

Financing Parties, Shaping States

Extraction Strategies and Government Performance in Africa

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Chapter 1

Introduction: The Politics of Extraction in Africa

One of the major challenges for the advancement of democratic governance in Africa and throughout the world is that political leaders regularly extract resources from the state to gain political advantages over their opponents. This practice undermines democratic competition, threatens the rule of law, and weakens the capacity of state institutions. It is a common challenge across different political contexts: in authoritarian regimes where incumbents use state resources to maintain hegemonic power over their opponents, in newer democracies struggling to eliminate earlier authoritarian abuses of power, and, to a growing extent, in longstanding democracies experiencing an erosion of their democratic institutions.¹ The question of how to constrain leaders from using state resources to strengthen their political advantage is what, at least one observer has called, “*the core democratic dilemma of the early twenty-first century.*”²

Perhaps nowhere is the extraction of state resources more central to existing models of politics than in Africa. Political competition across African countries is widely conceived as a contest over access to the state and its resources.³ Once in power, incumbent leaders make good on their political promises by using state power to distribute patronage to their political networks.⁴ They survive in office by co-opting those that threaten their political survival, granting opponents positions from which they too can extract resources from the state, so long as it does not threaten the incumbent’s grip on power.⁵

Whether in Africa or elsewhere, this extraction-based model of politics implies persistent and uniform state weakness. In “robbing the state of its revenues and developmental

¹On authoritarian regimes, see [Magaloni \(2006\)](#); [Greene \(2007\)](#). On incumbent exploitation of the state in new democracies, see [Geddes \(1994\)](#); [O’Dwyer \(2006\)](#); [Grzymala-Busse \(2007\)](#), and in established democracies see, [Levitsky and Ziblatt \(2018: 79\)](#).

²[Gingerich \(2013: 1\)](#).

³[Bayart \(1993\)](#); [Bratton and van de Walle \(1997\)](#).

⁴[Joseph \(1987\)](#); [Chabal and Daloz. \(1999\)](#).

⁵[Widner \(1992\)](#); [Arriola \(2009\)](#); [Roessler \(2016\)](#).

effectiveness,” politically-driven extraction erodes the human and material capacities of the state’s executive and bureaucratic institutions.⁶ Widespread political extraction undermines the ability of governments to commit credibly to public policies,⁷ to meaningfully resolve distributional conflicts that arise in the face of political reform,⁸ and to manage the state apparatus in ways that advance longer-term economic growth and welfare provision.⁹ From this perspective, governing successes, if and when they do occur, are attributed largely to anomalous ‘pockets of effectiveness,’ where bureaucrats are granted the professional autonomy necessary to effectively implement public policies.¹⁰

What this model of political extraction tends to overlook, however, is that the processes of extraction are themselves varied, contentious, and constrained. In Indonesia, political parties compete with bureaucrats and military personnel to secure extractable state funds.¹¹ In Brazil, politicians work to construct strong personal reputations for providing material or policy benefits to their financiers.¹² In Nigeria, politicians seeking office compete for funds from political brokers, widely known as ‘godfathers,’ many of whom have profited from past or present positions in government or parastatal organizations.¹³ In India, politicians at different levels of government extract political funds in ways that depend on the rents available to them and the broader power structures in which they operate.¹⁴ In Argentina, politicians depend on bureaucrats to collect bribes, especially in the weeks leading up to an election,¹⁵ and, similarly, in the United States in the nineteenth and early twentieth centuries, party bosses widely sought to place supporters in government jobs where they could extract benefits for the party.¹⁶

⁶van de Walle (2001: 123).

⁷Keefer (2008); Pitcher (2012).

⁸Acemoglu and Robinson (2006).

⁹Bates (1981); Rose-Ackerman (1999); Guardado et al. (2018).

¹⁰On ‘pockets of effectiveness’ or similar phenomena, see, for instance, Grindle (1997); Tandler (1997); Leonard (2010); Roll (2014); McDonnell (2020).

¹¹Mietzner (2007).

¹²Samuels (2001); Gingerich (2013).

¹³Olarinmoye (2008: 67).

¹⁴Bussell (2012).

¹⁵Figueroa (2021).

¹⁶Skowronek et al. (1982).

As these examples make clear, leaders do not simply and freely steal money from the state to finance their political operations, though that certainly does occur. Instead, they use a variety of strategies to access and control state money. These strategies involve different sets of personnel, agencies, and channels of extraction. As the book will discuss, these strategies are crafted in response to various types of political challenges that leaders face in their efforts to access and control state money for political financing despite, in many cases, strong and perpetual pressures to do so. In short, the ‘politician’s dilemma’ for many leaders is not *whether* to exploit the state for their political advantage, but *how* to do so.¹⁷

This book is about how, and with what consequences, leaders in African electoral regimes extract money from the state for political financing. It seeks to understand why incumbent political leaders devise different strategies of extraction and how they manage the state apparatus in pursuit of these different strategies. These questions, as I explain throughout this introductory chapter, are important for understanding why we see such varied performance in the implementation of public policies in contexts of extensive political extraction and for gaining insight into why political competition does not always produce more capable, effective, and responsive states.

1.1 The Challenge of Political Financing

Since the the early 1990s, politics in many developing and post-communist countries have become both more competitive and more expensive. Incumbents are considerably more likely to lose power through elections than they were in earlier decades. Politicians spend increasingly large sums of money to compete in elections, even when electoral contests are not completely free and fair, and there is mounting evidence that costs of political campaigns across the world have risen substantially in recent years.¹⁸ Even in non-election years, politicians often require vast sums of money to sustain their coalitions

¹⁷The ‘politician’s dilemma’ is a reference to Barbara Geddes’ (1994) book bearing that title.

¹⁸For example: [Weyland \(1998\)](#); [Norris and Van Es \(2016\)](#); [Wardle \(2017\)](#); [Kapur and Vaishnav \(2018\)](#).

and political party organizations.¹⁹

One major obstacle to fundraising is the clientelistic structure of politics in many countries throughout the world: voters expect to receive material inducements from politicians rather than to provide any monetary or in-kind support to them.²⁰ Clientelistic appeals are especially important for incumbents to “placate” their bases of support.²¹ Even where there are growing incomes and middle-class urban populations, clientelistic linkages involving material exchanges between voters and politicians can remain prevalent.²²

In the absence of widespread supporter contributions, parties and candidates rely on a mix of other sources of financing. In Africa, public financing is formally available in around seventy percent of countries but, in practice, this support tends to be insufficient to cover campaign expenses.²³ Domestic business communities have historically comprised an important source of political finance in African countries, but high levels of informality in the private sector and weak financial institutions mean that they, too, have serious limitations in their reservoirs of potential funding.²⁴ Foreign multinational corporations looking to do business in African countries are also known to supply politicians with cash for their political operations.²⁵ Although potentially very lucrative, this source of funding is, at least to some extent, constrained by domestic laws that prohibit foreign political contributions, by international laws such as the U.S. [Foreign Corrupt Practices Act \(FCPA\)](#), or by citizens and opposition parties who view foreign sources of money with great suspicion.²⁶

Thus, in the face of both rising costs and limited fundraising opportunities outside of the state, politicians face serious obstacles in financing their political activities. Incumbents undoubtedly use the state and its resources to overcome these challenges. They do

¹⁹Greene (2007); Arriola (2013).

