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Governance, Politics, and Economic Development: Some African Perspectives

AUGUSTIN KWASI FOSU[1]

University of Ghana (Ghana),
University of Johannesburg, University of Pretoria (the Republic of South Africa),
University of Oxford (the United Kingdom)

Abstract

The article documents the evolution of governance measures in Africa during post-independence: economic freedom, electoral competitiveness, political rights and civil liberties, executive constraint, and polity2. It examines their implications for economic development, considers political instability (PI) in the form of coups d'état and civil wars on the premise that PI results from poor governance. In addition, the article sheds light on the links between the more recent measures of governance – the World Bank's Worldwide Governance Indicators (WGI) – and economic development outcomes among African countries. The article concludes by paying special attention to potential governance/institutional instruments that might reflect "good governance", and highlights the implicit risks faced by African countries in their efforts to sustain the continent's recent economic gains within the current political economy framework.

Key words

Governance, Africa, Economic Development, Economic Freedom, Electoral Competitiveness, Political Rights, Polity

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1 ***Augustin Kwasi Fosu*** – PhD, Professor, Institute of Statistical, Social, and Economic Research (ISSER), University of Ghana, Legon, Ghana; Distinguished Visiting Professor, College of Business and Economics, University of Johannesburg, Johannesburg, South Africa; Extraordinary Professor, Faculty of Economic and Management Sciences, University of Pretoria, Pretoria, South Africa; Research Associate, Centre for the Study of African Economies (CSAE), University of Oxford, Oxford, United Kingdom.
E-mail: afosu@isser.edu.gh
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The importance of *governance* for growth and development in Africa has increasingly gained attention since the generally dismal economic performance of African countries during the "lost decade" of the 1980's and early 1990's. The suspicion that governance may have been a major culprit behind this performance came to light in the late 1970's when African economies began to suffer major setbacks during post-independence.[2]

A 1981 study commissioned by the Bretton Woods Institutions (BWIs), the "Berg Report" (Berg, 1981), flagged weak governance as perhaps the main culprit responsible for Africa's dismal economic performance. The report proposed that "economic governance" should be improved significantly.

However, effective economic governance required support by the political system. Many African countries therefore undertook reforms, partially in support of economic governance, but also in response to donors' demands for such reforms in exchange for external aid.

These political-governance reforms were primarily democratic in nature, and were highlighted as the key to economic growth in the study by the African Economic Research Consortium (AERC) "Explaining African Economic Growth" (the Growth Project; see: Ndulu et al., 2008a, 2008b).[3] This project concluded that poor governance had spawned growth-inhibiting "policy syndromes", which led to the dismal growth record of sub-Saharan Africa (SSA).[4] Conversely, improved governance resulted in greater prevalence of growth-enhancing "syndrome-free" regimes (Ndulu et al., 2008a, 2008b). Furthermore, in a more recent study of country cases globally (Fosu, 2013d), "good governance" was identified as a key strategy for achieving economic successes in the developing world. Indeed, for African countries, the study finds that democratic governance has been critical in promoting growth, as in the cases of Botswana, Ghana, Mauritius and South Africa.

In the article I define the terms "governance' and "economic development". Based on the extant literature, the research documents the evolution of several governance measures in Africa during post-independence, and draws out their

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2 This period is often approximated as post-1960.
3 The Growth Project was conducted over 1998-2004 and resulted in the two volumes, Ndulu et al (2008a, 2008b).
4 In the article, "sub-Saharan Africa (SSA)" is used synonymously with "Africa".

implications for economic development outcomes.[5] In addition, I shed some light on the association between the more recent measures of governance – the World Bank's Worldwide Governance Indicators (WGI) – and economic development outcomes among the African countries. The article concludes with an emphasis on the critical role of governance, paying attention to a governance/institutional instrument that may reflect "good governance", and highlighting the implicit risks faced by African countries in their efforts to sustain the continent's recent economic gains within the current political-economy framework.

What are "governance" and "economic development"?

The World Bank WGI project defines "governance" as the *"traditions and institutions by which authority in a country is exercised"* (Kaufmann et al., 2010, p. 3). By this definition, governance could be viewed as encompassing institutions, but with reference to authority.[6] In this regard, therefore, one might further dichotomize the nature of "authority" as economic and political, resulting in "economic governance" and "political governance", respectively. Further, the type of governance that influences "economic development" (ED) may be termed as "developmental governance" (DG), with ED defined as an increase in the material well-being of a society. The ED definition is synonymous with improvements in "human development" or "economic welfare". Various measures include: rise in per capita income or in the human development index (HDI), reduction in poverty, and attenuation of extreme inequality.[7]

According to Alence (2004), DG would comprise: "economic policy coherence (free-market policies), public-service effectiveness, and limited corruption". More broadly, DG should entail six WGI components: government

[5] Aron (2000) tackles this issue of growth and governance/institutions in some detail, reviewing a number of studies on the subject. That work is rather outdated, however, for it does not shed light on more recent improved performance of African economies, which is an important focus of the present paper.

