The Leadership Factor in African Policy Reform and Growth

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Abstract

In 1997 the World Bank's two vice-presidents for Sub-Saharan Africa attributed a significant improvement in Africa's growth prospects to a new generation of leaders, replacing their "once largely statist and corrupt" predecessors. Of 48 African leaders holding office on 1st January 1999, 22 were in power a decade earlier and eight ten years before that. Examination of ten countries, with focus on Kenya and Zambia, raises the question: why, after these incumbents had created such an economic catastrophe, were socio-political structures unable to replace them with better leaders? There are no clear answers. The literature on the political economy of economic reform has tended to focus on interest group analysis with only a few studies according a major role to the emergence of individuals whose vision and initiative launch their countries onto paths of rapid growth. Promoting reform in Africa encounters many difficulties. Yet, there is increasing evidence that action by national leaders to raise agricultural production and promote the export of labor-intensive manufactures would greatly enhance the prospects for accelerated growth. The paper urges other social scientists to help us learn more about how African social structures can create power bases for individuals with the vision to promote and sustain economic reform.

Keywords: Leadership, policy designs and consistency, policy objectives and coordination, structure and scope of government.

JEL codes: E6, E61, H1, H10

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In a 1997 article beginning, “Africa is on the move”, the World Bank’s vice-presidents for Africa, Callisto Madavo and Jean-Louis Sarbib (MS), cite the “greater social stability and freedom from armed conflict” that has improved Africa’s economic prospects. [i] Central to this, they argue, is that a “once largely statist and corrupt” African leadership had been replaced by a “new model (that) is no-nonsense, accountable pragmatism…(The) new generation of African leaders (is) committed, qualified, and nonideological.”[ii]

These assertions raise four questions that we address in this paper:

1. How significant has been the change in leadership of African countries over the past decade?
2. What is the role of leadership in determining an African country’s prospects for improved economic policy that will accelerate and sustain rapid economic growth?
3. If leadership is a significant factor in enhancing the prospects of growth, what are the preconditions for it to play a more positive role than it has in the past? and
4. What further steps might be taken, both in- and outside Africa, to enhance the effectiveness of African leaders in promoting policy change that generates rapid growth?

The next section examines the change in leaders across Africa between 1979 and 1999, and traces the pattern of national leadership in a subset of countries. It pays particular attention to Kenya and Zambia, countries with which one or the other author has had extended contact. Section II reviews the treatment of leadership in the recent literature on policy reform.

Section III examines hypotheses about changes that African governments could make to accelerate economic growth, and considers the role of leadership in making those changes. Addressing questions 3 and 4 above, Section IV argues that the socio-political preconditions that stimulate constructive leadership comprise a puzzle worthy of future research. It then considers how outsiders might enhance the role of leadership in African growth and development. Section V summarizes and concludes.

I. Recent evolution of national leadership in Africa

Table 1 lists the chief executives of 48 African countries as of January 1, 1979, 1989 and 1999. In 22 countries the same individual was in power on the two latter dates. In eight of these cases he (the list contains no women) already held power 20 years earlier. National leadership has been notably stable, raising the question as to where MS find a new generation of leaders who are propelling the continent forward.[iii, iv]

To be sure, the presence of 26 new leaders since 1989 points to increased turnover in the upper echelons. Moreover, due to democratization, some formerly statist and corrupt leaders may have become more accountable and pragmatic. Changes are evident but they have been less dramatic than MS imply.

The authors have spent substantial periods in countries where we believe the quality of leadership and its evolution (or nonevolution) have had a major impact on policy change and hence, growth and development. We, therefore, appraise the MS thesis in those and other countries that have recently been the focus of international attention.

MS correctly refer to “freedom from armed conflict” as a prerequisite for social and economic progress. That currently rules out a subset of African countries from potential applicability of the MS improved-leadership hypothesis—notably Angola, both Congos, Guinea-Bissau, Sierra Leone, Somalia, and Sudan, accounting for 90 million people or 15% of Africa’s population in 1996.[v] It also raises questions about the set of countries intervening in the civil war in the Congo (DRC) that broke out after MS’ article was written, namely Angola (Strike Two!), Namibia, Rwanda, Uganda, and Zimbabwe. And finally, one must mention countries that are engaged in armed conflict—Eritrea and Ethiopia—or where a warlord having prevailed in armed conflict now holds power, notably Liberia.

Table 1. COUNTRY LEADERS AS OF 1ST JANUARY

Country	1979	1989	1999
Angola	Agostinho Neto	Jose Eduardos dos Santos	Jose Eduardos dos Santos
Benin	Gen. Mathieu Kerekou	Gen. Mathieu Kerekou	Mathieu Kerekou
Botswana	Sir Seretse Khama	Sir Quett Ketumile Joni Masire	Festus Mogae
Burkina Faso	Sangoule Lamizana	Capt. Blaise Compaore	Blaise Compaore
Burundi	Jean-Baptiste Bagaza	Pierre Buyoya	Pierre Buyoya
Cameroon	Ahmadou Ahidjo	Paul Biya	Paul Biya
Cape Verde	Aristides Pereira	Aristides Pereira	Antonio Mascarenhas Monteiro
Central African Republic	Jean-Bédel Bokassa	Gen. André-Dieudonné Kolingba	Ange-Félix Patassé
Chad	Lol Mohamed Shawa	Hissene Habre	Gen. Idris Deby
Comoros	Ahmed A. Abderemane	Ahmed A. Abderemane	Tajiddine Ben Said Massounde
Congo (Zaire)	Mobutu Sese-Seko	Mobutu Sese-Seko	Laurent Desire Kabila
Congo, Rep.	Denis Sassou-Nguesso	Denis Sassou-Nguesso	Denis Sassou-Nguesso
Cote d'Ivoire	Felix Houphouet-Boigny	Felix Houphouet-Boigny	Henri Konan Bedie
Djibouti	Hassan Gouled Aptidon	Hassan Gouled Aptidon	Hassan Gouled Aptidon
Equatorial Guinea	Fransisco Macias Nguema	Brig.Gen.Theodoro Obiang Mbasogo	Theodoro Obiang Mbasogo
Eritrea	-----	-----	Isayas Afewerki
Ethiopia	Col. Mengistu Haile Mariam	Col. Mengistu Haile Mariam	P.M. Meles Zenawi [1]
Gabon	El Hadj Omar Bongo	El Hadj Omar Bongo	El Hadj Omar Bongo
The Gambia	Sir Dawda Kairaba Jawara	Sir Dawda Kairaba Jawara	Yahya Alphonse J. J. Jammeh
Ghana	Frederick Akuffo	Flt. Lt. Jerry John Rawlings	Jerry John Rawlings
Guinea	Ahmed Sekou Toure	Brig.Gen. Lansana Conte	Lansana Conte
Guinea-Bissau	Luis Cabral	Gen. Joao Bernardo Vieira	Joao Bernardo Vieira
Kenya	Daniel T. arap Moi	Daniel T. arap Moi	Daniel T. arap Moi
Lesotho	King Moshoeshoe II [2]	King Moshoeshoe II [3]	King Letsie III [4]
Liberia	William Tolbert	Master-Serg. Samuel Kanyon Doe	Charles Taylor
Madagascar	Lt.-Comm. Didier Ratsiraka	Comm. Didier Ratsiraka	Didier Ratsiraka
Malawi	Dr. Hastings Kamuzu Banda	Dr. Hastings Kamuzu Banda	Dr. Bakili Muluzi
Mali	Lt. Moussa Traore	Moussa Traore	Alpha Oumar Konare
Mauritania	Moustapha Ould M. Salek	Col. Maaouya Ould S. A. Taya	Maaouya Ould Sid Ahmed Taya
Mauritius	P.M. Sir S. Ramgoolam [5]	P.M. Sir Aneerood Jugnauth [6]	P.M. Dr. Navinchandra Ramgoolam [7]
Mozambique	Samora Machel	Joaquim Alberto Chissano	Joaquim Alberto Chissano
Namibia	-----	Sam Nujoma (1990)	Sam Nujoma
Niger	Lt.Col. Seyni Kountche	Col. Ali Saibou	Ibrahim Bare Mainassara
Nigeria	Gen. Olusegun Obasanjo	Gen. Ibrahim Babangida	Gen. Abdulsalami Abubakar
Rwanda	Maj.Gen. Juvenal Habyarimana	Maj.Gen. Juvenal Habyarimana	Pasteur Bizimungu
Sao Tome and Principe	Manuel Pinto da Costa	Manuel Pinto da Costa	Miguel Trovoada
Senegal	Leopold Sedar Senghor	Abdou Diouf	Abdou Diouf
Seychelles	France-Albert Rene	France-Albert Rene	France-Albert Rene
Sierra Leone	Siaka Probyn Stevens	Maj.Gen. Joseph Saidu Momoh	Ahmad Tejan Kabbah
Somalia	Gen. Muhamed Siad Barre	Gen. Muhamed Siad Barre	-----
South Africa	Balthazar J. Vorster	Pieter W. Botha	Nelson Rolihlahla Mandela
Sudan	Col. Jaafar Mohammed Al-Nimeiri	Ahmed Ali Al-Mirghani	Omar Hassan Ahmed Al-Bashir
Swaziland	King Sobhuza II	King Mswati III [8]	King Mswati III [9]
Tanzania	Julius Nyerere	Ali Hassan Mwinyi	Benjamin William Mkapa
Togo	Gen. Etienne Gnassingbe Eyadema	Gen. Etienne Gnassingbe Eyadema	Gen. Etienne Gnassingbe Eyadema
Uganda	Gen. Idi Amin Dada	Yoweri Kaguta Museveni	Yoweri Kaguta Museveni
Zambia	Dr. Kenneth David Kaunda	Dr. Kenneth David Kaunda	Frederick Jacob Titus Chiluba
Zimbabwe	P.M. Ian Smith [10]	Robert Gabriel Mugabe	Robert Gabriel Mugabe

