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Rethinking spatial inequalities in development: The primacy of politics and power relations.

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Abstract

This paper offers a political explanation to the problem of spatial inequality in developing countries, paying particular attention to the implications of patronage politics and inter-elite power relations for the spatial distribution of public goods. After showing that existing explanations of spatial inequality are at best partial, the paper argues that prospects for overcoming spatial inequalities in the clientelist-driven political environments of developing countries depend substantially on the ways in which elites from lagging regions are incorporated into ruling coalitions, and how such forms of incorporation shape their influence over resource allocation decisions and policy agenda more broadly. The paper also departs from much of the existing literature on spatial inequality by emphasising the need to understand 'powerlessness' on the part of lagging regions as stemming not necessarily from their political exclusion from political decision making structures, but also from their incorporation into such structures on terms that potentially underpin their poverty. Based on this argument, the paper proposes a new framework for exploring the deeper and more structural underpinnings of spatial inequality in developing countries.

Key words: spatial inequality, elites, clientelist politics, power relations, political settlements, developing countries

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1. Introduction

> "Addressing inequality … should be the cornerstone of the post-2015 agenda" (UN System Task Team on the post-2015 development agenda, 2012: 15)
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> "The new agenda must tackle the causes of poverty, exclusion and inequality" (UN High Level Panel on the post-2015 development agenda, 2013)

Recent years have witnessed increased global attention to the need to tackle inequality, as it relates in particular to its spatial dimensions: beyond the adverse implications of inequality in general for the growth and poverty agenda, spatial inequalities can undermine social and political stability due to the tensions and conflicts that they often engender (Stewart, 2010a).[1] Understanding and redressing the underlying drivers of spatial inequality is therefore critical both for preventing political instability and for maximising the poverty reduction impact of economic growth. What then explains persistent spatial inequalities in developing economies?

Answers to this question have typically stressed three explanatory factors: geography, institutions and market mechanisms. Inspired mainly by the literature on (new) economic geography, such explanations posit that geography is a key determinant of natural resource endowment, disease burden, transport costs, and the location of firms, all of which are critical to shaping the spatial patterns of development (Rodrik *et al*., 2004). Notable recent research that adopts this approach is the World Development Report (WDR) 2009 which explains spatial inequalities in terms of the intersection of *density, distance,* and *division,* and goes on to highlight the importance of spatially-blind institutions in redressing spatial inequalities (World Bank, 2009a). Subsequently, the Bank's publications of various regional studies and detailed country reports on unbalanced regional development have all been inspired by this new economic geography approach (World Bank, 2009b; 2010a; 2010b; 2011a; 2012). Although these reports have contributed to placing the problem of spatial inequality at the centre in the development and policy discourse in recent years, their generally apolitical approach is worrying given the growing consensus about the centrality of politics in shaping development processes and their outcomes.

This paper offers a political explanation to spatial inequalities in developing countries, paying particular attention to the implications of clientelist politics and inter-elite power relations for the spatial distribution of public goods. Drawing insights from the emerging literature on political settlements which highlights the centrality of inter-elite power relations in shaping development outcomes (Khan, 2010), the paper suggests

[1] Spatial inequality refers to "inequality in economic and social indicators of well-being across geographical units within a country" (Kanbur and Venables, 2005a:11).

that mainstream accounts of spatial inequalities that put the blame on geography, institutions and market forces are at best partial: they tend to underplay the role of politics and power relations both in shaping the design and functioning of institutions, and in either reinforcing or redressing the geographical disadvantages of lagging regions. It argues that prospects for overcoming spatial inequalities in the clientelist-driven political environments of developing countries depend substantially on the character of ruling coalitions. This relates in particular to the nature and extent to which elites from lagging regions are incorporated into such coalitions, and how such forms of incorporation either enhance or derail their influence over resource allocation decisions and policy agenda more broadly.

Here, I follow Leftwich's (2004) definition of politics as "all the processes of conflict, co-operation and negotiation on taking decisions about how resources are to be owned, used, produced and distributed". This definition brings into focus the centrality of ruling political elites who tend to be especially powerful in developing countries by virtue of their considerable influence over public resource allocation (Therkildsen, 2008). However, I adopt a broader definition of elites here as all "those small groups of people … in formal or informal positions of authority and power who take or influence key economic, political, social and administrative decisions" (Leftwich and Hogg, 2007). This definition, which goes beyond a focus on ruling political elites to include transnational actors, is especially useful within the context of the 'governance states' of Africa, where control over policy-making is substantially shared between national governments and their international 'development partners'.

The paper is structured as follows. Section two critically reviews selected literature on spatial inequalities, highlighting the shortcomings of the literature that emphasise the role of geography, institutions and market forces. Section three proposes a new framework for exploring the deeper and more structural underpinnings of spatial inequality in developing countries. It does so by drawing from, but also going beyond, the emerging political settlements literature by highlighting the importance of ideas and transnational processes in shaping spatial inequality dynamics in developing countries. Section four utilises this framework to explain the evolution and persistence of regional inequality in sub-Saharan Africa, focusing particularly on the experience of Ghana. Section five discusses possible methodological approaches for investigating spatial inequality from a more nuanced political settlements perspective. Section six concludes.

2. Explaining persistent spatial inequalities: a review of selected literature

2.1 Perspectives of economic theorists: states versus markets?

The literature on the economic explanations of regional inequality can be categorised under three themes: the convergence, divergence and radical paradigms (Lipshitz, 1992). The convergence perspective, advanced by neoclassical economists, considers regional inequality as natural, but a short-lived phenomenon that arises from temporal market failures (McCombie, 1988). The underlying thinking is that in a free market economy, labour and capital tend to move in opposite directions: while labour moves in search of higher wage locations, capital tends to move in the opposite direction in search of lower cost locations. It is assumed that this process will continue until such a time when the income per worker in both flourishing and lagging regions are roughly equal, leading to convergence in regional incomes. A similar logic underlies the well-known inverted U-shaped hypothesis advanced by Williamson (1965), who argued that regional inequalities often increase in early stages of development but typically decline as markets become more effective and capitalist development progresses.

Yet, the empirical evidence is clear that far from being a temporal phenomenon, regional inequalities have remained a global reality, and have even tended to widen in many countries in recent years (Asian Development Bank, 2012). This is in spite of, or perhaps even because of, the vigorous pursuit of the neoliberal, pro-market ideology since the 1980s. Moreover, to the extent that this neo-classical perspective implicitly assumes the possibility of a perfect market situation, its application to developing countries can be particularly problematic given the high degree of market failures in the developing world.

The *divergence perspective* argues that markets, if left on their own, would lead to the cumulative concentration of the factors of production in certain regions at the expense of others. Myrdal (1957) invoked the concept of ‘circular and cumulative causation’ to argue that once a region takes a lead in socio-economic development ahead of others, all new major economic activities tend to be concentrated in the already relatively developed areas, exacerbating spatial inequalities. Recent studies generally tend to support this thesis, showing that in a liberal, pro-market economy, where the role of the state is confined to creating a level playing field for private sector-led growth, inhabitants of underdeveloped regions are likely to be further marginalised, increasing their levels of poverty and exacerbating regional inequalities (see Grimm and Klasen, 2007). From this perspective, the intervention of the state is crucial to overcoming spatial inequalities.