[6] It is often difficult to delineate between "institutions" and "governance". Following North (1990), for instance, while institutions are the "rules of the game", governance refers to the setup that carries out these rules. However, "governance" is often used rather loosely in the literature, and also in the present writing, to actually refer to the exercise of the rules, rather than to the structure of organizations per se. I sometimes employ "governance" and "institutions" interchangeably here in the present writing.

[7] As is well understood in the literature, economic growth is not necessarily translated into ED. For example, inequality plays a critical role in transforming growth into poverty reduction (see for instance: Adams, 2004; Bourguignon, 2003; Fosu, 2008b, 2009, 2010a, 2011, 2015a, 2017, 2018c; Kalwij & Verschoor, 2007; Ravallion, 1997, 2001; Thorbecke, 2013).

effectiveness, control of corruption, regulatory quality, the rule of law, political stability, and voice and accountability. These variables are closely related to institutional quality (IQ), including those defining the economic and political spaces: economic and political governance, respectively. The importance of such measures derives from the fact that they affect the incentives for generating desirable economic outcomes (Acemoglu & Robinson, 2008).[8]

According to the above definition, governance might be formal or traditional. The former could be viewed as the one defined under the modern state, while the latter governs interactions based on tradition. These two types of governance may be contradictory or complementary. For example, certain traditional settings might find gift-giving in exchange for a favor to be normal, which can indeed violate the rules governing public provision in a modern environment that is required to limit corruption. In addition, traditional authority emanating from a chieftaincy system of government may deviate from that in a democratic framework where the electorate is the presumed authority based on the electoral process. Yet both the traditional and modern may view political stability and government effectiveness as desirable tenets.

Since the modern African state usually constitutes a set of ethnic groups which are likely to have disparate norms, the governance outcomes should be reflective of the interactions between the traditional and the modern norms of operation. In this article, I focus on the latter, but it must be kept in view that the governance outcomes as measured by the WGI would often reflect interactions between these two forms. The basic question is: what types of governance are likely to generate optimal developmental outcomes? To answer this question, I attempt to identify various measures of governance that are considered in the literature as positively influencing growth and development, particularly in Africa, and to document the extent to which inter-temporal changes of these measures in Africa might be consistent with the observed economic development outcomes. Furthermore, I cite evidence from extant studies involving possible association between the WGI measures and economic development outcomes.

[8] Obviously, economic outcomes may also influence governance (Lipset, 1959), although the latter tends to change relatively slowly. Furthermore, Bates et al. (2013) find unidirectional causality from governance to economic growth in Africa, though bidirectional causation for their global sample.

Measures of Governance and Implications for Economic Development Outcomes

I present in this section some evidence on the evolution of different types of governance during Africa's post-independence, as well as their implications for economic development. The typology of governance comprises the economic one, as represented by "economic freedom", and the political one, measured by electoral competitiveness, constraint on the government executive, and polity2. The evidence on the role of political instability as an indicator of institutional/ governance quality is also assessed.

I focus on governance measures for which there are available data spanning the period that includes the 1970's, as well as the more recent period beginning in the mid-1990's when Africa as a whole has undergone reforms and has been performing relatively well economically. Thus, I am able to distinguish the role of governance between two sub-periods: pre- and post-reform.

As the WGI database begins in the mid-1990's, I am unable to provide evidence for these governance measures for the prior period. However, I shed light on their role during the latter period based on data from World Bank.[9]

I further review in this section the implications of political instability (PI) as an indicator of governance for Africa's economic development. PI, which involves both elite PI in the form of coups d'état and civil wars, has been a key feature of the African environment during post-independence.

Economic Governance

Economic Freedom. As a measure of economic governance, economic freedom (EF) comprises indicators of the size of government (expenditures, taxes and enterprises), legal structure and security of property rights, access to sound money, freedom to exchange with foreigners, and regulation of credit, labor, and business. EF has improved appreciably in SSA, similarly to that of the world (Figure 1). From a value of 4.4 in 1980, it increased to 6.2 in 2015 (range: 0-10).[10]

