

Fight corruption first or support economic development first?

Paper for the Development Studies Association annual conference, September 2017

by

Lars Niklasson

Political Science/IEI

Linköping University

SE-58381 Linköping

Sweden

Lars.niklasson@liu.se

Abstract

This paper aims to explain and clarify the academic debate on how to prioritize actions for long-term development, whether good governance is more important than economic development or not, especially in relation to the implementation of the sustainable development goals in Sub-Saharan Africa.

There has been a general global consensus on the importance of good governance (rule of law, reduced corruption etc.) for economic development. This is a well-established position in the aid policy community and in the literature on the quality of government, the literature on institutions and state development etc. This consensus has been challenged by the alternative hypothesis that economic development is actually a driver for good governance and not the other way around. This emerging literature is based on empirical cases, mainly from Africa and Asia.

The clash of perspectives has large implications for development strategies and foreign aid. My ambition is to begin a testing of these hypotheses by clarifying what they actually claim in terms of causal chains and to discuss elements of empirical testing. I will compare the theories to point out what is similar and where they differ. I will also compare them to more general types of social science explanations, exemplified by the so-called three institutionalist perspectives in comparative and international politics. This topic is of general interest, while my primary interest is to problematize the implementation of the sustainable development goals in Sub-Saharan Africa. The SDGs seem to underestimate fundamental problems of implementation.

1. The importance of good governance

“Good governance” has been a key policy recommendation for developing countries for a long time. Organizations like the World Bank and national agencies for aid have insisted on seeing bad governance as a major problem for developing countries and a prioritized item to be dealt with. The recommendation has been part of the infamous Washington Consensus on aid policy, although sometimes seen as an addition and partly an alternative to it (Williams 20xx)

The focus in the aid policy community on governance was at its strongest in the 90s and has been somewhat relaxed and to some extent replaced by a focus on general goals such as the Millennium Development Goals (MDGs) and the Sustainable Development Goals (SDGs). These goals identify major challenges for poor people but are almost silent on how the goals can be achieved. Issues relating to governance are included but not among the most visible items.

The basic idea of good governance is that a properly functioning public sector (government) is more or less a necessity to deliver basic services in developing countries and as a framework for a market economy. It is also thought to strengthen trust in societies in general and to lay the foundation for more ambitious policies, where trust is essential, for example to make citizens willing to pay taxes and make other sacrifices for the common good (Rothstein 2011). The causal argument is that these arrangements lead to economic development and other social goals (good health, education and environmental protection). Hence, the absence of good governance is seen by its proponents as a fundamental barrier for development, reducing the effects of all other efforts to stimulate development and a good life.

In addition to the causal argument, there is a value-based argument about good governance as a short-hand description of the only accepted design of government, at least by the global North. Good governance includes democracy, rule of law, respect for human rights and so on. The definitions are usually very long and specific. My point is that they are defended variously on empirical grounds or normative grounds. Both types of argument are relevant in a discussion of strengths and weaknesses of good governance.

The issue of good governance has great relevance for global policies for development like the MDGs and SDGs. Some proponents of good governance are critical of the global goals for not putting enough emphasis on good governance. Issues relating to governance are treated as secondary aspects of one of the last goals, rather than highlighted as one of the key goals, necessary to achieve other goals. By not highlighting good governance, the goals lose their backing by a causal argument. It is now up to each country to think about how they can achieve the goals and where they should begin taking action.

The debate on the global goals is even more interesting since a number of scholars are questioning the causal role of good governance. It is argued that there are other paths of development where at least some of the recommendations on global governance aren't necessary, or even mistaken. There are other ways of development, exemplified by the rise of China, which has developed economically in spite of being an authoritarian state. This indicates that not all recommendations are necessary for economic growth. On the other hand, not all authoritarian states are developing, so there must be a more elaborate argument about what drives development and what blocks it.

