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Conflict, Consensus And Modernizing Trajectories In Sub-saharan Africa

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ABSTRACT

Research on the political economy of African states has often focused on explaining the roots of socio-political disfunction or has been pre-occupied with successful cases like Botswana, whose demography and social structures differ markedly from other states on the continent. This dissertation takes a different approach; it seeks to understand the developmental dynamics of successful African states whose peoples and societies largely reflect the majority of states on the continent south of the Sahara. The research question first asks why Ghana and Kenya succeeded in creating growth-enhancing economic institutions. Next it examines why, in the post-Cold War era, Ghanaian economic institutions linked to the external economy perform better than Kenyan institutions, while Kenyan institutions linked to the domestic and regional economy outperform those of Ghana.

In order to answer the research question, I employ within case configurational analysis as well as structured focused comparison across cases. To avoid selection biases, I undertake case studies on two additional states, Tanzania and Cote d'Ivoire. I also employ a quantitative analysis using OLS regression to verify the impact of the two main independent variables, the presence of "core group" containing 50% or more of the population or that is 20% larger than the next largest group, as well as past experience with forms of African socialism. In each case, durable society rooted pacts ensure the creation of growth enhancing institutions in some sectors of the economy. The presence of a core group in Ghana, however, creates a set of "core related" factors leading to its uneven, externally focused development. Finally, the dissertation points to the idea the experience with a form of African socialism may in some cases, create durable patterns of economic institution making contributing to the autonomy of the state but also contributing to uneven, externally oriented forms of development.

CONFLICT, CONSENSUS, AND MODERNIZING TRAJECTORIES IN SUB-SAHARAN AFRICA

by

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Chapter 1: The Empirical Puzzle

In this project, I study the developmental trajectories of successful states that share many of the same attributes as most African countries, such as a colonial history that disrupted political borders and created relatively heterogeneous societies. In order to begin building generalizable theory, I first compare processes of state formation and economic development in two cases, in order to identify trends and variables that will be of use in broader theorization.

The majority of the project explores dissimilar growth trajectories in two successful African states, Ghana and Kenya. These states resemble many other countries in sub-Saharan Africa. Their borders were shaped more by the European scramble for African territories than by the precolonial histories of each region. Each boasts high degrees and ethnic heterogeneity, and neither faced ongoing existential security threats. Nevertheless, these two states host some of the continent's most effective institutions, and some of the best performing economies. While these states are joined by a small set of countries such as Uganda or Senegal, whose historical experiences will also be discussed, focusing analytical attention on the very different trajectories of growth will provide clues as to what aspects and legacies of past development are pertinent today.

The dissertation is motivated by a sincere motivation to both celebrate and to build generalizable theory surrounding successful cases of African development. In the process, however, it was necessary to interrogate the very concept of economic success, and to problematize forms of accumulation that fail create durable linkages with other segments of the domestic economy. This need to problematize and interrogate the shape and form of economic development is born of a recognition, shared by world systems and dependency theorists, that the economies of countries in the developing world are frequently shaped not by the needs and priorities of the state and its people, but by the accumulative exigencies of the most powerful states in the international system. This dissertation thus revisits the question of how economic development actually occurs, and the attendant consequences of various patterns of development. The goal is to help shape and formulate nuanced, theoretically driven insights into the dominant forms and modes of African development today.

The dissertation presents a reframing of questions of development, in order to understand more fully the contributions of successful states whose demography resembles most states on the continent. Given the emphasis on successful cases, the term *modernizing* takes on a significant theoretical dimension. It assumes first and foremost, that states are making genuine attempts to improve their economic performance, though this performance is constrained in part by durable forms of society rooted politics. Far too often contemporary accounts of African political economy assume a type of criminal kleptocracy permeates the state and its interaction with society. Yet, while state society relations may very well drift into the realm of prebendalism, such a state of affairs rarely represents a durable social formation, especially in states that have enjoyed a degree of economic success. For example, While well-known works such *The Criminalization of the African State* by Bayartd et. al may contain accurate insights into the crises at the heart of the Kenyan state, it tends to minimize longstanding patterns of rule and state society-relations in its exploration of the immediate causes of regime survival strategies and their impact upon the institutions of the state. This dissertation's approach to theory building, therefore, looks at patterns of state society relations, and the transformation of institutions in ways that are not always linear but which may reflect a broader modernizing trajectory.

The attempt to reframe questions of development by utilizing a modernizing framework is in some ways an attempt to shift the focal point of discussion away the breakdown of African institutions to understanding how the process of institutional creation and destruction may be part of durable cyclical patterns of state society relations. I focus not only on patterns of economic development but on the interrelationship between these developmental decisions, the patterns of society rooted politics that they engender, and their subsequent impact upon institutions and the economic interactions enacted though these institutions. This approach differs from the many thoughtful and well-researched studies of individual cases in its consideration of the comparative consequences of developmental successes. Thus, while a number of works explore the Rawlings regime's successful navigation of IMF conditionality while still maintaining profitability in the cocoa sector, and while other works consider the consequences of this policy approach on outcomes like poverty alleviation or the lack thereof, the scope of analysis of these works falls short of considering policy as part of a logical and durable pattern of engagement that may or may not resemble the developmental patterns or trajectories of other states.

The main contribution of this project lies in its exploration of the co-constitutive relationship between patterns of economic growth, modes of socio-political competition, and economic institutions. In this manner, the dissertation revisits the concept of modernization, at least to the extent that the type and manner of political engagement is both determined by and helps to determine patterns of economic growth.

This complex cyclical patter of modernizations stands in somewhat lonely company beside works that either assume that economic development leads to political decay rather than evolving forms of engagement with the state and economy or works that abandon any exploration of the body politic and the economy by assuming a rigid unchanging relationship between the two. The former approach is that taken and popularized by Samul Huntington's *Political Order in Changing Societies* while the latter features prominently in a wide range of works on the continent, one of the most well-known being Bayart's *The Politics of the Belly*.

The dissertation pays special attention to demographic characteristics, political institutions and forms of service provision used by politicians. The relationship between these factors, while durable, is also subject to change. New forms of engagement and struggle can broaden the manner in which goods, services and values are allocated throughout the population. Riots, protests and other aspects of contentious politics in Kenya in recent years have no doubt illustrated with shocking clarity the degree to which control over the apparatus of the state itself has become over politicized. Yet, in this case, the overpoliticization of the Kenyan state led not to a coup or the further weakening of Kenyan institutions but instead has transformed the shape of institutions to become more inclusive and equitable resulting in such changes as the fiscal decentralization of important projects to elected bodies at the state level. On the other hand, for regimes whose institutions promote broad and inefficient provision of goods, services and values, transformation is often a top down affair. In these cases, a political regime may leverage temporary autonomy from social forces in a strategic manner, to reorient the functioning of key institutions, ultimately producing new more efficient patterns of development, at least in some sectors of the economy. Such an approach has been taken by states like Ghana in the 1980s and Rwanda during the early 2000s. My dissertation explores the impact of demographic characteristics surrounding relative group size in determining patterns of institution making. However, though I argue that demography may indeed exert a powerful influence on the shape of economic development and politics, it is by no means determinative.

The institutional profile of the state in both Ghana and Kenya was shaped by differing patterns of consensus. In Ghana, the pathway to effective institution making led through a socialist inspired revolution. In Kenya, it was the reassertion of a traditional Kikuyu dominated elite. Both states produce strong economic institutions, yet the pattern in which growth producing institution making takes shape was quite different. While Ghana produces its strongest institutions in collaboration with the international economy, while Kenyan dynamism economically, is found mostly in the segments of its economy geared toward internal consumption and regional exports. These institutional profiles are unique, but contain an overreaching similarity of social consensus surrounding the most effective areas of economic production.

Ghana is not a “developmental state” in the manner of Japan or South Korea but starting in the early 1980s the regime was able to drastically change its economic fortunes for the better. For much of its post-independence history, Ghana’s tragic history of underdevelopment matched that of many other African states. Extensive state spending failed to produce economic growth while political infighting led to an all-too-familiar combination of instability and economic decay. The central institutions of the Ghanaian state in particular were severely affected, becoming fiscally constrained and debile.

A socialist inspired revolution in the early 1980s undertaken by then Flight Lieutenant Jerry Rawlings, ironically, ushered in a newly revitalized form of market capitalism and with it, a large degree of political stability. The size of the bureaucracy, which historically was quite large, was cut while public spending was kept within manageable levels. Perpetually unstable, the state succeeded in fostering enviable rates of economic growth while avoiding the tumultuous politics of its past, which included frequent military coups.

The early years of the Rawlings regime were at best, inauspicious. Riding the wave of a new popular revolution the regime embarked on what can only be described as a whirlwind of mass mobilization that sought to overturn the balance of power in favor of the subaltern classes (Babatope, 2000). Newly formed workers groups and volunteer councils for the “defense of the revolution” sprang up in parallel to the established organs of government. Workers’ wages increased and unions sprang up in even the most resolute strongholds to organized labor. Yet despite what at first appeared to be a massive expansion of group specific spending, the Rawlings regime would prove to be a textbook case of a regime remaking and reinvigorating its institutions, at least those pertaining to the major export sectors of the economy. The regime would ultimately cut wasteful spending to key constituencies while still maintaining popular support.

The success of the Rawlings regime in turning around Ghana's lackluster economic performance owes as much to the timing of the coup that placed flight Lieut. Rawlings in power, as it does to the political acumen of the regime. In late 1981 in Ghana, the state was seen as the problem and not necessarily as the solution to the maladies affecting the country. According to Nugent (1995):

> The Rawlings regime made a bold departure by diagnosing the state as an integral component of the crisis rather than a self-evident solution to it. It identified two failings in particular. The first was that state institutions were suffocated by a bureaucratic culture which served the interests of officialdom, while contributing little to administrative efficiency…. [Secondly] the state (or rather its masters) was blamed for leaving strategic sectors of the economy, notably the mining industry, in the avaricious grip of foreign capital (p.51).

According to the narrative put forth by the regime, the inefficiency and corruption at the heart of state disempowered the people of Ghana, and contributed to economic underdevelopment. The Rawlings regime did not have to press hard to make their case; political upheaval combined with a steady degradation of state services led to high degrees of distrust in government and a general skepticism of governmental officials. While the ideological inclinations of Rawlings' Provisional National Defense Council (PNDC) tended toward African socialism or Marxism-Leninism, one of the ironies of the "revolution" was that it was as much against the state as it was for creating a new type of state form. Thus, instead of a massive expansion of the state apparatus what instead took place was a profusion of workers committees, civil defense committees and etc. designed to act as a check against both enemies of the revolution and the institutions of the state itself. And given the general atmosphere against statism, the regime refrained from nationalizing industry while plans for new more efficient parastatal corporations were quietly shelved. The reformatory zeal of the Rawlings Revolution quickly moved from expanding the state to making the state more efficient in order to safeguard the people. Thus it was with popular blessing that the regime froze wages in the civil service and laid off tens of thousands of governmental workers (Nugent, 1995, p.133).

It was in the midst of these events, with an emphasis on efficiency, that economic technocrats within the regime gained prominence. There ascent, however, was not without controversy and even danger. Implementing portions of IMF conditionality was a turning point; while Rawlings would argue that the country had no other choice, aspects of conditionality aligned closely with the recommendation of the regime's hitherto on influential economists. After a series of failed coup attempts, a purge of the most radical elements of the PNDC took place in 1983 and 1984. From this point on, economic technocrats within the regime took center stage in policymaking. Under the banner of revolution, the regime started to cut back on its hitherto generous benefits to workers. Strikes were suppressed and measures were taken to keep worker compensation down to levels that would allow for industry to be competitive (Nugent, 1995, p.141). In doing so, the regime was quick to remind urbanites that the most truly repressed elements of society remained the peasantry. Thus, cutting benefits to workers occurred soon after their mobilization and concurrent with a political mobilization of the peasantry. But while some essential state services were expanded in rural areas no efforts were made to provide generous widespread side payments. For the modest cost of much-needed rural investment, much of which was paid for by external donors, the regime managed to cut costly benefits to the core constituencies while still maintaining sufficient political support both within the cities and in the countryside.

The policy change in Ghana set an enduring legacy of institution making that would become the new Ghanaian state, built on the efficiencies of the cash crop exporting sectors of the economy. For, while the basic pattern of institution making came about during a period of authoritarian governance, it represented a deep social consensus that would ultimately be held in place by both internal *and* external actors. Thus, the basic shape and form of the Ghanaian economy has not underwent significant change despite the fact that democratically elected governments come and go. The underlying shape of Ghanaian institutions has remained relatively constant, yet it is a fundamentally different pattern of institution making and economic activity than that which exists in Kenya.

The political and economic trajectory of the Kenyan state, on the other hand, follows a much different course than Ghana, more closely resembling those of the more traditionally effective African states such as Senegal, or Cote D'Ivoire before the death of Houpohët-Boigny. For most of its post-independence history, economic growth in Kenya has been well above African averages, while Kenya has escaped bouts of political instability and civil war that have plagued many of its contemporaries. While the state has experiences low grade conflict over land and economic resources, in Kenya such disputes have not derailed key economic institutions.

The Kenyan state since independence has managed to maintain more or less healthy economic institutions and unusually amongst African states, they have managed to do so while maintaining a long term commitment to a capitalist path to development, albeit a in a highly statist form.

Nevertheless, Kenyan institutions have continually found themselves at the heart of political struggle and as a result have at various times have either been patronage producing but somewhat effective, or efficient and growth producing. Yet, on the whole, in comparison to Ghana, Kenya is host to a more variegated institutional framework. Ironically, though Ghana underwent a quasi-socialist revolution under Rawlings, it is Kenyan institutions that tend to more deeply penetrate society, not only to promote growth but also to mediate economic losses as well. Thus, in the institutional model of the state tends to toward the managerial, where growth is promoted while losses are also mediated through state power. Control over the state apparatus, as in many states in the developing world is about patronage and economic opportunities, but more importantly in Kenya it is also about exerting control of the impact of the market. Thus, in Kenya, economic institution making is a more contentious process, even if there also exists consensus at the elite level over the larger questions of the economy and the distribution of the social product.

The first Kenyatta regime shaped an enduring strategy of using institutions both to distribute patronage and to stimulate economic growth. And while the Kenyatta regime may have been able to maintain a balanced approach in this regard, the later years of the Moi regime saw the pendulum swing towards growth disrupting policies as it attempted to cling to power. It was during this time that a massive scandal to counterfeit currency that involved President Moi himself was uncovered, amidst other damaging revelations (Bayart, Hibou, Ellis, 1999). Yet, even then, there were limits to the degree to which the institutions of the state would inhibit growth. Strong pushback came from the national bourgeoisie and during this time there appeared to be a sort of emerging consensus among elites against both economically harmful behaviors and massive patronage systems. Leys (1998) describes this process amongst the national bourgeoisie in the following manner:

> There was also evidence of growing social integration among members of this class, and there were signs of the emergence of their class interests – the beginnings of an awareness of the requirements (legal, international, etc.) for the consolidation and defense of these interests – including an emerging critique of the arbitrary and rapacious behavior that had been indulged in by leading members of the Kenyatta regime (p.221).

Leys goes on to narrate the building opposition in the 1970s and 1980s amongst elites (economic and otherwise) to using the state apparatus to retain power in ways that hurt the interests of business and agriculture. While it is unclear what role technocrats within the regime play in this informal compromise, elites in government and the private sector appear to be keenly aware that that use of the formal state apparatus to distribute patronage may very well cost the regime investment and access to foreign exchange (Branch, 2011). Thus, elite consensus appears to hover around more efficient institutions, not necessarily as a good in and of itself, but both to protect vital economic interests and to prevent losses from donors that may prove harmful. Yet, the result has been a Kenyan state that on the whole, facilitates economic growth. The bureaucracy and civil service are competent and relatively efficient, and economic policies are stable, predictable, and healthy.

The process of creating a more efficient state form in Kenya, however, was protracted and is still ongoing. As occurred in Ghana, an agreement with the IMF requiring structural adjustment touched off efforts to rein in group specific spending. One of the primary reforms demanded by the bank was to dramatically cut the size of the bureaucracy and the civil service. Political regimes in Kenya, however, had long used the organs of the state to maintain an ethnically based ruling coalition. Elites used access to state jobs in the bureaucracy and civil service as well as parastatal corporations to build a social and political following within their respective communities (Branch, 2011). Well-paying jobs thus became highly contested form of inefficient spending as they allowed political regimes to build multiethnic alliances capable of maintaining a regime in power. Decreasing the size of the bureaucracy and privatizing parastatal corporations was thus embarked upon with great caution, and a large degree of consternation. While the Rawlings regime forced massive layoffs upon the Ghanaian civil service and bureaucracy in a short amount of time, the Moi, Kimbaki and second Kenyatta regimes have all preferred to offer optional retirement packages and other means of easing redundant workers from their positions. And even while the bureaucracy shrinks, there continues to be ongoing and mounting pressure to increase wages and benefits (Thakar, 2014).

While elite consensus surrounding ideology and programmatic considerations may exist in Kenya, it is also important to note that elite groups are riven by the same sectarian interests as society at large. The entrepreneurial class in Kenyan tends to be dominated by Kenyans of Asian descent (Leys, 1998). However, a significant amount of manufacturing sector is still owned by the state through parastatal corporations; the same goes for export agriculture (Thakar, 2014). As these industries slowly become privatized they provide yet another avenue for competition between ethnic elites. Business elites tend to be concerned that the shrinking size of the state would put their group at a competitive disadvantage in relation to others. Thus, while many elites support a growth enhancing approach to the public sector, at the same time they tend to fear that such an approach may put them at a competitive disadvantage vis-à-vis other ethnic groups (Leys, 1998, p.237). Yet, it must also be pointed out that the well-established nature of the capitalist class and Kenya serves as a break on the impulse to expand the state as a patronage generating machine. Consensus appears to hover uneasily over policies that keep down wages, thus making businesses more competitive, so long as such a strategy does not favor any one community over the others in a constant jostle for position.

These two states present a puzzle whose answer that may be helpful building useful theory about the role of post-independence state and nation building to contemporary African development. Ghana and Kenya produce economic institutions whose effectiveness in promoting healthy and deep linkages in their economy and material benefits to their people are readily apparent. Yet, key differences between the two states abound. Ghana's economy tends to produce its most effective institutions in important export sectors, the primary one being cocoa. However, it has trouble producing growth enhancing institutions in parts of the economy that service its internal and regional needs. Kenya, on the other hand, produces institutions that are more clearly focused on internal and regional demands. However, it tends to produce pockets of functional institutions rather than a broader array of them. Thus, my research question can be summarized in the following manner:

Why have Ghana and Kenya succeeded in creating growth-enhancing institutions? And why, in the post-Cold War era, do Ghanaian economic institutions linked to the external economy perform better than Kenyan institutions, while Kenyan institutions linked to the domestic and regional economy outperform those of Ghana?

These patterns of development have social and economic significance. States that produce for domestic and regional priorities often develop important economic sectors that might not be demanded by powerful countries at the core of an international system but which nevertheless, produce value at home. It is for this reasons that scholars such as Walter Rodney have linked Africa's entrance into an international system dominated by European superiority in long distance maritime transport as the beginning of a longer historical epoch of underdevelopment. While the state in what is now Nigeria struggled to create value through industries such as bronze casting, the inequalities of a new world system instead forced the region to export not bronze but slaves, thus eroding the social and economic foundations of these states. The question of which goods are produced, for which markets, and how much value is added in these productive processes are critical as we envision an era in which African states move beyond simply reacting to the exigencies and priorities of the contemporary core states of the capitalist word economy.

The question also takes into account that the challenges of regime survival and the constraints of the international system are real, durable and not simply imagined. Nor are they black and white questions of development. Ghana's approach to institution making, which encompasses not only a strong export sector but close ties to international donors, no doubt carries with it a cost. I argue that its approach to development strongly disincentivizes the creation of growth producing institutions in other parts of the Ghanaian economy that potentially could produce more value for the state and its people. Yet, the approach has also brought to Ghana much needed service provision, it has alleviated poverty, and it has produced a level of political stability seldom seen on the continent. Thus, like many trends in contemporary globalization, the result is seldom black and white. Yet, it does present a troubling picture of how the hegemony of the core is perpetuated through durable institutional structures and political practices.

The study is also aimed at thinking about understanding and proactively addressing concerns about greater economic integration on the continent. Pan-African scholars, as well as proponents of the continents various regional bodies such as the African Union, East African Community, the Economic Community of West African States and others have long sought to orient production away from the influence of core states of the international system because it would force African states to produce not only consumer goods but also highly technical value added technologies. Indeed, in situations where these goods were critically needed but unavailable, African expertise was brought to bear to produce solutions such as during the Biafran war, where rebels cut off from outside supplied designed and manufactured their own sophisticated weapons system in an ultimately unsuccessful attempt to break a blockade by the central government of Nigeria. While the Biafran war may be an extreme example, the ingenuity of African technical expertise can be seen today in systems such as the Mpesa payment system in Kenya, one of the few in the world to work through a major telecom company, earning levels of inclusion in the formal financial system greater than that of the United States. Thus, the benefits of a greater integration of the economies of the region may very produce much needed positive externalities for the people of the continent.

Nevertheless, producing for a domestic market in a competitive manner presents a set of challenges that require growth enhancing institutional solutions. The challenges of creating successful economic sectors, and the necessary backward and forward linkages in an ideal environment are significant. However, when combined with an array of external pressures and the exigencies of political survival that such a larger integrative project on the continent would entail than understanding how these factors come together to produce growth producing institutions is of critical importance. Thus, this study seeks to provide insight on larger structural processes, whose solutions are not always obvious and or apparent.

Lastly, the research question deliberately avoids the language of the dependent development, not out of any conceptual hesitation to use the term, but out of an effort to narrow the scope and focus the inquiry. Ghana and Kenya, like most all other countries in the global south, interact with an array of powerful international pressures and structures that place them in a peripheral position in the global economy. Movement away from the global periphery, in some important respects, is geographically contingent as it requires access to large quasi-domestic markets. It is for this region that advocates of pan-African solutions to development have continually focused upon the establishment of one unified market in the continent. Given the central importance of regional economic currents, it would be conceptually sloppy, at minimum, to offer an analysis dealing with different "degrees" of dependency between these two states. Instead, my analysis investigates a trend, the construction of growth enhancing institutions that are focused internally and regionally, and a contrasting pattern, the construction of externally oriented institutional forms. While each set of institutions is indeed part of a different state form, understanding these trends within the larger context of dependent development in Africa is a more conceptually useful exercise than attempting to argue that one state or another is more or less "dependent" in its developmental form. Furthermore, while "dependency" carries with it empirical data on fundamental measurable economic change, the project deals not so much with economic trends alone so much as it examines institution building as a means of understanding how patterns of economic change might take place. The orientation of institutions may be a particularly important concept in thinking about the roots of dependency, but it does not encompass the much larger international architecture of institutions that maintain and perpetuate dependency.

Empirical Findings

The study finds strong evidence that the absence or presence of a core group, which this work defines as a social group containing the majority of the population or that is at least 20% larger than the next largest group, plays a definitive role in shaping patterns of development. In the Ghanaian case, the presence of a core ethnic group in at least two critical junctures has generated growth inhibiting institution making that has a direct bearing on the domestic economy. In the Kenyan case, we see clear industry level preferences that are tied specifically to directing benefits toward specific ethnic communities. Often, as is often the case in developmental politics, preferential policies for one industry may come at the expense of another. Yet, nevertheless, the study finds indirect evidence of a coordination of preferences across ethnic groups has succeeded in generating a whole host of institutionalized coordination mechanisms between state and society which simply do not exist within the Ghanaian case.

The study finds less support for the impact of developmental legacies, mainly because of the large similarities between African states struggling within the periphery of the global economy. Nevertheless, the statistical analysis in chapter 7 clearly points to idea that states that have undergone some sort of socialist inspired period of development enjoy higher levels of state autonomy, and thus generally have better regarded judicial systems and other key institutions. Qualitative evidence, however, points to the key importance that the use of ideology at critical junctures has upon generating much needed autonomy for a key shift in policy making. While this state autonomy was critical in shaping the state form of countries like Ghana, in Tanzania its impact appears to be less definitive, as the same lack of state society connections appear to take place in countries that have undergone various forms of authoritarian governance, as was the case in Cote D'Ivoire.

Theoretical Framework

Contemporary research on development has been dominated by accounts focusing on the state as an autonomous actor. Economic and political outcomes are explained as the end product of rationale choices of individuals controlling state power. But while such an approach has produced valuable research it often overstates the importance of the state and minimizes the role of society. As a result, state centric accounts often fail to generate observations about the sources of state autonomy and their structural limitations.

I argue that neo-Marxist theories of the state conceptualize state-society relations in a manner that is more useful for creating generalizable theory about Africa. The strength of these accounts lies in their ability to formulate theory about the permissive conditions for institutional change. State centric accounts of development certainly discuss state autonomy, but their explanations are often case specific, and contingent. Neo-Marxist theories and other society centric approaches provide more expansive explanations of institutional formation by analyzing changing configurations of power in society and their impact upon patterns of state society interaction. These theoretical insights pair very well with a resurgence of studies that look upon the dynamics of socially based coalitions to explain economic outcomes. I will therefore combine coalition based approaches with a neo-Marxist conception of state society relations to provide a framework for this inquiry.

State centric research on Africa draws heavily upon pluralist state theory, particularly the works of Max Weber. Scholars hailing from the Weberian tradition place analytical focus on the procedural elements of rule-based governance. Just as Weber (2004) envisioned the modern state as a rational bureaucratic entity, whose conduct is governed by rules, these scholars correctly theorize that a failure of the organizational elements of the state to both follow and enforce rules is in large part responsible for economic and political failures (Huntington, 1968; Jackson 1987; Reno, 2000). However, these scholars often overemphasize the historical roots of bureaucratic governance, creating somewhat deterministic theory in the process. Kholi (2004), for example, writes that in comparison to South Korea, the bureaucracy in Nigeria was ill served by British colonialism, which failed to adequately train civil servants. While the state in South Korea developed into a rule bound organization under Japanese tutelage, in Nigeria Britain expended neither the time nor effort to do the same. Thus, variation in institutions is rooted in the ability of the state as an organization to develop modes of behavior guided by rules at specific critical junctures. Crawford Young (1994) argues much the same in *The African Colonial State in Comparative Perspective*, explaining economic outcomes in Africa as a result of unique features of colonialism on the continent. These arguments can indeed explain some of the variation in bureaucratic capacity and economic outcomes in African countries. A robust, indigenous bureaucracy in the Democratic Republic of the Congo, for instance, was near nonexistent after Belgium's departure, contributing to political disorder. Ghana, on the other hand, had a well-trained bureaucracy and experienced strong leadership in the same period. But while these theories can explain some outcomes, they are not well equipped to explain why a country like Kenya whose experience with colonialism mirrors other African countries has been are able to create and maintain relatively efficient and effective bureaucracy while its contemporaries struggle to do the same.

A second branch of research moves away from a Weberian conceptions of the state. These scholars place emphasis on state society relations. In doing so, they acknowledged the embeddedness of the state as an organization within society (Migdal, 1988), even as they locate the causes of economic misfortune in this unique state form. Thus, Reno (2000) uses the term "shadow state" in describing the interconnectedness of formal state institutions, as well as groups and networks within society. Bayart (2006) discusses the "rhizome state" in which formal institutions appear on the surface but are anchored by a deep root system of networks that can include government elites, important figures in industry and agriculture, traditional authorities, even important players in illicit industries as well as their various clienteles.

Running through most of these accounts is an acknowledgment of the state as being riven by the same fractures that exist throughout society. Thus, a logic of creating and maintaining a winning coalition, or a policy coalition, pervades political regimes although it may result in economic policies that slow growth (Gros, 1996; Clapham, 1996). For example, Boone (2003) explains the reluctance of Senegalese politicians to invest in the Casmance region, a fertile agricultural area, by highlighting the region's egalitarian style of governance which does not contribute to the building of nationally important clienteles. Instead, real investment is targeted at the Wolof groundnut basin, a region whose elites can be counted on deliver support for a given regime or party (Boone, 2003, p.138). Thus, the state and its economic policies are embedded within regional and national informal networks.

Research on the intertwined nature of state and society provides valuable insights into the root causes of economic outcomes but it under theorizes the reasons for variations between states in Africa. For example, while the IMF, World Bank, and donor organizations locate the causes of failures of structural adjustment in Africa in a lack of accountability within institutions, Bayart, Ellis, and Hibou (1999) provide a more compelling explanation focused on manner in which civil society in Africa proved to be both amenable to and indeed adept at circumventing of structural reform (pp. 69-113). These accounts of state society relations in Africa do an excellent job of describing the failure of state institutions. However, they often lack the conceptual tools to describe how and why or how more effective institutions come about as a result of state actions.

Research that links the maintenance of formal and informal ruling coalitions to economic outcomes addresses some of these weaknesses. These works often provide clear and logical causal variables to describe variation in economic outcomes and are thus well placed to provide explanations for why institution building and economic outcomes among African countries may differ. They also provide useful conceptual terms such as "winning coalition" or "policy coalition" that aid empirical analysis. The weakness of this branch of research lies in its overly sparse descriptions of causal mechanisms, which are often the product of rational choice theorizing. Thus, while the theories are often elegant in their simplicity, they sometimes lack the necessary complexity to describe real world events.

Two works, in particular, are important to discuss for they come to two very different conclusions about the nature of ruling coalitions. Bueno de Mesquita, Smith, Siversen and Morrow's (2003) *The Logic of Political Survival* focuses attention on the role of institutionally determined coalitions in economic development. For the authors, the size of the "winning coalition" or the minimum number of supporters needed for a regime to stay in power is of critical importance. In order to remain in power the regime must provide benefits to their supporters. In democracies, therefore, large winning coalitions mean that regimes must provide public goods – there is no other way to reach so many people. The institutions of the state become geared towards service provision, and operate in an efficient, growth producing manner. Authoritarian states have smaller winning coalitions. Therefore, leaders provide private goods to a smaller number of supporters. The institutions of the state therefore become predatory, and hinder economic growth to serve the needs of a few.

Waldner (1999) comes to somewhat different results in his study of coalitions and economic growth in Syria, Turkey, South Korea, and Taiwain. Waldner highlights the relationship between a large public sector, and the relative inability of regimes produce economic growth. For Waldner, elite conflict leads to populist economic policies, as elites try to cultivate a following by providing access to state resources through jobs and other side payments. In the process, these policies succeed in creating an overly large public sector, driving up wages, and creating a comparative disadvantage for enterprise. These distortions in the labor market weaken the bargaining power of the regime in relation to agriculture and industry, who demand tariff protection because of these high labor costs. The state, therefore, has few tools to force industry and agriculture to become more competitive, and the economy stagnates. Thus for Waldner, large coalitions are inherently inefficient.

Disagreement about the effect of coalition size upon economic outcomes, however, hints at the possibility that size alone may not account for all types of variation. In order to gain analytical leverage, both Waldner (1999) and Buno de Mesquita et. al. (2003) create highly abstract and simplified causal mechanisms, focusing on coalition size. Yet, in the real world, causal mechanisms are seldom simple, and often involve complex interactions. Thus, when comparing the arguments of the authors, we see that *both* Waldner and Bueno de Mesquita et. al. make empirically valid points. Small winning coalitions, in places such as the Democratic Republic of the Congo have indeed resulted in economic decay. Yet, in other cases, such as Botswana or South Korea Waldner's observation that fiscally conservative states containing a small policy coalition spur economic growth is equally valid. Therefore, I argue that both authors are potentially disregarding important characteristics of socially based coalitions that may have an impact upon economic growth and institution building. Before discussing these variables, however, it is first necessary to define the term *policy coalition* as I will use it in this analysis.

To stay in power, a regime needs a sufficient number of supporters. These supporters are found in society and they are arranged in various social groups, the most dominant type in most African societies revolves around ethnic identity. Some members of certain social groups, generally elites, have access to officials in the government. More importantly, some of these individuals can have an impact upon policy. These individuals are thus members of the policy coalition. They can act on behalf of their social group or they can be individuals with economic and/or symbolic power who can exercise social control. Whoever these individuals may be, membership within the social coalition implies that they have at least some degree of influence over policy.

Policy coalitions are created through coordinating institutions, and as such represent a commitment on the part of the regime. A coordinating institution is a means of regularized communication with the policy coalition, often in the form of a new bureaucracy or simply a regularized set of meetings. In some states, organizations like a chamber of commerce can serve as a coordinating institution, though such an occurrence is somewhat rare. Regularized meetings with a policy coalition represent a close tying together of state and society; they also represent a loss of complete control over policy. While the regime may gain invaluable knowledge, there is the expectation that they put this knowledge to use.

A political regime thus has a choice in determining the best means of securing the support of a social coalition of sufficient size to stay in power. Creating coordinating institutions to expand the policy coalition is a highly effective means of gaining support and goodwill. Yet, this course of action also represents a loss of control over policy and indeed spending. A far less risky proposition is simply to attempt to win over members of a social coalition, often through social programming and service delivery. This approach, though frequently expensive, allows the regime to stay more firmly in control of developmental programming. It also provides the regime with greater autonomy vis a vis the communities it is attempting to win over. Failing to construct coordinating institutions in these cases can often serve as a means of undermining elites, a potentially important strategy for a regime seeking support in regions traditionally dominated by the opposition.

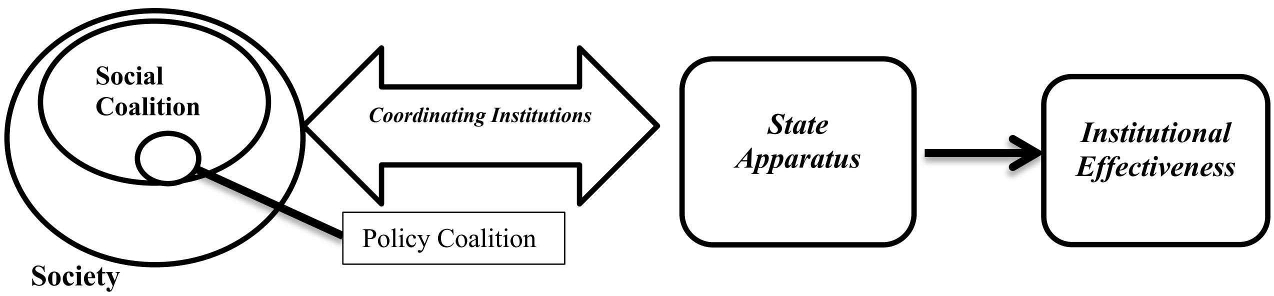
Taking the composition of policy coalitions into account creates additional explanatory variables often neglected by rational choice accounts of coalitions. This manner of envisioning coalitions is present in many classic Marxist works such as Barrington Moore's (1968) *Social Origins of Dictatorship and Democracy* and Perry Anderson's (1974) *Lineages of the Absolutist State* as well as some of the writings of Karl Marx (1978). This branch of research places an emphasis on the composition of the ascendant groups within society, and how these groups shape both policy and the institutions of the state. Marx's (1978) famous assertion that "the executive of the modern State is but a committee for managing the common affairs of the whole bourgeoisie" reflects state power is held by a group whose preferences are determined by their class and by relations of production (p.475). Coalitional research in the tradition of Marxist scholars, as opposed to rational choice theorists, places an emphasis on society as opposed to simple institutions. Thus, in *The State in Capitalist Society* Miliband (1969) could claim "a theory of the state is also a theory of society and of the distribution of power in that society" (p.2). Thus, the types of groups that are composed in the policy coalition may very well tell us much about economic outcomes and the types of institutions produced by the state.

While traditional Marxist approaches may draw much needed attention to the composition of policy coalitions as explanatory variables, they suffer from an overly black and white characterization of state society relations. Even a preliminary comparison of politics in Ghana and Kenya strongly suggest that the classical Marxist approach is far too blunt of an instrument to explain the intricacies of these cases. Both countries, for example, were home to a strong indigenous bourgeoisie. While this indigenous capitalist class may play a role in the two countries contemporary economic success, this variable cannot explain why Ghana's performance before the mid-1980s was so dismal. Furthermore, the Nkrumah and Rawlings regimes drew their support from very similar social groups; i.e. they had similar policy coalitions. Yet, both the choice of institutions as well as their ultimate effectiveness varied dramatically. While traditional Marxist theories would predict that the same socially based coalition would produce similar policies, in Ghana this simply did not happen.

The nondeterministic nature of institution building in Ghana speaks to the relative autonomy of the state, an attribute highlighted by neo-Marxist scholars, in additional to the pluralist scholars mentioned earlier. For theorists such as Nicholas Poulantzas or Claude Offe the state is a social relation that reflects power relations within society. Yet, the apparatus of the state enjoys autonomy that is however, bounded in its nature. Thus, society-based actors do not necessarily control the state nor do all policies favor the class interests of the dominant group. Instead, the state plays a mediating role, even acting against the interests of some fractions of the capitalist class, for example, in order to preserve the stability of capitalist hegemony. Furthermore, the state is at its most autonomous when no particular social group can achieve hegemony over others. As hinted at in Marx's (1978) "Eighteenth Brumaire of Louis Napoleon," the state can become a powerful social actor in its own right when social classes find themselves deadlocked in conflict. In Marx's account, the regime of Napoleon III was not necessarily aligned with either the proletariat or the bourgeoisie yet was ultimately accepted by each group as neither could achieve mastery. When we apply these theoretical insights to explaining variation in the ability of states to produce economically effective institutions, but they point to patterns of causation revolving around the composition of social groups supporting a given regime, and the conditions under which the state may achieve greater autonomy from social groups to build growth enhancing institutions.

Figure 1 below above illustrates the relationship between the policy coalition, the state apparatus and institutional effectiveness. It also provides an answer to how the same policy coalitions ultimately produce very different outcomes. In the case of Ghana, it would appear that historical circumstances provided the state apparatus under the Rawlings regime with a greater degree of autonomy from its own policy coalition, whose general preferences most likely did not change. The diagram thus provides a means of identifying a causal chain as well as relevant independent variables that might have a bearing upon institutional effectiveness. It focuses attention on the types of social actors that make up a given policy coalition, the policy preferences of these actors, the relative strength of social actors, as well as the nature of state society relations. Furthermore, factors related to the state are taken into account. These include the bureaucratic capacities, policy preferences, and the degree of political acumen possessed by a given political regime.

Figure 1. Coalitions and the State



Independent Variables ***Dependent Variable***

Yet, as eloquently pointed out by Waldner, autonomy is often contingent upon the institutional structure of the state, which is itself forged out of previous institutional choices and policies. In this sense, previous policies then become part of the institutional structure through which future policy is enacted. Variation in policy, driven by core related factors, thus turns into institutional variation that ultimately helps to determine policy choice.

State society relations are largely determined by the ability of the regime to win over supporters, and the degree to which it includes some of these supporters in the process of creating policy. The social coalition pictured above represents those members of society that support the regime. The regime can win their support in a variety of different ways, such as by providing new or improved primary service provision such as roads, schools, and/or more reliable delivery of electricity. These goods are very important in many African societies, where the capacity of the government to provide these essential services cannot be taken for granted. The regime may also maintain and expand its social coalition by providing goods and services that I refer to as “secondary developmental goods.” These goods and services are aimed at encouraging specific economic sectors or providing an economic resource that would benefit a large number of people. Examples of some of these “secondary” goods included processing facilities for popular cash crops in a region, access to expanded and improved irrigation infrastructure, and aid in transporting important agricultural commodities to processing centers. Maintaining or expanding a social coalition can become expensive for the regime. A regime can also win over support by including some members of society in the process of creating policy. Building a policy coalition entails creating a regularized procedure for meeting to illicit feedback. The institutions that connect these members of society to the state go by the name of “coordinating institutions.” Building coordinating institutions is not always expensive for the regime, but they do always represent a loss of complete control and autonomy over the policy making process. As such, they represent one of the key mediators of the relative autonomy of the state.

The size of the policy coalition, i.e. the group a regime believes it must include in the policy making process, is an important determinant in a regime’s overall pattern of institutional creation. A large policy coalition, for example, by necessity creates durable coordinating institutions. These institutions, in turn, create and generate a greater amount of information about economic activity than might otherwise be expected. A small policy coalition, on the other hand, creates expectations of somewhat wasteful patterns of spending, apart from a few notable exceptions. Small policy coalitions tend to undermine the political authority of social actors of prominent members of society. Instead of consulting elites who may play a useful and productive economic role, the lack of coordinating institutions tends to alienate elites by undercutting their political and economic authority. The lack of coordinating institutions and the subsequent lack of ties to elites surrounding production accompany social coalitions that are loosely tied together through the delivery of economic goods. Such a scenario tends to be more common in societies where a core group is present. Therefore, large policy coalitions tend to be more cohesive, and geared towards the creation of growth enhancing institutions in internally oriented industries. Smaller policy coalitions, on the other hand, tend to deliver economic goods widely, but to do so in a manner that undercuts elites and that tends to lead to growth inhibiting policy, at least in internally oriented institutions. In this manner, the size of the policy coalition, a factor closely related to the presence or absence of a core group, can have a definitive impact upon the growth enhancing potential of policy.

Furthermore, suddenly attempting to alter the size of the policy coalition is perhaps easier said than done. Enlarging a policy coalition entails a willingness to surrender both scarce developmental funding and a degree of political power to groups within society. Such a decision may very well challenge the common and indeed dominant logic of political survival for some regimes. Shrinking a policy coalition, on the other hand, presents a very real risk that groups so alienated will cease to support the regime. These patterns of institution making, therefore, are somewhat durable; they represent a more or less fixed institutional design with which any regime must contend.

The Horizontality of Ethnic Positionality

An assumption that underlies the behavior of ethnic groups is the horizontality of ethnic positionality. This feature, as a general rule, is common to the states of sub-Saharan Africa, but not necessarily North Africa, and lies at the heart of this dissertation project's analytical distinction between the two regions, despite their closely linked social, economic and political history. Simply put, the horizontality of ethnic positionality is the idea that no one group, historically, has controlled predominant social and economic power. As a result, perceptions that political power is up for grabs are pervasive in most African states. A second trend, which is perhaps more important for this dissertation, is a general lack of cohesion particularly among large ethnic groups. The maintenance of a predominant social position can in some cases, become a powerful reason for members of the same ethnic group to put aside their differences and to cooperate in a cohesive manner. Given the lack of predominance of an one particular ethnic group in most African states, finding a means to unite a large and disparate ethnic group can become particularly difficult.

This horizontality of ethnic groupings contrasts with societies where one group is clearly predominant. In the United States, a history of settler colonialism and a plantation economy covering a large geographic area of the country shaped definitive classes, whose boundaries coincided with race and ethnicity. Social relations of production, and indeed the accumulation of capital, rested on the maintenance of this positionality, which was inscribed into the institutions of the state. This positionality structured all social and economic relations; it was mediated by institutions of the state, shaped the costs, incentives and opportunities inherent in the process of creating a viable social coalition to stay in power. Given this history, it is perhaps not surprising that contemporary political coalitions often draw upon this sense of maintaining positionality, especially among white voters, as a means of holding together an electoral alliance. In a sense, once class identity becomes intertwined with ethnic identity and positionality, it becomes possible to create political and social alliance which are paid for by the maintenance of a particular social order. In this manner, a large and economically diverse social group can retain much greater degrees of cohesion than might otherwise be expected. For most states in sub-

Saharan Africa, however, there is little reason to expect large ethnic groups to exhibit such levels of cohesion.

While the social classes inherent in a capitalist economy exist on the continent, as a general rule they fail to structure economic relations and thus cannot exert social control. Capitalist relations of production are for the most part confined to large urban agglomerations. In the formal economy, wage labor and the rules of the market structure accumulation along the lines of class. Class, in this case, occasionally overlaps with ethnicity; consider for example, the economic positions and roles occupied by Asians in many African states. Their social class positions is tied in part to their inability to own land in the rural economy, and thus as market sellers, small scale industrialists, and marketers of agricultural commodities they are often associated with a positionality that is above that of African peasants, given the slightly more advantageous opportunities to accumulate that these occupations provide. While the positionality of Africans of Asian heritage is somewhat unique, other ethnic groups are sometimes also associated with a particular place within the economy, as is the case for the Kikuyu in Kenya, for example, who are often associated with large scale plantation agriculture as well as a predominate position in the financial industry of the country. The urban economy in many African states thus contains spaces where formal class relations intertwine with the positionality of ethnic groupings. The formal economy, however, is not entrenched enough within most African states to structure relations between ethnic groups associated with differing economic and social positionalities.

The penetration of capitalist relations in most African states is at best, superficial, and confined to segments of the formal economy in urban centers. In a comparative sense, however, the formal portions of the urban economy are shrinking rapidly in the face of an influx of migrants from rural regions. This pattern of migration is thus dominated by push factors associated with the liberalization and opening of economies to cheap imports of food and consumer commodities, that make it much more difficult for peasants to make a living off of the land. Moving to one of the large and growing megacities of the continent, however, rarely turns into employment in the formal economy. Instead, people find work as market sellers, practitioners of various types of small handicrafts like show repair, or as laborers in small firms that might employ less than a dozen people, and frequently only one or two. Work in marginalized sectors of the informal economy, such as the sex industry and panhandling is also common.

It is thus unsurprising that small and medium enterprises, most of them in the informal economy, make up the largest sector of economic growth on the continent. These enterprises, however, often exist outside of capitalist relations of production. Seldom does one entrepreneur, at least in the informal economy, own the means of production. In many cases, for somewhat expensive equipment, the means of production is shared by an informal collective whose membership is somewhat fluid. Rarely, is employment based on the conditions of the market, per se, but is often based on concepts of trust, social obligations, and the needs of the community. These informal rules may very well structure economic relations, but they are not the hierarchical rules of a capitalist the market. Very often, these rules are in fact a manifestation of age-based lineage relations from the countryside, replicating themselves under different conditions in an urban subsistence economy.

The rural regions of most countries in sub-Saharan Africa lay outside capitalist relations of production. While some large scale plantations and processing facilities certainly exist, their impact on the dominant relations of production in the rural economy is for the most part minimal. Traditional forms of lineage production, on the other hand, are much more common. In the traditional rural economy, lineage groups, often living in the same village, hold land in common. Permission to farm the land is given by the lineage head, and in return they appropriate a small amount of the surplus. Villagers supplement this subsistence income with part time, or seasonal employment though some are lucky enough to find more stable jobs that can be worked year-round. One common means of earning extra money is work as outcroppers, which entails growing a cash crop in a pre-arranged agreement with a buyer, generally a processing facility of some sort. One beneficial aspect of outcropping, when it works well, is that the transport of the crop is generally handled by the processing facility. Finally, depending on where the village is located, peasant farmers might grow a number of different cash crops that could be sold at local markets. The survival strategies of the rural peasantry thus include subsistence agriculture and wage labor, and fundamental economic relations are shaped by lineage rather than by market capitalism.

The end result of this lack of penetration of capitalist economic relations is a horizontality that exists both within the class structure of countries in sub-Saharan Africa, as well as between ethnic groups within the countries. In the formal sectors of the economy, there may in fact be longstanding intersections between unequal relations of production and ethnicity. To many in Kenya, for example, Kikuyu dominance of particular economic sectors stands out as an unequal relations of production. Yet, even here, there are limits to the degree to which dominance within a portion of he economy translates into power over the survival strategies of other groups whose economic relations are predominantly structured by lineage relations in a subsistence economy.

Finally, it is worth noting that capitalism is not unique in creating distinct, unequal social relations of production. Feudalism, for example, produced marked inequality between the peasantry and nobles. Similarly, there existed profound inequalities between slaves, member of the ummah or community of believers, the ulamu religious bureaucracy, and governmental official who often had a direct hand in controlling surplus grain in the various Islamic caliphates of the middle ages. All of this is to say that capitalism is certainly not the only system capable of producing hierarchy. Nevertheless, the failure of capitalist relations of production to structure most economic activity means that the more or less flat class structure of lineage relations imposes a horizontality upon both class relations as well as upon the positionality of ethnic groups.

The horizontality of ethnic groupings weakens group cohesion. Groups do not necessarily need to expend time and/or effort to maintain an ascendent position, nor is any one group able to have enough power and influence over survival strategies of others to attain preponderant social control. While it might be possible for an individual or a coalition to achieve social control within a given ethnic group, particularly one whose prominent member occupy similar positions within the economy, there is no reason to expect a large ethnic group such as a core group to display any degree of cohesion given the variety or productive relations that exist with such a large group entity. Furthermore, appealing to shared sense of the need to maintain group predominance similarly falls flat, given the fundamental horizontality in economic relations. While it may be true that ethnic groups are concerned with comparative gains, it is unlikely that this concern would manifest itself in terms of group cohesion to maintain positionality. Instead, all groups, especially large ones, are susceptible to becoming fragmented due to political and economic appeals of the opposition. While social control rooted in economic relations may be possible to achieve, as the size and economic diversity of a group increases, so too does its propensity to fragment. Thus, while smaller sized ethnic groups may be able to retain a degree of cohesion, it is unlikely that larger, variegated groups would retain a sense of urgent, common group interest. Instead, different portions of the group could potentially break off from the larger group on questions of political, social and economic import.

Examining Types of Coordinating Institutions

The main argument of the paper is that the absence or presence of a core group drives the choice of institutions governing development. This idea is somewhat complex, as it envisions a type of mechanism through which policy and indeed other institutions are shaped and formed. Much of the dissertation as it pertains to the case studies thus traces commonalities and patterns across institutions that reflect a type of mode of state-society relations. However, while the case studies trace durable patterns of institutional creation, it is perhaps useful to discuss the macro-level edifice through which policy and institutions are enacted.

Social compromise not only enshrines durable relations between social actors, it puts in place a type of guiding logic or set of ideas through which policies are enacted, bureaucracies are governed, and development is undertaken. Taken together, this framework of ideas coalesces into a type of modesof state-society relations, the main coordinating institution through which all other policies or institutions are enacted. Thus, if we were to give a name to the principal developmental institution that is impacted by the independent variables, it is the mode of state-society relations.

Modes of state society relations, at the most basic level, are ideational constructs grounded in the material elements of social compromise between the principal social actors in a state. They are patterns of interaction guided by the logic that undergirds the positionality of the social relations at the heart of the state. A mode of state-society relations may begin its life as a politically expedient strategy for a regime to stay in power. The Rawlings regime's purge of the left and reorientation of developmental policy along the lines of Bretton Woods institutions was an abrupt pivot, meant to ensure survival. Yet, the underlying logic of such a strategy, and the creation and reproduction of policy and institutions proved to be a stable form of compromise and has since guided the developmental policies and institutions of the state.

There are three different modes of state society relations on the continent today, and these modes encompass sets of institutions that are both growth enhancing and growth inhibiting. Yet, as foundational institutions of paramount importance, these modes of interaction between state and society remain unwritten and unspoken for the most part. Their logic remains unarticulated, even when clear patterns emerge in the structure and shape of the institutional profile of the state. Thus, I outline the principal modes of state-society relations below and tie them to the logic of maintaining power in the absence or presence of a core group.

The mode of state-society relation comprises the sum total of institutional arrangements connecting state and society, encapsulated in a relationship of *relative* autonomy. Individual institutions regulating one facet of a mode of stat-society interaction are referred to as *coordinating institutions* and are a central facet of the mode of state society relation. These individual level institutions determine access to two vital economic goods in particular - access to policy making processes and access to economic or social benefits. Coordinating institutions can also block access to political, social and economic goods. In this manner, these institutions regulate the basis for social compromise in a given state. Individual level institutions may stray from the underlying logic of social compromise from time to time, but institutional structures that threaten the basis of social compromise are generally eliminated, lest they create the basis for violence or contentious politics that might threaten underlying social comprise, as sometimes occurs in states such as Kenya.

Managerial Mode of State-Society Relations

Managerial institutions take shape when the state apparatus, or rather, the regime attempting to retain power through the state apparatus, must carefully manage financial resources. This mode of state-society interaction is a reaction to levels of instability within the social coalition. While there may potentially be severe circumstances that make holding a social coalition together more difficult, I argue that the presence of a core group, by virtue of its size, undermines forms of social control rooted in traditional and symbolic forms of power. As a result, the regime must continually and actively manage its social coalition, both to limit the fragmentation of the core group, and to expand beyond it. Spending on goods and services is directed at those regions of the social coalition in danger of defecting, or those outside the social coalition who could potentially join. Given these circumstances, the basic strategy employed is to limit the size of the policy coalition, i.e. to limit decision making power over policy to members of the regime. However, lacking the power of credible commitments to allies that accompanies membership in the policy coalition, a political regime must spread potential resources widely, as the stability of the social coalition is not assured.

Ironically, spending on maintaining a political coalition necessitates a source of income for the state through taxation. This source of revenue must be in the form of foreign exchange, if the state hopes to be able to undertake meaningful service provision. For states that collect rents in the form of natural resource rights, growth enhancing institutions seldom take shape - there is ultimately, no necessity. It is in part for this reason that resource rich countries are excluded from qualitative analysis. For countries that do not have access to resources rents, the creation of growth enhancing practices becomes a matter of life or death.

The necessity to create growth and to manage spending leads to a semi-autonomous set of coordinating institutions in all economic sectors. In sectors of the economy that produce foreign exchange, it is likely that a technocratic engagement of state agencies takes shape. The engagement of competent personnel working in well-organized bureaucracies is likely the result of this type of managerial coordinating institution, at least in those segments of the economy that deal with foreign exchange generating exports. The extant portions of the economy in a state that utilizes managerial coordinating institutions is almost always growth enhancing.

Active management of the social coalition, however, is immensely more difficult when the regime at the head of the state apparatus is unable to include social actors in. the policy coalition. I hypothesize that the fragmentary nature of core groups makes it much less likely for a regime to be able to embark on such a strategy. In such a scenario, it is much more important for regimes to provide groups with some sort of benefit, often in the short term, rathe than taking the time, and added effort to ensure institutions are growth enhancing. Very often, the result is a superficial type of state - society engagement, in which the concerns of social actors are left unaddressed, for the most part, by a semi-autonomous state focused on maintaining a broad social coalition.

Gatekeeping Mode of State-Society Relations

When the political regime at the head of the state apparatus has the expectation of higher levels of group loyalty, then they will be more likely to include said groups in a policy coalition, providing access and control over key facets of policy making. Thus, a social environment composed of smaller, more cohesive groups will be more likely to see the creation of a larger policy coalition as a strategy of maintaining power. Such an environment, I argue is much more likely to occur when there is no core group within the state. The lack of a core group thus makes it more likely for various forms of more inclusive institutions to take shape. These institutions, by their very nature, involve important leaders from various communities within the policy making process.

The coordinating institutions that take shape between the state and society surrounding production in a state lacking a core group are thus likely to be gatekeeping institutions. These institutions facilitate access to policy making processes for members of the social coalition. Furthermore, unlike managerial institutions, which treat every group as a potential member of the social coalition, gatekeeping institutions actively block access for those groups outside the social coalition. That is not to say that these groups receive no forms of social services or benefits - both in fact occur. However, rather than finding meaningful engagement with state officials, these groups instead confront a semi-autonomous state apparatus whose ultimate goal is to block access to policy making while staving off discontent

Gatekeeping coordinating institutions their by very nature, are both growth enhancing and growth inhibiting. By engaging the productive needs of social groups through credible, policy driven commitments, gatekeeping institutions can facilitate and enhance economic growth, but such growth is much more likely to occur in industries involving groups represented in the policy coalition. For those groups outside the policy coalition, however, the semi-autonomous managerial approach of the state represents a growth inhibiting coordinating institutions. Thus, the process of gatekeeping builds bi-furcated coordinating institutions that both facilitate and inhibit economic growth.

Embedded Party Mode of State Society Relations

There is potentially a third form of engagement tied to an embedded party organization. The logic of rule for such a group is tied to the party organization's role within society. The party, in some situations, can become a vehicle of social compromise, or rather, it becomes the site of social compromise. Such instances, of course, are somewhat rare. They reflect times, for example where an independence movement becomes encompassed withing a party organization. At this point, leadership, as well as the accumulation of capital, take place in accordance with party structures. Economic activity, in this manner, is captured by the party organization.

In real terms the role of the party retains a type of mode of state-society relations resembling that of a gatekeeper, but with two important differences, namely that inclusion within policy making processes follows first, from membership and influence within the party organization, and secondly, that accumulation outside the auspices of the party quickly turns into a vehicle for accumulation of party members as a price for admission to the policy coalition. In this manner, growth enhancing institutions are created in the domestic economy, but specifically in industries and ventures that will provide a suitable payoff for the bureaucratic/party elites who are in a position to invest. These industries and economic sectors, more often than not, are externally oriented and foreign exchange generating.

The party and bureaucracy may provide only limited access to the policy coalition but as their legitimacy with society relies upon on some degree of social welfare, the social coalition is constructed in as broad a manner as possible. The state thus attempts to provide for such things as inputs for producers and a basic level of infrastructure in urban areas.

Outside of industries that directly involve member of the state apparatus, however, the state constructs semi-autonomous institutions. Lacking a need for these industries to produce foreign exchange, or tax revenue, coordinating institutions fail to take shape in an organized manner. Thus, while institutions may not suffer from the excesses involved in actively managing a social coalition, they are nonetheless at best neutral when it comes to creating economic growth.

Conclusion

Modes of state-society relations occupy a central position within the state and represent a durable nexus of framing and decision-making power as it pertains to development. Modes of state-society relations, and their accompanying coordinating institutions are important structural frameworks for understanding the state in Africa. As implicit structures, emanating from unwritten social consensus, these patterns of engagement are not determinative, but nor are they inconsequential. They provide the unwritten boundaries that shape the developmental process, and they lay out the terrain upon which it will occur. The growth enhancing potential of coordinating institutions is thus determined not simply by their degree of autonomy, but by the type of state society relations that breathe life into them. These of course, are grounded within forms of social consensus that are particular to each country but are impacted by the independent variables.

Hypotheses

In the project I prioritize explanations that have a bearing upon state society relations over those dealing exclusively with the state as an organization. While organizational capacities of the state are examined within the broader context of state society relations, they are generally not treated as key explanatory variables. My approach thus differs from much of the current research on the African development, which takes a state centric approach to examining developmental outcomes. For the two cases under examination, however, there is simply a lack of evidence suggesting that differences in developmental outcomes in either country are due to governmental capacity alone. Instead, there is evidence that qualified and well-trained actors were present within each state. In Ghana, the economists that would ultimately shape the regimes policies were neither created nor trained by the Rawlings regime, but instead rose to greater power and influence as the regime moved towards neoliberal policies. In the case of Kenya, these actors have always been present – Kenya has historically been home to one of the most professional bureaucracies on the continent. While there may certainly be differences between the Ghanaian and Kenyan states, it is unlikely that these organizational differences alone are ultimately responsible for variation in economic performance.

However, there is also reason to be skeptical of accounts that focus solely on the absence or presence of particular groups within a policy coalition. Barrington Moore's (1968) famous assertion "no bourgeoisie, no democracy" (p. 418) may befit the European experience of state building, but the presence of a strong indigenous class of entrepreneurs does not coincide with growth enhancing institutions in Africa. Many states containing a large and healthy class of indigenous capitalists such as Nigeria, contemporary Côte d'Ivoire, or even Ghana before the Rawlings era were also very unsuccessful. What appears to be more important are the conditions favoring types of ideological and programmatic compromise amongst elites, as suggested by Waldner (1999). Elite conflict, according to Waldner, provides incentives for political actors to build their own following using the resources of the state. In the process, institutions inimical to economic growth are created. Indeed, the success and stability of the Rawlings regime occurred only after the regime move closer to positions occupied by elites on the right. Thus, while it is safe to assume that successful states are those that develop ideological and programmatic compromise at the elite level, and that this compromise is supported by an indigenous bourgeoisie, it would be a mistake to argue that the the presence of such a class alone allows the state to be successful.

Nevertheless, when examining the developmental trajectories of Ghana and Kenya potential explanatory variables related to the nature of society rooted competition as well as the composition of policy coalitions begin to emerge. These variables manifest themselves most clearly when comparing policy coalitions in each country. Since independence, policy coalitions in Ghana have pitted different classes and class groupings against one another. The "veranda boys" who constituted the backbone of the Nkrumah supporters were workers and young unemployed city dwelling youth. They were opposed by wealthy cocoa exporters, who even before independence made their political influence felt through a series of cocoa embargoes in order to gain better terms of trade with Britain. Added to this group were indigenous capitalists as well as traditional elites in the countryside who were deeply skeptical of the reform agenda of the Nkrumah regime. These policy coalitions differ substantially in type from those that were present in Kenya. In Kenya, the Kenyatta and Moi regimes relied upon elites who were defined first and foremost by their ethnic affiliation. Furthermore, certain ethnically organized business groups rose to prominence and played a large role in supporting the regime. These groups often benefited from their affiliation with a given political regime, such as the Kikiyu in the Kenyatta regime whose members found themselves in control of many parastatal corporations. Thus in Kenya, less so than in Ghana, ethnically based networks rather than social class played a much more prominent role in the policy coalitions of the regime. While it is certainly true that social classes existed in Kenya, they are often deeply fragmented by the nature of interethnic competition. In Ghana on the other hand, while there exist many different ethnic groups, political competition is organized much more clearly along class and economic lines.

Recent research on the state in Africa points to the idea that these essential differences in policy coalitions may have something to do with the presence of what is called a core ethnic group. A core ethnic group contains either the majority of the population of a given state, or it is at least 20% larger than the next largest ethnic group. As it pertains to the two cases under examination, one, Ghana has a core ethnic group (the Akan) while Kenya, despite having a large number of ethnic groups, does not. Literature on ethnicity and politics in Africa points to the idea that the size of groups and politics may create vastly differing political dynamics.

One of the most well-known works to examine the political effects of the size of ethnic groups was Posner's (2004) article "The Political Salience of Cultural Differences: Why Chewas and Tumbukas are Allies in Zambia and Adversaries in Malawi." One of the main findings of the article was that identical groups behave very differently toward one another when group size and electoral institutions differ. Relative group size, according to Posner, can have a large bearing on the degree to which ethnicity in the political realm is important. Elischer (2013) expands on Posner's analysis noting that when a core ethnic group is present, they often fragment based on programmatic and ideological appeals. In societies that have core ethnic groups, this group is often represented politically in numerous parties, and organizations. By contrast, when similarly sized groups are more numerous, they are more likely to retain group loyalty and therefore produce a system where the political salience of ethnicity becomes an important mobilizing force in politics. Elischer's (2013) observations point to the idea that programmatic and ideological appeals may in fact be much more important when there is the presence of a core ethnic group, then when there is not.

The legacy of a core ethnic group in a state that has experienced a form of popular socialist experimentation is a pattern of patronage and service delivery that is broad in its scope. A core group often acts as a magnate, funneling political activity toward strategies that greatly expand the scope of service provision. The large size of the core group means that there are challenges to fostering social and political cohesion within it. A core group is much more likely to fracture along class lines, or to participate in vastly different sectors of the domestic economy. Furthermore, even when a core group contains features that promote group cohesion such as strong traditional leadership, as was the case for the Asantehene in Ghana, it remains a visible and prominent target for members of the political opposition. Fracturing a core group, however, by its very nature involves direct forms of service provision such as loans, rather than forms of patronage directed at political elites or industries as a whole. In other words, in states where a core group is present, elites will be more likely to provide services related to development directly to individuals, thereby expanding the overall scope of develop oriented service provision.

The delivery of services targeted toward individuals, on a massive scale, decreases the overall likelihood of effectiveness by undermining the value attached to developmental success. The larger the number of individuals targeted for a loan program, for example, the smaller the individual loans and therefore the greater the possibility that the program will fail to make its desired impact. Furthermore, when benefits are delivered at the individual level, such benefits take on a transactional quality; political support is exchanged for programming, whose ultimate success or failure is not important, as long as the required political support is provided. In this manner loans go unrepaid, and funds are used in ways that defy their original purposes. Migdal, writing about a similar phenomena in Egypt, notes that social control and political support of landowners drove the process of allocatating developmental funding, not the manner in which the funds were used. In the same manner, the direct, transactional nature of developmental projects places an emphasis not on the quality of service provision, but on the quality of political support which it buys.

The lack of a core ethnic group, particularly in political systems whose post-independence history included a strong articulation of a capitalist developmental pathway, provides incentives to target specific sectors of the economy as a whole rather than to focus service delivery at the individual level. As a general rule, political entrepreneurs build policy coalitions in the most efficient manner possible. Absent a core ethnic group, the players in any process of winning political support are key elites. However, in a state that articulates a clear capitalist developmental pathway, it is very likely that key elites are involved in capitalist under takings of one sort or another. Further, given the dependent nature of the indigenous bourgeoisie, it is probably that these ventures are in their nature part of the internally oriented segments of the economy. Delivering benefits in an efficient manner in this context targets industries where the economic interests of elites are found; given the smaller relative size of ethnic groups, it is likely that many ordinary members of the group are involved in the same industry. Therefore, policies that are designed to deliver growth in domestic industries are more likely to occur in economies lacking a core ethnic group, and that have subscribed to a clearly articulated capitalist developmental pathway. While all state embark on such programming, only when pressures from above and below focus the stat's efforts on performance as the key to regime survivial, do we see marked difference in development.

These characteristics of states, drawn in part from developing theory on the behavior of ethnic groups, leads to the following hypothesis:

> ***Hypothesis #1: The presence of a core ethnic group as well as a flirtation with socialist inspired policies in Ghana contributed to growth inhibiting institutions in the pre-Rawlings era. The absence of a core ethnic group in Kenya, combined with a more fractious ethnic configuration and a more consistent recourse to capitalistic policies facilitated the creation of more effective growth-enhancing institutions during the same period.***

Thus, key factors, the absence or presence of a core ethnic group and a societies relative experience with a socialist pathway to development may be able to make some institutional outcomes more likely. In the cases where these factors are present, the tendency is towards growth inhibiting institutions. When these factors are not present, the tendency is toward the delivery of selective benefits, and growth enhancing institutions. I assume that these are simply general tendencies, for in the real world policy makers and politicians must deal with all manner of internally and externally imposed constraints, such as a those relating to basic state capacity. Thus, in the developing world no state will succeed in crafting only growth producing institutions; indeed, it can be assumed that fiscal pressures here will assert themselves in the tendency for a state that spreads benefits selectively, also to spread losses in a targeted manner. In this manner, the question at the heart of variegated institution making in Kenya does not necessarily require a separate hypothesis – it appears to be a function of the constraints placed on any state in a peripheral region of the global economy. The question of why institutions conducive to growth takes shape in Ghana, as an exception to this process, on the other hand, is more of a mystery.

Like Waldner, I argue that growth enhancing institutions are the product of elite compromise. Additionally, I argue that there must be sufficiently powerful reasons to create social compromise at the elite level. The experience of Ghana sheds some light on how growth producing institutions may come about in an environment where the tendency is toward broad distribution of goods and services. In Ghana, the cocoa sector provided stability for political regimes, thus ensuring a successful ruling strategy. Furthermore, it is clear that the institutions built by the Ghanaian state to produce growth and increase investment reached out far beyond the cocoa sector alone. The state, in fact, appears to be dominated by a durable pattern of growth producing institutions in the export sector, combined with other highly effective institutions that both clarify and facilitate external investment, and that also attract donor funds. The presence of a lucrative export sector in Ghana appears to have opened the way for a type of path dependent institution building strategy cemented by social compromise.

Yet, the idea that a lucrative export sector alone leads to externally oriented institutions bucks many of the trends we see in states in the developing world. Ghanaian regimes after independence, for example, sought to use the revenues from cocoa to deliver benefits to supporters. However, they ultimately struggled to invest in the sector, thus killing the goose that laid golden eggs. In these cases, the state did not build institutions to insure external investment or to maximize foreign reserves from cash crop sales. Furthermore, the state struggled to attract foreign aid, even despite at one point under the Busia regime agreeing to IMF imposed conditionality. Thus, despite the presence of the sector, the state did not embark on the sustainable building or maintenance of externally oriented institutions that were also growth enhancing.

The change in the process of institutional production in Ghana coincided with a major internal shift in domestic politics as well as a slow building external change in the international system. Internally, a socialist led regime decided definitively to embark upon neoliberal reforms; thus it was the Rawlings regime that was able to attract the greatest amount of external capital and donor funds, which in turn appears to have led to still greater institutional changes.

Secondly, the range of developmental choices available to states began to narrow with the decline and ultimate fall of the Soviet Union. The emergence of a new globalized form of neoliberal market capital meant that regimes could not realistically hope to attract outside investment while continuing to pursue a socialist pathway to modernization. Furthermore, it thereby increased the chances that states who to all appearances had thrown off any hope of developing alternatives modernizing strategies, would receive sufficient external funding to allow them to create durable survival strategies in which growth enhancing but externally oriented institutions play a central role. Thus, in this case, the presence of a lucrative cash crop, in an international environment dominated by neoliberal institutions, would make it more likely for states to develop growth enhancing but externally focused institutions.

