

Dictators, Democrats, and Government Performance

In an African Country

Chapter 1: Introduction

INTRODUCTION

Why do some governments in developing countries perform better than others? Nigeria possesses many of the factors that arguably impede government performance such as ethnic and religious diversity, an economy dependent on natural resource exploitation, and a history of political instability. Today, as in the early 1970s, government coffers overflow with astonishing oil wealth while a vast majority of the population suffers in poverty. Yet moments of developmental progress do punctuate Nigeria's history. For example, the number of teachers per pupil increased in the early 1990s, recovering from a period of decline and uncertainty in the late 1980s. School construction followed a similar pattern.

This study identifies such performance variation in three broad policy areas. I argue that the complexities which hinder the country's development stem from the underlying structure of the policy making process. Nigeria's development trajectory has frustrated numerous scholars in search of a concise theory, but I demonstrate that the number of individual and collective policy actors reliably predicts different patterns in policy outputs.

To document government performance in Nigeria between 1960 and 2003, I focus on policies that contribute to economic development and demonstrate variation over time. I also distinguish between broad aggregate measures, such as macroeconomic indicators, and policies whose benefits introduce the potential for rivalry in consumption. With these criteria in mind, I identify variables to measure performance in education, the courts, and budgetary discipline. My data reveal that there were more teachers per student in primary schools throughout the 1960's than at any point during the 1980's.

The federal courts generated huge backlogs in the early the 1980s, whereas they had actually been reducing backlogs fifteen years earlier. I also show that fiscal discipline predates the country's modern monocultural economy.

Regime type offers one possible explanation for this variation in government performance. Democracies supposedly perform better than dictatorships because political competition through elections improves accountability. The credible threat of replacement gives politicians an incentive to respond to voters. By contrast, dictators have fewer reasons to consider the public's preferences when no elections threaten to hold them accountable. A second explanation suggests that performance depends on the wealth of the state. According to a recent report by a group of Nobel Laureates, the government has earned over US\$300 billion dollars from oil since 1970. The initial rise of oil revenues in the early part of that decade coincided with huge investments in education and infrastructure. When governments encountered reduced oil revenues, they faced the daunting task of collecting taxes in a poor country. By this logic, sacrifices in public policy flow from reduced fiscal resources. A third account for governance failures blames the country's social heterogeneity in general and the politicization of ethnic differences in particular. Diversity breeds selfishness and mistrust, according to this view.

These explanations are characteristic of the conventional wisdom about Nigerian politics. Yet hardly any studies successfully translate them into testable hypotheses, and none do so with data extending back to independence. I present evidence that there is no clear correlation between regime type and government performance in Nigeria. Some authoritarian regimes improved the delivery of social services and public goods, while

some democracies performed poorly. I advance an alternative explanation for government performance based on the number of “veto players” engaged in policy making. These individual and collective policy actors possess the political leverage to prevent policy changes and therefore to extract concessions. By controlling for oil revenues in tests of my theory, I essentially eliminate oil booms and busts as a causal explanation. Finally, I show how the politicization of social diversity impacts governance. Inclusive institutions politicize subnational identities, endowing the larger cleavages with leverage to shape policy. Since the number of ethnic groups has not changed over time, we cannot attribute poor government performance to the mere existence of diversity.

This chapter proceeds in three steps: First, I offer a succinct overview of government performance in Nigeria. Then I outline several common explanations for these outcomes. I point out shortcomings with each one and discuss whether Nigeria as a case provides a good general test of these theories. Second, I identify key concepts utilized in this study as well as challenges raised by a comparative approach to government performance. In the third section I summarize the chapters that follow, including two chapters which lay out my alternative explanation.

AN OVERVIEW OF GOVERNMENT PERFORMANCE, 1960 – 2003

As of this writing, the United Nations counts Nigeria among the world’s most underdeveloped nations, ranking it 159th out of 177 countries on the UN Development Program’s Human Development Index. An astonishing 92 percent of the population lives on less than \$2 per day and the average life expectancy is barely 43 years (United Nations Development Programme 2006). Nigeria earned these rather unfortunate distinctions

after nearly five decades of development disappointments and broken policy promises. Hope springs eternal though, and I claim that government performance is neither stochastic nor follows a progressive decline. I begin by presenting evidence that government performance indeed varies in key policy areas over time. Then I discuss regime type, social diversity, and the state's fiscal resources as three common but ultimately insufficient explanations for this variation.