In this paper I will analyze a specific proposal by Tim Kelsall and David Booth, together with Diana Cammack and Frederick Golooba-Mutebi, that “developmental patrimonialism” is an appropriate strategy for developing countries. “Patrimonialism” is a term coined by Max Weber to describe pre-modern societies where the relationship between rulers and the ruled is based on personal loyalty,

an exchange of protection for support. This is in contrast to modern forms of organization (public and private), where authority is based on formal roles, i.e. the rule of law (the law is above the king). a bureaucracy is working to implement rules in a disinterested (impersonalized) way and leaders are held accountable by voters and other stakeholders.

Kelsall and Booth see patrimonialism as appropriate for development purposes. What they mean, to put it bluntly, is that some forms of corruption are beneficial for economic growth. This implies that good governance may not be as important as others think and may even be a waste of resources, an inefficient strategy of development. This is a very interesting counter-point in relation to much of the standard arguments about good governance. The critical perspective could help identify the more specific circumstances under which development is likely to occur.

My ambition is to analyze the debate on good governance by focusing on the proposal by Kelsall and Booth. I will place their argument in context and begin a testing of it. I will interpret their argument by spelling it out and showing what it implies. The method is content-analysis, which makes use of an overview of research on empirical and normative aspects of development.

2. Questioning good governance

Tim Kelsall and David Booth are interesting because they present a new theory of development with the ambition of reversing the dominant thinking about strategies for development. They build on a number of other critical perspectives on good governance, for example by Ha-Joon Chang (2002) and Mushtaq Khan (2006), but take it a step further towards an alternative strategy.

The general criticism of good governance is summarized by Merilee Grindle (2004, 2007), who argues that the good governance-agenda is too demanding. Instead we should settle for “good enough governance”, taking one step at a time, so to say. Rather than treating all countries the same way, we should think more specifically about appropriate steps for each country. If not, the more advanced goals will be difficult to achieve and the actions taken may even make the situation worse. An example is where competitive elections lead to an increased effort by incumbents to buy votes, or where term-limits make incumbents less interested in long-term solutions for the country. Appropriate advice on governance based on advanced countries may not be appropriate for poor countries.

Grindle argues for example that so called failed states, without a functioning government, should focus on very basic problems and not try to solve more advanced problems before they have the basic functions of government in place. Similarly, countries with highly personal rule (“patrimonialism”) or only minimal institutionalization (only some aspects of democracy), should likewise be careful about the steps they take (Grindle 2007:564, based on Moore 2001).

In this version, the argument is basically that advice on good governance should take the context into account. It can be read as a reaction against the simplest type of policy advice which recommends the same action everywhere. Ambitious donor organizations are actually more nuanced and try to adapt their strategies to individual countries (Grindle 2007). However, this becomes more complicated when there is an abundance of organizations working to support individual countries, sometimes with clashing or even competing ambitions. The donor community as a whole is highly uncoordinated, for better or worse.

Implicitly, the strategies should build on empirical knowledge about what works. Implied is also that there are stages or even a pathway of development which provides guidance for policy. It would be

prohibitively difficult to adapt recommendations to a context without a theory to base it on. Grindle's implicit theory is about stages of institutional development while Kelsall and Booth question the pathway itself.

Kelsall and Booth have elaborated the argument into a more specific theory about economic progress in developing countries, especially in Africa. Their argument is that under some circumstances will corrupt (patrimonial) leaders bring about economic development. I will come to the specific circumstances below. Their argument against a focus on good governance and in favor of a focus on economic development is that it is unrealistic (too demanding) and unnecessary to focus on governance (Kelsall & Booth 2010:26).

Like Grindle, Kelsall and Booth see some of the focus on governance as a wasted and even negative effort to improve the situation in developing countries. But in contrast to Grindle, they see positive effects of corruption and suggest that it should be accepted. According to them, certain forms of corruption can lead to some or possibly all the goals which Grindle and the proponents of good governance want to achieve, but through another pathway which, the argument goes, is less demanding.