Yet, the mere fact that Ghana and Kenya are major agricultural producers not only highlights the idea that agricultural exports do not necessarily lead to externally oriented patterns of but highlights the role that agricultural receipts play in social stability rather than path selection for institution building. Kenya's linkages to the international system appear to provide stability, as they do in Ghana, yet this stability does not necessary lead to a developmental pathway that leads to a clustering of growth enhancing institutions in the extant sectors of the economy. Instead, in Kenya, export earnings combine with foreign aid to provide stability in the form of compensation for ethnic elites. In this manner, Kenya's pattern of providing target benefits to specific communities is stabilized, even if, as violence surrounding elections indicates, there are in fact a host of over politicized behaviors at the heart of the state. Thus, a lack of state autonomy, at least in regards to dominant ethnic groups, ironically produces forms of institution making that are more likely to produce growth enhancing institutions in regions of the economy where ethnic elites have a greater likelihood of involving themselves. Many times, these sectors are in internally oriented sectors of the economy, but there is nothing to say that some externally oriented sectors would develop growth enhancing institutions as a means of providing political support. Thus, the second hypothesis identifies the manner in which differing political legacies and the absence or presence of a core ethnic group, in the neoliberal era at least, have tended to produce different patterns of institutional development.

> ***Hypothesis #2: In a comparison of African stats in the post-Soviet era, those possessing a legacy of socialist development and the presence of a core ethnic group are more likely to construct internally oriented institutions that are growth inhibiting but externally oriented institutions that are growth enhancing than those states lacking a legacy of socialist development and a core ethnic group.***
>
> ***Ghana's flirtation with a socialist pathway to development, and the presence of a core ethnic group, make it more prone to internally oriented economic institutions that are growth inhibiting, while Kenya's legacy of capitalist development and lack of a core ethnic group facilitate the construction of growth enhancing and growth inhibiting institutions in all sectors of the economy.***

The hypotheses recognize the implicit power of countries at the core of the internal system to alter the priorities, regime survival strategies, and ultimately at least in some cases, the developmental trajectories of states in a peripheral position in the global economy. Yet, such a process is not overdetermined, and indeed states can in fact succeed in shaping institutions that are more attuned to domestic and regional needs, as the case of Kenya illustrates. Thus, at least theoretically, the dissertation examines the many ways in which the internal characteristics of society-based politics and the changing characteristics of policy coalitions combine with factors in the international environment to produce policy.

The main argument that this project advances is that to understand policy, it is fist necessary to understand the durable social groups who find themselves at the reigns of state power. While institutional scholars may focus on elections, I argue that these groups often more durable than any election cycle, being the product of relations of production and/or the nature of political competition between various factions. In Kenya, a fragmented and socially opportunistic bourgeoisie drives policy forward, fighting over the reigns of state power both to stimulate growth that will benefit select communities as well as to manage and mediate the losses that go along with any developing country operating in a peripheral position in the international economy. In Ghana, a quasi-bureaucratic bourgeoisie place a superficial hand on the surface of Ghanaian society, and drive an institution building process that has delivered poverty alleviation and political stability even as it has neglected important aspects of internal development which are of little to no importance to international donors. Below the placid surface of Ghanaian society, however, institution building focuses on development, not as a means of delivering sustainable growth, but as a short term strategy to deliver benefits. Thus, in each state, we see differing institutions taking shape, with vastly different developmental consequences. The root cause, however, lies in fundamental differences in the survival strategies of regimes that are ultimately rooted in differing social coalitions.

Variables and Concepts

The dependent variable, the growth enhancing capacity of institutions, comprises those functions of the state that have the greatest bearing on long term economic health. I have operationalized the term as a multi-dimensional variable that touches upon the health and effectiveness of the bureaucracy and civil service, the quality of institutions dealing with property rights as well as the general health of fiscal policy. Theoretically, these aspects of the dependent variable reflect consensus on the determinants of economic success with in the developing world. A well-functioning and appropriately sized bureaucracy has been consistently touted as one of the keystones of economic growth among late developing countries. Kholi (1994), Evans (1995), Huntington (1968), and Gershenkron (1962), among others have consistently pointed to the need for the bureaucracy to act as a catalyst of growth. Furthermore, Waldner (1999) identifies the over staffing of the bureaucracy as one of the main stumbling blocks to sound economic policy. Therefore, much of the discussion of the dependent variable will focus on the development and growth of the bureaucracy and civil service.

Property rights are an equally important part of the analysis. As famously observed by North (1981), countries that create robust property rights regimes are often the ones to foster economic growth. Such was the case for Britain in North's analysis, which succeeded in implementing parliamentary taxation, and thus lowered interest rates and spurred economic development because lenders no longer had to fear heavy and arbitrary taxation by the crown. Finally, the operationalization of "institutional effectiveness" takes into account the stability fiscal and economic policy. In countries plagued by cycles of underdevelopment, fiscal policy becomes ad hoc and is manipulated in order to reward elites close to the regime (Huntington, 1968; Bayart, Hibou and Ellis, 1999). The chart below summarizes variation in the dependent variable.

Table 1. Defining Growth Enhancing Institutions

	Growth Producing	Growth Inhibiting
Bureaucracy/Civil Service	Appropriately sized; competent; non predatory.	Large but often lacking funds and expertise to accomplish tasks. Sometimes predatory.
Property Rights	Covered by a fairly comprehensive set of laws that are, for the most part, respected.	Violated to maintain social coalition. Actions include land confiscation, as well as the preferential sale of formerly state owned companies.
Fiscal Policy	Sustainable, balanced. Includes public service provision and investment.	In perpetual crisis. Spending frequently out of control. Public service provision targeted only at select communities. Rules regarding important financial institutions frequently broken.

Levels of institutional effectiveness in most successful African countries can generally be described as growth producing, while those of less successful African countries can be described as growth inhibiting.

The most successful African countries, while by no means perfect in every regard, have for the most part succeeded in fostering high degrees of institutional effectiveness. Botswana, for example, continues to make attempts to keep compensation for civil servants at acceptable levels, fighting pressures for wage increases. In Ghana, as I discussed earlier, the regime was able to dramatically shrink the size of government, while still maintaining capacity. In Rwanda, on the other hand, even when the state plundered valuable mineral resources from the neighboring Democratic Republic of the Congo, the proceeds were not kept by individual generals but were instead used to pay for the Rwandan war effort (Eriksen, 2005). Countries successful at creating economic growth very often excel at creating effective institutions.

Moderately successful countries, on the other hand, often appear to enjoy advantages that place them in a bind in regards to institutional reform. Institutional effectiveness in Gabon and Swaziland, for example, lags behind countries at similar income level despite the fact that each displays evidence of both state building and bureaucratic capacity. In Gabon oil revenues allowed the regime of the late Omar Bongo to maintain itself in power largely by co-opting and buying off the opposition, while providing well-paying jobs to educated city dwellers and ethnic elites (Yates, 1996). The large state sector in Gabon has made many forms of production nearly impossible, while oil revenues increase the Gabon's currency to the point where exports are not competitive. Today, Gabon is reliant on food exports in order to feed its population as locally grown food is not competitive on the market (Oliveira, 2007). In Swaziland, on the other hand, the regime of the absolute monarch has followed the strategy of massively increasing the size of the state sector through political patronage. Given Swaziland's small size and the revenues which it collects from the Sothern African Customs Union, such a strategy has been relatively effective. Yet, much like Gabon, it places the country at a comparative disadvantage in terms of economic growth.

The most troubled economies on the continent often struggle with maintaining basic property rights protections and maintaining sound fiscal policy. Such was briefly the case for Kenya, when opposition to the Moi regime manifested itself in the very real possibility of a successful coup d'état. In desperation, for example, the regime knowingly counterfeited its own currency in order to distribute benefits to supporters (Bayart, Ellis, Hibou, 1999). According to

Branch (2011), Moi's "short term political objective of remaining in power trumped any worries about the lasting effects of new fiscal or monetary policies" (p. 144). Yet, while Moi regime's actions were the exception rather than the rule, the actions of less successful African regimes illustrate that such occurrences can indeed become widespread.

Yet, the impact of property rights institutions can vary even amongst successful African economies, particularly as it relates to economic outcomes in the internally oriented sectors of the economy. Property rights institutions facilitate growth in part, by making it more difficult to pursue sform of development that place domestic producers at a disadvantage. The lack of a well developed property rights regime is a rare roadblock for investment from abroad, as the thirty plus years of foreign direct investment in China would indicate. Yet, a robust property rights regime does have an impact on ow small producers interact with capital. In Sierra Leone, peasants complain that communal lands have been lost to large multinational rice and pineapple producers. In Tanzania, villagers in the … region must now put their fields to use as low paid outcroppers for a multinational producing rice, given the lack of opportunities to market cash crops. Thus, in cases where land is not protected by a robust property rights regime, capital is able to make use of peasant labor and land, often in ways that detract from internally oriented production.

In states with a well-developed property rights regime surrounding land, capital either has a minimal impact upon peasant production or internally oriented capital produces positive externalities for small farmers. In Mozambique, a forest and wildlife law formally recognizes the rights of community members, and at least in principal sets forth an official negotiation with the community surrounding land use and compensation. In Kenya, on the other hand, both large domestic producers and peasants have formal titles to the land. While titling does not necessarily eliminate disputes over the land, it does provide landowners rights vis a vis capital. In the case of Kenya, peasant farmers have perhaps coincidentally become the beneficiaries of irrigation and transportation infrastructure directed at large estates. Peasant production can also take advantage of a well-developed and competitive system for agricultural marketing. In these two cases property rights institutions appear to be conducive to, or at least not detrimental to forms of internally oriented production. Thus, while these institutions are not necessarily critical for externally oriented forms of production, for the domestic economy they appear to be a crucial part of the institutional profile of states that enjoy greater degrees of growth in internally oriented sectors of the economy.

The Democratic Republic of the Congo during the Mobutu regime epitomizes the manner in which institutions can become very detrimental to growth. During the turbulent early years of Mobutu's rule, the regime embarked upon a coalition building process which used the apparatus of the state to distribute group specific side payments (Young, Turner, 1985). The burden, however, proved to be too heavy; numerous revolts that took place within the country. Lacking the means of securing his rule through the institutions of the state, Mobutu instead adopted an approach that relied instead upon the cooptation and control of key elites from around the country (Bayart, 2006). Fiscal policy relied much more heavily on securing foreign aid rather than production, while service provision largely ceased and was often used an instrument to keep control (Chabal and Deloz, 1999). The institutions of the country were systematically degraded in order for the regime to stay in power.

The Mugabe regime in Zimbabwe ran into similar troubles during the 1990s, when an expensive military campaign in the Democratic Republic of the Congo ended in spectacular failure. According to Campbell (2003), intervention in the Congo on the side of Joseph Kabila was in large part to gain access to illicit diamonds with which to distribute to key elites, notably those in the military. Fiscal exigencies forced the regime to look for new sources of revenue, the end result of which was ultimately to confiscate productive agricultural land belonging to white settlers and to redistribute it to key elites, who often lacked the expertise to successfully run these plantations. These actions presaged the dramatic collapse of the Zimbabwean economy.

Measuring levels of institutional effectiveness is quite clear for extreme cases. However, for cases that fall closer to the middle of the spectrum, measurement through qualitative means can be much more difficult. Quantitative data, however, can further clarify levels of institutional effectiveness for countries by providing an easy to understand metric. In this project I create an index using quantitative data in order to facilitate case selection and to clarify the link between institutional effectiveness and levels of the economic development.

One of the main working assumptions of this project is that institutional effectiveness tells us a great deal about the ability it of a country to stimulate economic growth. While such an assumption is probably a safe one, given the amounts of literature on the topic, operationalizing the variable in quantitative form allows us to see more clearly the linkages between average GDP per capita and the dependent variable of the analysis. Furthermore, as my project is not only about development in Ghana and Kenya; I attempt to generate theory about Africa more generally. Defining institutional effectiveness in quantitative terms will allow the tools of statistical analysis to be used to search for important correlations.

The "institutional effectiveness index" I created is meant to place states along a continuum from 0 to 10, utilizing commonly available information from scholarly sources such as the University of Gothenburg's Quality of Government Dataset, as well as organizations such as the World Bank, Polity, and etc. between the years 2000 to 2010. To create the index, I compile information on bureaucratic performance, fiscal policy and economic behavior, as well as data on property rights. Each of the measures is rescaled from 0 to 10. The policy coalition variable is a simple additive index in which each measure is weighted equally.

The measure used for the quality and size of the bureaucracy comes from the World Bank's quality of public administration scores (average, 2000-2010). This score is part of the organization's annual country policy and institutional assessment. It measures the organizational capacity of the government and to a lesser degree subnational governments. It focuses on whether procedures to ensure quality of output, such as civil service exams, are in place. It also measures whether or not the bureaucracy and civil service are appropriately sized and trained. When a regime uses the civil service as a patronage tool, this score will decrease even if the bureaucracy is over staffed with qualified personnel. However, missing from the dataset are scores from some of Africa's most successful economies such as Botswana, Namibia, South Africa, and others. I have used closely correlated data from another source to fill in the gaps. The World Bank indicator of governmental effectiveness is a broader but closely related measure of the quality of the bureaucracy. The World Bank indicator focuses on the quality of public service provision, bureaucratic performance, the quality of civil service staff and the ability of the bureaucracy to “insulate” itself from political pressure. This measure takes into account most of the concepts contained in the previous quality of public administration indicator. However, I prefer the previous measures emphasis on appropriateness of staff size as well as its concentration on central government. Therefore, I only use the government effectiveness scores to fill in missing data. The two measures have the correlation coefficient of .78 (statistically significant at the .05 level) indicating a very strong relationship. Using a 0 to 10 scale for each measure, the governmental effectiveness indicator is on average is 1.49 points lower than the quality of public administration indicator. Thus, for countries that are missing data I use the average score for governmental effectiveness over the past 10 years, and I add 1.49 points to it.

The second measure of the index evaluates the quality of a country's economic institutions. The measure I use comes from the Bertelsman Transformation Index, a widely used index that evaluates political and economic institutions. Their measure for currency and price stability, unfortunately, includes some ideas that move beyond the bounds of the analysis, such as monetary policy, but it is still a close conceptual match. The metric focuses on the sustainability of fiscal and debt policies. It also takes into account the independence of the central bank, an institution often used to provide illicit benefits in factional alliance and predatory clientelist coalitions. This measure too, however, contains missing data. For countries with missing data, I use the measure for the quality of economic institutions from Kuncic (2014), a closely related metric. The correlation coefficient for these measures is .79; it is statistically significant at the .05 level. As these measures differ on average by 1 point, I add one point onto the scores from Kuncic (2014).

The last measure of the index focuses on property rights. The measure I use for property rights comes from the Heritage Foundation (average 2000-2010). The Heritage Foundation compiles data and from a number of first hand and secondary and produces a score indicating the degree to which a regime respects property rights. This score encompasses such things as the independence of the judiciary in adjudicating cases related to property, as well as the structure and effectiveness of laws meant to protect private property, including intellectual property. The following chart provides a list of African countries ranked according to institutional effectiveness scores averaged between 2000-2010.

Table 2. Scores for Growth Enhancing Capacity of Institutions

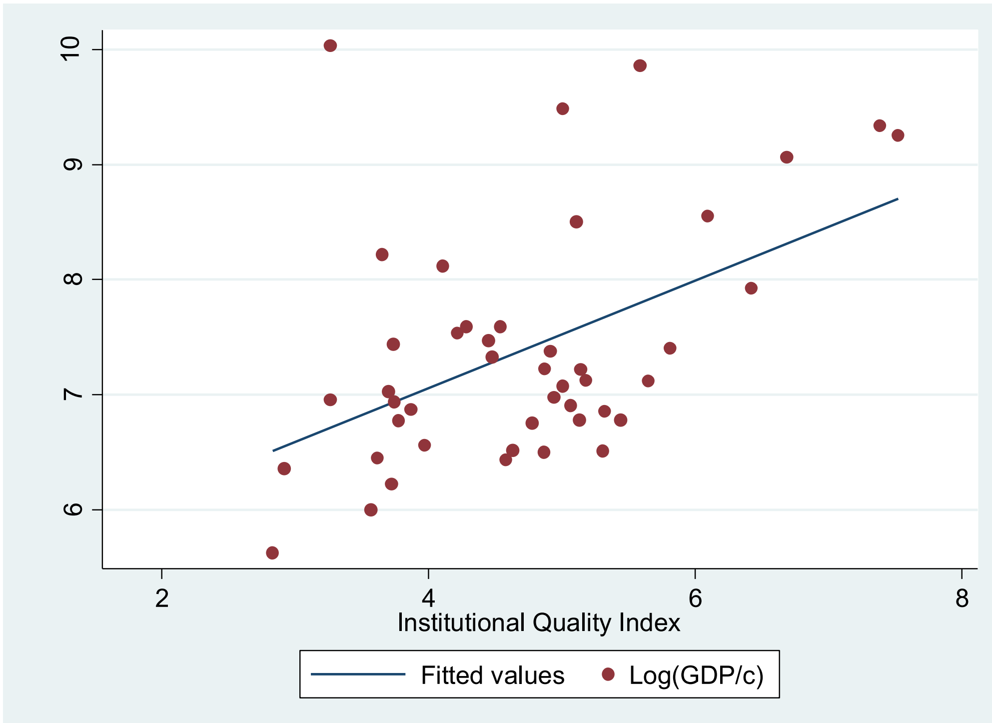
Ranking	Country Name	Index Score
1.	Mauritius	7.52
2.	Botswana	7.39
3.	South Africa	6.69
4.	Cape Verde	6.42
5.	Namibia	6.09
6.	Senegal	5.82
7.	Ghana	5.65
8.	Seychelles	5.59
9.	Madagascar	5.44
10.	Uganda	5.33
11.	Malawi	5.31
12.	Lesotho	5.18
13.	Kenya	5.14
14.	Mali	5.13
15.	Swaziland	5.11
16.	Burkina Faso	5.07
17.	Gabon	5.01
18.	Zambia	5.01
19.	Tanzania	4.94
20.	Gambia	4.91
21.	Benin	4.88
22.	Mozambique	4.87
23.	Rwanda	4.78
24.	Ethiopia (1993-)	4.63
25.	Niger	4.58
26.	Cameroon	4.54
27.	Sao Tome and Principe	4.48
28.	Nigeria	4.45
29.	Mauritania	4.29
30.	Djibouti	4.22
31.	Congo	4.11
32.	Central African Republic	3.97
33.	Guinea	3.87
34.	Togo	3.78

35.	Comoros	3.75
36.	Cote d'Ivoire	3.74
37.	Burundi	3.72
38.	Chad	3.70
39.	Angola	3.65
40.	Sierra Leone	3.62
41.	Liberia	3.57
42.	Equatorial Guinea	3.26
43.	Guinea-Bissau	3.26
44.	Eritrea	2.92
45.	Congo, Democratic Republic	2.83
46.	Zimbabwe	1.67

Missing data for Somalia, Sudan and South Sudan

The institutional index variable appears to be correlated with economic growth. Prosperous countries for the most part are found near the top, while countries that have generally struggled have much lower scores. Furthermore, countries that whose wealth is derived from natural resource production, but whose institutions are generally inimical to growth, such as Angola or the Republic of the Congo, are found near the bottom of the list. Nevertheless, the relationship between the dependent variable and levels of economic development appear to follow a predictable pattern, as illustrated in the scatterplot below.

Figure 2. Institutional Effectiveness and Economic Growth



Source: Data from World Bank Development Indicators, UNFAO,
QOG Dataset University of Gothenburg

The scatterplot provides a preliminary indication institutional effectiveness does indeed correlate with economic outcomes. However, in order to be sure about the nature of the relationship it is necessary to control for a number of important factors in a multiple regression. I control for ethnic fractionalization, colonial heritage, and natural resource rents, among other important variables. The measure for ethnic fractionalization comes from Alesina, Deveelschauwer, Easterly, Kurlat and Wacziarg (2003). The authors measure how likely it is for two randomly selected people to be of the same racial/ethnic group. To control for regime types, I use an average measure of Freedom House and Polity scores, in which missing data has been imputed from Hadenius & Teorell (2005). The scores range from 0, indicating a highly authoritarian regime to 10, indicating a democratic regime. I also control for colonial heritage with dummy variable for British and French colonialism from Hadenius and Teorell (2005). In addition, I account for instances of state failure. State failure is coded as 1 for 1 instance of state failure and 0 for no instances. The scores range from 0, typical of most countries, to 13 for Somalia; they reflect the total number of years in which a state experienced failure between 1995 and 2010; there is a maximum of 1 instance per year. This variable comes from the Polity IV dataset, as does a related measure of political fragmentation. Political fragmentation reflects the degree to which groups separate from the state control territory in a country. The range of the metric is from 0 to 3, with 0 indicating no fragmentation, and 3 indicating "serious fragmentation" in which over 25% but less than 50% off territory is uncontrolled by the central government. The regression equation for the model is as follows:

$$\textit{Log(GDP/c)} = \underset{(.81)}{5.23} + \underset{(.06)}{.17}\,\textit{Institutional Effectiveness Index.} - \underset{(.51)}{1.38}\,\textit{Ethnic Fractionalization}$$

$$\underset{(.08)}{-.03}\,\textit{Freedom House/Imputed Polity} + \underset{(.36)}{.40}\,\textit{Political Fragmentation} - \underset{(.13)}{.19}\,\textit{State Failure} + \underset{(.34)}{.48}\,\textit{British} + \underset{(.32)}{.27}\,\textit{French} + e$$

Standard errors are marked below each coefficient. Figure 3.2.4 lists these coefficients and uses a star to indicate statistical significance.

Table 3. Institutional Effectiveness and Average per capita GDP (2000-2010)

VARIABLES	(1) Ave. GDP/c
Institutional Effectiveness	0.17*
	(0.06)
Ethnic Frac.	-1.38*
	(0.51)
F.H. / I.Polity2	-0.03
	(0.08)
Political Fragmentation	0.40
	(0.36)
State Failure	-0.19
	(0.13)
British	0.48
	(0.34)
French	0.27
	(0.32)
Resource Rents	0.034*
	(0.01)
Constant	5.23*
	(0.81)
Observations	43
R-squared	0.59

Standard errors in parentheses
* $p<0.05$

The multiple regression indicates that three variables are of particular importance when predicting average GDP per capita. These include rents from natural resources and levels of ethnic fractionalization in addition to institutional effectiveness. Higher amounts of ethnic fractionalization are negatively correlated with lower levels of predicted GDP. This finding occurs frequently in the literature, in articles such as Easterly and Levine (1997), in which the authors attribute Africa's economic misfortunes to its high level of ethnic diversity. While I believe the authors most likely overstate the impact of ethnicity, having numerous ethnic groups no doubt complicates and makes more difficult processes of elite compromise. The institutional effectiveness index also has a statistically significant effect on economic well-being. It is predicted that a one point increase in the index is associated with a 17% rise in predicted GDP per capita. Finally, as might be expected, natural resource rents raise predicted GDP/c. The regression model has an r-square of .59, indicating that it accounts for roughly 59% of variation of the average GDP per capita among states in sub-Saharan Africa between 2000 and 2010. Given the multiplicity of factors that can affect GDP that have not been included in the model, such as the vagaries of the weather, the price of fuel and other inputs, foreign conflicts and etc. such a figure represents a high degree of explanatory power.

Independent Variables

Developmental ideology and ideological legacy are two important independent variables in this study. However, classifying a country's developmental strategy in terms of ideology can be more difficult than it might at first appear. On the one hand, many countries in Africa have at various points in time declared themselves to be following some version of socialism, yet implemented very little in the way of socialist policy. Senegal's first president Leopold Senghor, for example, formulated extensive theory about an African path to socialist development. Yet, despite Senegal's championing of socialism, its policies did not differ significantly from capitalist African countries (Jackson and Roseberg, 1982; Young, 1982). On the other hand, very few countries in Africa have declared themselves to be capitalist, but a great many have implemented market oriented policy. And even ostensibly capitalist countries such as Kenya differed quite significantly from capitalist states in the West, particularly in regard to the amount of state intervention and hold their economies. Even today, for example, the Kenyan state plays an important role in the economy through its many parastatals, surprisingly few of which have been privatized over the years (Thakar, 2014). Most capitalist economies in Africa during the 1960s to 1980s also intervened in the agricultural sector as part of an import substitution industrialization strategy. Thus defining ideology or ideological legacy is more difficult than it may appear at first.

The first hypothesis suggests that the choice of developmental ideology, in conjunction with modes of political competition, may have an impact on institutional effectiveness. Clarifying the developmental ideology of the state, therefore, is important to the analysis. I will use two different definitions of ideology in this project; ideology and ideological legacy. When I refer to developmental ideology at a given point in time, I will assess it in terms of actual policies, while placing a lesser emphasis on rhetoric. Thus, when discussing a country such as Senegal in the 1970s, I will not classify it as socialist, despite its socialist rhetoric. States in Africa since independence has generally followed one or more of three different developmental ideologies: 1) market oriented, or capitalist; 2) African socialist; or 3) Afro-Marxist. Capitalist countries such as Cote D'Ivoire, Kenya and Nigeria have relied extensively upon the market, attempted to attract foreign investment and taken steps to expand the growth of a class of private indigenous capitalists. In Cote D'Ivoire, this strategy was known as Houphouët Boigny's "philiosphy of peanut rosters" in which state resources and forms of patronage were used to provide opportunities for accumulation to local entrepreneurs (Akinès 2004). African Socialist and Afro-Marxist states on the other hand took a very different approach to development. In

Ghana under Nkrumah, economic policy focused on utilizing the state to control important sectors of the economy, or at least to place them under popular control. While private property in the form of private commercial plantations existed, they were starved of investment by the state, which invested heavily in ultimately unproductive agricultural cooperatives and emerging parastatals. Thus, while agricultural production in a capitalist country like Kenya took place mostly on privately owned plantations and smaller privately owned plots, in Ghana production for the market mostly took place on collectives. Tanzania, which underwent extensive collectivization of agricultural as part of a modernization strategy, is an even clearer example of an African socialist path to development. Given the priorities of African socialist regimes, they have generally been somewhat wary of being over reliant upon foreign capital.

Mozambique, Angola, and the Republic of the Congo at various points in time went even further than Tanzania and Ghana and are good examples of Afro-Marxist regimes. Drawing upon doctrines of "scientific socialism" these states attempted to massively regulate their economies by through the implementation of a centralized economic controls in addition to massive collectivization. Here, the state truly attempted to control all aspects of agricultural and industrial production, unlike African socialist regimes which had no such lofty ambitions. While these states were almost never successful at implementing their plans (a lack of state capacity and civil war hindered the regimes' plans in Mozambique and Angola, for example) they did make serious attempt to do so. The chart below summarizes these differing developmental pathways.

Table 4. Developmental Ideologies

Regime type	Policies and behaviors
Afro-Marxist	Collectivization in agricultural production Centralized economic planning State control of most major industries Little or no private or foreign capital
Populist-Socialist	Collectivization of agriculture "African socialist" rhetoric Parastatal corporations in major industries Small amounts of private and foreign capital
Market oriented/ Capitalist	Openness to foreign investment and capital Investment in indigenous private industry Some parastatals and state monophonies

While a country's developmental ideology is important, in my analysis it is treated differently from a country's ideological legacy. The second hypotheses suggest that ideological legacy, in conjunction with current approaches to development and modes of political competition, have an impact upon contemporary performance. In particular, the hypotheses focus on past legacies of African socialism or Afro-Marxism. In determining a country's ideological legacy, both rhetoric and policy are important. However, of the two, I place a weight on past rhetoric; most all countries in Africa today follow some form of market-oriented capitalism. This uniformity is no doubt encouraged by Bretton Woods institutions, as well as by the spectacular failure of communist countries such as the USSR to produce continued economic growth. Thus, for any country that did experience some form of radical politics, i.e. African socialism, or Afro-Marxism, the policies at the heart of these developmental pathways have long since ended. Thus, while Young (1982, p.100), questions whether Senegal was truly a popular socialist regime despite Senghor's many intellectual and political articulations of African socialism, I classify Senegal as having a socialist legacy precisely because of the articulations of African socialism by the Senghor regime. In this case, the rhetoric and symbols of socialism may indeed impact politics, even if their ideology at the time could not truly be classified as socialist. However, there are cases where the combination of rhetoric and actions does not appear to justify coding a country as having a socialist/communist legacy. While SWAPO in Namibia and the ANC in South Africa both took a leftist, radical stance during their respective independence struggles, like many formerly socialist organizations they quickly dropped the rhetoric and practice of socialism upon attaining power in the 1990s. I have not classified either country as having a socialist/Marxist legacy. In Zimbabwe, on the other hand, the rhetoric of socialist/communist struggle on the part of the ruling Zanu-PF regime continued long after independence, even though implementation of socialist principles may not have amounted to much. Therefore, I classify Zimababwe as having a socialist legacy.

In order to facilitate an examination of the second hypotheses about socialist/Marxist legacies, I have coded them in preparation for preliminary quantitative analysis. Table 1.1 displays the listing of countries with "socialist/Marxist" ideological legacies. I have included countries that have experienced five or more years of a socialist developmental ideology. Additionally, I have also included countries with less than five years of radical politics but whose socialist/communist regimes occurred within two years of a transition to neo-liberal policy. In these countries, which include the Sankara regime in Burkina Faso, the experience of socialist policy and rhetoric may in fact become part of the dynamics of transition to a neoliberal economy. A list of countries classified as having a socialist/Marxist developmental legacy is found below.

Table 5. Countries in Sub-Saharan Africa with Socialist/Marxist Legacies

	Country	Regime	Years
1.	Angola	MPLA	1975- Present
2.	Benin	Kérékou	1972 - 1989
3.	Burkina Faso	Sankara	1983-1987*
4.	Cape Verde	PAIGC/PAICV	1974-1991
5.	Congo, Rep.	Massambe-Debat	1963-1968
		Nguesso	1979-1990
6.	Ethiopia	Derg	1974-1991
7.	Ghana	Nkrumah	1957-1966
		Rawlings	1981-1983*
8.	Guinea	Touré	1958-1984
9.	Guinea-Bissau	PAIGC	1973-1980
10.	Madagascar	Ratsiraka	1975-1978*
11.	Mali	Keita	1960-1968
12.	Mozambique	Frelimo	1975-1990
13.	Sao Tome and Principe	MLSTP	1975-1990
14.	Senegal	Senghor	1960-1976
15.	Seychelles	Réné	1971-1991
16.	Somalia	Barré	1969-1991
17.	Sudan	SSU	1971-1985
18.	Tanzania	Nyerere	1964-1985
19.	Uganda	Obote	1962-1971
20.	Zambia	Kaunda	1964-1991
21.	Zimbabwe	Zanu-PF	1980-Present

*Indicates that the regime stayed in power less than 5 years, but within 2 years of the acceptance of IMF conditionality.

While defining ideology and ideological legacy may be a straightforward process, linking it to current developmental outcomes is far more complicated. The literature on democratization in Africa does not tell us much about the legacies of socialism in African states, under the assumption that these experiments were short lived. Furthermore, there is the additional problem that the values of African socialism were frequently espoused in the years after independence, even in staunchly capitalist states like Nigeria. The impact of these rhetorical appeals decades later appears likely to be minimal; they may even be replicated in societies which had no experience with socialism. Thus, while we can focus on the rhetoric of socialism after independence, it is unlikely that socialist rhetoric alone had a definitive impact.

There is an inherent tension between the classification of a regime as socialist after independence and the legacies of such a period that stem from the advent of neoliberalism and the institutional changes thrust on African states that were a central feature of this period. The classification of these states draws heavily on the presence and rhetoric of self-identified socialist pathways to development in the years after independence or immediately preceding the transition to neoliberalism. It is rhetoric, deliberate though it was, rather than the implementation of socialist inspired policy and institutions to enact such policy that is the distinguishing characteristic of my coding of this independent variable. Nevertheless, the legacies stemming from this period, I argue, are institutional. This seeming contradiction makes sense when we take into account the structure of most all African economies, socialist and nonsocialist alike, before the neoliberal international regime came into full force during the late 1980s and early 1990s.

Ideology, ironically, may be more significant in creating institutional divergences during the neoliberal era than it ever was during the reign of ostensibly socialist regimes not because of changed practices and institutions but because social expectations and society based pressured pushed these states to preserve institutions that distribute benefits widely, while states lacking this legacy may not necessarily undergo the same society based pressures and may more easily succumb to externally imposed influences that seek their elimination. After independence, most states on the continent utilized some form of import substitution industrialization. The state involved itself heavily in the domestic economy, through the use of parastatal corporations, in producing commodities that it had formerly imported. Additionally, most states on the whole, greatly expanded the provision of social services like education. The state as an organization grew, and at least at first, could afford to be generous with its citizens. This level of state spending was justified through nationalism or even the rhetoric of African socialism in a diverse range of states, regardless of their ideological predisposition. African states were large, interventionist entities.

In most states this pattern changed overnight as the state was forced to shrink in size and to become more efficient – a process that was and continues to be the subject of protracted negotiations between African states and international organizations controlled primarily by the West. Ghana, for instance, massively cute state spending but made sure to safeguard state control over its cocoa sector. Cote D'Ivoire attempted to do the same, though the state was foricibly expelled from the sector following a failed cocoa embargo. Kenya on the other hand, became adept at maneuvering around inconvenient aspects of liberalization and even now is under pressure to continue the process of privatizing its parastatals. In all states, to various degrees, liberalization is a protracted process.

I propose that in states that have experienced socialism, the state give greater attention to preserving institutions that distribute goods and services widely because of social norms and expectations. While the state may at first eliminate or streamline these institutions as part of structural adjustment, they quickly return. Of particular importance, more so than bureaucratic capacity, are institutions capable of delivering funds. Bureaucracies are important to the extent that they make credible efforts to achieve projects but bureaucratic capacity takes a back seat to initiating, and carrying out developmental projects even if they are predictably unsuccessful. What is often important is that the projects are widely made public, and that the regime has fulfilled its perceive obligation of providing jobs and funds of various sorts to the citizens, even if these efforts are in fact short lived. Thus, I propose that a legacy of socialism may be the preservation of a state form that delivers benefits more widely than what otherwise be expected, The cases studies will examine whether or not this proposition has any merit.

A second set of ideology related factors revolves around the legacies of socialist movements and their ability to harness the goodwill, or at least the acquiescence of society in carrying out developmental work. The primary divergence of socialist economies is an identifiable disjuncture, where institutions are reconfigured. Socialist regimes rely upon mass mobilization and often forms of authoritarianism to generate the necessary autonomy to reshape institutions. In principal, such a pathway to institutional reconfiguration is open to regimes of all ideological stripes. Furthermore, this autonomy is used to create growth enhancing institutions that are often of great benefit to the state as an institution, or at leave the regime that is in power. For African economies, the path of least resistance is often through the extant sectors of the economy. Thus it is that *socialist ideological factors* tend toward either increased autonomy or heightened control of party institutions. I argue that each of these two pathways leads to institutions that generally, though certainly not always, generate growth through important export sectors.

The primacy of party organizations tends to lead to facilitate the accumulative aspirations of elites, who are either in or closely linked to the party; the end result is a clear movement toward the generation of growth enhancing institutions in the external rather than the internal sectors of the economy. One of the well known finding from the literature on democratization suggests that when a party organization exerts authoritarian control before a transition, that democracy carries with it long term and difficult to extirpate authoritarian tendencies. Such appears to be the case in Tanzania and Botswana, where there has been no alternation of the political party in power since independence. Continuity in the party organization is more likely to occur when the party enjoys widespread society rooted support. Such an occurance frequently takes place if the party organization plays a leading role in the independence struggle as occurred in Mozambique, Zimbabwe, and Angola. Furthermore, in these, and other cases on the continent, it is much more likely for the party to adopt some form of African socialism to facilitate mass appeal. In this manner, the dynamics of the party organization influence developmental trajectories after independence.

The overall impact of the prominence of the prominence of the party organization on development is the facilitation of externally oriented sectors of the economy. When party organizations play a leading role within the state personnel are often able to use the state to facilitate personal accumulation. This trend is common in all African states and is the root of such concepts as Shivji's "bureaucratic bourgeoisie." Development in states with prominent party organizations, however, differ from the norm in the sense that it is the state as an organization rather than the economic interests of society rooted actors that truly drives the accumulative process.

When the party serves as the most important organization through which accumulation takes place, rising through the ranks is often ties to generating opportunities for party members to accumulate capital in the private sector. The process is linked closely to individual enrichment. The goal is not to generate revenues for the state, in order to stay in power – its penetration of society and its control over economic opportunity already ensure its continuation in power. Instead, the organization tends to the economic needs of its members. Given the structure of most African economies, such an act generally involves export agriculture or the involvement of external capital. Thus, in this manner, the party organizations – often formerly socialist –

facilitate externally oriented form of development when they play a dominant role within a given social formation.

The second important independent variable, the presence or absence of a core ethnic group, also merits greater discussion because while it can be measured statistically it is more difficult to measure qualitatively. The precise definition of the core ethnic group is in fact quite simple. A core ethnic group is a group that meets one of two current criteria; either the group is 20% bigger than the next largest ethnic group, or, the group contains more than 50% of the population. Countries with core ethnic groups in sub-Saharan Africa are not uncommon, and many of them reflect quite a large degree of ethnic heterogeneity. The presence or absence of the core ethnic group has been included as an explanatory variable because of its theorized impact upon the policy coalition but the causal mechanisms connecting the presence of a core ethnic group to political outcomes are only hypothesized. Nevertheless, for clarity's sake, data from Scarritt and Mozaffar (1999), a well-known classification of the relative size social groups in Africa, will be used to make a preliminary determination of the absence or presence of a core group.

Scarritt and Mozaffar (1999) break down ethnic groupings into larger regional groups as well as the smaller sub-groups. This classification tends to fit the work on core ethnic groups at a conceptual level, for it is most often these groups and the ethno-political cleavages that they represent that play a key role in processes of institutional creation. The use of this classification allows real and important dynamics of politics at the national level to be captured. For example, using another popular classification of ethnic groups on the continent by Fearon (1993), Ghana does not contain a core ethnic group because the Ashante, who make up a 28% of the population are not at least 20% larger than the next largest ethnic group, the Mossi-Dagomba, who make up roughly 15% of the population. Yet, each population is part of a larger Akan speaking group, which as the case studies indicate, display both cohesion and the possibility of fragmentation on key political and social questions. Simply coding the individual groups that make up the larger Akan ethnic group misses an important conceptual and empirical tendency within Ghanaian politics. Scarritt and Mozaffar (1999) identify the Akan as a large group containing 44% of the Ghanaian population, while the next largest group is the Ewe, whose members make up roughly 18% of the population. Therefore, I coded Ghana as "1" for the presence of a core ethnic group. Table 8. States Containing a Core Ethnic Group **,**below lists the states containing "core" ethnic groups.

Table 6. States Containing a Core Ethnic Group

	Country	Core Group and % of Pop	2nd Largest Group
1	Benin	Southerners (70%)	Northerners (30%)
2	Botswana	Twsana (80%)	Kalanga (8%)
3	Burkina Faso	Mossi (50%)	
4	Burundi	Hutu-Twa (80%)	Tutsi (18%)
5	Central African Republic	Banda (31%)	Riverene/Sango/ Banzeri (8%); Sara (8%)
6	Chad	Sara (34%)	Arabs (14%)
7	Comoros	Comoros Muslims (93%)	Mahore Christians (7%)
8	Equatorial Guinea	Fang (85%)	Bubi (10%)
9	Eritrea	Tigreans (54%)	Afar (5%)
10	Ethiopia (1993-)	Oromo (40%)	Amhara (25%)
11	Gambia	Mandingo (41%)	Fulani (Fula, Peul) (13.5%)
12	Ghana	Akan (44%)	Mossi-Dagomba, Dag-bamba, Mole Dagbani (16%)

13	Guinea-Bissau	Mainlanders (95%)	Cape Verdeans (5%)
14	Malawi	Southern (51%)	Central (41%)
15	Mali	Mande (43%)	Peul (Fulani) (15%); Senufo (15%)
16	Mauritania	Moor (84%)	Black Africans (Kewri) (16%)
17	Mauritius	Indo-Mauritians (68.4%)	General population (28.7%)
18	Mozambique	Makua-Lomwe (38.4%)	Tsonga (23.7)
19	Namibia	Ovambo (49.8%)	Kavango (9.4%)
20	Niger	Hausa (54%)	Songhai (24)
21	Nigeria	North (53%)	South (47%)
22	Rwanda	Hutu-Twa (90%)	Tutsi (10%)
23	Senegal	Wolof-Serer-(Peul) (82%)	Diola (5)
24	South Africa	Africans (76%)	Whites (13%)
25	Sudan	North (74.5)	South (25.5)
26	Tanzania	Mainland (97%)	Zanzibar (3%)
27	Togo	Ewe (44%)	Kabre (23%)
28	Uganda	Bantu Peoples (67.4%)	Nilotic, Nilo-Hamitic and Sudanic Peoples (32.6%)
29	Zambia	Bemba Speakers-(Mambwe) (43%)	Tonga-Ila-Lenje (19%)
30	Zimbabwe	Shona (77%)	Ndebele-Kalanga-(Tonga) (20%)

Source: Data from Scarritt and Mozaffar (1999)

Conceptually, this classification remains relevant, as it includes those groups whose large sizes help to determine policy coalitions. Each of the groups contains smaller subgroups, who sometimes split along these group lines such as in Ghana, or who sometimes fail to cohere, as in the case of Tanzania. Nevertheless, it is worth pointing out that while the classifications used by the authors mostly refer to larger ethnic groups, they occasionally include geographical cleavages or relevant religious cleavages. Nevertheless, this distinction is a minor one, as regional, sectarian and ethic cleavages all play a role in the seemingly contradictory behavior of large groups at the national level to both cohere and fragment.

A second important observation about the data is that most states on the continent, despite the large amounts of ethnic diversity, contain a core group. Given the literature about the relationships between economic performance and ethnic diversity, this finding is somewhat surprising. Furthermore, there do not appear to be any obvious connections between the states listed on the table. Some states, such as Rwanda, simply have one major ethno-political grouping, while others such as Nigeria are home to an estimated 1,000 different ethnic groups as subgroups within the larger regional/sectarian/ethnic formations listed above. Furthermore, the characteristics of these states are quite different. While Rwandan institutions are generally considered to be conducive to stimulating economic growth, Nigeria's institutional structures score much lower. Thus, it is important to remember that presence of a "core" group is posited to have an impact upon the location of growth enhancing institutions. It is not, however, posited to have an impact on *the ability* of states to produce growth enhancing institutions more generally, a supposition that I will test in the section below.

While it may be easy to measure the presence of a core ethnic group, at least superficially, clearly identifying the mechanisms associated with their presence may be more difficult. If a core ethnic group does indeed create more ethnically fragmented associations and parties, then at the very least there should be identifiable attempts made within policy making to appeal to members of this group. These factors, in the case studies, will be referred to as *core-related factors*, and should represent a departure from policy making. These factors are perhaps more important than variegated group membership, for example, as finding the composition of members such as labor unions or trade groups is not only difficult but not necessarily related to the causal process. In fact, it is the broad unproductive distributions of the developmental resources that lead to unproductive patterns of institution making, not necessarily successful attempts to create successful parties of mass appeal although nothing is to say that such a thing cannot occur. Most importantly, however, there should see evidence that political and economic appeals that cut across organizations are more effective than appeals that focus on individual ethnic communities.

For analytical purposes, the political and economic impact of a core group is measured against a baseline of states at a similar (successful) level of socio-economic and political development. The idea is to be able to, broadly speaking, attribute outcomes and/or behaviors to the presence or absence of such a group rather than other unspecified factors. While this goal is in fact the better part of the purpose of the dissertation project, I can at least outline the logic of institution making that characterize *core-related factors* divergence from a theoretical baseline of typical policymaking. These factors, at first glance, appear to be nonsensical and/or confounding unless the political behavior of core groups is taken into account.

Core related factors – that is, the assemblage of motivation's and micro level policy decisions tied to the presence of a core ethnic group – produce distinct diffuse forms of service delivery and institution making. Taken as a whole, they are grounded in contrasting logics and discordant visions for the allocation of economic values in comparison to the prevailing patterns of service delivery in societies where a core group is not present. Core-related factors create a putative logic in institution building, in which state structures are built in regions with the specific purpose of undermining the political and economic position of elites in the opposition. Their main purpose is to create programming that liberates local actors from influential elites. They also tend to enhance the power and efficacy of local elites ties to the regime, as occurs in societies where no core group is present, though these processes seldom occur in the same region. Nevertheless, there is a degree of overlap in the institution making processes tied to core-related factors and those that are not, though these similarities fail to nullify the wide differences in the shape and purpose of internally oriented institutions. In fact, the sum total of these efforts to undermine the opposition through service delivery and its accompanying institutions is a pattern and a style of institution making in which values are distributed widely but inefficiently.

The logic of economic institution making in most successful African societies, which do not have the presence of a core group, relies upon incentives for members of a governing coalition and thus may produce inefficient outcomes. Nevertheless, this logic is also capable of producing growth enhancing institutions in specific sectors by taking advantage of existing government capacity and funding that are not being directed equally across the country. In these societies, key constituencies in particular are rewarded with economic goods. There is no doubt that waste and inefficiency exist with such practices, which also by nature, attempt to curry favor with local elites who have decided to support the regime. One only needs to turn to the front page of any African newspaper to see ample evidence of governmental waste, inefficiencies, and outright corruption. Yet, there is also the prospect that funds will be used productively by elites, a less than remote possibility given the fact that the logic of this system of service delivery does not award benefits to members of the opposition. In other words, because institution making and service delivery tends to neglect rather than to spend funding and government capacity on regions that are home to the opposition, an opportunity emerges for the possibility of growth enhancing policy and institutions to take shape where there is a particular demand for them. Such a demand does not occur at all times, but it is more likely to be successful met in instances where the state is not already overburdened.

The contrasting logic produced by core-related factors is grounded within the characteristics of group behavior associated with core groups. Theoretically, two different, and contradictory, types of outcomes are associated with the presence of a core ethnic group. On the one hand, a core ethnic group can use its combined influence to create group specific policy, such as directing development projects towards areas inhabited by the group. Such an occurrence is particularly common if economic and ethnic cleavages overlap (Horowitz, 1985). Rwanda, immediately after independence fits such a scenario. Here, German and Belgian colonialism had helped not only to shape and six in place conceptions of Hutu and Tutsi ethnic identities, but it had also provided far greater social and economic benefits to Tutsis who were treated as the inheritors of the colonial state. Under such a set of circumstances, it is perhaps not a surprise that political mobilization tended to occur along ethnic lines, given the overlapping socio-economic and political cleavages dominated Rwandan political economy. However, as Elischer (2013) points out, solidarity amongst members of the same ethnic group is by no means given. Thus, a second scenario points to the idea that the core ethnic group would fragment, as rival politicians within the same group competed against one another, forming alliances that cut across ethnic cleavages. And as politics is often the terrain of politically contingent alliances in many cases it would behoove political actors to attract members away from the dominant group. My hypotheses essentially adds another condition to these two observations, namely, that a Marxist or socialist developmental program or a legacy of such an experience, makes it more likely the core ethnic group to fragment, resulting in the high salience of class based rather ethnically based politics.

Finally, it is important to note that ethnic fragmentation plays an important role in the effects attributed to the presence or absence of a core ethnic group. In situations of high ethnic fragmentation, where a core ethnic group does not exist, politics often develops into competition involving ethnic alliances. Thus, in Nigeria, we see that politics has traditionally involved conflict between the three largest ethnic groups (Huasa-Falani, Igbo, Yoruba), none of which can be considered a core ethnic group. The vast number of smaller ethnic groups in the country inevitably align with one of the bigger groups, creating ethnic, regional and sectarian political cleavages. This type of majoritarian system is clearly different from the case of the Akan in Ghana, or the Mande in Mali, groups that clearly appear to be the core of a constellation of smaller ethnic groups, and in which membership of opposing political organizations inevitably involves members of the core group. Having no chance of defeating the core group, smaller ethnic groups instead align with factions of the core group. Thus, in many situations the presence of a core ethnic group takes place within an environment of modest ethnic fractionalization and leads to low levels of ethnic tension surrounding politics.

Elaborating on the Definition of a Core Group

The conventional definition of a core group, based in numerical characteristics (Elischer 2013; Scarritt and Mozaffar 1999) is somewhat unsatisfying in that it leaves as a mystery the most important aspect of core groups, their political behavior. Simply elaborating the political behavior of core groups, however, is somewhat difficult, as one of the main purposes of this dissertation is a further exploration of this very concept. While a full elaboration of core groups at this time may lack some degree of nuance, it is possible at least to create a clearer sense of what makes a likely core group. Core groups appear to have somewhat unique characteristics that account for their levels of cohesion and tendency to fragment. In a word, a core group presents a kind of malleable block, that generally coheres, but can also be fractured; it is more than a simple mathematical expression. While large, macro level identities may exist in many states, the simple act of existing, in and of itself, is by no means sufficient to generate the levels of cohesion needed to create some semblance of a core group. Instead, a core group is characterized as much by the forces that unite it, as it is by the perception of numerical weight within a given state.

The very conception of a core group is rooted in some sort of shared perception of numerical size. Yet, it is unclear that size alone is responsible for this quality of being a "core" group. Thus, as was particularly true for regional groupings which may represent a large proportion of the population, but which may not contain sufficient centrifugal forces to cohere in any meaningful way, thus population size alone is unlikely to produce the entity known as a core group.

A major assumption of this conception of a core group is that there is a reasonable expectation of a certain degree of within-group fragmentation. In other words, I assume the core group is composed of different constituencies, some of whom take a slightly different stand on key questions and thus might defect from the larger group at any time. This assumption is viable in the African context because of the sheer number of ethnic groups as well as the general degree of horizontality among groups. In other words, groups on the whole tend to have a perception of relative equality, as institutionalized control of the state seldom rests exclusively with one group. Compare this situation to United States, for example, where institutionalized control of the state has largely rested with Americans of European heritage since its inception, although the extent to which such a claim is true of the contemporary U.S. can certainly be debated.

Core groups appear to be the result of social and economic linkages, rather than just one or the other. For the Akan in Ghana, for example, ethnolinguistic similarities link the members of this larger ethnic formation together. Portions of this larger group are also linked through traditional leadership, in this case, through the Asantehene, at least for the Asante. The leadership of the region's chiefs, however, whether Asante or not, has historically hinged not upon the power of traditional titles but upon control over economic assets like valuable land to be used in the cultivation of cocoa. The Akan appear to be a clear instance of a core group, and it should be no surprise that numerical factors alone do not appear to be responsible for its formation but instead a complex intertwining of regional ethno-linguistic and economic factors, together with aspects of traditional leadership. A discussion of countries where core groups are countries where core groups are present, as well as instances where a numerical threshold is met but where a core group is unlikely to be present, can help to illuminate the concept.

The most clear-cut cases of core groups have overlapping sources of cohesion, and they almost always have sources of fragmentation as well. Fragmentation is not necessarily the defining characteristic of these groups, but it appears to be a more or less natural consequence of any group with such a large size. These tendencies are clearly seen with the Akan ethno-linguistic group, with several forces of both cohesion and fragmentation In Ghana, the Akan ethnolinguistic group is itself fragmented, yet has multiple sources of cohesion This situation is similar to that of the Oromo in Ethiopia a group that makes up 40% of the population. The Oromo are united by ethnolinguistics similarity, and shared history but they also fragmented into smaller subgroups and/or clans, which are often reinforced by overlapping class cleavages. The Shona, in Zimbabwe, who make up 77% of the population, are also similarly affected by the cohesive forces of shared history and traditional institutions. Nevertheless, the Shona are also fragmented into subgroups that sometimes enter in contentious relations with one another. Each of these groups are large in the sense that they meet the numerical threshold for a core group, but they also contain sociological forces that foster cohesion despite their fragmentary tendencies.

The term “core group” does not, in some cases at least, automatically translate into an ethnicity. Indeed, it is possible that racial groupings or even regional identities can become core groups. The manner in which a regional grouping coheres, however, may very well involve ethnicities that have taken root in pre-colonial social formations. The northern regions of Nigeria, for example, are a likely core group. The areas were tied together through the Sokoto Caliphate, a pre-colonial empire that mostly ruled regions inhabited by the Hausa-Fulani ethnic group. This group is one of the largest of Nigeria, but it is not, in and of itself, a core group. The Hausa Fulani exist within a region composed of numerous smaller ethnic groups. The structure of Nigerian federalism often pits these smaller groups against portions of the Hausa Fulani. Nevertheless, the northern region as a whole is bound together by both the nature of the agrarian economy, and the fact that the region relies on developmental funding that is tied to the extraction of oil from portions in the south of the country. The region, with its countervailing centripetal and centrifugal forces is most likely a candidate to be considered a core group.

Some groups like northern Nigerians that may meet the numerical threshold of a core group, however, ultimately lack the cohesive forces to make them a core group. Scarritt and Mozaffar (1999), for example, classify South Africans of African descent as a socially and politically important group, comprising 76% of the population. Nevertheless, there is little to suggest that this group contains sufficient coherence to act as a core group. Africans in South Africa are fractured by Ethnicity, class, geography, language, and even conceptions of race. Apart from the struggle against apartheid, there are few, if any ongoing factors that would balance out the much greater tendency toward fragmentation. Similarly, it is unlikely that the concept of a “mainlander” carries any significance as a core group in Tanzania. Indeed, this dissertation will examine the case of Tanzania in greater detail to test the impact of a diverse but equitable distribution of economic assets as well as the legacy of past nation building upon the formation of lack thereof of a core group. Thus, we can say that while a numerical threshold is a necessity for a core group, it is not sufficient to create the balance of cohesion and fragmentation that characterizes core groups.

Methods, Data and Case Selection

I utilize the natural advantages of case study research to contribute to a general theory of African development. The specific contribution of this project revolves around understanding the intersections of ideology, ethnicity and the legacies of postcolonial regimes. These processes are both complex and tightly intertwined. While it may be possible to identify patterns such as the relationship between ethnic heterogeneity and economic growth, discussing the actual causal mechanisms involved in such correlations is in fact quite difficult and requires detailed analysis. By starting with case study, I first attempt to uncover the complexity of interactions in order to shed light on new and perhaps unforeseen causal chains. Doing so takes advantage of the ability of careful case study to bring conceptual validity and clarity to an analysis, to uncover new mechanisms and potentially to generate new hypotheses (George and Bennett 2005). These insights can then be applied and tested in order to inform a more generalizable theory.

This project is thus an exercise in theory building, one which starts from the assumption that effective institutions in the developing world requires consensus at the elite level (Waldner, 1999), and that society is often capable of exercising its influence so that such consensus does not emerge (Migdal 1988). Furthermore, I argue that history and geography may shape institution making in Africa in ways that are unique even in the developing world. Starting from these two important points of departure, my method of theory building proceeds by focusing on a means of comparison that will provide valuable data on the differing trajectories of successful African countries, paying particular attention to complex and under conceptualized interactions of causal variables.

Many different pathways may ultimately lead to elite consensus and effective institutions. Yet, if the goal of the project is to formulate relevant theory about countries in sub-Saharan Africa, then some causal pathways are more likely to occur than others. War making was central to the European experience of development, sculpting the organizational profile of an effective state. In Africa, with the exception of Rwanda, war making has seldom led to institutional efficiency. And even here, Rwandan state capacity as evidenced through the efficient marshalling, acquisition, and use of resources during war is likely due to the peculiarities of the Rwandan state - a relatively flat and compact geography that has historically provided the state with greater ease of access to its people and comparatively more effective levels of social control. Indeed, enhanced state capacity played a central role in the Rwandan genocide of 1994, which saw between 500,000 and 1,000,000 members of the Tutsi ethnic group killed primarily through the use of rudimentary technology such a machetes in the span of roughly three months (Straus 2008). This tragedy of course occurred long before the conflict with the Congo – a war which for many theorists gave rise to enhanced Rwandan state capacity. Thus, a generalizable theory about African development will focus on other relevant factors in lieu of armed conflict between states on the continent.

In order to avoid discussing unique and non-generalizable cases, I place an emphasis on discussing cases that share common attributes with most countries in sub-Saharan Africa. These characteristics include, but are not limited to the following: 1) colonial conquest which reshaped previous political boundaries but generally left in place indigenous institutions, albeit in changed form; 2) a relatively difficult physical geography that made the extension of the state apparatus problematic; 3) a profusion of ethnic groups far and above other regions in the world; 4) the predominance of lineage relations before colonialism. These factors impact the most likely paths to African development. Additionally, they provide explanations for unusual cases, such as Rwanda's unusual levels of state capacity. Colonialism bequeathed to Rwanda a territory encompassing the boundaries of a pre-colonial kingdom that is flat, small in size, conducive to the extension of state authority and home to only two major ethnic groups. Rwanda's unique developmental trajectory is most likely due to some or all of these outlying factors. In order to avoid bias as a result of case selection, therefore, I choose cases whose historical, economic and sociological characteristics resemble most other African states.

Given my theoretical goal of examining differing and complex causal pathways a comparison between Ghana and Kenya is almost ideal. These countries provide two distinct socio-historical perspectives from which to analyze the emergence of successful developmental outcomes. Furthermore, there is also variation between these cases; Kenya was more successful than Ghana up until about the mid-to late 1980s while Ghana has been more successful during the 2000-2010 period. Methodologically, these two cases provide an excellent starting point to examine complicated processes that may involve interactions of important independent variables. Furthermore, they share many of the attributes of countries in sub-Saharan Africa such as their colonial histories, levels of ethnic heterogeneity, and precolonial organization.

While the method of case selection no doubt contains the potential for novel theoretical contributions, it is also, unfortunately, susceptible to selection bias, requiting the addition of secondary cases. The whole thrust of the research design, as well as the research question, lends itself to selection bias by choosing cases based on the dependent variable of growth enhancing institutions. Failing to examine cases where these institutions do not take shape, particularly in cases that resemble the primary cases in some important dimension, carries with it the danger of failing to fully grasp, or worse, mischaracterizing the causal variables in question. A second consequence of selecting on the dependent variable is the validation of a causal narrative before it is truly tested. Theorizing about these two cases, where both independent variables and outcomes vary in a predictable manner, is not a rigorous test of the hypothesis but instead, a "straw in the wind" – an analysis that notes the presence of causal variables and corresponding outcomes. While the purpose of this dissertation is to build theory by starting with case specific questions, and simply to test a theoretical hypothesis, finding a valid answer to the research question requires a more rigorous test. Additional cases can address these shortcomings; some degree of selection on the dependent variable is still necessary as an instance in which growth enhancing institutions did not take shape must be explicitly explored. Nevertheless, secondary cases should be chosen primarily based on theoretically interesting similarities or differences with the primary cases, revolving primarily but not exclusively around the independent variable.

The method of case selection must also take into account omitted variable bias as a two-case analysis cannot possibly account for all relevant causal variables. A comparison between Ghana and Kenya, for example, cannot possibly account for possible variation linked to colonial heritage, as they are both British colonies. At least one of the secondary cases, therefore, should have underwent at least one other form of colonialism.[1] As it is never possible to predict all of

[1] Though Tanzania was in fact founded as a German colony, the period of British colonialism both lasted longer and had a more profound impact upon Tanzanian institutions prior to independence.

the relevant causal variables, simply increasing the number of cases analyzed limits to the greatest extent possible, omitted variable bias.

While secondary cases are certainly an analytical necessity, the limitations of qualitative analysis impose a strict limit on the number of cases under analysis, particularly given the close intertwining of causal variables; case selection therefore will focus on both case that alleviate the shortcomings of a two-case design, as well as privileging those cases that share theoretically interesting background conditions, which may serve to create more concrete linkages between the cases. For example, while most states on the continent undergo and experience international markets in agriculture and the power relations that are involved in them, the cocoa market contains a host of peculiarities all of its own in terms of marketing, processing and storage. As Ghana is one of the largest cocoa producers in the world, at least one of the secondary cases should be a major cocoa producer. Additionally, given the role of ideology in this project, case selection should be focused on cases with a clear ideological legacy originating in the first post-independence regimes. As this project develops theory through qualitative case analysis revolving around complex developmental narratives, discussion of additional cases occurs from time to time. Yet, apart from two secondary cases, discussion of additional cases is, for the most part limited.[2]

Cote D'Ivoire represents a case that clearly appears to be likely to contribute to the theoretical and empirical findings of this dissertation; it possesses a rare mix of characteristics that contributes to research design. Cote D'Ivoire has historically been one of the very few countries on the continent to adopt an explicitly capitalist approach to development.

[2] One additional case – Nigeria – will be briefly analyzed in order to shed light on the causal pathways hinted at in the quantitative portions of the project.

Furthermore, it was colonized by the French, unlike the other states discussed in this dissertation, which were colonized by the United Kingdom. Last, Cote D'Ivoire, to a much greater degree than contemporary Kenya, Ghana or other comparatively wealthy African states such as Senegal, has struggled to build effective institutions. Like Kenya, Cote D'Ivoire does not possess a core ethnic group, even though one of its ethnic groups – the Akan – is the same as the core group in Ghana.

Tanzania, at least at first glance, does not appear to be a particularly good match for the research design. Like the main cases, it underwent colonialism under British rule. Like Ghana, it is home to relatively effective economic institutions, though by no means is it one of the best performing states on the continent. Tanzania's heavily agricultural based economy resembles that of Ghana, though it lacks a cocoa sector. It is involved in some of the portions of the rural economy as Kenya such as tea and coffee production but lack Kenya's overall like of industrialization, particularly in agroindustry, to say nothing of more technologically advanced sectors like information technology. Tanzania appears to be a relevant candidate for selection as a secondary case, but nothing more until its unique role in the history African state building under a socialist developmental ideology is taken into consideration. Ujaama socialism, unlike conceptions of African socialisms promulgated in states such as Senegal, produced consistent policy over a period of roughly twenty years. These years in fact saw the transformation of Tanzanian urban and rural life, as the state attempted to shape new patterns of economic accumulation. No other country on the continent has such a track records, despite at first attempting similar programs. As this project explores that long term consequences of ideological choice, inclusion of the Tanzanian case is a near necessity. The case also introduces variables such as the consequences of durable party structures that the other cases do not necessarily address.

The secondary cases thus make a unique and important contribution to the project as a whole. While a discussion of other cases such as Senegal, Uganda, Mali or others would certainly be worthwhile, for the moment, in the interest of both time and feasibility, I am limiting the section of secondary cases to these highly relevant states. The method of case selection in the qualitative portions of the project attempts to account for bias, while selecting cases most likely to produce generalizable theory.

As theory building is the primary occupation of the dissertation, the research design is freed from some of the stricter constraints of uncovering necessary and sufficient conditions in order to test the hypothesis. The process of economic development and institutional formation is of such historically contingent complexity that the various complex pathways leading to outcomes are of greater interest than necessary or sufficient conditions, at least at this stage of the research project, where the workings of potential causal mechanisms are at this point not fully understood. Given this emphasis on understanding causal pathways, the case selection and the qualitative methodologies applied will rely upon the creation of analytical historical narrative, rather than a careful leveraging of case selection and structured focused comparison to uncover the smoking gun of necessary and sufficient conditions for a given outcome. The conditions that such an analysis should test, are at present, simply not sufficiently known. Thus, the hypotheses advanced are designed in particular to test whether the role that the independent variables of ideological legacy and presence or absence of a core group play in the analysis is in fact determinative, and if such a role does in fact account for the differences we see in the cases.

Such an analysis must needs come as a precursor to more fine-grained studies that could potentially provide a hard test of more specific hypotheses.

The Configurational Historical Approach to Case Study

The measurement strategy of the dependent variable and its relationship to the independent variables dictate my approach to the case studies. I am interested in the evolution of institutions over a period of several decades. The dependent variable, then, is measured by aggregating and analyzing cumulative events that affect institutional effectiveness. Individual events such as new hiring practices within the civil service, or evidence of corruption within the central bank, are certainly important but they will be discussed in terms of their cumulative impact at various points of time. Furthermore, the manner in which the dependent variable is measured negates the idea of a linear causation. While it may be possible to measure the impact of one independent variable X upon the dependent variable Y for one event, it is unlikely that X impacts Y in quite the same way each time. The growing political and economic power of indigenous capitalists may not be apparent by studying one event of interest, such as a change in fiscal policy. However, it may very well become clear when analyzing 10 different outcomes. Thus, one particular event may not reveal much about the changing nature of state society relations that contribute to different developmental outcomes, but it is possible to draw conclusions from a series of events in the aggregate.

Studying the evolution of institutions over the long-term lends itself to an approach referred to by Hall (1999) as configurational history. A configurational historical approach assigns causation by using theory to analyze the cumulative impact of events. This approach moves beyond simple aggregation by focusing on configurations of socioeconomic and political forces that produce particular outcomes. In this case, I am studying both the maintenance of growth inhibiting state forms as well as the slow transitioning from less efficient institutional forms to more developmentally ones, through an evolution of changing social norms and attitudes related to the composition of the policy coalition. Theory dictates the sources of data that the inquiry will draw upon as well as its ultimate goal. This approach to case study allows for an efficient and effective synthesis of historical events, paying particular attention to important breaking points that may yield valuable information about causation.

The analytical focus of the case studies is on the evolution of policy coalitions and their relationship with the state apparatus. The term policy coalition, as discussed earlier, carries with it analytical and theoretical weight. A policy coalition refers to supporters of a given regime; this group is defined by its composition, policy preferences, as well as relations among the groups constitute it addition to its relationship with other groups within society. Furthermore, many of these relations are maintained and governed through the use of state power. Policy coalitions thus represent a particular configuration of social forces and their attendant state society relations. I assume that socially based policy coalitions, for the most part, change very slowly. Regimes generally work hard to retain their followers, meaning that politics becomes a competition between different blocks of supporters, who may attempt to win over individuals and groups whose loyalty contested. Thus, while regimes may change, the society rooted competition between factions retains a large degree of continuity from year to year.

Guiding this analysis is a neo-Marxist conception of the state as a “social relation” that is reflected in its institutional and organizational profile. Within this analytical framework is an understanding that the state at certain points may also enjoy relative autonomy from society. This perspective occurs in both pluralist accounts of the state, such as that by Skocpol (1985) and Rueschemeyer (1985), as well as with more traditional Marxist accounts of autonomy such as that found in Marx's (1978) "The 18th Brumaire of Lois Napoleon." Each of these works exhibits an understanding that autonomy is not necessarily a given but may emerge at certain historical instances, and that periods of greater autonomy may in fact lead to lesser autonomy as part of a bargaining process. Yet, my theoretical inclinations towards neo-Marxist state theory places my account of policy coalitions not within the institutional matrix of the state in Ghana and Kenya, but within the interplay of society rooted political competition, even if institutions may sometimes modify or alter this competition. Thus, in accounting for the dynamism of the state in Ghana in the early 1980s I focus not only on Rawlings the statesman, or the Rawlings regime, but the permissive conditions within society that allowed for such dynamic state autonomy to emerge.

My approach to configurational history attempts to take both societal forces, as well as the agency of political actors and the state into account when describing causation. At times its emphasis on social class and other important groups within society bears some resemblance to classic socio-historical works such as Perry Andersen's (1974) *Lineages of the Absolutist State* or Barrington Moore's (1968) *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World.* Andersen describes the emergence of modern state forms as a product of both an anarchic, war prone international system and the emergence of new classes (the bourgeoisie). The ultimate shape of state institutions depended on the relative strength and the degree of development of these new emerging classes in relation to the declining but still viable feudal order. In a similar manner, Barrington Moore's (1968) analysis of the root causes of differing regime types focuses on the relative power of social classes and processes of alliance making. Underlying Moore's work is the assumption that stronger social groups remake state institutions in a manner that serves their interests. This same assumption, to an extent, is present in my analysis of policy coalitions.

However, while much of my analysis will be rooted in discussing the relative power of social groups to explain outcomes, I also attempt to account for the agency of social actors. In this manner, the analysis will resemble Leubbert's (1991) *Liberalism, Fascism or Social Democracy*, which attempts to account for European regime types during the interwar period. Leubbert finds that most regime types were the product of different class based alliances but in some cases he explains that the actions of social actors disrupt these structural tendencies. In Denmark, for example, the failure of social democrats to mobilize the working class led to a unexpected outcomes. Like Leubbert's analysis, therefore, I will also pay attention to how the actions of social actors may create unique or contingent outcomes that might not be expected or foreseen by structural analysis.

While I take into account both structure and agency, my method should not be confused with the accounts that place state actors and the state as an organization as the primary foci of analysis. State centric accounts of African politics have been the norm rather than the exception to the study of the continent, and include such well-known works as Bates' (1980) *Markets and States in Tropical Africa*. In order to clarify my approach I compare it to two well-known works of this tradition, *The Criminalization of the State in Africa* by Bayart, Ellis and Hibou (1999) and *Africa Works* by Chabal and Deloz (1999). Bayart, Ellis and Hibou (1999) ask why state sponsored criminal activity grew to such prominence during the 1990s in Africa while Chabal and Deloz question why formal political rules and institutions are so weak in many African countries. Like my configurational approach, the authors synthesize events taking place over roughly a 10 to 15 year period in order to draw conclusions about the changing nature of the state in Africa. For Bayart, Ellis and Hibou (1999) the lack of foreign investment in African countries led to the necessity of finding other sources of revenue often through illicit means, or even sometimes in coordination with criminal networks. Necessity thus drove state actors to greatly inhibit the growth producing potential of state institutions. For Chabal and Deloz, on the other hand, economic downturn and the lack of alternative sources of revenue led leaders to employ political disorder stemming from a lack of conflict mediating institutions, as a political instrument. For these authors, weak institutions may have been a consequence of a lack of state resources, but they were also promoted by leaders searching for ways to maintain power. Thus, in these two works we see state actors responding to a changing external environment and thereby shaping state institutions. The primary focus of the analysis is on the means by which actors within government, as part of a broader survival strategy, negatively impact the institutional effectiveness of the state.

