



Going beyond 'politics matters'

What do you get from political settlements analysis?

Joint Seminar: Development Policy Centre and SSGM

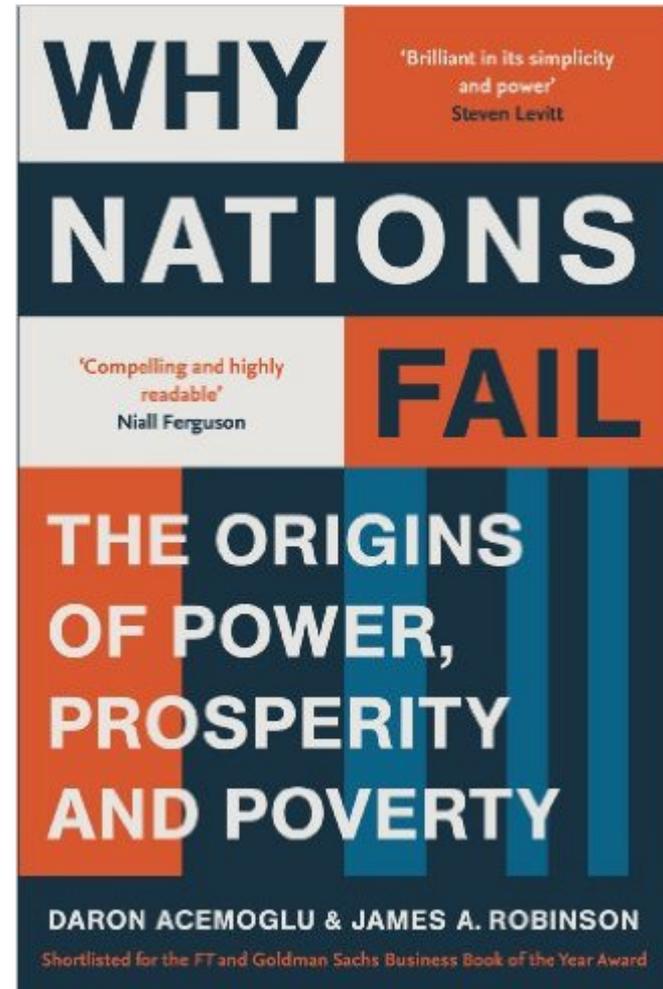
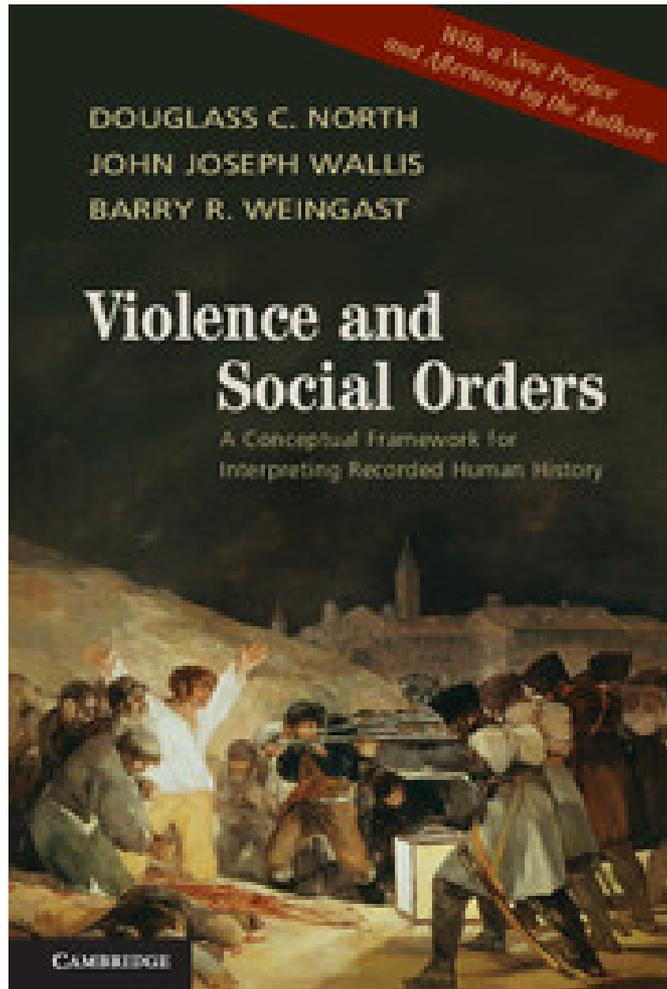
6 July 2016, ANU, Canberra