Kelsall and Booth see three advantages with developmental patrimonialism over good governance. One is the possibility of "primitive accumulation", creating a first set of resources to start off economic development. Another is the possibility of political stability for state-building and nation-building. And a third is that it may put some discipline on corruption, which weak legal systems are unable to do (Kelsall & Booth 2010:7).

Booth and Cammack (2013) provide an additional argument, which can be interpreted as a defense for pragmatism and room for leaders to go against popular opinion and even demands for democracy. They see a focus on "principals and agents" as a restriction on aid policy. Principals and agents are part of an economic conceptualization of the relationship between rulers and ruled. My interpretation is that Booth and Cammack find it wasteful that leaders should be held accountable by the voters. This goes against a major concern in the development community, that leaders must be held accountable as a way to make them more interested in the needs of the people. In short, this aspect of democracy must stand back for the pursuit of economic growth and better living conditions. Checks and balances are seen as limitations rather than safeguards for economic policy.

Kelsall and Booth are not saying that developmental patrimonialism is necessary for development (though they seem to do that on page 13), only that it is an easier path than beginning with good governance. They also don't say that it is sufficient. They point out that developmental patrimonialism (the good kind of corruption) is not sufficient as a strategy for development. It has to be combined with broadly pro-capitalist policies (Kelsall & Booth 2010:26).

However, this is a difficult step in the argument. Tim Kelsall (2011) actually makes a more specific point, which can be interpreted several ways. He seems to agree with Grindle (2004) and Chang (2002), who show that democracy and the general rule of law came after economic development in the western world, while some specific aspects of governance came before, laying down some framework conditions for running a business and conducting trade (a market economy). Hence, the general argument seems to be that democracy and political reform can wait, while the basic conditions for a market economy cannot. It is not a total rejection of good governance, at least not for failed states or states with premodern legal systems (for example legal systems based on religion rather than the principles of property rights).

The theory promoted by Kelsall and Booth actually has two parts, linking developmental patrimonialism to economic growth and linking economic growth to the development of good governance. The

argument is not just that some forms of corruption are good for economic development, but that a focus on economic development will later lead to good governance. Hence, it is a better strategy in the sense that it deals with the standard of living first and secondly leads to an acceptable form of government.

The second part means that good governance is seen as a consequence of economic development rather than a prerequisite for it, as the dominant perspective does. This is based on historical evidence, that western democracies had economic development before they had all elements of good governance. This is not just a problem for the theory of good governance but also a problem for good governance as policy advice. Ha-Joon Chang (2002) talks about the rich countries kicking away the ladder for developing countries, i.e. denying them the strategy pursued by themselves, making it more difficult for poor countries to catch up. The message is that the rich countries should let the poor countries develop the same way Europe did, not the way the ahistorical theories about good governance say they should.

It is not clear if Kelsall and Booth actually agrees with the second part, though it seems important as support for their general argument. Kelsall and Booth are less certain about Africa. They say the best evidence is in Europe, while their examples of developmental patrimonialism have not yet developed into democracies.

This raises two major questions: what is the evidence for the theory, i.e. that some forms of corruption can be a fast-track for growth and that this will in turn lead to good governance (democracy)? And: Is it reasonable to put fundamental values like democracy on hold while we promote economic growth? In other words, what is the relationship between the empirical and the normative aspects of good governance? Is it reasonable to give up ambitions about politics (democracy) to prioritize growth? Or is this asking for too much? Should good governance in the form of democracy, rule of law and respect for human rights be promoted even if it means that growth is delayed? Kelsall argues that better living conditions for the poor is a kind of human right too (Kelsall 2013:xx).

3. The evidence

Kelsall and Booth (2010:12) find support in an overview of experiences from Africa. They use examples from various countries and at various times to show that developmental patrimonialism has two characteristics which make it successful; centralization and a long-term perspective. Countries develop economically when both are present.

The evidence presented by Kelsall and Booth is a typology where the machinery of government in a developing country can be centralized or decentralized, while the time horizon of the leaders can be long or short. Three of the combinations are not working well, while the fourth (“developmental patrimonialism”) more often leads to economic growth in the cases presented.