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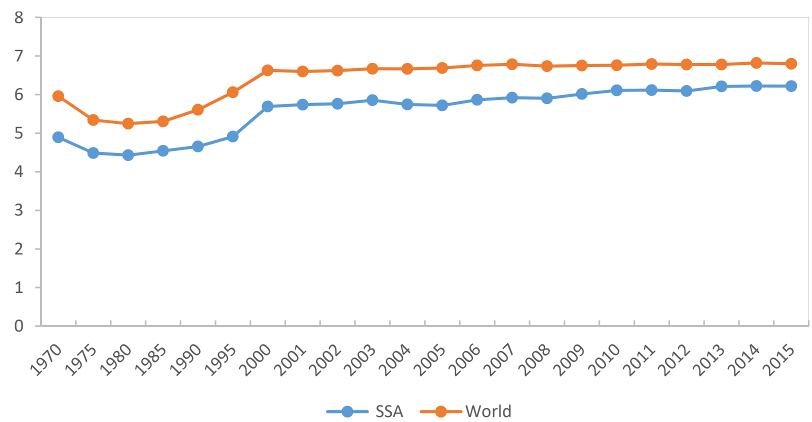
[9] World Bank (2018). World Governance Indicators, Washington, DC: World Bank.

[10] There also appears to be a slight convergence with the world, especially within the last decade.

The steady increases began in the mid-1980's and accelerated in the 1990's. There also appears to be a narrowing gap with the world.

Higher levels of EF tend to yield larger economic growth (de Haan & Sturm, 2000). Furthermore, EF may offer direct utility to individuals, as they enjoy the freedom to exchange (Friedman, 1962; Sen, 1999). According to Friedman (1962), moreover, EF is a precursor to political freedom, which in turn yields further utility to individuals (Sen, 1999). Thus, the upward trend of EF in Africa should presage improved economic welfare.

Figure 1. Economic Freedom, Africa vs World, 1970-2015 [0-10]



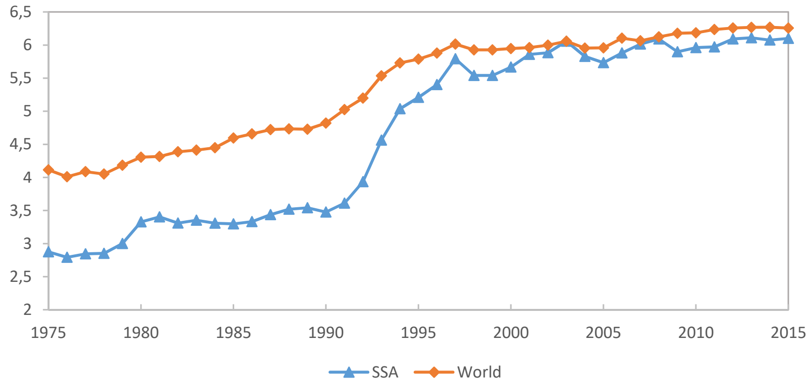
Source: Gwartney et al., 2017.

Political Governance

This section sheds light on the evolution of (democratic) governance in post-independence Africa. The following indexes are discussed: (1) electoral competitiveness; (2) political rights and civil liberties; (3) constraint on the executive branch of government; and (4) polity2, which reflects the degree of democracy vs autocracy. In addition, political instability is analyzed as a key element of the African environment, on the premise that it is an outcome of weak governance.

Electoral Competitiveness. The index of electoral competitiveness (IEC), computed as the first principal component of the executive index of electoral competitiveness (EIEC) and legislative index of electoral competitiveness (LIEC), has risen markedly (Figure 2), from 3.3 in 1980 to 6.1 by 2015 (range: 1-7).[11] Indeed, SSA's IEC gap with the world has virtually closed, decreasing from as much as 2.2 in 1990 to 0.1 by 2015.

Figure 2. Index of Electoral Competitiveness (IEC) [1-7], Africa vs World (1975-2015)



Source: Database of Political Institutions. Washington, DC: World Bank

Note: IEC is the first principal component of the legislative index of electoral competitiveness (LIEC) and executive index of electoral competitiveness (EIEC), with respective weights of 0.51 and 0.49 and explaining over 90 percent of the variance (Fosu, 2008a).

At a sufficiently high level of IEC, African countries, on average, could be characterized as having achieved growth-enhancing "advanced-level democracy" (ALD)[12] (Fosu, 2008a). Figure 2 shows that IEC rose in the early 1990's, from a value of 3.5 in 1990 to 4.6 by 1993. This value just exceeds the threshold of 4.4 required for attaining ALD in Africa (Fosu, 2008a). It is noteworthy that the period coincides with that for Africa's growth and development resurgence.[13]

Furthermore, based on sufficiently high levels of EIEC (6 or 7), Bates et al. (2013) present causal evidence in support of the hypothesis that improved political governance has enhanced economic outcomes at both the macro- and micro-levels in Africa. At the macro level, the authors observe that political reform Granger-caused per capita GDP growth. They further present micro-level

[11] The first principal component has the respective weights of 0.49 and 0.51 for EIEC and LIEC, and explains over 90 percent of the variance (Fosu, 2008a).

