

Corruption and resource distribution in neopatrimonial systems

Query:

“The argument is sometimes made that in neopatrimonial systems, corruption helps redistribute resources. Do we have any empirical evidence on how resources are distributed in neopatrimonial systems, and what control mechanisms are accessible to citizens concerned about getting their share?”

Purpose:

I would like to have more data to challenge the argument that corruption in neopatrimonial systems is positive for the average citizen.

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Summary

Resource distribution in neopatrimonial systems happens through direct transfer in the form of disbursement of cash, gifts and favours from politicians to their constituents. Political representation through elections constitutes the only formal mechanism of accountability in neopatrimonial systems since other avenues of formal accountability, such as the rule of law, are severely eroded. However, voting is not an effective accountability mechanism in the long run since neopatrimonial systems concentrate power in the hands of wealthy and / or powerful politicians and weaken political opposition and thereby limit voter choices at election time. Pressures by constituents on the leaders can act as an informal accountability mechanism, however, no empirical evidence was found that confirmed the effectiveness of these mechanisms. Neopatrimonialism also damages the long-term development of democratic accountability in a country by eroding the effectiveness and credibility of democratic institutions. Therefore, not only do neopatrimonial systems provide limited accountability for resource distribution to a small group of constituents, it also damages the development of democratic accountability mechanisms in the long run.

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Part 1: Resource distribution in neopatrimonial systems

Forms of resource distribution

Neopatrimonialism refers to a system of governance where the formal rational-legal state apparatus co-exists and is supplanted by an informal patrimonial system of governance. Patrimonialism is defined as a social and political order where the patrons secure the loyalty and support of the clients by bestowing benefits to them from own or state resources.¹ Neopatrimonialism gives rise to a 'hybrid' state where real decision-making power about state functions, such as resource distribution, lies outside of the formal institutions. Instead, decisions about resources are made by powerful politicians and their cronies who are linked by informal, personal and clientelist networks that exist outside of the state structure.²

A neopatrimonial regime makes the government a transfer pump: the government collects resources and distributes them to its supporters. While such transfers may be a feature of many political systems, in functioning democracies the transfers are more impartial and based on the needs of the public at large. On the other hand, in neopatrimonial systems the transfers only benefit particular groups who are connected to the politicians through patronage networks, at the cost of the rest of the constituents.

The basic structure of neopatrimonial regimes consists of three sectors - the 'ins', the 'outs' and the government. The government derives its support by providing patronage to the 'ins' (clients, cronies etc.) and funds this by taxing the 'outs'.³

Resource distribution in neopatrimonial systems is always motivated by the patron's incentive to ensure incumbency. However, the specific resources and distributive mechanisms of patronage networks vary by the cultural, economic and political institutions found in particular countries. Distribution of resources or benefits might be primarily motivated by personal relationships or ethnic / tribal loyalties. In such cases distribution can take the form of personal favours such as, appointing relatives or people from the ruler's ethnic / tribal group to important government posts. This has been found to be the case in countries as diverse as Cameroon, Zaire, Cuba, Nicaragua, Iran, etc.⁴

In Ghana, Lindberg found that practices of patronage include favours such as attending to individuals' school fees, electricity and water bills, funeral and wedding expenses; or distributing cutlasses and other tools for agriculture, or even handing out 'chop-money' or small cash sums to constituents. It might also entail personal assistance in dealing with the authorities, whether police, courts, headmasters, local government officials or ministries. Sometimes help involves finding someone a job or a place to stay, putting them in touch with someone else for jobs, contracts, or other services, or just talking to them about family issues, planning funerals and other private issues.⁵

Lindberg also found that people perceived incumbent MPs as wealthier and in control of state resources, which they should be obliged to share with 'their people'. Legitimate spending on items like reading books for schools, waterholes, roofing for community buildings, footballs and other items

¹ Christian von Soest, "How Does Neopatrimonialism Affect the African State? The Case of Tax Collection in Zambia", German Institute of Global and Area Studies (GIGA) Working Papers, 2006.

² Diana Cammack, "The Logic of African Neopatrimonialism: What Role for Donors?", 25:5 Development Policy Review, 2007.