By several measures, governments performed comparatively well in early 1960s. Modest budget deficits typically amounted to less than three percent of Gross Domestic Product (GDP). Courts performed relatively well too, apparently resolving cases about as quickly as they received new ones. In the education sector, the government set out to increase school enrollments, partly hoping to curb regional disparities rooted in colonial-era policies. Yet aside from slight increases in the number of students per teacher after 1967, teacher hiring and school construction grew at a reasonable pace.

The next decade appears less predictable in all of these sectors. The government ran large surpluses (more than 5 percent of GDP) in 1971-1974 and 1980. In all but two years since then the federal government ran deficits. Two of the most egregious deficits occurred in 1978 and 1979, displaying evidence of fiscal indiscipline. In the education sector, the government launched an ambitious universal primary education program in 1977, calling education the "greatest investment that a nation can make for the development of its economic, political, sociological and human resources."¹ Student/teacher ratios were already increasing at the time, and they continued to do so

¹ Editorial, "Hard Road for Education," *West Africa*, May 21, 1979, p. 871.

afterwards. The courts, for their part, began a period of decline from which it seems they have never fully recovered.

The 1980s began with a budget surplus that quickly evaporated. The most egregious deficits, where the deficit amounted to over 10 percent of GDP, occurred seven times. Four of these deficits occurred during the 1980s. The 1990s show large budget deficits as well as two short-lived years of surpluses. Class sizes recovered from dips in performance in the early 1980s, in the mid 1990s, and again after 2000. The courts never returned to their earlier levels of efficiency but there is some notable variation. What might explain these curious spikes in performance and account for any shifts in these brief trends?

The Regime Type Theory

One possible explanation for this variation in government performance arises from distinctions in regime type. As systems for allocating political power and choosing leaders, the most basic distinction among regimes is whether they are democratic or authoritarian. Cross-national research yields at least three conclusions about the relationship between regime type and government performance: The first says that if government performance is measured in terms of economic growth, regime type does not seem to have much of an impact (Przeworski, Alvarez and others 2000; Feng 2003; Bueno de Mesquita et al. 2001, 57-72; Mainwaring and Perez-Linan 2003, 1031-67). A second school of thought claims that when government performance is measured in terms of social insurance or other public services, democracies clearly outperform authoritarian regimes because they reduce opportunities for rent-seeking behavior (Lake and Baum 2001, 587-621; Boix 2003). This is especially true among poor democracies, who face

electoral pressures to provide policies such as education (Brown 1999, 681-707). The third stream of research argues that authoritarian regimes often do invest in human capital, such as education and health care (Glaeser et al. 2004, 271-303).

Reflecting on progress made under military governments, General Olusegun Obasanjo in 1979 argued for the performance potential of authoritarianism. He credited his outgoing government with a fourteen-fold increase in economic output, the establishment of free secondary education, and a government task force that helped to reduce inflation.² Another military ruler, four years into his tenure in 1989, similarly praised the military's contribution to stability and progress. He claimed credit for rescuing the nation from the "serious economic crisis arising from the mismanagement of the political era."³ Some Nigerian scholars acknowledge that for all their flaws and despite many mistakes, military regimes did contribute to the country's development (Iwayemi 1979, 47-72; Ohiorhenuan 1988, 141-162).

Polls today show that Nigerians prefer democracy. However the government's recent performance has been mixed, contributing to doubts about democracy. My own introduction to Nigeria came in 1999, only a few months into the country's third attempt at democracy and during a time of great optimism. When I returned to the capital a few years later I was stunned to hear vendors, grocers and their customers alike complain about increased congestion, corruption, and crime. A recent in-depth and long term study of the eastern states offers numerous, comparable tales (Smith 2007). AfroBarometer surveys since 2000 show a steady decline in "patience with democracy." Nearly 40

² "A Budget for Civilian Rule," *West Africa*, April 19, 1979, pp. 613 – 618.