Notes:

[1] President: Negaso Gidada
[2] P.M. Leabua Jonathan
[3] P.M. Justin Lekhanya
[3] P.M. Justin Lekhanya
[4] P.M. Pakalitha Mosisili
[5] Governor: Sir D. Bawenchobay
[6] President: Sir V. Ringadoo
[7] President: Cassam Uteem
[8] P.M. Obed Dlamini
[9] P.M. Sibusiso Dlamini
[10] President: Josiah Zion Gumede

Military title of the head of government has been omitted if the government is considered civilian.

Kenya. This country showed early potential as a star of African development. Quality of leadership has much to do with its continuing failure to realize that potential.

The shortcomings of President Daniel arap Moi are well-known. Much of the blame for saddling Kenya with this leader, now over 20 years in office, belongs with Kenya's founding father, Jomo Kenyatta, who made the then (as of 1966) light-weight Moi his vice-president largely to keep more eligible successors in their place. The National Assembly had the constitutional obligation to ratify the succession or designate another president within 90 days of Kenyatta's death. The Assembly chose not to rock the boat.

President Kenyatta also tacitly encouraged a chain of events that imposed two crippling burdens on the Kenya economy. First, it was under Kenyatta that corruption became a macroeconomic phenomenon. Second, bribery of Kenyan politicians by foreign contractors and machinery suppliers helped launch a plethora of inefficient state enterprises. [vi] Oriented towards import substitution, these enterprises continue to burden Kenya with an inefficient industrial structure that impedes its entry into export markets.

In essence, Kenyatta saw his role as that of a traditional chief, maintaining political stability, distributing benefits to the population within the resource constraints defined by his finance ministry, and not begrudging his ministers (or his family) a larger share of public resources than would accrue to them through any politically acceptable direct compensation. Had Kenyatta chosen, there is little doubt that he had the political clout to restrain his rent-seeking ministers and implement policies needed to raise Kenya's growth rate.

The scene now shifts to the early 1990s, when the outside world had forced Moi to reintroduce multi-party politics in the election held in December 1992. Moi was discredited and unpopular in most urban areas, a fact reflected in his receiving only 36 percent of the popular vote. Yet, it was enough to win reelection as three men split all but 2 percent of the remaining votes. Two of these, a Kikuyu and a Luo, represented factions of the Forum for the Restoration of Democracy (FORD) that had registered as a single party one year before. The third candidate led the Kikuyu-dominated Democratic Party. Their shares of the popular vote were 26 percent, 18 percent, and 19 percent, respectively.[vii]

Who were these men? One, a businessman and one-time cabinet minister under Moi, had suffered a stroke while in political detention and spent the year before FORD’s formation recuperating in Britain. The Luo, a one-time vice-president, was believed to be in his eighties, and died within two years of the election. The third candidate, also an ex-vice president and trained as an economist, had an undistinguished record in various government posts and was implicated in large-scale bribery, *inter alia* in connection with a sugar project that created heavy losses for the economy.

Moi held power for the next five years, weathering a sharp spurt in inflation (from 19% in 1991 to 46% in 1993) caused by Treasury and central bank leakages orchestrated by his associates. One of these was a special export bonus, moved in the National Assembly by the then finance minister and vice-president, for a shipment of gold jewelry that turned out to be sand when inspected by Swiss customs (the so-called Goldenberg scandal). Kenya’s average per capita economic growth rate during the five years 1993-97 was zero.[viii] In the December 1997 election Moi won 40% of the votes, prevailing over an opposition that was even weaker the second time around.

The authors accept that public choice theory and other analyses of the political economy of reform in Kenya have much to say about Moi's ability to hold power and why all the reforms imposed by the donor community have not moved Kenya onto a sustainable growth path. Nonetheless, the foregoing account raises questions about the quality of Kenya’s leadership and whether it is possible to imagine counterfactual circumstances in which enlightened leadership would have enabled Kenya to realize a significant portion of its economic potential during the past generation.

Zambia. Quality of leadership has much to do with this country’s change from being Africa’s third richest nation in 1972 to its twenty-fifth in 1996.[ix]

Like Jomo Kenyatta, Kenneth Kaunda was the father of his country and Zambia’s undisputed leader for 25 years. The end of his presidency was foreshadowed by the widespread public celebration following an attempted coup in 1990. After forcing a constitutional amendment that ended Zambia’s one-party state, the Movement for Multi-Party Democracy (MMD) defeated Kaunda and his United National Independence Party (UNIP) in the elections of October 1991. Generally regarded as free and fair, the election led to peaceful transition. Incoming president Frederick Chiluba was widely feted, locally and abroad, as a democrat and a man of courage and conviction. His early speeches and actions showed his determination to rebuild the economy and repair Zambia's fractured society. The donor community, convinced of Chiluba's commitment, responded generously.

Yet, within months of the new administration taking office, one of Chiluba's most respected ministers resigned, citing high-level corruption. Subsequently, the government declared a state of emergency over an alleged UNIP plot (the "zero option" scheme), and this overreaction—none of the alleged conspirators was ever convicted—led to the departure of several key ministers who were spearheading Zambia's economic reforms.[x]

Chiluba's foot-dragging in response to a 1993 donor ultimatum to remove known drug-runners from his Cabinet, and lack of action on inquiries by the Anti-Corruption Commission, raised questions about his willingness to improve "governance." His commitment to "transparency" was undermined by the government's refusal to release the official report on the crash of a Zambia Air Force plane in which the national soccer team perished. Dismissal of the deputy minister of mines for urging speedy privatization of the copper mining parastatal, ZCCM, exposed Chiluba's lack of support for reform in this vital sector.[xi]

Perhaps the key event symbolizing Chiluba's failed leadership was the constitutional amendment passed by Parliament disqualifying his predecessor from standing in the 1996 election.[xii] The donor community made its opposition clear. Chiluba repeatedly promised that the constitution would not be changed. In the event, Kaunda was ruled ineligible. UNIP boycotted the election and MMD won all but three seats.

This overwhelming advantage was not reflected in effective economic management. Beginning in early 1995, Chiluba and the MMD lost their enthusiasm for economic reform. Vital reforms of the civil service and the mining sector were delayed. Inflation has been high, external debts have increased, and real per capita income has declined by more than 25 percent since 1991. Zambia is now in a much worse position than before Chiluba and the MMD came to power. Opening Parliament in January 1999, Chiluba apologized to the Zambian people for his government's mistakes and the lack of economic progress.