The combination of centralization with a short horizon is described as a “non-developmental kleptocracy”, while the opposite combination is a “losing battle against corruption”. The worst kind is an anarchy or a “free for all”.

	Low centralization	High centralization
Short horizon	Free-for-all	Non-developmental kleptocracy
Long horizon	Losing battle against corruption	Developmental rent utilisation

Figure: The typological theory (Kelsall & Booth 2010:8)

The strongest performance and strongest evidence for the theory is Cote d'Ivoire 1960-75, Malawi 1961-78, Kenya 1965-75 and Rwanda from 2000. Almost as strong performance was in Ghana 1981-92, Uganda 1986-2000 and in Malawi after 2004. All of these were ruled by strong leaders who centralized control (a monopoly on corruption) and used this control of the economy to diversify it (a long-term perspective). The leaders avoided the temptation to settle for short-term personal gain and opted for larger gains in the future, either for personal gain or for the benefit of their countries. In short, the leaders were benevolent dictators or benevolent Mafioso.

Several countries changed characteristics over time and also their economic performance, for example Kenya, where the time-horizon has been short since 1980 with expectedly poor economic performance, but also with reasonable performance (after 2002). Ghana was interestingly a developmental patrimonial state twice, but with different economic performance, poor in 1957-66 and quite strong in 1981-92. Tanzania is the other example of a developmental patrimonial state with a poor performance, which is explained by the lack of pro-capitalist policies, i.e. doing things which go against the development of the economy.

Kelsall and Booth use additional examples from Asia to show that their theories hold. The key example is Indonesia 1966-97 under Suharto, when it was one of the fastest growing economies in the world. "The Indonesian economic model was wasteful, politically repressive, and environmentally destructive, but its growth potential cannot be denied", they argue (2010:5). Under Sukarno, the successor, Indonesia lost its long-term focus and degenerated.

China may be an even better example of the model at work, where the Communist Party to a large extent acts within the concept of developmental patrimonialism. South Korea is even more interesting, since it pursued authoritarian policies for about 25 years and then developed into a democracy in 1987. (Japan, in contrast, pursued developmental policies and good governance after the Second World War.)

The typology can be read as a distinction among types of corruption and as a warning that the optimal combination can degrade into one of the other. The differences between them are matters of degree rather than kind. This is important to address in a wider comparison of theories. Some of the successful examples given have in fact broken down over time.

More problematic is that not all the examples of developmental patrimonialism show performance superior to the other combinations of policy. Under some circumstances the bad combinations have led to "reasonable" or "mostly reasonable" performance, while the good combination has led to "poor" performance as well as "strong" and "quite strong" (Kelsall & Booth 2010:12). The fact that some cases of developmental patrimonialism perform worse than the other combinations is a problem for the theory and indicates that there are more variables to take into consideration.

A further limitation on the analysis is that Kelsall and Booth don't look at all possible data. They give examples, most of which fit the theory, but leave it up to the reader to think about cases which may not fit. A more ambitious test would be to go through all countries to see if failure or success can be explained by the theory. It's not reasonable to do so in a paper, but it is something to bear in mind.

They also don't look at cases where good governance have led to growth or where it has stifled growth. There is no explicit comparison of the two theories, the traditional and their own. The argument by Kelsall and Booth is rather a falsification of a strong version of the theory of good governance, that it is the only way to bring about economic development. The successful cases of developmental patrimonialism show that it isn't, but we don't know the relative merit of the two strategies.

The typology is not a theory in itself but rather a means for classification. It is meant to show that certain characteristics of the state lead to certain economic performance. It is based on detailed description and comparison of the cases, in contrast to statistical testing of data. This methodological choice partly explains differences in the findings on governance arrangements from the theory of good governance.