My configurational approach differs from these authors in that it places state actors within the broader context of state society relations. Utilizing this approach shifts the focus from the actions of actors within the state to the ways in which these actors are constrained by society, or the situations in which they develop greater amounts of relative autonomy. While Bayart, Ellis and Hibou (1999) spend time discussing the responses of state actors to crises, my approach would provide a more in-depth treatment of the expansion of illicit trade and the types of new political actors that emerged. For Chabal and Deloz's analysis, on the other hand, my approach would spend more time discussing how economic downturns affected the relative influence of social groups, propelling the concerns of less developmentally minded actors to forefront. Thus, the object of my analysis is not only the state as an organization, but the different means through which classes, class fractions, and groups within society impact state institutions. While the authors rigidly assert that outcomes are the result of rational state actions, my approach allows the priorities of a configuration of social forces to be more clearly conceptualized, and the social conditions that facilitate or restrict state autonomy to be analyzed separately from the decision making priorities of the state itself. The result is a more careful delineation of state society relations that takes into account how changing dynamics within both the state and society impact institutions, rather than the rigid assertion that the outcomes witnessed are simply the result of actions undertaken by rational state actors.

In the case studies on Kenya and Ghana I will therefore spend time discussing not only how the state responds to social pressures, but also the formation of group preferences within society and coalition making processes of groups. Thus my discussion will touch upon topics such as the political activities of large planter associations, the concerns and relative influence of labor, activities of chambers of commerce and the degree to which the peasantry and rural elites support or oppose a given regime. I attempt to link my evaluations of relative group strength to these outcomes, with an understanding that there may in fact be considerable time lag, and that at certain times state actors may be able to resist the power of important social groups.

Given this project's preoccupation with transformations of policy coalitions and state society relations, my analysis will become most detailed in its discussion of points leading up to and following important critical junctures. Hall refers to these key events as "breaking points;" times that mark the transition from one structural configuration to another. In Ghana, the early events of the Rawlings regime mark one such critical juncture, given the dramatic before and after differences in economic development and political stability. In Kenya, the 1982 attempted coup d'état against the Moi regime represents a significant breaking point. Here, for the first time, the regime faced significant resistance from small business owners and professionals; such an event provoked a change of course as an alliance between these groups and the masses would have destabilized the regime. The coup would ultimately reshape the policy coalition by placing the concerns of these formerly alienated groups in a more prominent position in regard to the regime. The case studies will thus synthesize events taking place over decades but the events surrounding these two breaking points will receive the most detailed discussion. Furthermore, data collection in both countries will focus on these two important historical moments.

Gender as an Analytical Lens

Finally, an analysis focusing on gender and the state as it pertains to development enriches the larger configurational analysis by drawing attention to the manner in which the state creates in and outgroup boundaries surrounding the social and policy coalitions. As a general rule, in creating institutions specifically dealing with gender and service delivery, states comport themselves in much the same manner as when they make determinations about who is and is not, a valued member of a given social or policy coalition. Gender is a particularly useful analytical lens, first and foremost because women make up 50% of the labor force n most Africa states. Equally important, however, is the fact that women in rural regions, on the whole lack responsive political representation. Political figures seldom search out the support of women in rural regions, nor do they often appeal directly to women. Furthermore, despite attempts to increase the number of women in politics, there remain very few. The political vulnerability of women means that attempts to expand or contract service delivery are most clearly seen as they impact women in rural regions. Thus, to truly understand how the state interacts with its rural populations, we must understand its conduct toward women. I would expect states with a large social coalition to have a more equitable and inclusive stance toward women working in agriculture. On the other hand, I would expect states that struggle to attain a sufficient amount of resources to maintain the loyalty of the social coalition, to be more likely to restrict service delivery toward women as a means of increasing the material prosperity of men, in hope of maintaining loyalty. A gendered analysis, therefore, should highlight the central trends and tendencies that determine patterns of development.

Data

This project will employ many different types of data in order to chart the progression of policy coalitions over time. Given the theoretical conceptualization of state society relations at the heart of this project, however, economic data is particularly useful to illustrate the tendencies and interests of groups within the policy coalition. For example, while it may be possible to argue that economic outcomes are due to the rising influence of particular social groups, cocoa exporters for example, economic data about the growth of the cocoa sector in comparison to other sectors may indicate if there was in fact an empirical basis for this assertion. Economic data can also help to illustrate the class-based interests of social groups. For example, in his analysis of the emergence socialism in Tanzania, Shivji (1976) first discusses antagonistic economic relations between emerging indigenous Tanzanian capitalists and larger, more well-established and often Asian owned commercial plantations. He then goes on to illustrate how this situation ironically led indigenous capital to support socialist policy, despite its insistence on state ownership. Shivji's analysis uses economic data about relations of production to describe how the emergence of institutions normally inimical to capital was actually supported by it. Similarly, my method will utilize data relating to the economy, differing economic sectors, and differing relations of production between classes, class fractions, and other groups. Much of the economic data is available through governmental sources, or organizations such as the World

Bank. I will also take advantage of library research to identify relevant secondary sources and analysis.

Secondary source data related to descriptions of events encompassing the dependent variable will also be particularly important to the analysis. In synthesizing historical events over a number of years it will be important to discuss details of important individual cases. While my primary focus will be on the two breaking points described above, a wide reading of secondary source material and analysis should reveal other events that merit discussion as well. These events should either confirm or indicate changes within state society relations at a given point in time. Data collection will not thus include newspaper accounts, and analysis contained in periodicals. I plan on visiting the University of Ghana in Legon and the University of Nairobi in order to consult copies of relevant periodicals.

A third important source of data pertains to the interests of social groups themselves. One of the goals of the analysis is to chart the evolution of policy coalitions, paying attention to the preferences and relative influence of prominent classes or groups. An important source of information, therefore, is the records and archives of such groups within civil society. Whenever available, therefore, this project draws up literature published by trade groups and other institutions, in order to chart their changing preferences over time. Access to this material is spotty at best, but nevertheless it can provide snapshots into the changing landscape of the preferences of important political actors.

Lastly, whenever possible, this project draws upon data from both formal and informal interview conducted from April to September of 2016, in both Accra and Nairobi. While archival documentation of group preferences and concerns is often difficult to come by, interviews provide valuable insights into the current preferences, priorities, and bargaining processes of civil society groups. Interview subjects were largely drawn from organizations that play an influential role in helping to set policy preferences, such as the Ghana Investment Promotion Centre or the Kenya Private Sector Alliance.

Additional Methods

Configurational history is well suited to slow moving causes and outcomes. In Kenya, for example, a number of slowly building changes within society and the state resulted in increasingly more efficient and effective institutions. While these events may have been triggered by an attempted coup d'état in 1982, they unrolled in a gradual manner. Thus both the cause and the outcome appear to be long term slow moving processes. In Ghana, however, we see what might be called a punctuated equilibrium. Slow moving trends within society appear to have reached a threshold where dramatic change became possible. In this case, causation is a slow moving process but the effect takes place within a very short amount of time. A configurational historical approach is not well suited to describing the events that led to the emergence of more effective institutions in Ghana, although it may do an excellent job of analyzing the structural conditions that facilitated their emergence and explaining why these institutions proved to be durable over time. Thus, in the Ghanaian case, more so than for the case study of Kenya, an alternative method is needed to chart the events surrounding the emergence of neoliberalism under the Rawlings regime in the early to mid-1980s.

The emergence and maintenance of effective institutions in Ghana is of considerable theoretical importance to understanding development in Africa. Thus, an accurate description of how the process occurred is necessary. Theoretically, however, the reasons why Ghana made a turn towards neoliberalism are less interesting than why the particular institutional profile the

Rawlings regime created would ultimately prove to durable and effective. The designing of well thought out institutions is actually *quite common* in the developing world; what is rare is for these institutions to function as they were originally designed. Thus, my goal is not to explain the decision making at the heart of the Rawlings regime but to piece together a detailed description of the processes that produced these institutions. Such an approach necessitates the use of process tracing as a method.

Process tracing in this project will take the form of constructing a detailed narrative; Hall (1999) refers to this approach as "specific history." Specific history differs from configurational history and that it forgoes constructing a theoretical and analytical framework to synthesize historical processes (p. 211). While theory still informs the themes and events included in the description, the end result is not a story of causation but they "detailed narrative or story presented in the form of chronicle that purports to show light on how one event came about" (George, Bennett p. 210). The main strength of this method lies in the level of relevant detail it provides. It charts the progression of important events but focuses on the end results. I am interested in the process by which events unfold, in a clear sequence, as a consequence of actions by the state. After tracing the series of events that led to the emergence of new institutions in Ghana, I will return to my configurational method of policy coalition analysis in order to look at the processes that sustained or possibly altered the institutions created during the Rawlings revolution. Since the goal of the narrative is not to trace patterns of decision-making or the influence of new thinking within the regime, the amount of data required for this type of specific history is modest. I will rely primarily upon secondary sources for this part of the project, although I will also attempt to draw upon relevant governmental records if feasible. However, while the use of process tracing offsets some of the weaknesses of a configurational historical approach, other potential problems with the analysis remain.

A potentially serious drawback of the research design of the project is its reliance upon two cases. The main limitation of a two case comparison to generate theory is the potential to introduce bias in the results. This problem is compounded because my method of case selection has made no attempts to control for differences and similarities that could potentially be responsible for at least some of my findings. For example, both Ghana and Kenya are British colonies; thus, some of the conclusions I draw may be due to colonial heritage rather than ideological legacies or differing dynamics of ethnic politics. Furthermore, factors that differ in these two countries such as geography, agrarian structures, landholding patterns and variables may have an impact upon the analysis. Therefore, in order to contextualize the analysis within sub-Saharan African, and to guard against omitted variable bias, I will also discuss other cases in the analysis.

The additional cases should control for potential alternative causal variables. These cases will attempt to control for potentially unique characteristics of the cases. For example, Ghana's experience with socialism was not long lasting but instead occurred in fits and spurts. Such a scenario may very well have contributed to Ghana's unique developmental trajectory. Therefore, I will also discuss the developmental experiences of the country with a longer more in depth experience with socialism, Tanzania. Another case that will provide analytical leverage is Côte d'Ivoire. Unlike Kenya, Côte D'Ivoire was a French colony that retained relatively close ties to the metropole after independence. However, like Kenya, Côte d'Ivoire has a long-standing history of a capitalist approach to development Yet Côte D'Ivoire's economic well-being and political stability suffered greatly during the 2000-2010 period. Understanding why Kenya succeeded while the Côte d'Ivoire failed and helps shed light on whether or not omitted variables in the Kenyan case are responsible for some of the outcomes under examination. The discussion of these additional cases can help to minimize the chances that omitted variable bias is disrupting the analysis.

The comparison of the two primary cases, using additional cases to control for omitted variable bias, should provide insights that can be tested more broadly using a larger number of cases. Hypothesis #2b, for example, argues that among countries in sub-Saharan Africa, those that have experienced five or more years of radical progressive politics since independence are more likely to produce growth enhancing institutions. In order to test this hypothesis, as well as any potential insights gleaned from the cases, I utilize the tools of quantitative analysis. In regards specifically to the hypotheses #2a and #2b, I utilize OLS regression in order to test correlations the independent variables of ideological legacy, core ethnic group, and patterns of development. In carrying out the actual analysis, I also create an interactive term dealing with the presence or absence of a core ethnic group. Data comes from many of the same sources used to create the institutional effectiveness variable, such as the World Bank, polity, freedom house, and others.

Quantitative Analysis of Causal Pathways

The quantitative analysis plays a key role in verifying the external validity of the cases, but it is also plays a larger role in research design as part of a pathway analysis. The analysis of causal pathways is used to build theory, and it focuses on leveraging information uncovered in case study to help build theory through quantitative analysis that focuses on causal mechanisms. This technique is applied when researchers need more information to assess the soundness of theory that is still in a developmental phase. The method works particularly well when the hypotheses are geared towards understanding associations between independent and dependent variables, that necessitate careful case study to determine the mechanisms by which these variables work.

The qualitative case studies have two primary goals, the first one being to provide a thorough and accurate answer to the research question and hypotheses while the second is to generate theory about the process of institutional creation, as it pertains to growth enhancing institutions in African states. The research questions specifically addresses the question of institutional creation, and the hypotheses links this process to the presence of absence of a core group, as well as to the choice of developmental ideology after independence. The case studies, and the methodology of case selection are designed to test this assertion through methods that establish an analytical narrative linking the independent and dependent variables. The analytical narrative in each case is then tested against each of the secondary cases to ensure that the findings are rooted in empirical reality rather than in carious possible analytical biases. The end result of this process is a thorough test of the hypothesis but one that perhaps provides somewhat untested theory about the many in which growth enhancing institutions are created. Yet, the process of building sound theory involves a research design that utilizes information gained through case study; only then can hypothesis testing thoroughly and completely contribute to the elaboration of theory.

Quantitative methods, therefore, can make a significant contribution to both goals of the dissertation project. Given a more or less accurate conceptualization and operationalization of the dependent variable, they can provide a clear cur snapshot of the impact of the causal variables on the dependent variable. More importantly, perhaps, such an analysis can also tell us about the individual, combine and interactive impact of the independent variables. Nevertheless, while quantitative analysis may provide a useful test of the hypotheses, if properly designed, such an analysis can test specific causal pathways related to the dependent variable. In this case, the analysis is providing relevant information related to a qualitative test of the hypothesis, rather than preformation an additional test of the hypothesis.

While it is certainly possible to envision a study, such as this one, beginning with a quantitative analysis to establish links between the independent and dependent variables, and then using case study to establish causal mechanisms, such an approach introduces needless complexity by requiring redundant analysis. Well-designed case study on its own should be able to provide a hard test of the hypothesis, and moreover one that generates preliminary theory on institutional creation and change. The advantage of beginning with case study, is to take advantage of opportunities to refine quantitative analysis, either through inclusion of new independent variables or in this case, through an operationalization of the dependent variables that can provide a more useful test of the causal mechanisms. IF there are any unexpected surprises uncovered through quantitative testing, the additional case study work can be carried out to explore any discrepancies – a near impossibility of the study begins with quantitative analysis, from the standpoint of feasibility. Therefore, the dissertation uses hypothesis testing based on qualitative methods to generate theory. Next, it provides a preliminary test and elaboration of theory, which adds additional leverage to the research question.

Chapter 2: Theories of the State and Economic Development

The primary research method employed in this dissertation project is a configurational analysis, but one drawn heavily from both the pan-African tradition and a neo-Marxist conception of the state. Both of these terms need clarification, for they differ in important ways from the original formulation of the concepts from which they draw inspiration. In each case, the concept is altered to take into account a richer understanding of African societies and the society rooted economic and political processes that create variation among states. The variation at the center of this dissertation project is best understood through pan-African and Neo-Marxist lenses, but ones whose powers of perception and magnification have been adjusted to the African context.

Pan-Africanism, both as an approach to research and ss a larger political and social movement seeks economic and social justice for the continent in its relations with other regions of the world. The pan-African movement, as it applies to political economy, seeks regional integration as a means of generating more robust indigenous industries by creating a larger and more unified domestic market (Nkrumah 1965). Large internal markets do not simply reclaim market share for indigenous African companies, they decisively shift production to internal needs, at least in principle. Over time, this shift would see the region begin to produce finished goods of a value-added productive process. Thus, for pan-Africanists, internal markets are of particular importance.

The dissertation's focus on internally oriented forms of development is rooted in pan-African aspirations for the creation of a robust market for goods and services and the backward and forward linkages within the economy that they engender. Yet, despite the obvious advantages of internally oriented production, it is opposed by a constellation of internal and external forces.

The Relational Aspects of the African State

There is an underlying set of pressures and exigencies that drive institutional formation, and by extension, patterns of development in African states. These enduring patterns reflect growth enhancing institutions in some sectors of the economy and their perpetual absence in other sectors. Furthermore, these patterns appear to be resilient, and resistant at least, to even intense external pressures. These observations point to the idea that enduring forms of society rooted politics are shaping institutions through which developmental policy is enacted. In other words, institutions are regulating and maintaining a social relation, or rather hitherto unspecified sets of social relations.

The conception of the state as a social relation is most well known in neo-Marxist state theory, drawing off of Marx's writings in such works as the 18th Brumaire of Louis Napoleon (Marx 1978), and being found prominently in Nicos Poulantzas' (1978) work on social class and political power in capitalist societies. Poulantzas's work deals specifically with social class, and he attempts to explain why despite gains made by the working class over the years, the state itself remained firmly an instrument of bourgeoisie. For Poulantzas, the institution of the state itself act as a regulatory structure and framework that enforce the positionality of social classes. In a capitalist state, the state itself enforces, not day to day issues of governance but the overall nature of relations between classes. In this manner, the state itself functions as a durable social structure that regulates the relationships between social classes.

The application of Poulantzas' ideas to the African context requires a careful reordering of principals. To be clear, the analysis is no longer strictly neo-Marxist, given the demography and level of development of most African states. Unlike in advanced capitalist states, where a dense arrangement of social classes and class fractions take shape, class structures in. most countries on the continent are relatively flat. Instead of social classes, one of the main mechanisms employed within the African context is ethnicity. Conceptions of ethnicity, and related groupings such as lineage and clan, are in large part contributing factors when trying to determine access to goods, services, as well as other relevant expressions of the social product.

The primacy of ethnicity over social class changes the fundamental class-based analysis of the neo-Marxism perspective to one based on the primacy of, or more commonly, the intractability of relative equality of ethnic groupings. In other words, the analysis seeks to explain the stability of a particular distribution of economic and political power. Theses agreements are generally, though not always, embedded into the very structure of the state. An analysis that draws from the principals of neo-Marxist analysis, therefore, devotes most of its time to explaining the boundaries of the agreements that constitute the state.

Modernization programs encapsulate the long term, society rooted agreements that constitute the state in largely rural sub-Saharan Africa. Like the state in capitalist society, the state in sub-Saharan Africa, where most societies are largely agrarian, contain within their center durable social agreements that regulate a relationship within a constellation of social groups. Only through a long-term understanding of these agreements can we have a sense of the enduring nature of patterns of development that defy the aspirations of external and sometimes even internal actors.

Neo-Marxist analysis, ironically, provides the durable framework by which we can understand the modernizing process within states, even while the analysis in its adjusted form here strictly speaking, is not be confused with a class based one. Both the constrained, relative autonomy of the state as well as the durability of institutions that regulate and reproduce key relationships at the heart of the state, can be best described through a neo-Marxist framework. Yet, it must be pointed out that this understanding of the state is being applied to ethnic groups that exist in more or less horizontal configurations cemented through durable agreements. Configurational analysis, drawn heavily from neo-Marxist frames of analysis, charts these covenants that ultimately compose the structure of the state.

The dominant literature on economic development tends to treat the process as occurring uniformly. Modernization theory tended to link economic growth and political institutions together, noting that they exist within a type of symbiotic relationship (Diamond, Linz, and Lipset 1989; Lerner 1958). Thus, economic development mobilized the population, and provided an impetus for more open political institutions, leading to a process by which strong institutions and strong growth went hand in hand. The literature on the developmental state, in this regard, tends to come to some of the same conclusions as modernizing theory, though it emphasizes the critical role of the state in ensuring that the process continues in the manner laid out by earlier modernizing theorists (Huntington 1968; Skocpol 1985). Thus, the state focuses on institution building, particularly lean growth enhancing institutions, to ensure that new forms of participation do not overwhelm the capacities of the state and lead to political decay (Huntington 1968). Theories of the development state take to take a slightly more nuanced view of political institutions, understanding that at some point political order and economic efficiency have historically been more important for modernization than the political openness that has characterized the western experience since the French revolution.

A second branch of literature focuses the origins of political instability and economic underdevelopment in the global South, using the path dependency of colonial institutions to explain relatively uniform political and economic outcomes. Unlike modernization theory, this literature focuses attention on the manner in which economic development can have a destabilizing impact, particularly within an environment where political and economic institutions are not strong, property rights are not protected, and/or the rule of law is underdeveloped (Bates 2015; Kohli 2004). The major thrust of the work focuses on the fact that colonialism on the African continent produced inferior institutions than those in other parts of the world (Kohli 2004; Young 1994). Thus, works such as Huntington's political order in changing societies, urge states in the global South to focus on developing institutions particularly political party structures, in order to alleviate the growing pains involved with participation in a changing global economy.

The project calls into question both the institutional origins of underdevelopment as well as the uniformity of institution making assumes in all three branches of literature. Both Ghana and Kenya were home to some of the very best civil societies and bureaucracies on the continent, and yet well can yell largely maintained these institutions and gone they fell into disrepair as the state underwent bouts of political instability and military coups. Furthermore, while both Ghana and Kenya score well on many forms of institutional capacity, there are very different patterns in terms of the manner in which economic institutions are created in generated in each state. The process, on the whole, is variegated, something that is not assumed in past literature on the origins of institutions. The study, in this manner, stretches the boundaries and utilities of existing conceptualizations of modernizing theory, the developmental state, and series of underdevelopment in the global South, at least those from the institutionalist perspective.

The project adds to theories of institutional creation that allow for variegated outcomes, though it tends to call into question the simple, institutional origins used to explain different patterns of institution making. One of the most well-known works of this tradition is Catherine Boone's (2003) *Political Topographies of the African State*. Here, Boone observes that within any given country, leaders adopt different patterns of institution making, that often vary by region. In this manner, Boone provides a compelling explanation for why the regime of climbing Nkrumah, for example, created institutions that penetrated society in place decision-making power in the political center even though British governmental structures often did the very opposite. For Boone (2003), informal institutions of governance gave leaders varying degrees of political power and helps regimes to determine whether or not to co-opt or subvert local leaders; in the case of Ghana, as strategy of subverting the political influence of local leaders was used by Nkrumah because of the dominant types of existing political organization within the assigned Asante region. In other areas the country, however, they regime instead opted to leave informal and regional government structures with political power, and instead co-opt the leaders. Thus, the types of hierarchies and informal institutions that exist within particular regions determine the choice of state building strategy.

While Boone's (2003) explanation of variegated institutional creation is compelling, it leaves unanswered critical questions about how the state interacts with the international economy. The decision to create institutions conducive to service delivery but not economic growth in domestic foodstuffs processing, for example, may have little to do with the relative power of any particular constituency nor any in formal institutions in a particular region. Instead, factors related to the international economy, as well as the balance of power between social groups, may ultimately determine the type of economic institution created in this particular industry. Boone's account, though interesting, cannot explain why the most effective institutions in Ghana are those which mediate the state's interaction with the international economy while the least growth enhancing institutions are those related to domestic production.

Boone's (2003) account points to a more general tendency of the literature and comparative politics to discount international factors when discussing the roots of African political economy. Economic underdevelopment and political and social decay are also under conceptualized as being rooted within a lack of institutional legacy emanating from the colonial period (Young 1994), the extraneous effects of regime survival strategies that facilitate underdevelopment (Bayart, Ellis, and Hibou 1999; Chabal and Daloz 1999; Reno 2000), or a lack of willingness and capacity within the personnel of the state to take a new direction and policymaking (Kohli 2004; Young and Turner 1985; Young 1994). These accounts tend to minimize the long-term impact of interaction with more powerful states within the global economy.

Work from the world systems perspective, along with work and they Marxist tradition of international relations provides more compelling theory about the root causes of underdevelopment within the continent. Rodney's (1972) long-term historical analysis of the trajectory of African development links the process European capital formation to a coinciding underdevelopment of precolonial states within the African continent, as well as the rest of the third world. Military and transportation advantages on the part of European states gave them the ability to open markets and dictate terms of trade thus turning societies previously focused on questions of internal production into reserve labor reservoirs for European agricultural production in North and South America through the institution of slavery (Rodney 1972, 84). The shifting balance within the international system for state new set of economic realities upon precolonial Africa. Other well-known works describe how relationships of dependency can develop between states and the global periphery and those in the core, facilitated by a comprador class of political elites (Cardoso and Faletto 1979; Wallerstein 1979). Still other works in the Marxist tradition describe how the rule of in international bourgeoisie creates enclaves like economies that serve the needs of former colonial states such as France or Great Britain (Lenin 1920; Nkrumah 1967; Reed 1987). These works often do a better job situating the content within the larger political and economic processes that cover the globe.

This project presents a challenge for both institutional and dependency theories by creating a more nuanced and fragmented picture of dominant social groups. For example, while the Kenyan bourgeoisie has many linkages to the international economy, Kenyan policy is much more focused on domestic and regional priorities when compared to other countries within the region. Far from relying raw material exports to core countries, the Kenyan state often attempts to stimulate domestic solutions and industries particularly to meet regional needs rather than those of the international system. Furthermore, while Ghanaian regimes for the past 20 years have produced institutions geared towards facilitating growth in export sectors like the cocoa industry, prior to 1983 the state had a much less amiable relationship with Bretton Woods institutions and the powerful states at the core of the international economy. Thus, while insights from world systems theory, and Marxist international relations may shed light on the research questions, the research question tends to stretch their ability to explain outcomes.

Theories of the State

In order to provide a more nuanced theory of the determinants of developmental trajectories, this project must grapple with theories of the state, and its interaction with society. In this regard, one of the main contributions of the project is an exploration of what it means to be the dominant group associated with state power. The examination of this question, as it pertains to the main cases, both affirms and challenges various institutional and neo-Marxist approaches to state theory. The case of Ghana reaffirms Marx's observations about the 18th Brumaire of Louis Napoleon, where a nascent bourgeoisie was deadlocked in struggle factions of the urban proletariat and the intelligentsia, with neither side able to emerge in an ascendant position. Marx noted, that when social formations are deadlocked in conflict, there exists social space for the apparatus of the state, acting autonomously, to take the reins of power within society acting as a containing force (Marx 1978). Indeed, the rise of the technocrats during the Rawlings regime, during a period where the economic agenda of the left appeared to be running into severe trouble that might possibly end in a military coup, illustrates this concept. Furthermore, the fact that policy continues to be driven forward by economic technocrats in a durable manner contributes to the idea, first put forth by Shivji (1976), that a bureaucratic bourgeoisie can implant itself within the apparatus of the state.

Yet, far from the predictions of Shivji or even Marx's observations of 19th century France, the autonomy of bureaucrats has clear and definite bounds, that end as economic policy making shifts from the extant sectors of the cash crop economy to internal production. Technocrats may have free reign to make policy as it relates to cocoa exporting, and the creation of institutions to attract foreign investment, but their influence in other sectors of the economy is finite. In this manner, the state may very well have different degrees of autonomy when dealing with foreign versus domestic affairs, an observation that led Poggi (1978) to characterize the state as a "Janus faced" entity, although he applied this observation to high politics rather than economic affairs. Yet, in Ghana and other states in the global periphery this finding appears to have merit in particular in relation to the economy. Power oscillates from one ruling coalition to another, who are differentiated not by the role the play within the broader economy but by the groups that they attempt to provide services and patronage. Politics shifts back and forth between traditional elites and their constituencies, while the rule of the technocratic class is tolerated as it presents a key part of the survival strategy of any regime. Far from being an ascendant social formation, technocrats are instead tolerated, and their rule circumscribed and delimited by an elite defined in part by social class but much more so by status within their communities. The state is thus associated with two major groups: the first cohesive and technocratic and the second fragmented by regional and ethnic affiliation but otherwise similar in their outlook and intent.

In Kenya, I theorize that state power rests much more clearly with a type of fragmented bourgeoisie, the fractions of which are denoted both by their function within the larger economy and by their ethnic affiliations. Thus, this fragmented elite tends to both come into conflict with one another and to cooperate jointly, in order to protect the class priorities of the larger unified group. Critical junctures of cooperation thus occur within this elite, such as when J.R. Kariyuka was assassinated after having mobilized the working proletariat in the cities (Branch 2011). This account also tends to support a neo-Marxist view of the state as being associated with one particular dominant class based social group, which though fractured and fragmented none the less police the boundaries of relative state autonomy for the benefit of the class as a whole. Yet, this process, as a whole, ironically may in fact be determined by factors such as the relative comparative size of ethnic groupings, a factor which in and of itself has nothing to do with economic relations of production by which may contribute to various types of class formation.

Neo-Marxist state theory generally conceives the fragmentations amongst the social group as occurring along economic lines. Thus, Poulantzas (1978) details the policy struggles amongst fractions of the bourgeoisie, which play out through the apparatus of representative government as a means of conflict resolution. Miliband (1969) points to the same tendency of governance in advanced democracies to function as an arbiter of disputes within the bourgeoisie, Chang (2010) notices the same tendencies in American government. My analysis extends these observation, but at least in the Kenyan case, applies them to an elite group which is fragmented not just by function within the greater economy, although that certainly takes place, but by degrees of overlapping cleavages between ethnic affiliation and economic functions. In this manner, neo-Marxist theories are combined with theories about class and ethnicity, and the cohesiveness of ethnic groupings.

My main argument is that the cohesiveness of ethnic groupings, for both political and economic institutions is a function of group size; yet this argument is also conditioned by an understanding of the economic intersections of ethnic identity. Larger groups are more prone to fragmentation, though this process can be offset to a degree by the economic commonalities that may exist between members. The concept of overlapping political, economi and ethnic cleavages lays upon well-trodden ground in comparative politics literature. Gurr (1995), Horowitz (2001) and others have all noted that overlapping cleavages between ethnic groups and socioeconomic class on the whole tend to exasperate ethnically motivated violence. Indeed, new literature on ethnicity and economic relations positively associates horizontal inequalities between ethnic groups with various types of market failures and growth inhibiting institutions (Brown and Stewart 2012). Yet, Langer (2009), notes that groups whose members are differentiated hierarchically often maintain solidarity, even in the face of economic conflict, when ordinary group members share economic commonalities with elites. However, when the economic activity of groups is spread over several different fields, these groups often fail to cooperate, and indeed often come into conflict with one another. Thus we see in Ghana that while younger, ambitious farmers sought to make a political following for themselves, they were hindered by established ethnic elites, because the Asante were vertically differentiated a social class, and thus maintained cohesiveness (Allman 1993). In this case, a large group that would otherwise be prone to fracture was held together both by horizontal inequalities between other ethnic groups in Ghana, and by the fact that its members and elites shared common economic interests in cocoa. While group size still contributes to a fracturing of the core group of Akan speakers, the group has at times displayed more solidarity than conventional thought on ethnicity and politics might expect. In Kenya, on the other hand, we see that horizontal inequality between ethnic groups does indeed contribute to group solidarity. Additionally, in instances where members of the same ethnic group share economic interests, such as dairy farming among the Kikuyu, we see a reinforcement of the theoretically expected group solidarity. There observations do not necessarily match the predictions of various neo-Marxist state theories, which predict economic factors alone as driving conflict between elite groups.

Finally, by theorizing a manner in which ethnic and class cleavages come together to constitute the ruling class of a given state, this project tends to support the arguments of scholars in "the Kenya debate" such as Leys (1994), who believed that an indigenous form of capitalism could in fact take shape on the African continent. The Kenyan debate was largely conducted between scholars in the 1970s, and revisited by many of the same scholars in the late 1990s and early 2000s over the degree to which a state in the global periphery could evolve into a capitalist sate, i.e. a state driven by the formal economy, where the populace is dependent upon the mechanisms of the market for their wellbeing (Apter, David Ernest and Rosberg 1994; Chege 1998; Leys 1975; Leys 1978; Leys 1994; Lonsdale and Berman 1979; Swainson 1980). Furthermore, the debate revolved around the degree to which the international economy would in fact subvert processes of industrialization with the global south, preventing the types of economic linkages that would in fact create a deeper and more complex capitalist economy. This project charts a centrist path in regard to both major cases; in Ghana the state remains dependent on external aid, which allows it play a predictable role in the international economy by supply cash crops mostly in raw form. Value from these products are generally added through processing in other parts of the world where capitalism is more firmly embedded. In Kenya, the story is more complicated, while the economy has developed pockets of value added growth it remains a form of growth it is still exceedingly weak in the face of external capital. Yet, the state also develops value added industries in seeming defiance of the contradictions of political economy that would supposedly keep states such as Kenya in a position of permanent dependence. Indeed, while Marxist international political economy has generally been pessimistic about the benefits of multinationals and the supposed technological transfers that they entail, in Kenya it appears that at least some progress has been made in creating industries such as in the telecommunications and information technologies fields, which according to Marxist assumptions, should not have been able to take root. Thus, Kenya fits some of the more pessimistic predictions of the debate, while it contains some surprising exceptions. Ghana, on the other hand, at least on the surface appears to be consistent with the expectations of states who are stuck in a dependent position in the international economy, though the mechanism behind this seeming dependence is not the international economy so much as it is the result of a historically contingent social struggle.

Contributions to World Systems and Dependency Theories

Much of the project is concerned with theorizing about the composition and conflicting preferences of those groups who find themselves at the heart of state power; this theorizing challenges some of the central premises of world systems and dependency theories by calling into question the power of political structures versus the social and historical processes which may or may not give weight to dominant global economic processes. In other words, the degree of dependency is not determined by the structure of the international system so much as it is a combination of the outcomes of domestic social struggles, the policies enshrining their resolution, and the opportunities that such agreements may offer opportunistic international actors. This framework for understanding policy formulation runs contrary to many of the dominant schools of thought on dependency from a world systems and Marxist perspective.

The most well-known world systemic theory, put forward by Emmanuelle Wallerstein (1979), posits the source of uneven development within a broader international sphere where social and political units tend to agglomerate. Thus, villages grow to cities, cities to city states, republics and empires. As this process continues, the sphere of political and economic activity begins to be shaped by the preferences and values of the most powerful states at the center of any given system. Thus, the city, as noted by many Marx and Engels (1972), has consistently extracted raw materials and cheap labor from the countryside, while setting the rules that govern the process to their benefit. In a world system, the states of the center, by virtue of technological and military advantage, shape a system that alters the development of the entire system, thus activing as a type of central pole for economic and political development.

Rodney (1972) greatly deepened this analysis in regards to the African continent, by rooting the European development of capitalism in a process of under developing other regions of what was to become a global periphery. For Rodney (1972), control of the arteries of global trade enabled European powers to take over the advantageous portions of global trade, and facilitated the accumulation of super profits by providing ready-made markets for subpar, excess or outdated European goods (84). Rodney's analysis also followed patterns of investment in industries that played a valuable role in the west, but essentially served as a means of implicit taxation upon African peasants and workers.

This analysis largely confirms Rodney's observations, although in general it confers greater degrees of agency upon indigenous social formations, particularly those whose concerns and priorities lie with the creation of narrowly distributed group benefits in the form in growth enhancing institutions. Nevertheless, the analysis shines light on the power of decisions to invest, which until recently in many developing states, have been held in Western hands. While there is a growing body of evidence that the IMF and other organizations do not in fact produce economic growth and instead empower capital (Vreeland 2003), the case in Ghana in particular points to the idea that IMF and similar donor organizations empower not indigenous capital, *but international* capital. The idea that these organizations would serve as agents of capital is by no means a new one, but the study sheds light on the stabilizing tendencies of these organizations. I argue that the sum total of their actions, despite improving poverty and other outcomes, is to perpetuate dependence while providing international capital continued means of investing and earning super profits.

This analysis also differs in important respects from those studies that frame international aid as an intrinsically growth retarding process. Moyo (2009) and Maren (2009), for example, argue that aid tends to deaden the capacity of states to improve institutional outcomes by removing the incentive to do so. My analysis, on the other hand, targets not aid per se, but its distribution and the logic governing its delivery. In this manner, the study tends to reinforce works that focus on the *combination* of internal and external dynamics (Sangmpam 1992), in thinking about economic and political outcomes in the developing world. In the process it draws attention to the fact that the combination of political interests attached to aid, and the internal political economy of states, have an impact on its ultimate effect. Developing theory along these lines creates more nuanced explanations, which can account for why some countries such as South Korea have indeed benefitted handsomely from aid, while in other aid can serve as a means of stabilizing and perpetuating a subservient position in the international economy. In this manner, my analysis points to powerful ways in which international organizations can sometimes act not as agents of development but protectors of the status quo interests of global capital. Yet, the ability to play this role is not an intrinsic part of the global economy, but instead is heavily conditioned by the internal dynamics of state society relations of a given state.

Though south-south relations are only a distant secondary point of analysis, the project tends to support some of the main theoretical contentions about the nature of aid between countries in the periphery or semi-periphery of the global economy. Namely, that there appears at least on the surface to be qualitative differences in the types of aid monies that circulate between countries in the global south than those that stem from north-south relations (Odeh 2014). Monies for developmental projects that were not attractive to Western organizations or states, or Bretton Woods Institutions, for example, often come from some of the larger states in the global south. Thus, the Indian Export Bank extended the needed funding for the expansion of sugar processing facilities in Ghana (Davis 2017), while the Chinese government provided the seed money for the Ghanaian government's venture capital investment fund. South-south relations appear to be providing states with investment dollars that are normally not attractive to circuits of global capital, and instead more closely represent the priorities of the receiving states.

Nevertheless, the study certainly does not contest growing evidence that states in the global periphery are also continuing to serve as a type of dumping ground for industries that would otherwise be unable to survive in both core and semi-peripheral states. Thus, cheap manufactures from China make the manufacture of certain goods such as clothing and other textiles more difficult, although the abundance of cheap second hand clothing and other products lacking obvious markets in countries like the United States represent some of the major challenges to African textile makers for example. Thus, while this study supports the contention that states in the semi-periphery in the global economy such as China may benefit from access to African markets, this process is uneven and applies even more so to state of the core, whose more advantageous interactions such as those between states in the global south are conspicuously absent.

Patronage and the Distribution of Services and Benefits

Finally, the project tends to confirm the observations of writers such as David Waldner (1999) who note that the institutions of state themselves can serve as a means of service delivery and patronage. Waldner (1999) believes that this process, which is fueled by elite conflict, lies at the heart of underperforming economies in the developing world. While my analysis also observes that such forms of service delivery are not necessarily conducive to economic growth, the project identifies ways in which this process is held in check, and therefore not necessarily harmful. A large bureaucracy may drive up wages, and indeed, Kenyan textile manufacturers are having to deal with the challenge of higher wages to stay competitive. Yet, higher wages, in and of themselves, are not a negative outcome but they do mean that Kenya must focus its institutions on developing efficiencies in energy and transport, goals in which it has already made progress. Furthermore, though extraneous building projects in Ghana are wasteful (Williams 2017), they also provide much needed employment and resources for communities even if these benefits are delivered only in the short and medium term. Thus, the project tends to support more nuanced view of the role of patronage delivery, rather than characterization of patronage as an entrenched mechanism leading to endemic economic slowdown. The research departs from much of the literature on institution making that tends to see the enforcement of rules as an all or nothing phenomena, and instead understands that there are some variations of economic activity that may not be optimal but may provide much needed benefits particularly to groups such as peasants and workers.[3] Furthermore, the analysis also points to idea that producing growth enhancing economic institutions involves risk, and thus is a contracted process not only between leaders at the helm of the state but that within society as well. The process of creating an efficiency cocoa growing sector in Ghana, for example, involved not decisions between policy makers but a long term historical process of struggle.

Finally, the project stands in sharp contrast to rational choice schools of institutional creation and instead stresses the socio-historical processes. The strength of rational choice theorizing on institutional creation, and the perpetuation of historical institutions, lies in its

[3] In the country of Swaziland, now referred to as eSwatini, the state places quotas on the amount of sugar cane that can be harvested through a mechanized process. While this practice was no doubt inefficient, it provided much needed benefits to the rural peasantry, and provided a visible symbol of service delivery from the state to peasants. Such a strategy is by no means growth enhancing, per se, but it provides a means of sustaining the population in an environment devoid of economic opportunities for the peasantry. In this manner, the project tends to disagree with conventional economic analysis, with its stress on efficiency and returns on investment rather than the well being of workers and peasants.

ability to show the logic of maintaining suboptimal economic practices. Thus, Bueno de Mesquito et. al (2003), among others, shows quite clearly the many incentives and policy coalitions that develop around the prolongation of policies such as import substitution industrialization despite its failure to produce continued growth in countries like Brazil. While these accounts are clear and logical, they tend to reify the process of institutional change, neglecting the long term development of new social formations. In the process, rational choice accounts sometimes contain a bias for outcomes that are both stable and suboptimal, neglecting the origins of social change. As institutional creation is tied largely to the changing dynamics of social struggles, and the ascendency of differing social formations, rational choice accounts which largely ignore these variables or treat them in an oversimplified manner, largely failing to explain why enduring patterns of suboptimal development are replaced by new efficient forms. The project tends reflect the fact that the creation of new institutions often comes at historically contingent critical junctures when new alignments of social forces take shape (Gramsci 1971). It links the reconfiguration of the state to a change in institutions, and in this manner address a weakness of rational choice theorizing about institutional creation that is often embedded in past practices.

Conclusion

The process of creating economic institutions, particularly those that represent a break from the past, is messy. It involves changes at the heart of societal and policy coalitions, and these processes are often historically contingent. The analysis thus interacts with several different branches of literature by mudding the waters, so to speak, to capture the historical origins of institutions. It tends to support a neo-Marxist perspective on state society relations, while allowing the possibility that not all predictions of this field of analysis bare out in the real world. Furthermore, the project complicates the pictures of ascendant social groups and dominant policy coalitions by conceptualizing a complicated relationship between race and ethnicity, conditioned in part by relative group size and within group economic differentiation. Finally, the project highlights the manner in which some states in the global periphery can become vulnerable to prioritizing externally imposed patterns of development, even as they attempt to push forward with domestic priorities. The dissertation thus makes an urgent plea to look toward long term, and sometimes slow moving social processes to understand the dynamics of successful patterns of economic growth on the continent.

Chapter 3: The Social Roots of Contemporary Institutional Bifurcation in Ghana

There is a discernible bifurcation in the economic institution making of the contemporary Ghanaian state. Ghana's connections to the international economy are mediated through institutions that are, generally speaking, both effective and conducive to economic growth, albeit along the lines of a raw material exporting economy. The institutions regulating the development of agriculture and agro-industry within Ghana, however, display much greater variation and are less likely to be growth enhancing. Furthermore, these institutions are more likely to be subverted by the goals and priorities of various social and political actors. I argue that this "Janis faced" nature of the Ghanaian state is the result of logical choices made by political regimes to address the challenges of holding and maintaining power in a society where a core group is present.

The central contention of this project, at least in regard to the Ghanaian case, is that the presence of a core ethnic group provides incentives that are hard to resist but which lead to institutional bifurcation. The tradable sectors of the economy, in conjunction with external capital, are promoted and in return, a moderate surplus is made available for broader social needs and is supplemented by continuous aid from the international donor community. This type of approach to development, however, is seldom likely to please members to the social coalition, who want to see benefits directed in their direction. Under these circumstances, expanding the policy coalition to a broader group of elites becomes a dangerous proposition – it may very well empower those that the regime is seeking to undermine. Thus, the regime choses to narrow the policy coalition; just as the state is distributing economic benefits to a wider range of groups, it is also cutting off ties to civil society members who might otherwise provide valuable information about how to make policy more effective. At this point, conflict or the establishment of durable consensus causes this state form to either come crashing down, or to reproduce itself. While conflict has succeeded in throwing developmental plans into disarray, a stable consensus beginning in the 1980s has emerged in Ghana, allowing it to prosper economically through a type of bifurcated economic institution making.

The key phenomena driving this behavior is the instability of socio-political coalitions brought on by the presence of a core group. Given the large size of this group, it is almost inevitable that certain factions or regions will become dissatisfied with the level of resources they receive from the regime. This dissatisfaction leads to the fragmentation of the core group; it also leads the regime to make connections and to provide resources outside of its social coalition to offset this fragmentary tendency. Regimes whose social coalition falls outside the core group, on the other hand, have no choice but to attempt to lure away factions or members of the core group. The instability of coalitions thus leas to the widespread distribution of social, economic and developmental goods. This factor weighs on the chances of success of any program; the state simply cannot fund all its endeavors and its institutions are geared not towards enhancing growth but to creating the necessary autonomy to keep the regime in power. This latter tendency is seen most clearly in a generalized hesitancy to build coordinating institutions. These institutions are costly and can lock the state into difficult to keep commitments. Foregoing their forging and/or maintenance provides a regime with much more autonomy and flexibility about how resources are spent. The downside, however, is that while coordinating institutions are no guarantee of growth enhancing policies and practices their absence makes them much less likely to emerge

Regimes without coordinating institutions are far too often blind to the needs of important social actors.

The invisible but all too real pressures, incentives and expectations shaping regime behavior, I argue, are intrinsically linked to the presence of a core group. As such, I label these motivating incentives and disincentives “core-related factors.” Core related factors themselves are not causal variables. However, they are an observable portion of the causal chain linking the presence of a core group to outcomes. These *core-related* factors should be readily observable within the Ghanaian case, while they would be *unobservable* in cases without a core ethnic group thus distinguishing them from other potential causal variables. In fact, I argue that they are responsible for the political instability of Ghanaian developmental history from 1957-1983, as they provoked periods of sever economic crisis resulting in regime change often through extralegal means.[4] The terminology of core-related factors can help to distinguish these *added* constraints to the policy making process from the normal host of obstacles present in developing states, I term them *core-related* factors, as they create additional and complex obstacles to the establishment of growth enhancing institutions.

Process tracing will target three periods that satisfy the theoretical goals of the project, both in regard to the external pressures facing the state in Ghana as well as the internal interplay of developmental strategy choice. The periods are as follows: 1) Institution building during the Nkrumah presidency; 2) the NLC and Busia’s transition back to an externally focused strategy;

[4] In fact, in chapter 7, I attempt to use statistics to identify possible correlations between core ethnic groups and patterns of internal institution making, but do not find any correlation. I believe that part of the problem lies in determining a coding scheme to take advantage of the overlap between perceptions of the core ethnic group’s sectoral interests, and the creation of important economic institutions. Qualitative evidence in this chapter and Ch.6 however, tends to support this idea.

3) the contemporary era, starting with the Rawlings presidency and including Akufo-Addo regime's one district, one factory project. The Nkrumah period should illuminate core-related factors tied to overlaps between ethnic identity and sector specific economic interests. The Busia period should illustrate most clearly the constraints placed upon the state, particularly in regard to interactions with the international system that make the success of externally oriented economic institutions contingent, at least to an extent, upon outside actors. Finally, if these claims are correct, the contemporary period should illustrate historically contingent variations of similar regime behavior, albeit in a vastly different social, political and economic context.

Background: African Socialism and the Nkrumah Regime, 1957-1966

Ghana's history of modernization is somewhat different from both self-declared Afro-Marxist regimes and more traditionally pragmatic capitalist regimes such as Kenya. Although the Nkrumah regime espoused socialist rhetoric, its reforms were not as far reaching as those attempted in Mozambique or Tanzania during the same period. Ghana, for example, did not attempt rural collectivization on a massive scale, nor did it nationalize foreign owned business. Nonetheless, in Ghana, like Tanzania and Mozambique, it was the state, as opposed to the market, that was the principal actor in development. Parastatal corporations and state owned agricultural marketing boards dominated the rural economy (Young 1982). When compared to Kenya under Kenyatta, or the Ivory Coast under Houphouët-Boigny, each of which focused on the development of private industry and market based reform, Ghana's socialist legacies become readily apparent; socialism was chosen as a vehicle with which to push forward an internally focused developmental process.

In Ghana, as in Tanzania and Mozambique, state-run farms became one of the main vehicles of rural development. These publicly owned organizations, it was thought, would increase agricultural output while blocking the creation of a capitalist market economy and perhaps more importantly the formation of a powerful indigenous class of planters (Young 1982, p.158). These farms received massive investments in mechanized equipment, infrastructure, and inputs such as fertilizer. In addition, the state also provided subsidized inputs to small producers, although its first priority was the large state-run farms.

Parastatal corporations, which would eventually dominate entire industries, were also a central part of the Ghanaian developmental strategy. While Nkrumah often railed against the dangers of recolonization through the economic dominance of foreign companies, nationalization of foreign enterprises, for the most part, did not occur. The regime did however make it increasingly difficult for foreign owned business to compete with Ghana's own indigenous parastals (Esseks 1972, 62). Eventually, the production of agriculture-based commodities such as flour or vegetable oil was handled entirely by these enterprises, whose products were made competitive as a result of favorable state policies and subsidies.

Finally, state run agricultural marketing boards were a key component of Ghana's overall developmental strategy, as they were in a diverse range of African states. By paying producers a below market price for their produce, especially for cash crops such as cocoa, the state could, at least in principle, effectively extract funds to be used for development. Ghana, at this time, tried to invest in value added industries through import substitution industrialization (Austin 2005). Thus, revenues from agricultural marketing boards would play an increasingly important role in providing foreign exchange with which to purchase industrial capital and inputs.

The state in Ghana during this period enjoyed a great degree of penetration in society through its various enterprises and agents. However, it is important to note that its role in modernization and state building was mostly managerial. Policy choices emanated from the center and representatives of the state in rural areas tended to implement national policies, and to manage local authorities. Local governmental bodies had very little in the way of decision-making power over rural development and they generally did not have access to governmental revenues. In other words, the policy coalition of the regime was small, and centered around the President. While this arrangement sometimes worked very well, the production of rice steadily increased between the 1960s and 1980s, for example, there were also clear failures both of modernization and state building. Coordinating institutions, at least in the formal sense, were few and far between as the Nkrumah regime rarely sought to consult social actors, even those whom they provided with developmental benefits.

In Ghana, as noted by Frimpong-Ansah (1992), political coalition making often created disastrous policies for both state building and modernization of the agricultural sector. Especially hard-hit was the cocoa industry. By utilizing the monopsony power of the state to pay low prices to producers, successive governments starting with the Nkrumah regime were able to supply public and private goods to their supporters, allowing them to stay in power (albeit, sometimes only for a few years). However, as was noted by Robert Bates (1981) and many other scholars, these policies depressed agricultural output. Since producers were not being paid adequately, they often turned either to the black market or to other various cash crops which would yield a greater profit. The cocoa sector was not the only failure, however, as state-run farms in Ghana also failed to produce the higher crop yields for which they were intended. In fact, Young (1982) notes that peasants, working for the most part without tractors and other mechanized equipment, were generally more productive than these large, technologically sophisticated state farms.

The regime's stance toward the performance of these programs was somewhat ambivalent. On the one hand the creation of successful parastatals was near and dear to the goals of the regime. Ghana was finally beginning to manufacture finished products in the field of agro-processing, in particular. On the other hand however, there were clearly a number of projects that were not necessarily expected to succeed. Loans to famers in the Asante regions of the country, home to the largest concentration of Akan speakers were notoriously generous, with the state often failing to follow up on repayment as a political expedient. Political concerns, left unchecked by a more substantial policy coalition, tended to simply reflect the political exigencies of the Nkrumah regime much to the detriment of the economic performance.

Ghana's international relations, which tended to reinforce its subordinate position within the international economy, contributed to its developmental hardships during this period. Ghana chose a carefully articulated policy of non-alignment, designed to safeguard its internal sovereignty from either capitalist and imperialist exploitation or the dictates of a command economy promulgated from abroad (Nkrumah 1967). Thus, while the regime engaged with both the Soviet block and the west, it found in neither camp states willing to shoulder significant burdens to ease its development. The west tended to look skeptically towards the regime and its socialist rhetoric, and while the Soviet block on the whole was more sympathetic to Ghana's anti-imperialist stance, it was constrained in its resources even for those states that were clearly aligned with its interests, which Ghana was not (Rooney 2007). Thus, nonalignment meant that neither power block would ease Ghana's developmental burdens and its subordinate position and need for infrastructure and expertise would come at significant cost.

Nowhere were the costs associated with a subordinate position in the global economy more evident than in Ghana's attempts to create an aluminum industry. The decision to focus on aluminum had a clear and simple logic; Ghana has both abundant raw metallurgical materials such as bauxite as well as an ideal topography for hydroelectric production which comprise the essential ingredients for the efficient production of aluminum. Nevertheless, any strategy that attempted to position Ghana as a producer would require massive amounts of infrastructure, particularly in the form of power generation. While it was necessary to create the infrastructure for electricity generation, industry might take the better part of a decade to be fully poised to take advantage of any new generating capacity. Thus, a focus on the creation of power generating resources in addition to the foundation of an industry that relies upon electrolysis as an important part of the production process, should have in principal insured both the development of an important value added product, as well as additional industrial infrastructure.

The conditions under which international capital partnered in the project, however, would inflict heavy damage on Ghana's attempts to build an aluminum industry. The costs associated with building a large dam complex on the Volta River were massive, and after being rebuffed by both the Soviet Union and the United States, the regime turned towards private investors (Noer 1984). The price demanded by international capital however, was almost prohibitively costly. Allied Steel, an American firm, would eventually build a production facility but in exchange demanded electricity at such a low cost as to cripple any potential development for low term sustainable profits from the project to be used to develop an indigenous industry surrounding bauxite and the inputs necessary for aluminum production (Davidson 1973). Furthermore, Allied Steel was unable and unwilling to develop local sources for inputs, preferring to import them from well-known sources abroad. Thus, the Nkrumah regime found the structures of the international system to be a stumbling block along its journey to valued added production of an important global commodity.

While global finance and investment certainly presented difficulties for the Ghanaian state under Nkrumah, these difficulties were also encountered by other states in the developing world. Finding the necessary capital for the foundation of major industries is a consistent problem for countries in the process of industrializing. Sadat's Aswan Dam project, which sparked a war between Egypt on one side, and Britain, France and Israel on the other illustrates the political strings and conflicting interests involved in large infrastructure projects at the heart of development, as do the many smaller projects funded by both the US and USSR during the Cold War. Yet, in addition to the lack of enthusiasm that the unaligned regime encountered in regards to the Volta Dam project, this outcome does not necessarily fall too far outside the norm of developmental experience of countries on the continent. A broad scale program aimed at domestic production, for example was quite typical of states that embarked upon a socialist or Marxist developmental program. Nevertheless, these factors in Ghana would contribute to the eventual breakdown of social compromise built on service provision. This incident, and many others, would mean that the Nkrumah regime would have to rely on agriculture, not industry, to provide the foreign exchange and revenues so sorely needed to hang onto power. The regime, however, would be unable to make this transition.

Core-Related Factors, Subverted Institutions, and the Nkrumah Regime

The origins of many growth inhibiting economic institutions were found in the Nkrumah regime's efforts to destabilize the powerful planter chiefs of the Ashanti region. The chiefs, as a class, exerted economic control over the surplus derived from cocoa through control over land, leadership in farmer's cooperatives, and through ownership of cocoa purchasing enterprises. Furthermore, these planter chiefs were often the principle money lenders of their region, a position that allowed them to appropriate large proportions of the cocoa harvest as indebted farmers struggled to meet their obligations (Boone 2003; Davidson 1973). Lastly, though some traditional authority structures placed checks on the power of chiefs, namely through the influence of elders who retained the power to remove or de-stool the chief, on the whole traditional practices such as religious customs provided planters chiefs with elements of social control that reinforced the economic control they already exerted within society.

Nkrumah's struggles with chiefs revolved around the creation of government institutions designed to undermine both the social and economic clout of the planter chiefs. In the process, Nkrumah hoped to provide the basis for an independent peasantry, closely linked to state power, to serve as the foundation of an African socialist state. Loan programs were critical in breaking the social and economic bonds tying the peasantry to the chiefs. As noted by Boone (2012), these loans were seldom repaid but they did indeed create peasants loyal to the party and no longer under the influence of the chiefs, at least in the short term. The creation of state farms also served this purpose, and it was hoped that their success would indeed create not only a new mode of production, but new relations of production unaffected by traditional authority structures. Finally, Nkrumah's use of local councils, whose members were primarily appointed by party cadres rather than by the chiefs, served to further undermine traditional authority (Apter 1968).

Nkrumah succeeded spectacularly in his bid to destroy the social and political foundations of the rural elite. According to Chazan (1982), only two regimes in the post Nkrumah era even be claimed to support the interest of chiefs, and these regimes did so only partially. While post Nkrumah regimes generally sympathized with the plight of farmers and large producers, the exigencies of maintaining a political alliance required the use of funds earned from cocoa to provide benefits in the form of development projects and other services. As a class, the chiefs no longer held enough political and social clout to serve as the social foundation for a political regime and thus this group never definitively shaped the institutions of the state. But while Nkrumah envisioned a new class of small farmers closely linked to the state apparatus to shape the contours of a strong independent Ghanaian state, the failure of a socialist path to development, and the disastrous experiment of state farms, condemned this dream to the same fate as the CPP, which collapsed soon after Nkrumah was overthrown.

Evidence of core-related factors, as opposed to ideological choice, is found in Nkrumah's approach in regions of the country friendlier to the CPP agenda which differed markedly from those regions where mass benefits sought to win away members of the core ethnic group. Like the colonial government, Nkrumah's CPP directed its most ambitious projects in the southern portions of the country, although the regime continued to maintain irrigation projects that benefitted the northern territories. The regime fell back on a strategy of co-optation in which chiefs and other traditional authorities who backed the CPP, or who were willing to switch sides. These actors would quickly find their traditional positions formally recognized in Accra (Boone 2003; Shepherd 1981). Such recognition brought with it prestige, official responsibilities, and access to numerous opportunities that would prove to be very lucrative for members of this quasi-governmental elite. One chief in Tamale, for example, made use of his position to become a board member of several large enterprises, such as those involved in gold extraction (Lentz 1998). In the north, at least, the CPP was relying upon a narrow distribution of patronage, combined with spending on developmental projects such as roads and schools. Importantly, however, these chiefs often felt compelled to accept what they were offered; they rarely took part in discussion over policy and so when the Busia regime offered some of the same types of social benefits, they would simply switch their support. The regime, by avoiding the creation of coordinating institutions, could simply buy support without risking run-away spending, at least in one particular region.

As occurred in other ostensibly socialist states, a "bureaucratic bourgeoisie" took shape linking the state apparatus to the market and private sector. The core of the CPP economic program was geared toward kick starting indigenous Ghanaian industries, many of whom would need significant government support. Management of these enterprises fell into the hands of trusted members of the CPP as well as career bureaucrats whose loyalty was without question. Management over these particular segments of the economy was patronage in so much as it was designed to promote loyalty and to perpetuate the power of the CPP. Yet, it would be a mistake to characterize the institutions that went along with these enterprises simply as patronage producing. The ultimate failure of these enterprises, which relied upon imported capital, replacement parts from abroad, and other necessities requiring a ready access to foreign exchange, was directly linked to the failings of export agriculture. Low prices on the world markets combined with high rates of indirect taxation upon growers to pay for industrial development. Thus, farmers stopped making investments in their land and cocoa trees, new trees ceased to be planted, and Ghanaian industrial development ground to a halt (Frimpong-Ansah 1991). In the long term, though patronage in these industrial sectors was distributed narrowly, these sectors ultimately proved to be unsuccessful.

Thus, long term lasting linkages between state and society surrounding industry did not take shape in part because of the difficulties faced by indigenous producers, whether in parastatal corporations or in the private sector. The failure of these linkages to take shape, however, was also a result of deliberate policy that sought to increase state autonomy to carry out its own form of development, while avoiding possible contestation or pushback even from branches of the state apparatus. The regime was, in a sense, both investing in industry and tightly controlling the industrialization process to create a very narrow policy coalition. This coalition provided the regime with sufficient autonomy to carry forward its ambitious developmental program that ultimately stretched resources very thin as the program was as much of a social and political initiative as it was a developmental strategy.

The fall of the Nkrumah regime occurred when the sectors upon which the regime had planned to rely on to produce sustainable surpluses failed to earn sufficient revenue. Neither agro-processing, nor electric and steel production, nor manufacturing would perform well enough to provide sufficient or even predictable revenues. The result was a series of massive fiscal shortfalls, contentious politics, and a coup by military officers upset by the lack of basic facilities in 1966.

The NLC, Busia and the Limits of State Autonomy: 1966-1972

The two regimes that followed Kwame Nkrumah's tenure in power, the National Liberation Council (NLC) and the Second Republic under Kofi Abrefa Busia, a prominent Asante politician and businessman, share such a great number of similarities that I do not make an analytical distinction between the two in the chapter. The similarities between these regimes, of course, were anything but accidental. The NLC was a military government primarily composed of those members of the armed services and police that helped to topple Nkrumah through a coup d'état in February of 1966. The NLC stayed in power until October 1st of 1969, when they stepped down after elections brought the Busia regime to power.[5] Upon taking power in 1966, the NLC immediately announced a dramatic change in their approach to development, moving policy away from a state centric approach and firmly in the direction of a more capitalist, market driven orientation. The regime would actively promote private industry while privatizing many parastatal corporations. These measures were accompanied by an abrupt about face in foreign affairs in which the regime made a series of definitive steps towards the West and minimized or canceled cooperative ventures involving the Soviet Union or other states in the Soviet bloc. The transition to civilian rule, what was to become the Second Republic, was heavily managed from above, in part to ensure Nkrumah and his allies did not return to power. On the other hand, the conservative Progress Party (PP), whose head (Busia) was a member of the NLC, found itself actively encouraged by the regime. Thus, it is perhaps of little to no surprise that the conservative Progress Party, whose platform and policies were nearly indistinguishable from the NLC, was swept into power by the elections of 1969. The similarities and political continuities that these regimes present has led me to treat them as an analytical unit, rather than as two unrelated political regimes.

This period can be broken up into roughly two stages, that correspond not with the regime in power per se, so much as the manner in which the policy coalition and coordinating institutions underwent change over time, roughly halfway through the Busia regime. In the first stage a somewhat small policy coalition, though the use of rather robust coordinating institutions, led to strategically applied service provision. In the second stage, the policy coalition contracted and coordinating institutions broke down. The result was actually more widespread service

[5] The Busia government would stay in power until 1972, when it too succumbed to a coup d'état by factions of the military.

provision, in regions outside those occupied by the policy coalition, who did not appear to be consulted as often. The end result was more widespread service provision but little feedback about its overall utility. This strategy, lacking international cooperation and more importantly funding from the global north, would place fiscal pressure on the state and undermine any serious attempt at social compromise.

The approach pursued by both regimes was to embrace fiscal austerity, all the while attempting to redirect any scant funds available to internal industries; needless to say, it was a difficult task. One of the regime's top priorities was to increase the amount paid to producers of cocoa, particularly in the Ashanti areas (Goldsworthy 1973). These groups made up the core of support for the regime, and boosting production held the potential of economic benefits in addition to the political gains critical to the regimes' survival. It was clear that both regimes consulted with chiefs and growers' associations – the ad hoc coordinating institutions gave birth to a number of changes of course in policy, the biggest one being both a change in the amount collected by Cocobad, as well as subsidies for inputs in growing cocoa. Busia in particular acted as an important go-between, linking the regime and the chiefs in the Asante region. As someone well connected with the local business community, he helped to incorporate their suggestions into policy even if he failed to create much needed coordinating institutions.

Yet, the low price of cocoa on the world market meant that even though rates were raised production did not significantly increase. Furthermore, there were limits to the degree that the price of cocoa could be raised, given the fiscal imperatives facing the regime. It was under these circumstances that Busia's Progress Party (or PP) pushed for the renewed ability of chiefs to collect and to use proceeds from local taxes. This act was accomplished through new the Secretariat for the Affairs of Chiefs, a new coordinating institution set up by the regime. Yet, while such a measure might earn them some degree of accommodation from traditional authority, it did not make up for the shortfall that the low price of coca on the world market imposed on this group (Owusu 1972). Real incomes for cocoa producers continued to decline, despite the creation of institutions that were potentially more conducive to growth during this period. Thus, though each regime attempted to champion the cause of the Ashanti chiefs, there were definite limits in the degree to which they could satisfy this constituency.

The same can be said of the Busia regime's attempts to win over the business sector; fiscal constrains insured that meaningful reforms were unavailable leaving largely symbolic and unproductive options for institution building. The regime actively tried to support indigenous production through loans and other programs, yet there were definite limits to these efforts (Owusu 1972). Factory owners in particular demanded state support for the repression of labor, in order to stay more competitive in the face of stiff competition from abroad, which was exacerbated by deals struck with the world bank and IMF. Business groups met regularly with the regime, though it is clear that they did not get everything that they demanded, especially as the task of labor repression became much more complicated in the face of entrenched union action. Strikes and other disturbances were a natural part of such a state of affairs, and in these matters, the regime was firmly on the side of owners of capital.

The second type of non-monetary service provision that the regime offered was trade protection. Lacking the resources to provide productive improvements for the business community, the regime attempted to shield indigenous enterprises for "foreign" competition. Thus, like the Amin regime in Uganda, Ghana saw a persecution of Asians as well as parts of the business community from Lebanon, as well as the expulsion of foreigners from the region (Goldsworthy 1973). These policies allowed small storekeepers and small producers in particular to avoid incurring short term costs, but deterred external investment, which the region was attempting to court. In addition, the Busia regime placed import duties on manufactured goods in order to allow Ghanaian manufacturers to dominate the internal market, though no attempt was made to push for greater efficiency, given the regime's lack of ability to provide investment in these industries.

Lastly, the Busia regime made one final effort to "pay" members of the policy coalition by using the state to deliver privileges in the form of jobs in the bureaucracy, However, given the scale of government debt, the regime could not afford to hire new personnel. So it was that the regime began to purge members of the Ga and Ewe ethnic group from the ranks of the bureaucracy. Not every position was refilled, as the bureaucracy was already quite large, but those who were hired tended to be from Akan speaking groups. Despite distributing economic goods quite widely, the Busia regime paid close attention to its social and political coalition Nevertheless, lacking sufficient funds, it produced policy that was at best growth inhibiting, as it attempted to satisfy its supporters after having expended the resources to do so properly. The idea of cajoling enterprise to become more efficient was simply not in the cards.

While the regime attempted to reorient the institutions of the state toward domestic production, its relationship with external capital constrained its ability to do so. Securing loans from the IMF and World Bank came at the cost of opening up the Ghanaian market to foreign competition, without the benefit of state support in creating more efficient enterprise (Libby 1976). Furthermore, externally imposed austerity had an impact upon education and health services, as well as state capacity. At the local level, the state had ceased to be a valid and active developmental partner, as loan programs came to an end, and staff were cut.

The downfall of the Busia regime came at the hands of disgruntled city dwellers and neglected peasants. These groups, who had formed part of the coalition that brought Nkrumah to power, finally rebelled against a regime that fundamentally neglected their interests. The Busia regime had thus mobilized its enemies, while failing to please its core constituencies. The exigencies forced on the regime under the circumstances in which it took power were ultimately too much for it to overcome.

The Busia regime, more than any other in Ghana, attempted to champion the interests of domestic industry and export agriculture. Yet, even here, the fundamental tensions and contradictions between internal production and the necessities of access to foreign exchange and the development of external sources of government revenue complicated this process. Thus, ironically, though the regime attempted to forge connections with domestic industry and indeed championed these ties, the institutions and policies that it developed were at best a mixed in regards to the interests of the domestic producers that they ostensibly championed. The lack of state autonomy in regards to both external and internal forces imposed upon the state a complicated balancing act that ultimately proved too difficult to overcome.

This period, however, resembled many of the fraught attempts of African states to push ahead with forms of value added production in the absence of adequate resources. The creation of growth producing institutions and programs was often simply too expensive; in its place, subverted, patronage producing institutions were created that provided for short term support but did not necessarily encourage efficiency or competitiveness.

The root cause of this lack of growth enhancing institutions, however, can be found in the pressures, incentives, and hazards associated with and brought on by core-related factors. These factors ultimately pushed the regime to embark upon costly forms of service provision that would ultimately undermine the state's ability to spur investment and production along more efficient lines.

The pressures faced by the two regimes, while difficult, were not truly a departure from the pressures exerted upon regimes on other parts of the continent. Nor in fact was the response of the NLC or the Busia regime to these pressures, at least on the surface. Faced with mass opposition to cuts in important infrastructure projects, the regimes backtracked. Thus, even as Ghana was meeting with Western powers usch as the United States, France and Great Britain to reschedule its debt it continued to spend massively on projects, the most important of which were the Tamale Airfield in the Northern Region and the Axim-Half-Assini Road in the Western Region. These projects were restarted after the regime was pressured by potentially important constituencies such as the House of Chiefs in the Western Region (Petchenkine 1993, 38).

While the response of the regimes was not completely out of character in comparison to other states on the continent, their generosity in meeting these social demands was unusual. While the state did not restart all stalled infrastructure projects begun under Nkrumah, the ones that it did restart were particularly expensive and had a negative impact upon budget making and the state's overall financial health. Yet, importantly, as later mass protests would make clear, the NLC was under no great pressure to act when it decided to stay the course on these hugely expensive projects. Indeed, funding these projects appears to have been the beginning of a broader agenda, namely, to lure an important opposition constituency away from the opposition.

For both the NLC and the Busia regime, however, courting the opposition was a costly proposition. The process first involved the construction of coordinating institutions in the form of the Secretariat for the Affairs of Chiefs – a group that brought together influential chiefs in contact with policy makers. The goal of this institution was clear – the regimes were attempting to expand the policy coalition, thereby lay claim to a region that was historically, outside their staunchest bases of support. Yet, extending membership in the policy coalition would entail the forfeiture of political power, and/or resources.