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ESID Research Director

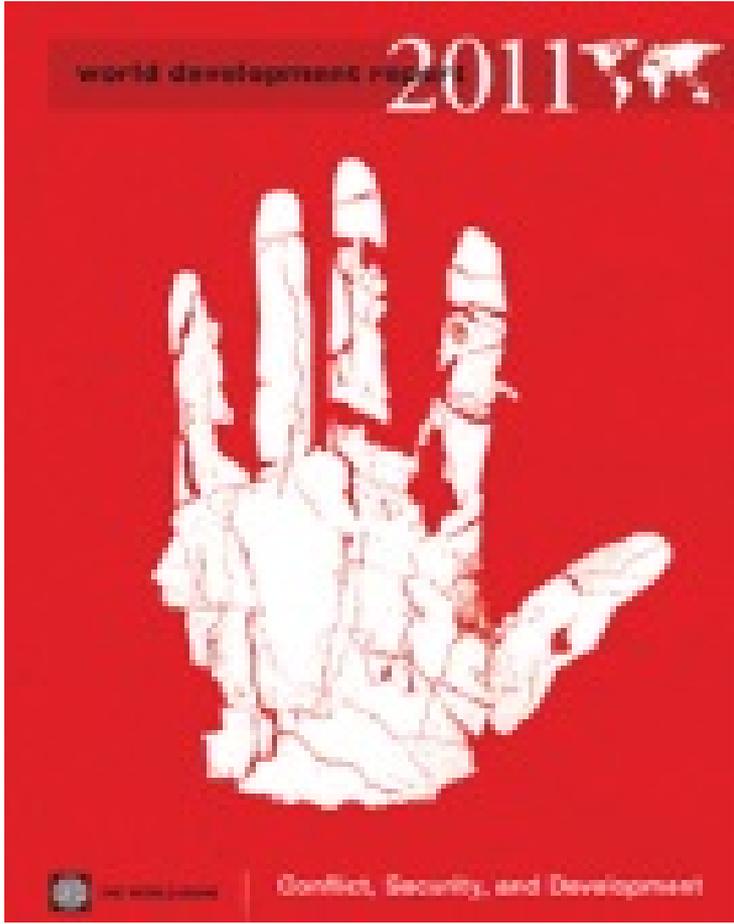
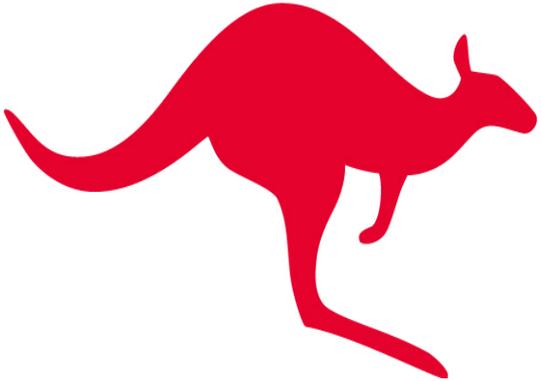
Global Development Institute, University of Manchester

'It's the politics, stupid!'





Australian Aid



ESID

www.effective-states.org

- Global Development Institute, University of Manchester
- A DFID-funded research consortia: 2011-2016...
- Sub-Saharan Africa, Asia, Latin America
- Focus on 'non-fragile' contexts...