Marilee Grindle argues that methodology has a great impact on research and on policy recommendations. The more general theories of good governance are based on quantitative studies which show general causal relationships, often through the work of institutional economists or some political scientists. The more specific theories making statements about individual cases are based on qualitative studies, illustrated by the typology above.

Proponents of good governance seem to rely on Economics, pointing out causal links based on cross-country comparisons to find general relationships on a high level of abstraction. The critics apply qualitative methods, as found in Sociology, which identifies particular processes over time in more limited settings. Political scientists ("comparativists") work within both traditions.

Qualitative research makes important contributions, especially in the form of process-tracing, describing how events unfold. The statistical high level knowledge is of value to make hypotheses and for some kinds of testing, but has to be compatible with the case studies. The cases provide the strongest evidence, but with other risks of misinterpretation due to the low level of generalizability. From a methodological point of view, the effort by Kelsall and Booth makes sense, i.e. to look for cases which falsify the general theory. The method is reasonable, but the weak findings (low correlation between governance and economic performance) is a problem.

4. Two more general perspectives

One way to understand the debate better is to place it in the context of a major struggle between fundamental strategies for development or even between political ideologies. Kelsall and Booth make references to developmental states, the model where states guide the economy to promote upgrading and structural change (Woo-Cumings 1999). The term was coined to describe countries like Japan, South Korea and China, where the state worked in partnership with business to promote technological advancement. This is often held as the explanation for the rapid development of agriculture, manufacturing and high-tech business. Proponents argue that elements of this model are applied in countries like Germany and the US too.

The developmental state is mainly an instrument for economic upgrading in a top-down manner. However, the top shouldn't make its decisions in splendid isolation, but rather has to be closely connected with firms and work with them to find out what it should do. Its strength comes from picking winners and supporting them to be successful in the global marketplace. This is in contrast to a strategy where states stay away from firms and rather uphold competition, to make sure that the market selects winners from the bottom-up.

The policy of good governance is closer to the alternative model which emphasizes the role of markets and the need to put in place institutions which will guide actors to produce socially beneficial outcomes from their individual actions, for example through competition. This is a more classical liberal view of markets, which is skeptical of the capacity of states to make things right. In reality, the difference may be a matter of degree, since both want markets to function properly and both see at least some roles for the state. However, in terms of economic ideologies one is liberal and the other is mercantilist.

In the broader debate, there is some agreement that the two perspectives point at each other's weak spots. The most famous Asian developmental states managed to speed up the upgrading of the economy through planning and investments, but an experimentally oriented economy like the US has advantages in finding new paths and taking advantage of decentralized information.

However, a major change since the early developmental states concerns the role of the national economy. 50 years ago, several countries closed their borders to protect infant industries. Import substitution was the concept of the day. Now, the focus is rather on global value chains and the benefits of producing goods and services for a global market. This is seen as a shortcut to economic development, since the global market is much bigger than the national market. Hence, an argument is that developing countries should aim for economic integration rather than isolation.

Integration into world markets will affect the policy choices. Developmental patrimonialism may have some strengths as an export-oriented strategy, but also some limitations. Dictatorships may have some advantages for foreign investors, such as granting monopolies, but there will also be risks that dictators change their minds or lose their hold on power. Furthermore, it will likely put a limit on the transfer of knowledge from the investor to the local firms, not least in the form of spin-offs or service providers. These mechanisms are likely to be stronger if it is easy to start new firms. The strategy of good governance seems more compatible with the needs of foreign investors, such as a strong general business climate and a political system which is trustworthy and operates with checks and balances.

The Chinese government has been successful in pursuing an export-oriented version of developmental patrimonialism, so it is not impossible, but the size of the population may have been of importance. The Chinese case shows that the issue is even more complex.

5. Are the strategies feasible?

Another way to understand the two strategies better is to look at their feasibility and, more specifically, what it takes to make them successful.

Beginning with the strategy of developmental patrimonialism, Kelsall and Booth already discuss possible risks in the form of degeneration of the model, i.e. the three alternative combinations in the matrix above. The optimal model can become short-sighted and/or the center may lose its grip. Several of their national examples have degenerated. At the same time, they see the possibility of a positive development too, that the model evolves into an improved governance, even what the proponents of good governance desire.

