEDGE ON INCLUSIVE GROWTH, EMPLOYMENT POLICY UPTAKE AND BROADER GOVERNANCE RESEARCH PROGRAMME IN AFRICA

The study can make the following contributions:

- (i) *New knowledge*: Current literature on African political settlement paints a broad pessimistic picture about its ability to promote inclusive growth. This study has the potential to demonstrate that some political settlements can (and in fact) lead to a 'win-win' (inclusive) growth where political or ruling coalition benefits directly from employments creation schemes without compromising the benefits of other interest groups like small and large scale farmers, entrepreneurs and industrialists. That ruling elites under some circumstances are able to marshal a broad coalition of different economic and bureaucratic interest groups to promote productive employment schemes.
- (ii) *Policy uptake on employment creation schemes*: Through organization of stakeholders' forums, an initial understanding of political settlements in the sector and country context would become apparent, and with time, the forum could become a platform for consensus building. Through series of informal discussions with key stakeholders in the economic, political, bureaucratic and civil society sectors, a broader coalition that is able to inform and influence policy uptake using research evidence could have been built.
- (iii) A ground breaking research on the effect of political settlements on gender equity and inclusiveness in terms of women's participation in productive employment schemes.
- (iv) With the support of partners, PASGR intends to organize a donor round table discussion on governance research in Africa. By the time the donor meeting is organized, the study would have advanced to a level that PASGR could begin to use the

studies' preliminary findings to rally other donors to support a capacity building stream to replicate the study in other contexts, for example in fragile states.

- (v) In November, 2013, the International Development Research Centre (IDRC) supported PASGR to organise a scoping workshop on governance for inclusive growth in Africa. Governance experts invited from within and outside the African region, identified employment creation⁷ as a key strategy for promoting inclusive growth, and given the African context that is dominated by elite bargain and patron-client relationship; recommended political settlement as an analytical lens to provide insightful new knowledge on inclusive growth. Implementation of the project will be a step in responding to the objectives of the workshop.

6. PRACTICAL STEPS AND DATA NEEDS

6.1 Stakeholder Forums

At the Nairobi meeting of April 2015, the case study crops and schemes for each of the three countries were chosen. Each country team should begin to constitute stakeholder forums that reflect the social actors and processes involved in their case studies. In each case, some governmental institutions would be relevant. But the private sector and civil society interests may vary from one case study to the other. Therefore the Country Teams need to decide how best to manage the composition and operations of the Stakeholder Forums. One possible way of addressing this problem is to have a core membership of the Forum drawn from the relevant *formal* governmental, business, trades union, and civil society organizations. When addressing issues in each of these four case study sites, other participants reflecting locally specific interests and groups can then be drawn in. With time it may be possible to merge all participants into one group. And this raises the question of how many people can be expected to be on the stakeholder forum? It is better not to decide these issues in the abstract, but the country teams should be able to defend whatever solutions they ultimately adopt.

6.2 Important Stages in the Research Process

Each country team needs to develop unique, yet comparable, specific methodological approaches and research questions covering the following:

⁷ Eight governance projects related to inclusive growth were identified during the meeting, of which two are being proposed for implementation with IDRC.

1. A long-run structural analyses of the national economy and the role of the agricultural sector within it: (Using *political economy*)
2. A study of the main planks of Agricultural policies over the past 10 years: (*Political economy & policy analyses*)
3. The specific study of the four case studies of job creation programmes in agriculture and agro-processing: (*process tracing, policy analyses and political economy*)
4. Understanding the variable outcomes of the job creation schemes using political settlements as lens: (*Political analyses*)
5. Understanding the processes of inclusion/exclusion associated with the design, execution, and implementation of each case study scheme: (*Political and Social analyses and policy tracing*)
6. Overall Policy outcomes and concerns regarding the case studies, including lessons learnt: (*policy analyses*)

The multiplicity of research instruments is to use the most appropriate methodology for the particular task in hand. Though addressing the question of the relevance of the political settlement approach is a primary objective of this project, the explicit use of the approach becomes particularly relevant only in items 4 and 5. In the research stages preceding these, a multiplicity of approaches is used because they promise to produce the need knowledge.

6.3 Country Specific Questions

The indicative study questions (see section 3.2 above) can be further developed into country specific questions in the context of the stages in the research process outlined above. In each of the 6 stages outlined in 6.2, context-specific questions need to be developed to capture the peculiarities of each case study.