³ Address by General Imbrahim Babangida on the Occasion of the Inauguration of the Armed Forces Consultative Assembly (Government Monograph), June 5, 1989.

percent of Nigerians said in 2005 that they will “consider other political options” if democratic performance does not improve (AfroBarometer 2006). For a country where nearly half of the population never lived under democracy until the current dispensation, the elder generation recalls how the 1983 coup enjoyed surprising levels of popular support. Obasanjo, who stepped aside in 1979 to allow a democratic transition, perhaps best expressed the nation’s enigmatic attitude toward democracy. The retired general commented after a 1985 coup that ordinary Nigerians are more concerned with the substance of government than its form. “They are interested in the ability to deliver, the ability to perform,” he said, “rather than the means by which the government is brought about.”⁴

The empirical record seems to justify Nigerians’ ambivalence about democracy. Yet the country’s former dictators certainly do not hold bragging rights. The careful examination of the evidence I undertake in this study reveals that a simple dichotomous treatment of regime type fails to account for variation in government performance.

Poor States, Poor Performance

Some research suggests that the type of economy, rather than the type of regime best explains government performance. One view expects Nigeria’s oil to impede performance because economies that rely on natural resources weaken the link between politicians and citizens. When most federal revenues are derived from immobile capital, policy makers face a weaker accountability constraint and extracting rents poses fewer risks (Boix 2003, 184). Governments that enjoy earnings from oil, mineral extraction and

⁴ “Obasanjo Breaks His Silence,” *West Africa*, August 12, 1985, p. 1667; excerpts in *West Africa*, August 19, 1985.

other rent sources face a weak revenue constraint and do not have to place demands on the public in the form of taxes. In the long run, this “resource curse” reduces state capacity as public officials see politics primarily as a redistributive game (Karl 1997). In such economies, politicians formulate policies with their short term interests in mind and this encourages them to over-extract natural resources. Moreover, by increasing the value of incumbency, oil provides politicians with more resources for maintaining power (Robinson et al. 2005).

Another view implies that governments fail to deliver both pork and public goods when the state lacks income. This interpretation attributes increased spending on development to surges in oil profits (Odetola 1982; Onyejekwe 1981). Poor social services and fiscal indiscipline are simply related to the poverty of the national treasury. Available fiscal resources dictate government performance and policy implementation (Asiodu 2000, 7-10). These resources may fluctuate with stochastic, exogenous factors such as the price of oil on the world market.

By controlling for the impact of oil revenues on budgets, I evaluate both views. Oil can increase the level of policy output as the latter view implies. But I show how it can also lead to more wasteful spending as the resource curse literature implies.

Danger in Diversity?

Nigeria’s governance failures could be rooted in its diversity. After all, the north is overwhelmingly Muslim, the south is largely Christian, and there are hundreds of languages creating countless possibilities for “ancient hatreds” to emerge. One variation of this argument says that incumbents serve their own ethno-regional political base at the expense of others. Politicians utilize ethnic patrimonialism to increase their access to the

so-called “national cake,” which symbolizes the resource wealth controlled at the center of Nigerian politics. Therefore a core problem of governance has been the inability to limit such rent-seeking behavior and to generate national policies that represent an economically rational distribution. This argument has been theorized as a problem of “prebendalism” (Joseph 1991). It is closely related to what Nigerian scholars call the “national question,” referring to the difficulty of reconciling a person’s identity as a citizen of the modern state with his or her membership of an ethnic group (Amuwo, Agbaje and others 2000; Suberu 2001).

A second variation of the “dangerous diversity” argument suggests that social heterogeneity is inherently a problem. Some Africanists blame low growth, low school enrollment and federal budget deficits on ethnic fractionalization (Easterly and Levine 1997, 1203-50). Recent large-*N* studies on economic growth, corruption, and the quality of policy echo some of these findings (Alesina et al. 2003, 155-94). Nnoli blames ethnicity for Nigeria’s failure to allocate centrally-controlled resources, for intra-group bourgeois competition, and for the increasing intensification of religious conflict (Nnoli 1995). The Nigerian government has employed a range of institutional experiments from strong regional governments to ethnic quotas to address the national question. But the challenge of identifying the common features responsible for the success or failure of these various experiments remains.

These two arguments about diversity should not be casually dismissed since cross-national survey data suggest that ethnic self-identification is in fact much stronger in Nigeria than almost everywhere else in Africa (AfroBarometer 2002). But an increasing body of evidence suggests that diversity has an uncertain impact on

governance at best (Fish and Brooks 2004, 154-66). More likely, the pessimistic view overestimates the adverse effects of diversity on civil peace (Fearon and Laitin 2003, 75-90) and on government performance generally (Collier 2003, 149-177). In fact, ethnic diversity may hold the potential for developing human capital across other types of social divides (Bates 2000, 131-4).