Looking more closely at the model, it describes a situation which is highly conflictual. The advantage, from Kelsall's and Booth's perspective, is that it provides the means for structural change and upgrading through a top-down strategy. From the opposite ("institutionalists") perspective it is also a situation where bribes are necessary to do business. It may be predictable in the sense that the successful firm gets a stable situation and others know to stay away. It is much like doing business with the mafia, which is a kind of stable order too.

Where the model scores low is in the general business climate; it will likely not open up for SMEs or for competition more generally ("trial and error"). It misses a central characteristic of the market economy as an ideal, being an experimentally oriented economy. A developmental state (or Mafioso state) could be good at copying, but not at fostering an entrepreneurial spirit.

Secondary problems relate to the bureaucracy. Civil servants will work for the boss rather than as a professional Weberian bureaucracy. This differs from the developmental state in Asia, where an important characteristic was the “embedded autonomy” of the bureaucracy, i.e. its ability to make “rational” plans through negotiations with individual firms. The bureaucracy acted like professional investors, not like the mafia.

Developmental patrimonialism reduces the capacity of the bureaucracy to reform the economy. This could furthermore have an indirect impact on trust in society, if trust depends on a professional bureaucracy. A key argument from the quality of government-perspective is that the government sets the standard for society in general. If you can’t trust the government, you will not trust other citizens either (Rothstein 2011).

Another type of problem relates to the political system. From the perspective of good governance it is a problem in itself that the rule of law and the democratic system are not fully implemented, and it is partly a problem for the idea of developmental patrimonialism too. There will be political tensions if the leaders don’t allow debate. It will be difficult to develop political parties, interest groups, independent centers of power if there are few political rights.

If the leader can’t be held accountable through a political process, the risks of malpractice will increase. The leader will have more power in combination with higher risks of making mistakes. Good governance (the rule of law) puts a limit on what governments can do, which its proponents see as good for the respect for human rights as well as for the quality of decisions taken.

To summarize, there are problems with developmental patrimonialism as an economic model as well as a political mechanism to support economic development.

In fairness, one should look for problems with the model of good governance too. There are many variants of this model but for simplicity I will discuss it as a model where a proper legal system should be in place (“rule of law”), a Weberian bureaucracy should implement the rules (with room for professionals like doctors and teachers to run qualified services), and the system for designing the rules should be democratic.

Some of the problems with the strategy of good governance seem to be with the sequencing, that all elements are pursued simultaneously or in the wrong order in developing countries. The idea of good enough governance (above) was about selecting the most urgent measures first. A problem mentioned was to have multi-party competition in a corrupt society, since it can lead to increased bribery by the incumbents, rather than transparency and accountability, as in an ideal situation.

Rule of law means to have a government, which is a problem in failed states. Good governance is to break up the rule of gangs and force them under a common legal system. If the fundamental problem is rivalry among groups, a federal solution may be workable. In reality this has proved to be very difficult for the proponents of good governance. Developmental patrimonialism could instead be to work with the local leaders or to elevate one of them into national command (like Gadhafi of Libya or Hussein of Iraq), which is a temporary solution, maintaining tensions under the surface.

A common problem with bureaucracies in poor countries is that they are underpaid and become dependent on bribes. Uniforms and offices can become means for individuals to enrich themselves in a desperate situation. Decent salaries and meritocratic recruitment are obvious solutions, but they depend on the collection of taxes and, in turn, on some trust in the government.

Well-functioning democracies are hard to establish too, especially where societies are deeply divided along ethnical lines. It seems more beneficial with conflicts over material interests and ideas, as created through industrialization. Democracies need several parties to have lively debates. They also need media and a certain level of education and so on.