6.3.1 The National economy and the role of the Agricultural sector

Under this section, the country teams should endeavour to address these research questions:

- What is the position of agriculture within the wider context of the national economy?
- Is the country in question largely dependent on agricultural exports?
- Or is it dependent on mineral exports?
- Is the agricultural sector export-oriented or oriented towards domestic food security?
- What agro-climatic and historical processes have shaped the agrarian system?
- What are the demographic and climate change pressures on the agricultural system?

- Does the country contain complementary or conflicting agrarian systems?
- Is the country reliant on food imports? Or food aid?
- Who are the main actors within the agrarian systems?
- What are the relationships of these actors to the state and other sources of power within society?
- What levels of technological and financial support does the agricultural system enjoy?
- Is the distribution of state support biased in favour of particular groups?
- What are the connections between the agricultural system and the systems of public finance and domestic and international trade?

The data sources for addressing these questions should include public data from the various statistical bureaus of the states, and the data sets of international agencies. Country teams can also use research based on case studies that abound in various national educational and research institutions. National archives and specialist international agricultural institutions like The International Institute of Tropical Agriculture (IITA) can also be a source of very useful data. In many cases, the statistical evidence for discussing the agricultural sector is either inadequate or of dubious quality. For instance, crop output data might be guesstimates based on selected year figures; there may be many gaps in the years covered by the official statistics. Country teams should not try to paper over these data challenges. It is important that problems concerning the availability of data or their reliability and contradictions are highlighted and reflected upon in the reports. It is important to keep at the back of our minds that the exploration of the place of agriculture in the wider context of the national economy is not the main focus of this project. Such an exploration only serves to frame our main research effort on inclusive growth and political settlements. The sign-posting of the contributions of the agricultural sector, its main actors, the distribution of resources within it, and some of its key challenges will set the proper context for our main enquiry. But this sign-posting must be done in a clear, precise, parsimonious way, so it does not becloud or even become confused with and our main objectives. Therefore, the section of the report covering these questions should not be more than 25 percent of the length of the final report. If well written, this section should ultimately stand alone as a chapter in our proposed volume.

6.3.2 Wider Agricultural Policies

While section 6.3.1 looks at the agricultural sector from a structural and historical point of view, this section concentrates on agricultural policies of ruling regimes, over a period of at least 10

years. Some of these policies may in fact be targeted at changing the structural and historical factors identified in section 6.3.1. If our research effort is conceived of as an onion, the issues covered in section 6.3.1 will constitute the outer peel of the onion, while the issues covered here will constitute an inner, intermediate peel between the outer peel and the core of the onion – our case studies. Here, the key questions should include:

- What major policies have been adopted over the past 10 to 15 years?
- What are the primary objectives of these policies?
- Who are the main drivers – within and outside the state – behind these policies?
- Are the drivers purely domestic or international, or a combination of both?
- If international drivers are involved, who are they and what are their strategic objectives and interests?
- What are the interplay of domestic and external forces in the policy process?
- What is the nature of the policy process?
- How inclusive/exclusive has the policy process been?
- Who are the primary beneficiaries?
- Who or what groups have borne the costs?
- What is the scope for learning and correction within the policy process?

The same data source for section 6.3.1 can be used for the section. Furthermore, this section can unearth a wealth of information and perspectives from elite and stakeholder interviews, focus group discussions, participant observations, and the mining of newspaper reports. Official releases by ministries and other governmental institutions can also be great utility. Special attention should be paid to capturing the involvement of foreign commercial, governmental, and intergovernmental interests in the policy process. Where possible, foreign embassies' may be approached for information on their country's role or in the role of their nationals or other interested commercial interests. This section should not take up more than 10 percent of the length of the final report.