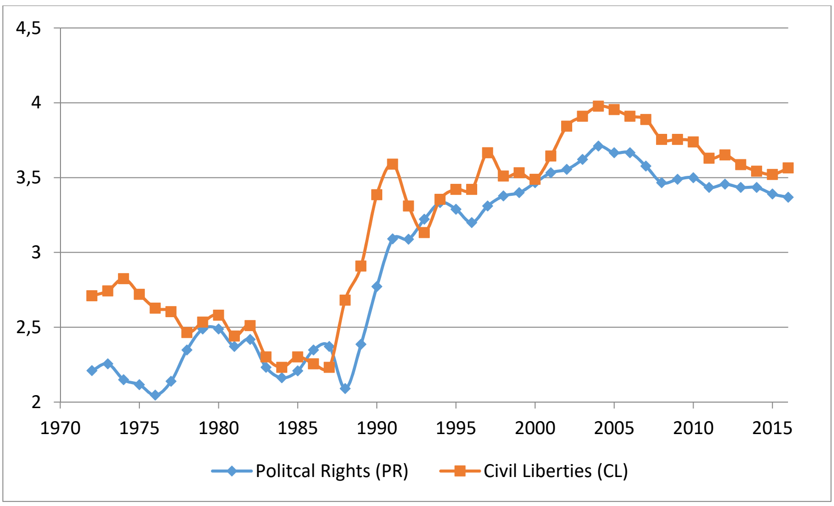
[12] Fosu (2008a) estimates the threshold for this regime as the level of the index of electoral competitiveness in excess of 4.4 (0.0–7.0 range).

[13] Indeed, the threshold occurred in approximately 1993, when not only did the African growth resurgence actually begin but also when the poverty rate began to fall (see: Fosu, 2021).

evidence showing that greater democratic dispensation at the national level has served to raise total factor productivity (TFP) in agriculture. In addition, the fact "that Africa's electorate is largely rural further suggests that the movement to majoritarian institutions has served to attenuate the 'Batesian' urban-bias policies of the past where governments pursued policies favoring (urban) consumers at the expense of the (rural) producers of agricultural products (Bates, 1981)." (Fosu, 2013c, p. 492) These results are, therefore, consistent with the New Institutional Economics (NIE), extolling the virtues of governance/institutions.

Political Rights and Civil Liberties. Additional measures of democratic governance are political rights (PR) and civil liberties (CL): they range from 1 to 7. In the original Freedom House source, a higher value of an index indicates less democracy; however, for ease of interpretation, I have reversed these values, using the transformation [8-x], where x is the original index, so that a higher value of the index indicates a greater level of democracy. These measures are graphed in Figure 3a for 1973-2016, for which data was available.

Figure 3a. Political Rights (PR) and Civil Liberties (CL), SSA, 1973-2016

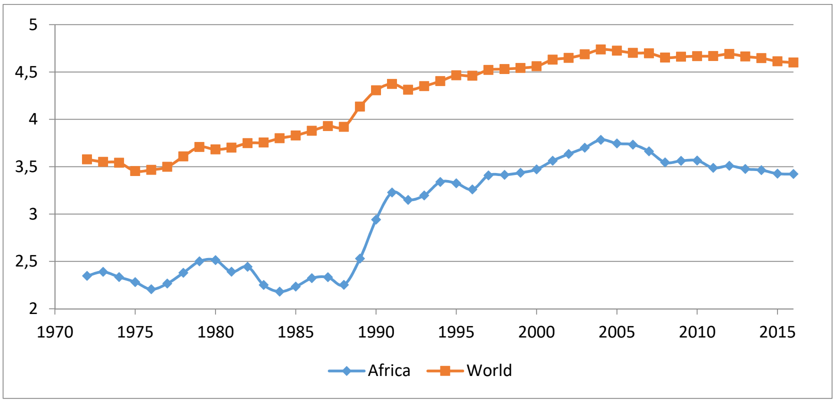


Source: Freedom House (2018), with the range of 1 to 7.

Note: In the original Freedom House source, a higher value of an index demonstrates less democracy. For ease of interpretation, however, these numbers have been reversed, using the transformation [8-x], where x is the original index; thus a higher value of this transformed index shows a greater level of democracy.

As apparent in Figure 3a, PR and CL co-move closely over time, with PR slightly lower than CL generally. Both indices rose steadily, as of the late 1980's, consistent with the above observation for IEC.

Figure 3b. Combined Political Rights (PR) and Civil Liberties (CL), SSA vs World, 1973-2016



Note: Following Fosu (2011), combined political rights (PR) and civil liberties (CL) are the first principal component of the two variables, with the respective PR and CL weights of 0.725 and 0.275. The range is (1-7), with higher values signifying greater levels of democracy; for further details, see the note accompanying Figure 3a.