It is an empirical question to find the best sequencing but if we take Sweden as a typical northern European country, the sequence was as in the order of the list. The rule of law began to develop before Sweden was a unified country under a king. The kings and parliament struggled for supremacy but there was for example a supreme court before 1800. The bureaucracy followed rules but offices were bought and sold, which put a severe limit on its professionalism. These matters were handled in small steps from 1809 until 1866, about 50 years before Sweden became a democracy. Modernization was carried out by parliament and kings. Democracy came later.

Sweden illustrates one of the points made above, that all good governance doesn't have to come at the same time. Non-democratic states in Europe were rather efficient and professional under their kings, due to their need to raise money to fight wars (Tilly 1992). This is seldom the case with developing countries. Colonial rulers often imposed a bad version of their own political systems, where economic production was organized to serve the need of the colonizer. Frederick Cooper (2002) has coined the term "gatekeeper state" to describe the economic model. Hence, one can question the design of economic policies as well as the design of the state. The former colonies had to find new economic models while at the same time designing a rational state (rule of law, bureaucracy) and also launching a democratic political system.

Finally, it may be important to discuss the sources of corruption and other elements of badly functioning societies, in order to understand the proposed remedies better. It is helpful to look at why some countries have corruption and why some countries have stagnating economies.

The three institutionalist perspectives can help us see three explanations for corruption. Rationalistic institutionalism sees the rationality in corruption and the irrationality in fighting it (Bates xxxx). Historical institutionalism sees paths of influence from previous political regimes, especially colonial regimes but also premodern societies. It will take strong leaders, like Tanzania's Julius Nyerere, to break with the past. The final kind of institutionalism points to the role of norms. A change of norms may be essential to change the economy and society. Deirdre McCloskey (2010) argues that the main explanation for economic growth in Europe was a new set of norms which made it acceptable to run a business and make a profit.

These perspectives are relevant as a background for understanding corruption and how to deal with it. The first two relate to incentives and material circumstances. The third points to norms and, implicitly, to the value of a political debate to change traditional norms and perceptions of society. Corruption and clientelism may have their roots in pre-modern traditions. One way to change norms is to change the situation first, for example through economic growth. This may be an argument in favor of developmental patrimonialism, to work with traditional societies and hope that economic development will undermine traditional lifestyles and values. It may be more demanding to build good governance and take a conflict with traditional lifestyles on the promise of education and health care etc.

6. The value-conflict

All of the above are related to the empirical side of the debate, that developmental patrimonialism claims to be a more efficient strategy for economic growth and, secondly, for the development of good governance. These are causal claims which can be tested empirically.

The other side of the matter is normative, about values to promote. It seems that developmental patrimonialism tells us to put our values on hold, i.e. that we need to postpone them in the short run to achieve them in the long run (a causal claim). The question here is if it is reasonable to overlook values such as equal rights before the law.

This part of the argument isn't very clearly developed by Kelsall and Booth, but they seem to accept many exceptions from what is held dear in the global north, especially by saying that good governance has to be weighed against the problem of poverty.

It is a tough message to say that people should live without the rule of law, accepting a dictatorship. Chang (2003) sees a role for some regulation relating to a market economy, which seems reasonable in a developmental patrimonialism too. The exact contents are more open for discussion. Some aspects of a legal system may be compatible with developmental patrimonialism, but at least the economic sphere must be controlled by the leader. The right to start a business and challenge existing businesses must be limited. China and its lack of human rights come into mind.

It is difficult to argue that people should live with a bureaucracy which is loyal to the boss (the party?) rather than independently professional. It is not exactly clear what developmental patrimonialism will demand, but it seems to put a limit on the professionalism of the bureaucracy. This means that citizens are not being treated equally under the law. It also means that recruitment is based on other principles than meritocracy.

It is also a hard message to say that people should live without democracy, without the right to express opinions and have a say in how a country is run. Again, there may be several options under developmental patrimonialism, but at least accountability has to be limited.