6.3.3 *The Case Studies: Job Creation Programmes in Agriculture and Agro-processing*

A highlight of the inception workshop held in Nairobi, Kenya in April 2015, was the choice of potential case studies by the country teams. Importantly, each team also justified its choice in the context of the debates that had been going on at the workshop. The case studies sought to

explore inter-connected policies on growth and employment creation in agriculture and agro-processing. In some cases, the case studies chosen were connected vertically - agriculture/processing - through a value chain: for example, rice production and rice milling. The main challenge now is the thorough execution of the case studies. Using process-tracing, policy analyses and political economy, the country teams need to address the following questions in each case study:

- How was the policy to establish the agricultural or agro-processing concern carried out?
- Who were the main participants in the policy process?
- How inclusive/exclusive was this policy process?
- Who are the main actors and beneficiaries in the execution of the project?
- What has been the role of women in the policy process?
- What has been the role of women in the execution of the policies?
- What is the gendered nature of beneficiaries or losers as a result of the project?
- Has the project affected the role of women in the wider society, for example by giving them access to an independent income source that was not there before, or creating new platforms for them in the public sphere?
- What are the stated objectives of the project and what have been the real outcomes?
- If the real outcomes are different from the stated objectives, why is the project still enjoying the support of some actors?
- What contributions have the project made to job creation – and possible loss of other jobs?
- How sustainable are the projects?

The main avenue for getting data in these case studies are elite interviews, stakeholder interviews, the study of policy documents at the level of key actors in government and business, findings from research institutions and importantly, stakeholder forums. Special effort must be made to identify vulnerable groups like women, youth, and the rural poor, who may be difficult to locate, but whose view of the project is central to the study.

6.3.4 Political settlement lens

The country-level and case study research identified above will constitute the bases for addressing the key question of the utility of a political settlement approach. The OECD/DAC has rightly argued that ‘every political regime that is not in the midst of an all-out civil war over its

basic parameters is based on some kind of settlement' (cited in Booth 2015a). The political settlement analyses should be done at two levels: national and project. Identifying the national political settlement from a research point of view will involve investigating:

- the key actors on economic and political matters within the government, state, and society;
- their factional organization and hierarchical interaction;
- how durable these actors and factions have been;
- the bargaining relationships between the actors and factions;
- how are the various actors and forces coordinated at the vertical and horizontal levels of society?
- the balance of power - both 'power over' (zero-sum) and 'power to' (positive sum) – among the contending interests and;
- any key agreements and consensus which may be said to be constitutive of the political settlement.

A second layer of inquiry is to connect that observed national political settlement to the specific case study project. Here, the question of whether the political settlement is sufficiently inclusive, in both the horizontal and vertical dimensions, to maintain the peace and propel economic transformation, is absolutely fundamental. The key questions here are:

- What regime(s)/Presidents initiated, supported, or thwarted the project?
- Why did they act in the way they did?
- What wider social and political forces were involved in or concerned about the project?
- What scope did these groups have for self-organisation?
- How effective were the various social and political groups behind or opposed to the project?
- How did the activities of these groups affect the outcomes of the project?
- How do project shape women's economic and political inclusion and their ability to promote gender equity goals and outcomes?
- How do different projects create variable opportunities and space for the promotion of gender equity concerns in politics and policymaking?
- Did the project lead to inclusion, vulnerable employment, or the dispossession of identifiable groups?

- Under what conditions are women (and those who espouse gender equity goals – including transnational actors) able to secure gender-inclusive development goals on the project?
- What ensures the stability of this inclusivity?
- What are the wider ramifications of the project for farmers, herders, traders, industrialists?
- What are the implications for trade unions, community groups, traders, and artisans?
- Are there any trade policy implications of the project?
- What is the nature of work and employment on the project?
- What are the projects implications for state authority and legitimacy?
- What central lessons can we learn about the project with regards to:
 - Job creation and inclusion;
 - Addressing vulnerable employment;
 - Improving the capacity of the state;
- What platforms are available to interested stakeholders in representing their interests and concerns about the project?
- Can these stakeholder platforms be used to modify the design or implementation of the project?

Appendices

Appendix A: Summary of one typology of political settlements

Developmental coalition

Here the ruling coalition faces little contestation from excluded groups. This gives the ruling government the confidence to have a long time horizon to align its interests with long-term development. In addition, the superior power means that the ruling coalition has effective implementation capabilities. Provided that there are pressures on the leadership to be developmental, such features have potential to promote productive employment schemes or inclusive growth-supporting policies and programmes. Ambitious and broad-based developmental rents could be effectively managed to drive sustained and inclusive growth. Internal and external organizations can put pressure on the ruling coalition to adopt inclusive growth strategies but without a political settlement that provides adequate time horizons and implementation capabilities on the part of the ruling coalition, the demand for implementing inclusive growth strategies is unlikely to go far. Khan calls this type of political settlement 'potential developmental coalition'.