The dangerous diversity arguments further break down when we consider one case over an extended period of time, where the outcomes vary but the number of ethnic groups essentially do not. Such studies imply that ethnicity is stable but its saliency shifts with different political and historical incentives for self-identification (Posner 2005; Posner 2003, 127-46). In fact ethnic and religious self-identification varies locally and over time in Nigeria, according to a recent survey (AfroBarometer 2007). As a result, social heterogeneity by itself cannot explain the vicissitudes of government performance. Both interpretations of diversity fail in Nigeria without accounting for the shifting saliency of social differences. The next section introduces some of the comparative tools I use to develop such an account and to measure policy.

NIGERIA IN COMPARATIVE PERSPECTIVE

One of Nigeria's most famous authors, Chinua Achebe writes in *The Trouble with Nigeria*, "It is totally false to suggest, as we are apt to do, that Nigerians are fundamentally different from any other people in the world" (Achebe 1983). Taking this observation seriously, I claim that a comparative approach can help us account for the vicissitudes of government performance in Nigeria. The reality of unique historical and cultural features should not intimidate scholars from searching for shared political trajectories and common casual factors in Africa or elsewhere. While practitioners of

comparative politics will find this assertion idea rather quotidian, those who treat Africa as unique will view it skeptically. In what follows I outline three key components of my comparative study of government performance, responding to likely concerns about each one.

First, the government performance I describe refers to policy outputs. This includes results associated with particular policies or more generally, a publicly enjoyed benefit or service. Typically outputs are associated with specific policy goals, such as reducing patient-to-doctor ratios, rather than the eventual consequences of these policies (in this case a healthier nation). The public goods literature offers a useful conceptual framework for exploring performance by linking the properties of policy consumption with policy provision. When one person's enjoyment of a policy does not affect another's and it is also too costly to selectively deny the benefits, the "public" nature of these goods can paradoxically undermine their supply. The temptation to enjoy benefits without helping to pay for them means that individuals have incentives to "free ride" on the contributions of others. As a result, individually rational behavior leads to the underprovision of public goods as people shirk their responsibilities. Large groups especially exacerbate the temptation to shirk.

The primary iteration of public goods theory points to select incentives, coercion, or institutions that reduce group size or increase the benefits of cooperation as solutions to the free rider problem (Olson 1965). However these solutions reflect a presumption of selfishness that tends to underestimate the likelihood of cooperative behavior (North 1990; Axelrod 1972). To put it another way, there is too much Rousseau in the world for us to rely exclusively on Machiavelli. This does not require us to abandon the basic

insights about how policy consumption affects provision. Instead it has led to discoveries about how solutions to the free rider problem can emerge endogenously through local knowledge (Ostrom 1990). Since shared goods such as fishing ponds and federal budgets both risk depletion,⁵ communities in radically different contexts devise comparable rules to regulate their use. Thus even social norms of solidarity need not interfere with an analysis of government performance built in the public goods tradition.

Explaining patterns of performance presents a second challenge. An account of policy outputs naturally involves a study of the government at some level. But this approach risks emphasizing the more formal dimensions politics at the analytical expense of causal factors rooted in society (Hyden 2006; Chabal and Daloz 1999). My basic causal proposition links the number of individual and collective policy actors to government performance. Producing benefits that serve the common good involves a bargain among different interests, often with disparate preferences. I acknowledge that some policy actors may not formally reside within the government. I present a solution to identifying these informal policy actors.

“Veto players,” defined as policy actors whose agreement is necessary to change the status quo, offer a useful set of concepts for addressing these issues. This literature explores how the structure of the policy process impacts policy stability and can limit the opportunities for selfish behavior (Tsebelis 2002; Haggard and McCubbins 2001). While veto player models usually focus on government institutions and the coordination of preferences within them, they can capture a broad range of political organization. Thus even in political systems where formal constitutional structures obscure the actual nature

⁵ See Tsebelis (2002, p. 188 passim) for a discussion of this analogy.

of bargaining, in-depth analysis of comparatively few veto regimes allows us to identify other actors with the sustained capacity to exercise leverage. The literature acknowledges this possibility but rarely pursues it (MacIntyre 2001, 81-122).