However, the *radical perspective* perceives state elites as part of the problem of deepening unbalanced regional development. Rooted largely in neo-Marxist theories, these analysts perceive regional inequalities as an inevitable outcome of capitalism. It is argued that the dynamics of capital accumulation inherently creates a centre-periphery structure in production in which the role of the periphery (marginalised regions) is essentially to serve as: a labour reserve that can feed the expansion of production; and a market place for absorbing the increasing quantities of commodities produced (Harvey, 1975). In such relations, lagging regions are merely “dependent colonies” (Clark, 1980: 227), providing reserves of labour and markets for exploitation by the core economy. Regional ‘catch up’ becomes virtually impossible under such conditions.

These debates resonate with the more recent discussions concerning the impact of economic globalisation on inequality. Contrary to claims that globalisation "has actually promoted economic equality" (Dollar and Kraay, 2002: 120), a large volume of empirical studies show that the recent global trends towards widening spatial inequalities have partly been "a consequence of the uneven impact of trade openness and globalization" (Kanbur and Venables, 2005a: 1). Theoretically, it is argued that global integration leads to a sharper expression of comparative advantage, and that regions whose geographical locations are better suited for export-oriented production tend to derive the most benefit and grow faster than interior regions (Kanbur and Venables, 2007; Kanbur, 2010). But as one may ask: is the relationship between physical geography and the spatial development patterns deterministic?

2.2 Spatial inequalities and the 'bad' geography arguments

Geographical factors have often been invoked in explaining spatial development disparities (e.g. Shuming *et al.*, 2002; Gallup *et al*., 2003), but with growing recognition that geography is not destiny (Rodrik *et al*., 2004; Clark and Gray, 2012; Acemoglu and Robinson, 2012). In order to explain the evolution and persistence of spatial inequality, economic geographers distinguish between first and second nature geography: while the former refers to some regions' favourable natural characteristics (e.g. soil type, proximity to rivers etc.) in explaining their relative developmental fortunes, the latter relates to efficiency gains and agglomeration forces which usually amplify a region's initial advantage in terms of first nature geography (Krugman, 1991).

The wealth of empirical evidence points to the primacy of second nature geography in explaining spatial inequalities. Based on a coordinated series of international case studies involving some 58 countries, Kanbur and Venables (2005b: 9) conclude that "a key determinant of household well-being in a region, over and above household specific characteristics, is the quantity and quality of infrastructure in that region". Unsurprisingly, in previously backward areas such as the Cerado region of Brazil and the Northeast region of Thailand, publicly targeted infrastructural investments have recently enabled both regions to conquer important world markets, defying previous claims that their "challenging agroecological characteristics, remote locations, and high levels of poverty would prove impossible to overcome" (World Bank, 2009c: 23). These observations imply that the relationship between physical geography and developmental outcomes is mediated strongly by the distribution of public goods. To this extent, political explanations of spatial inequality are necessary, not least as public investment patterns are not determined by benevolent social planners but by ruling political elites whose decisions are driven as much by economic rationality as political calculus.

2.3 The new economic geography approach and the WDR 2009

Although the above discussion highlights the importance e of expenditure patterns in understanding the problem of unbalanced development, the relevance of spatially-targeted interviews has recently been called into question by the WDR 2009. Drawing insights from the new economic geography approach, this report argues that as some places are naturally more endowed, economic growth will inevitably remain unbalanced, and that efforts aimed at spreading economic production will only tend to undermine national economic growth and prosperity. In this respect, the task of governments in addressing spatial inequalities is to allow market mechanisms to concentrate productive investments in economically dynamic regions while taking steps to move the poor from lagging regions to the areas where economic activities are booming. Spatially-blind institutions are highlighted as the recipe for fostering this economic integration and achieving inclusive development even within the context of unbalanced growth (World Bank, 2009a: 29).

There are several weaknesses associated with these arguments, two of which are of interest here. First is the report's emphasis on the potential of formal (spatially-blind) institutions in fostering inclusive development without considering the role of informal organisations (notably patron-client relations) in shaping the actual functioning of formal state institutions in developing societies. This is important because all developing countries “have economies that are characterized by significant informality and informal institutions” (Khan, 2010: 127), ones that often have “profound effects” on policy outcomes by shaping the actual functioning of formal state institutions (Helmke and Levitsky, 2003). Neglecting or even downplaying such informal organisations therefore risks missing many of the *real* factors and incentives that underlie the behaviour of political entrepreneurs in the game of resource distribution and their implications for patterns of development and underdevelopment.

Second is the report’s overall apolitical stance by treating spatial inequality as a function of *density*, *distance* and *division* while ignoring the crucial role of power relations that are integral to the production and reproduction of inequality (Moncrieffe, 2004; Bebbington *et al*., 2007). Empirical evidence suggests that those at the ‘margins’ of development in many developing countries are marginal not because they are far from centres of agglomeration, but mainly because they are distant from centres of political power (Rigg *et al*., 2009: 134). The World Development Report 2006 similarly explains persistent spatial inequalities as a product of “long-standing, unequal relations of power between advantaged and lagging regions…” (World Bank, 2005: 20).

2.4 Spatial inequalities and regime types

Some scholars have assumed a link between a country’s regime type and its ability to overcome the problem of spatial inequality: It has long been claimed that democratic governance entails a decrease in political inequality, which is in turn expected to lead to more social equity due to electoral demands on political elites for a more egalitarian distribution of material goods (Crawford and Abdulai, 2012).

Recent empirical evidence suggests, however, that “income inequality in the majority of democracies has either remained constant or increased” (Network of Democracy Research Institute, 2009: 2). There are several reasons why multiparty democracy is not necessarily antithetical to spatial inequalities.

First, the democratic principle of ‘political equality’ – often expressed as one citizen, one vote – does not in any way guarantee that all ethno-regional groups have equal influence over resource allocation decisions that are critical to understanding patterns of development and underdevelopment. Second, although recent research identifies a highly competitive electoral environment as a major driver of redistributive policies in democracies (UNRISD, 2010: 284), competitive elections can also undermine the implementation of equitable development policies. One reason is that the need to appease a wide spectrum of voters has the tendency of enticing ruling elites to focus on a broader geographical coverage in the distribution of public goods (irrespective of varied level of needs) rather than targeting poorer regions in the interest of geographically equalising outcomes. Third, growing evidence suggests that increased electoral competition often contribute to patronage spending as resources are increasingly diverted away from needs-based allocation for electoral gains (Lindberg, 2003; Joughin and Kjær, 2010; Abdulai, 2012).