³ Clark C. Gibson & Barak Hoffman, "Dictators with Empty Pockets: A Political Concession Model of Africa's Democratization", Paper prepared for the 2002 Annual Meetings of the American Political Science Association. Online: <http://www.globalization-africa.org/papers/9.pdf>.

⁴ Jurg Martin Gabriel, "Cameroon's Neopatrimonial Dilemma", Center for International Studies Zurich Working Paper, 1999. Online: <http://e-collection.ethbib.ethz.ch/eserv/eth:22706/eth-22706-01.pdf>.

⁵ Staffan Lindberg, "It's Our Time to Chop: Do Elections in Africa Feed Neo-Patrimonialism rather than Counter-Act It?", 10:2 Democratization, 2003.

for youth clubs and the like, didn't really count according to the interviewees'.⁶ Similar examples have been found in countries as diverse as Russia, countries of sub-Saharan Africa and Latin America.⁷

Neopatrimonialism gives rise to high inequality in access to resources

A notable feature of neopatrimonial systems is high income inequality. The "ins" of the system benefit disproportionately compared to the "outs". For example, in Nigeria, 80% of the oil revenue is assumed to have accrued to 1% of the population. According to the World Bank, countries characterised by neopatrimonial systems also comprise the group of countries that exhibit the highest range of Gini coefficients which indicates large inequality in wealth distribution in these countries. For more information on Gini coefficients of neopatrimonial countries such as Bangladesh, Nicaragua, Cameroon, Ghana, Uganda etc. please see:

http://siteresources.worldbank.org/DATASTATISTICS/Resources/table2_7.pdf.

Neopatrimonialism hinders long-term availability of resources

Fritz and Menochal in 2006 have argued that in the case of Nigeria, the elites in neopatrimonial states govern by a particularistic logic which generates a very weak sense of the public realm. The channelling of benefits to select groups whose demands in are often quite strong deprives resources from being used to provide public goods and build infrastructure. At the same time, being able to access universities and hospitals in the developed world, and enjoying personal wealth and status, elites lack incentives to engage in broad-based development, especially where a sense of common nationhood is weak.⁸

Gibson and Hoffman have argued that leaders in many neopatrimonial systems also have incentives to prevent development in order to perpetuate the system of "ins" and "outs". For example, in a study of sub-Saharan African countries they found that since higher levels of urbanization reduce the costs for the opposition to organize and increase citizen demand for public goods, the ruler's patronage costs are higher in more urbanized countries. Under-investing in transport and communication between the urban and rural areas allowed rulers to reduced urban population. They have also used tactics such as providing food subsidies to the urban areas to pacify the population and ensure their grip on power. Such tactics sacrifice short-term political gains for long-term development and growth strategy, which in turn hurts the availability and consequently access to resources in the long run.⁹

⁶ *Ibid.*

⁷ Lise Rakner et. al., "Democratisation's Third Wave and the Challenge of Democratic Deepening: Assessing International Democracy Assistance and Lessons Learned", Working Paper of the research project the Advisory Board for Irish Aid, 2007. Online: http://www.odi.org.uk/pppg/politics_and_governance/publications/GAPWP1.pdf.

⁸ V. Fritz & A. Rocha Manocal, "(Re)building Developmental States: From Theory to Practice", Overseas Development Institute Working Paper 274, September 2006

⁹ Gibson & Hoffman, *supra* note 3.

Part 2: Accountability mechanisms in neopatrimonial systems

Accountability in neopatrimonial regimes operates in two principle ways – formal democratic mechanisms (such as elections, rule of law, access to information etc.) and informal pressures.

Elections as an accountability mechanism

Political representation through voting is the primary formal accountability mechanism in neopatrimonial systems. Clients / constituents have the option of voting out the rulers if they fail to deliver on their campaign promises. It has been found that if the ‘bargain’ between the leader and follower is actually carried through then it is normal for the recipients to continue to support him.¹⁰ For example, a study conducted in Ghana right after the 2001 parliamentary elections found that of the 34 MPs interviewed, the only one who claimed not to distribute personal patronage had lost his seat.¹¹