Benin. This is one of three francophone nations[xiii] where a single chief executive appearing in all three columns of Table 1 led his country's economy into a statist trap. In each case, this individual spent a period in the early 1990s out of power but has recently regained it (in Benin and Madagascar, via democratic elections). The Marxist rhetoric of earlier periods has gone, but so far there is no evidence of leadership of the kind that will move the economy forward.

Botswana and Mauritius. As the two African countries regularly cited as long-standing cases of successful economic policy, these had no need of a new generation of pragmatic, accountable leaders. Both have recently seen smooth transitions of national leadership, Botswana in 1998 and Mauritius in 1995, and their economies continue to perform well. Average per capita GDP growth rates during 1990-97 were 2.2 percent and 4.0 percent, respectively.

Congo-Brazzaville. President Sassou-Nguesso (SN) deposed his elected successor in what is generally viewed as rivalry over distribution of the country's petroleum resources. Economic performance remains poor.

Uganda. This country may be the leading illustration of MS' hypothesis. Uganda has widely seen as an exemplary reformer with President Museveni, in particular, receiving praise for his stewardship. Yet, Museveni came to power in January 1986. Describing him in 1997 as one of the "new" generation of African leaders stretches the point.

Madagascar. In 1975, Admiral Philémone Ratsiraka ousted Madagascar's first post-independence president, a corrupt French puppet. Madagascar's average per capita GDP growth during Ratsiraka's tenure (1975-91) was *minus* 2.4 percent per annum.

In 1991, mass demonstrations spearheaded by students forced Ratsiraka into exile. The subsequent elections brought Albert Zafy to power in 1993. Average per capita GDP continued to decline at –1.4 percent per annum during 1992-96. Zafy's stormy administration ended in July 1996 when he was impeached by the National Assembly. A presidential election was held later that year, with the two frontrunners in a field of a dozen or so candidates qualifying for a December run-off. Those two were none other than Messrs. Ratsiraka and Zafy. Ratsiraka won the runoff with 50.7 percent of the vote.

Tanzania. Founding father Julius Nyerere, president from 1961 to 1985, certainly falls in MS' categories of ideological and statist, even if he has never been accused of corruption or lack of commitment. In any case, during his tenure Tanzania’s economy regressed.

Nyerere’s successor, Ali Mwinyi, is generally seen as a failure. Benjamin Mkapa, who succeeded Mwinyi through multiparty elections in 1995[xiv], is widely regarded as a major improvement.

Implications. These examples raise the question: Why, after long-surviving leaders had presided over such economic decline, were the extant socio-political structures unable to generate conditions that would replace them with, to use MS’ terms, accountable, pragmatic, committed and qualified new leaders? Where are the alternative leaders, and what changes are needed in the present systems to foster them?

II. Leadership as a factor in policy reform and growth

Applying variants of the Great Man Theory of History to policy reform

One view that national leadership is instrumental in improving policy and accelerating economic growth is the "Great Man Theory of History". In an African context, this would require the emergence of leaders who (a) are motivated to launch their countries onto an acceptable growth path—sustained increases in per capita GDP of, say, at least 4 percent per annum—and (b) have the qualities required to impose their development agenda in the face of vested interests and voter inertia.

In its simplest form, the theory asserts that the course of history (or at least major segments of it) is determined by the random appearance of charismatic leaders, who rally as much political support as they require from interest groups and the population at large to move the economy forward.

What is the evidence for such a theory in Africa? To gain some idea it is helpful to review alternative hypotheses about the factors underlying adoption and nonadoption of pro-growth reforms, and then consider what role Great Men (or Women) have played in the NICs, i.e. East Asian tigers (first and second waves), Latin America (starting with Chile), and, finally, Africa.

Perhaps the most systematic effort to analyze the implementation of policy reforms is the Institute for International Economics' (IIE) conference volume, *The Political Economy of Policy Reform*.[xv] In the summary chapter, Williamson and Haggard (WH) review 15 hypotheses about pre-conditions for sustained reform, of which three relate to this discussion: namely, that economic reform requires (1) a "visionary" leader, (2) a coherent economic team, and/or (3) a "technopol" (economist-politician) as leader of that team.[xvi]

WH find that none of the conditions investigated, including these three, was necessary or sufficient for reform. The 13 countries researched for the IIE conference, none of them in Africa, present at least one "partial counterexample".[xvii] However, WH single out three hypotheses, including the aforementioned (1) and (2), as receiving "quite strong support." The third is that reform requires a strong political base, specifically in the form of legislative support.

WH cite a second tier of three hypotheses as receiving sufficient corroboration to merit being "borne in mind by any reform-minded leader." These assert that chances of sustained reform are enhanced by (1) economic crisis, (2) a new administration's "honeymoon", and (3) presentation of a "comprehensive program" of reform.

According to WH, leaders merit the characterization "visionary" when they are "executives with strong commitment, a vision of where they would like their countries to go (even if this [is] not always combined with any clear sense of how to get there), and a willingness to take risks." Somewhat apologetically, they cite ***Chile***'s Pinochet as an example, describing his "vision of a Chile fundamentally transformed [which he] was willing to pursue regardless of the costs."

In a volume focused exclusively on Africa, Gyimah-Boadi and van de Walle (GBW) place the strongest emphasis on leadership of any work reviewed for this article.[xviii] They assert:[xix]

> All of the factors identified as key to the success of economic reform in the recent literature are, in fact, dependent on effective political leadership. These include the government's level of understanding of economic issues, its commitment to reform, the insulation of key technocrats, and its ability to build coalitions on behalf of reform.

In the same volume, Brautigam highlights institutional issues, notably the weak implementation of reform by national bureaucracies.[xx] She offers little hope of rapid improvement, arguing that both leaders and followers, "are ensnared by the politics of patronage." Leaders rule through "patrimonial ties rather than rational-legal norms…" She adds that "rapid expansion, frequent 'shuffling' of personnel, and political instability have…thwarted efforts to develop a bureaucratic culture…"

Brautigam argues that "committed leaders can work within the kind of state-society linkages found in patrimonial governance systems, if they concentrate first on reforming a small number of critical agencies," e.g. the central bank, tax service, and/or judiciary.

Asia. In a volume that emphasizes interest group theory, Haggard, Cooper and Moon (HCM) distinguish their explanation of ***Korea***'s economic success from "standard" versions which, to them "account [neither] for the comprehensiveness of Korea's reforms, nor for their coherence and credibility."[xxi] Instead, HCM "place particular weight on the political power of the executive under [Presidents Park and Chun], and their efforts to legitimate their rule through economic growth." They continue:

> Executive power served several functions. First, it permitted the government to cut through previous patterns of rent-seeking …. Second, it eliminated from the economic policy agenda contending policy platforms … often through harsh repression of opposition …. Finally, executive power infused government deliberations in general and the determination of economic actions in particular with an urgency and an authority that they might not otherwise have had, in part by concentrating decision-making authority within the government itself.

Latin America. Based on experience in Latin America, Harberger rejects the view that "successful economic policy in developing countries is…the product of pure forces of history"—i.e. an outcome of interest group interplay.[xxii] Writing under the title, "Secrets of Success: A Handful of Heroes", he asserts:

> Far from it, in every case about which I have close knowledge, the policy would in all likelihood have failed (or never got started) but for the efforts of a key group of individuals, and within that group, one or two outstanding leaders.

After highlighting the contributions of seven leaders in Brazil, Uruguay, Chile, Mexico and Argentina, Harberger concludes: "But for each of these people, the history of his country would be different."

The country paper in Williamson-Haggard making the strongest case for the primacy of visionary leadership, Piñera on ***Chile,*** distinguishes “real leaders” from politicians. His plea: “Surely among those strong-willed enough to struggle their way to high political power are some who are also strong-willed enough to fight for a principle.”[xxiii]

In the Bates-Krueger volume, Grindle and Thoumi emphasize leadership in ***Ecuador***.[xxiv] According to them, “much of the content and timing of policy changes can be understood by viewing them from the perspective of leadership by policy elites.”[xxv] Three successive Ecuadorian presidents had firm ideas about what policy changes were required to resolve the country’s economic crisis. However, the political resources available to them severely limited their ability to implement the changes.