²⁰Kitschelt and Wilkinson (2007); Hicken (2011); Stokes et al. (2013); Bussell (2019).

²¹Conroy-Krutz (2017); Gadjanova (2020).

²²Nathan (2019).

²³International Idea (2020).

²⁴For an overview of historical and contemporary business financing of politics, see Arriola (2013).

²⁵Reno (1999).

²⁶Molomo (2000).

so by “extensively dipping into the state treasury for their own political needs,” and by distributing state positions, services, and economic opportunities in exchange for material support to their political campaigns.²⁷ Incumbents secure their own financial advantages by employing “financial reprisal regimes” – restricting opponents’ access to state-controlled resources, finance, or other economic opportunities.²⁸

Most scholarly accounts of extraction assume that incumbent leaders face few, if any, constraints in their efforts to extract political money from the state. Anecdotal accounts of repeated, egregious patterns of extraction by authoritarian leaders such as Mobutu Sese Seko in (then) Zaire and Teodoro Obiang in Equatorial Guinea have helped to perpetuate this view, as have major episodes of fraud and embezzlement that continue apace in many of Africa’s more democratic countries, such as in South Africa under Jacob Zuma or in Kenya under Daniel Arap Moi.²⁹ Many incumbents, however, face increasingly competitive political environments in which the risk of losing power elevates the stakes of political fundraising. Not only do politicians face pressure to extract increasingly large sums of money to bolster their chances of electoral success, but they must also keep extracted resources away from current or future opponents. Empowering opponents with access to state money undermines the advantages that leaders derive from incumbency and risks depleting the resources available for their policy or political agendas.

This political imperative for incumbents to control extraction, however, is complicated by the rising potential for prosecution in the increasingly likely event that an incumbent leaves power. After leaving office, leaders and their families become vulnerable to prosecution, often politically motivated, for causing financial loss to the state. These quests for (political) justice have often involved newly installed leaders seeking to paralyze former leaders (or their close affiliates) by subjecting them to legal action.³⁰ Recent cases

²⁷Bratton and van de Walle (1997: 66).

²⁸Arriola (2013). See, also, van de Walle (2001); Bayart (1993); Widner (1997).

²⁹Zuma has been widely accused of ‘state capture’ for his political and private benefit. Moi oversaw the major Anglo leasing scandal in Kenya, and similar types of deals have continued or even worsened under subsequent presidents Kibaki and Kenyatta.

³⁰Lawson (2009); Tangri and Mwenda (2006).

involving Malawi's former president Joyce Banda, Senegal's former president Abdoulaye Wade and his son, Karim, and the former ruling dos Santos family in Angola illustrate the prevalence of this risk.

Leaders in many electoral regimes therefore encounter a complicated set of challenges related to political finance and extraction. Facing increasingly competitive and expensive political contests, they seek to access state resources on a broad scale to sustain their political operations. At the same time, they look to extract from the state in ways that minimize their exposure to the political and legal risks associated with power turnover. Incumbents therefore face a trade-off: they can mitigate the potential for future prosecution by delegating extraction to party agents and channeling resources through more diffuse political networks, thus making extraction less visibly attributable to the incumbent leadership. Delegation, however, magnifies the risk that extracted monies fall into the hands of political opponents, thereby jeopardizing their more immediate re-election prospects. The core objective of this book is to understand how leaders respond to this tradeoff. When do they choose to delegate extraction and to whom do they delegate? How do they access state resources and channel them to their political coffers? Which instruments do they use to maintain control over extracted resources? As I detail throughout the book, understanding processes of extraction helps to elucidate patterns of politicization in the state apparatus and their implications for the wide-ranging (yet often unacknowledged) diversity in state performance across African countries.

1.2 Defining Extraction

The practice of political extraction has generated significant attention in studies of politics and development in Africa and around the world. Many scholars have focused on the extent of political extraction and its implications for democracy, citizen well-being, or economic performance. I pursue a different approach in this book: I focus on variation in extraction strategies. Because competitive and social pressures to extract are widespread

in many African countries, and because institutional constraints on extraction remain relatively weak, I assume that extraction is prevalent and focus instead on the methods of extraction that leaders employ.

I conceive of extraction as part of a broader set of practices in which politicians use state power and resources to advance their political interests. Such practices range in scope, legality, and normative acceptance. They include widely accepted practices such as the creation of laws and policies designed to generate some electoral benefit for those in power. They also include illicit acts such as the diversion of state resources to a politician's political purse. The exercise of state power for political gain is *extractive* when it involves the *removal* of resources from public or private domains and redirects them to private political use.

Politicians or their agents can undertake extraction in any number of ways. They may divert state resources from public to private political ownership through embezzlement or theft. Extraction can also take place when government officials generate and collect rents through their interactions with private actors. Yet another way that politicians extract is by threatening to enact unfavorable policies to induce payments from private actors, then forbearing when those payments are executed.³¹ These practices have been documented extensively throughout the world but they are often foregrounded in accounts of governance in African countries.³² What much of the scholarship on extractive governance has missed, however, is why leaders pursue different methods of extraction, and how their choice of methods shapes institutions and policy outcomes.³³

An inquiry focused on different strategies of extraction requires a conceptual approach that deviates in some ways from existing scholarship. First, I focus narrowly on the extraction of money for political finance. I exclude leaders' efforts to extract for their

³¹McChesney (1987).

³²Political extraction is central to concepts such as neopatrimonialism, prebendalism, and 'economies of affection' that are often invoked in accounts of African governance. See, for example, (Hyden, 1983; Sandbrook and Barker, 1985; Joseph, 1987). It also figures prominently in literature on corruption in Africa. See, for example, Vine (1975); Mbaku (2000); Kpundeh (1995); Amundsen (2019).

³³For exceptions, see Kang (2002); Grzymala-Busse (2008); Bussell (2012); LaPorte (2017).

own personal enrichment. Although the lines between political finance and personal enrichment are sometimes blurred, extraction for political finance often involves actors and political dynamics that are distinct from extraction that is motivated by personal gain. By narrowing the scope of this study to extraction for political finance, I eliminate analytical noise associated with politicians' personal proclivities for self-enrichment.

Second, unlike many studies that consider political extraction as part of a broader system of corruption, I do not treat extraction as fundamentally corrupt. Corruption, commonly understood as the use of public resources for private benefit, implies behavior that deviates from established public interest norms and seeks to subvert existing rules.³⁴ Not all extractive practices fit these criteria: rents can be extracted through legal means, such as a politician supporting a policy from which an individual or group derives some benefit in exchange for donations to the politician's campaign. Additionally, what constitutes deviation from the public interest can be difficult to specify. Practices conceived as corrupt in some contexts could serve pro-social, stabilizing, or integrating functions in others.³⁵ In some contexts, extractive acts may be embedded in prevailing social and political structures and, as such, seen as legitimate to perpetrators or beneficiaries.³⁶

This distinction between extraction and corruption is theoretically significant. The core theoretical concern of the literature on corruption is whether officials have incentives to break with established rules and norms. This concern with rule-breaking is largely moot in contexts where leaders experience strong pressures to extract and where they face few immediate costs of doing so. In such contexts, leaders' concerns are less likely to focus on *whether* to engage in extraction, but rather on questions about *how* to extract in ways that mitigate the political risks involved. It is these questions about the politics of extraction that form the central focus of this book, guiding both the development of my theoretical argument and the empirical approaches I employ.