Key research question

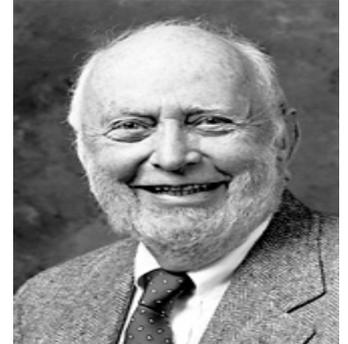
- *Under what **political conditions** do developmental forms of **state capacity** and **elite commitment** emerge and become sustained?*

Structure

- Political settlements analysis
- Do political settlements shape development processes and outcomes?
 - ESID approach: typology and cases
 - Accumulation, redistribution, recognition
- Implications: theoretical and strategic

Political settlements analysis: power and institutions

“...the *balance or distribution of power* between contending social groups and social classes, on which any state is based.” (di John & Putzel ‘09: 4)



‘a **stable set of institutions** that delivers an **acceptable distribution of rents**’

- **Elite bargaining:** central to political settlements
 - Elites agree to centralise violence
 - Establish institutions that align the distribution of benefits with the underlying distribution of power
 - Elite bargains: personalised deals not impersonal rules/organisations (North et al 2009)
- Shapes the **capacity** of the state to act; establishes **incentives** for elites behaviour



Key oversights

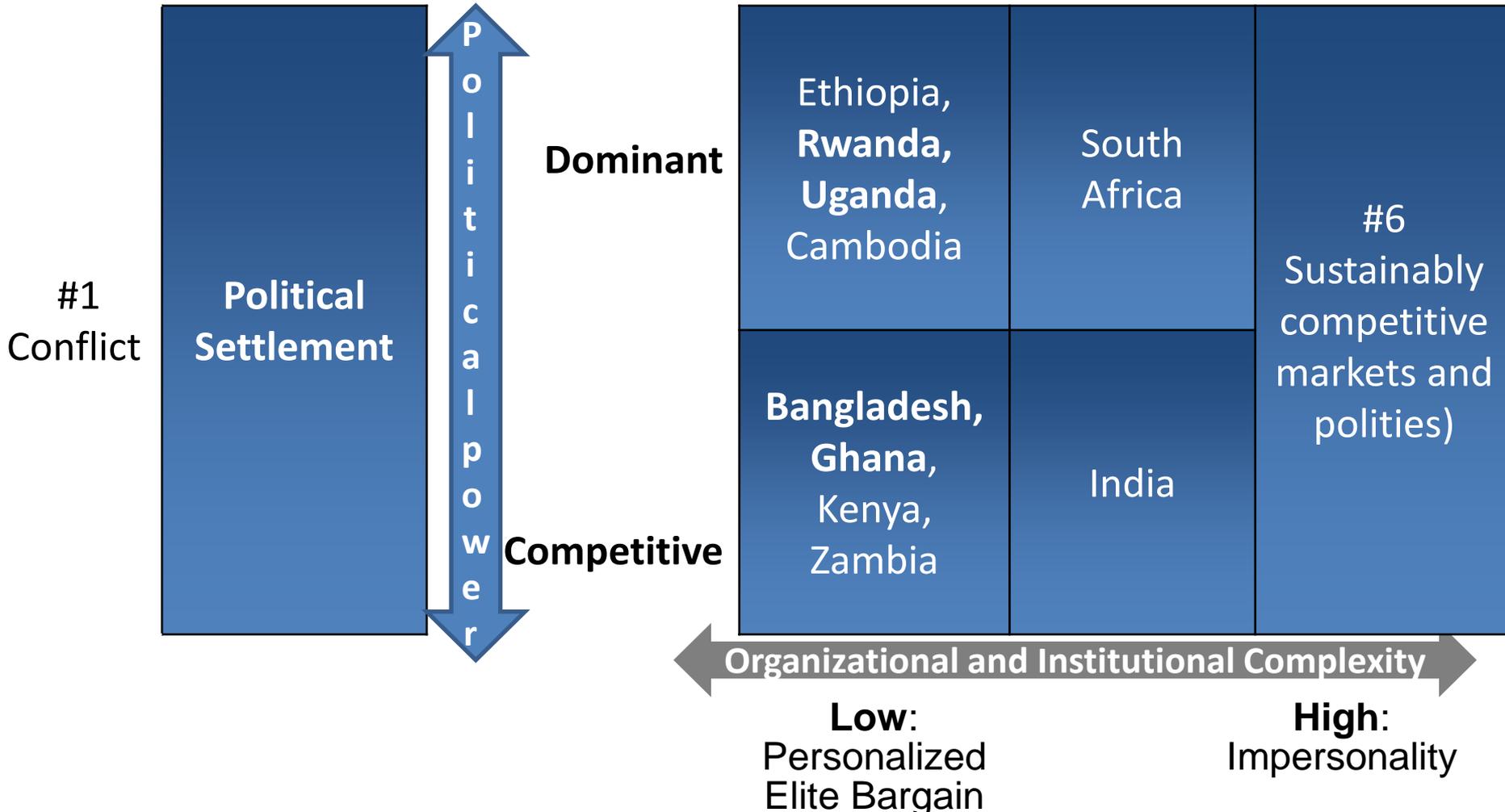
- Limited conception of power
 - Rational-actor approach to political behaviour
 - Materialist: what of ideas?
 - Structure rather than agency and dynamism