GT apply interest-group analysis to explain the opposition confronted by the reformers. The net outcome was “a decade of muddling toward adjustment”. GT surmise that the Ecuadorian chief executives may have increased the amount of “muddling” by “disregarding the problems of sustainability and choosing not to engage in greater consensus building prior to making decisions”.

Africa. Gyimah-Boadi & van de Walle list several African ministers as leaders of "technocratic change teams," wielding authority that was delegated from the respective heads of state.[xxvi] The authors note that when these ministers lost that support, the reforms typically faltered. What of the future? GBW's answer:

> The question is how new political and economic values can be engendered among African leaders…There is no clear answer…, since idiosyncratic national factors necessarily play a critical role in the career of any political leader…Perhaps creating and mobilizing individual leaders of the kind that social science cannot predict will be necessary to put Africa on the path of rapid growth…Nonetheless, we should not expect more than slow progress towards the developmental state in the near future.[xxvii]

In other words, Africa needs some Great Men (or Women), whose emergence cannot be predicted.

An alternative view: Interest group theory

In explaining policy change, "interest group theory" contrasts sharply with the Great Man Theory. Editing a 1993 anthology entitled *Political and Economic Interactions in Economic Policy Reform*, prominent proponents of interest group theory Bates and Krueger (BK) minimize the role of leadership. Their summary chapter explicitly dismisses the "unitary actor model" while expanding interest group theory.[xxviii] Their index omits "leadership".

Africa. The chapter devoted to **Zambia** in the book, authored by Bates and Collier (BC), highlights the dichotomy between Great Man and interest group analysis.[xxix] BC start by characterizing president Kaunda as “strong” and “possessing a wide range of discretion”. He “dominated the process of policy making”. It was he “who secured the adoption of the [1985] reform program.” He alone supported it in the UNIP Central Committee (CC), and was joined only by the finance minister and central bank governor in supporting it in Cabinet.

Yet, “the backing of only the president and his technocrats was not sufficient to guarantee [the] maintenance [of the reform].” UNIP’s core constituency was urban consumers and state-owned enterprises. Catering to those interests, party bureaucrats believed that price increases of urban wage goods had been aggravated by market-oriented reforms, and could be restrained by controls, including administered foreign exchange and interest rates. Agricultural, industrial and other interests that benefited from production-oriented incentives, were marginal to UNIP.

Why didn’t Kaunda remain steadfast, accept the arguments of the finance ministry and central bank economists, and either override opposition in the CC and Cabinet, or use his power to restructure UNIP, thereby giving greater weight to producer interests? According to BC, facing “widespread political discontent and mounting political opposition to his policies”, Kaunda changed his policy team, replacing government bureaucrats and advisers committed to policy reform with a group close to the Party and its CC.

Kaunda's actions raise the issue of leadership. Notwithstanding what BC call "the structure of political competition" in Zambia, one can imagine a leader of Kaunda's seniority and influence recognizing the damage done to the economy on each of the four previous occasions when he had abandoned reform efforts.[xxx] He might even have taken note of international experience on the problems created by intermittent commitment to reform. In the event Kaunda chose not to do so. The economy deteriorated and food riots in June 1990 touched off a chain of events that culminated in 1991 in Kaunda's ouster.

BC's analysis stops as Zambia's Second Republic (Kaunda) nears its end. We look forward to a sequel by one or both of those authors interpreting Kaunda's ouster, and UNIP's eclipse by MMD, in terms of shifts in the configuration of interest groups. We wonder, however, whether interest group theory has been as relevant to the poor performance of the Chiluba administration as explanations that focus on incompetence and corruption at the uppermost levels of government?

Writing in 1996 for the *Journal of Economic Literature*, Rodrik provides "an economist's perspective on the political economy of policy reform." He cites WH on "visionary leadership," but gives most attention to interest group theory. His main questions are (i) why institutions for compensating losers from reform are not more common and effective, and (ii) how is it—short of having a myopic population, which he dismisses—that the preponderance of public opinion rejects policies that evidence shows will accelerate growth and make a large majority better off?

The first question remains a puzzle needing, in Rodrik's view, further research. To answer the second question, he presents scenarios in which uncertainty about the identity of the winners and losers leaves enough voters or interest groups with expected losses to turn the tide against reform.

Discussing ***East Asia***, Rodrik accords a major role to the "top political leadership" in promoting reform. He argues that the absence of powerful industrial and landed interest groups, and comparative equity in income distribution, freed leaders to focus on expanding rather than redistributing the pie. To this end, the leaders "supervis[ed] the bureaucracy closely and [made] sure that the bureaucrats assisted rather than hindered private entrepreneurship".[xxxi]

As illustrations of economic mismanagement by authoritarian governments, Rodrik's questions, namely, compensation of losers and public antipathy to reform, are directly relevant to Africa.[xxxii] For question (i) we suggest the hypothesis of deficient leadership. A "visionary leader" would be alert to the rationale for compensating losers and would promote appropriate institutions. With respect to question (ii), "public opinion" in Africa is heavily influenced by state-owned and manipulated media. Yet, is it stretching the point to imagine the accession of African leaders with sufficient vision about their economies, buttressed by a history of local failures and decades of positive experience in East Asia, Latin America, even Mauritius, to assert the primacy of economic growth over the reticence of timorous voters?

III. How can "visionary" leadership accelerate growth in Africa?

A recent paper by senior officials of the International Monetary Fund provides a familiar catalog of policy improvements needed to accelerate growth in a typical African economy. In "Africa: Is This the Turning Point?", Fischer, Hernández-Catá and Khan (FHK 1998)[xxxiii] highlight the urgency of raising the rate of private investment. To achieve this, and thereby raise productivity and growth, they list eight requirements. According to FHK, most African countries adopting structural adjustment programs supported by the IMF and the donor community have registered some progress in fulfilling each of the conditions. Yet, sustained growth has not been achieved.

The eight requirements are:

- Maintaining a stable macroeconomic environment;
- "…far-reaching improvements in **governance** to avoid capricious interference with private activity and to develop and maintain a transparent and stable legal and regulatory environment that reduces the risks that currently hinder private and domestic foreign investor",[xxxiv]
- Trade liberalization;
- Privatization;
- Civil service reform;
- Banking reform;
- Liberalization of the agricultural sector; and
- Improving labor market flexibility and competitiveness.

FHK do not refer explicitly to the quality of leadership. Perhaps this is expecting too much of IMF officials who have to tread a fine line between advocacy and diplomacy. Yet the quality of leadership is implied by the reference to improved governance and a separate statement by FHK that sustaining the recent rise in Africa's growth "depends on whether policymakers take the requisite actions."

FHK admit their conditions form a "long agenda". The analysis by Gyimah-Boadi & van de Walle warned that rapid progress could not be expected. And, Brautigam noted that institutional weaknesses were so deep-seated that she wanted policy makers to focus initially on reforming just a handful of agencies. We agree with this view, but would propose an even narrower short-term agenda, comprising a few steps that we believe might jump-start the growth process, and that should be feasible even if requiring "committed" or "visionary" leadership.

Based on our research and field experience, the authors believe that no African economy can promote and sustain growth without policies that accelerate growth in the agricultural sector while reorienting activity towards the global economy and initiating the export of labor-intensive manufactures.[xxxv] We accept the lessons of countries such as Korea, Malaysia and Singapore that strategic intervention by the national leadership can engage and energize domestic entrepreneurial talent, increase an economy's attractiveness to foreign investors, and help make entry into export markets profitable.

Illustrations from three African countries

What kinds of strategic intervention would be constructive in Africa? Here we turn to experiences from three African countries, one of which (Mauritius) has grown rapidly, while the other two (Senegal and Tanzania) still languish.