³⁴Mbaku (2000: 5), Scott (1972). See Rose-Ackerman (1999: 7) and Kurer (2014) for reviews of this definition.

³⁵For example, James Scott's (1969) classic account suggests that parties exert influence over policy implementation in ways that appear corrupt, but that provide important political, social, or economic benefits.

³⁶Olivier de Sardan (1999).

Extraction is also distinct from clientelism – the distribution of goods, services, jobs or other benefits in exchange for political support. Whereas extraction is sometimes executed through clientelistic exchange, for example by awarding a government contract to a business in exchange for a campaign donation, it can also take a variety of other forms. The outright theft or embezzlement of state funds by government officials is not based on any straightforward clientelistic logic of exchange nor are efforts to fuse together the party and state in ways that build longer-term economic and political security for the party.³⁷ Of course, politicians may use extracted resources to carry out clientelistic forms of vote mobilization such as vote-buying and purchases of elite endorsements. Although these clientelistic exchanges may generate support for extraction among beneficiaries, they are not necessarily required for the types of extraction practices I theorize in this book.

1.3 The Argument in Brief: Party Institutions, Extraction, and State Politicization

To understand how incumbent leaders navigate the politics of extraction, I focus on three specific political challenges they face. First, leaders must consider *to whom* they can safely delegate extraction. Delegation to unreliable extraction agents can result in extracted resources falling into the hands of the opposition. Second, leaders must decide *how* they or their agents can best access state money and channel it to political coffers. Some channels of extraction may contain higher risks of leakage to the opposition as well as greater potential for attribution to the incumbent leader, thus elevating risks of prosecution after leaving office. Third, political leaders must address *which* instruments of control are available to ensure that extracted resources benefit their party. How leaders address these three challenges, I argue, is closely connected to the institutionalization of the political party in which they operate.

³⁷See, especially, (2008: 640), who theorizes four different methods through which ruling parties “capture” the state. Clientelism comprises only one of these methods. The three non-clientelistic subtypes of political capture of the state include: institutional exploitation, party-state fusion, and predation.

Institutionalized political parties are those with durability beyond a founding leader, coherent internal rules and procedures, established roots in society, and collective identities and values.³⁸ Despite common conceptions of highly personalized forms of political organization in Africa, often with a ‘big man’ at the center,³⁹ there is considerable variation in party institutions across African countries. Party institutions vary in terms of their durability, their organizations, their attachments to voters and social groups, their brands and ideologies, and their strength and volatility in electoral competition.⁴⁰

Party Institutions and Extraction

The first part of my argument is that party institutionalization shapes leaders’ choices about how to extract from the state including who to select as extraction agents, how to access and channel extractable resources, and which instruments to use to control extracted monies. Leaders embedded in more institutionalized political parties can, with greater confidence, delegate extraction to party agents, channel resources through diffuse party networks, and rely on the party’s internal instruments of control. Party institutionalization therefore leads to more *collusive* forms of extraction whereby party agents work collectively to channel state money through supporter networks, enabling the incumbent leader remain distant from extraction and evade attribution. A typical example of collusive extraction is when elite party agents, such as ministers, awarding procurement contracts to party-affiliated businesses in exchange for kickbacks or material support for the party. With party-based agents, networks, and instruments of control, collusive

³⁸Described in greater length in Chapter 2, this definition of party institutionalization draws on approaches developed by [Mainwaring and Scully \(1995\)](#), [Levitsky \(2003\)](#), [Randall and Svåsand \(2002\)](#), and [Lupu \(2016\)](#). Party institutionalization is related to, but not synonymous with, [party system institutionalization \(PSI\)](#). One principal difference between the two concepts is the unit of analysis. Whereas party institutionalization focuses on the characteristics of individual parties, or the interactions of political parties with voters, PSI focuses on the interactions of parties operating in a country.

³⁹[Jackson and Rosberg \(1982\)](#).

⁴⁰[Kuenzi and Lambright \(2001\)](#); [Lindberg \(2007\)](#); [Basedau and Stroh \(2008\)](#); [Bogaards \(2008\)](#); [Ferree \(2010b\)](#); [Elischer \(2013\)](#); [Weghorst and Bernhard \(2014\)](#); [Riedl \(2014\)](#); [Morse \(2018\)](#); [Sanches \(2018\)](#); [Meng \(2019\)](#). See Chapter 2 for a detailed discussion of this variation.

extraction involves relatively low levels of penetration into the state apparatus.

Leaders of parties with low levels of institutionalization, by contrast, rely on *coercive* extraction strategies. Fearing the defection of elites from the party, leaders eschew delegation of extraction to elite political agents. Instead they either manage extraction deals themselves or co-opt or coerce more vulnerable actors, such as rank-and-file bureaucrats, whose compliance is more easily bought or coerced due to the attractiveness of their public service jobs. Lacking stable party networks through which to channel resources, leaders concentrate their extraction efforts more intensely within state organizations, for example by pressuring bureaucrats to collect rents or divert state revenues for the party. Leaders also rely on more coercive means of control, such as threats of dismissal and other state authorities, to ensure that agents extract in service of the incumbent.

Why does the level of party institutionalization lead incumbents to pursue these different strategies of extraction? First, the durability and organization of institutionalized parties helps leaders with stronger party institutions to identify and select loyal and competent extraction agents. Through repeated election cycles and internal leadership selection processes, leaders learn about the competencies and loyalties of party officers, especially elite members who have, over time, worked their way up the party hierarchy. Leaders in institutionalized political parties can therefore, with low levels of risk, delegate extraction to reliable agents. Absent durable and rule-bound party institutions that facilitate these learning processes, leaders in parties with low levels of institutionalization are unable to effectively identify and select competent and loyal extraction agents, choosing instead to extract rents themselves or delegate extraction to more vulnerable agents, such as rank-and-file bureaucrats, who can be coerced by the threat of job loss.

Thanks to their party's stronger roots in society, institutionalized parties are better positioned to engage their party networks in extraction. For example, leaders of institutionalized parties can channel money through partisan-aligned businesses or civil society organizations without fear that those organizations will use the extracted money to sup-

port opposition candidates or expose the party's extraction efforts. In the absence of robust partisan networks, leaders are more limited in their choice of how to access and channel state money, thus generating stronger incentives to concentrate extraction within state organizations.