The coordinating institutions set up by the NLC and the Busia regime were aimed at insuring loyalty in exchange for control. Thus, one of the first acts of the Secretariat for the Affairs of Chiefs was to interject itself into the politics of destoolment – the process by which a chief is removed from power. In coordination within influential chiefs acting through the secretariat, the state removed hundreds of chiefs from power, often those who refused to give up some of their traditional rights and privileges. The ones who remained were rewarded for their loyalty, through preferential policy. Thus, it was in this manner that chiefs who found favor with the regime, or at least survived the purge of traditional leaders, came to collect taxes in their region, and were even able to retain 40% of revenues on land that they owned. This policy carried with it tremendous costs over the long term, but it also bore fruit as well; nearly all of the most influential chiefs would support these two regimes during their tenure in power. Nevertheless, the cost in tax revenues and in continuing hugely expensive infrastructure projects would come to dominate the choice available to other more established members of the policy coalition.

The Busia regime's ethno-nationalist policies targeting foreigners doing business in Ghana, as well as the purging of members of the Ga and Ewe ethnic groups from the governmental bureaucracy can be rightly judged as a desperate, growth inhibiting policy of a regime that no longer possessed the necessary resources to create growth enhancing policy or the political capital to push industry and agriculture to adopt more efficient practices. Lacking resources, the state "paid" the policy coalition with policies that were beneficial in the short term but disastrous in the long term. Thus, in this manner, core related factors helped to shape and frame policy that ultimately became growth inhibiting.

The Post 1983 Period: Patterns of Ghanaian Development

The post 1983 period, in some ways represents a break from the contentious politics of the past. After the early chaotic years of the Rawlings administration the regime became more stable, in part by demobilizing its most ardent supports. The PNDC dictatorship would eventually morph into the NDC, a party that would contest and even lose democratic elections starting in 1992. Close relations with donors and an overall easing of dire economic conditions meant that the contentious politics of the first twenty-five or so years of the Republic had, for the most part, come to an end. Political regimes in Ghana still erred in their calculations, and certainly caused discontent from time to time, but these episodes on the whole did not reach the level of national crisis. The relative tranquility of this period creates an analytical challenge, namely, that critical junctures in the life of the regime are somewhat more difficult to identify.

The working method of the analysis thus far has focused on understanding patterns of institution building that persist during moments of crisis. This approach is guided by the logic that secondary priorities fall to the wayside during a time of crisis but that the social processes that drive the creation of institutions remains present. Thus, the previous sections revealed that even in a time of severe constraints, the Nkrumah regime provided cocoa farmers in the Asante region with loans that had little hope of ever being repaid at tremendous cost to the state. The NLC regime, not to be outdone, continued to build expensive infrastructure in key regions, even as it worked to reschedule its loans with donor countries. These observations from the cases reveal essential information about the processes driving economic policy and institution making.

Finding these key junctures after 1983, however, is somewhat more difficult, as periods of strain are not marked any momentous events, per se, but instead may result in a close election or perhaps a loss at the polls. While it is certainly possible to chart moments of crisis – and indeed the section on the Rawlings regime does precisely that, the emphasis of this section moves to identifying recurrent causal patterns rather than zooming in on moment of crisis which may or may not have significant ramifications. In this manner, I can carry out concentric mapping by combining observations over time even if it is not possible to deeply investigate key moments of crisis.

The Rawlings Regime

For better or for worse, the Rawlings regime created a durable mold that all subsequent regimes in Ghana attempted or felt compelled to emulate. The Rawlings regime that emerged after the purges and attempted coups of 1982 and 1983 bore little resemblance to the one that took power in 1981 and declared a people's revolution. The committees for the defense of the revolution that were so powerful early on saw their role become more circumscribed, their freedom of action more limited. Power was being more guarded and the free for all of "the Rawlings revolution" was giving way to a type of managed rule. The Rawlings regime was in effect, cutting the size of its policy coalition and thereby and thereby freeing itself from both costly financial obligations and an approach to policy making over which it had little control. The old Congolese expression "le pouvoir se mange entirerement"[6] was becoming more and more accurate as the regime pulled back decision making power and concentrated it with Rawlings and the small circle of

[6] The literal translation is "power is eaten whole," with eating or consuming being a metaphor for using power in both its manifest and latent forms. The contrast here, is with the idea that power should be shared, and/or negotiated rather than used.

technocrats upon which he relied. Rawlings may not have been alone in wielding power, but those who had a say over policy and the general goals and aims of the group were becoming fewer. This new concentration of power was essential for the production of both growth enhancing institutions and the distribution of secondary services and provisions to a broad audience often found outside the social coalition. The regime would ultimately use developmental dollars to build allies among elements of the core group, while restricting who had a say over policy. And in its actions, particularly as they relate to labor, the old adage that "those who do not have a seat at the table find themselves on the menu" rang true.

The approach of the Rawlings regime to building internally oriented institutions was somewhat atypical for Ghanaian regimes, as a great degree of experimentation was involved in the process. The most defining characteristic of the Rawlings approach was close fiscal management under structural adjustment, combined with broad scale service provision (often pad for through foreign aid) and a careful focus and attention to the main exporting subsector of the economy, cocoa. Indeed, the regime insured that scare governmental funds went toward insuring cocoa producers had access to inputs, extension services, and government funded research and development. Yet, the Rawlings regime traditional emphasis on the working class and on social benefits meant that service provision in the form of schools, road construction, hospital facilities (even a floating hospital in remote areas around Lake Volta) was generous (often thanks to external donors) and made available to a wide cross section of the population. The regime delivered services and benefits to underserved regions in the north, where it drew immense political support, but it also carried out a wide array of projects all over the country. Like Nkrumah, Rawlings provided benefits to small farmers especially in the cocoa industry, in areas where the opposition was generally at its strongest. The regimes attempts at internally oriented institution building in the countryside, on the other hand, were circumscribed, and on the whole only played a modest role in facilitating growth for average Ghanaians.

Economically, the Rawlings regime continued the outward orientation that it set in motion in 1983. While it is certainly true that institution making sometimes created inefficient and growth inhibiting practices in the domestic economy, such as when the regime suddenly raised the salaries of public employees by 80% in advance of the 1993 elections (English 1999, 9), it is difficult to find mass based programs that were specifically wasteful in their attempts to lure away members of the opposition. While a loan program that catered to emerging business leaders came under scrutiny for cronyism (Kelsall et al. 2013), mass based programs tied to core-related factors tended to be somewhat less wasteful, though they remained as expensive as ever. Nevertheless, the sheer amount of service provision during the Rawlings regime, combined with the necessary autonomy needed to ensure that the main export sectors were free of such growth inhibiting institution making, points to a high probability of core-related factors driving patterns of institution making.

One of the first steps of the regime was to circumscribe or eliminate coordinating institutions that inhibited their autonomy from internal actors. Ironically, such autonomy freed the regime to implement policies designed by external actors, compromising Ghanaian autonomy at least to an extent, as it appears that the regime willingly implemented at least part of the austerity program. In order to maintain a secure grip on power, the Rawlings administration demobilized its most ardent supports. Though many Committees for the Defense of the Revolution would continue to play a role in service delivery, their role as an agent of internally oriented institution making would effectively come to an end (Herbst 1993). Into this gap came structural adjustments policies favored by the IMF, and a series of suggestions about rural development and extension work from the World Bank. The most striking impact of these policies on ordinary Ghanaians from 1983 until the mid-1990s would be a massive cut in subsidies for inputs and the removal of price controls for farmers growing food crops (Seini 2002, 20-21). These cuts were accompanied by a push to both liberalize the economy by removing tariff barriers and to privatize existing parastatal corporations. The state had effectively disengaged from playing an active role in the rural food producing economy.

Engagement with social forces surrounding production, at least at first, revolved around key supporters and their economic needs. In the1980s and early 1990s, finding a reliable source of foreign aid proved to be the most pressing priority for many elites. Thus, capitalizing on cheap air freight in comparison to its neighbors, a coalition of politicians and businessmen set out to use the apparatus of government to help create economic growth of which they would be the direct beneficiaries (Kelsall et al. 2013, 85). Policies and practices surrounding the industry greatly facilitated growth, as the government allocated funds for irrigation, fertilizers, credit and other support (Takane 2004). Ghanaian pineapples proved to be especially successful on the European market, where they had a large comparative advantage.

The Rawlings administration's efforts in pineapple production were clearly growth enhancing; but they were also clearly circumscribed. The sector itself was very small, as was the area where the crop was grown. Transportation needs were simple, and clearly defined, and the program itself was administered by people who clearly had a stake its chances of success. Extension work was a success, and Ghanaian pineapple exports rose until at least a new sweeter variety of pineapple began to dominate the market in the early 2000s (Kelsall et al. 2013,). At that time, however, a new administration was in power, and the politicians who had a stake in the business were no longer active. The pineapple sector thus declined precipitously, and has only recently started to recover.

Yet, policy in regards to the pineapple sector, even for the Rawlings administration, was exceptional in its outlook and perspective; the administration's approach to rural development, on the other hand, was much more similar to later patterns of development, particularly on the part of the NDC. Drawing upon the advice and recommendations of the World Bank, the Rawlings administration cut subsidies to most food producers in Ghana after 1983. And while this program may have earned the regime praise from international organizations, it did not sit well with ordinary Ghanaians. Thus in the early 1990s the regime set about increasing the amount of subsidies it paid farmers, in part, in anticipation of the coming elections of 1992 (English 1999). Nevertheless, the decision to expand subsidies was circumscribed, in that it followed the World Bank's training and visitation protocols regarding extension services. The regime extended subsidies and credit to farmers, though it exerted discretion about which cultivators were given support. The idea was that farmers who adopted new methods and technology would receive incentives and support, in order to encourage the adoption of better practices and to facilitate efficiency amongst smallholders (World Bank 1991). Along the same lines, small holders were encouraged to join together in cooperative associations to further capitalize upon economies of scale. These reforms would eventually become the basis for a block farming program instituted by president Mills in 2009.

While the regime succeeded in stabilizing deteriorating prices paid to producers for major food commodities, and while the cocoa sector in particular made a rebounded spectacularly, the same cannot be said for the economic well-being of smallholders in Ghana. While overall harvests increased, yields for most crops did not – Ghanaians were simply clearing more land for planting. And while subsidies in the mid-1990s were again made available, they were selectively distributed. Rural Ghana continued to struggle with a lack of roads, irrigation and other critical infrastructure that plagued these efforts. Furthermore, while efforts were made to align inputs with extension agents and farmers, these inputs were often materials purchased from abroad, as Ghana's parastatals and private factories struggled to meet demand in a competitive manner. While Rawling's approach may have increased the incomes of some smallholders, on the whole its gains were truly modest. The regime's programming had a long reach, though its efforts to limit spending resulted in a less generous approach than the regimes that preceded or followed it.

The Rawlings regime set a pattern for economic institution making by being the first to provide a viable survival strategy through economic institution making. The most consistent part of this strategy was to provide full support and funding for the cocoa sector, in order to ensure sufficient foreign exchange revenue. Secondly, attempts were made to control spending and to facilitate external investment. These steps then insured that aid, along with revenues, could pay for the large amount of service provision that the regime was undertaking. The regime experimented with two different approaches to constructing internally oriented institutions or new institutions outside of the traditional export sector. While constructing growth enhancing institutions surrounding pineapple production for export was no doubt important to the small number of politically important individuals involved in the business, it is clear that this approach alone would not place the regime upon a secure footing. Nor was it particularly evident that service provision alone, in the form of hospitals, schools and infrastructure, even if garbed in the language of revolution, would be sufficient to garner support, especially after the demobilization of many committees for the defense of the revolution. The administration's decision to provide subsidies and support for the more technologically advanced farmers, in every region of the country, points to the idea that some sort of broad scale outreach was necessary to earn legitimacy and thereby retain power. While Rawlings's approach may have been conservative and circumscribed, it retained a core element of populism in the construction of modestly successful internally oriented institutions.

The Kufuor Regime

The Kurfuor regime's rise to power, though the result of diligent campaigning, also occurred at a time when fragmentation within NDC supporters was in effect stealing defeat from the jaws of victory for John Atta Mills, the NDC candidate. At the heart of the issue was the choice of who would succeed Rawlings, with northern regions split over whether in fact to support Mills, who though a member of the NDC's old guard, hailed from the western region and Fante ethnic group, located in the south of the country. In the midst of this dispute, the Kufuor campaign launched a program that claimed to respond to the innate entrepreneurial instincts of ordinary Ghanaians in all regions of the country. The regime promised massive new industrializing initiatives aimed at numerous branches of the economy such as textile production, cassava production, salt and palm oil. The choice of initiatives was particularly strategic, as each region of the country produced at least one, or sometimes more than one of these commodities. Cassava and palm oil, for example, are two of the most widely produced products by smallholders in Ghana. Kufuor's programs promised hope of a healthier livelihood at a time when a leadership split within the NDC prompted many loyal voters to stay home from the polls in 2000 (Nugent 2001).

Upon taking power, however, the regime largely followed in the institution building footsteps of the Rawlings regime. Some of its signature programs included revamping the systems of laws and regulations dealing with foreign investment, as well as continuing and expanding programs to support new businesses. This well intentioned program was generally successful, but limited in scope. Nevertheless, the striking similarities between the Kufuor regime, and that of its predecessors have led one researcher to note that “with the notable exception of the PSI [presidential special initiatives], the initiatives that embody the NPP government’s strategy to support the private sector have been around for a long time, largely as offshoots of the reform program begun by the Rawlings administration” (Arthur 2006, p.40). The Kufuor administration, in other words, placed special emphasis on maintaining the external orientation of the economic institutions of greatest growth enhancing potential.

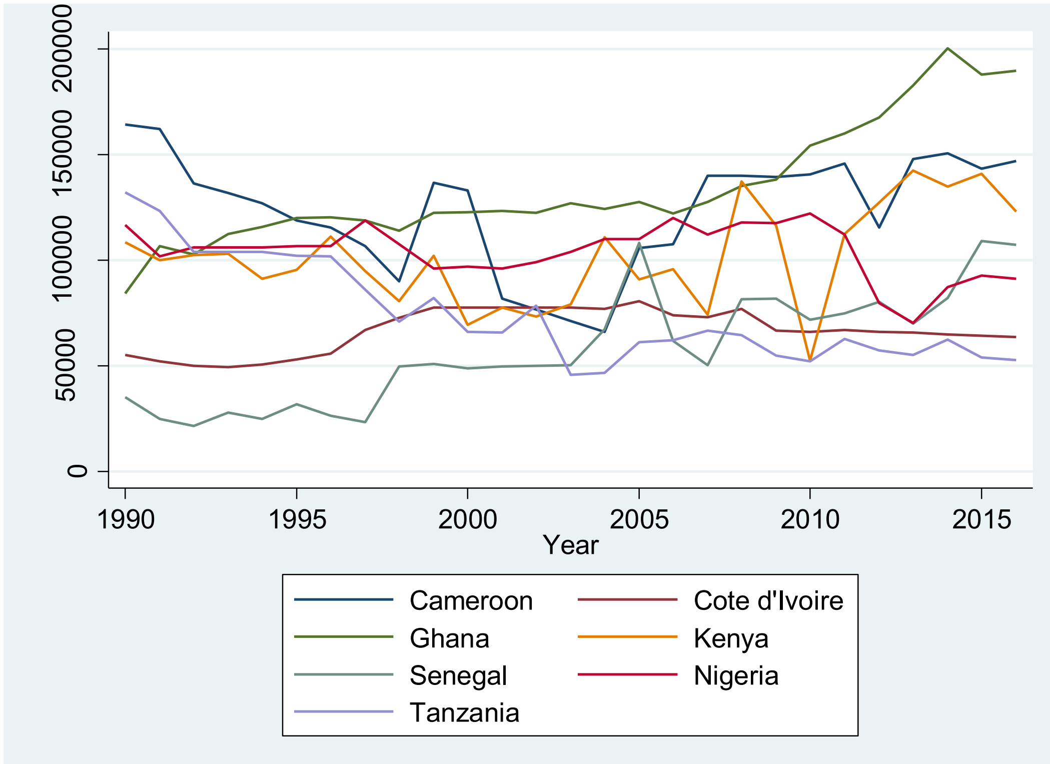
Yet, despite this predilection for facilitating traditional exports, the Kufuor regime also invested heavily in the domestic economy, in ways that were designed to increase value added production in Ghana. In the agricultural field, the primary means of increasing rural livelihoods was to target to widely grown food commodities, and to attempt not only to increase yields but to work on the supply chain to link farmers with factories in order to provide credible incentives for production. The program, at least at first, was immensely popular as rural extension agents made their way from town to town to inform farmers about opportunities to join new cooperatives (Tonah 2006). The regime also contacted private investors, the majority of which were Ghanaian, in order to line up funding for these initiatives. Lastly, the Kufuor administration helped to set up new nationwide organization, the Ayensu Cassava Farmer’s Cooperative, in order to pool resources. As most cassava and palm farmers on average work with less than one hectare of land, pooling the resources of multiple farmers and communities was critical to the success of the project. Equally critical was infrastructure such as electricity, access roads, and transport.

The Kufuor regime, however, had spread development resources far too thin to create successful projects, particularly for its large signature programs. Its efforts to spur cassava production in particular highlight the issues the regime faced. Of particular note are the struggles of the Ayensu starch factory at Bawjiase in the Central Region. The company's problems began almost as soon as construction was completed in 2004. Company management struggled to hire employees, while those they did hire were unlikely to work efficiently as wages were paid in a sporadic and unpredictable manner (Tonah 2006). To further complicate matters, equipment failures and poor management meant that the area immediately surrounding the plant, which was supposed to be devoted to cassava production, largely went uncultivated. Nearby farmers, on the other hand, switched the variety of cassava that they grew in order to appeal to local markets, as the prices that were paid by the company were far below other buyers. This trend, however, meant that even if some farmers would sell to the processing facility, the variety of cassava which they were growing was not suitable. Finally, breakdowns in machinery necessitated costly imported parts, and sometimes labor, which in some years led to a halt in production of several months (Ahlijah 2016, 56). As a result, producers often sell their crop to other buyers, despite the fact that the plant was located specifically in an area where cassava production predominates. Thus, the plan also suffers from a lack of available inputs and survives only due to a small number of large customers, including a Guinness bottling plant, who are located in the same vicinity (Bright 2015, 65-66).

A failure of operations at the plant quickly turned into a serious issue for smallholders growing cassava. Cassava can safely stay in the ground for up to 24 months before it needs to be harvested. However, upon harvesting, for critical products such as cassava starch, flour and etc., the crop needs to be processed in roughly twenty hours. This key element of the harvesting process makes transportation of the crop critically important, but given the poor state of roads in rural regions this goal was extremely hard to attain. As a result of inevitable delays in transport, many farmers lost a large portion of their crop, before they had been paid for it by the factory (Andoh and Bosiakoh 2010). As a result, in addition to growing different varieties of cassava, many farmers are giving up on growing cassava altogether.

The cassava initiative, though by no means a success, was not a complete failure. The most important aspect of policy, at least from the perspective of peasant production, was that it again made available subsidies and aid for important inputs like fertilizer. This added aid, along with the newfound and albeit temporary attention of extension agents, led to larger yields per acre small holders, even if it did not lead to new types of commoditized production for cassava as a cash crop. The following graph compares average cassava yields in Ghana and a number of other countries in the region.

Figure 3.Cassava Yields in Kilograms per Hectare



Source: UNFAO Data

While the cassava initiative did not have an immediate impact, more free access to subsidized inputs and extension services slowly created greater efficiencies even for smallholders.

The cassava initiative was by no means an exceptional case for the Kufuor regime. Presidential Special Initiatives under the Kurfuor regime were by their very nature bold and ambitious. They were also very broad, targeting a wide geographic area far outside of the NPP's core region of support in the Ashanti lands. This unique combination meant that it was rare for these internally oriented programs to receive sufficient monetary and governmental support to truly success. Nevertheless, even partial successes were capable of generating goodwill, and no doubt contributed to the reelection of Kuofor in 2004.

The Mills and Mahama Regimes

The regime of John Atta Mills, and his successor upon his death, John Mahama, signify a return to the internally oriented institution building that characterized the last period of the Rawlings regime. The administrations, like their predecessors, continued to build strong growth enhancing institutions in sectors of the economy tied to export, especially cocoa. However, unlike the previous NPP regime, they did not embark on a new mass based program of development and industrialization. Instead, they tended instead to revisit past programs, and they campaigned upon the promise to finally deliver what ordinary Ghanaians had been promised by previous governments. The approach of these administrations, was therefore, more circumscribed at least within the Ghanaian context. Yet, while they limited the scope of their involvement in the economy, the projects that they did undertake while smaller in number were in all consideration, both massive and challenging in comparison with for example, institutions making that took shape around the pineapple sub-sector during Rawlings' presidency. The Mills and Mahama regimes point to the idea that a conservative approach to internally oriented development, in Ghana at least, is still quite broad in its outlook and still carries with it a greater propensity toward growth inhibiting institution making rooted in the overextension of resources and a hesitancy to create coordinating institutions.

During the Mills regime, in particular, the state in Ghana earned high praise from international organizations and governments in the global north, for the quality of its economic institutions particularly those focused on facilitating international investment as well as its progress in structural adjustment. It was during this time that Ghana shot up in the World Bank's Doing Business analysis, and earned a reputation for sound fiscal management (Gouillart 2009, 201). In fact, the Mills regime was known for its efforts both to shrink the size of the government by eliminating unnecessary positions, as well as for its attempts to revitalize the revenue collection services of the Ghanaian state. The Mills regime, and later the Mahama regime, would in general receive widespread praise for its stewardship of the Ghanaian economy, albeit from the perspective of powerful international actors.[7]

Despite the appeal of improving externally oriented institution to international actors, such measures alone could not insure the popularity and support for these two regimes; instead, real improvements in day to day livelihoods were needed. The Mills and Mahama administrations tended to continue in the footsteps of previous regimes, albeit on a slightly smaller scale. For example, in the countryside, the regime tended to rely on the previous Rawlings administration approach of targeted subsidies administered through extensions services and non-governmental organizations. The Mills regime systematized this approach to a greater degree, creating a type of "block farming" program in which groups of peasants in nearby town were encouraged to cooperate in growing a single agricultural commodity. The program continued when John Mahama took over leadership.[8]

Despite the inclination of Mills and Mahama to continue programs undertaken by previous regimes, their programming, like those of similar regimes, was still vast in its scope.

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[7] For the Mahama regime, however, such praise was to be short lived as it greatly increased all forms of spending and service provision in advance of the 2016 election.
[8] John Atta Mills passed away three and a half years into a four year term in office. His vice president, John Mahama, took over, winning the 2012 election. The Mahama regime largely continued with Mill's programming and retained most of the same ministers.

Two programs focused on revitalizing the institutions and practices of the rural economy in two key fields, cocoa and sugar production. Placing the emphasis on the indigenous processing of cocoa was particularly challenging, as the sector was dominated by multinational corporations, who tended to locate the most lucrative aspects of value added processing in the global north. Nevertheless, for some cocoa products, even multinationals had begun to carry out some forms of local processing (Kolavalli and Vigneri 2011). The challenges of sugar production, on the other hand, were also large in scale as numerous Ghanaian regimes since independence had struggled with a plan to take advantage of this widely grown commodity. While the sugar initiative was originally formulated during the Kufuor regime, it would be up to the Mills and Mahama regimes to coordinate the procurement of equipment and construction of a facility to meet Ghana's internal sugar needs.

The sugar strategy was encapsulated in policy session in the ministry of trade in the early 2000s though it reflects the efforts of an unusually broad policy coalition. The plans called for the creation of a production facility capable of meeting the needs of the country, as well as a series of policies aimed at promoting the growing of sugar cane by producers and assistance in transportation. The creation of the document largely took place within the ministry of trade and industry, and though it received input from numerous international organizations, it received little in the way of financial support or even input from traditional donors such as the World Bank, USAID, or ministries of trade from Western countries (Ministry of Trade and Agriculture, Republic of Ghana). Instead, the Ghanaian state looked to other states in the global south, ultimately receiving funds from the Indian development bank, which became the primary donor for the project (Ghana Investment Promotion Centre 2017).

Construction of the new facility took place under the Mills administration and was completed during the Mahama presidency. While the actual construction proceeded as planned, the state has ultimately struggled to both to produce sugar from raw sugar cane and to organize production of the crop. A lack of predictability has led many area farmers to forgo planting sugar cane, as the state first made promises of buying the crop then only later reneged, when it became clear that all was not well at the facility. In some cases, other buyers have emerged to harvest some of the crop, though the effort was too little too late for many farmers (Citifmonline 2017). The state was unable to make accurate guarantees of prices to be paid for sugar cane, or even at some points to produce sugar from raw cane in large quantities (Citifmonline 2017). Needless to say, they the state did not succeed in winning over traditional authorities who may have influenced their village members and tenants to produce sugar cane. The improved use of fertilizer and access to irrigation systems could potentially create a lasting avenue for securing an adequate supply of raw material for the plant but the Mahama regime was at first unwilling to devote the necessary funds, although the Akuffo regime later succeeded in securing more funds from the Indian Development Bank (Davis 2017). Lastly, incentives such as investment in tractors and other facilities failed to materialize, while private sector actors have become weary of making investments in a facility without a proven track record. The state of indigenous sugar cane production remains tenuous. Production at the Komenda sugar facility has ground to a halt, and the state is in the process of seeking private buyers.

The project in many ways fell victim to the same sort of patterns of development that plague countries in the developing world, namely, a lack of critical infrastructure and resources to create credible incentives for farmers, as well as for investors. In this manner, Komenda sugar facility does not stick out as an unusual outcome, but rather as yet another example of the extraordinary difficulties of development along the peripheries of the global economy. Nevertheless, it must be pointed out that the regime's hesitancy to invest greater funds is no doubt linked to its commitment to widespread investment in rural areas in the form of block farming projects.

Indigenous chocolate production, on the other hand, has met with some degree of success, although the various public-private partnerships at the heart of cocoa processing remain a somewhat complicating factor. The processing of cocoa beans into cocoa butter, cocoa liquor, powder and other products is the exception rather than the norm in Ghana (Essegbey and Ofori-Gyamfi 2012a). The predominant form of cocoa exports are raw cocoa beans, whose final destinations are grinders and processors in Europe, Asia and the United States.

Market forces no doubt play a role in promoting cocoa exports in raw rather than finished form. Many processed cocoa products, such as cocoa butter and cocoa paste have a limited shelf life; multinational corporations thus prefer to have processing taking place close to the final destination markets. This trend is further compounded by the small size of Ghana's market for cocoa products. While consumption is rising, consumption of chocolate and other cocoa products remains tiny in comparison to countries North America or Europe (Essegbey and Ofori-Gyamfi 2012b). The lack of cocoa processing, at least to an extent, is driven by market forces.

The Ghanaian state, however, has been slow to promote the competitive advantages of processing cocoa in Ghana. Cocoa butter and cocoa paste, if processed and shipped in a timely manner, can actually be made more cheaply close to the source in Ghana than in the global north (Kolavalli and Vigneri 2011). Yet, the structure of the Ghanaian market has not facilitated these efforts, particularly in the purchase of less expensive beans that are suitable for cocoa butter and related products. Both foreign and Ghanaian processing facilities often worry about access to these smaller beans; failure to source enough of these beans often means importing them from nearby countries, which is not nearly as profitable as using locally sourced inputs (Fold 2002). Thus, while processors have recognized the potential profitability involved in undertaking value added manufacturing in Ghana, they have found Cocobod to be a hesitant partner in part, because of its primary concern lies in maintaining an increased export price for the highest quality beans.

The Ghanaian state's cocoa sector, however, has succeeded in attracting both foreign and domestic capital. A shortage of smaller beans suitable for cocoa butter, cocoa liquor, and powder is in many ways a reflection of the increase in manufacturers that have chosen to locate facilities in Ghana. Large international companies such as Cargill, Archer Daniels Midland and Barry Callebaut have recently decided to build cocoa processing facilities in Ghana, no doubt drawn by tax incentives and access to low rates of financing for the importation of equipment (Otoo 2016). In addition, local processors such as Afrotropics have also recently invested in capital to expand value added processing in Ghana. The institutions of the Ghanaian state, while far from perfect, appear to be promoting value added processing the cocoa sector even if they have struggled to ensure that a suitable supply of raw materials is available to these processors. The Mills and Mahama administrations, for example, have invested public funds in Ghanaian owned processors such as Plot Enterprise, in order to help reach the goal of 50% local processing of cocoa beans (Ghana Business News 2011).

The state, however, has done a poorer job of ensuring that parastatals and public private partnerships prosper, especially given the constraints associated with importing equipment and proper management. Plans for increased production at the Tema industrial park, for example, have undergone years of delay despite its ideal location for processing and transport (Breisinger et al. 2008). Furthermore, public private partnerships such as the West African Mills, which produced cocoa powder, liquor, paste and butter were ultimately shuttered amidst difficulties stemming from delayed maintenance, aging equipment, and inefficiencies in both the supply of raw materials and in the productive process. Processing in the coca industry appears to be making halting progress, though much of its success relies on institutions that were originally tasked to provide high quality exports in mostly raw form. Indeed, it appears that exporting high quality beans still takes precedence over developing the capacity to produce and market cocoa products at home. The regime would not endanger the source of its budgetary revenues, nor could it afford to spend more on one single project.

The Akufo-Addo Regime

The Akufo-Addo regime, like the previous NPP regime, came to power on a platform that promised sweeping industrialization. While it is too early to access the overall impact of the regime, it is clear that if is following a clearly marked pathway, namely that of paying close attention to export sectors, while pushing forward internally oriented developmental projects that appeal to the broadest cross section of the population possible. Preliminary outcomes appear to confirm some of the tendencies of Ghanaian regimes to overstretch in the creation of internally oriented economic institutions.

Like most all Ghanaian regimes of the fourth republic, the Akufo-Addo regimes appears to be paying careful attention to maintaining and building growth enhancing economic institutions in important exporting sectors. Thus, producer prices to cocoa famers have been maintained, despite the dropping value of the crop (Economist Intelligence Unit 2019). This policy, though costly, is particularly important as Ghana’s stock of cocoa bearing trees has increasingly been affected by disease, as well as by old age. The regime is also attempting to take advantage of oil production by building refining capability in Ghana (The Star Online 2017). Finally, though there does appear to be some evidence of an increase in the size of government, with added ministers compared to the Mahama regime, the regime is generally praised for its responsible fiscal policies.

The regimes signature program, the one-district one-factory (1D1F) is massive in its scale; it seeks to fund proposals for one factory from each of Ghana's 216 electoral districts. Most programs are targeted at some sort of agro-processing, as Ghanaian producers at least in principle, would enjoy a comparative advantage (notwithstanding local inefficiencies in transport, marketing, and etc.). While it is perhaps too early for in depth commentary on the program, it is clear that some initiatives such as the Komenda sugar factory are clearly going astray while others while not yet operational are at the very least attracting investment (Business Ghana 2018). The propensity to work on so many projects at one time has left some analysts to conclude that the program is over ambitious in its scope, despite the benefits that it might potentially bring in the medium to long term (EIC 2019, p.4). Such an approach, however, appears to be typical of Ghanaian efforts at the construction of internally oriented economic institutions.

Unlike its predecessor, however, the institutionalized process of taking and evaluating proposals appears to be acting as a type of rudimentary coordinating institution. The regime will this face a choice – either to deepen these institutions and risk losing power, or to deepen only some of them and thereby risk creating an overly narrow and unsustainable social coalition; a third choice is simply to choke off the formation of these coordinating institutions but to continue to provide widespread developmental funds. Ghanaian regimes have generally opted for the third option. So far, however, it is a bit too early to tell in which direction the regime is leaning.

State Society Linkages in Ghana

There are some relatively clear patterns that all the Ghanaian regimes in the analysis share. These patterns transcend ideology, temperament and indeed the stated goals and priorities of each administration. All Ghanaian governments spend a significant amount of money and time developing non-primary programming for regions and groups outside of their traditional social coalition. Furthermore, the analysis reveals that both the longevity of this process as well as its durability. Every Ghanaian regime in the post independence period has to an extent utilized pages from this basic playbook, often even during adverse conditions. The Nkrumah and Busia regimes each continued expensive programs in regions far from their social coalitions, even when they were in the midst of negotiating their international debt in the case of the Busia regime or when they were clearly creating unsustainable debts during a time of crisis as Nkrumah's aid to cocoa farmers in the Asante region. These two regimes, polar opposites though they were, embarked upon similar strategies. The continual presence of an underlying causal factor can still be seen in such actions as the NDC's active suppression of labor or the Akkufo-Addo regime's decision to commit to financing the construction of at least one factory in each of the 200 plus districts in Ghana. These actions carry real and significant costs for the regimes that undertake them. Nevertheless, a logic of maintaining political power, consistent with the presence of a core group, provides a powerful impetus that give shape to domestic economic policy, practices and institutions.

Core-related factors encourage not simply politically costly strategy but the formation of growth inhibiting domestic institutions. These internally oriented institutions so often fail to produce growth because they are either constrained and underfunded, such as the Ayensu starch factory, or they are overfunded and wasteful for purely political reasons, as occurred for Nkrumah's program for cocoa farmers in the Ashanti region. Only by examining core-related factors over time can we see how wasteful spending in one particular region, or parsimonious spending in numerous regions are two basic strategies for addressing the same issues emanating from the presence of a core group.

Institutions are also part of this causal process though they are by no means determinative. Their absence or presence is particularly telling. When they are absent, the policy coalition contracts within the state; however, it is important to keep in mind that for different policies there are different policy coalitions. The agencies, research institutes, and foreign actors involved in the promulgation of policy in the export sectors is comparatively large. The presence of technocrats in formulating policy ensure a well-conceived approach. Thus, at least in Ghana, the absence of coordinating institutions does not immediately lead to poorly conceived policy, particularly in profitable export sectors like cocoa.[9] The institutions of development, at least in this case, remain growth enhancing.

The absence of effective coordinating institutions in other spheres of the domestic economy, however, has clearly had a detrimental impact upon policy and economic performance. During the Nkrumah regime, cocoa farmers were clearly not part of discussion about the loan program, lest the discussion veer into how to best design and distribute aid to be of sue to

[9] A more full discussion of the institutions surrounding cocoa is found in the next section.

farmers including large the landowners and chiefs that the regime was so desperate to exclude. Likewise, coordinating institutions that failed to materialize plagued the development of the region surrounding the Ayensu starch factory. Providing farmers input into policy, in this case, may have alleviated critical issues of supply, though the problems of this particular factory went far beyond those of coordinating institutions. Outside of a few key exporting sectors, the lack of coordinating institutions has for the most part led to growth inhibiting practices and policies.

Formal coordinating mechanisms connecting the state and social forces in policy have somewhat of a troubled history in Ghana. One of the first major formal mechanism connecting the state and private sector came about through the influence of the World Bank and IMF, which helped to found the Private Sector Advisory Group, a short lived consultative mechanism tied to a World Bank conference to encourage external investment in Ghana (Charles et al. 2016). The incorporation of the private sector into policy formulation processes, however, was not in any way a linear process and indeed suffered many reversals. In this case it is clear to all actors involved that the process is to a degree externally imposed, limiting its perceived legitimacy.[10]

The PNDC, as a political organization dedicated to the preservation of what they styled a people's revolution, was by nature hesitant to cede power to business interests. Business had for the most part opposed the Rawlings regime and historically had been tied to the Busia tradition of politics, while the PNDC claimed the mantle of their political rivals, Nkrumah's CPP. Ceding power to these interests, let alone to more well-established entrepreneurs who had already proven hostile to the PNDC program, carried with it the very real fear of losing control not only over the political process but the key revenues that the PNDC used to distribute widely to its followers as

[10] Joseph RA Ayee, Michael F. Lofchie, and Carolina Wieland, *Government-business relations in Ghana: Experience with consultative mechanisms,* World Bank, Private Sector Development Department, 1999)7-8

well as new elements whose support it meant to win over. The end result was a system of informal consultations with the private sector, in which some of the concerns of the private sector are to a degree reflected in policy, some of the time.[11]

While the failure to create formal consultative institutions during the reign of the PNDC was by no means a surprising outcome, political regimes in the intervening decades since the end of single party rule have been just as hesitant to cede political power because doing so would mean ceding control over important developmental revenues. The revenues accruing to the state, and by extension the political regime in power, are a valuable commodity for the maintenance of political coalitions, as seen by spending in the approach to elections as well as the numerous inefficient country-wide developmental programs undertaken by both major political parties (EIU 2008). Ghanaian developmental efforts and service delivery almost always occur on a grand scale, and generate numerous constituencies that rely on the projects, whether they are construction efforts, or attempts to expand irrigation infrastructure. Thus, while control over developmental spending does not necessarily prevent the creation of formalized consultative mechanisms, there are few incentives for such a practice. In fact, these institutions are characteristic patterns of bi-furcated development within the state.

The presence of coordinating institutions, thus, has not necessarily been associated with growth enhancing practices and policies because these interactions surrounding production are shaped and constrained by the larger constellation of state society interactions surrounding the presence of a core group. For example, if the regime's strategy for maintaining power entails a widespread distribution of secondary developmental goods and services, to account for the

[11] Augustine Otoo, "Interview with Augustine Otoo, Director of Research and Business Development, Ghana Investment Promotion Center," (2016).

instability of coalitions, it is unlikely that they have much in the way of resources to devote to any one particular constituency. In these cases, the regime having built coordinating institutions, cedes important non-monetary resources to this constituency to make up for the monetary resources that it did not possess. For the Busia regime, this meant allowing chiefs to collect taxes, a large percentage of which they kept for themselves. It also meant the scapegoating of foreigners to prevent the possibility of increased competition for business owners. These policies were the result of collaboration between the state and society, in an environment where coordinating institutions were being used to disperse non-monetary benefits, because the logic of maintaining power in a society dominated by the presence of a core group necessitated more widespread spending.

Ironically, in Ghana, it is somewhat of a rarity for formal or even informal coordinating institutions to result in growth enhancing practices and policies. The early growth of the pineapple sector in this case tends to be the exception that proves the rule. Formal coordinating institutions never took root, as those most involved were already in government, or closely connected to it. Policy was thus designed to meet the needs of a fast-growing portion of the export economy. Yet, the lack of formal coordinating institutions proved to be highly detrimental for the industry. Those involved in the sector exited government, and when new and important changes came to the industry in the form of a new variety of pineapple, the state failed to act to support the industry.

Considering Gender in the Ghanaian Case

A consideration of gender as it relates to rural development leads to a more complicated view of state society relations, albeit one that continues to conform to the informal forms of compromise that constitute the contemporary Ghanaian state. The state, on the whole, fails to provide meaningful internally oriented development, even as it attempts to distribute some forms of benefits to maintain its legitimacy. A gendered analysis reveals that the state is in fact playing a primary role in rural development, even as we consider the impact of NGO activity and its general failure to develop growth enhancing institutions and policy. Nevertheless, a failure to effectively engage rural women - fully one half of all farmers in Ghana - points to a decidedly less generous stance on rural service delivery than what might be gleaned from examining overall level of aid to rural regions. Women appear to be considered at best, as junior partners in any social coalition, despite their contributions to food production and to the economics of the family.

Examining rural development and gender reveals a state that is perhaps more interested in appearing to deliver benefits than in making the necessary reforms to truly expand the social coalition. Expansive benefits that do not truly materialize, of course, are a central facet of contemporary Ghanaian political economy. The state does a particularly poor job of providing extension services to women, with most regions of the country failing to connect female farmers with any extension agents whatsoever (World Bank 2010, p.133). Furthermore, while most plans aimed at rural development envision an important place to farmer organizations, rates of participation among women are at best, notoriously low (World Bank et al 2010, p.157). A law aimed at aimed at driving up the number of women in district assembly has failed to have an impact. Lastly, while NGOs have on occasion succeeded in creating new forms of governmental entities aimed at organizing female farmers, the reality is that the impact and presence of NGOs in rural regions is if anything lower than that of the state. NGOs have neither succeeded in altering the gendered nature of state society relations in rural regions, nor have they filled the vacuum left by a lack of penetration into rural regions by the formal apparatus of the state.

Strategies of rule and institutional creation

The analysis reveals that at least in Ghana, a consistent causal process focused on the presence of a core group, along with, though to a lesser extent, the inclinations of larger international donors, plays a determinative role in shaping institutions and outcomes. The logic of survival in an environment containing a core group constrains the overall number of choices available to a regime. In order to earn sufficient revenues and foreign exchange the regime is essentially locked into a technocratic management of lucrative export-oriented industries. Only in the heady, optimistic days following independence did political regimes on the continent such as that of Kwame Nkrumah risk everything on a plan for rapid and successful industrialization; the catastrophic experiences of these early regimes served as a stark warning to those that would come after.

Political regimes, however, have greater leeway with dealing with core related factors that impact internally oriented production. These portions of the domestic economy, which employ the majority of Ghanaians, are almost always in need of greater investment whether it be in the form of loans, or in much needed developmental goods like irrigation canals or the expansion of the road network. Political power is both won and maintained by those regimes who can provide these essential goods. The presence of a core group, however, is problematic for political regimes as it greatly complicates the process of holding together a viable socio-political coalition.

Holding together a political coalition in a society with a core ethnic group is a complicated affair. For those regimes aligned with the core group, distributing funds through-out a vast coalition is bound to make some faction unhappy, and susceptible to capture. On the other hand, regimes that are aligned with the non-core group have no choice but to attempt to win over a portion of the core group. The two regime types, therefore, must expend significant resources outside their main social coalition. The effect, of course, is to make these regions susceptible to capture.

All Ghanaian regimes, regardless of their ideological predilections, have dealt with this uncertainty by largely limiting the creation of coordinating institutions. The state thus pulls back from its own social coalition to become more centralized and autonomous. This remote stance allows it to spend outside of its social base with less resistance. Yet, by eliminating meaningful coordinating institutions the state undermines its ability to stimulate production in meaningful ways. Nevertheless, some Ghanaian regimes choose to build coordinating institutions though they do so selectively, and away from their base of support.

The decision to build coordinating institutions is often an act of desperation, undertaken in the absence of other viable means of winning political support. Functional, working coordinating institutions involve the state relinquishing power and delegating it to social actors. Doing so, however, is particularly problematic as the logic of maintaining control in a society with a core group very often means that the regimes is attempting to win over areas, regions or constituencies that have traditionally opposed it. Given the choice, most regimes have opted to provide material benefits, rather than delegating real political power through institutions. The major exceptions to this rule, the Busia regime, was forced to give up substantial revenue collection power, and a large portion of the revenues themselves, when it extended coordinating institutions to chiefs. It is perhaps no surprise that the regime made this decision only when its loans were in the process of being restructured by the governments from which it had lent money, necessitating a mandatory period of fiscal austerity as well as what essentially amounted to a zero-growth economy.

The result of these core-related factors is institutional bifurcation, where the foreign exchange earning portions of the economy are technocratically managed while the other segments of economic activity are funded in a half hazard and politically expedient manner. Growth inhibiting institutions, in this case, were the result of a lack of adequate funds, given the dispersed manner in which available funds are spent, and a lack of coordinating institutions. Core-related factors thus provide regimes with a set of choice and strategies that make institutional bifurcation in the economy much more likely to occur.

Bifurcated Institutional Performance in Ghana

The previous section links core-related factors to patterns of economic institution making and policy. These institutions, ultimately, play a significant role in economic outcomes by forming a durable structure that delimits the policy choices available to the regime. In Ghana, I argue that a type of logic of political survival tied to the presence of a core group permeates the state's efforts at institution building and has done so since independence. And while economic outcomes were not always similar when we compare early post-independence regimes to Ghana's Fourth Republic (1993-Present) this difference does not represent a fundamental change in the logic of institution making but rather a new form of political compromise brought on by both a technocratic shift in policy making and the financial support for such a change by donor states and international organizations. The underlying core related factors continue to influence policy and outcomes. Thus, the previous chapter comes to relatively clear conclusions about the primacy of core-related factors in determining patterns of institutions. This chapter serves as a test of this proposition by examining the relationship between core-related factors and long term, macro-level economic institutions. The chapter also takes a closer look at economic data to illustrate the impact of economic institutions.

There is an inherent tension between the political and economic institutions of the state, and the policies and aspirations of a political regime. Any government must navigate institutions that not of its own making, and over which it has only partial control. The programs of previous regimes often take on a life of their own, and structure the array of policy options available to a regime. Oftentimes it is the costliest programming, for example, that is the most difficult to eliminate.

While programs in all states have a life of their own independent of the regime that created them, in Ghana the institutions that structure policy choices are particularly durable in part, because so many of them were parts of agreements with international organizations such as the IMF, or are in other ways tied to long term commitments of support on behalf of external actors. In this manner, long term developmental programs and frameworks act as institutions through which contemporary policies are enacted. The chapter thus evaluates both longstanding developmental frameworks, and the policies that are enacted through them.

From the outset, I assume two important trends hold true in this and other cases: 1) that the state always retains some degree of agency vis a vis external actors; and, 2) that institutions reflect, at least to a degree, ongoing social processes within the state. These assumptions are particularly important when we consider the growth enhancing potential of economic institutions and attempt to attribute causation. They point to the idea that it is unlikely for institutions to simply be imposed upon a state. While the initial form of an institution may be largely directed from outside the state, institutions are malleable, and thus the experience of the developing world is often one in which official institutions are changed and/or subverted by states and societies. These changes, of course, impact the degree to which institutions foster or inhibit growth.

Evaluating economic institutions, particular when trying to categorize the impact of one single institution, is not always a straightforward proposition as institutions often work together as an ensemble, rather than as a set of stand-alone procedures. For example, political regimes in the developing world are often hesitant to liberalize their economy on the same timetable demanded by Western donors. They may instead choose to continue tariff barriers or other protections for a valuable industry. In subverting a liberalizing developmental framework, economic analysis conducted primarily from a Western perspective often characterizes such an institution as growth inhibiting. Yet, this new, altered institution exists within a broader economic context situated between institutions that may or may not be functioning as they were intended. Thus, if tariff barriers in one industry are also paired with investment and bureaucratic support or extension work, it is more than likely that these institutions will have a positive impact upon growth. The reverse, of course is also true, that some institutions can change to become more likely to inhibit growth – yet in either case, the larger institutional context matter.

The variation in performance amongst macro-level frameworks and institutions follows the same general pattern as the institutions discussed in chapter three. However, as these institutions persist over the tenure of several regime, it is often difficult to make connections between their structure and performance and specific events, unlike the more micro-level policies that are in principal an offshoot of these macro level frameworks. Nevertheless, the cumulative impact over time is that of institutional bifurcation, with growth enhancing institutions being located primarily in the extant sectors of the economy.

The main contention of this chapter, therefore, is that core related factors have over time created bifurcation in the macro-level institutions of the state, through which policy is enacted. The chapter first outlines institutional performance by taking a closer look at the data. Next, causation attributed through concentric mapping focusing on exceptional cases. Aspects of institutional performance in the Ghanaian case are clearly attributable to the country's peripheral position in the global economy. Many of Ghana's macro level institutions and policies also clearly show the influence of international donors. Yet, for many institutions it is hard to explain their content through anything other than the effects of core-related factors.

Generally thought to be one of the healthier economies of Africa, the economy of Ghana is heavily oriented towards commercial agriculture, as well as the export of raw materials such as lumber, gold and oil (EIU 2008, 13). Indigenous manufacturing, on the whole, remains weak, although some sectors such as agro processing have shown some signs of growth and attracted investment both from the state and external sources (Kolavalli and Vigneri 2011; Larsen, Kim, and Theus 2009). The textile sector on the other hand has struggled to grow, under pressure from foreign manufacturers located in Asia (EIU 2008). The only major industrial sector that has performed above expectation has been construction, although welfare of the industry is closely linked to government expenditure (EIU 2008; Williams 2017). The economy certainly hosts bright spots, such as the expansion of the Ghanaian multinationals such as the beverage company Kaspareko, whose products including its well known "Alomo Bitters" line of alcoholic beverages are widely exported in Western Africa, and Dignity DTRT Apparel, a major textile supplier to well-known American companies such as Eddie Bauer, Fruit of the Loom, Hanes and Nike. Yet, on the whole, the economy, like many in the developing world, is heavily geared towards raw material export, with some value-added processing particularly in agro-industry.

The service sector, as in many developing economies, also makes up a large portion of economic activity but reflects government expenditures on education, healthcare and the civil service. Table 6. Economic Activity as a Percentage of GDP provides a sector-by-sector breakdown of the Ghanaian economy below.

Table 7. Economic Activity as Percent of GDP

Average Percentage of GDP 2006-2016*	
Agriculture Total	25.76%
Cocoa	2.55%
Industry Total	23.39%
Oil and Natural Gas	3.31%
Construction	10.11%
Service Total	50.85%
Public Administration and Defense; Social Security	6.07%
GDP at base prices	100.00%

Source: Data from Ghana Statistical Service (2017)

The general shape and character of Ghanaian economic institutions is provided through a constellation of policy documents emanating both from the Ghanaian government as well as prominent intergovernmental and international organizations such as the IMF, World Bank, and USAID. These documents provide a bird's eye view of the important aspirations and policy formulations of the state, as well succinct summaries of the issues that the policies seek to address. The contents of these documents move far beyond the scope of this inquiry, which seeks to understand the social roots of institutions governing value added processing in agriculture and industry. The documents set out a general direct for the shape of Ghanaian economic policy, covering roughly the period from 2000-2017. They include the following:

- Medium Term National Development Policy Framework: Ghana Shared Growth and Development Agenda (2010-2013)
- Ghana Industrial Policy
- Ghana Industrial Sector Support Programme (2011-2015)
- Private Sector Development Strategy, Phase I (2005-2009); Phase II (2010-2015)
- National Trade Policy (Feb. 2005)
- Financial Sector Strategic Plan I, II

Many of these documents provide a framework for the essential institutions of doing business in Ghana, such as the legal framework for opening business or transferring land for industrial purposes. While these steps are no doubt essential to growth, of particular importance are documents that examine critical institutions specifically for industry and agro processing, the most important of which are the Industrial Policies and the Industrial Sector Support programs.

It is important to note that these documents carry with them weight and power, though not in ways that are immediately obvious at first. These frameworks, for example, frequently comment upon the shortcomings of current developmental patterns, and make policy assumptions that are all too often ignored. It would, therefore, be somewhat misleading to characterize these documents as institutions, that in and of themselves, structure policy. While this occur in a small number of important fields, the work of structuring policy choice more accurately belongs to the constellation of more micro level policies and programs and the myriad of institutions which they engender. This institutional structure serves to magnify core-related factors, providing a set of institutions and expectations that constrain any Ghanaian regime's approach to development.

The most important exception to this general rule on the functioning of macro-level institutions concerns the cocoa sector. As the cocoa sector is home to the country's most effective, growth enhancing institutions, it is perhaps surprising that policy at the macro level helps to structure and frame policies that are implemented at the local and regional levels. It is perhaps for this reason that national level policies that impact the cocoa industry, particularly those that involve international organizations, are so heavily contested. The state literally attempts to secure its autonomy in the sector through the use of institutional design. Needless to say, policy making in this instance involves only the policy coalition and is in general as removed as possible from large social forces. External actors, by necessity, are part of this policy making process, though it must be said that aspects of macro level policy documents that go unheeded are almost inevitably those favored by external actors. The same cannot be said for other areas of Ghanaian policy, which are often worked out in coordination with these actors as well as with other major stakeholders in Ghana.

The critical role of these policy documents is to reveal the existing institutional structures of the state. The documents, as frameworks to guide policy rather than programs that deliver goods and services, represent rare occasions in which all major stakeholders, rather than simply the members of the policy coalition, are actively consulted. As such, they tend to represent a rather candid summary of the cumulative impact of several regimes' politics upon economic development. The documents, therefore, provide a more accurate way to make connections between policy and economic institutions. It is for this reason that the chapter explores the linkages in such detail.

Ghanaian industrial policy at the national level, as well as the Industrial Sector Support Programme takes a holistic approach to development. The documents were created under formal consultation with all major stake holders, especially the small and medium enterprises that most developing countries rely on to promote GDP and job growth. The documents recognize the challenges facing Ghanaian industry and agro processing, noting that "increased competition in the domestic and export markets and high production and distribution costs arising from high interest rates, aged and obsolete equipment, [and] inefficient infrastructural services" have plagued Ghanaian industry (Ministry of Trade and Industry 2015, 55). The documents, in principal, create a framework for addressing the various challenges of the manufacturing and agro industrial sector, creating recommendations for future action. Among the recommendations pertinent to this study are to:

- Encourage value added agricultural processing by addressing shortages in locally grown raw materials, and crops such as sugarcane, palm nuts, and etc.
- Increase access to irrigation to allow producers to increase yields of relevant crops to be used in value added processing
    - Public private partnerships
- Limit government spending in order to lower the cost of borrowing
- Promote venture capital markets and firms
- Set aside funding for an Industrial Development Fund
- Encourage enterprises to make investments in retooling factories

The policy prescriptions contained in the industrial policy and the Industrial Sector Support Programme however, point to contradictions whose resolution, while central to promoting development, is nevertheless illusive. The document calls for massive state investment, yet at the same time, limits state spending in order to insure lower loan rates for businesses whose principal obstacle to growth and competitiveness is often the ability to modernize the capital used in production. Some of these obstacles are addressed in national policies governing trade.

Trade policy, as a whole, generally attempts to address the need for massive investment in order to make industry competitive, within the context of strict limits on spending. Both trade and industrial policy seek to facilitate external investment, by providing incentives to import productive capital on the part of both indigenous and international corporations with exemptions from Value Added Tax (VAT) for industrial inputs Ministry of Trade and Industry 2015, 12). Additional incentives include access loans at favorable rates for foreign companies importing capital to Ghana, to allow for expanded production as well as the hiring of workers and the purchase of land (Ministry of Finance and Economic Planning 2012). Furthermore, the industrial policy and the financial strategy allows for special financing for the purchase of more modern equipment for Ghanaian companies, although this reform as well is subject to the ability of funds from the government of Ghana as well as from the international development community (Ministry of Trade and Industry Republic of Ghana 2010). Trade policy on the whole recognizes the potential harmful impacts of liberalization, even as it attempts to keep trade barriers to a minimum in hopes of taking advantage of some of the benefits of trade. The national trade policy document for example sets the goal of taking advantage of preferential market access to the US through such facilities as the African Growth and Opportunity Act (AGOA) which provides most favored nation status to textile producers, although it provides little in the way of concrete policy to achieve this goal (Ministry of Trade and Industry 2015, 6-7). Similarly lacking are plans to ensure that the increased competitiveness of domestic industry that the policy optimistically expects to occur alongside continued liberalization. Nevertheless, the document attempts to plot a way forward through liberalization in a manner designed to mitigate its most harmful impacts.

Agriculture, Agro-processing, and the Limitations of State Power

Growth in agriculture, and agro-processing in Ghana, has generally been healthy since the early 1990s. The sector has been responsible for a large degree of Ghana's current economic prosperity, contributing thirty percent of total GDP growth (Aryeetey and Kanbur 2017, 158). The cocoa sector in particular has fueled export growth, as it rebounded from extremely low levels in the early 1980s to produce an estimated 30% of total Ghanaian export earnings by 2012 (Ashitey 2012, 2). Additionally, horticultural production for export has increased dramatically, particularly for crops such as pineapples, although this trend does not necessarily benefit the average Ghanaian farmer and often relies upon donor investment (Takane 2004, 34). Growth in the agro processing sector has not been quite as pronounced, although it too has seen growth. Attempts to process cocoa in Ghana, for example, despite tripling between 1991-2004 have still tended to fall short of expectations because of the difficulties involved in the transport of coca products internationally, as well as the lack of an internal market for cocoa consumption (Kolavalli and Vigneri 2011, 207). Although investments have been made in capital and machinery, Ghana continues to export the vast majority of its cocoa crop in raw form.

The positive growth in the sector as a whole, however, obscure struggles in food production for the domestic market. In Ghana, agriculture as a percentage of GDP is growing, despite struggles with food insecurity and unmet demand for processed food items domestically. There is a marked difference in the distribution of resources for food production and processing, when comparing crops that are consumed domestically with those destined for export. The developmental framework laid out by the government of Ghana has been applied with a degree of success particularly in the cocoa and horticulture sectors, along with the associated branches of agro industry. The resources devoted to domestic production both by the state and by developmental partners pale in comparison. Of particular concern for this study are the linkages in the domestic economy between growers and agro industry, as well as the role of the state in facilitating these linkages. Earlier developmental programs, such as those during the Nkrumah regime, focused on state run processing center to produce products for local consumption, although issues of quality and efficiency often plagued these enterprises. In the post 1983 era, such areas of the economy have suffered from a lack of resources. Asenso-Okeyere (2001), describes the situation in the early 2000s in the following manner:

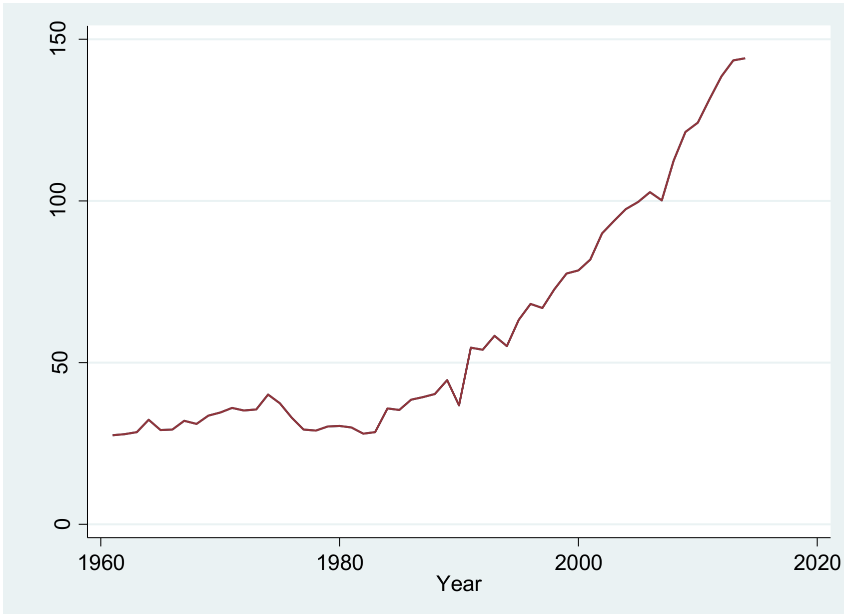
> Agroindustry is weak, and so food processing remains largely artisanal in nature. There is a sad case for cocoa processing. After almost 100 years of cocoa production, only 25,000 mt of cocoa beans, representing about 6% total production are processed. The shelf life of food therefore tends to be short. As a result of inadequate storage and processing there are large seasonal fluctuations in supplies and prices (9).

In other words, the difficulties of linking producers to industry created distortions in the market, which create greater uncertainty and disincentivizing the adoption of techniques which might provide for greater crop yields. In the recent opening of a sugar processing facility in Komenda, for example, has been accompanied by troubles in production that have left farmers in the surrounding area who invested in growing sugar cane for the factory without a primary purchaser (Citifmonline 2017; Davis 2017). Creating lasting linkages between producers and industry is complex, involving addressing issues of transportation and infrastructure, as well as marketing.

Figure 4. Food Production Index 1960-2015 and Figure 5. Arable Land as a Percentage of Total Land Area, listed below, reveal a somewhat mixed picture of the trends in food production. On the one hand, the amount of food produced has consistently gone up since the early 1980s. In fact, there is evidence that the economic recovery of the 1980s allowed producers to bounce back after a period of drought that caused starvation in parts of the country. These trends have continued, with the food production index steadily rising. Yet, the rise in food production has not necessarily been accompanied with a rise in productivity, but instead the amount of arable agricultural land has increased massively, mostly due to the clearing of forest regions. Population pressures have obviously played a role in this process. The following two charts illustrate this trend. While Ghana's food production index has risen dramatically, this rise was accompanied only by very modest growth in yields per hectare. Instead, growth in overall food production was

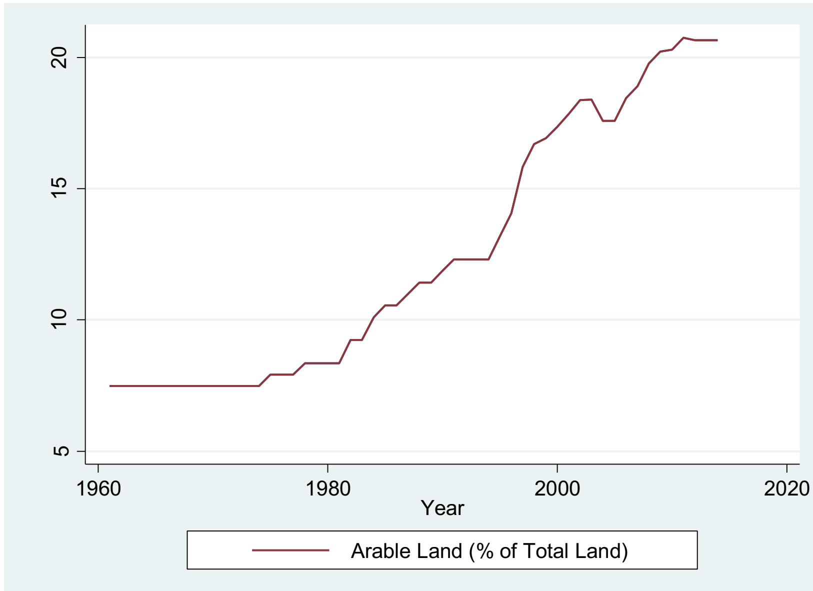
fueled by increases in the total land area under cultivation, a trend often seen in African countries.

Figure 4. Food Production Index 1960-2015



Source: World Bank Development Indicators Data

Figure 5. Arable Land as a Percentage of Total Land Area

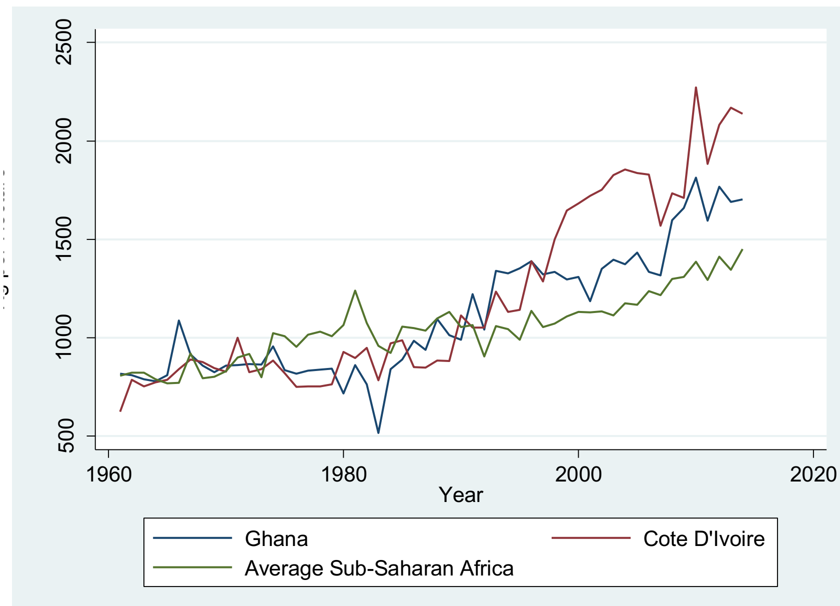


Source: World Bank Development Indicators Data

There have been modest productivity gains in food crops particularly compared to other countries in the region. Ghanaian small farmers in fact are often in a better position than farmers in other regions of the continent as they have greater access to small loans for basic inputs and while food crops are often impacted by the vagaries of the weather, conflict and instability have not negatively impacted production. Yet, it is no mistake that a growing population, and rising incomes, have not manifested themselves in more investment in producing food for domestic production. Maize production per hectare, for example, only reached the highs it attained during the 1960s in the early 1990s. Measures of productivity for maize are particularly important because though it is the primary food crop in Ghana, along with rice, it is overwhelmingly grown by producers on small land holdings, using traditional labor-intensive methods of cultivation. By contrast, in the more capital-intensive areas of the agrarian economy, such as the cocoa sector, yields per hectare have risen much more dramatically. Figure 6. Cereal Yield in Kilograms per

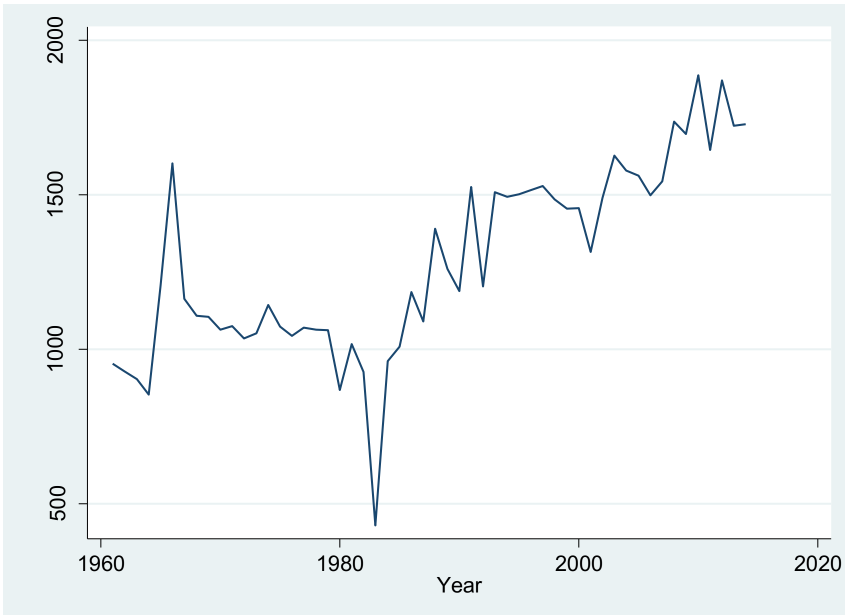
Hectare shows that Ghana's yields per acre are low in comparison to middle income countries, and even some of its neighbors such as Cote D'Ivoire, although its productivity has consistently been above the average in sub-Saharan Africa since the 1990s. Figure 7. Maize Yields in Kilograms per Hectare in Ghana shows more or less consistent growth in the productivity of the maize industry since the early 1980s.

Figure 6. Cereal Yield in Kilograms per Hectare



Source: World Bank Development Indicators Data

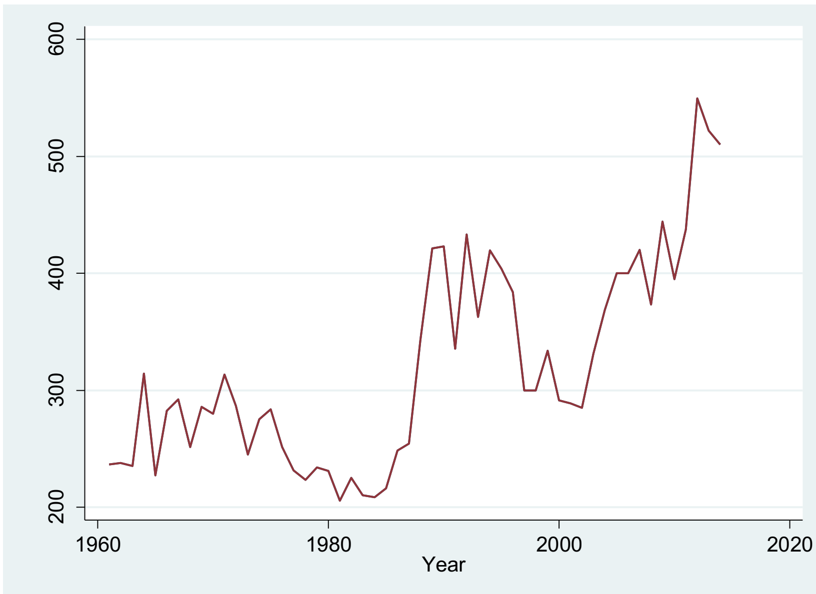
Figure 7. Maize Yields in Kilograms per Hectare



Source: UNFAO Data

Crop yields in important food commodities have certainly risen, although perhaps not quite as much as those in important export crops such as cocoa. Productivity growth in cocoa has been impressive, given the degradation of cocoa trees in the 1980s and the need to plant new types of trees whose yields took years to achieve, and which required more careful and regular fertilization (Kolavalli and Vigneri, 2011, 204). Nevertheless, even here, yields per hectare in cocoa as shown in Figure 8. Cocoa Production – Kg per Hectare are not significantly higher than the increases in food production, and in fact ae only roughly 60% of those found in Côte D'Ivoire, and 39% of those in Malaysia (Aryeetey and Kanbur 2017, 162). These figures are offset to an extent by gains in quality; the Ghanaian crop enjoys a reputation for high quality beans and so on average earns roughly a three to five percent premium in comparison to cocoa produced in Côte D'Ivoire (Kolavalli and Vigneri 2011, 206).

Figure 8. Cocoa Production in Kilograms per Hectare



Source: UNFAO Data

Liberalization in Agriculture After 1983

The economic institutions of the Ghanaian state in the period immediately before the structural reforms of the 1980s, were to put it mildly, under severe distress. By the time the Rawlings regime embarked on a liberalization program in 1983, the economy was in the depths of severe crisis. A drought in portions of the country had created famine conditions, while years of low prices for key agricultural commodities such as cocoa had combined with high levels of indirect taxation upon producers to severely limit production. Thus a combination of adverse conditions and growth inhibiting institutions created severe economic pain throughout the country that was felt most severely by families struggling to put food on the table.