Some claim that an effective decentralised system of governance has the potential of redressing uneven regional development. It is claimed that because regional elites are assumed to have better information about their regions, decentralising power to regional leaders would make public spending more reflective of diverse regional preferences and contribute to balanced development (Shankar and Shah, 2009). Yet, as Rodriguez-Pose and Gill (2003: 21) note, to the extent that devolution compromises the redistributive role of national governments, it may also “play a part in allowing inequalities to develop”. Indeed, empirical evidence points to the failure of decentralisation to enhance equitable development in most African countries, as central governments often use decentralised structures in creating and consolidating an alliance with local elites based on availability of patronage (Crook, 2003). Shankar and Shah’s (2003) analysis of 24 countries show that both unitary and federal countries are becoming more unequal, while a few of both are becoming more equal. All these suggest that the success of regional development policies does not simply follow from the fact of a country’s political system

3. Political settlements and spatial inequality: a more promising approach?

The concept of political settlements (PS) highlights the centrality of inter-elite power relations and clientelist politics in shaping development processes and their outcomes. This perspective perceives the problem of inequality as the consequence of people’s differential access to political power, how that power is exercised in shaping the design and actual functioning of institutions, and how these in turn shape the distribution of public resources and development outcomes. A political settlement approach thus pushes development thinking beyond an institutionalist perspective by focusing on the configuration of power that underpins the emergence and actual performance of institutions. A key point is that because institutions are essentially a product of elite bargains, the role of institutions in shaping development outcomes can only be well understood within the context of prevailing power structures and relations. Thus, rather than institutions *per se*, it is the underlying political settlement – "a combination of power and institutions that is mutually compatible and also sustainable in terms of economic and political viability" (Khan, 2010: 4) – that determines developmental outcomes. From this perspective, to the extent that some regions become and stay poor, it is "precisely because they do not have the power to adjust institutions and policy in their favour" (Parks and Cole, 2010: 7). The concept of power is used here in its *relational* dimension, and refers to "the ability to achieve a desired outcome in competition with other actors who lay claim to the same resources needed to produce that outcome" (Hyden, 2008: 13). This definition resonates with Khan's (2010: 6) notion of 'holding power' which refers to the capability of an individual or group to engage and survive in conflicts against other elite actors or the state. Mosse (2007: 2010) refers to this *relational* perspective of power as 'agenda-setting powers' that set the terms in which poverty becomes (or fails to become) politicised. Power in this respect manifests itself in what he calls "*the non-issue*", whereby the interests of politically-marginalised regions get excluded from the political agenda and from the mandates or institutions of public policy. From this perspective, regional inequalities persist because the development concerns of politically marginalised regions tend to remain "invisible and their needs unpoliticised" (Mosse, 2010: 1165).

This approach draws attention to the various ways in which political inequalities at the level of elites can underpin socio-economic inequalities at the mass level by undermining public investments in regions with limited influence over decision-making structures and processes. It also echoes the claim that socio-economic inequalities often reflect inequalities in political power (UNDP, 2005), whereby "unequal power leads to the formation of institutions that perpetuate inequalities in power, status and wealth" (World Bank, 2005: 9). This is especially the case in developing country contexts where informal institutions and 'clientelist political settlements' prevail in part because the limited size of the formal productive economy in the developing world implies that political entrepreneurs lack the tax-base required to allocate resources to powerful groups other than through off-budgetary processes (Khan, 2005: 2010). Related to this, the general problem of resource scarcity in underdeveloped countries means that various sub-national elites frequently compete for favourable authoritative actions on the part of the state. This renders access to real political power hugely important in shaping the spatial patterns of resource allocation.

Importantly, country case studies frequently show that as far as the distribution of government resources is concerned, political institutions in most developing countries are characterised by 'pork-barrel politics', as regional elites try to acquire as much public resources for their constituencies as possible. With a region's capacity to effectively lobby and attract government expenditures dependent on its possession of ‘bargaining chips’, it is not surprising that “unequal regional representation in national decision-making organs is often related to the unequal distribution of central [government’s] spending across regions” (Shaoguang, 2005: 5). Brockerhoff and Hewett’s analysis of the ethno-regional patterns of child mortality in 12 African countries is instructive here. They found that levels of complete childhood immunization and early child survival chances during the 1990s were significantly higher among the ethnic groups with high-level of government representation. Their empirical results also pointed to “a consistent bias in road infrastructure and access to public health services in favour of ethnic groups that have held political power” (1998: 18).

However, there is evidence to suggest that the political representation of marginalised regions is not a sufficient condition for achieving spatially inclusive development. This is illustrated by the experience of Northern Nigeria which has remained much poorer despite the North’s political dominance in nearly all of Nigeria’s post-colonial ruling coalitions (Kifordu, 2011; Mustapha, 2006). Much also therefore depends on other factors, including the extent of institutional capacity in lagging areas for policy implementation, and the commitment of regional-level elites towards the development of their constituents. For example, Sinha (2005) explains India’s regional inequalities during 1960-1991 in terms of the character of regional elites and the nature of central-local dynamics more broadly. Here, whereas elites in some regional states combined the lobbying of central ministries with the collection and dissemination of industrial information to potential investors to attract substantial industrial investments, other regional elites resorted to partisan confrontational strategies that eschewed monitoring and bargaining with central state elites in ways that undermined resource flows to these regions. Thus, despite a *dirigiste* central policy framework that constrained national economic development, some regions managed to attract substantial resources and develop faster at the expense of others. Faguet and Ali similarly highlight substantial disparities in health outcomes between two administrative districts in Bangladesh, and argue that such variations “have little to do with the laws, policies and other national characteristics of Bangladesh, and much to do with the local incentives and patterns of interaction that foment involvement by, and accountability to, the public, or not” (2009: 216). These observations draw attention to Parks and Cole’s (2010) notion of ‘secondary political settlements’, which highlights the importance of sub-national political dynamics in shaping local developmental outcomes.

This discussion suggests the need to move from power-blind accounts of persistent spatial inequality in developing countries to a political analysis, paying particular attention to the roles of elite interest in shaping formal and informal institutions and the resulting impact on spatial development disparities. A political settlement approach can be relevant in this regard for several reasons.

First, the concept refocuses attention away from the often power-blind accounts of underdevelopment, such as the relatively narrow lens of economic geography adopted by the WDR 2009. Notably, with its emphasis on the *actual distribution of power* in understanding development processes, a political settlement approach draws attention to the fact that spatial inequality can be underpinned not only by the political *exclusion* of marginalised regions, but also via the *inclusion* of elites from such regions into political decision-making structures on relatively disempowering terms. Consider for example a situation in which the incorporation of marginalised regions into ruling coalitions is limited to relatively inconsequential positions while being excluded from more influential positions in government. For example, it is unlikely that a deputy minister within a ruling coalition can have the same level of 'agenda-setting-power' as a minister with full cabinet status, in as much as it might be naive for us to expect a Minister for Information to have the same power over the public purse as the Minister for Finance. The key point is that the political inclusion of elites from lagging regions on relatively disempowering terms may at best enable those elites to gain some personal access to state rents via patronage exchanges, while effectively working against the recognition of the majority of the poor in such regions by undermining the case for merit or need-based forms of redistribution. A political settlement approach can help address this concern by focusing attention beyond the spatial composition of ruling coalitions to the actual distribution of power therein.