Furthermore, it seems logical to argue from the perspective of developmental patrimonialism that existing practices in many countries have to be abolished. The implication of the above is that the fight against corruption should be put on hold. Civil servants who work to uphold the law should stop doing so. This is one of the most challenging claims implicit in the developmental patrimonialism, that it seems to ask for the abolishment of some of the efforts to make democracy and the rule of law work. It seems to ask for a reversal of the British constitutional tradition in developing countries. Kelsall and Booth make no exceptions for countries which are on their way to mature democracies.

7. Conclusions

Kelsall and Booth have some interesting points about weaknesses in the strong emphasis on global governance, especially the strong version practiced under the infamous Washington consensus. A valuable contribution by developmental patrimonialism is that it points to the weaknesses of global governance, especially the implicit assumption that one model fits all. It also points to interesting cases which broaden the debate on what causes economic growth.

At the same time it needs to be pointed out that there are risks and drawbacks with the alternative strategy of developmental patrimonialism. The problems with a benevolent economic dictatorship are especially high in our times, when economies and politics are integrated on a global scale. Economic integration presents an alternative in the form of global value chains, where export could provide a fast-track to economic development. In politics it also seems risky to promote undemocratic leadership, with ever increasing global agreements on climate change and poverty reduction etc. It is important that global governance includes a link to ordinary citizens.

Developmental patrimonialism encourages us to think more about the problems with democracy promotion. Some of the problems seem to have their root causes in background conditions which are

different from what it was in the global north. One such factor is the more ethnically divided societies, especially in Africa. Another factor is the importance in Europe of establishing the rule of law and a professional bureaucracy long before democracy was adopted. The situation is very different when all three are introduced to some extent in parallel.

Developmental patrimonialism also encourages us to think about barriers for economic development, especially that they can be political in character. The bad forms of corruption create problems in many countries and need to be addressed and not hidden away, as in the MDGs and SDGs. It also encourages us to think about the coevolution of the political system with the economic system. Ending on a positive note, one may hope that increased trade also means an inflow of ideas and political pressure for further development.

References

- Bates, Robert (xxxx):
- Booth, David & Cammack, Diana (2013): *Governance for Development in Africa. Solving Collective Action Problems*, London: Zed Books
- Chang (2003): *Kicking away the Ladder. Development Strategy in Historical Perspective*, London: Anthem Press
- Cooper, Frederick (2002). *Africa since 1940. The past of the present*, Cambridge: Cambridge University Press
- Grindle, Merilee S. (2004): "Good Enough Governance: Poverty Reduction and Reform in Developing Countries", *Governance: An International Journal of Policy, Administration, and Institutions*, vol 17, no 4, October, pp 525-548
- Grindle, Merilee S. (2007): "Good Enough Governance Revisited", *Development Policy Review*, 25 (5): 553-574
- Kelsall, Tim (2011): "Rethinking the Relationship between Neo-patrimonialism and Economic Development in Africa", *IDS Bulletin*, Vol 42, no 2, March, pp 76-87
- Kelsall, Tim (2013): *Business, Politics and the State in Africa. Challenging the Orthodoxies on Growth and Transformation*, London: Zed Books
- Kelsall, Tim & Booth, David, with Diana Cammack and Frederick Golooba-Mutebi (2010): *Developmental patrimonialism? Questioning the orthodoxy on political governance and economic progress in Africa*, Working Paper no 9, Africa Power and Politics programme (APPP), London: Overseas Development Institute, ODI
- Khan, Mustaqh (2006):
- McCloskey, Deirdre (2010): *Bourgeois Dignity: Why Economics Can't Explain the Modern World*, Chicago: University of Chicago Press
- Moore, Mick (2001): "Understanding Variations in Political Systems in Developing Countries: A Practical Framework", Unpublished
- Rothstein, Bo (2011): *The Quality of Government: Corruption, Social Trust, and Inequality in International Perspective*, Chicago: The University of Chicago Press
- Tilly, Charles (1992)
- Woo-Cumings, Meredith, ed (1999): *The Developmental State*, Ithaca: Cornell University Press