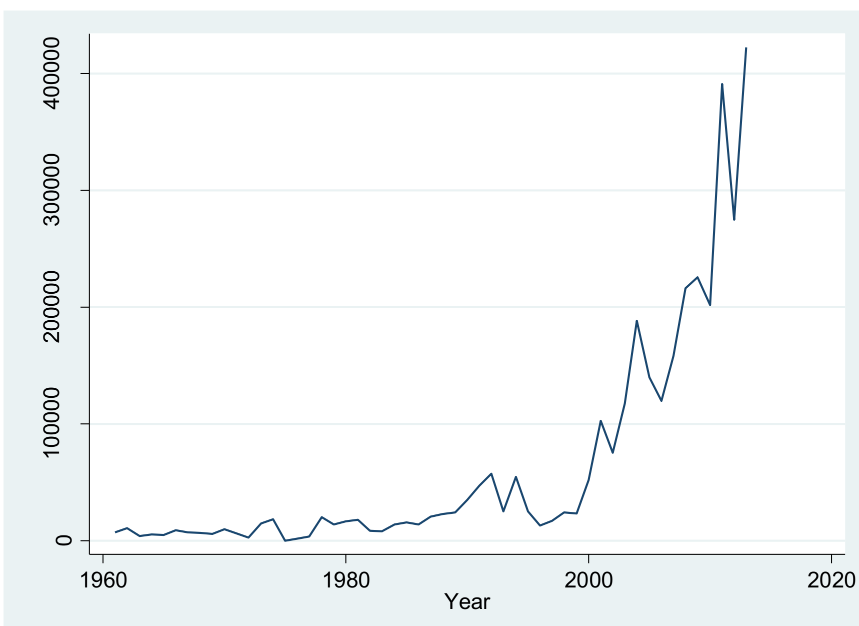
The immediate causes of the duress of the Ghanaian economy in 1983 were not solely institutional. Nevertheless, the major economic institutions contributed to a long-term decline in agricultural production. The state through its control of a cocoa marketing board, paid producers only a fraction of the price on the world market, leading to smuggling, evasion, and a long term decline in production as growers chose to forgo investing in the industry (Frimpong-Ansah 1991). The state bureaucracy itself, as in many developing country, was used as a means to distribute patronage and thus became a major constraint on the ability of the state to facilitate development. The institutions of the state, prior to the beginnings of liberalization in 1983 were thus primed for change.

Institutional changes, undertaken in concert with or under pressure from international capital and the IMF, would follow the paths of least resistance toward the exporting sectors of the economy. Aid money and investments from abroad would be directed toward the cocoa sector and other tradable sectors of the economy. In the study of the agricultural sector Anaman et. al (2012) characterize the impact of structural adjustment in the following manner:

> Since 1984, there has been continuous annual growth in Ghana, as measured by changes in real gross domestic product (GDP). This continuous annual economic growth has included modest improvements in the agricultural sector. However, the period of intense structural adjustment from 1984 to 2000 also saw increasing disinvestment of the State in the agricultural sector through elimination of fertilizer subsidies, reduced support for extension services, especially for the non-cocoa sub-sectors and significantly reduced work on irrigation infrastructure. As a result, Ghana's total irrigated land remains at less than one per cent of all cultivated land and this proportion is one of the lowest in Africa (138).

Thus, while some sectors of the agricultural economy received a degree of support liberalization was also accompanied by curtailment of state spending on projects designed to improve the sector as a whole. Farmers growing food crops in particular were particularly hard hit by this trend. While the cocoa institute pursued programs to encourage farmers to adopt new higher yield varieties of trees, and funds were made available to increase fertilizer use and to massively increase spraying, the sections of the rural economy that focused on food production underwent stagnation and struggled to compete against more efficient foreign producers. Small producers of food commodities were particularly hard hit though the major impact was not felt until rising incomes led to massive increases in imports as indigenous producers struggled to compete. The struggles of small producers were felt in particular in food crops that were consumed heavily by Ghanaian society, in particular rice. Ghanaian rice producers quickly found that while increased incomes allowed Ghanaians to purchase larger quantities of rice, imports from abroad made it much more difficult to meet the demands of the Ghanaian market. The following table illustrates this trend; although Ghanaian production increased, much of the increased consumption was met not by domestic producers but by imports from abroad. Figure 9. Rice Imports 1961-2012 reveals illustrates trends in imports of rice.

Figure 9. Rice Imports in Metric Tons 1961-2012



Source: UNFAO Data

The liberalization of mid 1980s was initially followed by only modest increases in imports; the devaluation of the cedi allowed domestic producers to compete in terms of price, despite the removal of input subsidies and price protections that were instituted in the 1970s (Abdulai and Huffman 2000, 505). Nevertheless, the increased prosperity that followed policy reforms in the 1980s was accompanied by massive increases in rice imports; Ghanaian farmers were simply unable to produce enough of the crop to meet domestic production. Domestic production has certainly increased, yet the efficiency of Ghanaian farmers in the sector is only a fraction of that of farmers in other parts of the developing world (UNFAO 2014). The gains from liberalization were transferred large producers of export crops such as cocoa producers, or horticultural exporters while the losses were laid heavily upon the shoulders of peasants in rural areas.

Liberalization may have changed patterns of institution making in key sectors, but control over these sectors, was not simply delegated to the policy making expertise of the IMF – the state retained important decision making power even in the face of criticism from donors. While the Rawlings regime embarked upon an economic recovery plan worked out in conjunction with external actors, the regime retained a final control over how the process unfolded. For example, though the IMF pushed for complete liberalization, it was not until the early 2000s that the Ghanaian state made a conscious decision to reduce the state apparatus in the cocoa sector and to delegate the purchasing of cocoa beans from growers to private corporations. Despite pressures, and recommendations, the manner in which liberalization unfolded in the sector was driven forward by the Ghanaian state rather than external influences.

The stark contrast between exporting sectors of the economy and those dealing with internal production and consumption can in the developmental priorities of the state during liberalization. A turn-around in the sector began with the introduction of new policies during the Rawlings regime. The Cocoa recovery act contained the following reforms, which along with policies and directives governing trade and industry, continue to have a positive impact on the sector:

- The partial liberalization of cocoa purchases. The coco board serves as a buyer of last resort.
    - Cocoa board retains negotiating power on international sales
- Liberalization of transportation and logistics
- Subsidies for capital investment and the planting of new more productive varieties of cocoa trees
- Subsidies for fertilizer
- Increases in the share of revenues paid to farmers to encourage investment

The cocoa recovery act transformed the sector and allowed it to take advantage of previous state support functions, including research on tree varieties and best practices undertaken by the Cocoa Institute. The combined effect of these programs can be seen in data on the amount of fertilizer used in the sector, as well as in the overall crop yields, which have grown substantially since the mid 1980s.

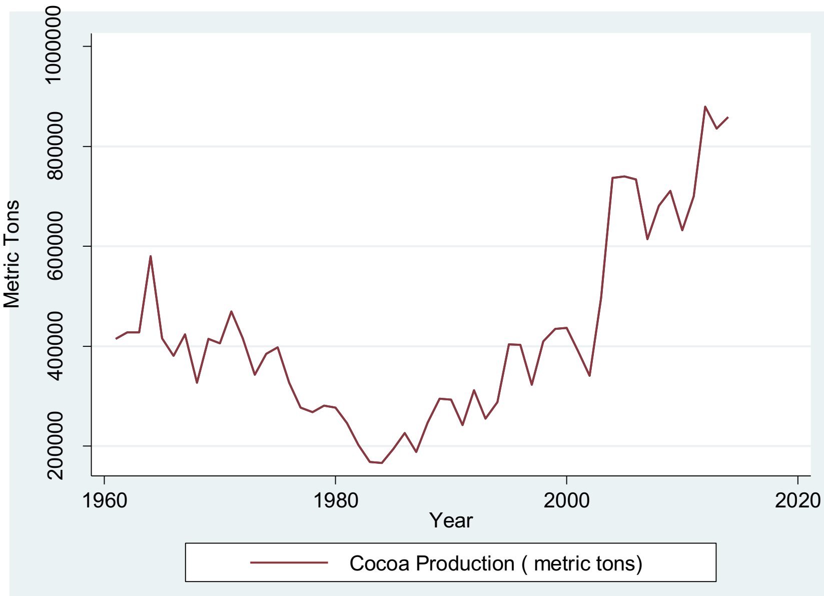
Institutions meant to encourage value added processing, however, appear to conflict with the nature of cocoa production. There has been an increase in the amount of capital used in value added processing in the sector; however, transportation of processed coca products is often more difficult for multi-national corporations and given the very small domestic market for cocoa products, it is perhaps no surprise that the cocoa marketing board reserves the highest grade cocoa for export. Nevertheless, the institutions impacting the production of cocoa in Ghana have largely played a positive, growth enhancing role. Figure 10. Consumption of Fertilizer in Metric

Tons and Figure 11. Cocoa Production in Metric Tons illustrate some of these positive trends in growth.

Figure 10. Consumption of Fertilizer in Metric Tons

Source: UNFAO Data

Figure 11. Cocoa Production in Metric Tons



Source: UNFAO Data

Finally, it is important to note just how contested the process of liberalization in the cocoa sector has been in Ghana. The first structural adjustment plan worked out between the Rawlings regime and the World Bank envisioned almost a complete withdrawal of the state from production, particularly in terms of the landholdings and processing facilities of the state-run cocoa board, Cocobod. These reforms were consistently delayed as Cocobod maintained its role in producing insecticides and other important inputs while it only slowly and relinquished its processing facilities (Gibbon 1992, 65). The same is true for state subsidies for the inputs of production, most important fertilizer, as the new varieties of trees developed by the cocoa institute required more regular infusions of fertilizer. In fact, state officials vigorously protested some aspects of reform, arguing that the mechanisms of the free market alone did not provide enough stability in producer prices to provide incentive for increased production on the part of farmers (Gibbon 1992, 65). While the state occasionally gave ground strategically, its developmental policy of state support for the cocoa ultimately prevailed. The state used liberalization as a strategic tool to be implemented when it presented opportunities but not to do so in a blind or overreaching manner. Other sectors of the economy, particularly in the production of food commodities, were not nearly as lucky.

Conclusions

The research question driving this inquiry relates to the manner in which economic institutions that produce growth are formed. In Ghana, that process is bifurcated - growth enhancing institutions are located primarily in important export sectors dealing with cash crops like cocoa or pineapples. Outside of these areas of economic activity, growth enhancing institutions become a bit harder to find. The research questions take this trend into account asking why Ghana produces growth enhancing institutions in general, and why its institutions both outperform and in turn are outperformed by those of Kenya. The principal hypotheses revolve around the presence of a core group, or its absence, and the role and legacies of African socialism.

The case study uses process tracing and concentric mapping to evaluate causal mechanisms related to the presence of a core ethnic group but it largely leaves unaddressed questions of ideology. Unlike ideological legacies, there is a clear and discernible logic that shapes political coalition making that I refer to as "core-related factors." The presence of these factors can be charted over time, as can their impact upon policies and institutions. Thus, the principal claim of this chapter - that core related factors are largely responsible for institutional bifurcation largely confirms the hypothesis. On the other hand, the social and organizational legacies of African socialism leave no such readily discernible causal mechanisms and so I will utilize across case comparisons and quantitative analysis to explore the impact of ideology. Nevertheless, these subsequent analytical chapters will be informed by the unique patterns of institutional creation which process tracing has uncovered.

Patterns of Institutional Creation

Process tracing has revealed several unique patterns of institutional creation that any compelling explanation of Ghanaian development must be able to account for. The institutional and economic outcome that characterizes Ghanaian development - bifurcated performance - also afflicts many other regimes on the periphery of the global economy. While many states in the developing world make much of their foreign exchange from a few key commodities, it is actually somewhat rare for institutions in these sectors to produce growth. Instead, as noted by Bates (1981), it is far more common for states to use these sectors in ways that are ultimately detrimental to growth but politically expedient for the regime in power. Thus, it must be pointed out that Ghana's institutional profile, at least in regards to key export sectors, resembles the close connections between state institutions, state bureaucracy, and producers found in more developed economies. This institutional framework, however, has definite limits. While sectors dealing with, or supplying a key product to the international market are often home to institutions that produce growth, those economic sectors tend to be the exception rather than the rule Most sectors of the Ghanaian economy in fact reflect the struggles of states in the developing world. Unlike most states, Ghana is one of sharp institutional contrasts.

Ironically, despite the sectors where growth is continually positive, Ghana is home to very few coordinating institutions linking state and society. This unusual scenario is perhaps due to the fact that such institutions have proven to be very costly. Paying regime allies has thus included several non-monetary forms of compensation, such as the ability to collect revenues, or the promulgation of various preferential treatment policies, such as those, that, for example make it more difficult for non-Ghanaians to conduct business. Nevertheless, most Ghanaian business organizations report that though they might have access to elected officials, they are generally not party to policy making processes.

The hesitancy to build coordinating institutions no doubt is linked to a third unique feature of Ghanaian political economy - the widespread distribution of developmental goods often in regions outside the principal geographic areas supporting the regime. The latest iteration of this tendency, the "one district, one factory" program is already building developmental infrastructure across the entire country. An while this particular program is in its infancy, this practice of using developmental funds to capture portions of the opposition almost always occurs alongside a general unwillingness to creative more inclusion in decision making.

Finally, it must be pointed out that Ghanain regimes exercise a large degree of autonomy, even from their main supporters. Thus, the Rawlings regime at one point suppressed labor, while the Kufuor regime implemented a sweeping development program that was, in effect, first developed by their rivals, the NDC. Regardless of the regime, the state in Ghana has managed to keep social forces at much greater of a distance than in other regions of the continent, a phenomena that this chapter on its own cannot fully explain.

Evaluating Competing Causal Claims

The most compelling theory to describe and explain the trajectory of Ghanaian development must take into account not only the institutional bifurcation that feature prominently in the research question, but the unique features of Ghanaian development itself. Many prominent paradigms and frameworks can explain aspects of Ghanaian development. However, only the impact of core related factors can truly explain the developmental patterns we witness over time. Even then, it still remains somewhat difficult to explain the generous levels of autonomy accorded to any Ghanaian regime. However, as this autonomy was most clearly present during the Nkrumah and Rawlings regimes, I speculate that it might be a social and political legacy of African socialism. Testing this proposition, however, will occur later on in the dissertation.

The trajectory of Ghanaian development contains within it multiple contradictions that make generalized developmental theories difficult to apply. In some respects, Ghana's political economy resembles the tension between the political power of urban centers and the well being of the agricultural economy written about by Robert Bates (1981). In Ghana, especially before 1983, the cocoa sector was starved of investment, as the state used its proceeds to pay for various forms of economic development. Though Bates frames spending as being targeted at urban center it is clear that revenues from Ghana's cocoa marketing board were being spent all over the country, even as the sector declined. Bate's analysis can thus provide some insight into Ghana's developmental troubles before the early 1980s, but it cannot offer much insight on Ghana's contemporary bifurcated development, which features a strong cocoa sector.

Furthermore, Bate's emphasis on cities appears to be somewhat misplaced. Developmental dollars from agriculture were actually making their way into programming that, more often than not, was occurring in rural regions. Bate's emphasis on the social, political and economic power of urban centers does not quite accurately predict patterns of spending or explain the widespread distribution of developmental resources.

Ghana and the Developmental State

Literature on the developmental state does not generally have in mind states such as Ghana, who have only recently achieved middle income status. Instead, it most frequently applies to countries, often in East Asia, who have climbed up the value-added chain in various aspects of economic development. The literature does provide some potentially useful observations that can provide some aspects of an alternative narrative for Ghanaian development. These themes, however, contain inconsistencies that are somewhat difficult to explain.

The causal mechanism at the heart of most developmental state literature is a social coalition that involves members of the state and a rising capitalist class. The immediate problem, at least in the Ghanaian context, is that the capitalist class remains small in size and somewhat bereft of political allies. The very idea of a close policy-oriented alliance between the state and the capitalist class directly contradicts the Ghanaian historical experience of a state that has generally been loathe to give up control by implementing formalized coordinating institutions. Even in the instance of the pineapples sector's spectacular growth, coordinating institutions remained informal. The problem with informal mechanisms, of course, is that they can easily be changed when political circumstances change. The institutions surrounding the pineapple sector, for example, changed over time when officials linked to the regime were no longer active. Thus, the very idea that a durable social alliance is shaping institutional development is problematic, at least for most segments of the economy.

The durable social alliances that result in growth enhancing policy in Ghana, ironically, do not create coordinating institutions. Cocoa growers have effectively been excluded from policy coalitions since the Busia regime. And while growers and business interests tend to support the NPP, this support has not turned into durable institutions that help to formulate policy.

Developmental state literature, however, despite the lack of coordinating institutions, tends to accurately describe the relationship between the bureaucracy and producers in Ghana. Peter Evan's (1995) *Embedded Autonomy* or Chalmers Johnson's (1982) *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975* envision close coordination surrounding policy, implementation and the behavior of firms. In Ghana, extension work in the cocoa industry is both thorough and wide ranging. Furthermore, it is clear that farmers embrace many of the suggested changes and that agents, researchers and technocrats apply the dta and lessons they have learned from working with these groups. The state, in this case, plays the role of a handmaiden for development. This role is in keeping with developmental state literature, which envisions state autonomy as something to be used to push, prod, or cajole private enterprise to make it more competitive. In Ghana, however, state autonomy is also used to ensure that the regime has enough flexibility to direct developmental funds elsewhere. Nevertheless, despite an abundance of autonomy, the bureaucracy and its assorted institutions on the whole, promote growth. But while this growth in the developmental state literature is supported by a durable social alliance, in Ghana no such alliance exists, and growth producing institutions cease to find purchase beyond these original sectors.

Developmental state literature is thus surprisingly useful in describing certain aspects of Ghanaian development, even though it is a far cry from offering a complete explanation. The literature, though useful, cannot explain why growth enhancing institutions are located strategically. Nor can it explain the reluctance to build coordinating institutions. Works like Kohli's (2004) *State-Directed Development* on the other hand tend to cast developmental failures in terms of a lack of capacity. The roots of this lack of capacity for Kohli are historical, and date back to colonialism. Yet in Ghana, we see instances where a change in political circumstance - such as governmental officials entering the pineapple industry in a private capacity - leads to a change in institutional performance. Thus, the case points to the idea that underlying socio-political factors, as opposed to bureaucratic capacity drive patterns of institutional performance.

Finally, though it might be tempting to chalk up Ghana's developmental experience to factors that impact all countries in the developing world, such an assertion does not account for the unique facets of Ghanaian development. Ghana, for example, not only receives a premium on their cocoa beans, Cocoabod, the state marketing board, is one of the most effective regulators of bean quality in the world. Clearly, Ghana's success in this regard is not dure to its peripheral position in the world economy. On the other hand, Ghana's struggles in comparison to other African countries at similar income levels are also unique. Ghana's woes in sugar production, for example, contrast sharply with other states with a suitable climate for sugar such as eSwatini, which exports sugar all over the continent. Thus, it is not Ghana's position in the international economy that creates its unique institutional performance but factors that are at least partially endogenous to Ghana's society and political economy.

In contrast to the alternative explanations of Ghanaian institutional bifurcation, only the presence of a core group and is associated core related factors can explain the unique aspects of Ghanaian development. Only by envisioning the distributive pressures that the state encounters as being conditioned by core related factors that can impact group cohesion, can we understand the absolute necessity of building growth enhancing institutions in foreign exchange generating sectors like cocoa, as well as the state's reluctance to build coordinating institutions. Core related factors also provide other useful explanations of Ghanaian practices and policies such as the wide distribution of economic goods, or the tendency of regimes to spend heavily outside their base of support, contributing to the promulgation of growth inhibiting policies by limiting the viable policy choices available to a given regime. While some alternative explanations of Ghanaian development might contribute to a partial understanding of Ghanaian political economy, only by understanding the role of core-related factors can we explain the unique patterns of Ghanaian development that led to the bifurcated institutional performance that characterizes contemporary Ghana.

Chapter 4: The Uneven Landscape of Distributional Struggles in Kenya

Processes of institutional production in Kenya, at least at the macro level, have largely been determined by social struggle between elites representing their respective ethnic communities. This process is occasionally punctuated by periods of class cohesion amongst the Kenyan bourgeoisie, which though admittedly rare, have asserted themselves more forcefully particularly from the Kibaki regime onward as management of economic affairs has more fallen to more technocratic factions of the state. Nevertheless, the policy coalitions of Kenyan regimes are often deeply rooted in the kaleidoscope of changing ethnically based alliances. These alliances, historically, have shaped institution making in both growth enhancing and growth inhibiting directions. Yet, the state has certainly not been omnipotent in making economic institutions, but it often plays a role in picking winners and losers. Doing so, of course, has required institutional penetration within society. Thus, in Kenya, more so than Ghana, the state remains deeply intertwined with the domestic economy.

Social pressures emanating from various policy coalitions have meant that while Kenyan regimes have undertaken large scale service provision, it has certainly been more common that resources are divided unequally. The construction of both internally and externally oriented institutions are thus more carefully circumscribed than in the Ghanaian context. Yet, it is perhaps for this reason that the state in Kenya has undergone severe form of over politicization in recent years, leading to electoral violence in 2007-2008 and 2016. The formulation of a new constitution in 2010, which allocated funds for service provision to the county level was designed in part to address and mollify these tensions. Yet, with the exception of Kenyatta's second term in office, it is rare for Kenyan politicians to propose sweeping legislation of the sort that commonly takes place within the Ghanaian context. Kenyan regimes simply do not attempt to construct growth enhancing institutions in a manner that is widespread throughout the country. Yet, because their projects are generally smaller in scope, they often have greater chances of facilitating growth, resulting in a more variegated institutional structure.

Kenyan regimes, on the whole, do not have the expectation that the opposition will fragment. Core-related factors, in this case, are based on the absence of a core group. In such cases, the maintenance of a viable social coalition focuses on pleasing the supporters of a regime, rather than winning over fragments of a large social group. That is not to say that political regimes in Kenya do not attempt to win over the opposition. Doing so, of course, remains critical to the successful pursuit and maintenance of political power. Yet, core-related factors in this case push states to adopt a somewhat targeted approach to the expansion of the social coalition, lest valuable funds be spent wastefully. Smaller group size in Kenya provides incentives for elites to use their influence within the economy to create within group cohesion. Policy coalitions are thus generally larger than those in Ghana, and they relative abundance has led to a proliferation of coordinating institutions. Core related factors, in the absence of a core group, are providing incentives to foster closer state-society connections that often, though not always, lead to growth enhancing institutions.

The Kenyan case also differs from that of Ghana in the sense that the expansion of coordinating institutions has taken on a life of its own and is not exclusively ties to the need for political regimes to maintain a policy coalition. In a very real way, class-based interests are coming to challenge and occasionally supersede those of ethnicity. Nevertheless, the origin of this relatively new set of coordinating institutions lies in ethnically based conflict surrounding political and economic goods, and who has the right to them. Many of the large national-level institutions are a reflection of attempts to share power, and thereby diminish the possibility of recurring cycles of violence that feature prominently in the 2010 Kenyan constitution.

As the Ghanaian case illustrates, the mere existence of coordinating institutions is no guarantee of growth enhancing policy. Nevertheless, when coordinating institutions are purposefully designed to be inclusive it appears that growth enhancing policy is much more likely to occur. The decision to massively expand coordinating institutions and to make them more accessible, which occurred during the Kibaki regime, is in fact a reflection of core related factors in a society lacking a core ethnic group. While political regimes in Kenya may have been forced to create more accessible coordinating institutions their ultimate utility lies in the fact that they can be used to effectively develop policy that helps to maintain or even to expand a policy coalition. In states where a core related ethnic group is present, core-related factors would instead lead such expansive coordinating institutions to be set aside or subverted and thereby rendered useless, as occurred in Ghana when the Rawlings regime undermined and set aside an elaborate set of coordinating institutions put in place by the IMF. While coordinating institutions may take on a life of their own outside of any one particular regime, their vibrancy is rooted in the fact that once set up, political regimes can in fact make use of them. Their ability and willingness to do so, however, is a function of core-related factors.

The Kenyatta Regime – Distribution and Social Conflict

The state's role as an arbiter of community specific economic benefits began with independence in 1963, as the Kenyatta regime undertook the redistribution of lands in the former white highlands. The end of colonial rule in Kenya coincided with the transfer of economic assets to

Africans, from former British settlers. The British government provided funding and loans for Africans to acquire lands that had been taken over in the "white highlands" of the Rift valley, the most productive agricultural region in the country and home to Kenya's commercial farming industry. The Kenyatta regime on the whole, used this process strategically, rewarding its allies, while the British government saw the value in creating a class of black African capitalists, who would respect property rights and ultimately maintain the economic status quo with Kenya serving as a producer of products such as tea, that British firms would then process and distribute. During this period Britain, despite growing no tea of its own, was home to the world's most lucrative tea industry (Rodney 1972). The structural constraints of this transition led many political scientists, including Stephen Langdon (1977) and Colin Leys (1975), at least in his early work, to question the degree to which emerging African capital would play a productive role in Kenyan economic development. Echoing world systems theorists such as Wallerstein, these authors claimed that this new Kenyan bourgeoisie was in fact heavily dependent on international capital, which undermined the ability of Kenyan firms to greater added value from their own exports and served instead to develop British society. Nevertheless, this perspective of the African bourgeoisie was heavily contested, particularly from the traditional Marxist perspective. Scholars such as Leys in his later work (1978, 1994), Cowen (1981) and Swainson (1980) pointed to the efficient use of state power, on behalf of Kenyan capitalists, to blunt the most pervasive aspects of dependent development. State marketing boards, state run facilities and the process of aligning investment in a manner that benefitted indigenous Africans according to these scholars all clearly pointed to the capacity of an indigenous bourgeoisie to lead Kenya along the path to development.

While the degree to which Kenyan capital would contribute to development was hotly contested among scholars, what was clear but unmentioned in the literature of the time was the degree to which land redistribution created a fragmented bourgeoisie within Kenya. Kenyans of Asian origin were excluded from the process of land distribution, even if they had lived in coastal communities for hundreds of years (Himbara 1994). The Africans who received land grants, on the other hand, were those who had close ties to the regime, predominantly the most successful and connected Kikuyu families, as well as key allies from other ethnic groups. Thus, the most successful African elites gradually migrated towards patterns of accumulation having to do with export agriculture.

African agricultural elites often expanded their holdings by moving into fields related to agriculture, or in fields that presented limited risk and could leverage close connections to government. Thus, the GEMA group of investors – an organization founded by Charles Njonjo in cooperation with Kenyatta - expanded holdings in finance and real-estate, as well as a properties in the hospitality industry by taking advantage of government connections and access to land and infrastructure (Hornsby 2012). These groups also worked in close coordination with the state to move into agro-processing, particularly corn, ground nuts, and palm oil sub-sectors of the industry. Thus, there was clear evidence that an African bourgeoisie was expanding the role that it was playing in sectors that would create value within the Kenyan economy, through use of state connections to provide an advantageous investment climate during the Kenyatta regime (Cowen and Kinyanjui 1977). In the Kenyan case it is clear that patterns of accumulation in the private sector are closely related to the quality and profundity of social actor's ties to government.

Given the advantages that accrue to groups held state power, it is perhaps of no surprise that the most bitter distributional struggles amongst elites in Kenya were over who held the reins of state power and the form of the post-independence government. Elites representing the Luo, Luhya and other groups, fearing Kikuyu ascendancy in economic affairs while often seeking to expand their own interests, pushed for constitutional reforms that would allow for a greater degree of devolution of political and economic power (Branch 2011). An important representative of this trend was Odgina Odinga, a prominent and wealthy Luo, who was both a large landowner and had extensive interests in Agro processing. Odinga was thus a member of an emerging African capitalist class that started to take shape during the colonial period. And while he would be an important ally of Kenyatta early on, the two would split over economic tensions surrounding Kikuyu political and economic dominance, particularly in the land redistribution process. While the Masaii and other groups historically had controlled lands in what were then the white highlands of the Rift Valley, the dynamics of commercial agriculture were such that groups like the Kikuyu had migrated to the region under wage employment during colonialism, and were often squatting on lands that they had worked for over a generation but which traditionally belonged to other ethnic communities. Thus, it was no surprise that one of the most contentious battles in early post-independence history in Kenya was over the shape of the constitution and the degree to which it would be centralized. At risk was enormous potential for economic success and the well-being of various communities. Ultimately, the force of Kenyatta's dynamic personalized style of rule, and the ability to dole out various forms of patronage led to the ascendance of the Kikuyu within government as well as the restructuring of the Kenyan constitution along centralized statist lines.

The patterns of accumulation of African capitalists differed markedly from Asians from coastal regions. These groups, along with the Swahili, had represented much of the merchant capital of the East African region, carrying out trade between the Swahili coast, the Gulf states, and India. The region, in essence, had experienced tight processes of cultural and economic interconnectedness which had lasted for centuries. This process was to a degree facilitated by colonialism, as the British tended to import labor from the Indian subcontinent to undertake large projects such as the Ugandan railway. Yet, the trading connections along the coast also facilitated penetration inland, in the marketing and distribution of foodstuffs, as well as an assortment of small businesses and enterprises (Himbara 1994). While many Indians at the time of independence were engaged in these small enterprises, many of the larger manufacturers were also of Indian origin. This dominance of manufacturing among Asian elite stood in stark contrast to the African dominance in export agriculture or construction. Thus, for two important fractions of capital in Kenya, the space they occupied in the economy overlapped with their ethnic identity.

Economically, the years after independence were generally good ones for the average Kenyan, although the country's economic fortunes were as much to do with the high prices of commodities on international markets as they were to policy. Nevertheless, the Kenyatta facilitated farm loans, often working in coordination with international agencies, which allowed small farmers to invest in their enterprises. This policy was highlighted in Kenya's Development Plan 1966-1970, as part of the regime's strategy to increase the productivity of small holders, which indeed, it did. Additionally, the regime's agencies, such as the Maize Marketing Board, subjected small farmers to strict rules about the growing and marketing of corn, but also helped to maintain producer prices for important commodities (Heyer 1977, 111). The regime attempted to implement a sweeping Special Rural Development Program, but unlike mass-based programs in Ghana, for example, this one had clear preferences for the central region in particular, where much of Kenyatta's supporters were located. The region tended to be the beneficiary of increased funding for roads and irrigation infrastructure often aimed at coffee and tea production but in the process helping those who grew food crops as well (Cowen and Kinyanjui 1977). Policy in Kenya during the early years of the Kenyatta regime was generally growth enhancing, at least for smallholders, but the regime tended to direct benefits carefully. Here, we see clear evidence of economic power being used to leverage social control, in an attempt to maintain a social coalition.

The Kenyan state created close ties to indigenous African capital, and as such economic institutions tended to favor this group at the expense of others including smallholders. Entrepreneurs and large landowners were clearly part of the policy coalition; small holders, though sometimes the beneficiaries of service provision, clearly were not. While African capitalist were firmly established in export agriculture, agro-processing, real estate and other fields, the horizons for small African producers and petite bourgeoisie were much more constrained. Government policy had encouraged growth within the former reserves, land titling in general did not favor these areas, which often produced crops critical to the domestic economy (Heyer 1977). The process of land titling was essential to the success of large commercial establishments. By having a legally recognized right to the land, farmers could use their property as collateral in order to finance large purchases and other capital investments for such things as tractors, combines, or other essentials for a capital intensive agrarian economy. This process greatly facilitated growth, at least for the export of lucrative cash crops.

The impact of titling on smaller family plots, however, was disastrous for domestic production of essential food crops such as corn. Peasant production of corn rose greatly after independence, due in part to access to larger plots of land in the reserves and the exit of many British firms who formerly supplied maize to urban areas (Heyer 1977, 98-99). Furthermore, peasant production of maize found a ready market in most urban areas of the country, being one of the principal foodstuffs consumed there. The impact of land titling upon peasant production was at first minimal; small holders either did not possess enough land to use as collateral for loans nor was land titling formalized to the extent they could take advantage of these facilities (Vandenberg 2006, 113). Nevertheless, a population boom in the 1960s through the 1990s meant that land was becoming a sparser commodity. Thus, when the owner of a piece of land died, his children most likely did not possess land of their own. The result was a process of subdivision which made small land holdings even smaller. The result upon peasant production was dramatically negative; while most maize in Kenya was produced by smallholders farming family plots during the 1960s, by the mid-1980s the state was importing the vast majority of maize consumed.

Small producers were also constrained by institutions designed to fulfill the labor needs of indigenous and external capital, while protecting the interests of larger estate production. The spread of maize as a crop grown by peasants was greatly facilitated by both the colonial state, as well as the state after independence in Kenya. For large British multinationals, corn production allowed companies to keep down producer prices for an important export, wattle, which after processing was used in leather production and other industrial applications (Heyer 1977; Leys 1975). Keeping producer prices down could only be accomplished by shifting the cost of the input to small Kenyan producers, yet doing so required that additional options for foodstuffs be produced in rural areas.

The state, in coordination with multinational capital, expanded the local production of sale of maize in rural regions using cooperatives to organize the process. Yet, cooperatives of small maize producers were severely constrained in terms of where they could sell and market their products. Maize was intended to be a cheap food source to sustain low producer prices in rural areas, not a means to enrich peasants who were in the process of creating linkages with local merchant capital to serve urban areas. Thus, the sale of corn, through purchasing licenses, as well as rules about the precise moisture content allowed, served to protect larger producers, confining peasant based corn production and marketing to the former labor reserves (Cowen 1981; Leys 1975). The impact of this particular pattern of institution making, of course, was disastrous for the long term health of peasant produced corn. The institutions designed by the state were effective, but their ultimate aim was not development, per se, so much as it was to manage the gains and losses of economic production. Coordinating institutions clearly did not include small scale producers, even if they were more extensive and elaborate than those found in Ghana.

Small producers were not the only ones negatively impact by socially rooted processes of institution making during the first Kenyatta regime; the lack of opportunities for an emerging African petite bourgeoisie led the state to adopt policies that ultimately negatively impacted its retail sector by dispossessing Asian producers. While land redistribution had served as an important social safety valve, allowing the regime to appease the demands of its core supporters, the pressures facing the regime particularly from those who had moved into large urban centers were not diminished by these schemes. On the whole, this new urban petite bourgeoisie lacked the connections and wealth of those who had succeeded in the rural economy. Having newly arrived in urban areas, they often failed to compete effectively against Asian owned businesses, as Kenyan Asians had long been entrenched in urban areas having been excluded from the rural economy and from land redistribution. More importantly, perhaps, Asians in Kenya, as in other parts of East Africa, often lack close political ties that might have served as a protection again growth inhibiting policy. That is not to say that the group as a whole had no connections to the state, but this group lacked the influence necessary to set the course of institution building.

The result of this lack of political influence, of course, was that Kenyans and non Kenyans of Asian origin were largely pushed out of the retail and wholesale sectors of the urban economy, at least temporarily. Acting through the Kenyan chamber of commerce, Kenya's African petit bourgeoisie succeeded in pushing forward legislation to enable them to take over Asian owned businesses in the form of the Trade and Licensing Act (TLA) of 1967. According to Vandenberg (2006):

> The TAL restricted the sale of goods in specified areas to Africans. It required that non-citizens (often interpreted to mean non-Africans) could not trade outside of core business areas in cities and towns in a list of (mostly basic) commodities. In consequence, a large number of Asian-owned businesses had to be vacated with the express intent that they be taken over by Africans. The focus was on retail trade although it was directly linked to wholesale trade, much of it controlled by Asians. In 1974, the act was amended to include the manufacture of some basic commodities but this was repealed two years late (118).

The state made a concerted effort, through the granting of import export and trading licenses, to promote the interests of Kenyon's of African origin over those of Asian origin. Furthermore, the state attempted to facilitate a redistribution of Asian owned businesses, particularly those in wholesale distribution, to African buyers. The Kenyan petite bourgeoisie thus found itself included I the policy coalition, but truly as a junior member. And in place of economic resources, they were granted preferential policy, which ultimately turned out to be growth inhibiting.

Africanzation of the urban economy, as a policy, had a negative impact on growth and economic performance. Africans who took over Asian businesses often lacked expertise and experience, and as a result many were forced out of business or in some cases made arrangements to sell the original business back to their previous owners (Himbara 1994, 59-60; Swainson 1987, 148). These new African entrepreneurs often focused on making quick gains, but failed to make investments in capital and machinery that while painful in the short term, might have provided a feasible foundation and the long-term. Vandenberg (2006) argues that these new businesses often failed because they lacked the long term support networks that Asian firms had taken constructed over decades (p. 124). Perhaps it is for this reasons that African capitalists of the rural economy tended to be very wary of venturing into new fields outside of agriculture and agro processing, because of the inherent risk involved in these enterprises. In fact, those few who ventured into other forms of manufacturing tended to be very well established already, and often had to be induced with subsidized loans from the Industrialization and Commerical Development Corporation or other state entities (Swaison 1987, 151). Thus, though there is latent support for a policy of Africanization, this policy was not championed by the capitalist class.

Africanization ran into a large roadblock when it attempted to make incursions into large industrial and manufacturing facilities. From a purely practical standpoint, leveraging a buyout from a small local producer presents many fewer difficulties then taking over the assets of a large, wealthy, and potentially politically connected manufacturing facility. Though the rhetoric of Africanization played well for politicians within KANU, the reality was that accomplishing it presented severe difficulties. It was at this point that other fractions of Kenyan capital united behind Asian owned capital, in an effort to block the state from taking over private enterprise. The Kenyan Association of Manufacturers, which represents not only manufacturing within urban areas but the many African owned businesses in Agro processing in other fields, put up fierce opposition to the policy which was quickly rolled back (Himbara 1994, 62). The result, was that while small shops and manufacturing facilities were initially bought out and transfered to African ownership, large-scale industry was left out of this process. These policies resulted in turbulence and lower-than-expected growth within the sectors, but ultimately did very little for expanding the reach of African owned capital in Kenya, in large part because it was already heavily engaged in other parts of the economy. Thus, despite being fragmented, capital presented a united front when essential property rights were threatened; in this manner, destructive economic policies were held in check by the temporary cohesion of capital. While the various fractions of Kenyan capital, often separated by overlapping cleavages of both ethnicity and economic sector, were more often than not in conflict with one another, through the auspices of the state it tended to dampen extreme modulations of policy acting as a type of regulator to ensure the perpetuation of the status quo.

The line dividing membership in the policy coalition from outside is somewhat blurred. Clearly there are different gradients of membership, at least there was during the Kenyatta regime. Growth enhancing institutions are clearly aimed at capital, to the point of causing economic harm to smallholders and those outside the policy coalition. Furthermore, small holders in the central region, as an important par of the social coalition received economic benefits such as irrigation infrastructure, though this service delivery was a positive externality of benefits directed at large landowners. The petite bourgeoisie, on the other hand, appeared to be part of the policy coalition if they were of African origin. These members, however, had little influence over policy when it conflicted with indigenous and Asian capital.

The Moi Regime – Contested Distribution and Fiscal Challenges

The Kenyatta regime was characterized by its ability to craft growth enhancing institutions, which however, tended to be somewhat narrow in their scope, tailored as they were to particular ethnic communities. And a whole class if we consider indigenous manufacturing capital. The beneficiaries of this approach were Kikuyu farmers in the central region, who were primarily involved in the production of coffee and tea, Kenya's primary export commodities. Farmers in the central region were not the only beneficiaries however, as the regime also attempted to cultivate a powerful indigenous bourgeoisie in part through appropriating the property of small-scale Asian entrepreneurs. Here, the regime received pushback from capital as a whole, as organizations like the Kenyan Association of Manufacturers began to fear the regime's attitude toward private property. While the selective creation of growth enhancing institutions was the norm, a fragmented and fractured bourgeoisie came together to provide some sort of opposition when these policies ventured into potentially dangerous territory for a capitalist economy. This ability of capital to provide some sort of a check to growth inhibiting institutions would be severely tested during the long tenure of president Moi, who succeeded Kenyatta upon his death in 1978, and only relinquished power in 2002.

Kenyatta, in choosing Moi as successor, attempted to cultivate not only Moi the politician but the Kalenjin community as a whole. In fact, a Kalenjin alliance with Kikuyu interests was by no means a logical, forgone conclusion. In fact, in the lead up to independence Kikuyu elites tended to ally themselves with Luo elites such as Oginga Odinga, who were involved large-scale farming interests often involving crops such as sugarcane. Kikuyu interests, on the other hand, tended to revolve around coffee, tea, as well as animal husbandry. Elites from these two groups (the Kikuyu and the Luo) formed the core of rural capitalist interests in Kenya. Each group owned large commercial agricultural holdings and had expanded into Agro processing, real estate, and construction (Branch 2011). Had these two groups not been so bitterly divided over key questions related to land distribution, it is possible that they may have ultimately ended up cooperating.

The Kalenjin, on the other hand, were a conglomeration of several subgroups united only in the role in which they played in the rural economy. Elites from this ethnic group tended to be ranchers, involved primarily in the raising of cattle although they would eventually expand their interests to real estate and the hospitality sector (Lynch 2011). Kalenjin elites, on the whole, were neither as wealthy nor well-connected as there would be Kikuyu allies. Furthermore, areas occupied by the Kalenjin received only superficial penetration by missionary groups during the colonial era, leaving the region with a comparative lack of schools and other educational facilities. The Kalenjin thus made unlikely allies to carry the torch of the Kenyatta legacy.

Formation of an alliance between Kalenjin and Kikuyu elites involved the incorporation of the Kalenjin into the mainstream rural economy. Under Kenyatta, Kalenjin families were the beneficiaries of large productive commercial farms, a process that would continue during the Moi presidency (Hornsby 2012). Solidifying the alliance, however, was alignment in the policy priorities of Kalenjin and Kikuyu elites surrounding the pastoral economy. Under Kenyatta and Moi economic institutions lowered the price of inputs such as feed for animals, and provided aid in terms of transportation and marketing of meat and leather products to urban areas (Leonard 1991). While the alliance may not of been a perfect one, there were enough similarities in the economic interests of these two groups, and the fractions of capital that they represented, to allow for a fruitful working relationship. That is not to say that tensions did not exist between these groups, particularly over the allocation of land over whose conflicting claims predated colonialism. Nevertheless, at least until the end of the Moi presidency, cooperation rather than conflict between these two groups was the norm.

The Moi regime, from an institutional level continued the variegated patterns of institution making that have so characterized Kenyan political economy. Like Kenyatta, the regime attempted to make broad sweeping gestures to provide essential services to all Kenyans. Thus, one of Moi's first programs was to provide free primary school education for all children, although the regime was not quite successful as it ran out of funds to cover all of the grades. The regime also halted land transfers until they could be properly investigated for fairness (Khapoya 1980, 24). Lastly, the regime also released a host of political prisoners and dissidents of the Kenyatta regime. These, and other measures, allowed Moi to begin his term in office as a wildly popular politician.

Sweeping gestures to provide essential services however, quickly gave way to more carefully circumscribed programs that delivered benefits to key constituencies. Strong support for Kikuyu and Kalenjin dominated dairy and cattle industries continued during Moi's tenure. A school milk program that went along with the provision of free schooling for most of primary school was a huge boon to the dairy industry. In the coffee and tea industry, the prices paid to producers in the coffee and tea industries were kept high despite tight budgetary restrictions (Lofchie 1990). In addition, Smallholder Coffee Improvement Acts passed in 1979 and 1989, to provided added processing facilities, as well as access to credit and loans for small farmers. Moi, indeed, was operating under similar pressures to the Kenyatta regime and building carefully targeted growth enhancing institutions proved to be a tried and true survival strategy. Like Kenyatta, the institutions that were built were both internally and externally oriented. The most successful ones, of course, were directed at key constituencies.

The only major deviation from Kenyatta's approach to institution making was in the regime's pivot toward the production of cereals for internal consumption to reflect the concerns of new key members of the policy coalition. The regime paid particular attention to the production of wheat, a commodity grown in the Rift valley in areas occupied by the Kalenjin. In order to stimulate wheat production, producers under Moi were given paid prices that were sometimes even higher than the marketed price of the crop (Lofchie 1990, 222). Other cereal crops such as maize and sorghum were also given support, though the levels of prices paid to producers though sometimes quite high, did not approach the amount paid for wheat (Leonard 1991). Wheat was particularly important as it was one of the main food commodities purchased by urban dwelling Kenyans, who tended to favor it over corn; its production also directly benefitted the most powerful Kalenjin families who now formed the inner circle of the new administration.

Moi, like Kenyatta, packed aid for smallholders and large landowners together in policy bundles. Thus, coffee processing facilities greatly aided large Kikuyu and Kalenjin owned plantations even as access to loans helped small farmers. Aid to what farmers, on the other hand, greatly aided both large landowners and small farmers in a region populated primarily by the Kalenjin ethnic group. Moi appeared to be constructing a relatively large Kalenjin and Kikuyu policy coalition, that distributed benefits both to elites and smallholders in the rural economy.

Economic Troubles during the Moi Regime

In the 1980s Kenya underwent a severe and prolonged economic slump, as prices in the main export sectors or tea and coffee fell dramatically on the world market. In response, the institutional profile of the Kenyan state as a changed as the regime transitioned from one that maintained its policy coalition through growth enhancing institutions to one that used a combination of growth inhibiting but inexpensive policy and intimidation to maintain a grip upon power. A foiled coup attempt in 1982 gave Moi the impetus to continue a shakeup of ministers that had begun earlier that year, as well as to take a more firm grip of the security apparatus. Moi thus began to surround himself a group of colleagues, often from the Kalenjin ethnic group, who earned their positions as ministers not through talent so much as through loyalty (Hornsby 2012, 375). The impact on all forms of economic institution making was devastating. While growth enhancing institutions in major export sectors had in the past had clearly benefitted groups such as the Kalenjin and Kikuyu, they had also created positive externalities such as improved roads and a competent approach to extension services. As the institutional profile of the state changed, these positive externalities that were essential for support began to erode away.

The drastic decrease in government revenues meant that the Moi regime had fewer sources of revenue with which to sustain the loyalty of its social coalition. While the prices paid to tea and coffee producers, for example, did not decline to disastrous levels the concerns of this sector particularly of the large planters, began to fall on deaf ears (Leonard 1991, 171). Even programs that were important to the Kalenjin constituency of the Moi regime felt the crunch of a tightening fiscal environment. Livestock, for example, was particularly hard hit, with Leonard (1991) noting:

> As the budgetary crisis dragged on, however, the ability and willingness of Livestock Development to respond effectively to it was dissipated. None of the innovative policy proposals that the ministry had put up were adopted by the cabinet or the president. This might not have been so debilitating if other priorities had been imposed in their place. But no choices were made between services; all continued with increasingly inadequate levels of budgetary provision… Other services throughout the Veterinary Department declined as well and morale suffered. Staff could see little point in trying to change things if resources were going to bear so little relationship to real needs and if the cabinet was going to be unwilling to set any deliberate kind of priorities. There was particular despair at the government's failure to shut down the Uplands Bacon Factory. The parastatal had declined to the point where it was serving no useful purpose. But President Moi could not bring himself to lay off workers. The sums that were used to keep it alive would have served livestock producers far better in adequate provision for vital Veterinary Department services…. There were inadequate funds for the purchase of required drugs and for the travel of veterinarians. The paraprofessional support staff did an increasing proportion of the work on their own, bought their own drugs, and began to accept illegal payments for their services. This informal commercialization actually had mixed benefits. At least it permitted veterinary care to continue to be available… But the quality of veterinary care declined, for the professional veterinarians were increasingly isolated from its provision (180).

In livestock, institutions which had facilitated growth first stopped functioning due to a lack of funds. Yet, instead of curtailing services and employment, the regime instead chose to continue dysfunctional services in the form of the Uplands Beacon Facility, in order to avoid laying off workers and the political impact that such an action might reap. Budgetary constraints were in effect subverting what had been growth producing institutions into policies that continued to drag the economy down. Economic institutions in the coffee and tea industry were subject to the same types of degradation. The social and policy coalitions were thus maintained, but the tool through which this outcome was achieve was growth inhibiting institutions.

Gaining the necessary funds to stay in power sometimes meant that the regime would appropriate funds from businesses, particularly those without influential political backers. The Asian business community in particular tended to be susceptible to such threats, as they often lacked powerful allies. One of the principal means employed by the regime to garner official support was campaign contributions, where members of the community would be asked to donate at public events. Business community members, despite being dissatisfied with the regime, particularly in terms of fiscal policy and infrastructure, seldom failed to cooperate for fear that politicians could retaliate through the state apparatus (Vandenberg 2013). Instead, a cautious approach tended to be employed by business owners, one which would allow them to continue with business as usual, despite the many encumbrances, while avoiding the potential fallout of bad relations with government.

The lack of viable alternatives also posed a challenge for reluctant members of the Moi policy coalition, as well as the opposition. While indigenous capital may have generally preferred a regime that was more responsive to their needs and that was making a more concerted effort to create economic growth, the destabilization of the Moi regime presented real dangers. Urban unrest in particular was threatening to business, who believed that elements of the lumpen proletariat, if they were allowed to come to power, would directly threaten their interests. These fears, though unlikely, appeared to briefly come to fruition with urban unrest in the mid-1990s as well as in the war of arrows in the highlands of the Rift valley. For Chabal and Daloz (1999), these displays were a deliberate use of disorder as political instrument; Moi, they reasoned, was utilizing the threat of violence in order to shock and cajole his policy coalition, particularly those members who could potentially defect to the opposition.

The Moi regime's relative autonomy from social forces was greatly facilitated by state intervention in the economy, particularly in the financial sector. The regime set up a series of "political banks," whose loan portfolio's consisted of a high percentage of nonpaying, but politically well-connected customers (Bayart, Ellis, and Hibou 1999). These banks, though useful for sustaining the regime in power, were obviously an economic drag on the overall performance of the financial system. Furthermore, Arriola (2015) argues that they played a much more sinister role, namely, limiting the ability of the opposition to finance campaigns and to solidify alliances through the payment of campaign related debts. Arrioloa links the coming of

IMF reforms in the financial sector, which firmly ousted the state from control over the financial system, as allowing for the first time for more cohesive and multiethnic opposition coalitions, because credit to finance campaigns was more widely available.

Finally, the Moi regime was also characterized by a deft management of the losses what were incurred during liberalization, during the early 1990s. During the heyday of import substitution industrialization strategies in Kenya, the textile sector on the whole saw strong performance being shielded by high tariff barriers; the performance of the sector was bolstered by the relatively effective market interventions of the Kenyan Cotton Board, which sought to ensure high quality cotton to the mills (Chemengich et al. 2013). These policies, while functional, however, did not represent any particular dispensation on the part of Kenyan regimes. The textile sector, at least the larger enterprises, was until the early 1990s mostly owned by Kenyans of Asian descent. Cotton growing areas in Kenya, on the other hand, were often found in areas peripheral to economy. The crop was grown almost exclusively in regions that were low lying and semi-arid, regions of the country that did not have any particular political following in the Kenyatta or Moi regimes. Perhaps it is for this reason that market liberalization during the early 1990s hit cotton growers, processors, and textile mills so hard.

The textile sector in Kenya, as in other African states, had to quickly contend with increased competition and reduced state support for industry during the advent of market liberalization, which in Kenya occurred in 1993. The state no longer provided subsidies on important inputs for small producers, and resources to aid in marketing and transportation of raw cotton to processing facilities was greatly curtailed. At the same time, the regime stopped investing in parastatals within the sector, leaving many facilities to process raw cotton into useable thread in a state of disrepair. Sales of these enterprises were slow, as buyers were reluctant to invest given the political and economic climate of the 1990s. The impact on the sector as a whole was devastating; mills could no longer reliably and cheaply source inputs, and as a result, problems of production forced a number to shut down. As in many part of the developing world, the fiscal constraints that accompanied conditionality and liberalization proved to be too burdensome for industry to survive intact.

If failures in the procurement of raw material and the expense and unavailability of capital severely damaged the textile sector in Kenya, it was competition from Asian firms and inexpensive imports of used clothing from the West that sounded its death knell. With liberalization, imports of inexpensive clothing from China flooded the Kenyan market. While these clothing articles were not necessarily of the highest quality, the price made them appealing to consumers. Used clothing imports from the United States and other countries, on the other hand, were both inexpensive and generally high quality. Imports of used clothing began to grow in the 1990s and have continued to rise to historic levels. Today, there are few textile manufacturers left in Kenya, and those that persist tend to produce clothing that is specific to Kenyan society such as school uniforms, or that by necessity needs to be manufactured domestically, such as police uniforms.

The sector on whole, appeared to receive a break with the African Growth and Opportunity Act (AGOA), which potentially provided a comparative advantage to Kenyan firms seeking to export to the United States. The manner in which liberalization occurred within Kenya, however, meant that the benefits of AGOA tended to disproportionately favor external capital rather than Kenya peasants and producers. The legislation was accompanied by an influx of foreign firms, taking advantage of Export Processing Zones (EPZ) to conduct what was ostensibly value added production in Kenya destined form the US market. Yet, the legislation surrounding EPZs meant that firms were granted tax holidays to invest, which many firms did in the short term in order to take advantage of AGOA. Workers no doubt benefitted from this increased economic activity, but peasants who could have potentially worked to provide inputs to these new facilities did not. By the time that foreign manufacturers moved to Kenya, cotton production had already fallen to historically low levels, and government was slow to make the necessary long term investments to increase overall cotton yields. Furthermore, the fact that AGOA was conditional on renewals, and could expire, discouraged foreign firms from making the types of backward linkages within the Kenyan economy that could have produced more widespread economic wellbeing. Thus, these producers, who were often from east Asia, tended to import raw materials including cotton thread, rather than utilizing Kenyan production (Ngulu 2010, 4). Furthermore, they also tended to repatriate profits, rather than working to invest in the vertical integration of their businesses in Kenya. Thus while the sector has seen investment, the allocation of foreign owned factories has in many ways contributed to Kenya underdevelopment, rather than creating more valuable value added linkages within the economy. Underdevelopment during the Moi regime, at least, was symptomatic of efforts to channel of economic benefits to specific constituencies.

Theoretically, the Moi regime is of great interest because it clearly became more autonomous from its social coalition. It shielded its policy coalition from the worst aspects of liberalization, but also circumscribed the goods and services paid to smallholders. Eventually, the regime would cease to provide effective policy and instead resort to threats of violence to maintain its grip on power. The policy coalition shrank, institutions became more growth inhibiting and the regime acted more as the manager of the costs of globalization rather than as a driver of developmental policy.

The Kibaki Regime

The end of the Moi era was thus marked by a new, more assertive stance of business groups. In the mid-1990s various Kenyan business interests such as the GEMA group began to openly support members of the opposition candidates, one of the primary ones being Mwi Kibaki. These and other potential presidential candidates appeared to offer a new beginning, after the sandals and fiscal constraints of Moi's tenure in office. Kibaki emerged as a rival to Moi in the mid-1990s, and he quickly attracted the attention of support of the Kikuyu business community, which had been relatively secluded from active involvement with the state since the end of the Kenyatta regime. Kibaki, however, was unable to court public support from influential donors until the prospects of real democratic change appeared to be maturing in the late 1990s.

Kibaki won the 2002 presidential election and he drew popularity both from his ethnic affiliations as a somewhat conservative member of the Kikuyu business community, and his credentials as a regime technocrat under Moi. He was largely seen as one of the least sullied members of the Moi administration, being a leader of a technocratic faction within the administration that also included Charles Njojo, before his fall from power in the late 1980s (Hornsby 2012). As a trained economist Kibaki opposed many of the measures put forward by the regime, such as use of bank funds to distribute patronage. In this manner, he was able to draw multiethnic support, particularly from various business communities.

As president, Kibaki oversaw the resurgence of the political influence of the indigenous Kenyan bourgeoisie, an outcome he helped to initiate. The regime helped to organize civil society into broad based umbrella groups representing industry and small business. Anthony

Weru (2016), a representative of the The Kenya Private Sector Alliance (KEPSA), credits the regime for providing the impetus to bring groups such as KEPSA together. Indeed, while the Kibaki presidency saw resurgence in the power of civil society to advocate for policy, this process has largely been driven from the top down. As an organization the Kenya Private Sector Alliance brings together both indigenous capital as well as the petite bourgeoisie, groups who were previously split between the Kenyan National Chamber of Commerce and the Kenyan Association of manufacturers. An active role in organizing civil society group provided a wealth of good will on behalf of a broad cross section of Kenyan capital.

The institutional form of the contemporary Kenyan state differs from the previous political era under Moi in the greater profusion of both internally and externally oriented institutions of growth enhancing potential. While a recovery in the principal export sectors no doubt contributed to this process, so too did the ability of the Kibaki regime to collaborate with civil society surrounding growth enhancing institutions. The state in Kenya has always enjoyed a large degree of penetration in society, from the utilization of cooperative societies to organize labor to the profusion of state run banks distributing patronage and economic opportunities. These institutions, on the whole, have served to manage processes of accumulation; they have acted in many different sectors of the economy, both those dealing with the domestic market, as well as international markets and the linkages between the two. In numerous interviews conducted in 2016, trade groups and donor affiliated organizations indicated that the regime was largely receptive to their suggestions, beginning with the Kibaki regime. [12] This antidotal

[12] Interviews conducted during July and August of 2016 with the following: Thomas Mukhebi, from the Kenya Agrobusiness and Agroindustry Alliance; Michael Okelo from the Kenyan Union of Savings and Cooperatives; Anthony Weru, of the Kenyan Private Sector Alliance; Kariuki Waweru of the Business Advocacy Fund (affiliated

evidence also corresponds to quantitative measures of business climate, such as the World Bank's annual Doing Business survey. The Kibaki regime appeared to be listening to concerns of both the business community, as well as policy makers of major international organizations. Nevertheless, while the regime generally listened to concerns about doing business, its track record particularly with smallholders was remained somewhat mixed.

The fate of smallholders in the tea and coffee industry illustrates the mixed record of the Kibaki regime in institutional creation. While big producers largely continued with business as usual, smallholders who were required by law to be members of cooperatives, saw a host of legislation that accompanied liberalization in the late 1990s and early 2000s. The changes to the tea sector opened up the market by allowing growers to sell to whichever purchasing agent they preferred, as well as by removing restrictions on the type of tea processing acceptable to buys (Mitchell 2012, 258). The result has been steadily increasing growth, which was a boon to agro processors in particular. The coffee sector on the other hand, has struggled against agreements that have largely placed small producers at a disadvantage in relationship larger indigenous and foreign firms. While growers were still required to process beans through cooperatives, cooperatives were now given a limited set of choices for where to grind the beans, as well as added flexibility in terms of how to invest cooperative funds. Such policy, unfortunately, has been disastrous in an era in which cooperatives now can choose with whom they wish to do business. Such freedom, while in principal positive, has contributed to graft and waste within the cooperatives, as attempts have been made to coopt cooperative leadership through nefarious means (Mitchell 2012; Witwer, Mulinge, and Monroy 2013). The state was able to maintain some elements of its

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with the Danish Ministry for Foreign Affairs); various representatives from the American Chamber of Commerce in Nairobi, as well informal conversations with various NGO representatives and foreign businessmen and women.

presence as a coffee purchaser, though with the changes in the cooperative structure it is unclear whether this role continues to pass along sufficient value to consumers. The result has been a decline in yields for smallholders. Thus, while new institutions for tea have largely been successful, in the coffee industry small producers in particular have largely struggled.

Saccos and the State

Institutions surrounding Savings and Credit Cooperative Organizations (SACCOs) illustrate the unintentional manner in which the formation of growth enhancing institutions aimed at particular communities spreads wider than the intended beneficiaries. The SACCO subsector of the financial industry is closely linked to the state as an organization. SACCOs, by law, link together members who share a common bond, often through the workplace, or industry (Republic of Kenya 2012, 54). Members of the bureaucracy, as high wage earners, have traditionally made up a high percentage of SACCO members in Kenya. SACCOs, as nonprofit institutions capable of offering favorable rates of financing, have often served as an instrument of transformation, changing ordinary members of the bureaucracy into a burgeoning bureaucratic bourgeoisie. It is therefore not surprising, in and of itself, that institutions surrounding SACCOs have generally facilitated growth. Yet, the success of SACCOs is contested, as traditional finance capital attempts to undermine and control the sector, though with only various degrees of success. But while the Kibaki regime generally found itself on the side of capital, maintaining its policy coalition meant providing at least some support to this sector backed by such a large swath of the bureaucracy. Yet, in granting benefits to a potentially influential constituency, the regime in effect granted these benefits to everyone. In this manner institution building that was broad based took effect, though in this case it appeared to be the exception rather than the norm.

Most SACCOs play a functional role in the economy, and are closely aligned with the cooperatives of which they are often a part. Thus, SACCOs are often attached to small businesses, such as transport cooperatives that run small city buses called matutus. SACCOs are also instrumental in planter's cooperatives, in such fields as tea and coffee farming, and their activities often revolve around facilitating farm loans, or processing payments to members. Since the signing of the 1967 SACCO Act by the Kenyatta administration, SACCOs for the most part have operated in a similar manner to revolving credit societies; after depositing funds to become a member, members can generally expect to receive a loan at some point.

SACCOs that are not immersed in the day-to-day operations of a business, however, can and often to play a more diverse and expansive role within the economy. One of the most coveted jobs within Kenya, as in many African states, is within the bureaucracy, it is perhaps unsurprising that some of the biggest SACCOs are affiliated with members of various branches of public service. In 2017, some of the largest SACCOs included the Kenya Police SACCO, Mwalimu, the public teachers SACCO, which is also the largest in the country, and the Harambee Sacco whose membership is open to those working for parastatals, county governments, and the national armed forces amongst others (Business Daily 2018). SACCOs can loan money for a variety purposes, including home and car loans. Yet, for more well to do members of society, often affiliated with the state, using funds invest in various fields related to business is not unusual. A representative from Sheria Sacco, whose members represent various branches of the Kenyan judiciary, indicated that the organization had made loans for large farm operations, stakes in transport companies, and financed the start up a private school in Nairobi.[13] While it is true that members of these prominent SACCOs could also get loans from commercial banks, interest rates at SACCOs are often more attractive, while the process of obtaining a loan from a SACCO is generally more straightforward. SACCOs, in this manner, are a convenient route for accumulation on the part of the more well to do sections of the bureaucratic class.

The Kibaki regime, on the whole, has supported the SACCO sub-sector, but this support has often been qualified with increased regulation. An amendment to the Cooperative Societies in 1997 under the Moi regime allowed SACCOs to begin operating front office operations, as a normal bank though only open to members. While cooperative financial institutions in other parts of the world operate both as commercial banks open to members and as savings and loan granting organizations, in Kenya before 1997, the sector could only operate as the latter. While this newfound financial freedom was certainly welcome by the sector, it was accompanied by a host of regulations inhibiting the ability of SACCOs to invest fruitfully. Representatives at the Kenyan Union of Savings and Credit Cooperatives (KUSCC), the national umbrella organization that coordinates lending and policy amongst all SACCOs, reported that this situation changed dramatically during the Kibaki regime. Most important were changes in the law allowing SACCOs to invest in a wider array of fields such as real estate. The impact on the sector appears to have been significant, as SACCOs represent a fast growing part of the Kenyan financial sector, with over 3 million members nationwide (Business Daily 2018).

The opening of the SACCO sector to retail banking, however, has always been a contested process. Commercial banks in particular have pushed back against what they see as

[13] Meeting with employees of Sheria Sacco, and Michael Okelo, deputy director of education and training at the Kenyan Union of Savings and Credit Cooperatives, August 23, 2016 at Sheira Sacco, Nairobi.

unfair competition from not-for-profit organizations. The opening of SACCO front office operations in particular forced down interest rates across financial institutions in Kenya as commercial banks were forced to complete. SACCOs, coordinating policy through KUSCCO, have from time to time cut interest rates in order to retain a financial edge of the banks (Business Daily 2016). These periodic bouts of competition have also resulted in legislation to more closely monitor the sector, resulting in reforms in 2008 that created a watchdog, the Sacco Societies Regulatory Authority (SASRA). While it was hoped by some that increased regulation would level the playing field in favor of banks, in fact it appears that a well-regulated SACCO sector, at least at first glance, has led to increased revenues (Gweyi and Karanja 2014).

While political infighting surrounding SACCOs will most likely never abate, the growth enhancing benefits of the support of the industry have had far reaching consequences. Each SACCO contributes to the national umbrella organization, KUSCCO, which helps to coordinate the industry and ensure that it continues to grow. One of the principal tools that KUSCCO employs are loans to fund the programming of local SACCOs who might not have the resources to lend given the modest means of their membership base. Regional offices of KUSCCO lend monies to SACCO in regional and local offices all over the country. One manager of a regional branch in Athi River, a rural area south east of Nairobi, described the activity of his branch as being vital to the local economy, lending to SACCOs involved in vegetable farming, motorbike transport, poultry farming, and various small businesses that might not be able to otherwise extend credit to its members.[14] Indeed, KUSCCO played a vital role in the local economy, helping to finance the construction of a slate of 120 homes to meet growing housing demand

[14] Interview conducted at KUSCCO, Athi River Kenya, August 23, 2016. The manager preferred not to have his name appear in this project.

(Agutu 2014). The sector, in part through working on cooperative principals, uses funds from an emerging bureaucratic bourgeoisie to help fund a wide array of projects throughout the country. In this manner, at an institutional level, legislation surrounding SACCOs appears to be delivering non targeted benefits, very widely. Yet, when we take into consideration the close political connections of the SACCO sub sector's most ardent supporters, it is perhaps no surprise that a benefit that appears to offer open access to all, is skewed towards benefitting the regime's social and policy coalitions. Indeed, the Kibaki regime's actions may at first glance appear to fly in the face of the logic of core related factors. The administration appeared to be using performance in the formal economy, as well as class based rather than ethnically based appeals to gain political support. The result was growth enhancing institutions and a modest expansion of the policy coalition through the creation of new civil society groups such as KEPSA. While these trends had a positive impact on economic performance, this strategy would not be sufficient to keep the regime in power. Instead, they would begin to craft institutions and policy to meet the needs of their social and policy coalitions.

Dairy Production and the Politics of Political Survival

Unlike the SACCO sub-sector, reforms undertaken in the dairy sector more closely resemble dominant patterns of growth enhancing institution making in Kenya. Government reforms in the early 2000s led to a revival of the Kenyan dairy sector, and are generally seen as a case of successful state intervention into the rural economy, though perhaps it is ironic that a regime that touted the power of private investors and market solutions would be the architect of such a program. Nevertheless, in this case we see the clear reemergence of core related factors that ultimately create benefits that were widely distributed, but in a carefully circumscribed geographic area that aligned with the regime's social coalition. It is important to note than ranching and diary farming in particular, are fields with a strong Kikuyu and Kalenjin presence. Growth enhancing institutions were created in a narrow fashion; a central tenant of both the Kibaki regime's survival strategy, and that of most post-independence Kenyan regimes.

The institutional legacies of the dairy sector are grounded in the attempts to protect and sustain settler production. In this manner, the dairy industry fit into the larger constellation of programs designed to sustain white settler farming in the central highlands, and as such received generous support from the colonial government (Atieno and Kanyinga 2008, 4-5). To insure sustainable pricing and economies of scale, the state created the Kenyan Cooperative Creameries (KCC) in 1922, in order to collect milk in its raw form and to process it into powder. Before liberalization, the KCC was the primary processer and distributer of milk related products in Kenya. While it did not have a monopoly in the market, it provided producers with stable pricing and facilitated investment in the sector.

The end of colonialism and the opening up of the highlands saw the collapse of the estate centered dairy production and the profusion of small scale production and cooperatives aimed at local markets, and located close to urban centers (Rademaker et al. 2016, 25; Thorpe et al. 2000, 1). State policy continued along the same lines, with a central cooperative acting as a buying agent and also running collection and processing facilities. In addition, numerous private processors also entered in the market connecting farmers in rural area to urban conglomerations (Rademaker et al. 2016, 16). Given the close linkages between the state and areas that were producing dairy, many top officials in the first Kenyatta administration took lucrative positions in the market, acting distributors connecting producers and the urban market (Atieno and

Kanyinga 2008). The family of the current president Kenyatta, for example, currently owns the largest dairy distributor in the country.

Liberalization within the industry, as in other industries with important domestic followings, proved to be a contested and somewhat convoluted process. Liberalization was perhaps most thorough in the collection of milk, thus opening the market to a Kenya's petite bourgeoisie, who acted as formal and informal traders to manage transactions between farmers and consumers. Many of these transactions cut out processing facilities, as Kenyans tend to prefer cheaper raw milk that must be boiled before consumption (Rademaker et al. 2016). Furthermore, the role of the Kenyan Cooperative Creameries was reduced to one processor, in a competitive field. Given the fiscal exigencies that accompanied the decision to liberalize the sector, funds were not made available to invest in equipment and upgrade the capacity of the cooperative. Yet the struggles of the cooperative also attracted attention:

> Political and economic interests intertwined to undermine the growth of KCC. The monopoly that KCC enjoyed in the dairy sector and its elaborate infrastructure attracted powerful elites from the day liberalization reforms were introduced in the agricultural sector. Proliferation of small holder cooperatives and other new private dairy firms that begun to compete with KCC provided an opportunity for influential politicians and their business associates to argue for privatization of KCC (Atieno and Kanyinga 2008, 15).