- Methodological nationalism

- Immature: not properly tested

Political settlements: a typology (Levy 2014)

- Cells as distinctive types, with distinctive rules of the game and thus distinctive incentives, constraints, opportunities, risks





<i>Political settlement</i>	Competitive clientelist			Dominant coalition	
<i>Country</i>	Ghana	Bangladesh	South Africa	Rwanda	Uganda
Accumulation	Growth & state-business relations	Growth/SBRs	Growth/SBRs	Growth/SBRs	Growth/SBRs
”	Oil				Oil
Redistribution	Education Health	Education Health	Education	Education Health Social protection	Education Health Social protection
Recognition	Gender Spatial inequity	Gender	Gender	Gender	Gender Spatial inequity
Global	Public sector reform	PSR		PSR	PSR

Accumulation

Oil in Ghana and Uganda



	Ghana	Uganda
Development indicators	<p>\$1,570 GDP per capita</p> <p>135/187 HDI (medium)</p> <p>Growth: 5.6% (2001-10)</p>	<p>\$500 GDP per capita</p> <p>161/187 HDI (low)</p> <p>Growth: 7-8% (2001-10)</p>
Democracy (Polity IV, 2006)	<p>Multi-party since 1992</p> <p>Democratic: 8 Polity IV</p>	<p>Multi-party since 2005</p> <p>Semi-authoritarian:-1 Polity IV</p>
Governance indicators (WGI, 2006)	<p>Voice & Acctbtty: 0.37</p> <p>Govt effectiveness: 0.11</p> <p>Rule of Law: 0.00</p> <p>Control of Corruption:0.02</p>	<p>Voice & Acctbtty: -0.42</p> <p>Govt effectiveness: -0.48</p> <p>Rule of Law: -0.34</p> <p>Control of Corruption: -0.75</p>

Comparative findings

	Ghana (competitive)	Uganda (dominant)
Ruling coalition	<p>Corruption (party political)</p> <p>Short-term horizons (rush to first oil)</p>	<p>Corruption (inner circle), military</p> <p>Longer-term vision</p>
Political institutions	<p>Early deals before legislation; legal provisions on borrowing overturned</p> <p>MPs toe party-line in highly competitive setting; active CSOs</p>	<p>Legislation before main deals</p> <p>Resistance from x-party coalition; active CSOs; co-opted/repressed</p>
State capacity	<p>Deals: fast, semi-open/ordered. National take: average</p> <p>Oil technocracy: capacity undermined by party politicking, limited autonomy</p>	<p>Deals: slow, closed/ordered National take: high</p> <p>Oil technocracy: high capacity, embedded autonomy (PoE), strong support from 'patriotic' President</p>