Finally, by shaping the incentives of agents to act in service of the incumbent, party institutions also influence which instruments leaders use to maintain control over extracted resources. Party durability lengthens the time horizons for agents and network actors, generating incentives for these actors to serve the party's pecuniary and electoral interests. Strong internal organizations and collective values also condition agents to act in the interest of the party: an agent's failure to manage extracted resources in the party's interest may jeopardize their opportunities for advancement in the party hierarchy and generate mistrust among other party members. Absent durable, organized, and value-infused party institutions, agents are more likely to defect from the party or manage resources in ways that do not align with the incumbent's interests, driving incumbent leaders to use more coercive instruments to monitor and discipline agents.

This argument linking party institutions to extraction strategies, summarized on the left-hand side of Figure 1.1, implies that collusive and coercive modes of extraction emanate from two poles on a linear spectrum of party institutionalization. It is not my intention, however, to argue that these two categories exhaust the potential range of extraction strategies. Instead, they are designed to build a framework to understand how party institutions shape leaders' choices about extraction. As I elaborate at greater length in Chapters 2 and 8, extraction in contexts of intermediate levels of party institutionalization may combine elements of collusive and coercive extraction. In other words, the argument can (and should) be adapted to alternative settings where party structures deviate from the two poles of party institutionalization described here.

Extraction and State Politicization

The second part of the argument is that the pursuit of these different extraction strategies implies variation in the ways that incumbent leaders manage the state's personnel and organizations. More specifically, the use of collusive or coercive extraction practices shapes how – and how much – leaders politicize the recruitment of state staff, the management and oversight of executive personnel, and the day-to-day business of bureaucratic organizations.⁴¹ Although politicization occurs in both collusive and coercive systems, I argue that coercive extraction involves more intrusive forms of politicization that are, ultimately, more detrimental to the state's pursuit of public policy goals.

The different types of extraction imply, first, different patterns of politicization in state staffing as leaders seek to place trusted or coercible agents into positions with access to extraction opportunities. Since leaders in collusive systems rely to a greater extent on elite party agents, they are likely to see to the placement of party loyalists into high-level ministerial or executive positions, particularly those that oversee major extraction opportunities. In relying on elite extraction agents whom they have come to know through repeated cycles of internal and external party competition, leaders in collusive systems encounter fewer agency problems in the executive, leading to relatively stable and cohesive executive cabinets. Collusive extraction also requires less intrusive forms of political monitoring and interference in the day-to-day workings of bureaucratic personnel, since those individuals are, by and large, not involved in collusive extraction practices.

The patterns of politicization in coercive extraction systems are quite different. Fearing defection by political elites, leaders in coercive systems use appointment and dismissal powers more frequently to keep elite political agents from gaining meaningful access to extraction opportunities. Fearing defection by political elites, leaders in coercive systems of extraction are unlikely to place elite party or coalition members into executive positions

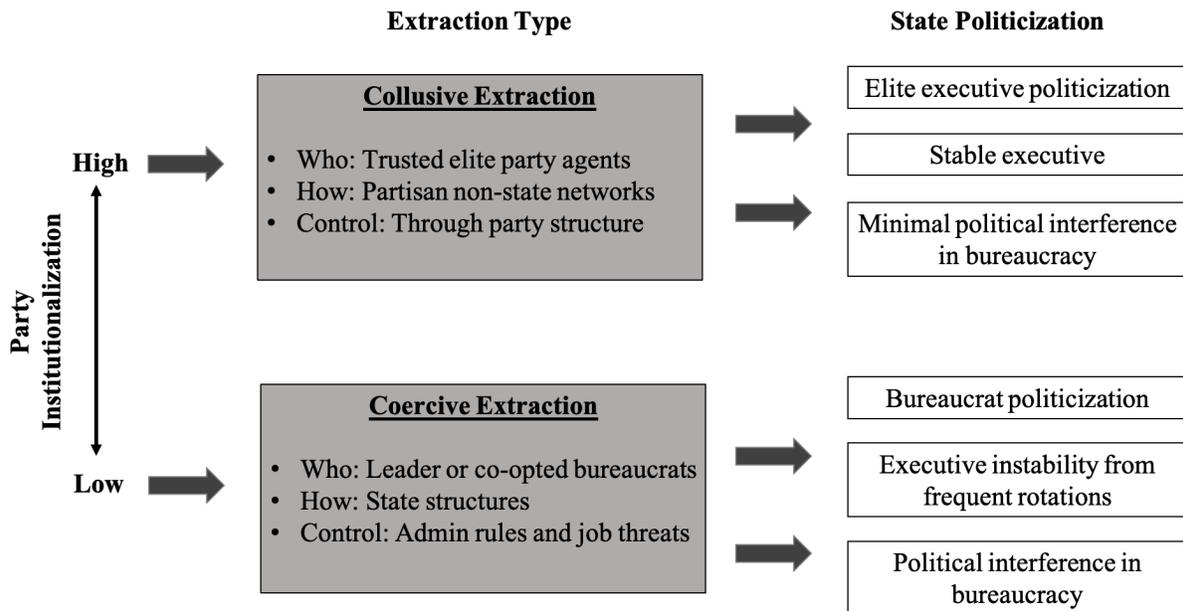
⁴¹I distinguish between executive and bureaucratic levels of the state apparatus. The executive includes the presidency, government ministers, and other elite-level positions. The bureaucracy includes primarily career bureaucrats, i.e. those that are neither political appointees nor temporary hires.

with access to extraction, favoring instead the appointment of technocrats or personal loyalists. However, these individuals often lack the political know-how necessary to navigate a highly challenging and fluid political environment. Thus, despite potentially *lower* levels of executive politicization in coercive systems, presidents encounter agency problems related to adverse selection and unaligned interests, leading to less stable and cohesive executive cabinets and a difficult governing environment.

Coercive extraction also politicizes and impairs bureaucratic function. In their efforts to co-opt rank-and file supporters as extraction agents, leaders in coercive systems more frequently apply political criteria in the recruitment of career bureaucrats, particularly to positions with access to rents and revenues such as police, customs officials, and tax collectors. To control bureaucratic extraction agents, leaders are considerably more likely to interfere in the day-to-day work of bureaucratic agencies.

Throughout the book, I explain how these patterns of politicization, summarized on the right-hand side of Figure 1.1, contribute to divergence in state institutional performance. Collusive extraction generates more cohesive, stable, and productive institutional environments where the simultaneous pursuit of both political and policy agendas is possible. The tactics involved in coercive extraction, by contrast, generate instability and mistrust within the executive in ways that undermine ministers' commitment to policy agendas. Coercive extraction also leads to greater levels of politicization and interference in bureaucratic organizations, which contributes to a work environment characterized by paralysis and low levels of employee motivation. Even if leaders using coercive extraction strategies are serious about implementing their policy agendas, the dynamics involved in their extraction operations are likely to prove detrimental to this pursuit.

Figure 1.1: Overview of Argument: Collusive and Coercive Extraction



1.4 Alternative Explanations

Why, other than their party institutions, might incumbents pursue different extraction strategies? Existing theories of political economy, patronage, and corruption offer some compelling alternative explanations including opposition strength, economic structure, bureaucratic institutions, ethnic politics, and electoral systems. As I discuss in this section, however, none of these explanations alone adequately accounts for leaders' responses to the political challenges they encounter in the course of political extraction.