Moreover, and given the importance of investment patterns in shaping inequality dynamics, the PS approach can help us understand the politics of spatial inequality both by enabling: (1) an investigation of the role of elite incentives and unequal power relations in shaping the spatial patterns of resource allocation; and (2) an understanding of the interplay between formal institutions (e.g. democratic politics, formal resource allocation criteria) and informal organisations (principally patron-client relations) in the *actual* distribution of public goods. A PS lens therefore provides us with an opportunity to correlate the spatial distribution of political power among regional elites with the output of decision-making processes such as the distribution of public expenditures.

However, employing a PS lens for exploring the political underpinnings of spatial inequality is not without weaknesses. One relates to the rational-actor bias embedded in this approach, whereby political elites have no motive other than gaining and maintaining power. Growing evidence suggests that how elites choose and deploy their developmental strategies is also closely informed by and entwined with certain ideas and ideological agendas concerning how politics and development should work (Therkildsen, 2011; Hickey, 2012, 2013). For Hickey (2013: 16) then, "to posit a politics without ideas or vision is to offer a reductionist account not only of what drives elites but also of their use of discourse within their strategies of rule and institution-building". A second important shortcoming is the 'methodological nationalism' that characterises current political settlements analyses: the tendency here is to underplay the fact that processes of state formation and development in developing countries have long been shaped by external actors, from early mercantilist and colonial encounters onwards (Hickey, 2013). For instance, international donors shape the development trajectories of developing countries in several ways, including the impact of their funding on patterns of public expenditures, the nature of their sectoral policies, and the policies that they advocate (Williams *et al*., 2005). A good example here is the spatial implications of the conditionality-driven structural adjustment reforms of the 1980s and 1990s (Mohan, 2009). Thus, by focusing solely on domestic factors in explaining processes of development and underdevelopment, the standard political settlement approach misses the point that what is often considered as 'national' political settlements are often closely shaped by a broader context that involves national actors interacting with transnational and sub-national actors, institutions, processes and also ideas.

4. Political settlements and regional inequality in sub-Saharan Africa

Adopting a political settlements approach to examining regional inequalities requires looking closely at the relationships of power across multiple spheres, and the ways in which such relationships shape both the reduction and reproduction of poverty. Drawing on evidence from sub-Saharan Africa, this section shows how the interest of colonial powers in establishing extractive institutions laid a foundation for regional inequality in Africa, and then how postcolonial patterns of political incorporation have contributed to underpinning these inequalities via the skewed distribution of state resources.

4.1 Africa and the colonial legacy of spatial inequality

There is substantial evidence that in their pursuit of capitalist interests, colonial powers contributed to laying the foundation for spatially uneven development in many colonised territories As part of a deliberate divide and rule strategy which sustained colonial rule, colonial powers systematically privileged certain ethnic groups in ways that resulted in varied citizenship rights and development across regions (Chabal, 1992: 131)[2], especially in countries where ethnic groups and administrative regions coincided (Groth and Wade, 1984: 14). Moreover, given that the primary interest of colonial powers was to exploit the colonies rather than enhance their development (Mohan, 2011), transport and communication infrastructure as well as the provision of basic social services were "very unevenly distributed in nearly all the colonies", concentrated mainly in areas where exploitable resources of interest to the colonial powers were available (Boahene, 1987: 101).

Regions characterised by limited exploitable resources were not only generally excluded from public spending (both productive and social); their human capital was also typically exploited through their adverse incorporation into exploitative labour markets as sources of cheap labour. Thus in Zambia, to the extent that the Bemba speaking groups were located in regions with relatively low agricultural potentials, they "formed the bulk of the non-clerical, African labour force in the mines" (Dresang, 1974:1606). Historical accounts of the roots of the North-South inequalities in

[2] For example, the Germans clearly favoured the Ewe in Togo, the English the Baganda in Uganda, and the Belgians the Tutsi in Rwanda and Burundi (Alwy and Schech, 2004).

countries such as Nigeria (Mustapha, 2006) and Uganda (Mamdani, 1983) highlight how British colonial authorities discouraged the production of cash crops in the North, mainly with the objective of recruiting cheap labour from these areas for export-oriented production in the South. At the same time, indigenous capitalism in the colonies as a whole was discouraged by colonial administrations that worried about the competition indigenous firms might represent for metropolitan industrial firms in the same sectors (van de Walle, 2009). Importantly, the implementation of all these policies was made possible by the effective political exclusion of the local population: the dominance of the decision-making structures of the colonial state ensured that public policy was effectively 'captured' for the interest of colonial elites (Lando and Bujra, 2009).

The differential patterns of incorporating various ethno-regional groups into the colonial political economy played an important role in processes of postcolonial state formation in ways that was to have implications for the continued dominance of the disadvantaged regions in the postcolonial period. Notably, the selective development of educational systems impacted the regional patterns of human capital formations, laying a foundation for the socio-economic and political dominance of the disadvantaged regions (Rothchild, 1985: 84). Moreover, the discriminatory practices against some regions meant that the colonial state bequeathed a legacy of high social fragmentation which was to prove politically consequential for the post-colonial order (Chabal, 1992: 131). It set a basis for heightened opposition to, and redistributive demands from, the power holders of the newly independent states (Rothchild and Olorunsola, 1983), such that the newly independent African "state came to be seen as an arena of struggle between different groups vying for control over its resources" (Azarya, 1988: 4). How then did the new ruling elites respond to such demands, and why has the attainment of political independence in sub-Saharan Africa failed to alter the patterns of regional disparities created by colonial rule?

4.2 Post-colonial African states: addressing spatial inequalities through political inclusion?

Post-colonial African regimes have adopted various strategies in overcoming the colonial legacy of social fragmentations, often with significant implications for the problem of regional inequality. One important feature of post-colonial African politics has been the incorporation of elites from different ethno-regional groups into ruling coalitions. Rothchild and Foley showed how various African governments during the immediate post-independence period combined the use of formal rules and informal practices in ensuring the ethno-regional representativeness of their cabinets, concluding that "[d]espite regime differences, African ruling elites have in fact responded rather similarly to the overriding need to include ethnoregional intermediaries in the ruling coalition" (1988: 241; see also Chazan, 1988). There is broad agreement that the overriding need for the formation of inclusive coalitions was essentially a means by which dominant elites co-opted potential rivals so as to foster inter-elite cooperation and sustain their fragile hold on state power (Jackson and

Rosberg, 1982; van de Walle, 2003). This is what has been variously termed in the Africanist literature as the 'reciprocal assimilation of elites' (Bayart, 1993: 252), the 'fusion of elites' (Sklar, 1979: 537; Lonsdale, 1981: 153) or the 'hegemonial exchange' among elites, whereby "the dominant political elite... exchanges participation and distributable resources for local support and compliance with its regulations" (Rothchild, 1985: 73). In such arrangements, "[p]atronage politics provided a material basis of consensus *and control* within ruling coalitions, oiling and structuring the processes by which regimes coalesced into economically dominant social strata" (Boone, 1994: 127).