Redistribution

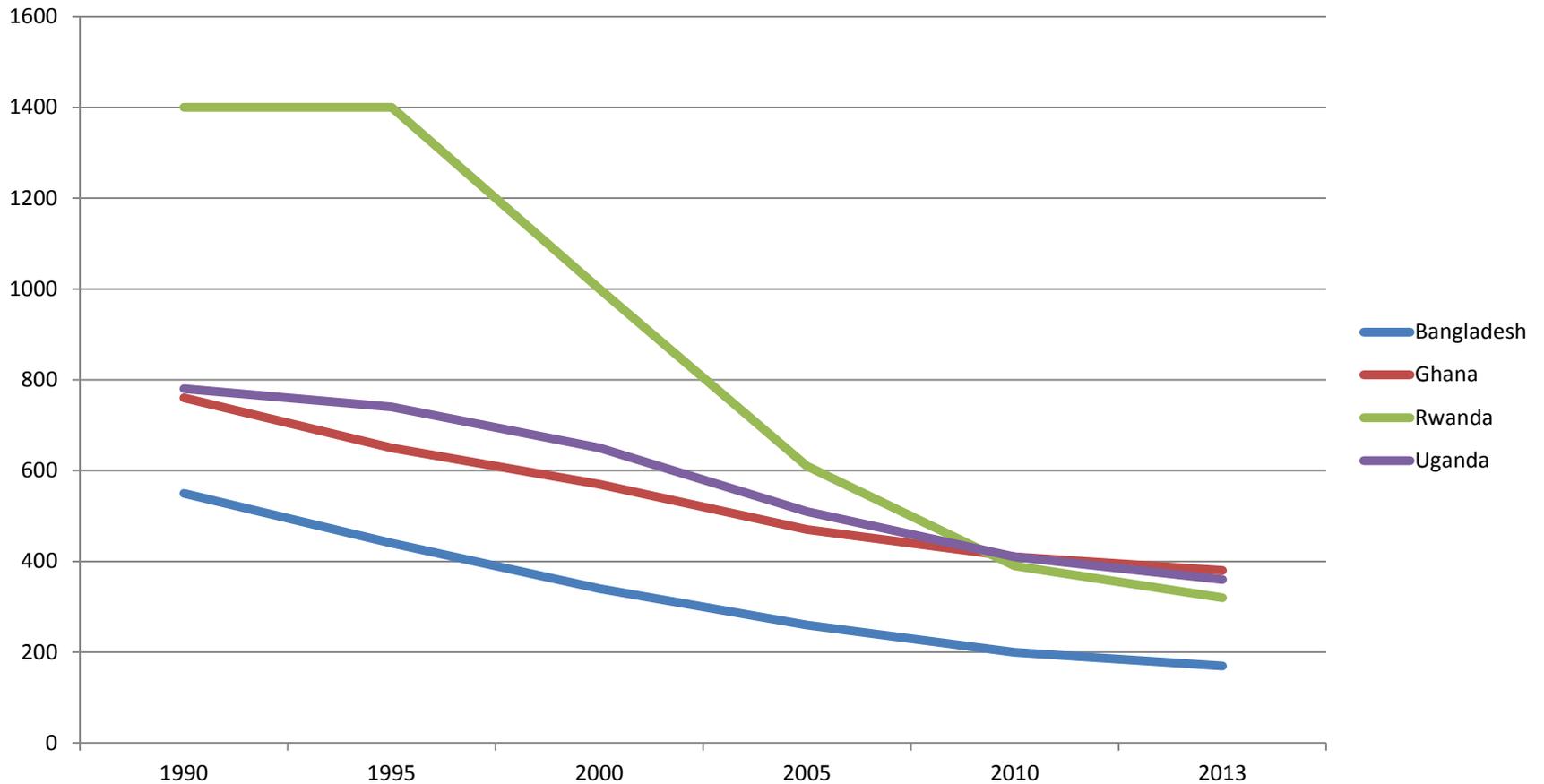
Social protection coverage rates in Africa (NB: treat data with caution!)