Earlier we saw figures illustrating ***Mauritius***' progress during 1993-97. Its turnaround is usually traced to 1972, following a decade of negative per capita GDP growth. During 1972-97 this rate averaged 4.3%, the second highest of any African economy.[xxxvi]

The main impetus came from the inauguration of an export-processing zone (EPZ) in 1971. The story is that then prime minister Ramgoolam was induced to try this approach by a local businessman of Chinese origin who, upon visiting Taiwan, saw his uncle doing exceedingly well in such a zone. EPZ privileges in Mauritius—notably tax concessions and duty drawbacks on imported inputs—were not confined to industries located in government-sponsored industrial parks. While the prime minister was no Park Chung Hee or Lee Kwan Yew, he and his successors made it their business to see that the bureaucracy did not "capriciously interfere" with the fledgling textile and garment manufacturers. The rest is history.

Of all France's ex-colonies in Africa, ***Senegal***, through the metropolis of Dakar and its sea- and airports, has the most potential to thrust itself into the global economy and export manufactures to the European Union, starting with the ex-metropole. Except for intermittent rebellion in the far south (Casamance), the country has been politically stable since early colonial days, while partial macroeconomic stability has been assured through the West African Economic and Monetary Union, with its fixed exchange rate and France's veto power over excessive central bank credit to government.[xxxvii]

Senegal has long aspired to energize its manufacturing sector, and through a New Industrial Policy introduced in 1986 with donor urging and funding, tried harder than any other francophone country to offset the drag of an overvalued exchange rate that was finally halved (relative to the French franc) in January 1994. The Policy included duty drawbacks for imported inputs; an export bonus, which ultimately collapsed under fiscal pressure; and a bitter tussle with the trade unions to stem wage increases.

In 1997, the French fashion magazine *Elle* featured a French model wearing shoes made by a Senegalese artisan. According to Senegal's trade and industry minister, shortly after the magazine appeared, a French distributor requested several thousand pairs.[xxxviii] The minister hurriedly contacted representatives of the shoe trade and the banking sector, only to be told it would be impossible to mobilize the craftsmen and obtain the necessary finance by the allotted deadline. It was with a sense of disappointment and frustration that the minister had to decline the order.

What has this to do with leadership? Suppose Senegal's president, inspired by the Park Chung Hee/Lee Kwan Yew example, had previously made clear to his cabinet and senior aides that expanding Senegal's manufactured exports was the nation's No. 1 economic priority, such that *inter alia* any relevant opportunity or obstacle that threatened its realization should be brought to his immediate attention. Could he not have established, and monitored the progress of, an emergency task force that would mobilize the shoemakers, a bank or two, and appropriate marketing channels? Persons more knowledgeable about Senegal than the authors assure us that such a scenario does not correspond to the perceptions, priorities or *modus operandi* of President Diouf.[xxxix]

Tanzania is foremost among ex-British colonies that, for most of their post-independence history, have squandered opportunities for respectable economic performance. Its strongest card was Julius Nyerere, who even now helps to ensure political harmony in one of Africa's most tribally heterogeneous societies, and has played a constructive role in Uganda and Rwanda. Yet, his *ujamaa* ideology was an economic disaster fostering a variant of statism that pushed rent-seeking into every corner of national life and denied the majority of agricultural export producers a fair return on their labors.

Measures to enhance Tanzania's competitiveness in both agricultural and industrial export markets—most notably, devaluation and the eventual float of the exchange rate—were key components in the structural adjustment program that the donor community ultimately convinced Nyerere's successors to adopt. Yet, since 1985 manufacturing output has grown at only 2.7 percent per annum, and in 1996 manufactures comprised only 9.4 percent of total exports.[xl] Hence an obvious need for measures to attract foreign investment and expand these exports.

According to a senior government official quoted in Bloom and Sachs (1998), a Korean apparel firm, seeking to expand its exports to the US from a site not subject to US import quotas, established a plant in Tanzania.[xli] Entering into production, it promptly lost its principal US customer due to delays in shipping caused by "obstruction and hassles by port and customs authorities."

Once again, the issue of national leadership arises: if President Mkapa were convinced of the importance of promoting manufactured exports, could he not start by establishing and monitoring a task force that would smooth the way for nontraditional exports through the port of Dar es Salaam?

Towards a clearly defined, manageable policy agenda for African leaders

We do not doubt that most African leaders are aware of East Asian role models and would be delighted if history credited them with inaugurating their country's path to rapid growth. However, they perceive such a plethora of hurdles, both domestic and foreign, that they seem at a loss where to start. The typical outcome is little more than lip service to the need to industrialize and export.

How could a "visionary" African leader promote policies that will accelerate his/her country's growth? First, he/she has to eschew the personal rent-seeking that is now ubiquitous. He/she has to recognize that the example set by a corrupt leader permeates all branches and layers of government, the executive, legislature and judiciary, and undermines growth by engendering FHK's "capricious interference" in economic activity. Documented examples from Africa are too numerous to cite.

In suggesting restraint, we are not trying to impose the spartan (and unattainable) condition that a leader limit his/her compensation to the nominal salary that most African politicians feel can safely be listed in a published budget.

Additional compensation in cash and kind will be channeled through nominally unrelated appropriations. It is when a leader draws rents exceeding a reasonable estimate of the opportunity cost of his/her time and effort that the title "visionary" becomes inappropriate.[xlii]

Unfortunately the converse does not hold—that is, the perceived honesty of a leader is no guarantee against a society being riddled with corruption. The leading example is Nyerere, who showed that imposition of a statist ideology can institutionalize rent-seeking in a country that gained independence with a fair chance of keeping it in check.[xliii]

Second, the leader has to perceive the need for his/her country eventually fulfilling the eight requirements cited by FHK. This *is* a long agenda which no African country can hope to implement in the short term. Indeed, a "visionary" African leader following the example of Asian growth and development would not attempt to achieve too much initially. As our colleague Dwight Perkins has emphasized, Asian governments did a few things correctly and built upon that.[xliv]

Some readers may accuse us of taking the view that "visionary" leadership in Africa reflects adherence to IMF, World Bank and other donor conditionalities. In response, we challenge our critics to name one example of a low-income country that has sustained rapid growth of per capita GDP without making significant progress on FHK's eight requirements, or where fulfillment of some other condition (apart from the obvious restoration of law and order) has proven to be more important than those on the list. Furthermore, countries need not adjust within the explicit framework of an IMF/Bank program. Indeed, growth and development are likely to be faster and less subject to interruption if governments have the discipline to promote adjustment independently of Bank/Fund support.

While fostering institutional checks and balances that eventually reduce opportunities for large-scale plunder, a visionary African leader can accomplish much by getting a few things right—a realistic exchange rate, moderate inflation, minimal levies on agriculture—and then focusing on a handful of activities that will respond quickly to his/her intervention.[xlv]

What are these activities, and what concrete steps by the leader will have an impact on growth in the short run? The preceding country anecdotes anticipate an answer. The first priority is to get started on labor-intensive manufactured exports.[xlvi] Here a "visionary" leader can and will pull the available levers in the bureaucracy and civil society to counter "capricious interference," convince foreign and domestic investors of the priority that he/she attaches to promoting exports, and satisfy them that his/her country offers a profitable environment in which to produce and sell. Since a single act of support will rarely suffice, the leader must monitor the situation and be prepared to sustain his/her intervention as long as necessary to create a stable and secure environment for investment.

A caution

We do not wish to be interpreted as saying that, to qualify as "visionary", an African leader must busy him- or herself pursuing every instance where a businessman or woman calls the president's office to complain about the bureaucracy. In the excitement of their early days in office, some leaders have tried to do this, and there are no cases where a sustained increase in investment, output and exports can be attributed to such behavior. Indeed the effect can be perverse if the leader develops personal attachments and dislikes that bias the government's posture. At the same time, his/her attention is diverted from issues of political and macroeconomic stability.

What we are saying is that a "visionary" leader will identify actions that are strategic from the viewpoint of establishing an enabling environment for agricultural expansion and manufactured exports, will ensure that he or she is informed speedily of blockages, and will intervene rapidly and firmly to overcome them. This in turn presupposes support for an organization that will monitor strategic areas, alert the leader to problems, help design corrective measures, and follow up on their implementation. Such a structure might be as modest as an export facilitation task force.

