

OF POLITICS WITHOUT ROMANCE: bandits, tribal chiefs, warlords and political messiahs (or the lack thereof)

"The trouble with Nigeria is simply and squarely a failure of leadership." – Chinua Achebe

I think it is in one of Alexis de Tocqueville's writings, I don't recall which, that I came across the question of whether statesmen come before the commonwealth, or vice versa. What is cause and what is effect? Do good leaders develop nations or is good leadership a reflection of a nation's development?

There are few subjects with as expansive a literature as the subject of leadership. As expansive as it is unhelpful. First, it is all description and prescription. Great leaders do this and that. It has no predictive value. Why does Asia get progressive autocrats, while Africa and Latin America get mostly murderous kleptocrats? Critically, the literature does not distinguish between political and managerial leadership. This distinction is fundamental.

Corporate and NGO executives compete for jobs, for which they are hired, paid and fired based on performance. The pay packages of the CEOs of listed companies has been in the news lately. The top earner came in at Ksh 375m a year, 20 times more than the president. The lowest paid CEOs earn four to five times what MPs earn.

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In democracies, prospective leaders are expected to spend money to contest elections that they could lose. In some like ours, once elected, we expect them to spend their earnings on *harambees* and handouts. Then we get surprised that the people who put themselves up for this ordeal line their pockets.

We seem to expect the best and brightest people in society to fight their way so as to work for us at their expense. Just like there are few altruistic billionaires, there are a few visionary and selfless public spirited people, but they are the exception not the rule. The vast majority of human beings are not public-spirited, let alone selfless.

Public choice theory is the branch of economics that applies self-interest to politics. Public choice theorists treat the public realm as a marketplace where selfish voters, interest groups, bureaucrats and politicians pursue their own interests. Public choice theory contends, to paraphrase Adam Smith, that it is not from the benevolence of the politician and the bureaucrat that we owe our public goods, but from their regard to their own interest. James Buchanan one of the architects (for which he was awarded the 1986 Economics Nobel Prize) characterized public choice theory as “politics without romance.”

As in the economic market, the players—politicians, bureaucrats, interest groups, voters—are neither good or bad. They simply respond to the incentive structure of the market. If the rules of the game the political market delivers more public goods, if they are bad, it delivers more private goods i.e. corruption. Buchanan’s seminal 1962 book, co-authored

with Gordon Tullock, *The Calculus of Consent: Logical Foundations of Constitutional Democracy*, is the bible of public choice theory.

Mancur Olson is another public choice luminary. His 1965 book, *The Logic of Collective Action: Public Goods and the Theory of Groups*, is a must-read if you want to understand why we seem helpless against the garbage dumps on our street corners and death-trap PSVs, why corruption stumps honesty, and why the calculus of revolution that I hear youths yearning for does not compute. But I digress—somewhat.

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In *Dictatorship, Democracy and Development*, published in the 1993 edition of *American Political Science Review*, Olson trains public choice theory on the leadership and development conundrum. Students of politics are well schooled in the social contract theories of Hobbes, Locke and Rousseau, whose basic idea is that government is motivated by our self-preservation instinct. In this view, government is people of their volition, trading off some of their liberties for security.

Olson sets out to test the proposition whether the emergence of political order can be explained by greed. Olson posits stateless society as a gangland inhabited by decent folk and “roving bandits” who roam the land plundering and pillaging. In the social contract world, political order is decent folk organizing common defense against the bandits. We are left to ponder how people who have trouble organizing garbage collection overcome the collective action problem.

In Olson's model, it's the self-interest of rational bandits that brings about political order. How so?

"In a world of roving banditry, there is little or no incentive for anyone to produce or accumulate anything that may be stolen, and thus, little for bandits to steal. [But] if a bandit successfully monopolizes theft in his domain, then his victims do not need to worry about theft by others. With the rational monopolization of theft—in contrast to uncoordinated competitive theft—the victims of the theft can expect to retain whatever capital they accumulate out of after-tax income and therefore have an incentive to save and to invest, thereby increasing future income and tax receipts. Since the warlord takes a part of total production in the form of tax theft, it will also pay him to provide other public goods whenever the provision of these goods increases the taxable income sufficiently. Bandit rationality, accordingly induces the bandit leader to seize a given domain, to make himself the ruler of that domain, and to provide peaceful order and other public goods for its inhabitants, therefore obtaining more in tax theft than he could have obtained from migratory plunder. The rational, self-interested leader of a band of roving bandits is led, as though by an invisible hand, to settle down, wear a crown and replace anarchy with government."