Politicians also face considerable pressure from their constituents around elections to disburse resources. Lindberg found that neopatrimonial systems often turn election campaigns into a ‘harvesting season’ for the electorate. The year of the election becomes the time when it is time to “reap the fruits” from the “parliamentary tree”.¹² Unlike established liberal democracies where the electorate expect politicians to ‘deliver the goods’ when the election has been won, in a patron-client environment the electorate may push politicians to provide the ‘rewards’ before the election and in the form of personalized favours. As the political game becomes more competitive, clients may also utilize a greater room for manoeuvre for electoral blackmail. For example, in Ghana, the interviewed MPs increasingly mentioned blackmail messages delivered by the constituents as elections came closer. The political contest may be turned into an economic competition based on the strength and extension of patronage networks.¹³

Neopatrimonial political parties provide poor choices to voters

Democratic institutions weakened by neopatrimonialism are only capable of offering poor choices to the voters. Cammack et. al. in 2006 found that in Africa, the limited expansion of real voter choice that elections have provided is linked to the weakness of democratic institutions. African parties are weakly institutionalised and characterised by poor organizational capacity. They often lack a structure that can penetrate the national territory, have dormant organisations between elections and few, if any, organisational resources. While countries with functioning formal democracies have witnessed the development of party structures relatively tied to functional interests in society (such as working class parties tied to trade unions, Christian parties linked to the Catholic churches, agricultural parties tied to farming interests) few such linkages between the party structure and interest groups can be found in the neopatrimonial states of Africa.¹⁴

Ruling parties work to weaken political opposition which limits voters’ choice at election time

In neopatrimonial systems the party in power also actively employs repressive mechanisms such as monopolizing public media, corrupt use of law enforcement and the judiciary, constraining access to resources etc. against opposition parties which leads to the deterioration of voter choices. For example, in Uganda, while the 2006 elections were competitive from a formal perspective, the weak

¹⁰ Cammack, *supra* note 2.

¹¹ Lindberg, *supra* note 5.

¹² *Ibid.*

¹³ *Ibid.*

¹⁴ Diana Cammack et. al., “Neopatrimonial Politics, Decentralisation and Local Government: Uganda and Malawi in 2006”, Working Paper of the research project of the Advisory Board for Irish Aid.

distinctions between the governing party, the National Resistance Movement (NRM), structures and the state structures, and the resources enjoyed by the NRM suggest that the hegemony of the NRM continued into the 2006 multiparty era. According to Rakner et. al., it is evident that NRM dominance negatively affected the opposition parties and added to their internal problems. The extensive use of the justice system by the executive to curb the opposition, and the willingness to compromise judicial independence and integrity to suit political goals, also clearly affected the electoral outcome. Similarly, the limitations placed on the independent media, as well as the military presence in the political arena meant that the elections took place on a radically skewed playing field. Access to state coffers also provided the NRM with unlimited campaign resources.¹⁵

Similarly, Brynen found this to be the case in Palestine where Fatah used its financial resources from foreign aid and donations to purchase influence with militias and other political actors. In the late 70s and 80s, the Arab states injected as much as half a billion dollars to the Palestinian territories. While much of it was used to support infrastructure needs in the area such as housing, agriculture and education, a sizable portion of it formed handouts in the form of patronage money to nationalist institutions and personalities. Fatah, which had the greatest access to funds, was the primary beneficiary of this and used it to counter the grass-roots organizational challenge posed by political rivals in the Palestinian left.¹⁶

Lack of resources prevent honest / good political leaders from running

Elections in neopatrimonial systems are usually ruled by interests of money and power is won by politicians that can buy more votes than their opponents. As discussed above, disbursement of patronage is often expected before the election, which severely curtails the pool of candidates who can run for election. Lack of resources often prevents honest and capable leaders from coming into power. Lindberg found that in the case of Ghana spending on election trails have increased greatly in the last decades. In 1992 almost all MPs spent a maximum of one year's salary as an MP on their election campaign; whereas by 2000, almost half of the MPs spent an amount equal to two ore more annual salaries on their campaigns. As the level of spending increased, so did the amount spent on patronage: Whereas only about one third of the MPs in the 1992 campaign spent more than 25 percent of their outlays on personal patronage, half of them did so in 1996. During the 2000 elections, more than half of the MPs spent over 25 percent of their funds on sustaining personalized patron-client relations.¹⁷