This form of politics was necessitated partly by the 'soft' nature of the immediate post-colonial Africa state, meaning that because the new ruling elites lacked the power to unilaterally impose their decisions on the various ethno-regional factions that challenged their authority, they resorted to incorporating potential ethno-regional challengers into ruling coalitions in order to foster regime stability by means of co-optation (Rothchild, 1985; Rothchild, 1997; Osaghae, 2006). Thus, as Lonsdale (1981: 153) notes, the 'fusion of elites' in post-colonial Africa was not driven by any "joint interest other than the maintenance of a social order". Such observations echo the recent arguments of North *et al.* (2009) that the establishment of a stable 'social order' in developing societies requires the formation of a 'dominant coalition' among elites, which limits access to economic rents to members and thereby creates incentives for elites to co-operate among themselves rather than fight.

However, there are reasons to suggest that the underlying incentive for the 'fusion of elites' in post-colonial Africa has not been as conducive for enhancing balanced regional development as it might have been for the maintenance of 'social orders'. First, since the preoccupation with inclusivity was "an essentially elite affair", it contributed to "a 'de-emphasis on the other forms of equality which directly involve the majority of the population'" (Rothchild and Foley, 1988: 250). Osagahe (2006) argues that the political imperative of elite accommodation meant that many regimes only resorted to distributing state patronage to elite representatives of marginalised groups in ways that rarely translated into less exclusion and domination of the group as a whole. Second, such forms of incorporation contributed to their "full co-optation into identification with the dominant political class [instead of their constituents]" (Rothchild, 1984: 165; also Boone, 1994: 126). Third, the underlying motives for elite inclusivity implied that elites from marginalised regions were often included on inequitable terms in ways that undermined their capacity in influencing resource allocation decisions and policy agenda more broadly. This took the forms of under-representing such regions vis-à-vis their population shares, and the tendency of dominant elites to "skew high level appointments, making the cabinet and bureaucracy more reflective of certain ethnic and class interests than of others" (Rothchild and Foley, 1988: 233 and 252).

These differential patterns of political incorporation are important to our understanding of why the ethno-regional disparities created by the colonial state persist in many countries today, in that "[f]or a group leader to be left out of the inner circle of decision makers is to be ineffective in championing the claims of his her constituents" (Rothchild and Foley, 1988: 252). Examining the resource allocation practices of a wide range of African countries, Rothchild (1984) found a skewed distribution of state resources in favour of relatively advantaged regions to be "apparent in the region as a whole" (176), not least as "certain dominant elites … have taken advantage of their positions of power … to skew distributive patterns in favour of a relatively advantaged subregion" (167). In Rothchild's view, this was not simply due to resource scarcity, but was largely the result of dominant elites' resistance to equitable development policies (Ibid.). Such observations resonate with one central claim of the political settlement literature, namely that developmental outcomes are shaped largely not by policy design *per se*, but rather by the underlying configuration of power within which such policies are implemented (di John and Putzel, 2009).

For van de Walle (2009) then, the problem of spatial inequality in sub-Saharan Africa has been "a side product of a process of elite formation in the states of the region" (309). He highlights the ways in which dominant elites, who were often from the ethno-regional groups favoured by colonial policies, used political power to reinforce their initial socio-economic advantages after independence, concluding that "[i]nsofar as political power has been used to gain economic advantages during the post-colonial era, inequality has little changed in the past 40 years..." (325). Uganda is one country whose experiences illustrate these observations. Here, where Museveni's National Resistance Movement has been purportedly implementing an all-inclusive coalition government for over two decades now, Lindemann (2011) has recently analysed the distribution of government positions among different ethno-regional groups for the period 1986-2008. With appointments broken down into three different categories: Cabinet, Deputy Ministers and the 'inner core' of political power, his findings show that the distribution of political, economic, and military power have historically been heavily biased in favour of ethnic groups from the south-western parts of the country, especially in the more consequential positions in the inner core (Ibid).[3] In contrast, elites from the historically underdeveloped Northern region were often assigned "the most marginal positions" (401) in ways that undermined the development prospects of the region. It is in light of this along with the relatively unfavourable policies towards the North during both the colonial and post-colonial periods that some analysts explain Uganda's persistent North-South inequalities in terms of the North's "'adverse incorporation' into the politics of state formation and capitalist development in Uganda over a prolonged period of time" (Golooba-Mutebi and Hickey, 2010: 1223).

4.3 An illustrative case study: the politics of regional inequality in Ghana

Ghana is confronted with persistent and deepening regional inequalities, in which the North (comprising the Northern, Upper East and Upper West regions) lags far behind in most socio-economic development indicators. Indeed, whereas the absolute number of the poor declined by some 2.5 million people in the South during 1991-2006, it increased by 0.9 million people in the North during the same period (World Bank, 2011b: 5). Although most scholars explain this phenomenon in terms of certain innate characteristics of the North such as the region's fewer production potentials associated with its 'bad geography' (Harsch, 2008), recent research makes a strong case for the need to understand the development predicaments of the North from the perspective of politics and inter-elite power relations (Abdulai, 2012). It argues that: a key factor that explains Ghana's stark unbalanced regional development has been the continuous exclusion of the historically poorer Northern regions from a fair share of public spending; and that the socio-economic marginalisation of these regions has been underpinned principally by a weaker influence of Northern elites on resource allocation decisions within a political environment that is driven largely by patron-client relations. Consequently, even policies designed with the formal objective of targeting the 'poor' often end up discriminating against the poorer Northern regions at the level of implementation.

The limited influence of Northern elites over resource allocation decisions has been a function of their 'adverse incorporation' into the polity: although rarely excluded from ruling coalitions, Northern politicians have often been assigned relatively 'light weight' portfolios in government (e.g. deputies, ministers without portfolio), undermining their influence over resource allocation decisions in the interests of their constituents. As one prominent Northern politician recently asked:

> "With all the political parties we have been committed and loyal to, what have they [Southern elites] delivered to us? Have we gotten the true meaning of democracy? ... The most vocal people in the political parties are northerners yet when it comes to resource allocation we are marginalized. When it comes to the positions, the positions they give us does not empower us to bring development to our people directly"[4]

The clientelistic distribution of public resources has been underpinned principally by the vulnerability of ruling coalitions since decolonisation, and the strategies that have been adopted for managing such vulnerabilities in order to maintain political power. Post-colonial governments in Ghana have been characterised by a high degree of vulnerability in power which encourages elite manipulation of public resources in a clientelistic fashion for maintaining political power. The main factors underpinning the vulnerability of Ghanaian ruling coalitions have varied over time, ranging from the emergence of ethno-regional parties that threatened the legitimacy of the first post-colonial government (1951-1966), the frequent military coups that characterised the

[4] Speech by Amin Anta, former Deputy Minister of State, April 25, 2012. See excepts at: http://politics.myjoyonline.com/pages/news/201204/85488.php [Accessed April 25, 2012]

period 1966-1981, and a highly competitive electoral environment within the context of a *de facto* two party system since the return to multiparty democracy in 1992.[5]

Following the emergence of ethno-regional political parties in the mid-1950s, Ghana became increasingly confronted with ethno-regional tensions that posed significant threats to the legitimacy of the first post-colonial government under Nkrumah. Nkrumah adopted several approaches to managing these threats, including the passage of repressive laws that enabled government to detain opposition elements without trial; the co-optation of ethno-regional elites into the government's party; the distribution of public resources along patronage lines that in turn heightened the significance of access to influential positions in government; and the proscription of ethno-regional political parties (Abdulai, 2012). The various regimes after Nkrumah's administration also remained highly vulnerable, and accordingly maintained most of the above strategies for maintaining the stability of their regimes. Moreover, the return to multiparty democracy in 1992 did not change the clientelist character of Ghanaian politics, but rather "marked a return to competitive clientelism, which had characterised most periods in Ghana's political history" (Whitfield, 2012: 2). Notably, as electoral competition between the country's two dominant political parties has become increasingly intense, 'pork barrel' allocations of state resources have become a dominant strategy for maintaining political power by elites across the political divide.