Finally, the intervention of force in politics could render a comparative approach to policy structures meaningless. Africa has indeed had more than its share of military coups. Personal rule and “strong man” theories of politics imply that once in power, a few actors can dominate policy and harness government to serve their elite interests (Jackson and Rosberg 1984, 421-42). In these circumstances, autocratic pathologies seem more important than regime typologies. A broader view grounded in comparative politics suggests that governance is not so random. Rulers do attempt to dominate politics. But they recognize that a fluid policy process increases information costs and that using force carries political risks. For example, when Ibrahim Babangida seized power in a 1985 coup, he told Nigerians: “that a government, be it civilian or military, needs the consent of the people to govern if it is to reach the [*sic*] objectives.” While noting this principle was not absolute, he said “We do not intend to rule by force.”⁶

Focusing on the actual capacity of political actors and their actual behavior allows us to avoid the hazards of judging Babangida’s sincerity. For example, after he annulled the presidential election in 1993, civil society groups, the middle class, and retired military figures rallied behind the “June 12” cause (referring to the date of the election). Political polarization and mass mobilization eventually forced him to step aside. The new regime moved to limit political activities but it could not exclude these new actors with demonstrable political leverage from the policy process. The new head of state thus

⁶ Transcript of broadcast by Maj. Gen. Babangida, *West Africa*, September 2, 1985, pp. 1791-93.

assembled a “rainbow team” recruited from the June 12 movement. He appointed the defeated vice presidential candidate as Minister of External Affairs, a prominent pro-democracy lawyer as Minister of Justice, and the publisher of an independent newspaper to the Ministry of Internal Affairs. These kinds of gestures benefit the regime in question. *Newswatch*, for example, observed that the rainbow cabinet “can earn the government a lot of credibility” and noted the appointees “will attract some reputation for the government.”⁷ Such reforms can also set in motion political dynamics which make it difficult for any single individual to dominate the policy process.⁸ By situating self-interest within this kind of broad political framework, I use an analytical focus on capacity and behavior to enable rich comparisons.

In sum, a comparative approach to Nigeria’s policy failures is both necessary and feasible. The tools of public goods theory allow us to analyze government performance without making unfair assumptions about the social characteristics of consumption. A systematic attempt to identify political actors as veto players does not require us to ignore the informal nature of many institutions. And even with the possibility of military intervention or the use of force, regimes at a minimum represent structures that manage the political process in relatively predictable ways.

SUMMARY OF CHAPTERS

In Chapter 2, I discuss different ways of measuring of government performance and map out two dimensions of Nigeria’s record since independence. I suggest that relying on macroeconomic indicators, as many large-*N* studies do, has important

⁷ Muiyiwa Akintunde, “Firming Up,” *Newswatch*, December 6, 1993, pp. 11-16.

⁸ In much the same way, autocrats start down a slippery slope once they permit a political opening. Liberalization thus often unintentionally leads to democratization (O’Donnell, Schmitter and others 1986; Joseph 1999, 3-17).

drawbacks. Aggregate economic growth, said one of President John F. Kennedy's economic advisors: "is extremely important to economists and about two thousand other people in all the land. This enlightened minority knows that growth is really important. The rest can't remember whether the growth rate is three per cent, six percent, or ten percent" (Parker 2005).

The more innovative contemporary economists remedy this shortcoming by shifting the unit of analysis to micro-level units, such as the family (Sen 1999). I address this challenge in a different way, by incorporating measures of my dependent variable that resemble pure public goods as well as others that are comparatively excludable. I identify education, courts, and budgetary discipline as areas which meet these criteria. After generating variables based on commonly used operationalizations, I discuss the trends in each area in detail. I utilize qualitative evidence to elaborate on the statistical picture and to describe the major policy shifts in each area. The qualitative and quantitative data largely consist of newspaper accounts, government reports, and other primary sources gathered during nearly a year of field research. It also includes an original data set composed of over 500 property rights-related cases and time series statistics on the number of Awaiting Trial Persons in prison.