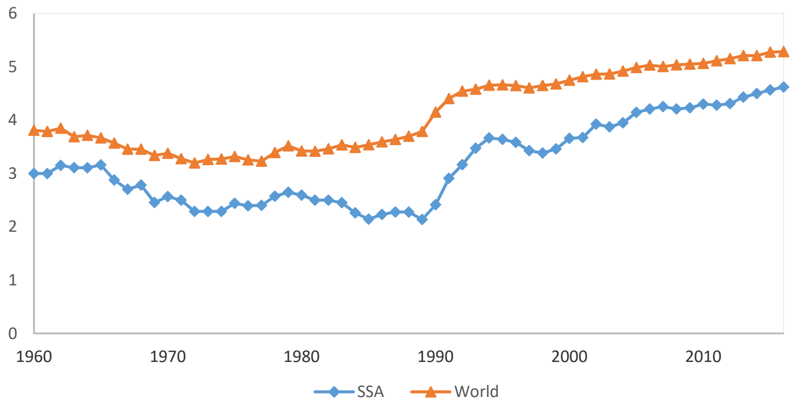
As measures of democracy, PR and CL have also been observed to exhibit U-shaped relationships with economic growth, similarly to the case of electoral competitiveness (Fosu, 2011). That is, democratization at low levels ("intermediate level-democracy") tends to be growth-inhibiting, while at a sufficiently high level of democracy ("advanced-level democracy"), it is growth-enhancing. The threshold was in 1991 for the combined PR and CL index. These results are very similar to those based on the IEC indicators, where the threshold was generally met by 1993.[14]

In effect, the African evidence suggests that it is only when the level is sufficiently high that one could expect democracy to lead to greater growth, which could in turn be translated into a higher level of economic development. Remarkably, this result holds whether the measure of democracy is EIEC, LIEC, IEC, PR, CL or PR&CL.

[14] For details, see: Fosu (2021).

Executive Constraint. Similarly, the degree of constraint on the executive branch of government (XCONST)[15] has risen steadily in recent years in Africa (Figure 4). XCONST began to accelerate around 1990. The SSA gap with the world was widest in 1989, but narrowed markedly by 2000. Africa has therefore made considerable progress on executive constraint since about 1990, consistent with the period of growth resurgence and poverty reduction. Nonetheless, the gap is currently about the same as that in the 1960s.

Figure 4. Executive Constraint (XCONST) [1-7], Africa vs World (1960-2016)



Source: Polity IV Project: Polity IV Project (2016), Political Regime Characteristics and Transitions. URL: http://www.systemicpeace.org/polity/polity4.htm

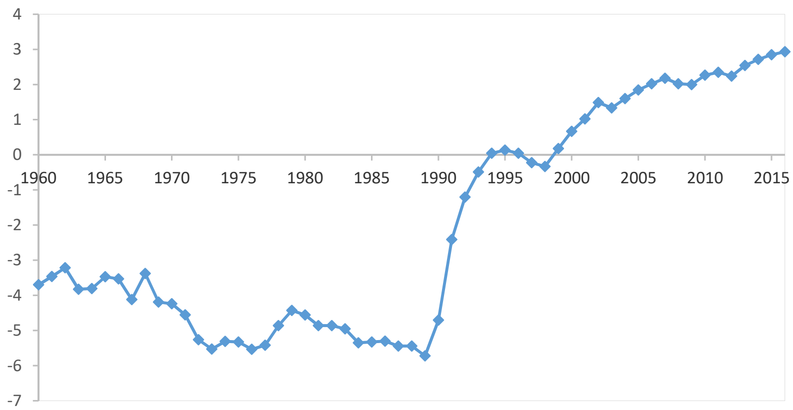
Note: XCONST is a measure of the constraint on the executive of government

However, what is the importance of XCONST in the growth and development process? Alence (2004), for instance, argues that democratic institutions in Africa greatly improve "developmental governance": economic policy coherence (free-market policies), public-service effectiveness, and limited corruption. The author also observes that while "restricted political contestation" (with limited executive constraints) has little direct impact on developmental governance, executive restraints improve developmental governance even if there is little political contestation (Fosu, 2010d, p. 68).

[15] XCONST measures the degree of constraint on the executive branch of government, and it takes on values of 0-7, where 7 is for "strict rules for governance", 1 means "no one regulates the authority", 0 signifies "perfect incoherence", etc. (for details, see: Fosu, 2013b).