	Coverage of main social assistance programmes	Coverage of health insurance (population)
Ethiopia	8% (popn) 28% (nat. poverty line)	7% (all informal)
Rwanda	8% (popn) 18% (nat. poverty line)	75% (mainly informal)
Uganda	0.3% (popn) 2% (nat. poverty line)	2%
Kenya	3% (popn) 7% (nat. poverty line)	11% (all formal)
Zambia	3.5% (popn) 10% (nat. poverty line)	1%

The politics of cash transfers: key variables

<i>Cases & Type of PS</i>	<i>PS dynamics: significant shift or threat?</i>	<i>Ideas: alignment between elite vision and policy?</i>	<i>Donors: coherent policy coalition?</i>	<i>Outcome</i>
Rwanda <i>Dominant</i>	Y	Y	N	<i>Strong commitment, delivered impartially</i>
Ethiopia <i>Dominant</i>	Y	Y	Y	<i>Strong commitment, delivered impartially</i>
Kenya <i>Competitive</i>	y	n	y	<i>Commitment, delivered as patronage</i>
Zambia <i>Competitive</i>	n	N	Y	<i>Lid commitment, delivered as patronage</i>
Uganda <i>Weak dominant</i>	n	N	Y	<i>Ltd commitment, delivered as patronage</i>