In addition to describing the "level" of pork delivered over time, I explore the relationship between policy inputs and policy outputs for education. Using government spending by sector as the principal policy input, I compare predicted educational outputs with the observed ones. By plotting the residuals generated by a linear regression, I identify the years in which the government under-performed, given the level of spending. In an appendix to the chapter, I offer some evidence of a causal relationship between

policy inputs and actual educational outcomes – still a surprisingly controversial assertion within the comparative education literature. I present results of preliminary tests which show that student/teacher ratios and education spending both impact educational outcomes, measured by standardized test scores.

Chapter 3, “Does Democracy Deliver?” shifts from the empirical puzzle presented by Nigeria’s government performance to a potential explanation rooted in regime type. This hypothesis has its origins in the colder years of the Cold War, when some modernization theorists argued for a tradeoff between democracy and development. Economic growth required limiting popular participation to levels within the capacity of political institutions, meaning that democracy would have to be held down (Huntington 1968). In the years that followed, Latin Americanists pointed to “bureaucratic authoritarian” models of development in which unelected technocrats implemented economically rational but politically impractical policies (O’Donnell 1973; Collier 1979). Economic growth in East Asia, where states suppressed popular political aspirations, seemed to further confirm democracy’s disadvantages. China enjoys a booming economy with little democratization, while other Asian countries employ corporatism (Wade 1992) and “soft authoritarianism” to achieve high rates of growth (Johnson 1987, 136-164).

Newer scholarship aims to put the issue to rest. “Democracy works,” write Lake and Baum. “It remains the most effective instrument available for controlling the state and producing public services” (Lake and Baum 2001, 587-621). Yet the regime type hypothesis persists. Some studies find that democracies offer a better quality of life but not necessarily better economic growth (Przeworski, Alvarez and others 2000). Others

argue that dictators have incentives to perform well in office if political stability affords them a long time horizon (Clague 1997). With good economic performance due coherent policy making institutions, dictators often extend their tenure and avoid the worst dilemmas of exit (Haggard and Kaufman 1995). To this day, conservative Chileans insist that Pinochet's economic legacy justifies his illiberal politics. In Rwanda, there are signs today that the middle class rationalizes away President Kigame's weak human rights record, saying "It's necessary to have a little repression here to keep the lid on," in order to obtain economic development (Kinzer 2007, 23-6).

To test the regime type hypothesis in Nigeria, I analyze performance under all the governments between 1960 and 2003, classifying them as either democratic or authoritarian. My tests control for shifting policy priorities as well as the impact of oil on government revenue. I find that democracy does deliver according to some measures of education performance, for example by maintaining low student/teacher ratios in primary schools. But this record does not necessarily hold when we consider policies that meet the stricter definition of public goods. Fortunately, for those concerned about the normative implications of these findings, my causal story points in another direction. I ultimately argue that regime type fails to capture the relevant institutional variation impacting policy outputs; democracies perform poorly when the policy process incorporates too many actors with the leverage to extract concessions.

As the first step in constructing this argument, Chapter 4 outlines how policy actors as veto players better describe the structure of the policy process. I describe the properties of institutional and individual vetoes. I also introduce informal veto players as policy actors not specified by formal institutions but who exercise distinct political

leverage on the policy process. This includes “regional” vetoes and factions that emerge in non-democratic regimes. The veto player literature converges on a broad set of propositions concerning the number of vetoes, their internal cohesion, and the degree to which their preferences differ (Tsebelis 2002; Haggard and McCubbins 2001). However, the existing literature only shows how these propositions account for policy stability. Moreover, virtually all of the existing studies focus on developed democracies.

I build upon veto player theory first by describing how authoritarian regimes share risk, recruit expertise, and seek to protect themselves from charges of illegitimacy. I then extend the model to other kinds of outcomes besides policy stability. I establish a link to other outcomes because the conditions of policy stability are also conducive to bargaining problems. This ultimately has consequences for distributional policies (Cox and McCubbins 2001, 21-63). Based on this theory, I hypothesize that more vetoes yield more pork. I formulate one test for how the number of distinct players impacts delivery levels of particularistic policies. A second test connects additional veto players to the delivery of public goods; as each actor imposes transaction costs on the policy process, bargaining problems emerge. The third test examines whether additional veto players reduce the efficiency of spending on pork.