Moreover, XCONST can accentuate the prevalence of a "syndrome-free" (SF) regime,[16] independently or by mitigating the potentially pernicious effect of ethnicity (Fosu, 2013b). In turn, SF has been observed to be necessary for sustaining growth and constitutes "virtually a sufficient condition for avoiding short-run growth collapses" (Fosu and O'Connell, 2006, p. 31; see also: Collier & O'Connell, 2008). Furthermore, growth collapses have historically reduced Africa's annual per-capita GDP growth by about 1.0 percentage point (Arbache & Page, 2007). This estimate is twice the average per capita growth rate of 0.5 percent for African economies during 1960-2000 and equals the growth gap with the rest of the world (Fosu, 2010d). Avoiding growth collapses is therefor, crucial. Thus, attaining high levels of XCONST is critical for African countries, for it might promote developmental governance, accentuate the prevalence of SF regimes, and provide an antidote for preventing growth collapses.

Figure 5. Polity2 Score, Average SSA, 1960-2016



Source: Polity IV (Polity IV Project 2016), Political Regime Characteristics and Transitions. URL: http://www.systemicpeace.org/polity/polity4.htm

Note: Polity2 score ranges from +10 (strongly democratic) to -10 (strongly autocratic)

Polity2. Polity2 represents another indicator of democracy. Its scores of -10 and +10 represent complete autocracy and complete democracy, respectively. For Africa, the polity score trended downward from its value of about -4

[16] "Syndrome-free" regime means a "combination of political stability with reasonably market-friendly policies" (Fosu & O'Connell, 2006, p. 54).

to nearly -6 by 1989, indicating increasing autocratic nature of African governments during this period. However, the score rose substantially thereafter, reaching well above zero in the 2000's; by 2016, it was nearly +4.0. As the case with the other governance indicators presented above, the rise in this index also precedes Africa's resurgence in economic growth and development.

McMillan and Harttgen (2014) observe that this indicator of political governance appears to have promoted structural change in Africa since 2000, by reducing the share of employment in the relatively low-productivity agricultural sector. The result may occur directly, or via interaction with price changes.

Political Instability. Political instability (PI) – including military coups and civil wars – is likely to reflect poor governance quality, with implications for economic development outcomes. Employing Knack and Keefer's (1995) measure of "good governance" (GG) – (a) freedom from government repudiation of contracts, (b) freedom from expropriation, (c) rule of law and (d) bureaucratic quality – Easterly (2001), for example, finds that GG is capable of attenuating ethnic conflicts.

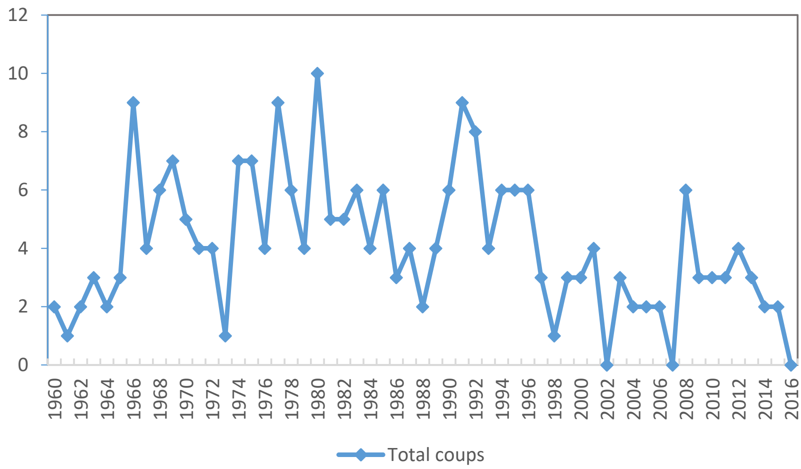
Meanwhile, civil wars in Africa have been observed to be growth-inhibiting (Collier, 1999; Gyimah-Brempong & Corley, 2005). Collier (1999) estimates that the incidence of a civil war could reduce annual per capita growth by as much as two percentage points. A similar estimate is obtained by Fosu and O'Connell (2006) for "state breakdown" (civil war or severe political instability). Furthermore, the incidence of elite PI, involving military coups, has been deleterious to growth in SSA (Fosu, 1992, 2001, 2002a, 2003). PI could also reduce the rate at which growth is translated into human development in Africa (Fosu, 2002b, 2004).

Fortunately, the prevalence of PI in its various forms seems to be declining in Africa. For instance, the frequency of civil wars fell from as high as 18 in 1991 to 8 in 2008 (Figure 6). Similarly, the incidence of military coups shows a downward trend from the early 1990's (Figure 7). Such attenuations in PI might therefore have contributed to the observed improvements in economic and development outcomes on the continent since the mid-1990's.