Neopatrimonial rulers might alter term limits, further weakening the voting mechanism

Finally, the constituent's power to "vote with their feet" in neopatrimonial systems can be severely curtailed when the ruling leaders reverse the term limits imposed on them by amending the constitution. Therefore, the opportunity for constituents to "vote out" errant leaders can be limited. Political leaders can justify such means under the guise of strengthening state capacity. A number of presidents in the incipient democracies in the developing world have sought to reverse the term limits imposed on them by amending the constitutions adopted in the 1990s – for example, this has been the case in Namibia, Uganda, and Togo.¹⁸

The above discussion shows that although constituents technically have the option of voting out patrons who don't uphold their resource distribution commitments, in reality, political representation is often not a very effective accountability mechanism.

¹⁵ Lise Rakner et. al, *supra* note 7.

¹⁶ Rex Brynen, "The Neopatrimonial Dimension of Palestinian Politics", 25:1 *Journal of Palestine Studies*, 1995.

¹⁷ Lindberg, *supra* note 5.

¹⁸ *Ibid.*

Other democratic institutions and their effectiveness as accountability mechanisms

Failure of rule of law

In a functioning democracy rule of law acts as a mechanism to hold political leaders accountable their constituents. The judiciary is central to the rule of law. But in the hybrid neopatrimonial states judicial independence is under threat as courts are deliberately under-resourced, their staff threatened with dismissal or worse, and tame judges are appointed to key positions. Similarly, the public prosecutor, attorney general, as well as the law commission and the ombudsman also work under conditions of threat and repression. Cammack in her study of a group of neopatrimonial states in sub-Saharan Africa over the last fifteen years found that judicial bodies were severely debilitated in these countries.¹⁹ This prevents the constituents from bringing formal complaints against the leaders in case of misdeeds.

Legislatures in neopatrimonial systems also suffer from lack of capacity and corruption which erodes horizontal accountability of political leaders. MPs in neopatrimonial systems spend a large amount of their time and energy on local and personal matters and the MPs' functions as law and policy makers, watchdogs of the government and opinion leaders in society decay as a consequence. Policy development and legislative action may become dysfunctional as well, as a result of MPs' being away from the national assembly seeking solutions to constituents' problems. Interference with national and local authorities in their work may lead to officials misbehaving, violations of rules and procedures and undermining of the rule of law in general when MPs seek to reproduce personal loyalties.²⁰ The Global Integrity scorecard of democratic institutions, such as the executive, judiciary, legislature etc. in neopatrimonial states are consistently evaluated as "very weak" to "weak". For more information on institutional health and integrity in neopatrimonial states such as Cameroon, Ghana, Uganda etc., please see: <http://report.globalintegrity.org/>.

Lack of access to information

In a neopatrimonial system the constituents are often not even aware of how much right to resources they have, which constrains their ability to demand their fair share from their leaders. Access to information in these systems is severely curtailed. The state owned media is likely to be staffed by cronies of the ruling party in which case they are devoted to disseminating propaganda on behalf of the rulers rather than drawing attention to issues such as corruption in the leadership and inequalities in resource distribution.²¹ For example, Cammack et. al. in 2006 found that Banda in Malawi toured the country visiting farmers, inspecting their crops and promising patronage in the form of basics such as food, clothes etc. The peasantry, however, were not allowed to learn how their standard of living compared to their neighbours.²²

From the above discussion it is clear that while democratic institutions technically exist in neopatrimonial systems, they are either neglected in favour of the informal mechanisms or they are used in a corrupt way, both of which contribute to their lack of effectiveness. Finally, neopatrimonial systems damage the long term culture of democracy in a country. Ineffective and corrupt public institutions erode or destroy public confidence in these institutions. This phenomenon makes establishing formal democratic accountability mechanisms that much harder since not only do the institutions need to be reformed and strengthened, but public confidence in the institutions and the culture of using them in a fair manner also need to be built or rebuilt.

¹⁹ *Ibid.*

²⁰ *Ibid.*

²¹ *Ibid.*

²² Lindberg, *supra* note 5.