This seems to have been facilitated by the 1992 Constitution, which authorises the appointment of majority of cabinet Ministers from amongst MPs. Consequently, a vast majority of ruling party MPs often serve in cabinet and other ministerial positions, and thereby directly commanding substantial influence over the distribution of state resources. Parliamentary elections in Ghana are primarily about local development, and it is a common strategy for MPs to focus on providing 'club goods' to their constituents as a way of winning elections (Lindberg, 2010). In this context, the constitutional arrangement that allow cabinet decisions about public resource allocation to be taken by virtually the same set of elites who also doubled as MPs play an important role in deepening clientelistc politics, as ruling party MPs who simultaneously serve in ministerial positions use their influence in government in shifting public resources in favour of their constituents. Electoral politics has thus been the key underlying driver of competitive clientelism and its implications for spatial inequality in contemporary Ghana. This suggests the need to rethink the often 'culturalist' interpretations of clientelist politics in Africa, as the assertion that it is Africa's extended family system that "provides the ideological underpinning for the practices of clientelism and neo-patrimonialism that are so prevalent in Africa today" (Kelsall, 2008: 7).

[5] With the exception of the First Republic under Nkrumah (1960-1966), the interludes of civilian governments under the Second (1969-72) and Third (1979-81) Republics were short-lived, unable to survive for up to three years without being overthrown in a coup d'état (Abdulai, 2009).

However, Ghana's North-South inequality cannot be fully explained by the clientelist character of domestic politics alone. On the contrary, the interests of transnational elites have been critical to both the emergence and persistence of this problem during the pre-colonial, colonial and post-colonial periods. Historical evidence suggests that communities in northern Ghana flourished alongside southern communities during the 8th to 15th Centuries The most important economic activity during this period was trade, with the North widely acknowledged to have driven considerable developmental benefits from its middleman role in the transit trade between Southern Ghana and the Sahelian and Mediterranean regions (Fynn, 1971; Songsore, 1979).

The arrival of European merchants and the beginning of the European maritime trade in the 15th Century changed the economic dynamics of the Gold Coast in several ways, including the southward reorientation of trade routes along the coast. This led to the termination of the North's profitable middleman role in the transit trade, with the coastal and forest regions emerging as the most successful in the adjustment process In contrast, "[t]he decline of the North started when the trade routes northwards were reoriented south to the coast" (Tsikata and Seini, 2004: 15). The advent of colonialism reinforced the North's socio-economic marginalization, as the bulk of colonial capital investments were concentrated in building infrastructure (primarily roads and railway links) in the gold-rich Ashanti and Western Regions and the cocoa-growing districts in the Eastern, Central, Western and Ashanti regions of Southern Ghana In contrast, the North was largely treated as a pool of reserved labour that contributed to economic expansion in the South at the expense of the North (Plange, 1976).

There is considerable evidence that the interests of foreign business entities have continued to underpin Ghana's North-South inequalities in the post-colonial period, as much of foreign direct investments often tend to bypass the lagging North. The regional distribution of start-up investment projects show how private sector investments have been concentrated in Southern Ghana in general and the Greater Accra Region in particular: during 1994-2009 the North, which accounts for 20% of the national population and about 40% of the total land area of the country, could muster a mere 1% of these investments registered with the Ghana Investment Promotion Council (Table 1). Such locational patterns are apparently driven by the profit motives of private business entities, but with implications for spatial inequality given the huge levels of investment associated with these projects.[6]

Table 1: Regional distribution of registered projects by sectors, September 1994-December 2009

Zone	Region	MAJOR SECTORS								Total	% of total
		Agric	Building/ Construction	Export Trade	General Trade	Liaison	Manufacturing	Service	Tourism		
South	Ashanti	11	13	17	20	9	54	40	21	185	6
	B/Ahafo	5	2	8			8	2	1	26	1
	Central	22	6	2			20	7	24	81	3
	Eastern	39	3	2	1		13	12	9	79	2
	G/Accra	83	211	116	427	162	686	720	232	2,637	82
	Volta	23	1	2	1		11	3	2	43	1
	Western	7	9	9	5	8	22	40	24	124	4
North	Northern	8	2	2	2	1	5	4	6	30	1
	Upper East	0	1	1	0		1	3	1	7	0
	Upper West	0	1	0	0				1	2	0
Ghana	**National**	**198**	**249**	**159**	**456**	**180**	**820**	**831**	**321**	**3,214**	**100%**

Source: Author's computations based on data from the Ghana Investment Promotion Council, Accra

International donors also represent important external actors who influence regional development patterns in Ghana, both positively and negatively. On the one hand, the North-South inequalities in access to basic services have been reducing since the 1990s due partly to the interventions of donors and international NGOs whose social development projects have helped to compensate for government abdication of the North (Shepherd *et al*., 2004: 41). Yet, the persistent high levels of income poverty in the North cannot be fully understood without reference to some macroeconomic policies that have been pursued by Ghanaian governments at the behest of donor conditionalities. One example that illustrates this is the politics behind the decline of the local rice industry, a sector that once held significant poverty reduction potential for the in the poorer northern regions, given the North's competitive advantage in its production. In the 1970s, import-substitution policies focused mainly on state support for rice production, which had some positive developmental impact in the North, including the emergence of an integrated labour region for the first time (Shepherd, 1981). Indeed, "[f]rom 1976 for a few years, Ghana exported rice from the North to the West Africa region. Ghanaians had then a glimpse of what the North could be with the right policies, political will and the necessary investments" (Akuffo-Addo, 2007).

However, the adoption of structural adjustment policies (SAPs) from the late 1980s onwards saw the government shift attention away from food crops to export-oriented crops, with the cocoa and mining industries receiving the bulk of donor support under SAPs (Aryeetey-Attoh and Chatterjee, 1988), as the interests of the Bretton Woods institutions and the ruling political elites dovetailed on these sectors (Whitfield, 2011). Consequently, most public investments went to Ghana's core industrial region, Greater Accra, as well as the cocoa and mineral producing areas in the Ashanti, Brong Ahafo and Western regions of Southern Ghana (Konadu-Agyeman, 2000). By contrast, the historically disadvantaged Northern regions, which have economies dominated by staple food production, bore a disproportionate share of the burden of trade liberalisation which opened the floodgates for rice imports in ways that undermined domestic production.