The KCC became a potentially important economic asset, and a small group of investors, containing influential ministers quietly purchased the ailing parastatal corporation in 2000.[15]

The sale of the KCC led to a public outcry, particularly among farmers in the central region. A strong KCC had helped to stabilize producer prices is an essential component for the livelihood of many farmers, as the vast majority of milk in Kenya is produced by households

[15] A dispute between Moi and his former lawyer would later reveal that the former president himself was one of the investors who purchased the Kenya Cooperative Creameries (Daily Nation 2007).

owning one of two dairy cows (Thorpe et al. 2000, 1). Within the central region, the sale, which occurred quietly, far from the eye of public scrutiny, was widely seen as theft. Outside the region, however, it became part of the longer narrative of abuses of the state, particularly those associated with the Moi regime. Thus, when the Kibaki regime came to power in 2002, it is perhaps no surprise that one of their first tasks was to repurchase the KCC, and to reinvigorate the dairy sector.

The Kibaki regimes reforms, in the same manner as those carried out during Kenyatta's tenure as well as the early part of the Moi regime, packaged together regionally circumscribed service delivery with benefits for important members of the bureaucracy. The KCC was quickly repurchased with public funds, and its facilities were rehabilitated. This initial investment was followed by others; amounts invested were generous, especially in comparison to the relative austerity of the Moi years. Framers were provided with subsidies for important inputs such as animal feed and extension services to provide care and help in breeding. These reforms, in turn, attracted investment both from commercial banks and KUSCCO as it became clear that the sector had state support and was thus safer bet. While there are some aspects of dairy production that continue to present difficulties for farmers seeking credit, in comparison to other industries, credit remains widely available (Rademaker et al. 2016, 24). In the process, important regime officials who owned businesses were among those who took advantage of new investment with the sector (Atieno and Kanyinga 2008).

The Kibaki regime's dairy program is widely seen as a success. Farmers in particular saw producer prices stabilize, and thus made investments in their herds. Distributors, on the other hand were able to benefit from lower priced processing, as well as a greater ease in transport and marketing as loans for such things as trucks and motorcycles became easier to obtain. The regime's new economic institutions were largely seen as facilitating growth. Yet, the program was also narrow in its scope, with almost all of the benefits accruing to the central region as well as important politically connected elites.

The Presidency of Uhuru Kenyatta

The regime of Uhuru Kenyatta, and its approach to institution building illustrate the manner in which society in Kenya constrains the scope of state action by shifting the patterns of institution making to fit the preferences of the policy coalition. The regimes approach to economic policy making and service provision, within social proscribed limits, is on the whole, more broad than previous Kenyan regimes. This outcome, in important respects, was driven by violence and discontent surrounding the 2007-2008 and 2017 elections, which highlighted the absolute necessity of a more equitable distribution of the social product. Institutionally, a new 2010 constitution, crafted as part of the 2007-2008 election settlement, provided funds to county level governments and a procedural blueprint for involving local stakeholders in the development process.

These governmental reforms, at least in principle, created a massive expansion of the policy coalition by mandating a nationwide procedure - Presidential Economic Roundtables - for discussing developmental goals, verifying progress on those goals, and prescribing policy recommendations whose progress would then be reviewed at a later date. As a set of institutions, these presidential roundtables and their associated ministerial meetings are perhaps the most thorough set of coordinating institutions on the continent. Nevertheless, as the Ghanaian case illustrates access to elected officials alone does not constitute membership in the policy coalition; membership is denoted by influence over policy. While the policy coalition has no doubt expanded on matters of lesser importance, it is unclear whether these new institutions represent a break with the past approach of the selective dispersal of developmental funds, or whether they simply provide a new means of social control and cooptation. While an analysis of these new institutions would require a study all of its own, the dissertation finds little change in the broad patterns of development. Core-related factors, rather than these comparatively new institutions, can generally explain new patterns of development better than any institutional changes. These new institutions, however, certainly have an impact particularly in the formal sectors of the urban economy. Perhaps equally important from the perspective of Kenyan regimes, is a perception that developmental funding is being spread over a larger number of communities - a perception than contains at least a grain of truth, even if veracity is somewhat debatable.

The Kenyatta regime has tried to take advantage of this new institutional environment to build growth enhancing institutions more widely, though there are of course limits to the magnanimity of the state. When program funding is tight, as is so often the case, or where there is conflict between two important sectors, the concerns of the regimes policy coalition take precedence. In this manner, the regime represents a continuation, rather than a transformation of previous patterns of institution making whose underlying logic of core related factors remains constant.

In many ways, the Kenyatta regime is quite conventional, particularly in its support for strong externally oriented institutions. The regime continues to provide support and resources to the tea and coffee sectors, a relatively easy policy position given its base of support in the central region. The regime has also continued to host economic round table forums, and to continue to fund important infrastructure projects such as the ongoing efforts to extend the country’s electric infrastructure (EIC 2018), as well as to negotiate an extension to the African Growth and

Opportunities Act (AGOA) allowing textile manufacturers preferential access to American markets. Institutional reforms such as streamlining the licensing process to open a business have seen Kenya's rankings in the UN Doing Business Ranking skyrocket. Corruption in the administration of public funds, on the other hand, continues to be a problem but this issue is of course not unique to the Kenyatta presidency and in fact indicates that in many ways, the regime shares key traits with those that have come before it.

Like previous regimes, Kenyatta began his presidency with broad sweeping gestures of goodwill that included service provision. One of the regime's early successes was a popular policy to eliminate fees for giving birth in public hospitals, which was accomplished through an executive decree in 2013. Other popular policies were promised, and though many – such as a successful initiative to improve leather production – were clearly aimed at the regimes core supporters in the central region, others were not.

A large and expensive irrigation initiative provides a qualified counter example to the general targeted manner in which Kenyan economic institutions are normally built. While smallholders, in general, are underserved by irrigation infrastructure, they are especially vulnerable in areas of the country that lie outside of the main exporting zones in the Rift Valley. While the state, and multinational corporations have invested heavily in water resources for tea and coffee exporting regions, funds from private sources are almost unheard of in areas that primarily produce food for local consumption (Mendes and Paglietti 2015, 6). It is thus incumbent on the state, acting in coordination with developmental partners to fill this vital developmental gap. The Kenyatta regime made a concerted effort to address this deficiency in small holder irrigation, devoting $42 million to a fund to massive increase irrigation to small farmers throughout the country (The New Humanitarian 2014). The regime has clearly made headway in expanding the amount of land under irrigation, from 354,775 acres in 2013 to 483,670 acres in 2017 (Wanambisi 2017). Many small farmers, without doubt, have access to drip irrigation for the very first time. Yet, successes aside, controversies within the program shed doubt on the degree to which the Kenyatta regime is truly distributing economic benefits widely.

At the heart of the irrigation controversy is the idea that the institutional devolution of power is in fact providing the state with a greater penetration into society. Instead of devolution, critics of the regime point to a new and resurgent recentralization of power in which local elites are coopted by the center. Many of these claims center around the Tana River, which is the longest in the country. The river provides 50% of Kenya's power generation capacity through hydroelectric dams and it also supplies Nairobi with upwards of 80% of its water (Siegel 2017). Those that live in close proximity to the river, often far away from major urban centers, claim that the project is literally stealing water from their communities. In the Tana River Delta, for example, an isolated region far from the capital, fishermen report being about to catch only a fraction of what they caught before the project (Siegel 2017). Community activities and NGOs point often point to the fact that the river's resources, in light of a draught, are being overtaxed while little in the way of constitutionally mandated participation in policy making is taking place. According to (Secorun 2016):

> Experts, however, warn the river's resources are not unlimited. "Ignoring nature has a price," says Julie Mulonga, programme manager of Wetlands International in Kenya. According to Mulonga, the government's water management style focuses on the short-term benefit of industries around the capital, such as flower farms and breweries, and disregards the needs of people and animals downstream.

While politically important constituencies benefit from the program, less well protected groups such as sugarcane farmers, whose farms are often found in areas inhabited by groups such as the

Luo who often oppose the regime, have been losing acreage as new reservoirs in areas such as the Galana irrigation project flood their land (Otleno 2015).

Another broad signature program of the regime, an initiative to build 500,000 units of affordable housing by 2022, appears to make an attempt to distribute economic resources more equitably. Nevertheless, the project, which is in its infancy, suffers from a clear lack of funding. The project features prominently in Kenyatta's post 2017 election programming, and is one component of the regime's "Big Four Agenda." While the increased attention to housing may be new, it is actually a guiding component of Kenya's Vision 2030 developmental framework. The Kibaki regime, for example, pledged to construct 200,000 units of affordable housing between 2009 and 2012. A failure to create realistic plans for funding and implementation meant that only 3,000 units were ultimately constructed (Arucy 2019, 594). The Kenyatta regime appears to be running into similar difficulties and so it is attempting to keep costs down by partnering with private enterprise for roughly 80% of all new construction (Gardner et al. 2019, 7). Yet, even the cost saving measures do not appear to be sufficient, as the regime attempted, unsuccessfully, to impose a payroll tax of 1.5% on all Kenyans, with matching contributions from employers. Kenyatta attempted to sell the levy to the public as "savings for a new home" but the tax was ultimately blocked by the courts (BBC 2019). While it is too early to assess the program, its start has not been particularly auspicious.

Sugar Production in Kenya

For the sugar industry, home to a particularly productive geographic region that has historically been on the periphery of Kenyan politics, institution building has been aimed at political control or at the very least cooptation of important elites. Such patterns of institution building are common in the contemporary political economy of African states (Boone 2003), and at their heart lies the idea that running a successful economy sometimes means building institutions in regions that are unlikely to provide political support to the regime in power. The sugar industry, historically, has been one of the largest subsectors of the Kenyan economy, at various points providing a livelihood for upwards of 20% of the population (Harding 2005, 2). Given the economic importance of sugar in Kenya, the industry has always received a degree of state support but strategies of rule often mean that it often falls behind other more favored industries in receiving scarce developmental funding. In this regard the policies of the Kenyatta regime are fairly typical of Kenyan governments, and represent some of the broader trends that have shaped Kenyan political economy since independence. Despite a willingness to try to build broad based growth enhancing institutions and policy, the regime has clear limits in the set of policy choices it has available to it.

During the presidency of Jomo Kenyatta, the current president's father, state ownership of the sugar processing facilities was paired with intervention in marketing under the Kenyan sugar authority, in order to insure producers a fair price and production facilities a reliable source of inputs. A host of sugar processing facilities were set up by the government throughout the 1960s and 1970s, including the Muhorini Sugar factor (1966), the Chemil Sugar Factory (1968) and facilities at Mumias (1973), Nzoia (1978), and the SONY factory at Awendo (1979). The facilities are located in the south western regions of the country, where the vast majority of sugar cane production takes place (Odek, Kegode, and Ochola 2003, 10). Additionally, the state forced small farmers, who grow upwards of 90% of the crop (Kenya Sugar Board 2010), to become members of cooperatives both to facilitate extension services and research and to coordinate purchases of raw inputs. This approach fit well with the formal official import substitution policy of the state; as an added bonus it was an extremely effective way to distribute patronage, though on the whole the competence of the bureaucracy, the protections afforded by tariff barriers and the need for cooperative leadership to produce tangible results all served as a break on the inherent pitfalls of a sugar policy subject to political manipulation.

The economic importance of the industry, however, did not shield it from potentially damaging fallout due to both a declining economy in the 1980s and liberalization in the 1990s. As government revenues dried up with the end of the coffee boom in the 1970s, the sugar industry was slowly starved of funds, with the Kenya Sugar Authority (KSA) being almost moribund by the early 1990s when an IMF sponsored structural adjustment lowered tariff barriers and encouraged privatization. The primary aim of liberalization was to transform the distribution of sugar cane by allowing farmers to sell their product to any processor. On the eve of liberalization, the KSA and most of the parastatals were heavily in debt, and far behind on making payments to producers. Given this situation, selling to those who could pay made sense, yet, problems of transport and the intricacies of navigating a convoluted non transparent marketing system meant that farmers often ended selling to mill owners who could at least before the 2001 Sugar Act, drive a much harder bargain on price. The removal of price controls thus created additional hardship for farmers (Odek, Kegode, and Ochola 2003, 24).

Liberalization also cut essential subsidies on inputs, leaving the cooperatives to play a more central role in procuring these important goods for farmers through its financial resources as a credit giving institution. However, given the somewhat expanded role of cooperatives, the leadership of these organizations became a clearer source of political patronage and corruption. Thus, cooperative leadership became contested, and was used as a means not only to extract surplus but to distribute patronage. By shifting the structure of the market, liberalization effectively crippled the growth enhancing power of institutions that were already somewhat constrained by social forces. These reforms thus put the sector at a productive disadvantage just as trade liberalization was clearing the way for more efficient producers from Europe, Asia and southern Africa to enter the Kenyan market. Given that many mills relied on direct support from the government (UNFAO 2013, 5), the fiscal tightening that followed liberalization was particularly damaging.

The immediate causes of the current crisis in sugar production are directly related to both the weather and to the lack of investment in rural infrastructure such as irrigation systems, as well as a lack of investment on the part of the state which still holds significant stakes in processing companies. The industry has benefitted from increased access to drip irrigation under Kenyatta's irrigation initiative, though there have also been reports of some farmers losing acreage due to the creation of new fresh water reservoirs (Otleno 2015). Nevertheless, the dire straits that the industry is in can be best illustrated by the fact that after fulfilling roughly 70% of the needs of the Kenyan domestic market in 2015, is currently close to near total collapse with facilities like Muhorini, which used to supply 9% of all domestically produced sugar, shutting their doors (Muteshi and Bolo 2017, 3). In the absence of a growth enhancing agenda on the part of the state, policy has developed in ways that favor political expediency, for both influential county level and national elites. The result has been policy that neither cajoles business into becoming more efficient nor that truly supports the efforts of small producers who rely upon it to make a living.

Negotiations over trade, which have pitted the sugar industry against dairy producers, vividly illustrate the Kenyatta regime's political priorities in regards to the sector. Kenya is a member of the Common Market for Eastern and Southern Africa (COMESA), an agreement that lowers tariffs and other trade barriers in a number of important industries. Access to the South African market, in particular, has greatly aided Kenyan exports of meat, dairy and tea. Yet, liberalization, for the sugar industry represented a huge threat; after 1992 foreign imports flooded the Kenyan market, and the pressure put on the industry was so extreme that it applied for and successful received tariff protections, that were first meant to last one year but have been extended until 2018 (Muteshi and Bolo 2017, 2). The end of tariff protections, coinciding with a drought that has severely affected the industry, has made life increasingly difficult for sugar cane farmers and processors.

A recent trade deal negotiated by Kenyatta and President Museveni of Uganda, has increased the pressure put on industry. The deal allows for increased dairy and beef imports into Uganda in exchange for access to the Kenyan market for Ugandan sugar makers, which was under the protection of tariff barriers. Ugandan sugar imports were a particularly difficult pill to swallow for the sugar producers of western Kenya, as Ugandan sugar had previously been banned under suspicion that the product was not made in Uganda but consisted of low price repackaged imports from abroad. Leading the charge against the agreement was Kenyatta's main political rival Raila Odinga, whose main Luo constituency would be adversely impacted by these policies (Njagih and Ochiel 2015). Thus, sectoral disputes also pull in their overlapping ethnic constituencies, highlighting the contested nature of economic institution making in Kenya.

Considering Gender in the Kenyan Case

The central tendencies of the state in Kenya - powerful indigenous elites, a highly capitalist approach to development, a partnering of state and society surrounding specific industries - create a powerful social dynamic whose inequalities and contradictions are highlighted most vividly when we take gender in rural development in account. Female agricultural workers are not necessarily neglected by the state so much as the institutions of neoliberal Kenya assign them to marginal role within Kenya's rural economy. They are, at best, peripheral members of any social coalition.

The proliferation of credit that has been a hallmark of Kenyan political economy under neo-liberalism has similarly passed by both the rural peasantry and female farmers in particular (Omollo 2014). While access to credit is much more widespread in Kenya than other regions, women have a more difficult time securing loans through farmer run cooperatives. Luckily, opportunities to secure funding in the form of microloans geared specifically toward women are often available. However, these loans are often so small that they fail to have a discernible impact on the ability of female farmers to succeed in their farming activities. Neorealism has, in the end, disproportionately impacted female agricultural workers.

The peasantry in Africa, on the whole, have suffered in the transformation of African political economy along neo-liberal lines. In Kenya, this process has been a boon to capitalists, particularly those involved in plantation agriculture. And while the boom in available credit has certainly aided large and medium enterprises, it has been much slower to deliver benefits to the peasantry who make up the vast majority of rural workers. And for women in particular, access to loans of such a small size, though helpful, have by no means been transformative.

Institutional Effectiveness and the Kenyan Economy

The logic of core-related factors is clearly present in repeated patterns of economic development in the Kenyan case. Building a coalition of clearly defined con-core groups has led Kenyan regimes to focus on building group cohesion by exercising economic power in ways that leverage social control. Kenya thus generally builds a more comprehensive set of coordinating institutions, and constructs larger policy coalitions than states with a core group such as Ghana; these trends pre-date the adoption of the system presidential roundtable meetings. Ironically, larger policy coalitions mean that economic policies and the distribution of non-primary developmental goods in Kenya is thus carefully circumscribed. This tendency, to clearly define the scope of development is evident in accumulated state policies and institutions over the years and the economic trends associated with these institutions. The end result is that growth enhancing institutions often occur in the internally oriented segments of the domestic economy, in addition to well established regions linked to the international economy.

The Kenyan economy, more so than other African economies has fostered value added industries[16]. It is one of the biggest producers of textiles on the continent and its industries are often geared towards internal production, meeting a high degree of popular demand for products such as corn, millet, various grains, milk, sugar, inexpensive clothing, as well as other useful facets of household economy. Kenya is also the premier destination for information and telecommunications services on the continent, and as many African states move towards the digitization of important government records and functions, it is often to Kenyan companies located in Nairobi to which they turn. The Kenyan economy, at least on the surface, appears to enjoy success in generating growth for industries that are geared towards the regional and domestic economy.

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[16] Kenya ranks high in measures of agricultural value added, as recorded by the UNFAO. However, as these statistics also record value added as a result of price premiums for quality on export crops, countries such as Ghana also score high on this measure.

The Kenyan economy does not appear to manifest signs of strong institutional bifurcation; institutions for different segment of the economy appear to operate in a more or less similar manner. In Kenya, the coffee and tea sectors, cash crops that are primarily destined for export, are supported by well thought out policies that have, generally speaking over the years, provided the sector a measure of economic health. Yet, valed added food processing, aimed primarily at the domestic market, has also been well served by Kenyan policy as have industries like cattle ranching. Food, Beverage and Tobacco processing, as well as various related agro-industries account for a large percentage of value added production in the Kenyan economy. Kenya, on the whole, tends to focus more on products that are consumed by Kenyans or exported to nearby countries in the region. Thus, in comparison to Ghana, it much more inward facing in its economic posture. Yet, at the same time, gains in these internally focused sectors of the economy do not necessarily come at the expense of the tradable sector. Instead, it would be best to describe the Kenyan institutions and the greater Kenyan economy as variegated, with both strong and weak economic institutions regardless of whether they are internally or externally oriented.

Variation in the patterns of institutional performance in Kenya, unlike Ghana, follows sectors and the constituencies that are often associated with them. As might be expected, government institutions and policy are at their best when powerful constituencies are aligned with a particular sector and worst, where, as in the case of foreign aid, constituencies lack political and economic power to enforce more productive policy. In this sense, Kenya reflects the institution building patterns of the Senegalese economy, for example, where the sectors associated with politically important constituencies such as the Wolof groundnut basin fare much better than the sectors of groups whose political influence is not necessary in order to cobble together (Boone 2003). The variation in Kenyan performance, therefore, is often complex, though on the whole it tends to favor the development of stronger institutions geared towards internally rather than externally oriented patterns, if only because these sectors are more likely to contain politically important constituencies.

Industrial Policy

Kenya's industrial policies, particularly after independence, were protectionist; yet, unlike many states in the developing world, protectionism did not necessarily mean that domestic industry was unprofitable or unhealthy. The domestic economy on the whole contained a large amount of state intervention. Tariffs were imposed on imported products, particularly food stuffs and clothing, to promote domestic producers. Starting in a 1965 policy document, which articulated a type of conservative "African socialism," the Kenyatta regime embarked upon a policy of import substitution industrialization (Swainson 1980). Thus, the state would attempt to orient production to meet domestic needs, thus ensuring that value added processing on Kenyan soil took place. A large number of parastatal corporations were formed to meet these needs, yet in Kenya there was also a large number of private firms that also took advantage of producing for the Kenyan market. Thus, particularly in food processing and textiles, larger Kenyan firms emerged that would largely help to meet domestic needs.

Externally imposed liberalization would represent a challenge to Kenyan industries, but it did not result in the wholesale collapse of domestic industry. Most hard hit were textile firms, whose smaller economies of scale could not compete with large manufacturers abroad (Ngulu 2010). Many firms closed their doors as a result, and the ones that survived were often forced to merge, as well as to make changes to improve their efficiency. The surviving firms thus tended to be able to compete more effectively with those from abroad but the share of the market in which they occupied was greatly diminished. Food processors, on the other hand, tended to fare better than firms in the textile sector. While they still lost market share, competition between these firms was still on ongoing part of Kenya's import substitution strategy; thus, these firms were somewhat better positioned to compete internationally as they had to implement efficiencies in their domestic production in order to compete successfully against one another.

The two main policy documents governing industrial policy in Kenya are the National Industrial Plan as well as the sections of Vision 2030 which deal specifically with the challenges of the industrial sector. As occurs in Ghana, these institutions do not necessarily structure policy making so much as they reflect the constraints on policy making imposed by core-related factors. The documents first acknowledge one of the most pressing issues affecting Kenyan industrialization, the fact that manufacturing contributes only a small percentage to the Kenyan economy as a whole (Ministry of Industrialization and Enterprise Development 2015). Furthermore, they point out that most manufacturing that takes place in Kenya is relatively simple in its nature, with the food, beverage, and tobacco sub-sector (FBT) taking a leading role. Advanced forms of manufacturing, requiring a high level of technical competence, unfortunately are relatively rare on Kenyan soil. Thus, despite the success of Kenyan manufacturers in weathering a tumultuous liberalization process, the document points to the fact that ultimately, industrial policy must focus on not only the expansion of Kenyan industry but provide impetus for the development of more technical forms of value added production (Ministry of Industrialization and Enterprise Development 2015).

The policy documents attempt to address the expansion of Kenyan manufacturing by strongly encouraging enterprises to grow larger in size in order to compete more effectively. Organizationally, there is also an emphasis on strengthening civil society organizations active in the sector, as well as other relevant trade groups. In addition, the state is attempting to increase the number of extension officers and representatives from the ministry of industry and enterprises, in order to help facilitate the process. Thus, state strategies appear to aim towards greater penetration within society to push forward with its implicit goals. By placing officers in close contact with civil societal organizations, the state thus has a high degree of influence and receives feedback more readily. The state ironically appears to be playing a leading role in helping to organize civil society to pursue policy objectives.

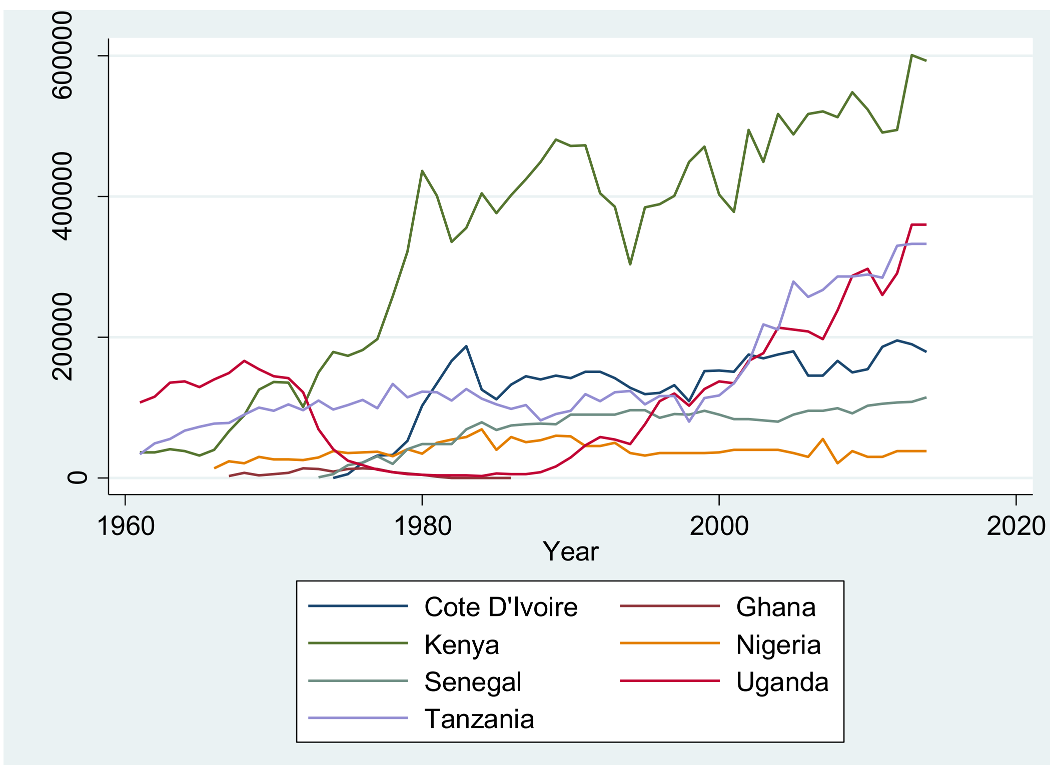
The policy documents make amply clear, however, that Kenyan enterprises continue to suffer from many of the same issues impacting states in the developing world. Kenyan firms, for example, often suffer from low levels of productivity, in part because of the use of aging or outmoded equipment (Ministry of Industry, Trade, and Cooperatives and State Department for Trade 2017). As a general rule, Kenyan enterprises, like those in most parts of the developing world, do not have the resources of large multinationals. They do not have the most modern equipment, inputs cost more than in other parts of the world, furthermore, the workforce is politically powerful and thus wages tend to be higher than in other countries (Ngui, Chege, and Kimuyu 2016). Kenyan enterprises struggle in any number of ways, but their struggles are very similar to those in other parts of the developing world where intermediate inputs might have to be imported, as well as machinery, or where foreign exchange can sometimes represent a problem for financing large and small purchases for items such as spare parts. Thus, despite the many consultative mechanisms in place, Kenyan manufacturing in particular still faces many important challenges.

Policy making to address the challenges presented by increased imports attempts to push firms to adapt paths of least resistance. Policy documents encourage textile and apparel firms to move into niche markets, or to adopt strategies in the short to medium term that allow them to compete in areas where cost alone is not the determining factor of consumer preference (PKF Consulting Ltd 2005; World Bank Group and The Ministry of Industrialization and Enterprise Development 2015). Thus, they outline strategies for firms including the creation of niche market boutique goods, fair trade items, or consumer goods with clear green manufacturing origins. Despite these stated preferences, which are communicated through government officials and extension officers, many of these strategies have in fact already been adopted by those manufacturers that have successfully stayed in business. Policy, in a sense, seems only to be reconfirming the survival strategies already undertaken by states.

Finally, it must be said that even though manufacturing and industry apart from a few exceptional sectors such as sugar is dominated by private enterprises, the state sets out a sweeping interventionary role for itself in organizing various industrial sectors. Policy documents outline the need for consolidation of firms to improve efficiency (Ministry of Industry, Trade, and Cooperatives and State Department for Trade 2017; PKF Consulting Ltd 2005; World Bank Group and The Ministry of Industrialization and Enterprise Development 2015), they point out the necessity of greater penetration of the informal sectors of the economy by extension agents, and they set aside an expansive role in promoting wholesale and retail marketing for members of the bureaucracy. It is perhaps a reflection of the constrained nature of Kenyan policy making that the policy documents outline such an expansive role for the state. These documents, as a type of non-binding and inclusive articulation of policy, tend to be a more accurate reflection of the desires of a large cross section of society.

The reality of Kenyan institutions and policy is that of sometimes tragic missed opportunities. Core-related factors do not necessarily provide incentives for promoting the most promising industries. Accumulated policy choices thus solidify into institutional hurdles that have the potential to inhibit economic growth. This trend is particularly true of industries that do not involve the social coalition of a given regime. In Kenya, a prime example of this trend is the sugar industry, a sub-sector of the economy in which the Luo ethnic group has a strong presence. The sector has been a strong performer traditionally, but it is not in steep decline as decades of poor policy choices are not creating practices and obstacles that are difficult to overcome. Figure 12. Comparative Sugar Production in Metric Tons shows the historically strong performance of the sugar sector, which is in within the past few years in steep decline.

Figure 12. Comparative Sugar Production in Metric Tons



Source: UNFAO Data

While the industry in the past has been a solid performer, it is currently plagued by a lack of backwards linkages in the economy, that in particular impact its ability to source enough raw sugar. Furthermore, the industry lost out in trade agreements, in which Kenyans sought to open regional markets to exports of products such as beef, but at the cost of allowing in less highly taxed imports on sugar among other products (Njagih and Ochiel 2015; Shimanyula 2015). Sugar policy however, appears to be evolving, or more specifically retrenching and consolidating in anticipation of far dramatically lower sales in the near future. While new investments in irrigation are being made in the two of the main parastatals, in the three other facilities appear to be left with little in the way of a viable strategy to compete (Muteshi and Bolo 2017). Thus, in this case, consolidation does in fact appear to be taking place. The fact that the affected regions are on the whole outside of areas that traditionally vote for the ruling party, certainly does not auger well for a uniform and well applied industrial policy (Kim 2016b). Policy appears to be more like a survival strategy, whose ultimate aim is to manage the destructive tendencies of the international economy, giving the state a degree of implicit leverage over who wins and loses within the broader scheme of economic competition. Yet the sugar industry's disfunctions are not new, they have simply intensified. Years of neglect are giving way to managed decline. It is not growth but rather a soft landing that policies and institutions appear to be trying to achieve.

Agricultural Policy and Performance

Kenyan agriculture shares many similarities with agriculture in other parts of the developing world, namely, that it is for the most part labor intensive, and that the most productive aspects of the field are closely tied not to internal production but to the needs of the international market. The vast majority of food production is carried out peasant working small plots of land. In fact, agriculture as an economic sector employs roughly 75% of the population and contributes close to 25% of annual GDP (ASCU 2012a). As is often the case in the developing world, a lack of transportation infrastructure, irrigation, and overall investment hamper the production of food commodities. The quote below outlines the dire situation for food producers:

> "Productivity for some key commodities is among the lowest in the world: the average yield of maize, the staple food crop, is about 1.5 tons per hectare, even though crop varieties exist with potential yields of 5 to 7 tons per hectare. These weak results are partly explained by low adoption of science, technology and innovation by smallholder farmers, because of illiteracy, lack of capital and poor technology transfer mechanisms" (ASCU 2012a, 6-7).

Food producers, who make up the vast majority of farmers in Kenya, thus face hurdles that are similar to those in other regions of sub-Saharan Africa, such as Ghana. Yet, not all those involved in agriculture and agro-industry face such steep hurdles, particularly those with close ties to the state and bureaucracy.

Fractions of the bourgeoisie often involved in various facets of agribusiness generally enjoy more substantive and often institutionalized interactions with the state. Membership in the policy coalition thus carries with it economically important benefits. The privileges of membership, however, are seldom extended to smallholders within the rural economy. As a result, particular subsectors of the agricultural economy are generally well served. Funds for research and development are often targeted at lucrative cash crops (Alila, Atieno 2006, 8), while for food crops even such vital things as extension services are in the process of being privatized (ASCU 2012b, .iv). Furthermore, while formal consultative institutions, such as the Agriculture Sector Coordination Unit (ASCU), which in principal serve all members of the rural community, tend to facilitate the dominance of large firms over key aspects of the rural economy. As described by a representative from the Kenya Agribusiness and Agro-Industry Alliance, one of the primary evolutions in Kenyan agriculture, with state support, is the development of new supply chains linking small producers with larger enterprises (Mukhebi 2016). In this manner, large enterprises play a large role in structuring state policy and investment.

Kenyan policy documents, on the whole, struggle to reconcile the need to invest in productive sectors of the agricultural economy with the need to address poverty alleviate and food security concerns of the larger population. The contradictions are expressed, oftentimes quite candidly, in Kenyan agricultural policies. As in Ghana, agricultural policy is shaped not by one document but by an assemblage of different strategies, initiatives, frameworks and policies. Some of the major components of agricultural policy include the following:

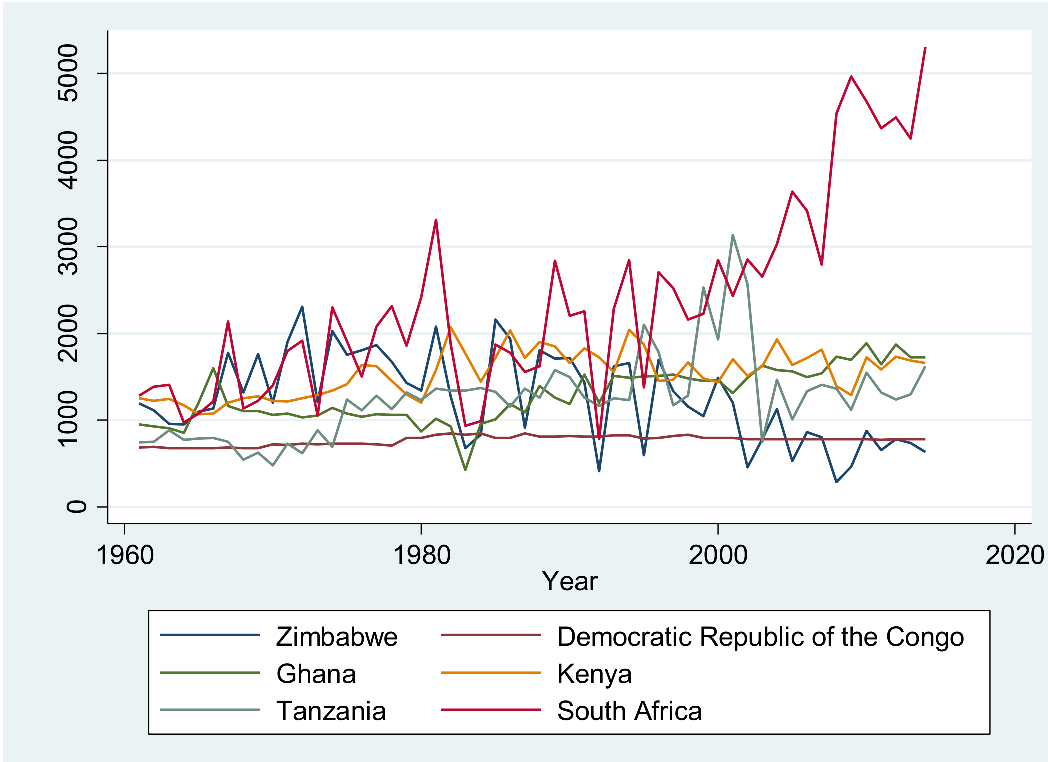
- Strategy for Revitalizing Agriculture (a component of Vision 2030)
- Kenya Climate Smart Agriculture Strategy
- National Agricultural Sector Extension Policy (2012)
- Kenya Climate Smart Agriculture Implementation Framework
- National Food and Nutrition Policy
- National AgriBusiness Strategy

While the purpose of each document is slightly different, common themes run through them all. Every document, for example, highlights a lack of value added production in the field. Even the agro-processing sector, which is home to many successful industries, is described as a "sleeping giant" (ASCU 2012b, p.4) which could be activated with greater investment and access to state supported finance. Yet, at the same time, the documents also decry the need to support small holders, in particular in insuring that farmers growing important food commodities are not relying upon rainfall alone, as a means of attaining greater food security (ASCU 2011, 17). The myriad of demands for spending and investment on such a number of projects, of course, provides a great deal of flexibility for hierarchies of production and social control to reassert themselves. There are simply too many choices, and into this void the policy coalition reasserts itself.

As in Ghana, political regimes in Kenya have shown discipline in constructing sound institutions and policies to maintain profitability in key exporting sub-sectors. Kenya is the number four exporter of tea and the world, while it has historically been a top exporter of coffee as well. The state has played an active role in supporting these industries, in particular with research and development on plant varieties as well as with a brokering system for ensuring that prices remain relatively stable. In the tea industry, the Kenyan Tea Development Agency coordinates the activities of roughly 51 factories spread across tea growing regions, and the Tea Board of Kenya facilitates access to an adequate transportation network as well as and other necessary inputs for growers. Coffee and tea production receive large amounts of investment on the state, particularly in regards to transportation, storage and irrigation infrastructure. Simply put, the bulk of investment, both public and private, tends to be focus on this rich sub-sector of the rural economy.

While tea and coffee are the main earners for foreign exchange, the vast majority of the rural population is involved in the cultivation of food crops. The main crops include maize, sorghum, wheat, rice and yams. The vast majority of peasant food production in Kenya is rain fed, and as a consequence, yields per hectare are on average low in comparison to developing countries in Asia. An important policy paper, the Strategy for the Revitalization of Agriculture, specifically identifies maize production as an area of critical concern and offers suggestions for programming and funding. Nevertheless, failures of policies and institutions appear to be durable, leaving ordinary farmers with continued low yields (UNFAO 2012, p.3). .As Figure 13. Maize Yields per Hectare in Metric Tons indicates, Kenyan yields do no depart significantly from those of other developing countries in the region.

Figure 13. Maize Yields Per Hectare in Metric Tons



Source: UNFAO Data

The economic situation of small holders in Kenya bears some resemblance peasants in other regions of the continent; the state often finds itself constrained in the amount of support it can give, or is willing to give. Small holders are to a great extent capital deficient, while access to important inputs such as fertilizer and mechanization is difficult to come by. As in many developing countries, the state tended to support small holders through subsidies on inputs until fiscal constraints forced a paring back of aid programs to peasants. Agricultural policy aims to provide added assistance to small holders by providing greater access to critical imports and by allocating greater funding to research institutes specifically focused on food production (Alila and Atieno 2006; Bager 1980; Government of Kenya 2010). Nevertheless, results have been mixed, as the state while willing in principal to support smallholders is in practice less than generous with its funding, which as of the 2010 constitution, has in part been allocated to regional governments.

Finally, it must be said that the state's approach to governance and development in Kenya continues to be managerial in its nature. The state facilitates the involvement of farmers in various associations, which often play a critical role in production, not simply of food crops but of major export crops as well. Over sixty percent of tea production in Kenya, for example, is grown by small holders while multinationals and capital intensive operations are responsible for the other forty percent (Kagira, Kimani, and Githii 2012; Onduru et al. 2012). Thus, small holders play a critical economic role in the rural economy. The state, both by fostering cooperative and sector based organizations and by deploying extension officers, creates a more highly penetrative state apparatus. The goal of this state activity, however, is not always clear cut. In some instances, state agents appear to be managing and mediating the peripheral status of agricultural sub-sectors. By promulgating common sense survival strategies, the state appears to be alleviating the most potentially hazardous losses resulting from a withholding of state aid. Nevertheless, such actions also appear to be aimed at ensuring that small scale production remains a reliably peripheral part of the Kenyan economy.

Conclusion

There are no common causal stories for understanding the relative uniformity of institutional performance between internally and externally oriented segments of the Kenyan economy. The story of Kenyan economic institutions is one of variation. Growth enhancing practices exist alongside practices and policies that drain the vibrancy from otherwise healthy and profitable industries. Running concurrently alongside these trends is a growing awareness of common interests of the capitalist class in Kenya, which exerts pressure aimed at the fair treatment of capital as a whole, particularly in the major urban centers. Institutional performance in contemporary Kenya is thus the logical outcome of conflict between core-related factors and the comparatively newer norms and obligations of capitalism, particularly as they apply to the wealthier members of property-owning classes. But while Kenyan capital may have some headway in urban centers, the logic of core-related factors as a means of maintaining power I a society only partially structured by the rules of the formal market necessitates a structure of economic institution making of variegated performance. To stay in power, a regime must carefully cultivate cohesion within its social coalition. In order to accomplish this goal, the regime leverages its social control through the policy coalition, shaping policies and institutions in a manner to benefit the social coalition. The result, of course, are policies and institutions that differ greatly in their performance as scarce resources are spent selectively. While core-related factors are contested, they still play a preeminent role in shaping the overall structure of Kenyan institutions.

It is difficult to explain Kenya's economic performance through frameworks normally used to explain economic or political outcomes on the continent, or in the developing world more generally. Most research today focuses on the development of institutions to encourage growth, as does this dissertation. Yet, while this dissertation explores the social and behavior roots of institution making, much of the research on economic development in the former third world conceptualizes the process as one relying on the routinization of new norms. In other words, as new economic rules are enforced, they slowly become part of a new set of social expectations. This approach to institutional performance place a heavy burden on state institutions like the judiciary as well as the actions of influential members of the regime. The approach originated with Lipset's (1959) studies of political culture and economic change, and appears in various forms in works such as Huntington's (1968) *Political Order in Changing Societies* which questions some of the fundamental premises of Lipset's work but employs a similar understanding of the routinization of social and political norms though one that stresses the role of party institutions, as well as the numerous studies of development that stress the autonomy of the state as an organization capable of resisting social pressures while implementing sound policy (Evans1995; Johnson 1982; Kohli 2004). These works, to varying degrees, stress the importance of a state that actively pursue developmental goals while at the same time enforcing "strong" institutions.

This approach is problematic in the Kenyan context because the process of institutional design fails to adequately explain outcomes. In other words, institutions that on the whole work well still fail to reconfigure economic behavior at the macro level. For example, the coordinating institutions of Kenya, particularly the system of presidential roundtables, are elaborate, complex and well designed in that they contain mechanisms for enforcement and accountability. Their efficacy was evident, that in speaking with several major business organizations in Nairobi, from a diverse range of fields, every group was contended with their level of access to elected officials and felt that their concerns were taken into account in the formulation of policy. In Ghana, a state with far fewer formal coordinating institutions, the result was the opposite - almost none of the industry groups who would speak with men reported feeling satisfied in their interactions with elected officials. Routinized institutions in Kenya may not be perfect, but they do have an impact in perceptions of policy making, at least among organizations representing various subsectors of industry. Nevertheless, when we consider Kenyan political economy as a whole, these institutions do not structure patterns of Kenyan development, which is ultimately tied to the means by which a regime could exert social control. Strictly capitalist relations of production may exist in the formal economy of Kenya's major population centers, but they do not exist in the informal sectors of the economy nor do they extend into rural areas. While exercising social and political control through coordinating institutions works in these segments of the rural economy, it is the logic of core-related factors rather than the equal access approach of the presidential roundtables that predominates.

Kenya's Presidential Roundtables, and the other associated institutions of the formal capitalist economy do not structure Kenya's political economy because regimes are forced to cater to the needs of their social coalition, who are composed primarily of people living on the peripheries or on the outside of capitalist relations of production and thus organizing themselves by lineage and ethnicity. The type of open access rules that structure facets of a capitalist economy fail to find purchase in a society that is not organized, at the level of relations of production, along class lines. Thus, social control and the cohesion of political coalitions attaches itself to the dominant survival strategies of the social coalition and is articulated through the language of group specific benefits. This logic, i.e. logic of core related factors, is the dominant agent of structuration in the Kenyan economy.

Nevertheless, it must be pointed out that the economic rules of the formal economy, and class-based consciousness on the part of Kenyan capital, are coming into conflict with, and sometimes blunting the impact of growth inhibiting practices on the part of the state. This trend is more complex than a simply conflict between the state on one side, and society on the other. While capital has organized to protect their collective rights, such as when the Moi regime attempted to Africanize Asian owned factories, it was the state itself under the Kibaki regime that served as the main creator an proliferator of the types of durable, open access coordinating institutions that are not only critical to the smooth function of a capitalist economy but which distinguish Kenyan political economy from other strong African economies. While core-related factors play a predominant role in structuring the Kenyan economy, the processes of variegated institution making which it engenders is contested by a more unified approach tied to relations of production in a capitalist economy.

Chapter 5: Examining Variation in Secondary Cases

The secondary cases of Tanzania and Côte D'Ivoire illustrate both the accuracy and incompleteness of a two case comparison of the primary cases magnifying differences within the causal chain. The Tanzanian case sheds light on conceptual ambiguity surrounding the concept of a core ethnic group. Côte D'Ivoire on the other hand provides much needed insights on the dynamics of destabilization and institutional collapse. Finally, the dynamics of institutional failure, as well as successful policy creation provide much needed clarification by focusing attention on the key role of state autonomy in the causal chain, while also ruling out common variables that could potentially be omitted in a two case study. Taken as a whole, these case studies provide nuanced but strong confirmation of the findings from the main cases, while also providing important methodological signposts for continued testing.

Process tracing for the principal cases reveals the presence of potential causal variables that a two case design alone, cannot sufficiently test, given the method of case selection. Ghana and Kenya are countries that have enjoyed a degree of economic success; they have each succeeded in creating effective institutions, though these institutions tend to apply to different parts of their economy. While the inquiry is focused on the impact of political legacies and the structure of ethnic cleavages to explain variation, there are other important potentially omitted variables that need to be addressed. There are regional differences between the principal cases, with Ghana located in West Africa while Kenya is part of east Africa, a region shaped by greater penetration of settlers and a deeper presence of long standing trading and cultural links stretching across the Indian Ocean. Thus, the analysis must account for regional differences in institution making, as well as the presence of a significant settler community.

The cases of Tanzania and Côte D'Ivoire are explored to distill and separate, to the greatest extent possible, the impacts of regionalism and status as a settler colony. Tanzania has been shaped by the same historical dynamics as Kenya, being located in the same region, but unlike Kenya is home to a core ethnic group. Like Kenya, Tanzania is home to a large population of Asians who lived in the country for centuries but were largely excluded from landowning and thus often occupied positions as traders and urban entrepreneurs. Furthermore, while the numbers of Europeans that settled in Tanzania was less than Kenya, Tanzania was also a settler colony of both Germany and the United Kingdom. Côte D'Ivoire, on the other hand was shaped by very different set of pressures revolving around French colonialism and the international dynamics of coco. While these pressures may in some respects resemble Ghana, Côte D'Ivoire is not home to a core ethnic group nor does it have the experience of undergoing a type of radical socialism. Yet, like Ghana, the state in Côte D'Ivoire experiences periods of instability and collapse, providing a key counterpoint for understanding the role of ethnicity in broad economic successes and failures. Exploring the dynamics and causal mechanisms of these two cases, therefore, can help to refine the causal process at work from potentially omitted variables. The key differences between these cases are illustrated in the chart below:

Table 8. Qualitative Comparison of Principal and Secondary Cases

	Socialism?	Core?	Region	Colonial Heritage	Instability?	Settler Colony?	Outcome
Ghana	Y	Y	W	British	Y	N	External
Kenya	N	N	E	British	N	Y	Mixed
Tanzania	Y	Y	E	German/ British	N	Y	External
Cote D'Ivoire	N	N	W	French	Y	N	Mixed

"Socialism" refers to experience with a form of Afro-Marxist or socialist development; "Core" refers to the absence or presence of a core ethnic group; "Region" refers to west Africa (W) or east Africa (E); "Colonial Heritage" refers to the dominant European colonizer(s); "Instability" refers to a largescale institutional collapse such as might occur in a civil war or a coup d'etat; "Settler Colony" refers to the absence or presence of significant European settlement; and finally, "Outcome" refers to the dominant pattern of institution making, with "External" signifying growth enhancing institutions that occur primarily in economic sectors that service the international economy while "Mixed" refers to institutions that promote added value in production or that are geared towards internal and/or regional consumption.

The chart approximates Mill's joint method of agreement and difference, in which both potential causal variables and their outcomes differ, providing added analytical leverage by ruling out common biases potentially caused by case selection or omitted variables. Yet, there are limitations in what these cases alone can tell us, especially in light of the greater theory building goals of the project. While the Tanzanian case, for example, might be able to confirm that Ghana is not an outlier, it cannot ultimately separate out the impact of an experience with socialism from the presence of a core ethnic group. Neither can the addition of these case studies reveal whether or not the interaction of these variables is truly the root cause of the particular type of state autonomy that leads to a bifurcated institutional performance. At the very least this task would require the study of one or more additional cases, a task that is ultimately beyond its scope. Yet, even if such a task were indeed possible, the concept being measured, the autonomy of the state, defies easy measurement through comparative qualitative analysis. Thus, while this case design may succeed at measuring and accurately describing the root causes of internally and externally oriented patterns of institution making, a full and accurate account to the hypotheses will require a quantitative method better suited to uncovering the causal pathways that contribute to varying levels of state autonomy. The case studies thus reveal interesting causal pathways, but they also show the limitations of a qualitative approach, necessitating the mixed-method "pathway analysis" that is the focus of next chapter.

On the whole, these cases confirm the findings of the original cases but provide compelling reasons to pursue further investigation to answer the research question. Tanzanian socialism gave birth to forms of state autonomy which have allowed the contemporary Tanzanian state to produce growth enhancing institutions that are externally oriented, as in Ghana. Yet, Tanzania's particular variant of centralized socialism both leaves it open to both to more growth inhibiting institutions and practices in these sectors than Ghana. Ironically, the institutional legacies of Tanzanian socialism also have left it more open to the growth enhancing demands of indigenous capital in rural region acting in coordination with multinationals. The Ivoirian case reveals, on the other hand, reveals that while French colonialism may have brought particularities, these were not determinative in any institution making processes. Yet, when Ivoirian institution making challenged the hegemony of multinationals in the cocoa trade, this relationship was used opportunistically to facilitate the take over and liberalization of essential Ivoirian institutions used by the state to direct the proceeds of cocoa and thus insure social stability. The Ivoirian case thus reinforces the idea that state within the global periphery, is fundamentally constrained by the power of the center, even as they seek to create growth enhancing institutions.

Economic Institutions in Tanzania

Tanzania's economic institutions, like those in many parts of the global south, exhibit a type of checkerboard pattern of growth enhancing and growth inhibiting policy; nevertheless, there is a clearly discernable external focus of growth enhancing policy. While not nearly as uniform as the Ghanian case, most growth enhancing insitutions in Tanzania are those that mediate the state's relationship with external capital. That is not to say that there are not pockets of growth inhibiting policies within this economic sphere – in fact, Tanzania's "Doing Business" by the World Bank, an index closely watched by those looking to invest in the country, has consistently gone down for the past three years (The World Bank 2019). Yet, on the whole, Tanzania's most effective policies tend to be aimed squarely at providing raw materials to the international economy, or to allow foreign capital to produce cheaply within the Tanzanian market. Tanzania displays the same tendencies as Ghana toward an external orientation of its growth producing economic institutions. However, the case illustrates the theoretical limits of conceptions of "core" groups, as well as the degree to which core-related factors drive policy making in certain states. Tanzania illustrates, in a sense, that there may in fact be multiple avenues to the development of the specific types of state autonomy that lead growth enhancing institutions to be located primarily in the externally oriented segments of the economy.

These multiple avenues to state autonomy can be best understood in comparative perspective. Coordinating institutions in Kenya link the state to multiple forms of production, and the best performing segments of the economy clearly reflect the interests of the policy coalition. In Ghana, on the other hand, the state is much less closely tied to economic actors. This lack of connectivity clear appears in the dearth of coordinating institutions that characterizes Ghanaian political economy. Even in the most productive externally oriented economic sectors the state tends to take the role of detached, technocratic manager, skilled at collecting data but seldom offering important social and economic actors input or control over policy. This lack of connection to economic production has on the whole allowed the state to become autonomous from society at least in regard to the demands of economic actors.

Both Ghanaian autonomy and the relative lack of autonomy in Kenya, are rooted in the dynamics associated with core-related factors. The presence of a core group in Ghana provides incentives to distribute economic goods and services widely, necessitating a detachment of the state from society that is seen most clearly in Ghana's lack of coordinating institutions.

Differing levels of autonomy lead to differing patterns of economic development. The state, as a general rule, takes an organizational interest in industries more likely to earn foreign exchange. Doing so provides any given political regime the ability to provide their supporters with goods and services that often must be imported from abroad. Furthermore, during those rare instances when members of the state apparatus become directly involved in the economy, it is often foreign exchange earnings that are the main motivator. Thus, state autonomy has the propensity to create growth enhancing institutions primarily in the economy's extant sectors. Core-related factors also have the tendency to push the state to collect greater revenues outside of taxes, as spending widely creates added budgetary constraints. This pressure provides added motivation to ensure that extant sectors are governed with an eye towards growth.

Lower levels of state autonomy, at least in successful African states, generally lead to more variegated patterns of institution making. In other words, the state is motivated to create growth enhancing institutions in the extant sector *and* in regions of the domestic economic that are particularly important for the policy coalition. Lower levels of state autonomy are generally driven by core-related factors that accompany the absence of a core group and thus push political regimes to create policy-based coalitions in order to promote the coherence and loyalty of their social coalition. These types of institutions take shape in both internally and externally oriented economic sectors.

Tanzania's political economy more closely resembles that of Ghana, then it does Kenya. The state has historically enjoyed a high degree of autonomy from society. Such autonomy has allowed the state to pursue vast, sweeping programing such as Julius Nyerere's ujamaa socialism, complete with forced villagization. While Nyerere's programming was not always popular, it did not provoke overpoliticized behaviors such as military coups. The state in Tanzania thus enjoyed a type of isolation from social forces seldom seen on the continent. Perhaps, it is for this reason that the state, has been able to craft such effective institutions in certain parts of the economy. These institutions, however, are almost always located in the extant sectors of the economy. Like Ghana, the state clearly plays a detached, technocratic role in managing the economy's foreign exchange earning sectors. Yet, unlike most Ghanaian regimes, members of the state apparatus involve themselves in the economy in a rather direct manner. In Tanzania, members of the state apparatus often play a major role in the rural economy. These efforts are often created in coordination with multinational capital, and this contribute to the external orientation of Tanzania's political economy. While the state in Tanzania operates in a manner that is autonomous from society, this autonomy does not preclude members of the state apparatus from intervening the rural economy as private interests.

While the state in Ghana and Tanzania enjoys high degrees of autonomy from society, the source of this autonomy differs in ways that are theoretically and conceptually significant in regard to the theory building goals of the dissertation project. The autonomy of the state in Ghana has its roots both in core-related factors and in the advent of neoliberalism. And while

Tanzania, like most African states has undergone the trauma of liberalization, there is in fact little evidence to suggest that the external focus of its economy is due to core-related factors. The Tanzanian case thus illustrates the limitations of theorizing about the impact of core related factors. The autonomy of the state in Tanzania appears to have its roots not in the drive to weld together a viable social coalition but in the physical and demographic characteristics specific to Tanzania itself. In particular, low population densities and low levels of inequality appear to be acting as blocks to collective action, granting the state greater leeway to act than in similar societies such as Ghana. The high levels of autonomy create somewhat similar outcomes in Tanzania, but the roots of autonomy are markedly different.

Tanzanian political economy, on the whole, is much more state centric than other regions of the continent; its policy coalition appears to be small and it hosts few coordinating institutions. Low population densities, and relative economic equality do not, in and of themselves, create distributional pressures. Instead, they provide an opening for the technocratic management of the economy. This approach was clearly on display during the country largest developmental program, ujamaa socialism. While various facets of ujamaa socialism would eventually face massive opposition, particularly during the more poorly implemented aspects of forced villagization, it is important to recognize that claims to regional or ethnic identities were never associated with the various forms of resistance. Lacking the distributionary pressures emanating from various communities, Tanzanian political economy generally features a relatively even distribution of economic assets as elites are coopted into the state and party machinery.

Conflict over the direction of policy in Tanzania generally pits class groupings against one another. Furthermore, these class groupings - at least the wealthier ones - are outgrowths of the organizational structure of the party-state. In other words, influential members of the CCM, along with their allies both within the lower ranks of the party as well as within Tanzanian society more broadly, confront each other in battles over policy. The overall direction of policy depends on the manner in which state and society form connections surrounding the economy. These connections however, at least when they involve high ranking members of the state, frequently rely on capital imported from abroad. These groups often partner with multinational capital for agricultural commodities that have a ready market abroad. In this manner, policies favoring peasant production clash with those meant to enable multinationals and their indigenous allies.

The end result of both Tanzania's technocratic management of the economy, as well as the various alliances between state personnel and multinational capital, is perhaps not surprisingly, economic institutions that are externally oriented. Technocratic management is most diligently applied in foreign exchange earning sectors of the economy, as these funds are so critical to the smooth functioning of the Tanzanian state and the party's grip on political power. Furthermore, the most capable developmental partners for those members of the state and CCM party apparatus involved in the rural economy is generally speaking external capital. These two concurrent trends, the technocratic management of the main export sectors and the enabling of foreign capital, often in partnership with members of the state apparatus create a definite shift towards creating growth enhancing institutions in the extant sectors of the economy. These trends also preclude the expansion of the policy coalition for numerous aspects of rural development.

The external orientation of growth enhancing institutions withing the Tanzanian economy is paired with robust service delivery. The form that service delivery takes, however, is often growth inhibiting institutions. These institutions primarily impact the domestic economy, not because of any specific preference but simply because they do not negatively impact revenue that is needed by the state or its personnel. The production of patronage producing institutions has its roots both in the need to appeal to important constituencies, and in the factional competition and struggles that take place over CCM leadership. While these struggles do not fall along the dividing line of ethnicity, they are nevertheless capable of creating growth inhibiting institutions.

A Core Group? An Examination of Group Identity in Tanzania

The analytical role of group identity is to provide differing levels of state autonomy. In other words, the state, or rather, the given political regime in power, uses the absence or presence of a core group to determine a distributive strategy. This strategy ultimately determines the location of growth enhancing institutions. These patterns repeat themselves over time, and become part of the long term institutional framework of the state. At the root of differing institutional frameworks, however, lies a state-society connection. These connections reveal themselves most clearly in the presence or absence of coordinating institutions. In states that are internally oriented or mixed, the state has no choice but to partner with allies within society to facilitate production. These allies are often directly involved in areas of production that serve domestic and regional needs. In state that are externally oriented, the state attempts to provide services and goods to a large number of groups located in all areas of the country. Lacking this ability, they attempt to at least be seen as an organization that delivers goods and services. As a consequence, many of the institutions that they use to complete these tasks are in fact growth inhibiting. On the other hand, in order to ensure sufficient funds for social programming, political regimes in states with a core group tend to build growth enhancing institutions in the extant sectors of the economy.

Core related factors dictate the degree to which the state maintains autonomy from society by determining patterns of distribution. While a political regime may draw support from a core group, the large size of the group effectively means that there is always the possibility of defection. Defection is of course the goal of opposition groups, who have no choice but to win over members of the core group. The resulting high degrees of autonomy are linked to the very nature of core groups themselves. The same is also true for core related factors in the absence of a core group. The high levels of group coherence in an environment lacking a core group allows the policy coalition to demand growth enhancing institutions in the sectors of the economy most important to their branches of economic activity, often in the internally oriented segments of the economy. Thus, when a core group is present, the state maintains high levels of autonomy as a means of distancing itself from its own policy coalition. When a core group is absent, the state becomes less autonomous as it seeks to fulfill the needs of its policy coalition.

Tanzania displays the characteristics we associate with a state where a core group is present. The state attempts to provide goods and services to a large proportion of the population, though often with great difficulty and with the aid of external actors. The institutions of the state in Tanzania, at least as they pertain to the economy, tend to be externally oriented, and classifications of politically relevant social groupings such as Scarriff and Mozaffar (1999) further reinforce the perception that Tanzania is home to a core group.

There is, however, good reason to be skeptical of the idea that Tanzania posses to a core group. The politically salient identities upon which the conception of a core group is based are in fact quite recent. Ethnic politics is generally all but absent in political discourse in Tanzania. If there is one politically salient divide in the country, it is between the mainland and the islands of Zanzibar. In fact, contentious, politically salient cleavages are much more prevalent on the islands than on the mainland. At the national level, Zanzibar is accorded a larger share of representation in parliament than its population would normally allow, while it also has a large say in the internal politics of the CCM including and perhaps especially over the choice of President. In Zanzibar, on the other hand, there is a general dissatisfaction with CCM rule, especially as the party failed to concede elections in 2016 for the islands' legislature and presidency, after appearing to have lost the contest. The close connections between the local and national level party have led critics to accuse the CCM of effectively acting as an agent of imperialism, as the main opposition party, the Civic United Front (CUF) has advocated an end to the Zanzibar - Tanganyika union. Thus, national level politics, at least to an extent, feature a cleavage between Zanzibar and the mainland.

The existence of a political cleavage at the national level does not automatically translate, at a conceptual or theoretical level, into the presence or absence of a core group. The group identity of "mainlander" according to Scarrit and Mazaffar (1999) comprises 97% of the population thus technically making it a core group. Yet, conceptually, it would be a stretch to argue that most Tanzanians consider themselves to be "mainlanders." Instead, numerous Afro-barometer polls, in addition to antidotal accounts of Tanzanian politics all point to the idea that outside of Zanzibar, the overwhelming majority of Tanzanians do not consider themselves as mainlanders, per se, but simply Tanzanians. While a core group technically exists, in reality the identities of mainlander and islander are not truly relevant when we consider the location of growth enhancing institutions and overall patterns of socio-economic development.

A second factor that augurs against a conception of "mainlander" as a core group is the impossibility of this identity as serving as a basis for the developmental autonomy of the Tanzanian state. The state in Tanzania is the result of a union between Tanganyika and Zanzibar which occurred in 1964. This point, however, came just three years before the introduction of Nyerere's Arusha declaration, with large scale and intrusive developmental programming soon to follow thereafter. Given the short interval between these events, it is unlikely that the union itself gave Nyerere the ability to begin the collectivization of agriculture or other major projects without widespread opposition from society. A "mainlander" identity would have had only a very short period with which to exert distributional preferences upon the state. Similarly, it is also unlikely that a Tanzanian identity forged out of the 100 plus groups on mainland Tanzania, by the Nyerere regime's state building efforts, is in fact the source of state autonomy upon which these efforts relied. The source of state autonomy in Tanzania is rooted neither in the presence of a core group, nor is it due to conceptions of Tanzanian nationalism or conceptions of group identity.

Ujaama socialism, or at least its longevity, clearly illustrates a degree of state autonomy that is not found in states with similar developmental histories. Ghana's experiments in African socialism lasted only six years before they were brought short by a coup d'état. In Mozambique, socialism prompted the outbreak of a violent civil war. In Burkina Faso, Sankara's revolution lasted only four years. These few examples serve to illustrate that in Tanzania, there appears to be a substantive difference in the degree of autonomy accorded to the state.

Determining the source of this autonomy is beyond the scope of this dissertation. However, recent work tends trace the roots of Tanzanian exceptionalism to low levels of investment, low population densities, and low levels of inequality (Green, 2011). In a word, Tanzanian ethnic groups were never politicized because no one group appeared to be more prosperous than the others. Furthermore, low population densities, an after effect of the slave trade in the late 1800s, may also act as a block on collective action, lending the state more autonomy then it might otherwise have reason to expect. Whatever the reason, ethnic identity is not the motivating political forces within society; politics in Tanzania is animated by other, more important trends.

At a theoretical level, the role of state autonomy is particularly important because it informs a discussion of both the limitations and the potential causal mechanisms associated with a core ethnic group. Process tracing will attempt to uncover whether or not the same causal process, beginning from state autonomy, is at work in the Tanzanian case. A divergence of outcomes and processes could shine light on aspects of theory development that need work, or potentially uncover causal processes that merit further exploration. Thus, although the Tanzanian case, unlike the other cases, does not contain core-related factors, its causal process is nonetheless of critical importance for theory development.

Policy Coalitions and State Autonomy After Independence

While Tanzania, like Kenya, underwent a period of settler colonialism, it was the country's experience with socialism after colonialism ended that had the most significant impact on Tanzanian political economy. Tanzanian socialism, starting under Nyerere, demobilized society by absorbing it into the state and party apparatus. The regime created numerous field offices, employed legions of extension officers, and encouraged the formation of numerous civil society groups linked to the regime. This strategy, which to an extent began during colonialism, created an enormous degree of state penetration into society, linked to the CCM[17] as a party organization. Even today the CCM has enormous support in the countryside. Yet, this

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[17] Otherwise known as "Chama cha Mapinduzi," or "The Party of the Revolution." The CCM was the party of Julius Nyerere, formed after the original Tanganyika African National Union (TANU) merged with Zanzibar's Afro-Shirazi Party after the union with Zanzibar in 1964.

combination of centralization with penetration into rural society means that the state greatly limited the potential size of the policy coalition by subjecting coalition membership to hierarchically organized party structures. As a result, Tanzanian regimes generally enjoy a high degree of autonomy from society, even over and above the autonomy that originally allowed the CCM to carry out sweeping reform in the first place. A second consequence of this structure, however, is that the collective private interests of elites in the CCM can quickly become policy. These policies often deepen the external orientation of the Tanzanian economy.

Tanzania's similarities and differences with Kenya in particular, throw light on important causal processes in those two cases. Tanzania's institutional outcomes resemble those of Ghana, at least in the manner in which its economic institutions tend towards an external orientation. Yet, many of the same causal processes found in the Kenyan case also occurred in Tanzania, such as the settlement of Europeans and a strategy of institutional penetration during colonial times that favored some productive forces over others. Thus, it would be difficult to make a case for Tanzanian patterns of development being rooted in the political and economic practices of the colonial period. Both Kenyan and Tanzanian institutions during the early independence period attempted to pick winners and losers among the productive elements of the economy, often hindering growth in the process. Yet contemporary Kenyan institution making tends to be closely tied not only to patronage but productive economic activity, while the Tanzanian state has mostly disengaged from the productive forces within society, creating the outward orientation of most major economic institutions apart from a few important industries containing durable factions capable of advocacy within the CCM. The Tanzanian case appears to highlight the importance of durable and long-lasting party structures in shaping patterns of state society engagement in an environment characterized by high levels of state autonomy. Though Ujaama socialism allowed the Tanzanian state to develop along its own pathway, in the era of neoliberalism it bequeathed a centralized managerial state and an indigenous bourgeoisie whose factional struggles within the state shaped internally oriented policy making in ways that defy the managerial tendencies of the state apparatus in the externally oriented segments of the economy.

During the colonial period Tanzania may not have been subject to the same intensity of European settlement as occurred in Kenya, but it developed a similar institutional architecture out of the need to prioritize European and to a lesser extent Asian economic predominance. German colonialism envisioned Tanzania as a major source of agricultural commodities, and so it set about claiming the most productive farmland, a practice that was continued by the British. Major exports during the colonial period included rubber, sisal, and other important raw materials used in industry. In order to provide labor for the production of cash crops, as well as for the mines, both the Germans and the British administered a hut tax, payable in cash only. In Kenya, this act was combined with intensive legislation on the types of crops that could and could not be grown in “reserve” areas. In Tanzania such a prohibition was not needed as white settlers were not numerous enough to shape and control the labor markets (Shiviji 1976, 41). Thus, cash crops were produced by both peasant labor and by hired labor on large estates.

Tanzanian economic institutions were less penetrative but they still served similar functions in organizing the economy based on splits between the economic positions employed by whites, Asians, and Africans. The marketing and distribution of crops, for example, was placed into Asian hands, while Africans were discouraged from taking part in this retail trade. Critical infrastructure, such as railroad lines and key roads, on the whole served European owned estates rather than villages, which even in colonial times were encouraged to move closer to major roadways. Cooperatives in were also founded as a means of facilitating the marketing of agricultural products, and as in the case of Kenya, these cooperatives were not farmer run so much as they served as a means for the state to penetrate rural society and to enforce rules about land use. While these organizations often acted as facilitators of production for large estates, they worked in conjunction for agricultural extension officers whose role was essentially to police African farmers in Tanzania (Coulson 1981, 64). While these tendencies would continue in both states to an extent after independence, they would intensify in Tanzania. The colonial institutions of Tanzania, therefore, resembled those found in Kenya as well as other settler states.

The immediate period after independence in both Tanzania and Kenya contained many more institutional similarities, albeit with some case specific differences. The withdrawal of Europeans in Kenya led the state to play a critical role in redistributing the most lucrative and important farming regions in the country. In fact, the importance of these regions allowed the Kenyatta regime to cement together a multiethnic policy coalition, and created enduring overlapping ethnic and economic cleavages. In Tanzania, on the other hand, Africans did not see nearly the amount of displacement that they did in Kenya. While there was indeed an exodus of European settlers, who tended to take with them the capital they had imported, there was no frenzied grab for the most important tracks of land. While the parcels occupied by Europeans were important economic resources that were bought and sold, the fact that some large estates were left abandoned signifies the degree to which land pressures in Tanzania were indeed much less than in Kenya.

Despite the differences in land pressure, and subsequent allocation of agricultural areas, the economic institutions of Tanzania after independence resembled those of Kenya. Export oriented, capitalist agriculture was supported by the state through extension services and research institutes, while the state moved to begin an import substitution industrialization strategy. In both states, institution making in the early years, even after the Arusha declaration, sought opportunities to push Asian traders out of the most lucrative areas of the indigenous commodities trade (Shivji 1976, 42-43). In Kenya, this meant that licensing for the imports and agricultural purchases were granted primarily to Africans, while Asians were excluded. In Tanzania, the state formed marketing boards, which worked in conjunction with cooperatives, to transport produce to its point of sale and to guarantee prices. After the Arusha accords, these marketing boards, in which African farmers played a central role, morphed into parastatal corporations, run by government officials. In the Kenyan case, Asian intermediaries were replaced with African ones, while in Tanzania, African farmers and later state personnel took on the role of independent Asian traders. Early economic institution making in each state thus chose winners and losers in the broader economy, though in Tanzania the state generally did not choose between different African groups, but rather favored general African economic interests above those of Tanzanian Asians.