Figure 6. Incidence of Armed Conflicts in Sub-Saharan Africa, 1960-2008

Source: Strauss (2012)

Figure 7. Frequency of Elite PI in Africa - Coups d'état, SSA, 1960-2016



Source: This was computed using data from Centre for Systemic Peace (CSP), 2016 (Centre for Systemic Peace (2016), Coups d'Etat, 1946-2016: URL: http://www.systemicpeace.org/inscrdata.html)

Note: "Total coups" equals the sum of the frequencies of "successful" and "failed" coups d'état that occurred in the year of record

The Worldwide Governance Indicators

The literature on the importance of recent governance measures produced by the World Bank, WGI, for growth and development is not vast. Nonetheless, the paltry extant evidence points to favorable impacts of these indicators. For example, Fayissa and Nsiah (2013) find that the governance measures exert positive effects on economic growth in the African countries. Using a global sample of developing countries, Tebaldi and Mohan (2010) also observe that the measures tend to reduce poverty, while another argues that the poverty reduction is the result of increasing income rather than improvement in income distribution (Asongu & Kodila-Tedika, 2017). Similarly, Han et al. (2015, p. 1) find, based on these governance indicators and a global sample, that "good governance is associated with both a higher level of per capita GDP as well as higher rates of GDP growth over time."

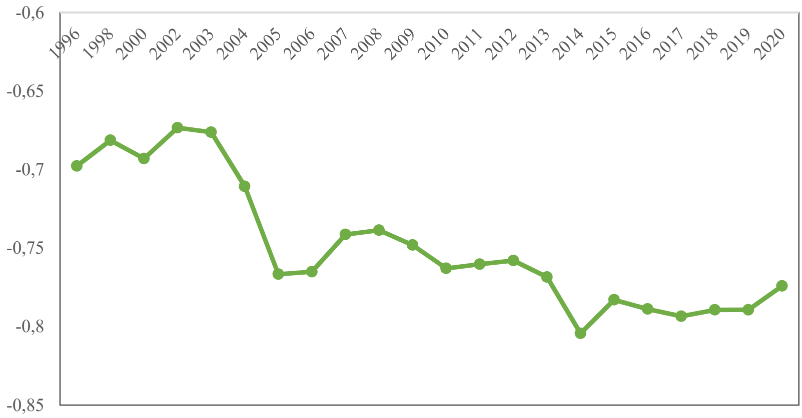
While they do not help us explain the historical performance of the African countries on the aggregate, given their limited temporal coverage (1996-present), these measures can nevertheless be useful in accounting for some of the variation in economic performance, particularly among the African states since the mid-1990s, corresponding to the period of resurgence in their growth and development.

Using zero-order correlation coefficients, Fosu (2019) finds, among the six WGI measures, that Government Effectiveness (GE) is the most highly associated with both per capita GDP growth and poverty reduction. This result is further corroborated using an updated global sample (see: Fosu & Gafa, 2022). Thus, I present in Figures 8a and 8b the evolution of GE in SSA as a whole, and it is also compared with other regions globally.

As apparent from Figure 8a, SSA's GE is much lower than the global average (zero scale). Furthermore, it declined appreciably from 1996 to 2014 by some 14%, before rising slightly (4%) between 2014 and 2020. Compared with other regions, SSA's GE is by far the lowest, followed by South Asia (SA), Middle East and North Africa (MENA), East Asia and Pacific (EAP) and Latin America and the Caribbean (LAC), with Europe and Central Asia (ECA) exhibiting by far the highest GE values. Interestingly, while ECA's performance has remained stably high, EAP's GE has improved since about 2013, LAC's GE has worsened during the same period, and MENA's GE began deteriorating even earlier, from about

2010. How these inter-regional disparities might be specifically translated into inter-regional differences in economic outcomes remains to be explored in future studies.

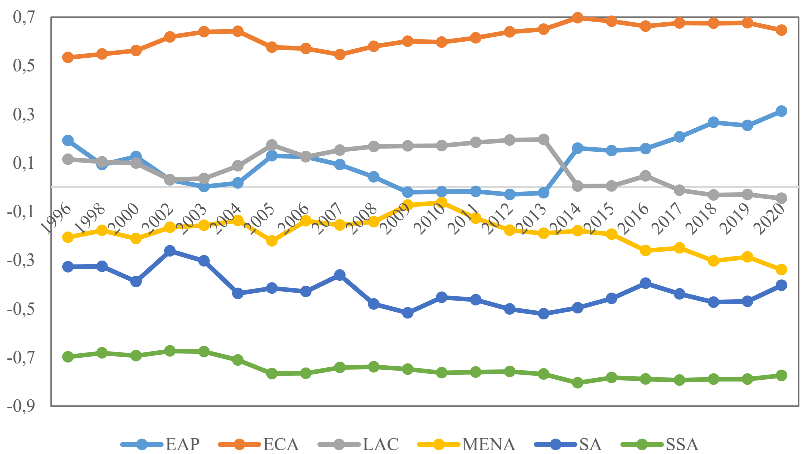
Figure 8a. Government effectiveness, SSA average (1996-2020)



Source: World Development Indicators Online, Washington DC: World Bank

Note: The indicator ranges from -2.5 to 2.5, with the lowest representing the worst performance, where 0 is the world average