Opposition Strength

A number of studies posit that more robust forms of competition involving strong opposition actors can act as a constraint on politicians' efforts to exploit the state for their political advantage. A stronger opposition can force the ruling party into embracing more meritocratic forms of government⁴² and it can raise the costs and lower the benefits

⁴²Geddes (1994).

for incumbents seeking to exploit the state for their political advantage.⁴³ Additionally, well-institutionalized opposition parties can better monitor their opponents, further constraining incumbents' efforts to extract.⁴⁴

Applied to the question of *how* leaders extract from the state, it is reasonable to expect that incumbents who are more secure in their power – those who face weaker oppositions – would extract in less circumspect (delegated) ways. There is, however, considerable uncertainty, even among strong authoritarian leaders who face relatively weak oppositions, about the circumstances that might drive them from power and whether they will be subject to prosecution once departed from office. Recent cases such as the prosecutions of Omar al-Bashir in Sudan and Isabel dos Santos in Angola underscore these risks. Despite the very weak electoral opposition that their parties faced for much of their time in office, these former leaders have been subject to serious legal charges.

Additionally, in contexts where all parties depend to a large extent on extracted state money for political financing, opposition parties are unlikely to press for structures that limit extraction. In these cases, opposition actors are unlikely to act as meaningful constraints on incumbents' extractive behavior and ruling parties may experience greater pressure to use state resources and power to compete.⁴⁵ Moreover, voters in contexts of widespread extraction tend not to punish extractive politicians at the polls, making it unlikely that leaders face electoral consequences for their extractive pursuits.⁴⁶ In short, opposition strength is unlikely to account for the specific extraction tactics that leaders employ, particularly in the competitive and extractive contexts I study in this book.

⁴³Grzymala-Busse (2007).

⁴⁴O'Dwyer (2006).

⁴⁵Kopecy (2011); Asunka (2016); Driscoll (2018); Pierskalla and Sacks (2020).

⁴⁶Pavão (2018); Bauhr and Charron (2018).

Economic Structure

Literature in political economy suggests that leaders might select their extraction strategies based on the economic resources and opportunities available to them. If economic production is more abundant, more diverse, or more dispersed throughout society, leaders might pursue extraction strategies that, for example, involve larger networks of individuals and private sector channels of extraction. By contrast, if the economy is smaller, less diverse, and centrally managed by the state, leaders may opt for extraction strategies that are concentrated among a smaller group of individuals who are strategically placed in the state apparatus. This argument relates closely to theory advanced by David Kang in his study of the Philippines and South Korea, in which he argues that variation in the concentration of economic power leads to different types of cronyism.⁴⁷ This potential explanation is also supported by theories that see high levels of state ownership, more encompassing regulatory environments, and dependence on natural resource or aid revenue as conditions that are particularly conducive to extraction.⁴⁸ According to this body of work, leaders would devise their extraction strategies in accordance with the structure of revenue-generating economic sectors and select extraction tactics that are conditioned by sector-specific governing structures.

Economic structure alone, however, is unlikely to fully account for leaders' decisions about how they delegate, channel, and control extraction. Consider, for instance, oil-rich countries such as Angola, Gabon, and Nigeria, all of which have much of their country's economic power concentrated among a small number of public and private oil sector actors. Ruling parties in all three countries are known to rely on extracted oil rents to sustain their power, yet leaders have devised very different institutional frameworks and tactics for extraction. In Angola, the ruling *Movimento Popular de Libertação de Angola* (MPLA) has largely used Sonangol, the massive state oil company, to manage oil revenue in ways that

⁴⁷Kang (2002).

⁴⁸For example: Krueger (1974, 1990); Bräutigam and Knack (2004); Keefer and Knack (2007); Caselli and Cunningham (2009); Ross (2012).

collectively benefit the party and the ruling family.⁴⁹ In Gabon, the ruling Bongo family and their *Partie Démocratique Gabonais* have channeled money through the supranational Bank of Central African States to supply money to their own political coffers, as well as to those of French politicians who, in turn, help to prop up the regime.⁵⁰ In Nigeria, extraction occurs at multiple steps in the oil production and management process,⁵¹ with especially large diversions of funds occurring at the stage where oil revenues are transferred from the Nigerian National Petroleum Company to the central government budget.⁵² As illustrated by these examples, economic conditions cannot easily foretell the more granular decisions involved in the practice of extraction.

More generally, explanations based on economic opportunities are likely to be limited in contexts where leaders possess considerable power to fashion economic production and institutions for their political benefit. Political leaders in African countries have proven themselves adept at managing the economy in ways that secure opportunities for political extraction and exploitation. For example, politicians have favored spending in urban areas where state agents can more easily access rents,⁵³ they have adapted structural adjustment and privatization reforms to serve their extractive political needs,⁵⁴ and have often managed key economic sectors in ways that attract and maintain political support by allowing key coalition members to extract revenues for their own benefit.⁵⁵ These widely documented practices suggest that economic variables are, more often than not, endogenous to elite political interest. Any economic explanation of elite extractive behavior must therefore take seriously how elites themselves have designed the economic landscape to facilitate political (or personal) extraction.

⁴⁹De Oliveira (2015); Croese (2017).

⁵⁰Yasmine Ryan, "Gabon 'siphoned funds' to France," Aljazeera, December 29, 2010.

⁵¹Barma et al. (2012).

⁵²See, for example, Nshira Turkson, "The Nigerian Oil Company's Missing Billions," The Atlantic, March 18, 2016.

⁵³Bates (1981).

⁵⁴Mbaku (1994); Tangri (1999); van de Walle (2001).

⁵⁵Bayart (1993); Lewis (2009); Whitfield et al. (2015).

Bureaucratic Institutions

Central to many institutional theories of corruption, bureaucratic institutions require careful consideration as a potential explanation of incumbent extraction strategies. Like economic structure, the structure and rules of the state's bureaucracy could shape bureaucrats' incentives to extract rents as well as politicians' incentives to collude with or coerce bureaucrats.

There are a number of channels through which bureaucratic institutions could shape incumbents' extraction strategies. First, professional bureaucracies – those characterized by meritocratic selection and promotion, job security, decent salaries, and norms of political neutrality – are more likely to be staffed by bureaucrats committed to professional principles and public service, making them less willing to participate in extraction.⁵⁶ In the presence of meritocratic and professional bureaucracies, leaders are less likely to encounter state personnel who freely choose to collude with them in their extractive projects. This constraint may have to expend more resources – or use more coercive tactics – to compel bureaucrats to participate in extraction.

