

DEMOCRACY AND AFRICAN DEVELOPMENT

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Democracy is defined as a set of representative institutions that strive to uphold liberal values. It is increasingly perceived, for better or worse, that democracy offers a solution to major social and economic problems. Warring factions in Mozambique, anti-corruption activists in Guinea, and educational reformers in Benin share a belief that democratic reforms will be the ultimate institutional remedy to their respective struggles with civil war, corruption, and poor education. This is in sharp contrast with the scholarly view in political science that economic development requires some form of autocratic government (Huntington (1968)) According to Olson (1982), even in countries where citizens have long enjoyed freedom of organization without the stain of upheaval or invasion, there will eventually emerge a growth-repressing restraint on social movements (Olson 1982: 77).

There are reasons to believe in the instrumental value of democracy. The guarantee of political freedoms and multi-party elections enable voters to hold governments more accountable not only in terms of delivering public services, but also in assuring the security of property rights: (Przeworski and Limongi [1997] and Besley and Prat [2006]). Early empirical support for the instrumental approach to democracy was provided by Sen (1999). He wrote that "freedoms are not only the primary ends of development, but they are also among its primary means (p. 10)."

Yet, research on democratic institutions and economic growth has reported mixed findings. Benabou (1996) highlights the inconsistency of empirical findings when investigating the effect of democracy on growth. Meanwhile, Alesina and Perotti (1997) reject the hypothesis that democratic institutions can diminish the prospects for growth. Following this work, literature in political economy has shifted away from comparing the prospects for development under democracies and dictatorships towards investigating the

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specific features of democracy that are likely to promote economic growth. I will focus on two such aspects of democracy that are relevant to development: electoral accountability and conflict resolution.

Accountability

Democratic theorists contend that elections offer citizens an opportunity to influence the way governments behave. Through voting, a population can either threaten to remove a representative or can reward her with a renewed reputation for competency and an additional term in office (Campbell et. Al. 1960, Fenno 1978, Fiorina 1981). Elections, however, do not guarantee accountability. On one hand, democratic accountability may entail overlooking minority interests (Maskin and Tirole 2004). This behavior may be normatively undesirable. On the other hand, the accountability mechanism may fail for several reasons: Voters may lack the information they need to form accurate judgments about candidates. Alternatively, citizens might have conflicting preferences and may be unable to coordinate to hold the ruler accountable (Stokes, Manin and Przeworski 2005). Clientelism and identity politics may also encourage voters to support a corrupt politician because she happens to be one of their own.

The evidence suggests that accountability mechanisms work particularly well in the presence of strong political participation by citizens during and between elections. Political participation provides incentives for government policies to be responsive to citizens' preferences. For instance, if the segment of voters with low incomes increases, the government should implement more policies that favor the lower-income groups. In theory, a more democratic system is more likely to produce policy outcomes that coincide with citizens' preferences than a less democratic system. A number of studies drawing cross-national data from surveys have found a positive relationship between political participation and measures of economic development, such as education and income (Powell 1980, Verba et al. 1978, Verba and Nie 1972). Stasavage (2005) suggests that the shift to multiparty competition in African countries may have prompted African governments to spend more on education. Others argue that Olson's conjecture of elite capture of democracies is more likely to occur in scenarios of low political participation.

For example, Li et al. (1998), finds elite capture is more likely to occur in countries where participation is low and where democratic institutions are weak.

Recent studies suggest that democracy allocates resources more efficiently than autocracies. This is attributed to the accountability of public officials and to transparency in both government spending and policy-making. According to Alesina and Perotti, the less understanding the electorate has about the budgetary processes, the greater is the ability of politicians to act strategically and use fiscal deficits and overspending to achieve opportunistic goals (1996: 16). From this perspective, democratic institutions are expected to attract investment and to stimulate growth by improving budgetary transparency. Similarly, democracies outperform autocracies when it comes to the provision of public services. For example, democratic regimes tend to spend more on education and health than do autocracies (Brown and Hunter 1999, Kaufman and Segura-Ubiergo 2001).² Ferraz and Finan (2008) find that, in Brazil, corrupt local politicians are less likely to be reelected in places where there is better access to information.

In short, democratic accountability promotes development through its effective use of government responsiveness and public service delivery.

Conflict Resolution

According to Przeworski (1995) democracy is more than a set of representative institutions. It also an institutionalized procedure through which political conflicts are resolved. Building on this approach, Wantchekon (2004) develops a theory of post-conflict democracy, which holds that democracy can work as an arbitration mechanism that allows self-interested warring factions - in a situation of endless and costly conflict - to maximize their own economic welfare. In post civil war countries such as Liberia or Mozambique, democratic institutions secure the protection of ordinary citizens against illegal expropriation at the hands of warring factions. These institutions can also facilitate a peaceful power sharing between the factions. This occurs because warring factions need to convince each other and the citizens that they are ready to take turns in ruling the

² However, according to the World Development Report (2004), the correlation between health and education spending and health and education outcomes is very weak.

country. They also need to convince citizens that they are serious about eliminating political banditry. As result, they simultaneously set up law enforcement institutions - such as an effective police force and a criminal justice system - and political institutions - such as a de-politicized judiciary and electoral commission. Without these institutions, the promise of securing the citizens' ownership of their property or of receiving political rights from the warring factions will not be realized, and the choice of democracy will not be validated (p. 22).

However, once established in unstable environments, these institutions may still fail to foster growth. On the one hand, democracy may hinder growth if there are pressures for immediate consumption that reduce investment (Keefer (2005)). Plumper and Martin (2003) find a U-shaped relationship between the level of democracy and government spending. At higher levels of political competition, countries may experience a lower level of economic growth. In these situations, democratic mechanisms (i.e. the pursuit of political support through the provision of benefits) may become overly distributive (see also Alesina-Rodrik (1991)] and Persson and Tabellini (2003)). On the other hand, democratic governments maintain a framework for private [economic] activity of contractors who are also capable of providing law and order. Independent enforcement of the rule of law thus promotes growth under democratic institutions, even if these are not directly provided by the government. Leblang (1996) shows that those economies that protect property rights grow more rapidly than those that do not. Similarly, among developing countries, those regimes that offer high levels of political and civil liberties to their citizens achieve significantly higher GDP growth rates than those countries under autocratic governments (Nelson and Singh 1998). Finally, Baum and Lake (2003) show that even if democracy has no effect on growth, it is correlated with higher life expectancy and higher levels of secondary education in countries that are not poor. Thus, it is unclear whether the result holds in the context of Africa..

Concluding Remarks

Democracy increasingly appears to be a pre-requisite for growth and development in Africa. This view is confirmed by a recent study showing that, by and large, growth and

poverty reduction strategies have been most effective in countries where democratic reforms have been successful (Mattes [2009]). For example, political freedoms between 1999 and 2008 are inversely correlated with levels of poverty in Ghana, Madagascar, Senegal, Zambia and Zimbabwe during the same period. Despite its imperfection, democracy is the best political system ever tried on the continent since independence.

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