Once political order is established, society will realize benefits quite quickly. But autocracy presents the problems of credibility and succession. The bandit-turned-autocrat can undertake not to expropriate property, but once the investment is done, what is to stop him from doing so? And there is no assurance that political order will outlive the strongman who has established it. So both the ruler and the ruled will realize that to reap the benefits of political order requires more. Olson:

"Dictatorships are by their nature especially susceptible to succession crises and uncertainty about the future. It may be

advantageous to a society if a consensus emerges about who the next ruler will probably be, since this reduces the social losses arising from the absence in an autocracy of any independent power that could ensure a smooth succession. Given autocracy, then, dynastic succession can be socially desirable, both because it may reduce the likelihood of succession crises and because it may give monarchs more concern for the long run and the productivity of their societies.”

Dynasties are rational. This logic extends to tribal politics. There are few things that are more lamented by our liberal-minded elites than tribal politics. Tribal voting is seen as a primordial instinct, devoid of issues, implying that it is irrational. How can democracy grow if people vote for their tribesmen and women instead of voting on issues?

In economics, we learn not to jump to conclusions unless we know which calculus is involved in the outcomes we observe. Implicit in the laments about tribal voting are assumptions that (a) the state is benign; and (b) that people vote to maximize benefits i.e. public services and “development.” What if the voters don’t buy this? What if the voters see a “banditstan” in which tribal chiefs and warlords are fighting it out to monopolize plunder? The voters’ calculus might be that *zimwi likujualo halikuli likakwisha* (the ogre that knows you does not finish you) – simply, better the devil you know.

What about democracy? When we look around the world, not only does autocracy seem to give way to democracy quite often, democracy when it takes root, becomes a more successful political order—more powerful, durable and prosperous. The theoretical problem here is the following: since absolute power is the most profitable system of government, why do we see autocracies giving way to democracy?

Olson, again: “It is relatively easy to see how autocratic government emerges and why it has been the predominant form of

government since the development of settled agriculture: there is never a shortage of strong men who enjoy getting a fortune from tax receipts. It is much harder to see how democratic government can emerge out of autocracy. The task is to explain why a leader who organized the overthrow of an autocrat would not make himself the next dictator, or why any group of conspirators who overthrew an autocrat would not form a governing junta.”

Democracy, Olson contends, is not a preference. It is the unintended consequence of stalemates. Two circumstances may give rise to it. The stalemate where no warlord is able to dominate others. But even then, the best option for the competing warlords would be to divide the contested territory amongst themselves. Consequently, the second condition is a situation where fragmentation of the territory is not feasible either because potential dominions would be too small and weak, or because the contending groups are too integrated to divide geographically. In this case, the only viable political order is power sharing:

“Democracy would be most likely to emerge spontaneously when the individual or individuals or group leaders who orchestrated the overthrow of an autocracy could not establish another autocracy, much as they would gain from doing so. We can deduce from the theory offered here that autocracy is prevented and democracy permitted by the accidents of history that leave a balance of power or stalemate a dispersion of force and resources that makes it impossible for any one leader or group to overpower all of the others.”

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This proposition is consistent with the observation that democracy often emerges from civil war situations—indeed, constitutions are often referred to as ceasefire documents. It also provides insights as to why democracy failed to take root in post-colonial Africa and elsewhere. All of post-colonial Africa promulgated democratic constitutions, such as our Lancaster House one. All but one (ethnically homogenous Botswana), reverted to authoritarian rule in no time. Coups, counter-coups and civil wars became the norm as aspiring autocrats fought to monopolize power.

In economic parlance, we would say that in a stalemate situation, there are only two stable equilibria, roving banditry (state failure) and power sharing (democracy). But that of course does not preclude disequilibrium (instability) as the norm.

“Constant experience” wrote Montesquieu, the foremost champion of the doctrine of separation of powers, “shows that every man invested with power is apt to abuse it and to carry his authority as far as it will go.”

Politics without romance.