IV. Preconditions for emergence of new "visionary" leaders in Africa

If the quality of top leadership has been a serious impediment to policy reform and accelerated growth in Africa, what are the chances of significant improvement in the foreseeable future?

Strong, "visionary" leaders do not emerge like Venus from the sea, in Africa or anywhere else. All leaders, from "visionary" types down to the most venal kleptocrats, are products of existing social and political structures. What needs to be done so that African social structures will identify and promote leaders who will entrench reforms and accelerate their countries' growth?

Economists have a limited perspective at best and, so far, few answers. The literature on leadership is rich.[xlvii] However, the link between studies of leadership and the creation of circumstances which produce substantive improvements in leadership is weak. This is an area where our social science colleagues—sociologists, anthropologists, political scientists—could make a major contribution to our understanding.

Several of our reviewers have cited situations in which mismanagement and predation by national leaders have stimulated the formation of broad coalitions that have risen up in frustration and outrage to “throw the rascals out”— Ghana in the late 1970s, Zambia in 1990, Madagascar in 1991. In many African countries, such uprisings are long overdue. Nigeria is a dynamic society, yet had not General Abacha succumbed to a heart attack, one wonders how long it would have taken his long-suffering people to overthrow him. The recent events in Niger show that leaders can be overthrown. Whether this will improve leadership or simply provoke another round of violence is yet to be determined. Historically, most of the successful popular coalitions (such as that headed by Thomas Sankara in Burkina Faso) have been too short-lived to create a power base for “visionary” individuals.

How (if at all) can outsiders contribute?

This is a difficult question. Overt encouragement by outsiders of leaders identified as “visionary” exposes those individuals to attack by xenophobes and/or antireform interests and lessens any chance they might have had to encourage policy reform.

*In cases of corrupt, non-"visionary" leadership, (i) withholding support…*The first rule is, obviously, to refrain from encouraging leaders who epitomize anti-growth policies and behavior. A recent World Bank study of 56 aid-receiving countries in five developing regions found that, over the period 1970-93, donors' strategic interests significantly influenced the allocation of aid, biasing flows in the direction of client countries irrespective of the quality of their economic policies.[xlviii] Moreover, the aid enhanced the longevity of these countries' leaders, and long-term incumbents have been most resistant to economic reform.

The role of leaders with military backgrounds, demonstrated by Table 1, has been enhanced by the provision of military aid. Indeed, any fungible component of aid has led, if only indirectly, to increasing the resources at the military's disposal.

Another BD finding is that, in countries with poor policies, aid has not accelerated economic growth, whereas in low-income countries with good policies, aid has increased the per capita GDP growth rate by roughly one-third.[xlix]

Africa has 21 of BD's 56 countries, and half their subset of 40 low-income countries.[l] A crude dummy variable for Africa that attempts to measure donor's strategic interests turns out to be statistically insignificant. A disaggregated study that more closely measures the donor's strategic interests in Africa country-by-country would likely find the relevant variable significant. The Cold War helped leaders such as Kaunda, Mobutu, Moi, Mugabe, and Barre attract a disproportionate share of aid, notwithstanding poor policy regimes, and strengthen their hold on power by playing geopolitics.[li]

Though Africa's greatest kleptocrat, Mobutu, has departed, there are still many lesser Mobutus. To be sure, with so few viable alternatives emerging from local social structures, donors face the dilemma that if they withhold support from kleptocrat X, he/she may be replaced by a leader of even lower quality, or by a situation of quasi-anarchy (cf. Sierra Leone).

…supplemented by (ii) pro-active opposition. The Bretton Woods institutions, one quarter of whose members are African governments, have not threatened the positions of corrupt national leaders by publicizing evidence of corruption to which their staffs have access. The non-government organization Transparency International (TI), currently the main international voice against macro corruption in low-income countries, was established by ex-World Bank officials frustrated by the obstacles that Bank lawyers posed to staff activism in this area.[lii]

The World Bank and IMF have recently been somewhat more forthcoming. Examples, featuring collaboration with once equally timid bilateral donors, include the ultimatum over Zambian cabinet ministers, and insistence on legal action by Kenya against the Goldenberg perpetrators. Donor support of TI and similar private initiatives could and should be carried further. The end of the Cold War has freed up intelligence assets that could help uncover and expose the best hidden and yet most important class of data, namely, transfer of bribery proceeds to numbered bank accounts and illicit acquisition of other foreign assets.

Helping "visionary" leaders implement reforms

The relevance here of BD's study depends on the extent to which an African country's pursuit of good policies overlaps with "visionary" leadership. BD's policy index has three components: the Sachs-Warner dummy variable for *trade openness*; the level of inflation as a proxy for *monetary policy*; and quality of *fiscal policy* as measured by the budget surplus and government consumption.

A World Bank paper serving as background to BD (1997) uses the term "sound economic management" interchangeably with "good policies."[liii] In a society with strong institutions and a broad consensus regarding economic policy, "visionary" leadership by a president (or other senior official or small group of officials delegated by the leader) is less vital for achieving respectable economic performance. One need look only as far as the US—not all recent presidents could be characterized as "visionary" leaders.

By contrast, African countries are not yet characterized by strong national institutions and broad policy consensus. Hence "visionary" leadership by an individual with political power, or a small group to whom he/she delegates power, is critical to institutional development as well as to adopting and sustaining policies that will accelerate an African country's economic growth. So we return to the question: how best can outsiders encourage such leadership?

One way is to help the leader formulate and implement his/her policies. WB summarizes the record here.[liv] Donors have long provided aid subject to policy conditions. The structural adjustment programs that started around 1980 embody this approach. Sachs cites eight countries (none of them in Africa) where aid was a critical input in the reform process, helping "good governments to survive long enough to solve problems."[lv] However, Rodrik (1996) argues that just as many cases can be cited of countries where aid enabled governments to delay reforms that impending economic collapse would otherwise have forced on them.

The divergence in country experiences poses an interesting dichotomy between aid giving and "visionary" leadership in Africa. A strong case can be made for awarding the title of "most visionary leader of all" to one who believes traditional public foreign aid has impeded his/her country's development through "aid dependence" that has undermined incentives for pro-growth policies and undercut the mobilization of domestic talent and resources. Such a leader will be more inclined to devise an aid/debt "exit" strategy than to persuade donors to augment the aid flow.[lvi] He/she will be more interested in foreign direct investment than official development assistance (ODA).

The outside world can assist such leaders in Africa by helping design that strategy and arranging the resource flows needed to finance the transition. Beyond that, outsiders can dialogue with other African heads of state regarding the merits of adopting and pursuing an aid/debt exit strategy.

At the same time, we would not begrudge the title of "visionary" to a leader who believes the selective and efficient use of ODA can accelerate growth by increasing the human and physical capital stock. Such a leader will devise and pursue a strategy to attract aid, which includes, among other things, pursuing reforms consistent with the items listed by FHK.

Helping "visionary" leaders gain power

Can outsiders increase the chances of "visionary" leaders taking power in the first place? In theory, if donors were to withhold aid from the corrupt, non-"visionary" leaders so prevalent across Africa today, the resulting disruption to the economy would make it more difficult for such individuals to remain in power, whether they are voted out in a system that permits relatively free elections, or forced out in a *coup d'état* or popular uprising. In practice, things often do not work out this way; witness the many disappointing leaders who manage to hang on to power notwithstanding persistent economic crisis following restoration of multi-party electoral competition.

Arriving at a perception that "visionary" opposition leaders are likely to attract greater aid and thereby, as well as in other ways, improve economic performance, a well-informed public should award them more votes, or take greater risks to support them in an uprising. But few electorates in Africa (or other developing countries, for that matter) are structured in ways that encourage popular agitation for economic reform. Moreover, after years of sustained economic failure, most African populations are highly risk-averse and have adopted various “coping” strategies that help insulate them from the effects of their governments' activities.