Authoritarian coalition

In this configuration, excluded organizations are strong and the ruling coalition has to survive by limiting the capabilities of the excluded in some way. Thus formal or informal arrangements are likely to be used to restrict political activity outside the ruling coalition. Authoritarianism is difficult to sustain for long unless there are special factors, such as natural resource rents or military support that bolsters the exclusion capabilities of the ruling coalition. The second characteristic of the authoritarian coalition is that lower-level organizations are relatively weak, which gives higher levels relatively high implementation capabilities. Compared to a developmental coalition, the enforcement capabilities of authoritarian coalitions are relatively good, but time horizons are likely to be poorer given the vulnerability of the leadership.

Dominant party

In this political settlement, excluded political organizations are weak. This is because either all or most of the powerful factions have been included within the dominant party, or else excluded factions are too fragmented to pose an effective threat. The characteristic feature that distinguishes the dominant party from authoritarian arrangements is that it does not have to use

administrative or military power to the same extent to exclude others, and indeed could win formal, contested elections. The dominant party enjoys a longer time horizon as a result, its implementation capabilities are weaker when compared with developmental coalitions but often also relative to authoritarian coalitions. Like authoritarianism, the dominant party also faces a structural dilemma. If it includes all the powerful organizations within it, it can remove threats from outside. Rents will be spread more thinly and dissatisfaction is likely to result in blocked implementation.

Competitive clientelism

The ruling coalition is formed by political entrepreneurs, who seek to bring together enough political organizations within their coalition to be able to rule at the lowest price for themselves. The excluded are technically free to organize, restructure and entice factions that are currently included in the ruling coalition to leave and join them in an attempt to form a new coalition. Given the relative power of the excluded, the expectation is that coalitions will cycle in and out of power.

Appendix B: Summary of a second typology of political settlements

Neopatrimonial clientelism

'For want of a better set of labels, we refer to intra-elite relations based on sharing of the spoils of state office as neopatrimonialism, and elite/follower relations based on group loyalties and distribution of private and club goods as clientelism. ... First, while it may well be that politics is particularly competitive in settlements of this type, it is the nature rather than the intensity of the competition that sets it apart as a solution to the problem of violence. It is also this aspect that generates the feature that is potentially relevant to differences in economic performance, namely short time-horizons ... and under-provision of public goods. ... we would propose to include as examples of neopatrimonial clientelism, the Indian subcontinent after the 1980s and Thailand in the 1980s and 1990s ... present-day Ghana, Kenya, Nigeria, South Africa, Uganda and the Philippines' (Booth 2015a).

Elite-coordinated clientelism & Elite-coordinated state building

A 'situation where the most prominent political organisation is the result of a purposive coordination of otherwise fragmented elite interests, around some form of state- or nation-

building project. ...The distinction to be made in the vertical dimension is between those cases of this elite coordination where the principal mode of legitimation and enforcement of the settlement with subaltern groups remains clientelistic (elite-coordinated clientelism) and those where the settlement is based on rule-enforcement and public goods provision (elite-coordinated state-building': eg Rwanda and Ethiopia?) (Booth 2015a).

Neopatrimonial state-building

'Here the elite does not achieve purposive coordination around a common project and cannot overcome its fragmentation. Instead, the settlement relies on a sharing out of the spoils of office among the fragments. However, this does not entail a mainly clientelistic approach to ruling the country and obtaining the adherence of non-elites. Rather, there are serious efforts to lay down and enforce rules that are generally applicable and to provide public goods, including infrastructure investments and accessible services. ... This type of settlement is not common. It calls for a distinct ability to impose a rule-based and service-oriented style of governance in a context where intra-elite relations are all about allocating rents, patronage-style. ... this type is illustrated best on the African continent by Malawi, Kenya and Côte d'Ivoire under their first post-independence leaders, Kamuzu Banda, Jomo Kenyatta and Houphouët-Boigny. All three were authoritarian in style but what is salient is the way they used their personal dominance both to build a stable, ethnically inclusive, patronage system at the apex of the polity while also protecting the civil service and the management of public agencies from the corrosive effects usually associated with neopatrimonial rule' (Booth 2015a).

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