Discretion is a second important feature of bureaucratic institutions. Policy direction and formal rules are often insufficient to guide bureaucratic behavior, leaving bureaucratic personnel significant latitude in decisions about the implementation of policy and the distribution of resources.⁵⁷ High levels of discretion can incentivize public officials to engage in extraction, either for themselves or on behalf of a political principal.⁵⁸ If bureaucratic institutions permit widespread extraction, leaders would presumably have strong incentives to capture the rents collected by bureaucrats – and to employ coercive strategies to do so. For example, Andrei Shleifer and Robert Vishny (1993) describe how,

⁵⁶See, for example, [Rose-Ackerman \(1999: 69-70\)](#). A number of studies find an empirical relationship linking meritocratic, professional, and politically impartial bureaucracies to lower levels of corruption ([Dahlström and Lapuente, 2017](#); [Meyer-Sahling and Mikkelsen, 2016](#)). This idea is also central to Martin Shefter's (1977; 1994) theory of patronage: that the institutionalization of meritocratic bureaucracy prevents leaders from using state jobs and resources for patronage.

⁵⁷[Pressman and Wildavsky \(1984\)](#); [Lipsky \(1980\)](#).

⁵⁸[Klitgaard \(1988\)](#).

in places like the Soviet Union, the Philippines under President Ferdinand Marcos, or Chicago under Mayor Richard J. Daley, political leaders use monitoring and coercion to orchestrate rent capture from bureaucrats.

This leads the discussion to a third potentially important institutional feature of bureaucracies: the existence of effective monitoring and sanction mechanisms that enable politicians to control bureaucrats. Depending on the political principal's motivation: monitoring and sanctions could be used to deter bureaucrats from engaging in extraction at all,⁵⁹ or to ensure that extracted rents accrue to the principal.⁶⁰ These institutional mechanisms of control can take different forms: power over personnel management decisions, formal audits, the availability of intelligence or law enforcement to surveil and discipline bureaucrats, partisan political appointees placed in bureaucratic agencies, or the use of legislative or judicial powers to oversee the bureaucracy. If political principals have these types of institutionalized control mechanisms of at their disposal, they can, at lower costs, pursue more coercive strategies of extraction.

Taken together, these perspectives imply that bureaucratic institutions characterized by low levels of professionalism, widespread discretion, and the potential for political control would drive leaders to adopt more coercive means of extraction. The strength of this explanation hinges on two questions. The first question is whether this configuration of bureaucratic institutions also discourages leaders from engaging in more collusive forms of extraction. It is plausible that the same institutional instruments of control that political leaders employ to capture rents from bureaucrats could be used to pursue collusive extraction strategies, such as by hiring and placing trusted agents (assuming they exist) into positions with extraction opportunities. Thus, the presence of these bureaucratic institutions alone is insufficient to know whether principals would pursue *either* collusive or coercive strategies.

The second question concerns the broader strength of bureaucratic institutions. If po-

⁵⁹Olken (2007); Avis, Ferraz and Finan (2018).

⁶⁰Shleifer and Vishny (1993).

litical leaders can, with minimal consequence, ignore or modify existing bureaucratic rules or norms, their extraction decisions are unlikely to be seriously constrained by these institutions. In many contexts around the world, political principals have significant power – both formal and informal – to shape (or ignore) bureaucratic institutions in ways that serve their political and extractive needs. Leaders often mold bureaucratic procedures to align with their political motivations.⁶¹ They grant autonomy and independence to bureaucrats and agencies when it is politically safe for them to do so,⁶² and, when necessary, they flout existing rules, norms, and procedures to secure their political survival.⁶³ As I show later in the book, leaders adopt or maintain civil service recruitment practices and calibrate allowable levels of discretion in ways that are highly consistent with their extraction strategies. Thus, if bureaucratic institutions are themselves vulnerable to incumbent manipulation – as is the case in many African countries – there is a strong likelihood that they are endogenous to leaders’ broader political interests, inclusive of extraction.⁶⁴ It is for this reason that, in many countries, bureaucratic autonomy and discretion may be the result, rather than cause, of better governance and less extraction.⁶⁵

Ethnic Politics

The extraction strategies chosen by incumbent leaders could also be attributed to the politicized ethnic divisions that are prevalent in many African countries. Indeed, much of the literature on African politics emphasizes ethnicity as a major organizing principle for party politics and political behavior.⁶⁶ In contexts of ethnic political mobilization,

⁶¹Olowu (2001); Grzymala-Busse (2007); Gingerich (2013); Holland (2017).

⁶²Whitfield et al. (2015); Teodoro and Pitcher (2017); Raffler (2020).

⁶³van de Walle (2001).

⁶⁴As David Kang writes of the Asian countries he studies, “the organization of the bureaucracy was much less significant for Korean and Philippine development than was politics: the nature of the political leadership that sat atop the bureaucracy in both countries and the social forces the leaders sought to organize and disorganize in order to maintain power.” Kang (2002: 63).

⁶⁵Rasul and Rogger (2018); McDonnell (2020).

⁶⁶For example: Mozaffar, Scarritt and Galaich (2003); Horowitz (1985); Posner (2005); Easterly and Levine (1997); Habyarimana et al. (2007); Ferree (2010a).

leaders may base their political and governing decisions on ethno-political interests such as rewarding politically supportive ethnic groups and restricting rival groups from such rewards.⁶⁷ For example, leaders may provide patronage jobs to group leaders who mobilize ethnic voting blocs on behalf of the incumbent or to co-ethnics who are trusted to exercise state power in favor of the incumbent.⁶⁸ These practices of ethnic governance could easily extend to extraction, whereby leaders arrange and delegate extraction using similar ethnicity-based calculations.

This perspective is important insofar as ethnicity serves as a central principal in leaders' assessments of political risk, a condition that undoubtedly exists where parties are rooted in particular ethnic groups. Increasingly, however, scholarship on African politics also recognizes the complexities and limitations in identity-based explanations of political behavior, including those related to party formation and elite decision-making. Recent studies affirm that high levels of ethnic fragmentation do not necessarily produce highly fragmented party systems,⁶⁹ and that seemingly ethnically-aligned parties may actually better reflect economic divisions.⁷⁰ There is also mounting evidence that leaders manage the state apparatus in ways that are *not* demonstrably consistent with ethno-political motivations.⁷¹ Recognizing that voters evaluate candidates on a range of performance and distributive considerations that go beyond ethnic preferences,⁷² leaders also devise campaign strategies that take either more or less ethnically inclusive forms.⁷³ In short, even where parties or political groupings have clear ethnic undertones, ethnicity may still be insufficient to explain leaders' calculations of political risk and their strategic responses. As I demonstrate with comparative analysis of Benin and Ghana, countries with similar patterns of ethno-political division can produce very different patterns of extraction.

⁶⁷Kramon (2016).

⁶⁸Arriola and Johnson (2014); Harkness (2018); Hassan (2020).

⁶⁹Erdmann and Engel (2007); Weghorst and Bernhard (2014).

⁷⁰Kim (2018).

⁷¹Francois, Rainer and Trebbi (2012); Simson (2018); Kroeger (2018); Buckles (2017).

⁷²Bratton (2008); Lindberg (2008); Bleck and Van de Walle (2013); Carlson (2015); Martin and Raffler (2021).

⁷³Crook (1997); Klaus and Paller (2017).