Informal accountability mechanisms and their effectiveness

The nature of contact between politicians and constituents can provide an informal accountability mechanism. For example, Lindberg reports that MPs in Ghana wake up almost every morning to face a queue of constituents that expect them to take time to address their concerns and provide various sums of money. Once proceedings in parliament are over for the day, MPs are often approached in the parking lot or at home. These face to face contacts act as control mechanisms to oblige politicians to fulfil their promise of distributing patronage money and favours.²³

Personal relationships and notions of honour and loyalty to your clan can also act as an informal accountability mechanism. Consequently, in a study of electoral mechanisms in sub-Saharan Africa it was found that in the neopatrimonial systems of these countries the constituents often preferred to vote for politicians from their own ethnic groups / clans / proximate geographic area. In interviews, voters expressed that electing a person from outside their immediate area would be even more risky than re-electing a poorly performing local.²⁴ Cammack et. al in 2006 noted that in the case of Malawi, candidates elected or appointed to political or administrative office face a dual normative structure and conflicting expectations. The rational-legal norms embedded in formal rules regulating their office are often at odds with the expectations and moral pressures arising from their community, family or constituency, calling on them to provide opportunities and benefits that often go far beyond what is possible by legal means. Failure to respond these demands is likely to compromise the office holders' social (and moral) standing within their community (and also in many cases in their own eyes) and also reduces their chances of re-election – thus creating strong incentives for nepotism and forms of more or less corrupt behaviour.²⁵

No empirical data was found on the effectiveness of these informal accountability mechanisms. However, the preceding discussion of ineffectiveness of the formal accountability mechanisms shows that constituents in neopatrimonial systems who are unable to exercise informal pressures - the 'outs' - suffer disproportionately for lack of accountability. Moreover, the lack of formal accountability can also hurt the 'ins' of the system by depriving them of recourse when the leaders don't yield to informal pressures.

²³ Cammack, *supra* note 2.

²⁴ *Ibid.*

²⁵ Rakner et. al, *supra* note 7.

Part 3: Further Readings

“Campaign Finance and Corruption: A Monitoring Report on Campaign Finance in the 2007 General Election”

This 2007 report provides an in-depth look on corruption in the electoral system in Kenya.

Gero Erdmann & Ulf Engel, “Neopatrimonialism Revisited: Beyond a Catch-All Concept”, German Institute of Global Area Studies, Working Paper No. 16, 2006.

Online: http://www.giga-hamburg.de/dl/download.php?d=/content/publikationen/pdf/wp16_erdmann-engel.pdf

This article provides a critical discussion of the literature on “patrimonialism” and “neopatrimonialism” as far as the use in Development Studies in general or African Studies in particular is concerned.

Gero Erdmann & Ulf Engel, “Neopatrimonialism Reconsidered: Critical Review and Elaboration of an Elusive Concept”, 45:1 Commonwealth and Comparative Politics, 2007.

This article elaborates on the previous article by Erdmann and Engel.

Tam O’Neil, “Neopatrimonialism and Public Sector Performance and Reform” Research Project of the Advisory Board for Irish Aid, Background Note 1, 2007.

Online: http://www.odi.org.uk/pppg/politics_and_governance/publications/GAPWP2BN1.pdf

This paper examines the origins and defining characteristics of neopatrimonialism. It then discusses the structural factors that explain the emergence and robustness of neopatrimonial governance in sub-Saharan Africa.

Gerald H. Smith, “The Dichotomy of Politics and Corruption in a Neopatrimonial State: Evidence from Sierra Leone, 1968 – 1993”, 25:1 A Journal of Opinion, 1997-

This article examines the experience of combating corruption in the neopatrimonial political system of Sierra Leon.

Richard Snyder, “Explaining Transitions from Neopatrimonial Dictatorships”, 24:4 Comparative Politics, 1992.

In this article the author analyzes the conditions that lead to revolutionary transition from neopatrimonialism. Case studies include the revolutionary cases of Anastasia Somoza Debayle in Nicaragua, the Shah in Iran, Batista in Cuba, along with the non-revolutionary cases of Ferdinand Marcos in the Philippines, Francois “Papa Doc” Duvalier and Jean-Claude “Baby Doc” Duvalier in Haiti etc.

Please also see the footnotes for more sources.