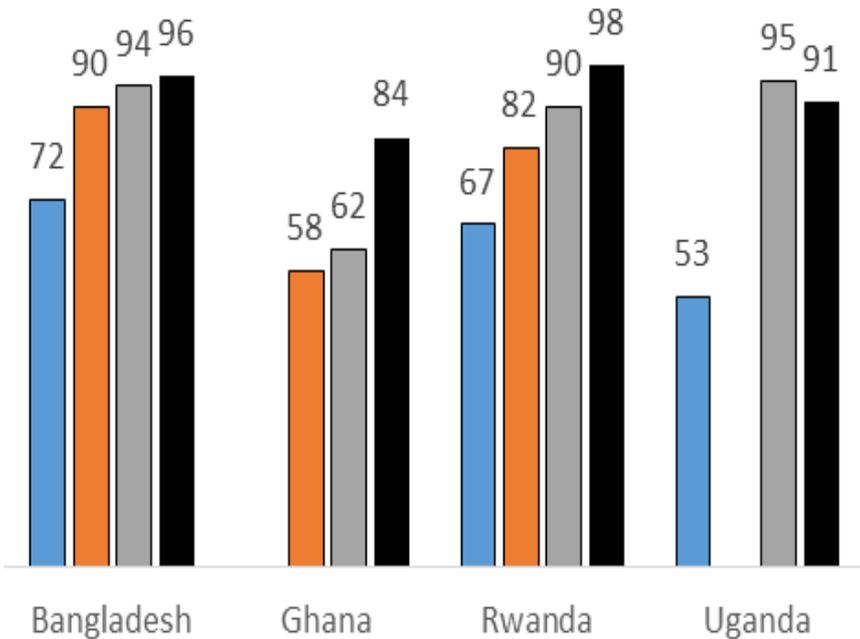
MMR trends in our case study countries



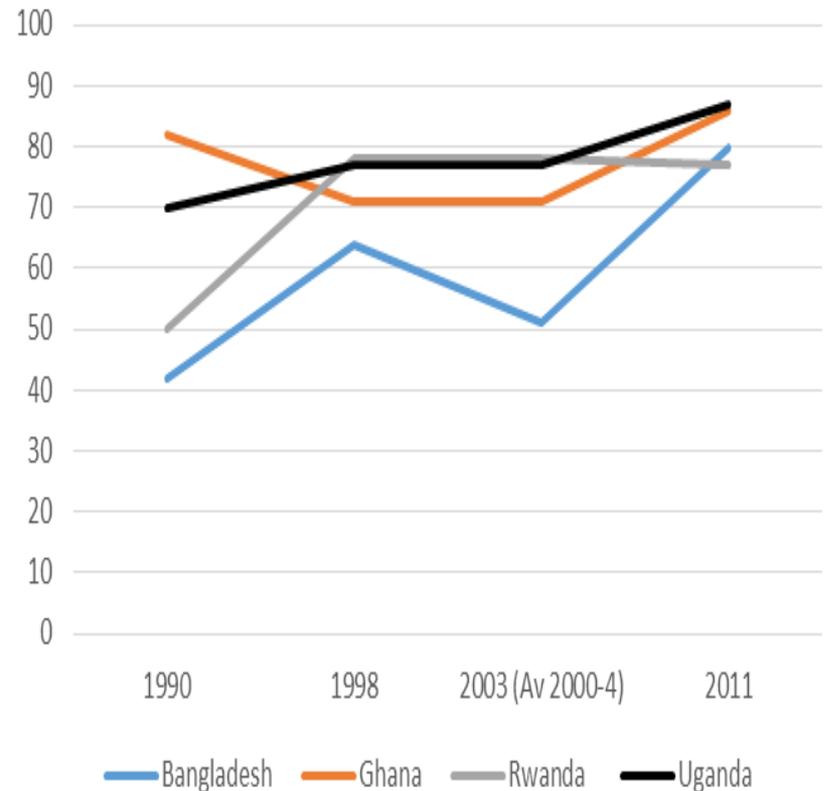
Education: from schooling to learning?

Primary Enrolment Trends, 1990-2011

■ 1990 ■ 1998 ■ 2003 ■ 2011



Youth Literacy Trends, 1990-2011



Two main developmental trajectories

Dominant developmental

- Dominant ruling coalition / elite cohesion
- Strong elite vision: developmental paradigmatic ideas underpin the political settlement
- Enforcement mechanisms
- Dynamics *of* the PS

Competitive developmental

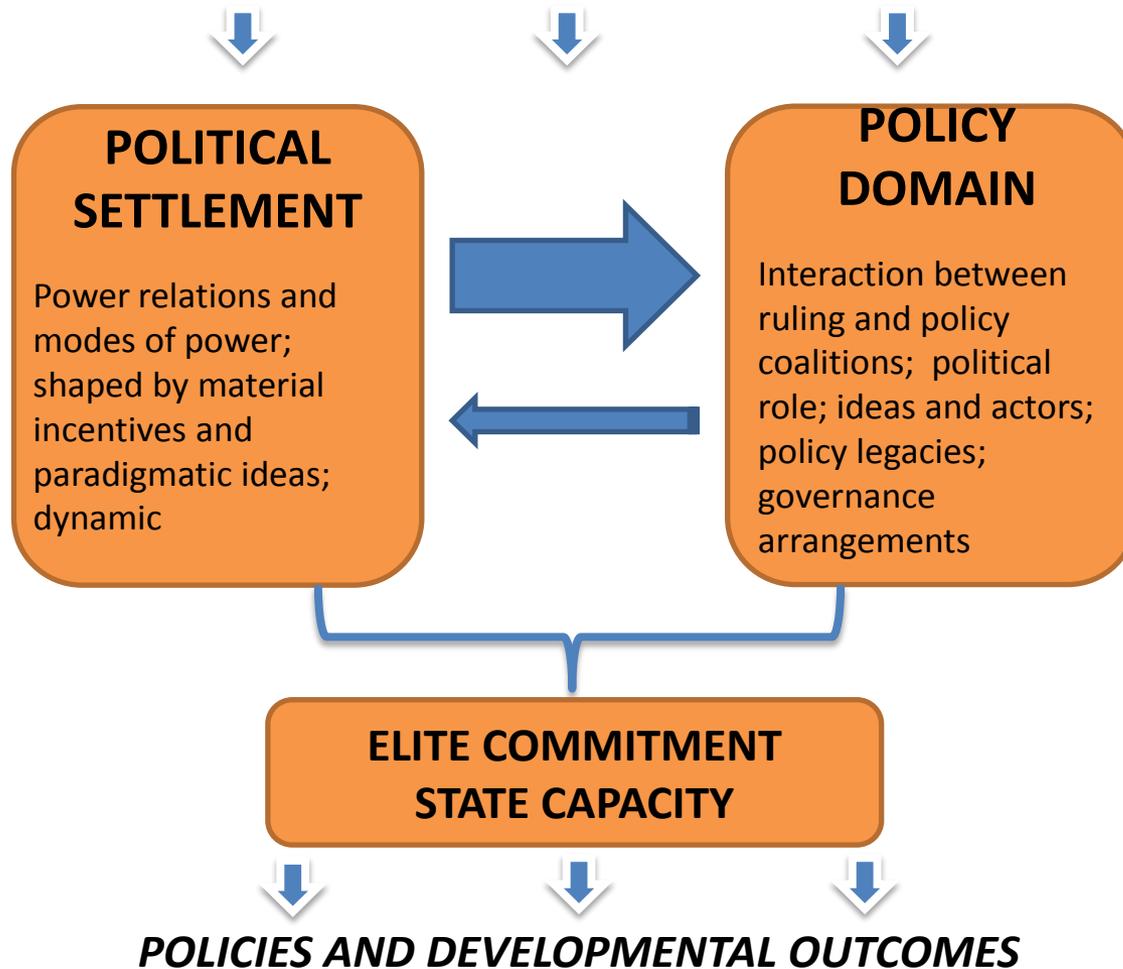
- Multi-stakeholder coalitions offset problems of fragmented elite/politicised bureaucracy
- Ideas matter
 - Elite ideas: to fix threats to political settlement
 - Policy ideas (problems & solutions)
- Dynamics *within* the PS