Institutional divergence between Tanzania and Kenya, which would result in the dislocation of the Tanzanian state from productive processes, is rooted in the development of Ujaama socialism, which is itself rooted in and a product of generally high barriers to collective action in Tanzania that resulted from historical circumstance. Fearing economic inequality and the specter of dependent development, the Nyerere regime embarked on a socialist developmental pathway. Industries and financial institutions were nationalized, villages were encouraged to embark upon collective production, and state investment would ultimately drive the economy. Ujaama socialism also coincided with a reduction in the salary of all civil servants, even as many of them were placed at the helm of new parastatal corporations charged with vital task such as Agro production, and the transport and marketing of important agricultural commodities. Furthermore, legislation banned these government officials from direct ownership of enterprises and the private sector or even making investments.[18] Ujaama socialism also represented a centralization of the state in Tanzania, as cooperatives displaying too much independence were disbanded while the labor movement was reorganized and place firmly and state control (Shivji 2006, 3-5). Along the Way, Tanzania, like Kenya, became a one-party state composed of various factions vying for power.

Embarking upon ujaama socialism created in Tanzania, unlike Kenya, a management class that was intricately involved in directing the economy but who had no stake in economic affairs. This new class of top state managers, parastatal officials, and others were intricately involved in all facets of the economy, and for this reason Shivji (1976) observed that they constituted a "bureaucratic bourgeoisie" within the larger Tanzanian social formation. As a group, they made poor entrepreneurs as they sought to balance the social consequences of production that ripple out into the greater community against sheer profitability. Thus, companies that did not turn a profit were kept afloat by those that did. While Tanzania and parastatal's were not necessarily profitable, and indeed production in many fields declined, they allowed Tanzanian citizens to enjoy a higher standard of living than might otherwise have been possible.

Mismanagement practices tied to the highly centralized form of socialist economic management developed by the Nyerere regime had a detrimental impact upon the Tanzanian economy. Creating a managed economy required new forms of state penetration, in the hands of competent officials. The result, unfortunately, was to place key decision-making power with

[18] This legislation was abandoned with liberalization.

officials not on the ground but in the political center (Young 1982; Scott 1999). As a result, top-down decision-making became the norm and it seldom fit the conditions in the regions. Villages were required to move to sites without adequate water, or where crops that they traditionally grew would not be able to thrive. Palm oil and sugar factories were located in regions close to transportation infrastructure, yet the communities meant to supply them with crops found it difficult to grow them in these regions. The result was both declining production and a clampdown on political liberties, as dissenting voices were silenced lest the regime lose its hold on power.

Tanzania's Contemporary Political Economy

Liberalization changed the structure of the Tanzanian economy, but it did not necessarily change the centralized nature of decision-making within the state. While the state has supposedly undergone numerous institutional changes to make it more decentralized, key decisions must still be made in the center, which is also the only reliable source of project funding. In this manner, many scholars have claimed that instead of decentralization, Tanzania is undergoing a re-centralization of important administrative functions. In some industries, such as gold, this trend has gone to extremes with many key decisions over contracts being moved to the executive branch (Kelsall 2013, 63). This continued centralization is of course helped by the fact that Nyerere's political party, CCM/TANU continues to remain in power.

The true tragedy of the failure of the ujaama socialism, however, lies not in the centralization of power per se but in the fact that it left the Tanzanian economy much more vulnerable to the power and influence of international capital, and the processes of underdevelopment which can often accompany such influence. The Nyerere regime made strides in such industry as agro-processing and the production of important commodities such as leather and textiles. The manner in which liberalization occurred, however, greatly injured these industries, as occurred in Ghana. Furthermore, the failure of ujaama village agriculture meant that peasant production remained fundamentally small-scale, and unable to meet the food needs of the population. Thus, Tanzania would spend much-needed foreign exchange simply importing food while its entrepreneurs and political elites instead of being productively involved in the domestic economy, instead turn towards foreign capital for economic patronage. The result has been a type of political cronyism reminiscent of a comprador class, where political and economic elites enable some of the worst excesses of international capital while failing to work productively for economic development within the country.

Tanzania thus illustrates differences both with Ghana and with Kenya rooted in the longevity of its ruling party apparatus. In Ghana, a clear technocratic presence within the state guides the production of economic institutions that mediate the relationships with external actors. The actions of this technocratic class, are reinforced by underlying social consensus, contributing to the Janis faced nature of the Ghanaian state; growth enhancing institutions that are externally oriented in exchange for patronage producing institutions that are directed at service delivery and the development of internal and regional markets. In Tanzania, while growth enhancing institutions are generally externally oriented, there appears to be less consensus surrounding the need for this type of institution making to produce economic growth. While there may be a recognition of the necessity to toe the line in order to receive donor funding, patronage extends into externally oriented policies and practices. Eriksen (2018, 4), while quoting other authors, notes that a strategy of maintaining power through hierarchical systems of patronage:

> ensured that a relatively broad coalition of interests across state and party was managed through state structures, creating a 'ruling class' of politicians, and administrators in the party, the civil service, and

> parastatal organizations. Rents management was broadly decentralized under Ujamaa (Cooksey 2011), but became unsustainable as the economy deteriorated. Operating under a broadly authoritarian regime, such an elite had neither the skills nor the incentives to support capital accumulation through productive investment (Coulson 2013).

Additionally, while there are similarities in terms of projects that are meant to deliver services but not necessarily long-term economic growth in both Ghana and Kenya, in Tanzania there is also a greater propensity to attempt to coopt elites through patronage.

In this manner, Tanzania bears a resemblance to forms of political and economic corruption in Kenya during the Moi regime, when fiscal constraints prevented the regime from distributing benefits more broadly through institutions. In one of the most notorious scandals of Tanzanian history the prime minister conspired with Richmond-Downs, an American company in a scheme to increase electricity production in Tanzania. The company was able to secure a contract that allowed it to be paid whether or whether or not it was successful at electricity delivery, which allowed it to collect funds from the state despite the fact that the company made no effort at electricity production, and had no experience in the field (Kelsall 2013, 59). Along the same lines, the accessibility of the Tanzanian market to external investors is no doubt facilitated by compradors within the state, whose accumulative practices are based in large part on their close relations with both domestic and foreign capital. Yet, the Tanzanian case also illustrates more fruitful and growth enhancing forms of engagement which are driven by influential socio-economic and political factions. In this manner, Tanzania political economy, and the institutions it develops, present a more variegated pattern than those of Ghana.

The principal export sectors in Tanzania are governed by institutions that, on the whole, facilitate economic growth. Yet, unlike Ghana, the sectors are not overseen by regime technocrats who carefully monitor and shape institution making. Instead, the state tends to be somewhat less responsive to these important areas of economic activity and sources of foreign exchange. While the careful management of cocoa was an essential ingredient in the stability of the state, in Ghana, managing important export sectors is simply an important survival strategy for any regime in Tanzania but not by any means the only one. While important export sectors like coffee and horticulture are governed by growth enhancing institutions, there are also clear ways for the state to improve performance, if it were so inclined.

The manner in which the coffee sector was liberalized in the early 1990s clearly illustrates this trend toward institutions that are growth enhancing, yet also underperforming. The state in Tanzania agreed to fully liberalize the coffee sector in the early 1990s. For the industry, this effectively meant that price setting power left the hands of the coffee board, operating through a system of cooperatives, and instead was placed with the free market as private buyers often from outside the country were allowed to purchase the crop and to grind it at facilities of their own choosing. The impact on small holders in particular was devastating, with many quickly diversifying their holdings by growing food crops both for subsistence as well as to sell to local markets (Mhando and Itani 2007, 40). Ironically, the period after liberalization led to an overall decline in the coffee industry as farmers held back investing in new plants and international investment failed to immediately materialize, given Tanzania's previous experience with nationalization (Baffes 2004).

The Tanzanian case diverges dramatically from that of Ghana, a state whose social stability depended on the health of the cocoa sector, its main export, as well as the well-being of cocoa farmers. The Ghanaian state aggressively protected COCOBOD, the cocoa marketing board. The board is currently one of the few in existence in the industry, internationally, and its quality controls are largely responsible for the premium paid for Ghanaian cocoa on international markets. Ghana made massive concessions in industries such as textiles, which was all but wiped out by lower tariffs and the importation of clothing from abroad. While Ghana could not protect all of its industries, it moved to ensure the continued well-being and prosperity of the cocoa sector. Tanzanian policymakers, on the other hand, did neglect the coffee industry but its protection from the harsh realities of liberalization was not an existential necessity for the party, whose grip on the state apparatus remained secure. While Tanzanian coffee attracts investment from the state in the form of input vouchers and projects to be increase production, the industry still lacks adequate extension services and access to credit for small farmers (Mtaki 2018).

The horticulture sector, another top foreign exchange earner, displays similar tendencies. The sector has steadily grown, thanks to favorable climate, location, and a close proximity to European markets. An institutional environment which allowed easier access to land for foreign companies also helped to spur investment. Nevertheless, the state has been slow to exploit the promise of growth represented by the sector, which continues to have high tax rates and a host of administrative hurdles surrounding the establishment of larger operations (Kelsall 2013, 67-68), not to mention the ever-present issue of access to water for large farms. In other words, roadblocks to further expansion of the sector linger, with no signs of resolution in sight.

While these important export sectors do not always appear to have the full backing of the state, they received far more support than food crops which do not bring in valuable foreign exchange and are thus prone to the type of patronage politics that maintain networks within the CCM. An initiative aimed at the rice sector during the Kikwete administration, for example, delegated the construction of irrigation infrastructure to local level governments. This method of implementation served as an effective means of patronage delivery. As a consequence, however, very little of the promised infrastructure was ever constructed. Thus, the policies and institutions that help to maintain personal networks, rather than to undertake growth enhancing institutions, plague internally oriented institutions. A growth oriented pattern of institution making for domestic markets and value-added exports certainly exists but it is far from the first choice for policymakers. In this manner, Tanzanian institutions, similarly to those in Ghana, are externally oriented.

Sugar Cane and Tanzania's Departure from Bifurcated Development

While patterns of Tanzanian development on the whole resemble those of Ghana, there are theoretically significant differences tied to the presences of a strong and well-established party apparatus that merit further exploration as they pertain to specific industries and regions of the economy. Tanzania's divergence from Ghana in creating a more variegated pattern of institution making is best illustrated by examining the sugar industry. Sugar is a profitable sector within the rural economy, and as Tanzania is a net sugar importer, there exists great social and economic pressure to produce a greater proportion of the sugar that Tanzanians consumed every year, at home. This general social impetus led to a massive increase in domestic investment, which was facilitated by multinational capital, in the wake of liberalization. This alliance of domestic and multinational capital constrained the state, and limited its capacity to stand apart from society. The alliance, at least on the domestic front, succeeded in mobilizing society rooted social and political factions, which because of Tanzania's political legacies, became impossible to ignore. Growth enhancing institutions that were internally oriented were the result of this process, although given the need to mobilize a dense alliance of interests, such a scenario is much less common than in the Kenyan case.

Liberalization within the sugar industry greatly empowered multinational capital by providing a host of incentives and opportunities, often at the expense of the peasantry. Enterprises that the state had developed over years suddenly became available for outside sale. Sugar cane, in addition to commodities such as rice and maize which formally had to be purchased through state marketing boards were now available for sale locally, often at a cheaper price. The combination of lower operating costs, access to land and tax incentives all served to attract external capital, who operated large estate farms attached to processing facilities that were formerly parastatal corporations (Norris, Worby 2012). State programming such as the SAGCOT Initiative and Kilimo Kwanza pushed the state to actively recruit multinational corporations to develop the agricultural sector.[19]

The widespread use of contract farming, or outcropping, in sugar cane production employed by multinationals presented opportunities for indigenous African capital, even as it increased economic insecurity and political oppression amongst the peasantry. Liberalization and the various outcropping schemes cut away many of the supports such as input subsidies and access to marketing and transportation resources, as well as extension services, that peasants previously had access to before liberalization. Furthermore, outcropping contracts for supplying sugar cane generally passed along the risks associated with fluctuations in the price of sugar to producers (Sulle 2017). Tanzanian peasants were essentially left with little in the way of support.

Into this void left by the state stepped indigenous African capital, who took advantage of both opportunities to provide processing facilities with sugar cane efficiently and to offer peasants much-needed access to services for a price. The absence of the state provided

[19] These initiatives will be discussed in the next section of this chapter.

indigenous capital, many of whom were city dwelling members of the bureaucracy, with new opportunities and strategies for accumulation. This group, by providing access to trucks, tractors and other inputs soon took over positions of leadership within planter cooperatives (Poulton 2018; Sulle 2017). Leadership provided still more benefits, as each cooperative is only contracted for a limited amount of sugar cane. Leaders of cooperatives are free to distribute these quotas in whatever way they see fit. Being denied a quota has serious consequences as it means that the crop will not be harvested for an individual farmer who has spent both time and money to grow it. Liberalization, in this manner, gave indigenous capital a new means of accumulation rooted in the social control and exploitation of the peasantry, in coordination with and on behalf of international capital.

Clear hierarchies of social and economic control, however, quickly translated into political power and influence within the CCM. The CCM is the only party of standing within rural regions. Leadership and decision-making within the party is heavily centralized, with power being exercised by elites who control various factions within the CCM (Anyimadu 2016, 5). Wealthy and well-connected farmers have tapped into these networks, and created influential factions within the party that could not be ignored (Poulton 2018, 5). In this manner, an alliance of international and domestic capital succeeded in shaping institutions that have facilitated growth but have done so at the expense of the rural peasantry. As institutions, the SAGCOT and Kilimo Kwanza both highlight the manner in which the state is deeply and fundamentally constrained by social forces. The penetration of the state within society led to a blurring of the lines between party and state, while in Ghana party and state remained two separate entities. This peculiarity of Tanzanian politics has led to institution making patterns that diverge from those of Ghana by creating a slight expansion of the policy coalition in a region that blurs the line between state and society. Institutions in Tanzania thus mediate an unstable and tenuous hierarchy of social groupings, which offsets some of the autonomous tendencies of state action. These characteristics of the Tanzanian state, however, are not new but emerged slowly during its experience with socialism.

Tanzanian Economic Institutions

Tanzanian institutions, on the whole, reflect both the power of a policy coalition whose preferences are easily written into law, as well as the attempts by those less powerful classes to influence policy with the help of international organizations. The policy documents also contain other, similar contradictions at the heart of the Tanzanian state, namely the tension between a technocratic impulse of a managed economy and the tendency of social forces to try to use the state to further their own agendas. It is perhaps for this reason that Tanzania's political economy is governed by a dizzying array of policy documents and initiatives that both overlap one another, or in some cases contradict one another. Some of the principal economic institutions include the following:

- Vision 2025
- Poverty Reduction Strategy
- Medium Term Development Strategy
- Agricultural Sector Development Strategy (ASDS)
- Integrated Industrial Development Strategy
- Southern Agricultural Growth Corridor of Tanzania
- The Big Results Now Framework for Development
- The Kilimo Kwanza Initiative

Economic institutions in Tanzania, as in many African states, were formulated under pressure from Bretton Woods institutions to liberalize, yet there were limits to the degree to which economic openness reshaped the Tanzanian economy. As it did in most societies in the global south, structural adjustment starting in the early 1980s tended to create policies that presented opportunities for elites while stripping away some of the supports and security of peasants and workers. Thus peasants saw generous subsidies for agricultural inputs disappear, while state funding for storage and transportation of agriculture crops disappeared or was greatly limited in scope (Mhando and Itani 2007). The state also cut back upon extension services, as well as research and development, especially in food crops such as maize. Yet, ironically, the extant sectors of the economy did not see major investments from foreign donors. In fact, tea and coffee production has actually seen a decline in liberalization, in part, due to the increased costs associated with shipping from Dar es Salam's port facilities, at least in comparison with those in Mombasa, Kenya, just to the north (Kelsall et al. 2013). Thus, liberalizations impact, though thorough particularly in terms of restructuring the rural economy, did not completely change the pattern of institution making found within the state.

The documents address many of the challenges afflicting the Tanzanian economy. Vision 2025 is the country's guiding development framework, created in consultation with international organizations such as the World Bank as well as important donors. It lays out a pathway for a long term transition to guide Tanzania to middle income status, and was launched in 2000 during the tenure of President William Mkapa. While the document set a series of ambitious goals, such as a highly commercialized and profitable agricultural sector, the host of additional policies and initiatives lay out more specific strategies to attain them.

The Agricultural Sector Development Strategy (ASDS), which has served as the fundamental framework to help spur agricultural development since liberalization, champions the cause of small subsistence producers. While the document envisions a commercialized sector in line with Vision 2025 as the final goal, it places a great emphasis on facilitating the ability of smallholders to be productive, and to join together with each other in cooperatives (Ministry of

Agriculture and Food Security 2001, 12-13). Additional measures such as subsidies for inputs, transport and micro finance all seem to be aimed at a peasant-led strategy for rural development. Other related documents point critical areas for the economic wellbeing of the state such as road systems, electricity infrastructure, and irrigation, which by extension would help peasants living in the countryside (Ministry of Agriculture, Food Security and Cooperatives 2001; Ministry of Industry and Trade 2001). These policies and institutions, like those of Ghana, identify broad areas of need; they differ from Kenyan institutions which identify specific industries to target for investment while placing other areas of the economy in a less important role. Not surprisingly, the port facilities at Dar es Salam preoccupy many of the documents, as it serves as Tanzania's major linkage to international markets. Discussion of the port facility is also highlighted in the Integrated Industrial Development Strategy. Yet, despite the need to invest in infrastructure, and inputs for farmers, among other priorities, the state is of course constrained in the resources it provides to stimulate economic growth.

Despite a focus on small farmers, however, the most functional and growth enhancing institutions in Tanzania deal with facilitating external investment. Like Ghana, and many other countries that undergo liberalization, Tanzania created a new set of legislation enabling foreign investment and creating rules to prevent nationalization of industries, a critical safeguard given Tanzania's past. The Tanzania Investment Center is widely considered one of the most competent in the world, and provides institutional support for investors looking to acquire land and to set up business in the country (Kelsall et al. 2013, 55). The liberalization process, in this manner, tended to empower external capital as investors were able to make bids on important parastatals, agricultural produce or on large tracts of land for export agriculture.

Tanzanian institutions also reflect the tensions between the economic interests of members of the state apparatus vs the well-being of the state itself. Some economic institutions, for example, facilitate external investment but the degree to which such investment benefits the state is unclear at best. The minerals sector, for example, utilizes export processing zones and tax incentives to attract large multinationals, a strategy which has met with some success. Yet, the tax incentives are so great that Tanzania is reaping only a small amount of the total export value of valuable minerals such as gold (Kelsall 2013, 63). Other projects envision state and private sector investment, in order to facilitate numerous industries. This approach, in which the state facilitates private investment is at the heart of the Kilimo Kwanza ("Agriculture First") Initiative, a plan designed to shift the trajectory of rural development in direct opposition to peasant focused approach of the Agricultural Sector Development Strategy which preceded it by over a decade.

The Kilimo Kwanza Initiative was unique in its close partnering of the state with private investors. In particular, it allowed for easier and clearer demarcation of land upon which to build large commercial facilities packaged with tax incentives and other measures to attract both domestic and international capital. Yet, while it facilitated the establishment of large-scale commercial agriculture, the programs impact on poverty reduction was questionable. In one particularly famous case, Agrica, a UK based agribusiness firm, took advantage of tax incentives and access to land to become the biggest rice producer in East Africa. Yet, company operations, according to report by the Oakland initiative, Greenpeace, and Global Justice Now (2015), has resulted in a loss of access to land and a negative impact on the livelihoods of smallholders in the region. Peasant labor was an essential part of the company's operations, as it purchases rice from smallholders in the region, in addition to growing its own on company plots. Yet, the various outcropping schemes which it employs ensure that peasants do not come close to attaining market value for the rice which they grow. These negative reports about the company, and their operations, echo broader criticisms of the Big Results Now framework,[20] of which it was a part namely in its emphasis on short term gains (Janus, Keijzer 2015, 23).

While policy documents often, inadvertently highlight contradictions within the institution making process – such as a need to cut budgets while also making massive investments in infrastructure – Tanzanian documents are unusual in that they reflect and codify ongoing disputes between social groups. The conflicting priorities in Kenyan and Ghanaian documents, on the whole, mirror the very contradictions of development in a peripheral region of the world, a process which must carefully balance the need for investment with tight fiscal constraints. While Ghanaian and Kenyan documents clearly contain optimistic thinking about the possibilities of achieving those goals, they each enshrine a clear social order within the context of these constraints. In this manner, the Ghanaian and Kenyan documents are similar in that they reflect a sense of social compromise. These societies, by no means are free from social struggle and conflict, but such conflicts do not play out in the institutional design of the state. Thus, the contradictions found within developmental documents are generally exogenous to socially rooted political and economic processes. Tanzanian documents, in this manner, represent unrest or at the very least a more complex and conditional autonomy on the part of the state, that may represent cracks in what might otherwise be a hegemonic organization within society.

It is important to point out that the contradictions found in Tanzanian documents differ in important ways from being institutional exceptions identified in previous cases. While Ghanaian

[20] Big Results Now was initiated in 2009 but formally discontinued in 2017, although many of its policies and institutions remain active (The Citizen 2017).

institution making was generally broad in its patterns of service provision, occasionally institutions that were targeted at a narrow group of beneficiaries would actually help spur development. In these cases, in particular for the horticulture sector, groups within the state organization temporarily changed policies and institutions to fit their short-term interests. Yet this action had little to no impact on the long-term organizational needs and interests of the state; the state maintained its degree of autonomy from society. In Tanzania, this autonomy appears to be, at least to an extent, contested. Conflicting policy within the Tanzanian case pits smallholder farmers against capital and its support for institutions that facilitate external investment, land acquisition, and supports for capital intensive farming found in the Kilimo Kwanza initiative as well as the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) projects.[21] The lack of state autonomy within the Tanzanian case is puzzling, as its institutions, on the whole, generally resemble those of Ghana. Yet, this seeming lack of autonomy creates institutions in Tanzania that are more variegated than the Ghanaian case, although to a lesser extent than the economic institutions of Kenya. The Tanzanian state appears to contain features that are unique in comparison to the other two principal cases.

The state in both Kenya and Ghana enjoys *relative* autonomy from social forces, even while their institutions enshrine both the social ascendancy of the dominant group and a viable survival strategy for the reproduction of the state. In Ghana, a type of Bonapartist state ascendancy over other social formations produces policy that favors the export sector in an overt manner. A survival strategy predicated on the pervasive presence of a core ethnic group leads to a very broad set of internally oriented institutions. In Kenya, the state has clearly never occupied

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[21] A piece of legislation that supplements the Kilimo Kwanza initiative.

an ascendant position within society, which is generally belongs to an alliance of wealthy ranchers, farmers, and financiers centered around the Kikuyu and Kalenjin ethnic groups. A survival strategy predicated on the needs of an ethnic alliance in an environment lacking a core ethnic group has generally led internally oriented economic institutions to be relatively narrow in their scope. Kenyan economic documents direct funding not to different regions of the economy but industries within specific subsectors that have important constituencies, such as leather processing, an industry that benefits Kikuyu and Kalenjin ranchers. A broader provision of social services, as well as the positive externalities that some internally oriented institutions provide allows for a degree of social and political stability in Kenya.

Tanzanian institutions are unique in their blend of features, although the state more closely resembles that of Ghana particularly in the close attention paid to externally oriented institutions. The shared history of popular socialist development could perhaps explain the similarities to the Ghanaian case. Tanzanian institutions like those of Ghana also tend to be broad. The Big Results Now framework is what passes for a targeted approach to development in Tanzania, and it focuses on no less than six major areas of economic and social development. Thus, on the surface at least, the Tanzanian case roughly approximates that of Ghana.

The Tanzanian state, however, clearly enjoys far less autonomy than the state in Ghana in regards to medium and large enterprises in the agricultural sector. This area the economy comprises three major groups, the urban petite/bureaucratic bourgeoisie, wealthier segments of the rural peasantry, and multinational capital, all of whom stand to benefit from the commoditization of peasant labor for the production of products such as rice, sugar and Palm oil. According to most perspectives in the Tanzanian press, Kilimo Kwanza, with its uncharacteristic departure from the interests of smallholders, is a direct response from Tanzania's petite and bureaucratic bourgeoisie to the state centric approach of the ASDS (Poulton 2018, 3). The ascendancy of the state in Tanzania, however, has its roots in the history of socialist development, as it does in Ghana. In order to understand why the state in Tanzania appears to produce institutions that are more variegated, rather than simply externally oriented, it is first necessary to get a sense of how socialism in Ghana represented a fundamental break with its manifestation in post Arusha declaration Tanzania and might it might open the door to socially rooted factions whose interests are generally disregarded by the state in Ghana.

Considering Gender in Tanzanian Development

The Tanzanian case is ambiguous because while it does not disconfirm the tendency of rural development programs to marginalize the interests and concerns of female agricultural workers, neither is there clear evidence of institutionalized networks and widespread practices that prevent women from acquiring wealth and status. Instead, what we see are manifestations of neo-liberalism that take advantage of a highly penetrative party apparatus to facilitate forms of private accumulation. This process often comes at the expense of the peasantry as a whole, though institutions sometimes inflict inadvertent harm upon female farms workers, even if such practices tend to be fewer in number than in the other cases.

The remnants of party rule, ironically, serve as a breakwater against a larger set of potentially marginalizing institutions. As the accumulation of wealth is channeled through socio-economic and political leverage of the party-state (Shivji 2006), it is incumbent upon aspiring and ambitious party members to manage a local following, and to make allies through successful business ventures (Poulton 2018). This implicit pressure, combined with the congoing presence of the party in rural regions, means that great care in development projects taken to insure both profitability and the continued political following of the politician that initiated the project. The impact of this penetrative party state is, in general, to lessen the impact of the worst aspects of neoliberal reform.

Nevertheless, there is nothing particular in Tanzanian institutions that differentiates them from other African states, at least in terms of gender. The main differences generally have to do with planning and execution of rural development plans, at least those involving the Tanzanian bureaucratic bourgeoisie. In numerous ventures, often involving multinational capital, care is taken to ensure that the wage labor and outcropping portions of these plans provide viable survival strategies alongside or in place of subsistence agriculture. Peasants, of course, still lose land and many of them, perhaps deliberately, become dependent on wage labor on plantations feeding foreign owned agro-processing facilities, often set up by members of the bureaucracy acting in capacity of private citizens. The relative success of these ventures, at least in the short term, means that the loss of economic resources is at least compensated in part, with viable opportunities for wage labor or outcropping. Furthermore, the necessity of profit making tends to ensure a more uniform delivery of vital services such as access to extension agents.

The examination of gender in the Tanzanian case highlights the extent to which party institutions, in some instances at least, shape developmental processes in profound ways. While inequities in access to important inputs and governmental aid in the form of extension agents are the norm in Tanzania, we find little evidence of the most glaring forms of gendered oppression in accessibility to developmental resources. In regions where governmental officials partner with multinational capital, often in conjunction with international organizations, the desire for profit is compounded by a drive for political power and the future profits that success in both fields may bring. In Tanzanian rural development, at least in areas where a constellation of state and party managers, NGOs, and multi-national capital come together, centrality of the party in rural matters blunts the very worst forms of sexism in development.

Preliminary conclusions

Tanzania's unique mix of externally oriented and variegated institutional production appears to be the result *not* of the presence of a "core" ethnic group, but a set of historical conditions that gave rise to a state which at first enjoyed a large degree of autonomy from society, allowing it to create a variety of socialism that was particularly centralized. As in the case of contemporary Ghana, Tanzanian institution making, at least as it pertains to the domestic market, does not appear to favor any ethnic group in particular. This tendency to intervene broadly, without any ostensible regard to ethno-regional grouping can be seen in such programs as the current NPP regime's "One District, One Factory" programing in Ghana. Like Ghana, Tanzania's developmental initiatives and even forms of patronage distribution do not follow ethnic or regional lines. Instead, the play a role in the factional competition between different segment of the CCM, as well as the splinter parties that appear to be focused not on policy but on the followers of charismatic leaders. Tanzania, and Ghana Ghana at least in their contemporary politics, do not show a tendency for state intervention at the behest of ethnic alliances. Yet, ironically, when such intervention is paired with sectoral overlaps as we see in the case of Kenya, there is the potential for growth producing institutions to take shape.

The origin of Tanzania's lack of ethnic alliances, however, appears to be different than that found in Ghana. In Ghana, ethno-regional alliances certainly exist despite the presence of a core ethnic group. In fact, broad patterns of voting suggest that control of state power oscillates between two regional groupings with swing voters deciding the race for the presidency and legislature. Yet, even during the Nkrumah regime, it was possible for some regions of a larger ethno-regional block to break away. This possibility forced the Nkrumah regime to invest resources relatively uniformly, rather than intervening only to benefit one region in particular a process that has continued to this day. On the contrary in Tanzania, the precolonial histories and structures of ethnic groups appear to be the main cause of this lack of ethnic alliance making. A decentralized form of political organization appears to have been dominant among these groups, and thus the most meaningful differentiation appears to be between those on the mainland and those Tanzanian located on the island of Zanzibar. This differentiation, however, does not reflect any sense of identity among Tanzanians, whose primary identity is simply "Tanzanian" (Eifert, et al. 2010). Nevertheless, the lack of state intervention in policy to benefit specific ethnic groups associated with economic sectors in both cases, appears to contribute to the dislocation of the state from the productive sectors of the economy. Thus, while there are qualitative differences surrounding the core ethnic group, in both cases a lack of ethnic alliance making and a broad distribution of economic services is the result.

Ghana and Tanzania differ greatly in the institutional legacies of a socialist approach to development, however. The Rawlings revolution in Ghana unleashed the productive social forces of the masses in ways that inserted the state into the productive lives of its citizens. The Nyerere regime's Arusha declaration energized society and saw groups like cooperatives and labor unions ready to take a more prominent place in the economy. Yet, once unleashed, these social groups proved to be a threat to the regimes that birthed them. In Ghana, the regime was forced to purge the left, and to create a general demobilization of social forces. In Tanzania, the state quashed political opposition and took more centralized control of economic production by taking over the unions, reshaping the military, and disbanding cooperatives that were potentially problematic (Shivji 2006, 3-4). In each case, the state gained autonomy, and thus administered policy in a manner that it saw fit. Yet, while productive institutions were sometimes the result, in particular in Ghana's cocoa sector, this enforced sense of autonomy removed the state from valuable sources of information and input emanating from society and the market. In each state, the regime tends to rely on externally oriented institutions to stay in power, while delivering patronage widely in the domestic economy to provide social stability.

Yet, the centralization at the heart of Tanzania's experience with socialism created a policy making process outside of the state, that nevertheless succeeded in creating growth enhancing and internally oriented institutions. The centralization within the party meant that powerful factions could not be ignored, and indeed, factions that contained a mix of domestic and international capital, combined with social control over elements of the peasantry, found ways to reshape institutions to favor their interests. Thus, the sugar cane industry actively helped to shape institutions like SAGCOT and Kilimo Kwanza, which, despite representing growth enhancing opportunities also codified a type of dependent development in which domestic and international capital profit from the exploitation of peasant labor.

Finally, an analysis of the Tanzanian case undermines the potential causal role of the institutions common to settler colonies. While Tanzania experienced a less pervasive form of European settlement than Kenya, it delivered similar economic structures. Yet, while the state in Kenya distributed resources emanating from the end of colonialism unequally along the logic of ethnic alliances, in Tanzania socialism developed in part, as a means of clamping down on the inequalities that grew out of the inherited capitalist institutions that dominated the Tanzanian economy. The role of path dependency developing from settler agriculture and shaping long term institutional development, therefore, appears to be minimal.

Economic Institutions in Cote D'Ivoire

Cote D'Ivoire has historically been one of the most prosperous countries on the African continent. Among African states it has been unusual in the diversity of its successful industries, which include cocoa and coffee production, as well as various types of manufacturing linked primarily to the food and beverage industry. Cote D'Ivoire is also exceptional in the close ties it established with France, its former colonizer. Indeed, the majority of managers in important enterprises, and the overwhelming amount of capital, for example, came from France during this period (Young 1982, 197). Links to France - particularly French capital - and strong economic growth allowed Cote D'Ivoire's long time leader, Felix Houphouet-Boigny, to use the state itself as the primary means of shaping a social coalition. The outsized role of the state was due in part to the structure of pre-colonial Cote D'Ivoire, where the abundance of land tended to encourage migration within the territory, and at the same time undermined the power of potentially centralizing authorities. This relative weakness of traditional authority allowed the Ivoirian state for decades, to create a variegated form of development which used growth enhancing institutions to elevate elites, and to provide them with credibility in their own communities. In this manner, the stat maintained a cohesive social coalition, creating growth enhancing institutions in both internally and externally oriented sectors of the economy.

Côte d'Ivoire's successful developmental strategy, however, suffered major setbacks after a calamitous fall in the world prices of cocoa and coffee, as well as the death of its longtime leader, President Houphouet-Boigny. Houphouet-Boigny's rule had been characterized by a delicate balancing between internal factions, shaped in part by ethnicity, sectarian differences and regional identities. Largess from cocoa and other cash crops had solidified a relatively cohesive elite, unified under a ruling style which facilitated their own private accumulation through the auspices of the state. The disappearance of a charismatic personality, combined with the dearth of resources and the fiscal constraints that they created, greatly contributed to an intensification of competition between regional factions. These processes would eventually lead to violence, and a brief war between 2011-2012 after Laurent Gbagbo refused to cede the presidency after losing a democratic election in 2010.

Côte d'Ivoire, unfortunately, does not serve as a prime example of successful institution building in contemporary Africa. In fact, since the early 2000s it has been plagued with political instability and conflict, most recently in the form of a civil war between 2011 and 2012. While Ivoirian institutions mediate the social relationships at the heart of the state, it is uncertain whether these relationships are cemented with a form of social compromise, or if the period following the cessation of violence, which includes the permanent stationing of French military forces, represents an imposed and temporary social contract. While it is possible that contemporary Ivoirian institutions represent durable social compromise, there are far better cases to study the internal and external orientations of economic institutions, and the social compromise which they embody. However, as a state that has undergone institutional breakdown, the Ivoirian case can provide much needed analytical insight into the reasons why Ghana and Kenya have been able to create growth enhancing economic institutions and avoid the problems that have plagued it.

Analytically, Cote D'Ivoire's inclusion in this dissertation was made in hope of tracing points of disjuncture with Kenya, a similar case but one which continues to manage political conflict in such a manner as to maintain patterns of growth enhancing institutional performance. The Ivoirian case does indeed contain elements of similarity with the patterns of institution making found in Kenya; these trends are particularly striking when we examine the two decades following independence. Process tracing reveals clear effects resulting from the manner in which core related factors manifest themselves in an environment lacking a core group. In Cote D'Ivoire, as in Kenya, the state was incentivized to create cohesive alliances, based upon ethno-linguistic affiliation. Many of the institutions of the domestic economy, therefore, were by necessity growth enhancing as they served the political ends of elites. These trends stand in stark contrast to the cases of Ghana, and Tanzania.

Nevertheless, we also see theoretically important disjunctures with the Kenyan state, that provide clues as to why Cote D'Ivoire failed to attain the necessary level of social compromise to continue to create growth enhancing institutions, unlike Kenya. The causes of Ivoirian state failure were both exogenous and endogenous. International actors, largely based in the global north, in an opportunistic gambit following the collapse of the country's cocoa industry after Houphouet-Boigny's "cocoa war" of the 1980s, forcefully interjected themselves into the Ivoirian cocoa economy under the guise of liberalization, altering many of the well-established patterns of patronage that helped to stabilize a somewhat fragile ruling coalition. Thus, as in Ghana, the global north had an important impact upon the elite level processes of social compromise upon which growth enhancing institutions are built.

A second point of disjuncture, and perhaps a more important one, relates to the function of the state in Ivoirian society. In Cote D'Ivoire, much more so than in Kenya, historical contingencies have produced an elite class that is dependent upon the state for the very resources needed to lead their own communities. In other words, it is the state that actively cultivates a dependent class of elites, who rely upon their positions as part of the state bureaucracy to maintain a leadership role in their communities. This situation is unlike that which we find in both Ghana and Kenya, where the state interacts with and mediates between elites who clearly have the necessary social control to exert leadership within their communities. Thus while coalition making processes reflect those that occur in Kenya, in Cote D'Ivoire they produce an elite tethered much more closely to the apron strings of the state, and as a consequence the policy coalition in Cote D'Ivoire was much smaller than in Kenya, and lacked coordinating institutions, while competition over the state apparatus became much more strident as elites who are out of power had much more to lose than in Kenya. In this manner, the Ivoirian case highlights some of the reasons why Kenya has been able to overcome elite conflict while Cote D'Ivoire fell victim to it.

Social and Economic Processes and the Ivoirian State

The Ivoirian states is characterized by a similar pattern of ethnic alliance making that we find in Kenya. The state maintains a cohesive social coalition, that is for the most part, a product of ethnolinguistic and regional cleavages. Unlike Kenya, however, benefits tend to accrue to regions, rather than individual ethnic groups. At the root of this uniquely Ivoirian developmental dynamic is the primacy of the Ivoirian state over society in crafting a social coalition. The state in Cote D'Ivoire is not so much autonomous from society as is often argued, so much as it has been able to control the terms of its social obligations surrounding the production of growth enhancing institutions for specific communities. The result has been a variegated pattern of development, in which the state locates institutions of growth enhancing potential in both internally oriented and extant sectors of the economy. In this manner, the Ivoirian case resembles that of Kenya, at least in regard to its overall orientation of economic institutions.

Despite these similarities, Cote D'Ivoire and Kenya have profound differences surrounding the manner in which ethnic elites create cohesion within their communities. In both Ghana and Kenya, elites create political authority through control of economic assets such as access to land, livestock, and forms of capital needed for the agrarian economy. In Kenya, the formation of these accumulations of land and capital was greatly aided by the process of decolonization, which saw both large scale land reform as well as British attempts to actively create a wealthy and prosperous class of farmers sympathetic to the interests of white colonists. In both pre-colonial and colonial Cote D'Ivoire, social structures as well as geography and demographic factors auger against the development of political authority based on control of economic assets. An abundance of unsettled land in the forest zone, for example, meant that peasants did not have to rely on chiefs for access to land, they simply cleared more land outside their jurisdiction. And while patron client relations certainly existed, and could provide material benefits to peasants, these benefits rarely translated in political authority - Ivoirian peasants were far too autonomous and there were far too many potential patrons for any one to attain a truly loyal following. These demographic, ecological and historical conditions have produced a situation in Cote D'Ivoire where historically, access to the resources of the state provided political power and social control to elites; they were thus a dependent class.

Crafting a viable social coalition in Cote D'Ivoire after independence has generally involved providing carefully chosen individuals with the economic resources to exert leadership within their communities. The economic institutions produced as a result, by necessity, had to contain at least the potential to produce economic growth. Political regimes in Cote D'Ivoire, especially that of Felix Houphouet-Boigny whose long tenure in office last from 1960-1993, would use appointment to important posts within the state apparatus as a means of building a social coalition through the empowerment of individuals whose control over programming could provide a measure of social, and thereby political control. This type of access to the state, of course, was doled out carefully, often to individuals who might be relatively unknown within their community.

In order to ensure the growth producing potential of economic institutions, and by extension the stability of the policy coalition under the leadership of the state's chosen elites, the Houphouet-Boigny regime leaned heavily upon its relationship with France. While Côte D'Ivoire has historically been one of the foremost manufacturers on the African continent, ranking ahead of both Ghana and Kenya and only slightly behind South Africa, the close ties that it made with European states, France in particular, meant that manufacturing was majority foreign owned, with big firms taking a lead role. While Cote D'Ivoire was indeed open to foreign investment, oftentimes the structure of agreements between the state and foreign firms tended to provide generous benefits, while failing to transfer important skills, technology and other essential non-monetary benefits to the Ivorian economy.

Nevertheless, the state resolutely pushed forward with parastatal organizations focused on manufacturing in two important fields, the processing of foodstuffs for domestic production as well as the grinding of beans for cocoa products (Anyang'Nyong'o 1987, 226-227). Today, these industries remain the backbone of Ivoirian manufacturing, although each has underwent fundamental changes. Food stuffs, particularly maize, rice and cassava were privatized in the 1990s while the cocoa sector was liberalized in the 1990s under pressure from external donors, which facilitated the purchasing of processing facilities by external capital. The impact of liberalization for foodstuffs was generally positive, although the political and social crisis of the past decade and a half has been particularly challenging for the sector. In cocoa processing, liberalization had served as a means of empowering multinational firms while calling into question the ability of the state and local enterprises to increase value added production.

The social coalition of the Houphouet-Boigny regime was dictated by both convenience as well as the structure of Ivoirian society. The Akan speaking zones in the southern portions of the country, areas often involved in cocoa and coffee production, became the stronghold of the regime. Members of the presidents' Baule ethnic group frequently found themselves appointed to parastatals active in agro-processing or in important positions overseeing the construction of such things as irrigation infrastructure. Members of other prominent ethnic groups in the south such as the Dyula, who had migrated to the south in the early 20th century and who were involved in the transport and marketing of food commodities, similarly found themselves involved in the rural economy in a manner that benefitted their region.

The primacy of the state apparatus within Ivoirian society meant that developmental funding, even when it was spent strategically in areas outside the social coalition, did not provide social control to local elites. Thus, during the 1970s when Ivoirian economic managers made plans to jump start palm production in the norther portions of the country, it was the parastatals, largely staffed with southerners, who led the charge. And while the factory certainly took advantage of the labor of the Voltaic peoples of the region, no one from this group would be involved in leadership of the project nor would the project deliver anything beyond subsistence levels of accumulation for those smaller northern ethnic groups in the region. While the regime may have carried out projects in many regions of the country, as noted by Lemarchand (1981) and others, its social coalition lay firmly in the south. Yet, even here, decision making power remained centralized, confined to an inner group around the president.

The policy coalition during the Houphouet-Boigny regime remained stubbornly small, and generally lacked coordinating institutions. While it is certainly possible, as argued by Boone (2003), that the regime wanted to prevent elites and members of the bureaucracy from becoming too powerful, the logic of core related factors tells us that membership in the policy coalition is often only given grudgingly, for it involves the surrendering of a small (or sometimes large) measure of control over policy and spending. The regime, therefore, would have little reason to surrender policy making power to elites in the south, who were already dependent upon the largess of the state to maintain social control within their communities.

Ironically, the policy coalition in Cote D'Ivoire tended to include elites from those regions of the country that were more often than not hostile to the Houphouet-Boigny regime, but who were capable of mounting serious opposition to the regime. In some cases, such as in the southeastern reaches of the country, slight changes in policy and the ability of some elites to join the bureaucracy might suffice to diffuse opposition. This nominal inclusion in the social coalition, for some problematic regions, however, simply did not suffice; in these rare cases, elites are brought into the policy making process in a last ditch effort to nullify potentially serious opposition. So it was that northern elites, in a region whose historical and demographic characteristics were exceptional in the Ivoirian context, came to shape growth enhancing institutions and practices in the production of cotton (Chappell 1989). Yet, as with members of the bureaucracy, the regime tended to forgo creating formalized coordinating institutions.

Elites outside of the orbit of the regime face a difficult challenge, as the state utilized institutions to perpetuate the dominance of southern elites. Local merchants and wholesalers, for example, soon found that their rise to prominence was blocked by the state, which in conjunction with international capital, had set about carrying out the functions of wholesale traders in agricultural commodities (Boone 1993). When peripheral regions outside the country attempted to take over transportation, the state set transport prices at such low levels that the only real profits took place at the retail and export levels.

It was in this manner that the nature of the opposition to the regime grew not from rural elites outside the regime, who often lacked the power to lead their communities, but from local organically grown farmers' organizations. These groups often benefitted from the input of educated Ivorians who had traveled to other regions of the country, only to come home to find a general lack of opportunity. These rural associations managed to put pressure on the regime, and by the mid 1970s they had succeeded in forcing the regime to provide more meaningful projects such as attempting to jump start the sugar industry, a venture generally considered to have been a potential wasteful failure by most members of bureaucracy (Crook 1990, 659). Nevertheless, these new ventures were not growth enhancing in quite the same manner as industries located in the south, or those such as cotton production which were located in the north but included newly expanded members of the policy coalition. Furthermore, this expansion of the social coalition would entail a tremendous expense that would contribute to the destabilization the regime.

Perhaps it is for these fiscal reasons, so essential to keeping the policy coalition together, that the state paid such close attention to connections between growers and foreign sources of investment. The relationship between southern planters and international capital was carefully mediated through the auspices of state policy. Côte D'Ivoire was in fact no different from most other developing countries in its utilization of profits from key exporting sectors like tea and cocoa to finance parastatals and state investment in key industries and infrastructure (Young 1982; Campbell 1987). One of the most important roles played by the Houphoet-Boigny regime was to determine access to key resources, such as bank loans. These loans, which often used land as collateral, were used to provide starter funds for industry or much more commonly, the ability to buy stakes in existing often foreign industries operating in Cote D'Ivoire (Campbell 1987, 294-295). Thus, a profusion of Ivoirian companies existed in the domestic sphere, and these companies often retained French nationals in key roles, or in many other cases, production had simply slowed passed from French to Ivoirian hands with the aid of French finance arranged through the state (Losch 2002). Thus, the landed classes, as elsewhere in Africa, moved into agro-processing and related light manufacturing, but they did so in a manner that allowed them to buy up or partner with existing successful European firms. Furthermore, the state worked in conjunction with external capital to market both finished manufactured products as well as agricultural commodities. Through joint ventures Côte D'Ivoire developed a dense retail sector that proved to be especially important for marketing locally grown cash crops. In this sector as well, however, elite close to the regime operated alongside foreign capital as well as parastatal industries. The opportunities for accumulation were great, but also narrowly bound within specific channels (Boone 1993).

The tight relations between the post independence ruling class and French capital would ultimately exclude and subvert the rising bourgeoisie in other regions of the country, as these was only so much room within these networks of accumulation (Campbell 1987). Rural elites in other sectors, particularly those involved with lower value cash crops such as sisal, grown in the north of Côte D'Ivoire, were often far removed from the higher circles of power in the south. Furthermore, and perhaps more importantly for the regime, they were more integrated within the fabric of rural life and could potentially create regional followings. Elites that the regime had coopted, on the other hand, were often pulled into southern circles of accumulation, and thus remained removed from local affairs. Those with ties to the regime were often given access to land an capital through rural cooperatives set up by the regime (Woods 1999). Membership in these groups was mandatory, and so locals were often deeply distrustful of these organizations, especially as they were often used to distribute patronage to those loyal to the political center

(Woods 1999, 499). Cooptation, therefore, tended to cement the ties of rural elites to the regime, and to include them in southern circles of accumulation, but it also diminished their local standing and influence.

Development and the Politics of Gender in Cote D'Ivoire

The Ivoirian case illustrates, and indeed exemplifies the manner in which a narrow social coalition curtails benefits. The analytical lens of gender helps to illustrate both of this trend in clear detail. The state in Cote D'Ivoire is not only unresponsive to the needs of women in rural areas but seeks to cut them out of the social coalition so that benefits can accrue to male heads of families. In the cotton industry, at least, the idea is to force women to use the labor that they were using to grow their own cotton on their own individual plots and to instead apply this time, labor and productivity to familial plots controlled by their husbands (Bassett 2002, 359). The lack of aid in producing cotton is particularly notable when we consider that these cotton producing regions are generally the recipient of various forms of service delivery. In fact, they form a vital segment of the Ivorian social coalition. The sharp divide surrounding gender in fact mirrors the larger ethno-geographic divides in the country, in which the institutions of the state serve to facilitate accumulation on the part of the social coalition oftentimes at the expense of those outside this group.

Contemporary economic institutions and performance

It would be impossible to discuss economic institutions in contemporary Cote D'Ivoire without tracing the process of liberalization to cote D'Ivoire's disastrous attempt to lay claim to a greater share of the value produced by its cocoa industry in the 1980s. This episode set the stage for a process of liberalization that would place Ivoirian economic assets in the hands of multi-national capital, and disrupt processes of patronage distribution, ultimately destabilizing the state. To understand Cote D'Ivoire's contemporary political economy is to understand its "cocoa war," a conflict over the terms of trade that would ultimately have disastrous consequences for the state.

By the early 1980s Côte D'Ivoire was producing almost 45% of the world cocoa beans (Losch 2002, 206), and like the Ghanaian cocoa protests of the 1930s, aimed at British imperialism, it attempted impact the price of beans by withholding them from the market. It is important to note that the attempt to increase prices paid for cocoa also included a demand for a greater share of valued added economic activity; thus the state invested heavily in cocoa grinding facilities as well. The prices of cocoa had climbed during the 1970s but had quickly come down by the end of the decade, creating the making of a fiscal crisis in Côte d'Ivoire, as the state increased spending during the boom but found it difficult to cut spending when prices fell (Crooker 1990). Exerting more influence over the international price paid for cocoa would greatly stabilize economic uncertainty for both farmers and the state as a whole.

The response from large multinationals was understandably, that of concerted defiance. Using large stockpiles of cocoa beans, which are much easier to store at the lower temperatures found in European countries, the firms stoutly resisted Ivoirian demands. By sourcing beans from elsewhere, and by drawing upon warehoused stocks, they simply waited out the Ivoirian government, which did not have sufficient refrigerated storage to preserve their crop, creating a deeper financial crisis in Cote D'Ivoire that would eventually bankrupt the state. The multinationals, because of their great storage capacity, could simply outlast the Ivoirian regime (Losch 2002, 211). Provoked in large part by the crisis, Côte D'Ivoire would be forced to liberalize its cocoa sector.

The liberalization of the cocoa industry was particularly disastrous because it not only transferred control of major parts of the industry to external interests, but it facilitated the transfer of Ivoirian investment in processing facilities to multinational corporations. The IMF spearheaded the process, which dismantled the state monopsony in cocoa purchasing and instead replaced it with a system of private wholesalers. Yet, while funding was provided to encourage the growing and maintenance of the cocoa crop, this funding was contingent on the privatization of parastatals involved in value added grinding. Since Ivoirian financial institutions essentially acted as branches of larger French banks, a legacy of both colonialism as well as the Houphouët-Boigny regime's approach to development, financing and ultimately partnerships involving larger European parent firms were quickly arrange through French financial institutions (Losch 2002, 216). This development gave large multinationals a firm foothold in the industry, and played into a larger trend of driving down the price of cocoa beans by utilizing beans of poorer quality in the processing of bulk cocoa products.

The contrast with Ghanaian institutions in the cocoa sector could not be greater; while Ghana grinds far fewer beans than Côte D'Ivoire, it remains much more firmly in control of the price paid for cocoa as well as the manner in which the beans are sorted and graded. Unlike Côte D'Ivoire, the state in Ghana resisted pressure to dismantle its state purchasing agent, Cocobod (Fold 2002, 231-232). Its resistance was based largely in the opinions of technocrats, who believe that doing so would negatively impact the ability of the state to control this valuable resource. In Cote D'Ivoire, technocrats played a similar role, yet the urgent resolution that the state needed to the fiscal crisis meant that their concerns took a back seat to staying in power.

Had it not been for the crisis of the failed cocoa embargo, Ivoirian institutions to say nothing of the Ivoirian bourgeoisie that relied upon state patronage, may well have stood up to the power of the IMF. Yet, even so, Ivoirian resistance the liberalization of the sector continued during negotiations, and direct access to Ivoirian cocoa beans was granted only to those firms who invest in Côte D'Ivoire. This important stipulation could have potentially given the state more control over pricing. However, the lack of financing available, the unwillingness of external donors to provide financing for value added production, and most importantly the close ties between Ivoirian and French financial establishments undercut the ability of indigenous interests to retain ownership over facilities to grind cocoa. Despite resistance, it was the historical ties with the metropole that ultimately reshaped Ivoirian institutions. There were no laws against Ivoirian institutions borrowing from the same sources, yet historical ties and continuities gave financial institutions in Europe a set of advantages that ultimately led to their influence over the process in Côte D'Ivoire. While Côte D'Ivoire prospered under a particular model of economic growth tightly tied to international capital, it was ultimately these external actors who largely forced control of cocoa markets and the most valuable aspects of the cocoa value chain from Ivoirian hands. The failure of Côte D'Ivoire's "cocoa war" in the late 1980s would ultimately lead to a complete institutional reorganization driven largely by external actors.

Policies related to the processing of cocoa tend to favor access to external capital, and on the whole facilitate the transfer of cocoa beans to large multinational corporations. Grinding facilities abound in Cote D'Ivoire, making the country one of the largest international processing centers for cocoa in the international economy (Fold 2002, 234). Nevertheless, while grinding facilities add value to Ivoirian exports, they do not necessarily result in increased bargaining power over pricing in the market. The state greatly expanded grinding capacity in the 1980s and 1990s, but Ivoirian policy making in the cocoa sub-sector, negotiated through the IMF, allows foreign owned mills greater access to Ivoirian cocoa beans (Losch 2002, 2015). Thus, facilities owned by the state were quickly bought by large multinationals, who utilize them to grind lower quality beans that form the backbone of many essential cocoa products, such as cocoa paste and cocoa butter. The arrangement has changed the functioning of Ivoirian mills, which were envisioned as facilities to grind the most high quality beans, for the most profitable value added processing. These activities, however, still take place largely in Europe (Fold 2002, 234). The true cost for access to low priced beans for multinationals was relocating the less lucrative portions of the international value chain processing to areas such as Cote D'Ivoire.

The main policies deregulating the cocoa industry took place in the early 1990s, after intense negotiations with the IMF. Before the reforms, a state monopsony, the *caisse de stabilization* was responsible for purchasing cocoa from farmers at a guaranteed price. Afterward, licensed export agents would then sell the product on the open market, mostly to large multinationals. After negotiations with IMF, new institutions opened the Ivoirian market, first and foremost, by greatly diminishing the activities of the *caisse de stabilisation* and allowing independent brokers instead to purchase cocoa directly from farmers. The new regulations also allowed direct purchasing of cocoa beans by foreign interest who had made investments in the country. Finally, the new regulations allowed for the privatization of the much of the state's infrastructure in the industry, particularly its parastatal corporations that were involved in storage and processing of cocoa.

While the immediate impact of the regulations was positive, in the long term they have greatly diminished the capacity of Cote D'Ivoire to add value to the exports of cocoa. The entry of so many new players into the market, combined with new investment, in the short term helped relieve a struggling sector, as the state had previously cut off exports in an attempt to impact market conditions. Before liberalization, the *caisse de stabilization* was struggling to guarantee farmers an adequate price for their crop. Therefore, for many farmers, the change of institutions was critical for their short term survival (Crook 1990, 559-560). In the long term, however, these changes have tended to erode both the prices paid to farmers, as well as the overall quality of the crop (Fold 2002, 229). While the cocoa sector in the country is doing well, smuggling to Ghana has been increasing as the state in Ghana pays a higher price to producers (Economist Intelligence Unit 2018, 9). Thus, while the sector is no longer in crisis, and while some value added processing does in fact take place, the institutions surrounding cocoa are not truly growth enhancing.

While Côte D'Ivoire is the number one producer of cocoa beans in the world, as well as a major coffee and tea exporter, it is also a large exporter of finished agricultural commodities such as canned pineapples and palm oil. Historically the state has provided funding in the form of loans and facilitated public private partnerships to facilitate growth in this industry (Young 1982; Crook 1990). Furthermore, the state has also negotiated with import/export firms, many of which are at least partially owned by Ivoirians, to market these products. Thus, and even with its post conflict challenges, the state appears to be playing a positive role in specific forms of economic growth.

The origins of Ivoirian institutions, however, are the product of selective policy making based on class, ethnicity and regional origin. The institutions of the state have historically reflected the ascendency of large planters in the south involved in the production of valuable cash crops such as tea, coffee, cocoa beans (Young 1982). Colonial policies under the French put this group at a collective disadvantage, providing resources and facilitating coerced labor to work on large French estates, while hindering the growth and development of Ivoirian farmers (Anyang' Nyong' o 1987, 187). In response, large Ivoirian planters helped to form the SDIC, which not only advocated for their rights but would help organize much needed labor for their farms. The Syndicat Agricole Africain or SAA would eventually play a key role in supporting the independence movement under the Parti démocratique de la Côte d'Ivoire (PDCI), and after independence would be involved in shaping policies to facilitate the accumulation of large southern planters, who were primarily Christian, and of the various Akan ethnolinguistic groupings. Furthermore, the state would help to mediate and reproduce the relationship between different parts of the country, as well as with external capital.

More importantly, these regional trends would ultimately be grasped upon by opportunistic political leaders in order to destabilize the state. It was not long before the grievances of small producers took on distinct regional and ethnic tones. In particular, this new type of populist rhetoric tended to scapegoat immigrants for the countries economic problems, as the Houphuet-Boigny regime had attracted labor both from the north as well as from the south to facilitate accumulation by large planters. Many of these immigrants had settled in the country and had succeeded in claiming land that had been hitherto unoccupied. Furthermore, southern politicians in the democratic era also used the north's peripheral economic status, and their migratory trends within the country in search of employment, to claim that many northerners were not in fact Ivoirian citizens (Cutolo 2010). Thus, the politics of exclusion in Cote D'Ivoire came to be focused more narrowly on conceptions of citizenship, and competition amongst regions over the main channels of accumulation. Several bouts of instability, culminating in civil war was the result. At present, Ivoirian institutions are still in the process of rebounding, though it should be noted that important fields such as cocoa production and agro-processing continue to perform well.

The Ivoirian case resembles that of Kenya, particularly in the manner in which ethno-regional alliances distributed benefits in the form of growth enhancing institutions selectively. The state, in this manner, actively mediated the relationships between social classes and regions of the country. Just as in Kenya, key groups were able to shape policy making in a manner that furthered their accumulation, and that overall, facilitated economic growth. Nevertheless, Côte D'Ivoire differs from Kenya in that the tight relationships with external capital that made Ivoirian institutions so successful have spawned distributive struggles that foreclosed the possibility of a more united bourgeoisie. This process of exclusion reached the point that it was small scale producers, articulating regional and ethnic grievances that eventually came to the forefront. Yet, it was very often the state, who would provide the economic means for local elites to satisfy these concerns. Liberalization, and the ejection of the state from production in the cocoa economy has greatly constrained its ability to obviate these demands.

Agro-processing institutions in other subsectors tend to produce more growth, though the state has struggled to support the sector on the whole. Some of the principal problems afflicting agro-processing featured in Côte d'Ivoire's "New Industrial Policy I: Diagnosis of the Industrial Sector and the Institutional Framework" include the high price of imported machinery, as well as limited state support in transportation, storage and marketing (Repebulique de la Cote D'Ivoire 2012). Training and retaining skilled labor has also been difficult, given the turmoil associated with the political crisis. Lastly, enterprises generally struggle with financing as many of the main sources of financing in Cote D'Ivoire have experienced disruptions in their ability to lend following the political crisis. The linkages between French banks and those in Cote D'Ivoire have in general, provided opportunities for French companies to either purchase former parastatals in Cote D'Ivoire, or to join in partnership with them (Losch 2002, 2016). Thus, while indigenous ago-processing is a vigorous subsector of Ivoirian manufacturing, it remains more vulnerable to outside influence than the sectors in most other states explored in this study.

Agriculture in Côte D'Ivoire shows the same type of variegated performance found in most other countries on the continent. Cash crops, particularly those that make up a substantial part of the extant sector of the economy, receive the bulk of government resources and expertise. The cocoa sector thus benefits from the work of agricultural research institutes, while subsidies for important inputs in cocoa, coffee and other important exports though much reduced since the 1990s, continue to be applied. Food production, on the other hand, remains labor rather than capital intensive with support in the form of extension officers and subsidies for essential inputs like fertilizer few and far between. The program for the revival of agriculture specifically identifies these problems, and sets the goal of providing more support for farmers (Ministère de l'Agriculture et du Développement Rural 2012). Nevertheless, the resources of the state are severely constrained, and though the IMF and other donors have made specific contributions in order to promote food security in a few key essential fields such as rice production, funding larger and much needed infrastructure for subsistence level farmers is at the moment impossible for the state.

Like Kenya, the state in Cote D'Ivoire tends to encourage the formation of famer's cooperatives, in order both make up for the shortfalls of state aid as well as to facilitate communication with the state. The number of cooperative associations in Cote D'Ivoire is immense, and each organization is required to register with the state, who publish a directory of all the groups on an annual basis (Ministère de l'Agriculture et du Développement Rural 2017). Cooperatives allow small scale subsistence farmers in particular to market excess food crops, and greatly facilitate transportation and storage. Additionally, the state uses these groups to carry out extension services in a more efficient manner. Finally, these organizations also serve as a means of political organization at the local level especially as the state continues to undergo decentralization of many of its administrative functions.

Conclusions

Core related factors have driven a variegated pattern of development in Cote D'Ivoire that has been at the heart of contentious politics and violence. These trends have been reinforced by external actors, whose policies greatly constrained the state's ability to resolve the contradictions and social pressures that accompany unequal patterns of development pursued as a reoccurring regime survival strategy. Demographic and historically contingent factors have pushed the state to play the leading role in state-society relations. In order to stay in power, the state during the long tenure of president Houphouet-Boigny cobbled together a social coalition based primarily in the south, although it later included a few select regions in the north as well. For most regions, the state's method of elevating regional elites to positions in the bureaucracy and providing limited but generally effective development served to provide the material credibility that these members of the bureaucracy so desperately sought from their own communities. In this manner a cohesive social coalition was built comprising elites whose nominal leadership over their communities was built on their reliance upon the regime and its commitment to effective economic management in internally and externally oriented sectors of the economy. To say that these elites were dependent on the regime would be a significant understatement. Liberalization placed significant strains upon this system, upon which elites were already heavily dependent. The embargo on cocoa, and subsequent penetration and control of the cocoa industry by multi-national capital pushed the state firmly towards institutional breakdown and overpoliticized violence. The same core related factors present in Kenya are also present in Cote D'Ivoire, as is the same pattern of development which locates growth enhancing institutions in both internally and externally oriented segments of the economy. Yet, in Cote D'Ivoire, the combination of an elite fundamentally reliant upon access to the state apparatus to maintain their own base of power, and the forceful interjection of multinational capital into all aspects of the cocoa industry were simply too much for the state to handle as a coherent unity. The subsequent political and economic decay of the Ivoirian state can be traced to those two factors, which in a social environment characterized by the lack of a core group, proved to be fatal to social compromise.

Chapter 6: Quantitative Analysis of Causal Pathways

The case studies provide a thorough exploration of the role that the presence or absence of a core group plays in the production and placement of growth enhancing institutions. They struggle, however, to explore the role of ideology in this process. Most African states underwent only brief experiments with forms of socialism, leaving behind little in the way of institutional legacies. Indeed, cases such as Tanzania, where the edifice of party institutions still survive, are comparatively rare. It is ultimately much more common for socialist rhetoric, combined with a somewhat statist approach to development to persist. From an analytical perspective, however, this trend is somewhat problematic, as it closely resembles the programmatic orientation of most ostensibly capitalist states such as Kenya, which under Kenyatta adopted a version of "African socialism" even as it continued to implement market-oriented reforms. Qualitative case studies, therefore, are ill suited to examining the impact of a socialist transition on development.

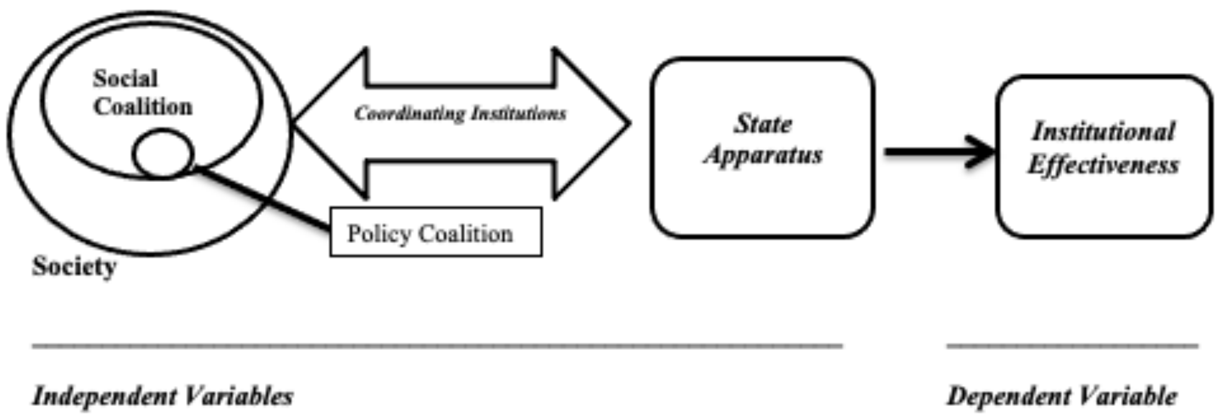
Quantitative analysis, therefore, can more easily attempt to test potential linkages between a past socialist transition and patterns of development. Such an analysis, however, must take into consideration the other hypothesized causal variable, the presence or absence of a core group, given its impact on the dependent variable as evidenced in the case studies. The main purpose of this chapter is thus to clarify the causal mechanisms and pathways linking relevant independent variables to the dependent variable, while providing a more generalizable test of the main independent variables from the case studies. Quantitative analysis will be used to separate potential causal mechanisms associated with the independent variables, as well as to determine whether or not the theoretical insights developed in the case study can be applied to a larger group of countries in sub-Saharan Africa. A brief qualitative analysis of one additional case, taking into account the refinement of causal mechanisms from the quantitative analysis, will provide further elaboration of the research findings up to this point.

The case studies identify relevant causal mechanisms, but they bring up questions about the specification of the variables and the micro foundations linking the variables to the mechanisms. Each of the case studies illustrates that disjunctures in state-society relations lie at the heart of institutions that are growth enhancing but heavily externally oriented. The cases provide some evidence that the origin of these disjunctures might be found both in the disengagement of state apparatus that may have its roots in past transitions to socialist economic planning giving birth to higher levels of state autonomy, as well as in the tendency to create economic institutions not to enhance growth but to deliver patronage and benefits more widely than might otherwise be possible. I hypothesize that the latter mechanism is a symptom of ethno political cleavages at the national level that take shape around the presence of a core ethnic group. The case studies provide preliminary confirmatory evidence of these mechanisms while the quantitative analysis can hopefully provide greater traction on the specification and causal impact of these independent variables.

The case studies, however, also bring into greater focus the specification of independent variables and the need to refine causal mechanisms. For example, while the presence of a core ethnic group may be in part responsible for patterns of institution making, the manner in which politics unfolded in the two cases with core ethnic groups was remarkably different. In Ghana, the core Akan speaking people were always at risk of political fragmentation, despite the fact that they often cohered with one another. Thus, Akan speaking peoples largely opposed the Nkrumah regime, apart from some specific subgroups that were offered special incentives. Furthermore, while most Asante (Akan speakers) steadfastly opposed the Rawlings regime, many of the other Akan groups supported his regime. In Tanzania, on the other hand, the presence of a core ethno-political group at the national level did not necessarily create any forms of group adherence. Indeed, the case study casts doubt on whether or not Tanzania truly possesses a core group. Despite the cleavage at the national level between mainlanders and those located on the island of Zanzibar, ethnicity failed to be a politically salient factor of politics. Like the regime in Ghana, the lack of connection between any particular ethnic group, as opposed to institution making in Kenya or Cote d'Ivoire, appeared to create a type uniform distribution of investment that was not directed at any one group to the exclusion of the others. Thus, while the causal mechanism appears to be the same, the causal pathway is somewhat different.

Furthermore, the pathways linking past socialist transitions to institutional outcomes are complex, and bound within causal pathways that may involve multiple and somewhat obscure factors. Institutions to encourage growth in Kenya, for example, were not only the result of policies that were target at specific ethno-political formations, but were negotiated at critical junctures in consultation with indigenous Kenyan capital. Hypothesis testing involving such complexity of causation is better attempted using qualitative methods, focusing on the patterns of alignment within a given social coalition. While institutional scholars often assert that path dependency alone is responsible for patterns of institution making and economic outcomes, what the case studies make clear is that there is no *single* causal pathway at work, but a multitude working in conjunction. Institutional path dependency in formerly socialist and/or Marxist societies most likely impacts the governing apparatus, *yet*, this path dependency ultimately rests on variegated structures of society rooted politics. Thus, the first hypothesis points to the important of the presence of a core ethnic group as a variable of primary importance, regardless of path approaches to governance. Thus, the "hard test" will focus on whether or not a past socialist transition is sufficient for the confinement of growth enhancing institutions to the extant sectors of the economy. Figure 14. Coalitions and the State lists some of the possible interactions and causal pathways uncovered in the qualitative analysis. The variables have been arranged according to their place within the causal pathway outlined in chapter one. Casual pathways are listed under the variables.[22]

Figure 14. Coalitions and the State



The major causal variables in the study include the presence or absence of a core ethnic group, the presence or absence of a past transition to socialism/Marxism.