Figure 8b. Government effectiveness across regions, Average (1996-2020)



Source: World Development Indicators Online, Washington DC: World Bank

Note: The indicator ranges from -2.5 to 2.5, with the lowest representing the worst performance, where 0 is the world average. EAP = East Asia and Pacific, ECA= Europe and Central Asia, SA= South Asia, LAC= Latin America and Caribbean, MENA= Middle East and North Africa, SSA= Sub-Saharan Africa

Conclusion

The account presented in the foregoing sections suggests that governance, as measured by economic freedom, electoral competitiveness, political rights and civil liberties, as well as political stability, has improved generally in Africa, especially since the late 1980's. Further, improvements in these governance measures tend to enhance economic development outcomes, consistent with the observed post-mid-1990's growth resurgence and accompanying economic development in Africa.

Nonetheless, Rodrik (2018) calls into question the "African growth miracle" (Young, 2012), attributing the recent African economic progress primarily to the favorable external environment: high commodity prices and low interest rates in the 2000's. Therefore, Rodrik argues, reversals of these external variables may render the gains episodic.

Under the new institutional economics framework, however, institutions are primary (Rodrk et al., 2004; see also: Haggard et al., 2008). If so, then pessimism about growth sustainability might also be premature, provided that institutions, and therefore governance, are sufficiently strong (Fosu, 2018b). Indeed, the recent relative resiliency of African economies to shocks is attributed to institutional/governance improvements (Fosu, 2013a). Therefore, institutional/governance fortification is sine qua non.

Unfortunately, political considerations render such institutional strengthening challenging. Under the current democratic framework adopted by many African countries, democratically elected governments are unlikely to undertake certain growth-enhancing policies that may be unpopular with the electorate, and would show a propensity to spend more and tax less, resulting in unsustainable fiscal deficits (Bates, 2006). These imbalances are likely to be exacerbated by the tendency for the central government to more or less freely supply local public goods in order to win elections, resulting in "politico-economic disequilibrium" (Fosu, 2018a). Without effective decentralization that allows localities to attain significant revenue autonomy and constrains their demand for local public goods, however, such fiscal imbalances might result in debt burdens that could prove harmful not only for growth (see Fosu, 1996, 1999), but also for social-sector resource allocation (Fosu, 2007, 2008c, 2010e).

Furthermore, consistent with Kimenyi (2006), "the existence of ethnically based interest groups is likely to result in sub-optimal provision of public goods" (Fosu et al., 2006). Indeed, there is a school of thought that ethnicity has been a major culprit for the dismal growth performance in African countries (Easterly and Levine, 1997), suggesting that one must pay attention to the nature of multiparty democracy being adopted in many African countries.

As discussed above, "good governance" – (a) freedom from government repudiation of contracts, (b) freedom from expropriation, (c) rule of law and (d) bureaucratic quality – is capable of resolving ethnic conflicts (Easterly, 2001). For Africa, this is critical, given its very high ethnolinguistic characteristic. In addition, government effectiveness has been flagged as a key governance variable for enhancing growth and reducing poverty. How is "good governance" attained, though?

Fortunately, through its ability to attenuate the prevalence of policy syndromes, executive constraint (XCONST) may provide an important policy instrument for mitigating the potentially deleterious impact of ethnicity within the African setting. XCONST is a relatively achievable policy mechanism, as compared with the above highly comprehensive weighted governance variables. Furthermore, XCONST is positively and significantly associated with all the six WGI measures for Africa. In particular, its zero-order correlation coefficient with Government Effectiveness (t-value in parentheses) is 0.414 (13.30), which is thus highly significant with a p-value of 0.000.[17] A similar finding holds globally as well.[18] Thus, XCONST represents a potentially potent policy instrument for achieving "good governance".

Meanwhile, the "politico-economic disequilibrium" with the implied mismanagement of the economy,[19] coupled with possible political disorder that

[17] The African sample comprises 47 countries in 2018, the latest year for which data for both XCONST and WGI were available.

[18] The correlation coefficient in a global sample – 170 countries, including both developed and developing countries – is computed similarly (t ratio in parentheses) as: 0.514 (33.00), and with p=0.000.

[19] Bates (2008a, p. 387) argues that the recent political reforms in Africa may have actually resulted in macroeconomic mismanagement, as "governments in competitive systems tend to spend more, to borrow more, to print money, and to postpone needed revaluations of their currencies than do those not facing political competition." See also Humphreys and Bates (2002).

tends to initially accompany the adoption of multiparty democracy (Bates, 2008b), may pose a risk for growth sustainability (Fosu, 2018a). As already observed, however, for long-term growth and development, "advanced-level" democracy is required, which implies that democratic consolidation must be earnestly pursued in Africa.

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