Electoral Institutions

Finally, leaders' extraction strategies could be shaped by a country's electoral institutions. Like ethnic politics, electoral institutions serve as a potential driver of political organization, thus shaping leaders' decisions about who they trust to extract. A large body of work, concentrated primarily in Western contexts, links electoral institutions to outcomes such as party system development and intra-elite competition (or cooperation).⁷⁴ Some research has also posited a more direct relationship between electoral institutions and extraction,⁷⁵ but the evidence from these studies remains largely inconsistent on questions about which types of electoral systems generate stronger incentives for rent-extraction and why.⁷⁶

At least one study links electoral institutions to different *types* of extraction. In his study of South American countries, Daniel Gingerich argues that open list [proportional representation \(PR\)](#) systems lead to "free agent" forms of corruption in which individual legislators, feeling pressure to raise funds to cultivate personal votes, seek to extract from their dealings with private actors. Closed list PR systems, by contrast, tend to concentrate control of extraction in political principals, leading politically-hired bureaucrats to "steal for the team."⁷⁷ In this latter system, extraction could be collusive or coercive, as party agents have incentives to extract on behalf of the party, but party bosses also have means to coercively control agents' political careers.

If electoral systems structure party institutions, they may indeed represent a more fundamental explanation of extraction strategies, rendering party institutions a more proximate variable. The evidence linking electoral institutions to party institutions in Africa is, however, quite mixed. Some studies have found that African party systems align with the theoretical expectations of the broader literature, namely that first-past-the-

⁷⁴For example, [Duverger \(1959\)](#); [Lijphart \(1968\)](#); [Shugart and Taagepera \(1989\)](#); [Cox and McCubbins \(1994\)](#).

⁷⁵For example, [Carey and Shugart \(1995\)](#); [Lederman, Loayza and Soares \(2005\)](#); [Kunicová and Rose-Ackerman \(2005\)](#); [Chang and Golden \(2007\)](#).

⁷⁶For an overview, see [Golden and Mahdavi \(2015\)](#).

⁷⁷[Gingerich \(2013\)](#).

post systems combined with low district magnitudes tend to produce more concentrated party systems⁷⁸ and that patterns of coalition formation generally conform with those of other regions of the world.⁷⁹ There is also, however, a considerable body of research arguing that the impacts of electoral systems on political parties in Africa do not follow the theoretical expectations developed in other contexts.⁸⁰ In cross-national analysis, Rachel Riedl finds that plurality electoral systems in Africa are associated with lower levels of party-system institutionalization as sub-national voting patterns can generate high levels of electoral volatility, even where plurality systems reduce the number of competitors in particular districts.⁸¹ Joel Barkan and Andrew Reynolds further explain that, in agrarian societies, electoral rules do not serve as a meaningful predictor of partisan alignment.⁸² In Senegal, Catherine Kelly has shown that fragmentation of the party system is driven less by Senegal's mixed plurality and PR system than by the uneven playing field on which incumbents and opposition parties compete.⁸³ That leaders in Africa and elsewhere often fashion electoral institutions in ways that serve their political interests also casts doubt on the extent to which electoral rules structure party alignments.⁸⁴ Thus, although electoral rules to some degree shape partisan alignments that condition extraction practices, their influence is not sufficiently consistent to form a powerful explanation.

To summarize, existing theories provide a number of potential insights into leaders' strategies of extraction. Some of these approaches, including those focused on opposi-

⁷⁸Mozaffar (1997); Lindberg (2005).

⁷⁹Ariotti and Golder (2018).

⁸⁰For an overview, see Ferree, Powell and Scheiner (2014).

⁸¹Riedl (2014: 69).

⁸²Barkan (1995); Reynolds (1995).

⁸³Kelly (2018). See, also, Manning (2005), Fomunyoh (2001), Rakner and van de Walle (2009), Wahman (2017), all of whom describe the political landscapes in many African countries as containing a relatively strong dominant party surrounded by many small opposition parties, irregardless of the formal electoral institutions in place. Chhibber and Kollman (2009) make a more general argument that party institutions vary widely in countries with similar electoral institutions.

⁸⁴Robinson and Torvik (2016); Driscoll (2020).

tion strength, economic structure, and bureaucratic institutions, highlight the potential constraints faced by leaders in their decisions to pursue one extraction method versus another. At times, these constraints shape incumbents' extraction decisions, such as decisions about from which sectors of the economy to extract. In general, however, incumbent leaders in developing countries operate with significant power to overcome these constraints, adapting or evading institutional designs or economic organization to fit their own political interests. Other approaches, including those focused on ethnic politics and electoral systems, help account for the organizing principles of politics that shape the formation and durability of political alliances and parties. Despite their relevance to party institutionalization, these explanations often fall short in their ability to account for changing political alignments and agent loyalty that often form the basis of extraction decisions. A focus on party institutions is, as I have outlined above and as I elaborate further in Chapter 2, therefore better-suited to questions of *both* constraint and organization.

1.5 Research Design

I examine the relationship between party institutions, extraction, and state politicization through in-depth case studies of two African countries, Benin and Ghana. The period of investigation begins at their transitions to democracy in the early 1990s and runs through the late 2010s.⁸⁵ I develop and assess the argument with nested comparisons both between and within the two countries. I also provide four additional brief case studies to show that the theory of extraction developed in this book can apply more broadly to a range of party institutions and electoral regimes.

The book's intra-regional focus is useful for holding regional historical and structural conditions constant to better identify the causal factors that produce divergent extraction

⁸⁵Benin held the first multi-party presidential elections of the current democratic era in 1991. Ghana's were held in 1992. The scope of the inquiry does not involve the events in Benin that began in 2019 that have undermined electoral competition. I do, however, briefly address these events in the conclusion.

strategies.⁸⁶ Although the empirical focus on African countries potentially sacrifices some broader generalizability, there are good reasons to believe that leaders in electoral regimes across the developing and post-communist worlds face similar types of political financing challenges as global waves of economic and political liberalization in the late twentieth century have led to increasingly competitive and expensive political contests across these regions of the world.

The Country Cases: Benin and Ghana

The book's core empirical focus on Benin and Ghana reflects my dual case selection strategy. First, Benin and Ghana represent extreme cases of the independent variable – party institutionalization. Extreme cases are those that lie far away from the mean, making them particularly valuable for exploratory, theory-building purposes.⁸⁷ Ghana contains some of Africa's most highly institutionalized political parties, whereas Benin's parties are among the least institutionalized in Africa.⁸⁸ Throughout the book, I connect Ghana's strong party institutions to its system of collusive extraction and I show how weak party institutions in Benin generate coercive forms of extraction – and more extensive state politicization.

I also conceive of Benin and Ghana as plausibly most-similar cases. As I describe in detail in Chapter 3, their regime trajectories and extraction environments are similar in ways that generate a common set of political risks that leaders are likely to confront in the course of extraction. Although the two countries differ to some extent in their economic structures, bureaucratic institutions, colonial legacies, and electoral institutions, these variables are unlikely to match the explanatory power of party institutions for understanding the countries' different systems of extraction (See above and Chapter 3).

⁸⁶Soifer (2015: 8-9).

⁸⁷Seawright and Gerring (2008).