Although raising import tariffs appears critical for reviving the local rice industry, ruling elites across the political divide have desisted from employing this policy measure in part because of their desire to remain in the good books of major donor agencies within the context of an international neo-liberal policy environment. However in its 2003 national budget, the New Patriotic Party (NPP) government announced a 5% increase in rice imports tariffs (from 20-25%) but the implementation was quickly suspended with the government subsequently repealing the law that introduced the tariff increase. Why did the NPP government, with its pro-business ideological orientation, introduce the tariff increase and why was this not implemented? Several factors were at play here, including the role of ideas around nationalism, electoral calculus, and donor pressure.

Electoral politics and nationalism have been two critical factors driving agricultural policies in Ghana, as it relates in particular to rice imports (deGrassi, 2007). Despite having the potential to meet its demand for rice from domestic production, Ghana has become increasingly dependent on rice imports, with government's annual rice import bill exceeding well over US$100 million since the early 2000s. This is has been a major advocacy issue for civic actors, and national self-sufficiency in rice production has featured prominently in the election manifestos of the two dominant parties since 1996. The NPP manifesto for the December 2000 elections emphasized boosting rice production (NPP, 2000), and President Kufuor stated a few days after assuming office that "we should be able to reduce [the] agricultural import bill in the few years ahead" (Daily Graphic, 01/17/01). It was on grounds of such nationalistic ideas that the 2003 budget statement also justified the tariff increase on rice imports:

> "Mr. Speaker, Ghana currently imports about 120,000 metric tonnes of rice annually, accounting for about 58 per cent of total national consumption. The country, however, has the natural resources for the production of rice. Government therefore intends to increase domestic production of rice in order to reduce reliance on imports and thereby conserve foreign exchange. To support and make domestic production more competitive, it is proposed that the duty on rice imports be increased by 5.0 per cent to 25.0 per cent (Budget Statement, 2003: 127).

However, amidst this rhetoric of ensuring self-sufficiency, the NPP government faced pressure from international financial institutions, notably the International Monetary Fund (IMF), over the rice tariff increase. Field interviews with senior government officials as the Ministries of Finance, Agriculture and Trade & Industry indicate that these pressures influenced the government's calculus about rice trade policy and explain the non-implementation of the tariff increase. Indeed, in response to a protest letter by Christian Aid, IMF officials acknowledged that it was "after consultations with Fund staff" that the Ghanaian government "decided not to implement the proposed increase in tariffs for a variety of reasons" (IMF, 2005 in Paasch *et al*., 2007; also deGrassi, 2007). Importantly, amidst such 'consultations', there were huge loans at stake, including a three-year arrangement amounting to US$258 million under the Poverty Reduction and Growth Facility (PRGF) and an additional interim assistance of US$22 million under the Highly Indebted Poor Countries (HIPC) initiative (Paasch *et al*., 2007). Given that the NPP government needed to meet IMF conditionality in order to achieve debt relief, it would seem that the incentives engendered by aid dependency overrode support to the local rice industry. Taken together, these observations highlight the need to extend the boundaries of political settlement analysis beyond a narrow focus on incentives at the national level, to incorporate a stronger focus on transnational factors and ideas.

How then might spatial inequality be investigated from this extended political settlement perspective?

5. Investigating the politics of spatial inequality: some methodological considerations

In terms of future research, the analysis of spatial inequalities through the more nuanced political settlements perspective proposed above requires: (1) an understanding of the composition of ruling elites (both political and bureaucratic), paying particular attention to the ways in which marginalised regions have historically been incorporated into them; (2) the distribution of public resources during particular periods; and (3) the extent to which the latter can reasonably be attributed to the former. Here however, it is important to go beyond the claim that development outcomes are essentially the product of “the political incentives facing political elites and leaders” (Booth and Therkildsen, 2012: 3), to an investigation of aspects of elite behaviour that cannot be fully understood in instrumental terms, including the roles of ideas and ideology, as well as transnational factors and processes in shaping domestic elite behaviour.

5.1 Estimating the spatial distribution of power

One data requirement here is to understand the spatial distribution of state power, which can be measured by the composition of governments over a prolonged period of time. Two important issues require consideration here. The first is to understand the quantitative distribution of influential positions in government, which can be measured by the inter-regional distribution of cabinet ministers and their deputies, as well as permanent secretary positions. The second is to recognise that the quantitative distribution of cabinet posts can understate inequalities in positions of power, not least as the power of patronage varies significantly across different government portfolios. Indeed, given the clientelist character of political settlements in all developing countries (Khan, 2010), ethno-regional inequalities in more prominent ministerial positions (e.g. finance) often “reflect not only a power imbalance but also lopsided possibilities of patronage and shares in rents” (Stewart, 2010b: 142). This means that even if all ethno-regional groups are equally represented in government in quantitative terms, the most prominent positions and, therefore, the real decision-making powers might still be monopolised by the more powerful elites from relatively developed regions in ways that undermine public resource flows to the poorest. This suggests the need to go beyond the broader quantitative distribution of governmental positions to an analysis of the regional distribution of what may be considered as the ‘inner circle of political power’ in order to determine whether power sharing also extends to the positions of real power and influence.[7]

5.2 Expenditure analysis

[7] For details on how to construct the ‘inner core’ of power for purposes of empirical research, see Lindemann (2010) and Abdulai (2012; 2013).

In order to establish whether the dominance of particular regions in the senior echelons of government leads to policy outcomes that advance the interest of such regions at the expense of others, we would need to understand the regional patterns of public spending in the first place. Although private investments also play critical roles in underpinning spatial inequalities, as noted above, there are important reasons why research should prioritise an analysis of the politics of publicly owned resources rather than private investments. First, public expenditures are far more critical because, as Sandbrook *et al*. (2007: 253) note, “[t]he state remains the only entity with the legitimacy and capacity to capture and redirect the wealth that society produces”. Second, as profit-making entities, the location patterns of private capital are generally motivated by patterns of state-led investments in basic socio-economic infrastructure such as roads and electricity. The spatial patterns of public spending can therefore be expected to have considerable influence on the location decisions of private firms.

Ideally, it would be desirable (if possible) to consider an analysis of spatial disparities in both income and non-income indicators, as this can help us understand the underlying political drivers of different forms of inequalities, including the role of transnational actors in these. In relation to social provisioning, education and health-related expenditures would appear particularly useful for analysis for at least two reasons. First, these sectors often account for a significant part of social sector spending in many developing societies. The exclusion of any ethno-regional group in these sectors can therefore rarely be sufficiently compensated for by greater spending in other social sectors. Second, the provision of education and health facilities are issues of high political visibility, and can therefore provide us with additional advantages for understanding the politics of public spending. This means that if the pattern of ethno-regional dominance among senior government officials has any impact on the spatial distribution of development funds, we would expect that impact to reflect in the distribution of education and health-related expenditures. Where regionally-disaggregated expenditure data is limited, analysis here could also consider making use of important proxies like the spatial distribution of trained teachers, medical doctors and nurses, public hospitals relative to population shares etc.