WB (1998b) gives four rules of thumb for effective donor intervention apart from (and sometimes as a substitute for) financial transfers. All of these imply support for “visionary” leaders.[lvii]

1. “*Find a champion*…there are likely to be reform-minded elements in the community and even in the government. If aid can find and support these reformers, it can have a big impact.”
2. “*Have a long-term vision of systemic change*.”
3. “*Support knowledge creation*… Reformers often need to develop the details of reform through innovation and evaluation... For reform to take root requires a demonstration that it works.”
4. “*Engage civil society*. In highly distorted environments the government is failing to provide supportive policies and effective services… Support civil society to pressure the government to change…"

For obvious reasons the World Bank is precluded from publishing names and other particulars of situations in which it and other donors have applied such measures and thereby succeeded in dislodging corrupt, non-“visionary” leaders. As the data in Table 1 show, progress in this area has been slow. Moreover, included in the table are a number of one-time opposition leaders who abandoned their convictions once they gained power. Like aid, honesty, integrity and commitment are fungible. Fomenting change is an imprecise and precarious activity.

V. Conclusion

The main issue addressed in this paper is whether the quality of national leadership is relevant to evaluating the progress of African countries towards sustained economic growth. We inquire whether it is conceivable (i) that "visionary" leaders, comparable to individuals who helped launch economic growth in other regions, could have appeared in Africa in the past, have appeared recently, or may be expected to appear in the foreseeable future. And (ii), once having appeared, whether they could have taken decisions that make pro-growth policies difficult to reverse, giving domestic and foreign investors the necessary confidence to expand productive capacity, create jobs, produce competitively and export.

If such circumstances are not conceivable, then analysis of leadership as a distinct factor cannot contribute to our understanding of Africa's growth prospects. Instead, we should stick to interest-group analysis (or some variant), asking how "gainers" from liberalization and policy reform more generally can acquire the political power necessary to institutionalize those processes.

Few social phenomena are adequately explained by a single hypothesis. Accordingly, the policy failings underlying Africa's poor economic performance are neither fully explained by the shortcomings of leadership alone, nor solely by interest group dynamics. In a society with fragile institutions and unstable coalitions, a strong, visionary leader has the potential to mobilize the support needed to implement policies that, in promoting growth, will also enhance welfare.

The greater the power and stability of the interest groups anticipating harm from market-oriented reforms, the harder it is for the leader to assert him or herself. Conversely, the stronger and more visionary the leader, the better he/she will be able to manipulate and compensate those groups, while nurturing budding interest groups that anticipate net benefits from the reforms.

Our research leads us to conclude that a large number of African countries, perhaps the majority, have been ruled by individuals who had sufficient power to implement reforms had they been so motivated. However, their motivation led them in different directions. As a result, policy reforms have been implemented haltingly, with frequent reversals. In a sense, this outcome represents the triumph of groups "interest"ed only in aggrandizement and the appeasement of their hangers-on—family members, friends, and associates whose political support is bought by sharing the loot.

To the extent this is true, it follows that:

- shortcomings of national leadership in economic policy represent a highly relevant issue in Africa;
- the relative dearth of pro-growth leaders has been and continues to be extremely costly to the populations of most African countries; and
- this dearth is an issue that merits research going beyond traditional interest-group analysis.

Is there anything specific to the current African socio-political environment that retards the emergence of leaders with qualities such as those identified with Harberger's "heroes", or others cited in our literature review? This question, we believe, deserves further research.

We have argued that outsiders, notably donors, exercise some influence over the settings that nurture "visionary" leaders. So far, this influence has proven to be asymmetrical. Donors have contributed much more to helping corrupt, non-"visionary" leaders hold on to power, than they have to nurturing "visionary", pro-growth leaders.

As long as the World Bank's concept of "a long-term vision of systemic change" can be interpreted to encompass preparation of an aid/debt exit strategy, we believe the Bank's rules of thumb for effective donor intervention in support of growth policy can do double duty as guidelines for outside nurturing of "visionary" leaders in Africa. Experience cautions against optimism that there will be quick results.

In addition to nurturing from outside, one must hope that Africa's evolving social and political organizations and networks will provide opportunities for more "visionary" individuals to assert themselves over non-visionary incumbents. It may also not be amiss to hope that outright luck will favor the random appearance of a few more strong, "visionary" leaders than have recently graced the landscape.

[i] This paper uses "Africa" to refer to Sub-Saharan Africa.
[ii] Madavo, C. and J-L Sarbib, "Africa on the Move: Attracting Private Capital to a Changing Continent," SAIS Review 17:2 (Summer-Fall 1997):111-126, esp. 111.
[iii] MS do not explicitly limit their assessment to leaders. Other prominent individuals can have a major impact on economic policy and its outcomes. We confine our analysis to chief executives for three reasons: in most countries they constitute the single locus of leadership with the greatest potential for good or harm; as a rule they set the tone for the national administration; and, finally, descending to the next level would hopelessly complicate the analysis.
[iv] A tabulation of chief executives who either held military rank before assuming power, or accorded themselves such rank (other than commander-in-chief) once in power, yields the following count: 1979: 12; 1989: 19; 1999: 11.
[v] Tabulated from World Bank, World Development Indicators – 1998 (Washington D.C.: World Bank, 1998): esp. pp. 12-14 and 33.
[vi] Gray watched from a close vantage point as Kenyatta's last white cabinet minister, Bruce Mackenzie (Agriculture), gave impetus to Kenya's macro-corruption learning curve by soliciting and taking German bribes for a government sugar project.
[vii] Electoral data from Economist Intelligence Unit Country Profile: Kenya, 1997-98.
[viii] Published statistics put it at 0.14% p.a., differing insignificantly from zero given data errors.
[ix] World Bank, World Development Indicators – 1998, pages 12-14 and 32-22.
[x] The zeal with which alleged UNIP conspirators were prosecuted contrasts with government's inaction *vis-à-vis* the "black mamba" terror campaign prior to the 1996 elections. Widely believed to be MMD-sponsored, this campaign led to several deaths.
[xi] This was reinforced by Chiluba's hiring of ZCCM's disgraced former chief executive to lead the team responsible for selling the mines.
[xii] The grounds for excluding Kaunda were that he was born in Malawi, and had already served two terms as president. There is evidence that Chiluba himself was born in the former Belgian Congo.
[xiii] The other two are Congo-Brazzaville and Madagascar.
[xiv] Notwithstanding, Nyerere's old CCM took 80% of the seats in Parliament.
[xv] Williamson, J. (ed.), The Political Economy of Policy Reform. (Washington DC: Institute for International Economics, 1994).
[xvi] Williamson, J. and Stephan Haggard, "The Political Conditions for Economic Reform," The Political Economy of Policy Reform, ed. John Williamson (Washington DC: Institute for International Economics, 1994): esp. 525-96.
[xvii] Fourteen countries are the subject of papers: (Australasia) Australia and New Zealand; (the "European periphery") Spain, Portugal, Poland and Turkey; (Latin America) Chile, Mexico, Colombia, Brazil and Peru; (Asia) Indonesia; and (economies in transition) Ukraine, Russia and Bulgaria. No paper is devoted specifically to Korea, but that country is reviewed in the summary.
[xviii] Gyimah-Boadi, E. and N. van de Walle, "The Politics of Economic Renewal in Africa," Agenda for Africa's Economic Renewal, eds. Benno Ndulu and Nicolas van de Walle (Washington, DC: Overseas Development Council, 1996): esp. 211-39.
[xix]Gyimah-Boadi, E. and N. van de Walle, esp. 228.
[xx] Brautigam, D. "State Capacity and Effective Governance," Agenda for Africa's Economic Renewal, eds. Benno Ndulu and Nicolas van de Walle (Washington, DC: Overseas Development Council, 1996): esp. 81-108.