Whereas Chapter 4 builds a causal logic within comparative literatures on authoritarianism, parliamentary bargaining, and veto players, my second step in theory construction situates political leverage within social context. Chapter 5 thus outlines the logic of informal regional vetoes and explains how they emerge in Nigeria. Social scientists now have considerable evidence demonstrating that social diversity cannot explain instability, civil conflict, or government performance (Reynolds 2002; Fearon

and Laitin 2003, 75-90; Fish and Brooks 2004, 154-66). Linking causal processes to social or historical contexts requires understanding the incentives for politicizing identity. I summarize the historical basis of Nigeria's subnational politics and describe the incentives for sustaining at least three cleavages. I then develop an analytical tool for capturing variation in Nigeria's geo-political leverage. Regional vetoes do not emerge when formal political organizations adequately represent Nigeria's largest cleavages. But the fact that representation generates particularistic benefits contributes to the persistence of discrete subnational identities.

In his pioneering work on veto players, Tsebelis writes that the practical task of identifying the preferences and vetoes in authoritarian regimes involves careful scrutiny of each regime (Tsebelis 2002, 78). Chapter 6 takes up this task by examining how the bureaucracy, subnational governance, and the balance of executive and law making powers can provide us with a comparative basis for the distribution of policy making authority. Even authoritarian regimes face political costs if these institutions are too exclusive. In such cases, regional vetoes emerge under three conditions: First, existing veto players must substantially under-represent a geopolitical region. Second, these collective actors must actually exercise a veto on at least one major policy issue. Third, the costs of organizing must be assumed by some organization that explicitly coordinates preferences, giving political actors a means to organize. Traditional rulers often play an important role in this regard. My application of these criteria involves a qualitative analysis that includes instances where we might expect to see an informal veto but one did not emerge. I identify thirteen distinct veto player regimes between 1960 and 2003, including five with regional vetoes.

In Chapter 7, I restate my hypothesis, introduce relevant controls, and perform statistical tests using original data. First I test to see if the overall level of pork increases with the number of veto players. This attempts to test Cox and McCubbins' intuition that as each veto player demands a payoff, policy becomes burdened by pork (Cox and McCubbins 2001, 21-63). Particularistic policies, such as teachers and schools, are geographically targetable and excludable. I predict that an increase in the number of veto players corresponds with smaller student/teacher ratios and more primary schools as each policy actor demands pork. My second test determines whether a large number of vetoes increases bargaining problems. This would undermine the government's ability to provide public goods, which include my measures for fiscal discipline and judicial efficiency. My results show that veto players have the opposite predicted effect on teachers and no conclusive effect on schools. At the same time, I find robust evidence that additional veto players deliver fewer public goods.

Third, I test to see if additional veto players increase the per-unit cost of particularistic policies. If so, this would contradict a dominant stream of the veto player literature which expects additional players to improve accountability and reduce opportunities for corruption. Multi-veto player regimes should improve the efficiency of spending. Using the metrics constructed in Chapter 2, I measure the efficiency of spending on primary school teachers and primary schools. I find that multi-veto player regimes do not have a major effect on per unit costs of schools. However they do have a large effect on the costs of teachers. The control for regime type produces some curious effects: democracy can mitigate the negative effects of veto players on teacher spending.

But when it comes to education infrastructure, democracies consistently waste more money on school construction.

The conclusion discusses the various implications of my results. A practical implication is that democrats should be wary of capital-intensive investment in localized public policies, such as schools. This is especially salient since enrollments tend to increase after democratic transitions, thus requiring construction of new schools. I also identify important theoretical considerations. The literature already explores how multiple veto gates can lock in bad policies. I add to this discussion by demonstrating how they can also generate bargaining problems which impede the delivery of public goods. This further implies that on a theoretical level, we may need to disentangle commitment from accountability. The results for my policy efficiency hypothesis suggest that the credibility generated by multiple veto players can literally be costly.

After explaining in *The Trouble with Nigeria* that Nigerians are no different than anyone else, Achebe blames the country's governance failures on leadership. But Achebe probes us to think about deeper explanations and alternatives. "Nigerians are corrupt because the system under which they live today makes corruption easy and profitable," he writes. "They will cease to be corrupt when corruption is made difficult and inconvenient." Veto player theory offers exciting new possibilities for discovering the circumstances that produce such inconveniences, and for determining the role of political institutions in restoring the nation's developmental promise.

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