While the diagram is informative, it also highlights the complexity of the cases; the goal of the following qualitative analysis is to attempt to simplify some of this complexity by focusing on the causal patterns that endure over several cases as well as to test some of the underlying premises more widely. For example, the case studies all affirm that growth inhibiting institutions are often the cause of dislocations between the state and society, resulting in neglect,

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[22] I use the term causal pathways to emphasize the multidimensional nature of causal variables. They do not operate through clear causal mechanisms so much as they are shaped by complex interrelations with other factors in their respective societies.

lack of interest, insufficient allocation of resources, etc. These institutions may in fact be the result of fiscal pressures, or they may reflect a willingness to use development projects as a means of distributing benefits but with no intention of stimulating growth. This condition may in fact be conditioned by path dependent legacies of management, based on previous experimentation with socialism, or it may be a reflection of a survival strategy that caters to the needs of a fraction an underdeveloped national bourgeoisie, the sheer difficulties of management under tight fiscal constraints, etc. Quantitative analysis, by means of simplification, can distill important relationships in order to indicate whether it is socialism, the presence or absence of a core ethnic group, or other potential causal variables that might be responsible for variation.

Independent Variables of the Quantitative Analysis

The Tanzanian case study, along with that of Ghana provide insights on the sources of cohesion that characterize a core group. In Ghana, there is no real sense of a larger Akan identity, though Akan speaking regions do exhibit similar political behavior. Yet, there are no uniform economic interests that might allow an artful politician to placate or appeal to one industry and thus capture the region. Instead, it appears that the Akan are a relatively diverse economic group, though their presence in cocoa growing regions certainly accounts for potential sources of cohesion. While it is difficult for economic interests alone to account for the cohesion of a core group, the lack of unified economic interests suggests that a core group is able to draw upon at least some forms of traditional or symbolic power. Yet, while symbolic forms of power may serve to aid group cohesion, there are limits to the ability of symbolic or traditional authority to create coherence within a large group, particularly when unified economic interests are not present. The relative dispersion of land, capital and human resources on mainland Tanzania means that in effect, one region of the country has very little in the way of economic motivation to form either one cohesive grouping or one of several smaller groupings. A core group is thus not defined by the economic commonalities of its constituent peoples, but similar economic activity certainly appears to play some role in creating group cohesion. The absence of a core group in Tanzania points to the idea that while common economic interests may not be sufficient to create a core group, they may very well be a necessary condition.

Core groups on the whole, suffer from lower levels of group cohesion than non-core groups. In a core group, as in non-core groups, it is safe to say that traditional relations of lineage, clan and ethnicity connect the political preferences of members, just as much as direct economic interests. In a core group, these features add to group cohesion, but are not, in and of themselves, enough to solidify cohesion. In non-core groups, on the other hand, these factors may very well be enough to create group cohesion. It would be a misnomer to think that all Kikiyu in Kenya, or all Baule in Cote D'Ivoire occupy similar positions within the domestic economy. Yet, members of the groups for the most part share political loyalties. Thus, when we consider core groups in comparative perspective it becomes clear that they are not able to marshal the same level of traditional, symbolic or other forms of social power needed to assure cohesion. Non-core groups, on the whole, do not suffer from the same phenomena. While they are by no means cohesive entities they do, generally speaking, possess forms of authority that allow for greater group cohesion than generally found in core groups.

A core group is clearly a unique entity, distinct from either an ethnic alliance or a regional grouping. Its defining feature is its mix of both coherence and fragmentary trends. The core group is an economic and social unity, but one which masks both fragmentation and deep social divisions. It is these tendencies, upon which social and political actors capitalize, that generate distinctive core related factors that ultimately shape the institutional profile of the state. The production of growth enhancing institutions in specific sectors of the economic is not so much a choice as it is a reflection of the state itself. The state, for its part, being a social relationship, whose institutions encompass a type of unwritten consensus between the dominant social actors.

The Case Studies and Core Group Coding

The case studies point to the difficulties of determining whether or not a country contains a core group. The first step involves consulting measurement of relative group size; Scarrit and Maozzafar (1999), thanks to their focus on different types of groups, have served as the primary quantitative measure of group size in this dissertation. Next, for each case, historical process tracing, as well as an analysis of socio-economic relations between groups as well as with other regions of the world, can create a determination of whether or not a core group is present. The classification of a core group, therefore, requires qualitative case study, carefully undertaken in a uniform manner. At this point in the dissertation, for example, the necessary and sufficient conditions for recognizing a core group still have not been worked out.

A careful recoding of core groups would necessitate a massive expansion of the number of case studies in the dissertation. Indeed, it would require a new methodology of case study design. Undertaking such a study of core groups on the continent, in a careful structured manner, requires a separate project; shortcuts, even of a preliminary nature risks conceptual and empirical confusion.

In this dissertation, therefore, I pursue more modest goals, utilizing the numerical coding for core groups, in effect maximizing clarity but sacrificing some, though not all of the insights gained from the case studies. The findings, therefore, pertain to and test the conception of the core group as a numerical expression. As group size, even in more nuanced forms of coding is still a necessary ingredient in the behavior of core groups, these findings may reveal important new information about the impact of group size relative to other factors such as traditional leadership. Thus, for this analysis, in determining whether or not there is a core ethnic group, I utilize Scarrit and Mozzafar's (1999) classifications of ethnic groups from the early to mid-1990s. This classification is admittedly preliminary, as one of the purposes of this dissertation is to specific with greater clarity, the conceptual outlines of a core group. Nevertheless, I use this definition as it provides insights into the role of group size, even as it may only represent the beginnings of a more accurate definition of a core group.

The case studies point to the role that past socialist transitions may play in creating a more centralized, disengaged approach to institution making. Past socialist transitions in Ghana and Tanzania released a tremendous potential of organizational energy through society. In Ghana during the Rawlings regime, for example, a parallel governmental apparatus took shape composed of committees for the defense of the revolution, led by ordinary citizens. In Tanzania, the populace applauded the announcement of Ujaama socialism, especially the idea that opportunities for education would be made available while the pay of civil servants and others was slashed. Yet, despite the initial warm reception in society, in each case, the dynamics of maintaining control over the economy led to centralization, and the demobilization of civil society. Once unleashed, Ghana's CDR cohorts proved hard to control, and did immense harm to the economy. In Tanzania, villagers proved reluctant to move to ostensibly more productive locations, and thus required the coercion of the state to enforce villagization. In each of the cases, experimentations with popular socialism led to a backlash whose defining characteristic was a centralization of power and decision making, and a tendency to disengage from relations with social groups revolving around production. In Tanzania this tendency led to a top down approach, in which villagers were not given input on where to relocate, despite their knowledge and expertise about where their crops would grow best. In Ghana, this policy led to a disengagement from peasant production in agriculture apart from cocoa and a cut in support for small producers and agro processors. Yet in each case, this tendency of the state to become more detached and autonomous from society allowed for growth producing policies to emerge in sectors like the cocoa industry in Ghana, where policy was guided by networks of technocrats within the state, or in Tanzania's acclaimed investment promotion center and its attendant effective rules and institutions.

In operationalizing the concept of a past socialist/Marxist transition, a variable that I simply name "Socialism" in the analysis, these cases point to the idea that conceptualizations of socialism must emphasize actual policies rather than simply socialist rhetoric. Furthermore, they also suggest that a detrimental impact to institutions would affect those policies geared toward meeting the domestic needs of the state, rather than the types of foreign exchange earning policies and practices that might hinder the ability of a given regime to hold onto the reins of power. Thus, the cases, at least at first glance, appear to suggest that a narrow definition of socialism, one based on actual policies, be used.

Nevertheless, the legacies of socialism, I argue, are subverted by the social structures within society, namely, the presence or absence of a core ethnic group. These structures may work in combination with a general disengagement of the state from productive forces of society or they may mold the state apparatus in new directions, making it more likely for the state to favor specific ethno-political groupings with the formation of growth enhancing institutions. This claim will be tested by examining the impact of past socialist transitions on such things as value added in agro-industry. Yet, while it is a testable claim, it also points to a more expansive definition of a socialist transition. While there are significant differences in the policies and perspectives of populist inspired socialism, "scientific socialism," Marx-Leninism, Maoism and etc., the unifying characteristic of all these approaches to governance is a commitment to social and economic equality. This commitment is often molded in rhetoric and ideology, even if it is not always successfully implemented.

Zimbabwe and Senegal illustrate the importance of paying attention to the social impact of rhetoric. Socialist inspired rhetoric in these cases, as in Uganda, ultimately amounted to little in the way of policy that could be distinguished from capitalist states such as Kenya. Yet, in Zimbabwe, socialist rhetoric served to unite a potentially fragmented opposition against white minority rule; thus socialism and nationalism were intermingled at the level of rhetoric and served as a means of conceptualizing unity and economic equality. In Senegal, the well-developed scholarly vision of Senghor's African socialism and "negritude" served to unite Senegalese society and became part of the common sense lexicon of the state. The impact of such rhetoric, accompanying independence and thus forming the bedrock of a newly conceived independent Senegal cannot be underestimated. In these two states, a "socialist" transition had deep roots within society, even if the policies of these states were difficult to differentiate from others on the continent that did no undergo such a "revolution."

The coding for past transitions to socialism/Marxism take into account both policy as well as rhetoric. For these cases, significance comes from either 5 years or more of a declared socialist regime, or from socialist rhetoric that begins during an independence struggle and continues after independence for a period of two years. In this manner, Zimbabwe is coded as "1" for having a legacy of a socialist transition, while in South Africa the abandonment of socialist principals and rhetoric upon independence had led it to be coded as “0” indicating an absence of a socialist legacy. To these classifications, I also add cases in which a declared socialist or Marxist regime accepts IMF conditionality. This classification recognizes that institutional path dependency may continue and help to shape the process of economic liberalization in these cases. In this manner, although the Sankaara regime (1987) in Burkina Faso lasted only four years, an IMF program was implemented soon after its downfall in a coup. Thus, Burkina Faso is labeled as having a socialist legacy. Table 7 displays the listing of countries with “socialist/communist” legacies.

Table 9. Countries in Sub-Saharan Africa with Socialist/Marxist Legacies

	Country	Regime	Years
1.	Angola	MPLA	1975- Present
2.	Benin	Kérékou	1972 - 1989
3.	Burkina Faso	Sankara	1983-1987*
4.	Cape Verde	PAIGC/PAICV	1974-1991
5.	Congo, Rep.	Massambe-Debat	1963-1968
		Nguesso	1979-1990
6.	Ethiopia	Derg	1974-1991
7.	Ghana	Nkrumah	1957-1966
		Rawlings	1981-1983*
8.	Guinea	Touré	1958-1984
9.	Guinea-Bissau	PAIGC	1973-1980
10.	Madagascar	Ratsiraka	1975-1978*
11.	Mail	Keita	1960-1968
12.	Mozambique	Frelimo	1975-1990
13.	Sao Tome and Principe	MLSTP	1975-1990
14.	Senegal	Senghor	1960-1976
15.	Seychelles	Réné	1971-1991
16.	Somalia	Barré	1969-1991
17.	Sudan	SSU	1971-1985
18.	Tanzania	Nyerere	1964-1985
19.	Uganda	Obote	1962-1971

20.	Zambia	Kaunda	1964-1991
21.	Zimbabwe	Zanu-PF	1980-Present

*Indicates that the regime stayed in power less than 5 years, but within 2 years of the acceptance of IMF conditionality.

Control Variables in the Quantitative Analysis

The presence or absence of a core ethnic group does little to indicate the amount of ethnic diversity in a given country, a potentially important control variable. The ethno-political cleavages in Rwanda, for example, indicate that there are two main ethnic groups. While Rwanda has a core group, its socio-political environment is quite distinct from a country like Tanzania, which is host to a multitude for very small ethnic groups. Controlling for ethnic fractionalization, therefore, helps to capture pertinent variation and can help to explain the seemingly contradictory between states where a core ethnic group is present like Ghana and Tanzania. The measure for ethnic fractionalization comes from Alesina, Deveelschauwer, Easterly, Kurlat and Wacziarg (2003), a well-known and frequently used dataset that places a particular emphasis on the smaller subgroups that have been excluded from my coding of a core ethnic group. The variable, like most fractionalization indices, measures how likely it is for two randomly selected people to be of the same racial/ethnic group.

Additionally, I have included common control variables to ensure the accuracy of the independent variables. In particular, I control for level of economic development per capita, regime type, natural resource rents, and colonial heritage. Most of this data uses averages for the years 2000-2010. I also control for colonial heritage with dummy variables for British and French colonialism from Hadenius and Teorell (2005); this measure is particularly important when taking into account patterns of state formation and key institutions such as the courts. Finally, I use the log of average GDP per capita between 2000 and 2010, as measured by the World Bank, as well as a World Bank measure for the proportion of government revenues which comes from natural resources such as oil, timber, diamonds and etc.

Externally Oriented Dependent Variables and Analysis

Practicality and the limitations of measurement necessitate that the dependent variable focuses on the development of growth enhancing institutions that are pertinent to the domestic market. Most all healthy African economies build growth enhancing institutions that mediate interactions with the international economy. The tea sector in Kenya, the cocoa sector in Ghana, or the coffee sector or cocoa sector in Cote d'Ivoire are each host to a set of institutions and practices that facilitate accumulation. Finding variation in these types of institutions is likely to be difficult and will not necessarily uncover differing developmental patterns. The track record in institutional creation for internally oriented development, however, is rarely uniform. Tanzania's Investment Promotion Center, an externally oriented institution, is largely viewed as one of the finest on the continent and in the developing world more generally. Yet, Tanzania was also rocked by scandals involving collusion between multinationals and governmental officials in its domestic economy that resulted in essential services failing to be delivered. Variation between healthy economies, therefore, is less likely to be found within externally oriented institutions and so the inquiry focuses more generally on aspects of the domestic economy that might have a bearing on the capacity to produce healthy internally oriented growth, but that which in and of themselves are not reflective of strong externally oriented institutions.

Furthermore, at an empirical level, measuring externally oriented institution making through quantitative indicators presents several difficult practical hurdles that can never be completed surmounted.[23] Activities undertaken by states that focus on export of valuable cash crops include streamlining a legal framework to attract external investment, upgrading port facilities, and directing resources towards these sectors in the form of inputs, marketing, and transportation. These types of spending, however, are not necessarily unique to economies whose level of value added production are low, or whose institutions facilitate external investment. Efficient port facilities, for example, are a critical part of industrial development because they allow much needed intermediate inputs and machinery to enter the country, even if the end result of production is ultimately domestic. Finding unique measure of externally oriented institutions, at an empirical level, is therefore a difficult task to accomplish.

At both the conceptual and theoretical level, the concept of measuring externally oriented institutions is made more difficult because the origins of these institutions are diverse. Institutions providing adequate property rights, clear ownership and titling of land, a robust legal framework, and etc., while often directed towards appealing to investment from the international economy, can also be created through the power and influence of domestic capital. Numerous datasets geared towards assessing risks in economies in the developing world focus on these concepts, as a healthy independent bureaucracy that protects property rights is much more likely to be a safe place to make an investment. Yet, even though this and other measures are widely available, findings from the case studies cast some doubt on their validity. Kenya, for example, has consistently moved up in the World Bank's measures for ease of doing business, and it

[23] The bulk of the larger project is geared toward qualitative analysis and theory building for this reason.

currently occupies the #2 rating out of 51 countries in sub-Saharan Africa. Yet, the institution building process that has seen Kenya's meteoric rise in these rakings, and the influx of foreign businesses now headquartered in Nairobi, was not the result of a state seeking to facilitate accumulation from cash crops or the repatriation of profits, but was instead the result of a state bureaucracy beginning during the Kibaki regime, that sought to further the interests of the national bourgeoisie. Historically, at least in the West, the groups that pushed for the enforcement of a valid and effective framework for property rights was domestic capital, rather than external influences. Measures of externally oriented institution making are therefore imperfect, though I argue that the one used below is ultimately very useful for examining causal pathways.

The indicator employed in the analysis is designed to explore the relative autonomy of the state from society, and the impact that a socialist transition or the presence of a core group may have. Thus, while the dependent variable may not be a perfect measure of externally oriented institutions, the analysis may still help us to understand relevant causal pathways. Given its importance to external investment, I focus on the legal environment and the autonomy of these institutions. Commonly used indicators attempt to measure the legal environment related foreign investment, with a focus on the rule of law and property rights; among the most well known amongst scholars studying Africa are the Heritage Foundation's Property Rights Index and Rotberg and Gisselquist's (2009) Index of African Governance. These indices address the concept of risk for potential investors, taking into account such things as property rights and corruption.

Rotberg and Gisselquist's (2009) Index of African Governance, specifically the measure about the rule of law and transparency, provides a more accurate pictures of the type of state autonomy that I am seeking to analyze. The Heritage Foundation's measures unfortunately, have the potential to discriminate against economies who have in the past confiscated property or who continue to show ambivalence toward global capital. In Ghana, for example, the Rawlings regime's continued socialist rhetoric continued to be seen as a potential threat, even as policy generally expanded the scope of capitalism in the country. Thus, instead of using Heritage Foundation scores, I make use of the Index on African Governance measure for rule of law, transparency and corruption. This definition is more expansive, going far beyond property rights to create a more holistic view of state autonomy. In this manner it also targets a supposed causal mechanism among formerly socialist states, the tendency to remove processes of institution making from the influence of social actors. The data for this measure were collected from NGOSs, government agencies, academics and others in 2000, 2002, 2005, 2006 and 2007; I use the mean score of this indicator for the cases. The scores range from "0" indicating low levels of transparency and ineffective legal institutions to "100" indicating a high degree of effectiveness and performance of courts, the enforcement of important laws, and low levels of corruption.

I use Ordinary Least Squares regression to test for the association of the independent variables with Rotberg and Gisselquist's (2009) index. The regression models examine the independent impact of past socialist/Marxist transitions and the presence of a core ethnic group. In addition, I also test for interactions between these variables, as *both* past experience with socialism and the distributive structures of associated with a the presence of a core ethnic group seemed to be at work in the case studies. The regression models are listed in equation form below with standard errors in parentheses, while Table 8. Past Socialist Transitions, Core Groups, Transparency and the Rule of Law reports the OLS regression results.

(1) ***Rule of Law/Transparency*** **= 2.72 + 5.5** ***Socialism*** **– 4.83** ***Ethnic Frac*** **– .45** ***Resource Rents*** **+ 8.05** ***Log GDP/c***
(13.69) (3.02) (7.13) (.09) (1.56)
+ ***e***

(2) ***Rule of Law/Transparency*** **= 9.60 + 6.87** ***Socialism*** **– 9.06** ***Ethnic Frac*** **- .32** ***Resource Rents*** **+ 6.41** ***Log***
(13.47) (2.96) (7.33) (.10) (1.67)
GDP/c **+ 10.08** ***British*** **+ 4.31** ***French*** **+** ***e***
(4.55) (4.05)

(3) ***Rule of Law/Transparency*** **= 5.22 + 6.45** ***Socialism*** **+ 5.20** ***Core Group*** **– 15.16** ***Ethnic Frac*** **- .26** ***Resource***
(11.15) (2.51) (2.67) (6.60) (.08)
Rents **+ 6.51** ***Log GDP/c*** **+ 15.46** ***British*** **+ 8.24** ***French*** **+** ***e***
(1.39) (3.81) (3.31)

(4) ***Rule of Law/Transparency*** **= 4.90 + 6.77** ***Core Group*** **– 9.68** ***Ethnic Frac*** **- .26** ***Resource Rents*** **+ 6.30** ***Log***
(12.04) (2.51) (6.75) (.09) (1.5)
GDP/c **+ 14.06** ***British*** **+ 7.8** ***French*** **+** ***e***
(4.07) (3.57)

(5) ***Rule of Law/Transparency*** **= 5.11 + 9.07** ***Socialism*** **+ 6.424** ***Core Group*** **– 4.20** ***Socialism * Core Group*** **–**
(11.19) (3.92) (3.02) (4.87)
14.13 ***Ethnic Frac*** **- .27** ***Resource Rents*** **+ 6.41** ***Log GDP/c*** **+ 15.19** ***British*** **+ 7.52** ***French*** **+** ***e***
(6.73) (.08) (1.40) (3.84) (3.42)

Table 10. Past Socialist Transitions, Core Groups, Transparency, and the Rule of Law

VARIABLES	(1) Rule of Law, Transparency	(2) Rule of Law, Transparency	(3) Rule of Law, Transparency	(4) Rule of Law, Transparency	(5) Rule of Law, Transparency
Socialism	5.50	6.87*	6.47*		9.07*
	(3.02)	(2.96)	(2.51)		(3.92)
Core Group			5.20	6.77*	6.42*
			(2.67)	(2.80)	(3.03)
Soc. * Core					-4.20
					(4.87)
Ethnic Frac.	-4.83	-9.06	-15.16*	-9.68	-14.13*
	(7.13)	(7.33)	(6.60)	(6.75)	(6.73)
Resource Rent	-0.45*	-0.32*	-0.26*	-0.26*	-0.27*
	(0.09)	(0.10)	(0.08)	(0.09)	(0.08)
Log GDP/c	8.05*	6.41*	6.51*	6.30*	6.41*
	(1.56)	(1.66)	(1.39)	(1.49)	(1.40)
British		10.08*	15.46*	14.06*	15.19*
		(4.55)	(3.81)	(4.07)	(3.84)
French		4.31	8.24*	7.80*	7.52*
		(4.05)	(3.31)	(3.57)	(3.42)
Constant	2.73	9.60	5.22	4.90	5.11
	(13.69)	(13.47)	(11.15)	(12.04)	(11.19)
Observations	44	44	41	41	41
R-squared	0.598	0.649	0.783	0.739	0.788

Source: Data from World Bank Development Indicators, QOG Dataset University of Gothenburg
Standard errors in parentheses

* $p<0.05$

Scores on the index follow predictable patterns for the most part, though there is a wide range of variation. Botswana earned the highest score, with 83.34 on the index, followed by Cape Verde, Mauritius, Namibia, and South Africa. As with the institutional effectiveness index in the first chapter, the highest scoring states tend to have had a unique historical experiences (Cape Verde, Mauritius, South Africa and Namibia) or demographic characteristics such as a single ethnic group (Botswana) that make them outliers in comparison to the larger group of states within the continent. At the bottom of the list Somalia earned the lowest score with 14.77, followed by Liberia, and the Democratic Republic of the Congo – all states that have struggled with conflict and political stability. The mean score of the index is 52.29, which falls somewhere in between the performance of Swaziland (52.94) and Niger (51.12). Finally, the standard deviation is 15.15. Ghana scores near the top of this measure (71.00), while Kenya, despite its focus on institutions to facilitate commerce, scores much lower (54.95). While Ghana's score places it within the top quintile of the measure, Kenya's score is within the second quintile encompassing the 25% to 50% of lower scoring cases.

The analysis appears to support the idea that the same casual pathway that leads the state to resist popular pressures that might choke off important export sectors may also be present in measures of the rule of law and transparency. The relationship between a past transition to socialism and scores on the index are consistently positive, as well as being statistically significant once the dummy variables for colonial origin are added. In the fifth model, whose r-squared value indicates that it explains 78.8% of variation in the data, the magnitude of the impact of a past socialist/Marxist transition is 9.07. This impact has the substantive impact of increasing the predictive institutional performance of a given state from the middle quantiles to one of the top performing states on the continent. This measure is especially important as the top positions tend to be occupied by countries whose exceptional characteristics in population size and ethnic diversity make them outliers when compared to broader demographic and historical trends on the continent.

The case studies suggest that the presence of a core ethnic served as a break on patterns of institution making that deliver group specific benefits, and instead encourage the formation of institutions designed to distribute patronage more widely. An unfortunate result of this tendency is growth inhibiting practices especially as it relates to domestic production. Yet, the presence of a core ethnic group also serves to open access to important programs and institutions across a broad range of society. In Ghana, Nkrumah wanted to take advantage of the potential splits within Akan speaking regions, and so he implemented a loan program for small farmers there, despite the fact that it was technically a stronghold of the opposition. Today, on the other hand, the NPP succeeded in swinging voters to its side through a plan to build factories in every single region of the country, not simply its southern stronghold. The presence of a core ethnic group appears to serve as a mechanism which insures greater access to the institutions of governance, and acts as a breakwater against the use of institutional power against any group in particular.

The findings of the quantitative analysis support provide confirmation of this causal pathway. The presence of a core group is significant in all but one of the models; it is not significant when a past socialist transition is entered into the model, but it becomes significant when an interaction term involving socialism and a core group is added. The magnitude of the impact is non negligible – states with core ethno-political groupings are estimated to score 6.42 percentage points higher on the scale for transparency and the rule of law. When the interaction between a core ethnic group and the presence of the socialism variable is controlled for, the coefficient for the presence of a core ethnic group remains statistically significant, although the interaction term is not. This finding indicates that while a core ethnic group and a past socialist transition each have an impact on predicted values of transparency, their impact most likely travels along different causal pathways. While there is a clear distributive dynamic in the use of state institutions that accompanies the uncertainty surrounding the cohesiveness of core ethnic groups, for formerly socialist states on the continent there appears to be a type of institutional continuity that is reproduced in the survival strategies of any given regime and that manifest itself in terms of autonomous institutions.

Internally Oriented Dependent Variables and Analysis

The goal of theory generation also necessitates a separate quantitative analysis, this one aimed at the causal mechanisms behind internally oriented growth producing institutions, such as those found in Kenya and to a slightly lesser extent, Cote d'Ivoire. The nature of variation amongst healthy African economies greatly facilitates the search for a clear dependent variable. Countries such as Ghana and Kenya both build externally oriented institutions that produce economic growth, though Ghana does so more consistently. But while Kenya has also created growth enhancing institutions oriented towards the domestic market, Ghana struggles to do the same, as does Tanzania.

The lack of a core ethnic group in Kenya and Cote d'Ivoire suggests that alliance making between ethnic groups, though sometimes unstable, facilitates the delivery of group specific benefits. The nature of these benefits, at least in successful African states, often appears to be associated *not simply* with members of a particular ethnic group but with economic sectors that are relevant to the location where the group is found. Yet, as occurs in all economies, favoritism for some sectors over others can create growth inhibiting practices. Thus, at least in the Kenyan case, we see instances where a fragmented bourgeoisie comes together to support policies that place limits on the ability of the state to produce policies that negatively inhibit growth. In these cases, group specific benefits combine with processes of class formation to produce growth enhancing policies in the domestic realm.

The search for a relevant measure of internally oriented institutional performance is determined in part, by the complicated and unequal relationship that exists between domestic and international capital. Much ink has been spilt over whether the structure of international economy would permit the organic development of capitalism in places like Kenya, or whether the nature of Africa's larger role within the international division of labor would only lead to underdevelopment. While examples such as Ghana's disastrous attempts to generate power and fuel an aluminum industry Volta River, undermined by usurious conditions placed upon the project by an American company, point to the dangers of underdevelopment, consensus tends to hover cautiously around the idea that the effects are mixed. The national bourgeoisie of most African countries exists within an uneasy relationship with international capital, who often seek market access for more efficiently produced goods, thereby pushing a dependent bourgeoisie to sectors of the economy where proximity to important raw material inputs from the agricultural sector allows for a comparative advantage. Yet the relationships with international capital are not always contentious, and indeed, these social forces sometimes find themselves on the same side of important questions as when the state in Cote d'Ivoire colluded with French capital and African entrepreneurs to force out wholesale traders of agricultural commodities who were primarily of Indian origin. Nevertheless, the intertwined but asymmetrical relationship between domestic and international capital, on the whole, manifests itself in a limited sphere of opportunities for accumulation due to competition in the form of cheap imported commodities. The path to accumulation for the national bourgeoisie in Africa, therefore, almost always begins with agricultural production and marketing, and leads through agro processing and food manufacturing.

The measure that I employ for domestically oriented institution making thus takes into account the dominant trajectories of capital accumulation on the continent, and focuses on value added in agriculture and agro-processing. Data on manufacturing in general would also be useful, though it must be said that much of the continent suffers from weak performance in this area. Furthermore, a commonly available measure of productivity in industry, the World Bank's industry value added per worker statistic, is unfortunately, much too broad to be very useful, at least from the perspective of this project. The data included in that measure covers work in the mining industries and construction, fields which do not quite align with the qualitative case study's preoccupation with the role of agriculture and agro processing in the developing economies of the continent. Thus, as a measure of the ability of the state to produce in the domestic market, I utilize a measure the UN Food and Agriculture Organization that measures total value added in agriculture and divides this figure by the number of agricultural workers. The measure encompasses the years 2000-2012, and most importantly, it focuses not simply on cash crops or horticulture, but the valued added by processing agricultural products into more finished material. Included in this measure are factories that produce such widely used commodities as palm oil, flour, feed for animals, and such products as cocoa butter.

While value added per agricultural worker captures much of the variation that was described in the case studies, it is not a perfect measure at a conceptual level because it still includes some aspects of externally oriented institutions, especially if they are effective in fostering growth. For example, the effectiveness of Zimbabwe's agricultural programs and quality control during the 1980s meant that Zimbabwean commodities such as corn generally received a premium on international markets in comparison to the same product grown next door in Botswana. Along the same lines, the elaborate quality control mechanisms and the activities of the Cocobod in Ghana to insure quality results in a higher price paid for Ghanaian cocoa beans. This premium, though not necessarily representing a physical change of beans into a more highly processed product, is included in the calculation of value added. This change in the calculation is likely to impact only those states that have built especially strong institutions in certain agricultural sectors linked to the international economy. Few states, despite institutions facilitating growth, can command price premiums for their goods. Nevertheless, it is possible that the indicator will inflate some scores of countries whose institution making processes can be characterized as externally oriented, adding noise to the data and making it harder to obtain statistical significance. Like the previous indicator, it contains a bias toward a particular developmental pathway, even as it does not necessarily indicate a foolproof measure of the pathway.

The analysis uses many of the same measures of association as the last set of regression models, with some tailoring to fit this specific measure. Dropped from the analysis are the dummy variables for colonial origin, which are much more important to include when examining legal frameworks that have not necessarily changed significantly from the colonial period. Furthermore, I added a control variable for regime type and political openness, to take into account states such as Cote d'Ivoire whose performance is most likely impacted by political turmoil, as was Kenya after bouts of repression and election violence in urban center and the rural west in 1992 and 2007-2008. The specific measure used is the result of averaging Freedom

House and Polity scores and imputing missing data from Hadenius & Teorell (2005). The indicator uses a scale where 10 indicates a high level of democracy and political freedom while 0 indicates a low score on these measures. This data was calculated compiled by researchers at the University of Gothenburg, and downloaded from their Quality of Government dataset. For the regression equations below, I use the mean scores from 2000-2010. As in the previous analysis of externally focused institutions, I utilize OLS regression to test the relationship between the two main independent variables, as well as the interaction between these variables. The regression models are written in equation form below with standard errors in parentheses, while Table 9: Past Socialist Transitions, Core Groups and Value Added Per Agricultural Worker reports the OLS regression results.

(1) ***Value added per ag worker*** **= -5,039 – 737.40** ***Socialism*** **+ 895.8** ***Ethnic Frac*** **+ 772.5** ***Log GDP/c + e***
(1,281) (283.7) (637.4) (148.3)

(2) ***Value added per ag worker*** **= -5,401 – 958.6** ***Socialismi*** **+ 1,024** ***Ethnic Frac*** **+ 3.38** ***Resource Rents*** **+ 161.9**
(1,240) (286.7) (659.9) (9.92) (67.85)
Freedom House/Polity **+ 691.9** ***Log GDP/c + e***
(148.2)

(3) ***Value added per ag worker*** **= -6,349 – 904.9** ***Socialism*** **+ 465.6** ***Core Group*** **+ 1,181** ***Ethnic Frac*** **+ 5.52**
(1,333) (317.9) (324.4) (792.2) (10.63)
Resource Rent **+ 167.2** ***Freedom House/Polity*** **+ 756.2** ***Log GDP/c + e***
(79.70) (169.2)

(4) ***Value added per ag worker*** **= -6,346 + 295.5** ***Core Group*** **+ 530.3** ***Ethnic Frac*** **– 2.12** ***Resource Rents*** **+ 102.6**
(1,470) (351.5) (836.1) (11.33) (84.22)
Freedom House/Polity **+ 855.0** ***Log GDP/c + e***
(182.5)

(5) ***Value added per ag worker*** **= -6,356 – 999.5** ***Socialism*** **+ 419.9** ***Core Group*** **+ 160.4** ***Socialism * Core Group*** **+**
(1,353) (474.3) (369.6) (589.3)
1,142 ***Ethnic Frac*** **+ 5.96** ***Resource Rents*** **+ 164.9** ***Freedom House/Polity*** **+ 765.4** ***Log GDP/c + e***
(816.7) (10.90) (81.32) (175.0)

Table 11. Past Socialist Transitions, Core Groups and Value Added Per Agricultural Worker

	(1)	(2)	(3)	(4)	(5)
VARIABLES	agworker_val	agworker_val	agworker_val	agworker_val	agworker_val
Socialism	-737.4*	-958.6*	-904.9*		-999.5*
	(283.7)	(286.7)	(317.9)		(474.3)
Core			465.6	295.5	419.9
			(324.4)	(351.5)	(369.6)
Soc.*Core					160.4
					(589.3)
Ethnic Frac	895.8	1,024	1,181	530.3	1,142
	(637.4)	(659.9)	(792.2)	(836.1)	(816.7)
Resource Rent		3.38	5.52	-2.12	5.96
		(9.92)	(10.63)	(11.33)	(10.90)
FH /I. Polity		161.9*	167.2*	102.6	164.9
		(67.85)	(79.70)	(84.22)	(81.32)
Log GDP/c	772.5*	691.9*	756.2*	855.0*	765.4*
	(148.3)	(148.2)	(169.2)	(182.5)	(175.0)
Constant	-5,039*	-5,401*	-6,349*	-6,346*	-6,356*
	(1,281)	(1,240)	(1,333)	(1,470)	(1,353)
Observations	43	42	39	39	39
R-squared	0.461	0.546	0.596	0.494	0.597

Sources: Data from World Bank Development Indicators, UNFAO, QOG Dataset University of Gothenburg
Standard errors in parentheses
* p<0.0

The data, on the whole, show a great deal of dispersion and seem to indicate very real differences in the ability of states to foster value added production in agriculture. Mauritius is found at the top of the list, with each agricultural worker representing $6,185.11 of value added. At the bottom of the list is Djibouti, where each agricultural worker represents only $85 of value added to the sector. The mean score is $918.39, while the median is a few hundred dollars lower, at $607.59 per worker. The standard deviation is $1,154.56.

The dependent variable also reveals a few interesting surprises. Following Mauritius at the top of the list is South Africa, and then Nigeria, one of the most ethnically diverse states on the continent that is normally never found near the top of indices of African economic performance; needless to say, this measure of productivity presents patterns that differ significantly from most indices on the performance of African states. While the case studies did not examine politics in Nigeria, Cote d'Ivoire appears to display a similar trend, receiving the third highest ranking. Cote d'Ivoire's score, however, is surprising only when we take into account its generally mediocre performance in producing externally oriented institutions. When we consider the close historic ties linking domestic and international capital to the state, then the mystery surrounding the creation of growth enhancing institutions in value added agro industries starts to become clearer. Ghana is also near the top of the list, which is not necessarily surprising given the price premium attached to Ghanaian cocoa, even though the vast majority of it is shipped in raw form, as opposed to Cote d'Ivoire where the state invested heavily in processing facilities in the 1980s and early 1990s. Thus, the measure while containing some minor flaws, appears to match the conceptual and empirical findings at the heart of the case studies.

The analysis reinforces the idea that a transition to a socialist state is not simply a change of regime, but fundamental alteration of the state itself. The case studies indicate that a past transition to socialism/Marxism may create added state autonomy, while at the same time failing to produce productive links to domestic production. Furthermore, institutional reproduction appears to occur because elites, particularly technocrats working in conjunction with any given regime, succeed in dominating other social formations through the utilization of both aid and revenues from important cash crops. Hence, the frustration of industry groups in manufacturing in Ghana, for example. This tendency for institutional continuity has led Shivji to claim that top managers within the state and parastatals constitute a distinct social class. While I have not adopted this conceptualization, the case studies indicate that at the very least, durable alliances between technocrats and elected officials surrounding the extant sectors of the economy do indeed exist. Furthermore, once in place, this alliance becomes a viable survival strategy causing the state to reproduce itself through continued emphasis on the extant sectors of the economy, while neglecting aspects of domestic production that might produce a higher degree of added valued to the agricultural economy. The data appear to support this contention, and indeed having a past socialist/Marxist transition corresponds to predicted drop of $999.50 of value added per agricultural worker, a figure that is very close to the standard deviation of the data. The impact of a former socialist transition upon value added production is both statistically and substantively significant.

The data, however, seem to indicate that the more variegated institutional structure of the Tanzanian case may in fact be exceptional. The state in Tanzania not only experienced a longer and more consistent period of socialism than a state like Ghana, but it also succeeded in penetrating rural society with a durable party apparatus. The peculiarities of the Tanzanian case, it appears, are particular to its own society and may not be widespread.

Lastly, the analysis also provides theoretically useful and somewhat unexpected findings about the relationship between the presence of a core ethnic group and internally oriented production. This finding is somewhat surprising, especially given the manner in which the wide distribution of benefits seems to have played a role in Ghanaian institution making since independence. In fact, the case studies strongly suggest that a wide distribution of goods and services tends to accompany the presence of a core ethnic group at the national level. Furthermore, these concerns do not appear to be tied to any socialist/Marxist legacies; the Nkrumah regime did not offer state sponsored opportunities to farmers in opposition areas out of the kindness of their hearts or a commitment to any ideological goals. Instead, they consciously undertook a program to ensure that they could fragment the opposition in an area dominated by Ghana's core ethnic group. Furthermore, the evidence from Kenya and the Ivory Coast suggest that group specific benefits that are based on ethnic ties can often lead to productive institutions if a given ethnic group is closely aligned with a given sector or the economy. Close ties between regime technocrats and the Kikuyu ethnic group in Kenya appeared to facilitate class based cohesion amongst the national bourgeoisie in Kenya, facilitating policy implementation processes that were more conducive to economic growth. In the face of numerous examinations of the linkage between the presence of a core group institutional development, the posited relationship between the presence of a core ethnic group and broad service distribution appears to be valid.

The relationship between the presence of a core ethnic group and the ability to produce internally oriented growth enhancing institutions may not be reflected in the data because while the lack of a core ethnic group appears to facilitate a type of "ethno-political pathway" towards growth enhancing institutions, and the mere presence of a core ethnic group may preclude it, the mere presence of a core group *may not* preclude other potentially important pathways.

Another plausible scenario, possibly working in conjunction with the one posited above, is that growth enhancing institutions may be relying on the political salience of smaller subnational groups. Thus, while a country may have a core group, governance at the subnational level may retain characteristics that make them more similar to states without a core ethnic group. Ideally, this tendency could be partially controlled for in the analysis by examining measures of fiscal centralization. The problem, however, is that most measures such as those from the IMF's *Government Finance Statistics* are missing data for the vast majority of cases on the continent. Lacking this information, I reran the analysis by recoding the indicator for a "core" group using Fearon's (1993) data on ethnic groups - a dataset that focus more specifically on subgroups rather than large national group. The result, however, was almost indistinguishable from the one above.[24] Lacking conclusive quantitative evidence of an alternative pathway to explain why the distributive propensities associated with a core ethnic group do not preclude domestically oriented growth enhancing institutions, I turn toward a brief qualitative exploration of the subject. The analysis below specifically explores the causal mechanisms at work in states where the presence of a core ethnic group does not preclude the development of robust value added production in agriculture; the goal of the analysis is to find credible potential alternative pathways or to rule out pathways that do not appear credible.

Preliminary Search for Alternative Pathways

The data on value added production in agriculture revealed some surprising results, particularly in terms of states who do not necessarily score high on traditional measure of economic performance or governance but who nevertheless, succeed in creating added value in agriculture. These states of are particular theoretical interest if they also contain a core ethnic group. An examination of one of more such case can reveal if potentially plausible causal pathways involving a wide distribution of state resources in development coincide with the production of growth enhancing institutions.

It is important to note that at this stage of theory building, the goal is *not* to test this hypothesis, which would require a new project and research design and thus are beyond the scope of this theory building exercise. Instead, my goal is to search for plausible pathways, while leaving more rigorous empirical testing to future projects. The following figure contains a list of

[24] The results of these regression models can be found in the appendix.

states that contain a core ethnic group but have never experienced a socialist/Marxist transition. In order to verify that a plausible causal pathway exists, an examination of one of these cases must address two theoretically significant questions: 1) Do patterns of goods and service provisions appear to be directed primarily toward an ethno-political alliance? 2) Do the institutions that facilitate growth appear to be the product of successful state engagement? A negative response to the first question would clearly rule out a plausible causal pathway and indeed cast doubt on the relationship between core ethnic groups and patterns of service delivery, at least for that case. A negative response to the second question, on the other hand, may be informative for overall theory building. In order to facilitate the process of case selection, I have divided the dependent variable into quartiles, which correspond to high, medium high, medium low, and low levels of value added per agricultural worker. I have reported the results below, in Table 10. Core Groups and Value Added Per Agricultural Worker.

Table 12. Core Groups and Value Added Per Agricultural Worker

Country	Socialism	Core	Value Added Per Worker
Namibia	N	Y	High
Mauritius	N	Y	High
Mauritania	N	Y	High
Nigeria	N	Y	High
Chad	N	Y	High
Equatorial Guinea	N	Y	High
South Africa	N	Y	High
Botswana	N	Y	Medium High
Central African Republic	N	Y	Medium High
Comoros	N	Y	Medium High
Togo	N	Y	Medium High
Gambia	N	Y	Medium Low
Rwanda	N	Y	Medium Low
Burundi	N	Y	Low
Niger	N	Y	Low
Eritria	N	Y	Low
Malawi	N	Y	Low

Source: Data from UN FAO

In order to explore why the presence of a core ethnic group has an impact on the creation of externally oriented institutions *but not* upon those dealing with internal production, it is necessary to choose a case whose institution making fits this pattern. The first task of the analysis will be to determine the "distribution" of economic institution making. If there is clear evidence that growth enhancing institutions are being directed at particular ethnic groups, then this data would contest the empirical findings of previous case studies. If the case maintains a wide distribution, than it would prove to be confirmatory evidence for distributional impact of a core ethnic group.

The next task is to determine the manner in which patterns of distribution are tied to institutional production, specifically in the agricultural and agro industrial sectors. As we clearly saw in the case studies, patterns of distribution gave rise to growth inhibiting institutions in Ghana, while they gave rise to growth enhancing institutions, in some cases, for domestically oriented industries in Kenya. If a different causal pattern is in fact at work, then if would shed light on the manner in which growth enhancing institutions are created in a broader range of African states.

While studies of successful economic performance on the continent seldom include Nigeria, its performance according to FAO indicators in value added production in agriculture deserves greater attention. Nigerian institutions score in the "medium-low" quartile among states in sub-Saharan Africa on the Institute of African Governance on both the scores for rule of law and transparency by the African Governance Institute, as well as on the composite index measuring institutional effectiveness in chapter 1. Press about Nigerian political economy frequently draws attention to scandals involving the pilfering of state funds, or controversies surrounding oil, politicians, and multinational corporations. Nevertheless, while these accounts may indicate important tendencies in Nigerian governance, they also detract from examining in greater detail the state society relations surrounding everyday life and the economic welfare of ordinary citizens in the country. The study, being targeted at the distributional tendencies of the state, as well as state society relations surrounding value added production in agriculture cannot completely remedy this unfortunate situation. Nevertheless, it will attempt to highlight the complexities of production in an important state in the global south.

The Agrarian Economy and the Distributional Tendencies of the Nigerian State

Nigeria is one of the best-known countries in sub-Saharan Africa and is home to the second largest economy of the region. An estimated 140 million people live in Nigeria, making it the most populous state on the continent. Nigeria is also rich in natural resources and is currently the world's eighth largest exporter of crude oil. Royal Dutch Shell and British Petroleum first struck oil in 1956, discovering large deposits in the eastern region of the country. Since that time exports of oil have played an increasingly large part of the Nigerian economy. By 1974, for example, 82% of all revenues of the state came from oil production, a trend which would see industry and agriculture suffer from the ravages of Dutch disease as the value of the naira soared.

Nigeria is also known for its large amount of ethnic diversity; according to some estimates there are over 600 different ethnic groups in Nigeria[25], though most are very small and are generally considered subgroups at least in this analysis. The three largest groups are the Hausa/Fulani in the north, Yoruba in the south west and the Igbo in the south-east; these groups have historically dominated politics at the national, creating period bouts of instability in the process. In fact, Nigeria is also known the instability of its political regimes, numerous military coups and one civil war. The first coup occurred just six years after independence and conservative estimates put the number of coups and coup attempts at eight[26]. In addition, the Nigerian Civil War, or Biafran war, was one of the most destructive conflicts in the 20th century claiming upwards of 2 million lives. Nigeria in recent years has also been plagued by armed insurgency emanating from the Niger Delta, and although Nigeria is currently in a period of democratic rule political instability is by no means a thing of the past. Many experts believe that another coup by members of the military is not out of the question in Nigeria's contemporary democracy.

[25] CIA World Factbook

[26] This figure comes from Powell and Thyne (2011), a dataset compiled by researchers at the University of Kentucky studying military coups.

Historically contingent patterns of development, as well threat of political and social unrest, have forced upon Nigeria a distributive pattern of institution building that does not ostensibly favor one particular ethnic group or alliance over another set. While entry into international markets may cause various forms of uneven development, in Nigeria in contrast to Cote d'Ivoire, uneven development took on the form of distinctive regional economies rather than a political and economic center that dominated the other regions. While southern Nigeria was more prosperous, and exerted economic influence widely, this economic advantage was never paired with a political and administrative capacity to centralize the Nigerian state as seen in other colonies. In fact, political necessity during colonialism forced the British to rely heavily on the administrative capacities of the dominant precolonial state in the north (as opposed to the south), the Sokoto caliphate and its attendant indigenous landowning class (Watts, Michael 1987, 57-96). While in Cote d'Ivoire, a special relationship developed between French capital and the exporting regions of the southern portions of the country, reliance upon traditional rulers meant that there were distinct limits placed both on the penetration of international capital and the degree to which traditional relations of productions would become altered by the dynamics of export agriculture.

The proletarianization of peasant labor, at least in the north, would have entailed the diminished social status of traditional rulers – so it was that the northern reaches of the country were not destined to become a labor reservoir of the south, as the did in other countries. Nor was there to be a large scale penetration of multinational firms; despite the implacable and persistent pleas of the Lever Corporation, the company was not granted large tracks of land in the north for palm oil production despite pressure stretching over decades(Watts 1987, 73). Connections between the hinterland and the international economy would thus come to be shaped by merchant capital, which enabled traditional elites and landowners further influence over peasant and their labor.

The state thus developed distinct socio-political and economic tendencies that were only ever partially unified through the apparatus of the state. While commentators looking for the causes of early political fragmentation and eventually civil war stress the different political cultures of regions of Nigeria, it is important to note that they had a firm basis not only in social norms surrounding politics but in ingrained patterns of accumulation. The accumulative strategies of the national bourgeoisie in the north, to the extent that we can speak of one, focused on small scale finance and merchant capital, with elites often able to borrow money from the state which they would then lend out at peasants as a means of extracting surplus. In this manner, the state did not simply open up opportunities for accumulation, access to state power became a primarily means of accumulation.

The southern reaches of the country, on the other hand, developed closer ties to international capital and southern society was shaped more directly by the proletarianization of the peasant class and the formation of an urban proletariat. The south was less remote and more accessible to both trade as well as the missionary education system which preceded and accompanied colonialism. Foreign capital tended to center around Lagos, and often came into direct competition with indigenous industries. Yet, while the theory of the rentier state would predict a shrinking manufacturing sector in the early 60s and late 70s the opposite actually occurred. The Nigerian government diverted revenues to industries such as shipbuilding, arms manufacture, and steel production[27]. Nevertheless, in time the effects of petrodollars flowing into the economy and pushing up the value of the naira would make Nigerian products less competitive both at home and abroad, leading to a contraction of the manufacturing sector. The accumulative strategies of southern elites, in part because of foreign competition, contained a large degree of overlap with those of the north, particularly in the acquisition of agricultural products to sell to multinationals, including ground nuts, palm oil, cassava, cocoa, and other valuable cash crops. In this manner, Nigeria became one of the largest agricultural producers in the world for important commodities like palm oil. Yet, differentiation in the south took on a different character, more similar to that in Cote d'Ivoire in which a bourgeoisie used land ownership and close political ties to the state and federal government to branch into other forms of accumulation in conjunction with parastatals or multinational capital (Watts, Michael J. and Bassett 1985, 7). Yet, this social process had definite limits, producing a clash amongst distinct class fractions of Nigeria's national bourgeoisie, which would only be exacerbated once oil extraction started to occupy a larger role within the Nigerian economy.

The distributive tendencies of the Nigerian state were born out of bloodshed and conflict. The regional sectarian and ethnic tensions that resulted in the Biafran War, a disastrous civil war pitting northern and western sections of the state against the east, would ultimately create an institution building process in which funds and political power were allocated to regional governments. Furthermore, state building for the federal republic took on a quite literal meaning, as the number of states in Nigeria jumped from three at the time of independence to 36 by the

[27] In addition, the Nigerian government also attempted to increase the total proportion of Nigerians (as opposed to expatriates) working in the oil industry. This policy is met with success, although Nigerians are still underrepresented in the more technical areas of the industry (Oliveira, 2007, p.184).

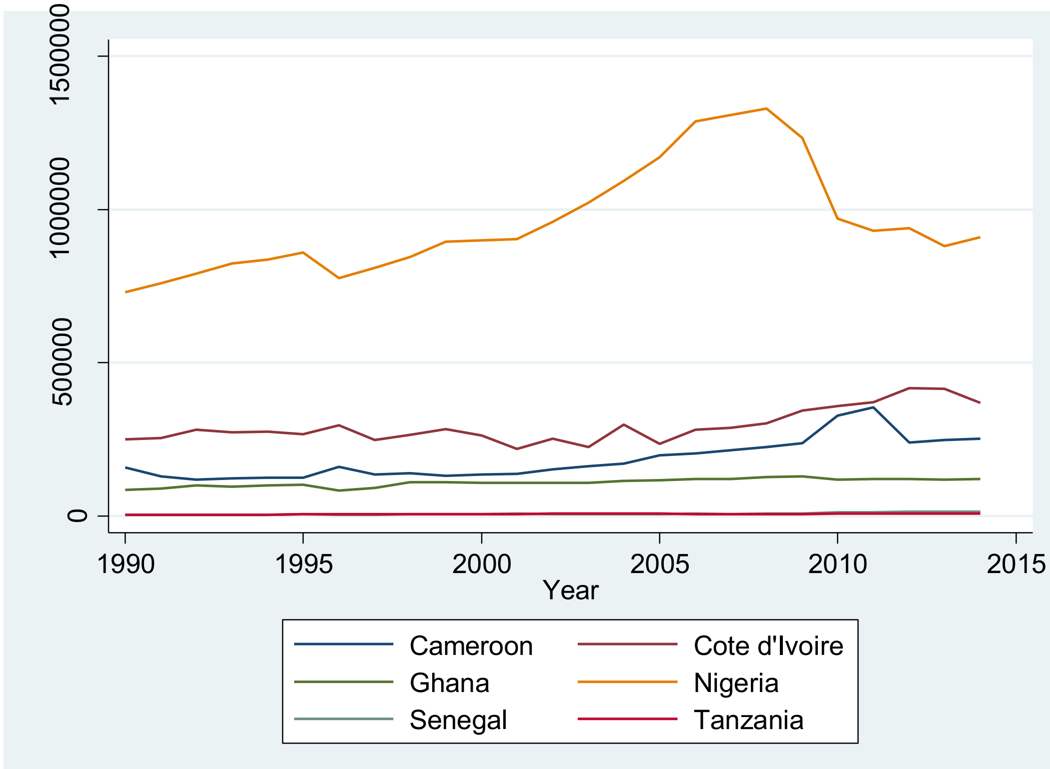
mid-1990s. In the process, political instability and conflict at the national level was replaced with destabilizing trends at the subnational region, which though serious, tended not to threaten the political center.

Nigerian Agro Industrial Production

Nigeria's relative success in value added production of agricultural commodities is due not so much to the quality of Nigerian institutions, as it is to the presence of both a rich assortment of agricultural commodities which by nature, necessitate value added processing and a government structure which allocate petrol dollars to regional governments, albeit in a sometimes corrupt and inefficient manner. The fragmentation of Nigerian institutions, and numerous state and local levels governments, encourages an assortment of local initiatives funded through oil revenues. While funding for these programs may not always be sufficient to meet stated expectations and goals, in Nigeria there is a consistent effort put forth particularly in extension work that serves as a means of ensuring regionally competitive agriculture, even if the state on the whole struggles to meet its food production needs. Furthermore, the state, recognizing the negative impacts of oil revenues and a rising naira have upon food production, has sought to maintain tariff barriers to protect farmers in important sectors such as rice farming. Nigerian institutions, while falling far short of being noteworthy, have leveraged the state's natural strengths to ensure higher levels of value added production in agriculture than many of their neighbors.

Nigeria is a major producer of many staple crops that require value added processing to make them viable; in this manner the sheer wealth of Nigeria's biodiversity and fecundity in flora greatly help its agricultural sector. Historically the state has supplied much of the world's supply of commodities such as palm oil, and cocoa beans. Today, it is still a major producer of crops such as cotton, ground nuts, cassava, and palm oil. Table 15 below illustrates Nigeria's palm oil production, which today is one of the highest on the continent, despite the fact that even these quantities do not meet domestic needs.

Figure 15. Comparative Palm Oil Production in West Africa in Metric Tons



Source: UNFAO Data

The inability of Nigeria to meet domestic needs in palm oil production point to issues in productivity that continue to plague its agricultural sector. For example, Nigeria is the world's largest producer of cassava, producing an average of over 38 million metric tons per year between 1990 and 2014[28]. The next largest producer in Africa, Ghana, produced close to 11

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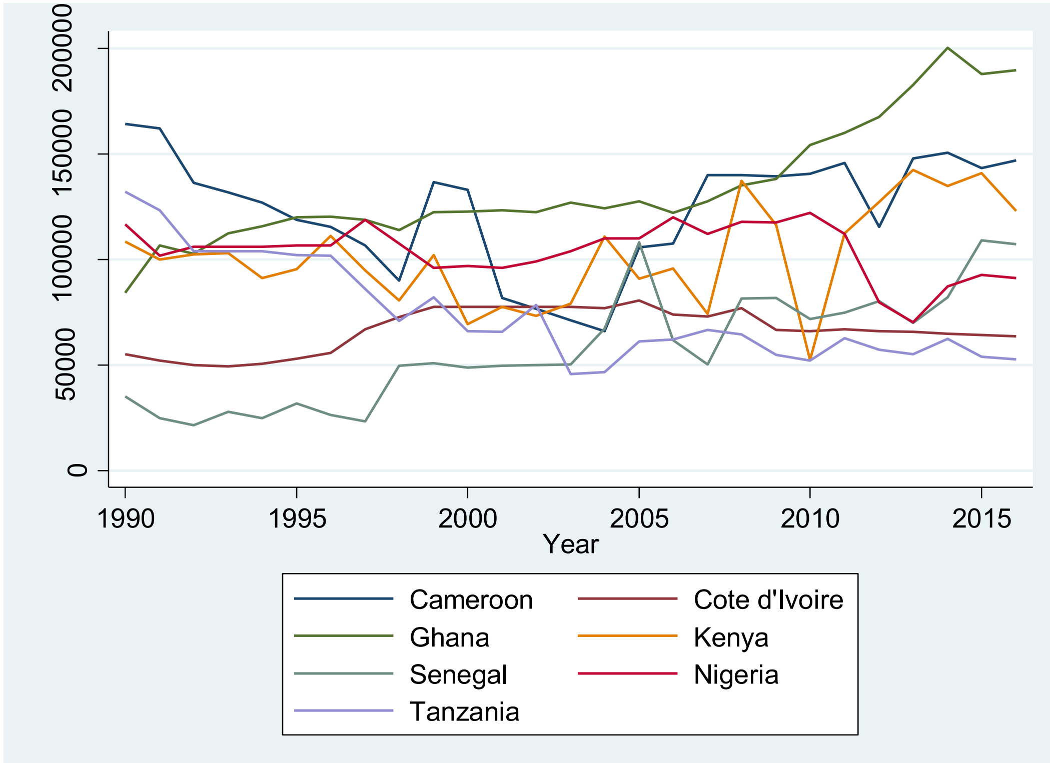
[28] UN FAO statistics

million tons during the same period. Cassava production, on the other hand, has consistently grown over the last twenty-five years, yet increases in overall production have not necessarily been due to the intensity of cultivation but rather an expansion of the area under cultivation. Crop yields for cassava, on the whole, have been in keeping with other countries in the region. The abundance of raw material however, has also led to a growth in processed forms of cassava, such as starch, chips and cake[29]. Nigeria currently exports many of these products throughout the region, as well as to southern Africa and India. A president's commission has set aside funding to continue to expand Nigerian processing capacity. Yet, while the sheer volume of production contributes to opportunities to add value through processing at economies of scale, productivity falls somewhere in the middle of regional trends as shown in Figure 16 below.

[29] UN FAO Statistics

Figure 16. Cassava Yields in Metric Tons per Hectare



Source: UNFAO Data

The secret of Nigeria's value added per agricultural worker lies not in the fact that it is particularly productive, but rather that it reflects consistent effort and engagement at the subnational level. State and regional governments have a great degree of autonomy from the political center, and while much of the agricultural sector still involves parastatals, these public entities are generally attached to the state governments, rather than the federal government. Furthermore, the fragmentary distributional trends at the heart of the state serves to ensure that no one region dominates the agricultural sector, under developing other regions in the process as occurred in Cote d'Ivoire.

Numerous studies in the southern and western portions of the country illustrate both the difficulties relating to production that occur both with farmers growing oil palms as well as with processing facilities. Oil palm farmers struggle with the costs of attainting more productive equipment, and a severe lack of credit which on the whole keep them from following the prescribed routines for fertilization. The work of extension agents of the state bureaucracies, however, is not in vain as famers appear to readily adopt forms of productivity enhancing measures such as the use of more effective, but less labor intensive, method of ring weeding (Ugwumba 2013, 146). Additionally, farmers appear to have access to the appropriate varieties of seeds through state agents (Agwu 2006). Farmers, however, often rely on small hand presses to extract palm oil, seeds and fibers (Olagunju 2008; Taiwo et al. 2000) a decidedly labor intensive method that reflects the lack of subsidies for important inputs provided to communities. Furthermore, where more modern equipment is used either privately, or on behalf of local parastatals, reports indicate that there are often numerous problems (Taiwo et al. 2000). Equipment is often aging, the workforce though dedicated lack expertise, and the proper facilities for the disposal of agricultural waste are often inadequate. Nevertheless, these studies point to the idea that the state, in part because of a wide distribution of benefits at the state and local level, is more readily able to engage in domestic production in a positive manner, even if it is hindered by numerous obstacles.

While the case study's findings are in their preliminary stages, they point to the idea that institutional change at the national level in Nigeria has been profound enough that core related factors tied to the absence of a core group do not appear to play a determinative role in developmental outcomes related to palm oil and cassava production at the local level. Instead, monies tied to the politics of oil production are used at the local level in a more or less uniform manner. While information pertinent to demography at the local level is currently unavailable, it is logical to assume either that "core" groups exist within this context (as opposed to the national level), or that at least in some cases, salient cleavages simply do not exist. It is also possible that core related factors may take effect in some localities, though currently available data would suggest otherwise. What is clear, however, is that at the local level, the benefits of social coalition membership appear to be spread somewhat evenly.

Conclusions

The quantitative analysis largely confirmed the first set of propositions, about the role of past socialist/Marxist transitions and the presence of a core ethnic group in the formulation of externally oriented economic institutions. The case studies point to the need for the state to demobilize society to retain power, a trend that often occurs with past socialist/Marxist transitions, as well as the tendency to guarantee a viable survival strategy outside of domestic society, as contributing to institutions that resist popular pressure. The quantitative analysis confirmed this trend, though it suggested that the presence of a core ethnic group most likely had independent causal pathways revolving around ensuring access to institutions for all ethnic groups. Such a finding is consistent with the case studies, particularly with the distributive trends which tend *not* to favor any one ethnic group or collection of groups over another.

However, the quantitative analysis only partially confirmed theories about the production of internally oriented institutions that successfully produce economic growth. The analysis identified a consistent, statistically significant trend for states that have undergone some form of socialist/Marxist transition to struggle to produce effective economic institutions geared toward internal markets at least in agriculture. However, the analysis points to the idea that the presence of a core ethnic group is not determinative in producing these same institutions. Using the added leverage of an additional case study, a brief pathway analysis focusing on Nigeria confirms the distributive tendencies associated with core groups appear to be at work in Nigeria. Nevertheless, the need to provide access to economic institutions does not appear to provide more transparent institutions, but instead at the regional level, creates what appear to be incentives to stimulate growth at the local level, a trend that could potentially be aimed more specifically at the various ethnic groups occupying a particular region but which further analysis would have to confirm. This analysis, though preliminary, confirms the existence of additional causal pathways related to the presence of a core ethnic group. I leave a more fine grained analysis of the Nigerian case and the particular developmental pathways its represents for future work.

Chapter 7: Conclusions

The dissertation project posits a question designed to elaborate upon and build theory about patterns of development among successful African states. While state failure on the continent has been studied ad nauseum, it is far rarer for the dynamics of successful institution building to be place under the microscope. The question of why Ghana and Kenya each produce growth enhancing economic institutions, but according to distinctly different patterns can tell us much about how African states produce growth. Furthermore, these differing patterns are important - they determine the relative density and vibrancy of economic activity of a given state.

The dichotomy of internally oriented vs externally oriented economic sectors is theoretically invaluable, for it allows the dissertation to speculate on the quality of economic growth not simply its absence or presence. Growth in externally oriented sectors can certainly be invaluable but more often than not, it is characterized by a lack of value-added production and a lack of backward and forward linkages within the larger economy. Internally oriented sectors, on the other hand, as they are aimed squarely at domestic and regional consumption, often incorporate value added production, as well as networks of backwards and forward linkages involving activities such as transportation, marketing or the production of agricultural or industrial inputs. While there is certainly overlap between these sectors, on the whole, internally oriented activities generally provide a greater number of positive externalities. Producing growth enhancing institutions in internally oriented sectors, however, is somewhat rarer. Not all states find it necessary to actively produce growth in internally oriented sectors of the economy, which rarely generate foreign exchange. Furthermore, there is a great deal of variation in the degree to which states manage the production of externally oriented institutions. Thus, the research question focuses on why Ghanaian institutions, in externally oriented economic sectors, outperform those of Kenya, while Kenyan institutions in internally oriented sectors outperform those of Ghana.

Configurational historical analysis, a variant of process tracing, reveals that a series of pressures and incentives tied to the presence of a core group - what I refer to as core-related factors - push Ghanaian regimes to distribute developmental funds widely to a large social coalition. The pressures of maintaining this social coalition through demonstrated service delivery are such that Ghanaian regimes must carefully limit the number of people who have a direct impact on the policy making process, including important producers. In fact, only in rare instances are social groups given direct policy making input, as occurred during the NLC's brief tenure in power as part of a bid to win support from northern chiefs. Most groups such as clothing manufacturers, for example, have only a very limited impact on the policy making process. Even within the extant sector, a type of technocratic management prevails, which while conducive to growth does not incorporate producers in the policy making process. By limiting potentially costly social input, the regime is able instead to use funds to distribute monies for developmental projects. While projects that generate foreign exchange are enacted through growth enhancing institutions, it is important to note that the state feels no such necessity in the institutions located in the internally oriented portions of the economy. Thus, lack pressure from a policy coalition, the state shapes institutions in a manner that is meant to deliver short term benefits aimed at winning support but which fail to create a lasting impact, often due to a lack of funds. Process tracing thus reveals that core related factors ties to the presence of a core group drive, at least to a degree, the creation of growth inhibiting institutions in internally oriented segments of the economy, and growth enhancing institutions externally oriented sectors.

A configurational analysis of the Kenyan case revealed that core related factors created a less autonomous state that produced growth enhancing institutions in both internally and externally oriented segments of the economy. Core related factors tied to the absence of a core group provided incentives to maintain a smaller, more cohesive social coalition. Furthermore, inclusion in the policy coalition served as a means to ensure group cohesion. Thus, economic institutions tended to becomes growth enhancing, while spending on developmental projects was both concentrated and more extensive, at least within the industries of which it was a part. The fact that growth enhancing institutions are located in both internally and externally oriented segments of the economy reflects, to a large extent, the political and economic power of important members of the social and policy coalitions.

The two principal cases suggest a relatively clear cut causal chain linking the presence or absence of a core group to differing patterns of development. The presence of a core group provides incentives to enlarge the size of the policy coalition because core groups are, at least in the political sense, large, unwieldy, and prone to fragmentation. Increasing the size of the social coalition necessitates decreasing the size of the policy coalition to control costs. In this manner, core related factors lead to growth inhibiting institutions internally oriented portions of the economy. However, paying for the costs associated with maintaining a large social coalition necessitates a large amount of foreign exchange; thus, it is no surprise that the institutions of the state governing the extant sector are often growth enhancing. Core related factors associated with. The absence of a core group, on the other hand, provides incentives for creating more narrow and cohesive social coalitions that are further cemented through the expansion of the policy coalition to allow elites to have access to policy makers as well as input into the policy making process. The institutions associated with. The social and policy coalitions are often growth enhancing and located in both internally and externally oriented sectors of the economy. The absence of a core group, in this manner, creates more uniform institutional performance.

The Tanzanian case, however, test the limits of the causal mechanisms developed in the primary cases. Configurational historical analysis for the Tanzanian case revealed no core related factors, and indeed cast doubt on the very idea that regional groupings, rather than ethno-linguistic groupings can provide the basis for a core group. To further complicate matters, despite appear to lack the features we normally associate with a core group, the method of building a social and policy coalition in Tanzania resembles the process in countries like Ghana, which contain a core group. I speculate that this unique scenario is due to low population densities, and exceptionally low levels of economic inequality between both individuals and regions. The Tanzanian case adds one final layer of analytical complexity when we take into account the impact of long-standing party organizations in the form of the ruling, and formerly socialist CCM. The party structure in this case provides organizational incentive for both internally and externally oriented forms of production.

Despite Tanzania's divergences from the inductively developed theory at the heart of the dissertation, the case does not contradict the theories surrounding core related factors so much as it offers a further elaboration of potential causal pathways characterized by equifinality. Stated differently, the Tanzanian case reminds us that there exists many relevant variables outside the presence or absence of a core group, that nonetheless have a bearing upon patterns of economic development. Nevertheless, the Tanzanian case also confirms key elements of the causal process surrounding the construction of social and policy coalitions.

The Ivoirian case, unlike that of Tanzania, provides a much more straightforward elaboration of theoretically significant findings. The configurational analysis of the Ivoirian case sheds light on the ability of the state in the primary cases to generate the necessary elite level compromise to produce growth enhancing institutions in any part of the economy. In Cote D'Ivoire the state apparatus was used to elevate the status of elites within their community, thereby providing a necessary degree of social control. Access to state power was the means by which elites could exercise leadership within their own communities - it was what made them elites. The loss of an important election thus predicated forms of contentious politics and violence as a survival strategy for elites. While social actors in Ghana and Kenya, who on the whole did not rely on the state for their elite status, managed to come to some form of negotiated compromise in Cote D'Ivoire there was simply too much at state. Needless to say, conflict and a break down of all major developmental institutions was the result.

Finally, the quantitative and mixed method analysis both shed valuable light on the research question and highlighted existing areas of theoretical ambiguity. Given the historical tendency of African states to subscribe to forms of "African socialism" while remaining capitalist, as well as the generally interventionist stance of the state on the continent, the qualitative case studies struggled to identify any possible impact of a socialist path to development. The quantitative analysis, however, revealed durable, statistically significant correlations between experience with socialism and measure of state autonomy. These findings, moreover, are consistent with observations about the enduring role of a formerly socialist party organization in Tanzania.

A comparison of the primary cases augmented by a broader analysis thus leads to a compelling answer to the research question. Core related factors are clearly responsible for divergent patterns of institution making in Ghana and Kenya. Furthermore, Ghana's repeated exposure to forms of African socialism most likely contributed to the state's high level of autonomy from society, particularly in the construction of growth enhancing institutions in important export sectors like cocoa. Core related factors tied to the absence of a core group in Kenya, on the other hand, are likely responsible to the much more robust performance of institutions in the internally oriented segments of the Kenyan economy.

Finally, the dissertation highlights several contradictions and theoretical puzzles whose resolution is beyond the scope of this project. The case studies point to the idea that the concept of a “core” group overlays more consistently with ethno-linguistic groupings than it does with ones based on region. Furthermore, the very analysis of the Nigerian case points to the idea that prominent institutional structures may disrupt the impact of core-related factors. Each of these findings merits future research and careful consideration.

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