[xxi] Haggard, S., R. N. Cooper and Chung-in Moon, "Policy Reform in Korea," Political and Economic Interactions in Economic Policy Reform. eds. Robert Bates and Anne Krueger (Cambridge, Mass.: Blackwell Publishers, 1993) esp. 294-332.
[xxii] Harberger, A. C., "Secrets of Success: A Handful of Heroes," American Economic Review, Vol. 83, No. 2, (May 1993): esp. 343-50.
[xxiii] Piñera, J., "Chile," The Political Economy of Policy Reform, ed. John Williamson (Washington, D.C.: Institute for International Economics, 1994): esp. 231.
[xxiv] Grindle, M. and F.Thoumi, "Muddling Toward Adjustment: The Political Economy of Economic Policy Change in Ecuador," Political and Economic Interactions in Economic Policy Reform, eds. Robert Bates and Anne Krueger (Cambridge, Mass.: Blackwell Publishers, 1993) esp. 123-78.
[xxv] Bates, R.H. and A.O. Krueger (eds.), Political and Economic Interactions in Economic Policy Reform (Cambridge, Mass.: Blackwell Publishers, 1993): esp. 159.
[xxvi] One of them, former Ghana finance minister Kwesi Botchwey, is now our colleague at HIID.
[xxvii] Ndulu, B. and N. van de Walle, esp. 229, 232.
[xxviii] Bates, R.H. and A.O. Krueger (eds.), esp. 455. The volume has eight country cases: Brazil, Chile, Ecuador, Egypt, Ghana, Korea, Turkey and Zambia.
[xxix] Bates, R.H. and P. Collier, "The Politics and Economics of Policy Reform in Zambia", Political and Economic Interactions in Economic Policy Reform, eds. Robert Bates and Anne Krueger (Cambridge, Mass.: Blackwell Publishers, 1993): esp. 387-443.
[xxx] The occasions in question occurred in 1977, 1979, 1980 and 1983.
[xxxi] Rodrik, D., "Understanding Economic Policy Reform," Journal of Economic Literature, Vol. XXXIV, No. 1 (1996): 9-41, esp. 21.
[xxxii] Africa, mentioned only once, does not feature in Rodrik's analysis.
[xxxiii] Fischer is the Fund's First Deputy Managing Director, Khan is director of the Fund Institute, Hernández-Catá is associate director of the African Department.
[xxxiv] Fischer, S., E. Hernández-Catá and M. S. Khan, "Africa: Is This the Turning Point?" IMF Paper on Policy Analysis and Assessment 98/6 (May 1998): esp. 18-19 (emphasis in original). One may reasonably interpret this condition as also forestalling capture of regulatory instruments by private interests.
[xxxv] Lindauer, D. and M. Roemer, Asia and Africa: Legacies and Opportunities in Development (San Francisco: International Center for Economic Growth and Harvard Institute for International Development, 1994). Lindauer & Roemer is just one close-to-home work of many on this theme.
[xxxvi] Average per capita GDP growth was about –1% during 1962-71.
[xxxvii] We say "partial" stability because control over inflation did not prevent Senegal (and other CFA countries) from running budget and balance of payments deficits that raised their foreign debt to unsustainable levels.
[xxxviii] Interview with one of the authors (Gray) in April 1997.
[xxxix] Conversely, president Diouf has responded to threats to regional security with great speed and efficiency—cf. military interventions conducted on short notice in The Gambia (1981) and Guinea-Bissau (1998).
[xl] World Bank, African Development Indicators 1998/99 (Washington, D.C.: World Bank, 1999): esp. Tables 2-17 and 5-33
[xli] Bloom, D.E. and J. D. Sachs, "Geography, Demography, and Economic Growth in Africa," Brookings Papers on Economic Activity, No. 2, eds.William Brainard and George Perry (Washington D.C. Brookings Institute, 1998): esp. page 270, footnote 90.
[xlii] Klitgaard, Robert E., Controlling Corruption (Berkeley: University of California Press, 1998) on the "optimal degree of corruption."

[xliii] Transparency International, “The Corruption Perceptions Index”. Press release, September 22, 1998, Berlin. Transparency International’s 1998 Corruption Perceptions Index for 85 countries accords Tanzania the same score as Nigeria, in a tie for 4th-5th from the bottom.

[xliv] Perkins, D.H., "China's 'Gradual' Approach to Market Reforms (Discussion Paper no. 52, United Nations Conference on Trade and Development, December 1992). Perkins, D.H., "There Are At Least Three Models of East Asian Development," World Development vol. 22, no.4 (1994): 665-661.

[xlv] Establishing an enabling environment for agriculture is a *sine qua non* of growth policy. Succumbing to an urban bias against agriculture, African governments have burdened the sector to the point where food imports absorb roughly 15% of export revenue. As the Asian experience has shown, a revitalized agricultural sector, absorbing the output of and supplying inputs to other sectors, is essential for raising economic growth on a sustained basis.

[xlvi] This is not meant to exclude agricultural enterprises that are helping several African countries open new export markets, notably horticulture.

[xlvii] A small selection includes: Barnard, C., "The Nature of Leadership," Leadership: Classical, Contemporary and Critical Approaches, ed. K. Grint (Oxford: Oxford University Press, 1997); McGregor Burns, J., Leadership (New York: Harper & Row1978); Fielder, F.E., "Situational Control and a Dynamic Theory of Leadership" Managerial Control and Organizational Democracy, eds. B. King et al. (New York: Wiley, 1978): 107-131 [Reprinted in (ed.) D.S. Pugh, Organization Theory; Selected Readings (Baltimore: Penguin Books, 1987)]; Bass, B.M., Stodgill's Handbook of Leadership (New York: Free Press, 1981); Rosen, R.H. with P. B. Brown, Leading People: the 8 proven principles for success in business (New York: Penguin Books. 1996); Grint, K. (ed.), Leadership: Classical, Contemporary, and Critical Approaches (New York: Oxford University Press, 1997); Harvard Business Review on Leadership (Cambridge: President and Fellows of Harvard College, 1998). Literature on Africa that deals with leadership includes: Mwaipaya, P., The Importance of Quality Leadership in National Development with Special Reference to Africa (New York: Vantage Press, 1980); Achebe, C., The Trouble with Nigeria (Oxford: Heinemann International, 1983); Sandbrook, R., “The state and economic stagnation in Tropical Africa,” World Development vol.14 (1986): 319-332 and Sandbrook, R., The Politics of Africa's Economic Stagnation (Cambridge: Cambridge University Press, 1987); Lamb D., The Africans (New York: Vintage Books, 1987), Frimpong-Ansah, J.H., The Vampire State in Africa: The Political Economy of Decline in Ghana (Trenton: Africa World Press, 1991); Ayittey, G.B.N., Africa Betrayed (New York: St. Martin’s Press, 1992) and Ayittey, G.B.N., Africa in Chaos (New York: St. Martin's Press, 1998); and Soyinka, W., The Open Sore of a Continent A Personal Narrative of the Nigerian Crisis (New York: Oxford University Press, 1996).

[xlviii] Burnside, C. and D. Dollar, “Aid, Policies, and Growth,” (World Bank Working Paper no. 1777, World Bank, June 1997): 31.

[xlix] Ibid.

[l] Only Gabon, with its oil, ranks as middle-income.

[li] More recent work has shown that non-reforming and repressive governments have attracted proportionately more aid than open, democratic, and better governed countries. See Alesina, A. and B. Weder, "Do Corrupt Governments Receive Less Foreign Aid?" (NBER Working Paper No. 7108, May 1999) and Economist, 26th June 1999: 23-25.

[lii] Account of Peter Eigen, TI president, at HIID seminar, Nov. 12, 1998.

[liii] World Bank, “Economic Policies and the Effectiveness of Foreign Aid” (World Bank Policy Research Report, 1998c).
[liv] World Bank, *Assessing Aid – What Works, What Doesn’t and Why*.
[lv] Sachs, J. D., “Life in the Economic Emergency Room,” The Political Economy of Policy Reform, ed. John Williamson (Washington DC: Institute for International Economics, 1994) esp. 501-24.
[lvi] McPherson, M. and A. Goldsmith, "Africa on the Move?" SAIS Review, vol.18, no.2 (Summer-Fall 1998):153-165
[lvii] World Bank, "Assessing Aid – What Works, What Doesn’t and Why," World Bank Policy Research Report (Washington D.C.: World Bank, 1998): 104 (emphasis in original).