Which aspects of the PS matter most?

- Helps explain '*pathways to*' not '*levels of*' development
- Political settlement *dynamics* matter: windows of opportunity
- *Horizontal power* (between elites) often the key driver
- *Vertical power* (between elites & social groups) also matters
 - Particularly in redistributive domains
 - Different forms of clientelism: systemic or personalised?
- PS influence: refracted through particular *policy domains*

ESID framework: 'domains of power'

ECONOMIC STRUCTURE, HISTORY, NORMS



Theoretical implications

- A ***mid-range theory*** for explaining developmental capacity and commitment within proximate timeframes
 - Not an alternative to other theories of long-run development
- From politics to ***power***
- Alternative routes forward
 1. ***Realist/positivist*** (testable propositions via a revised typology)
 2. ***Critical constructivist*** (more discursive, probabilistic focus, ideational and gendered)

Strategic implications

- Insights into the *what*
 - Fits the ‘**good enough governance**’ agenda (Grindle 2007)
 - **State capacity** as critical, including through **PoEs**
 - **Coalitions for change**
 - **Institutionalise** political economy analysis (localised)
- Insights into the *how*
 - A guide to **working contextually**: best entry points and strategies will differ by type of political settlement
 - **Going with the grain?** Mixed findings on this
 - **Being donors differently...**

'Best fit' strategies

Type of settlement	Best 'fit' approach
<p>Dominant developmental</p>	<p><i>Government supporting</i></p> <p>System-wide reforms feasible</p> <p>Hierarchical accountability and performance mechanisms for <u>logistical</u> challenges</p> <p>Multi-stakeholder involvement for <u>transactional</u> tasks?</p>
<p>Competitive or intermediate</p>	<p><i>Government connecting/brokering</i></p> <p>Avoid system-wide reforms: PoEs</p> <p>Multi-stakeholder coalitions</p>
<p>Dominant predatory?</p>	<p><i>Government substituting?</i></p> <p>IoEs?</p>

Can donors do development differently?

- Brokers, arms-length, problem-solving, risk-taking...
- ...but are donors fit for purpose?
- Competing pressures
 - Domestic pressures **vs.** GWTG, long-timeframes
 - PEA **vs.** pressures to disburse
 - VFM/RBM **vs.** risk-taking
 - Deep contextual knowledge **vs.** posting cycles and accountability reporting