Another key issue worth investigating is the extent to which governments have sought to invest in measures aimed at wealth creation and economic growth in lagging regions. This is important because unless accompanied by productive investments aimed at enhancing the incomes of the poor, the tokenistic distribution of social welfare services in lagging regions may be nothing more than ‘sticking plaster’ solutions to spatially exclusive forms of development. In India, “while central income transfers have gone to poorer regions, productive investments have gone to richer regions and increased the gap between regions” (Shankar and Shah, 2009: 9). One line of investigation here could focus on an analysis of specific productive sectors of the economy. In particular, where sectoral patterns can be somehow correlated with regional patterns in a given country – as with where the production of different agricultural crops are unique to particular regions – the implications of the sectoral/regional patterns of growth for spatial inequality can be analysed. The key concern here is to understand which particular productive sectors receive substantial public and private investments, which get neglected and why. Such an analysis should necessarily take into account the influences of transnational factors and processes, including incentives engendered by aid dependency, the implications of the changing global trade regime, price volatility of different products in international markets, and the interests of aid agencies and giant multinational corporations more broadly.

5.3 Exploring the politics-expenditure nexus

The discussion above is based on the two key assumptions that: (1) within the context of the clientelist political settlements in developing countries, the dominance of particular regions in influential positions in government leads to policy outcomes that advance the interest of such regions at the expense of others and thereby reinforcing historical inequalities; and (2) one way of testing these relationships is to examine patterns of development expenditures across different ethno-regional groups, given that resource allocation decisions are generally taken by senior public officials. But how do we attribute the actual patterns of resource distribution to variations in access to political power? Three suggestions are made below as to how causal claims could be made regarding the impact of the regional distribution of political power on the regional patterns of resource allocation.

First, research could explore and interrogate various alternative (and feasible) explanations beyond interpreting the observed expenditure patterns on the basis of politics and power relations. This is one key strategy in making causal inferences in qualitative research, whereby a researcher tries to identify a wide range of alternative explanations that would threaten the proposed explanation and then search for 'clues' as to whether these processes were actually operating in a given case (Maxwell, 2004). The ability of the researcher to rule out other feasible explanations means that "the confidence in the suggested explanation will be increased" (Bennett and Elman, 2006: 460). Maxwell (2004: 257) notes that "the main challenge in using this strategy in qualitative research is coming up with the most important alternative explanations" and then specifying in enough detail that such "rival hypotheses" cannot be taken as the causal mechanisms of the observed social phenomenon. Arguably however, for research seeking to establish a causal linkage between the spatial patterns of political representation and resource sharing, there can be no better alternative explanation than the ones offered by those who have been directly involved in the formulation and implementation of the policies and programmes concerned. This suggests the need for researchers to explore *not only* the alternative explanations they deem feasible, *but also* those offered by the policymakers involved in the formulation and implementation of programmes under investigation through informant interviews.

Second, in cases where it is feasible to obtain disaggregated expenditure data on both *budgetary allocations* and *actual spending* for any given year(s), another approach to establishing causality (or at least a strong correlation) could be a comparison of the two. This is to understand the patterns of deviations between expected and actual expenditures by location, which can then be compared to the spatial distribution of power among elites. This is arguably an important way of establishing the influence of political representation and other forms of politics on public spending, not least as budgetary allocations and actual expenditures in developing countries are widely acknowledged to be shaped by formal rules and informal practices respectively (DFID, 2007). Thus, the budgetary processes of Malawi and Ghana have been respectively characterised as a "theatre" (Rakner *et al*., 2004) and "a ritualised façade" (Killick, 2005: 2), not least as government "ministers and high officials are able to set aside what the budget says and dispose of public monies according to quite other decision processes" (Ibid.: 3). Similarly in Tanzania, although politicians and public bureaucrats typically include all districts in allocating annual budgetary resources, it is the political and bureaucratic elites that make the *de facto* decisions about actual allocations (Therkildsen, 2008). Thus, an inter-regional comparison of budgetary allocations and actual spending can give us a sense of the impact of the spatial distribution of political power on the spatial patterns of actual resource allocation. If the observed deviations arise from other factors such as funding shortfalls, for example, we would expect the pattern of shortfalls to be fairly uniform across regions. However, if those with limited access to the power structures of the state are also those that frequently experience high levels of shortfalls in their actual allocated sums vis-à-vis their budgetary shares, then we could reasonably attribute this to power relations and the vested interests of more influential political and bureaucratic elites.

A related approach is a comparison between actual recurrent and capital expenditures by location in order to see which particular types of expenditures are most evenly skewed in favour of certain ethno-regional groups. This is useful because studies have shown that due to the relatively strong political capital associated with capital expenditures, it is this type of spending (rather than recurrent expenditures) that are frequently targeted to favoured constituents by dominant elites (Kawaura, 2011; Abdulai, 2012). Unlike recurrent expenditures, the provision of physical infrastructure like health facilities are more visible, and therefore tend to have greater potential for stimulating political support for ruling elites. A comparison of these two types of expenditures may therefore also help us establish the role of informal/clientelist politics in understanding how formal resource allocation criteria are actually implemented and their implications for spatial inequalities.

Finally, process tracing can be employed to explore the politics of the observed patterns of public spending, especially in contexts where the resources being analysed are in relation to specific social protection programmes. Process tracing is a method of causal analysis that "attempts to identify the intervening causal process – the causal chain and causal mechanism – between an independent variable (cause) and the outcome of the dependent variable" (George and Bennett, 2005: 206; also

Collier, 2011). In this approach, causation is "thought of as a process involving the mechanisms and capacities that lead from a cause to an effect" (Bennett and Elman, 2006: 457; see also Collier, 2011).

6. Conclusion

I have argued that within the context of the clientelist political settlements of developing countries, the possibilities of overcoming spatial/regional inequalities depend substantially on the way political power is distributed among regional elites. Given the problem of resource scarcity in developing societies, various ethno-regional groups seek access to influential positions in government as means of presenting group interests in the decision-making process. Thus, developing countries are typically under the control of a coalition of elite factions, which compete amongst themselves for access to resources and political power (Rothchild, 1985; Hyden, 2006; Parks and Cole, 2010). In such contexts, comprehensive policies that skew benefits towards the poorest are more likely to be implemented on a sustained basis when elites who directly represent the interest of those segments of the population have substantial influence over resource allocation decisions and policy agenda more broadly. Indeed, in developing country contexts where even better-off regions face a raft of pressing fiscal demands, we can at best expect the spatial patterns of resource allocation to be driven more by the differential bargaining powers of regional elites rather than any abstract ethical principle like equity. Strategies that aim to bridge interregional development gaps should therefore also consider ways to shift inter-regional power relations in favour of poorer regions.

This argument reinforces recent research that highlights the inherently political nature of spatial inequality and the difficulty of achieving spatially inclusive development without the inclusion of elites from poorer regions within ruling coalitions (e.g. UNRSID, 2010: 82). However, the analysis here also goes further to emphasise that whereas the political inclusion of lagging regions matters for their socio-economic development prospects, it is the terms and conditions of their inclusion that are especially critical in shaping their access to vital state resources.

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