⁸⁸In Chapter 3, I provide detailed information on party institutionalization in Benin and Ghana, including their levels of party institutionalization relative to Africa-wide averages.

To the extent that Benin and Ghana embody most-similar cases, their selection serves to confirm that party institutions, rather than competing factors, have driven leaders to adopt their respective extraction practices.⁸⁹

Despite the book's potential relevance to a broad range of electoral regimes (see Chapter 8), I situate the study in democratic countries for both theoretical and practical reasons. Theoretically, the competitive political environments in the two countries ensure similarity in the scope and nature of leaders' concerns about political survival and political financing. Practically speaking, the selection of countries with more open political environments was important to obtain reliable information on sensitive topics without putting survey and interview respondents at risk.

State Performance

Benin and Ghana diverge not only in their party institutions, but also in the governing successes and challenges they have experienced in recent decades. Although it is not my goal to offer an exhaustive account of state performance in the two countries,⁹⁰ it is useful to briefly consider the two countries' divergent governing records to highlight the potential significance of varying patterns of state politicization that I discuss throughout the book.

Both countries entered the democratic era amidst severe economic crises that, like in many other African countries, wrought serious havoc on state institutions. Civil servants went for long periods without pay and leaders were forced to make painful cuts to government services and wage bills. To address these crises, both countries accepted loans and assistance from the IMF and other international institutions and embarked on

⁸⁹Mill (1872); George and Bennett (2005).

⁹⁰State performance is defined as whether or not the state's governing institutions, including the executive and the bureaucracy, effectively carry out core functions such as taxation, regulation, and the provision of public goods and services. It also implies the achievement of a government's policy goals. See Centeno et al. (2017) for an overview. Throughout the book, I use the terms "state performance" and "government performance" interchangeably.

an array of economic reform programs. The programs in both countries were at least somewhat successful in that their economies had begun growing again by the mid-1990s. However, Ghana's longer-term recovery has, compared to Benin's, been accompanied by a more ambitious set of national social and economic programs.

Ghana, for example, is one of the few African countries to have introduced and implemented a national health insurance program. They have greatly expanded, among other public services, national transportation networks and tertiary education. The government has also overseen the successful development of a growing oil and gas industry. These programs are by no means perfect. In many cases, they are unevenly distributed,⁹¹ or unfinished.⁹² Nonetheless, Ghana's record in these and other sectors has impressed observers across Africa and the world, and is detectable in common measures of state capacity and performance. In the lefthand panel of Figure 1.2, I show that Ghana's scores on common measures of state capacity and public goods provision have increased modestly since 1995.⁹³

Benin's policy and developmental record is less impressive. Although there have been some positive developments in access to education, citizens in Benin, on average, complete only 4 years of schooling, compared to 7 years in Ghana.⁹⁴ Longstanding plans to implement national or community health insurance schemes have never come to fruition. Repeated efforts to reform the economically vital Port of Cotonou and the cotton-producing sector have largely failed to move forward. As Thomas Bierschenk writes, "since the successful completion of the 'democratic renewal', all major reform projects have advanced only very slowly or have stalled."⁹⁵ It is therefore not surprising that Figure 1.2 shows stagnation or even decline in Benin's state performance since 1995.

⁹¹Abdulai (2017); Briggs (2021).

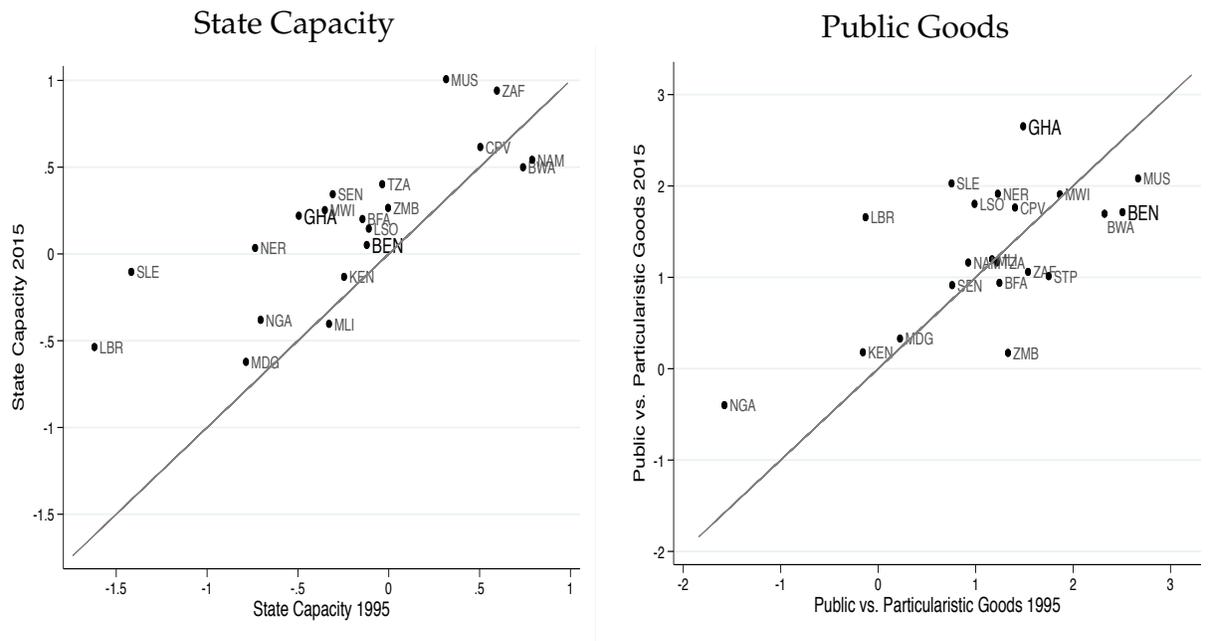
⁹²Williams (2018).

⁹³The state capacity score is an aggregate measure developed by Hanson and Sigman (forthcoming). The measure of public goods is an expert rating of the extent to which governments provide public versus particularistic goods, and comes from Coppedge et al. (2019).

⁹⁴This statistic is from the 2019 Human Development Index.

⁹⁵Bierschenk (2009: 250).

Figure 1.2: State Performance 1995 - 2015



Source: State capacity data from ?, public goods data from [Coppedge et al. \(2018\)](#).

Data and Analysis

For each component of the argument, I piece together quantitative and qualitative data to compare the two countries while also providing insight into the causal processes and relationships within each case. Cross-national comparisons, which are largely descriptive, illuminate broad differences in extraction strategies and patterns of state politicization. Within-case analyses, including process tracing and analysis of meso-level variation across ministries and groups of bureaucrats, assess the theorized causal linkages. Together, the data and analyses comprise an empirical strategy that combines multiple sources of data on extraction-related practices from across different levels and sectors of the state apparatus.

I investigate the extraction-based argument in three main steps. First, I use data from elite interviews to describe how party structures produce different modes of extraction in the two countries: collusive extraction in Ghana and coercive extraction in Benin.

Interviews with current and former ministers, party officials, bureaucrats, journalists, and civil society experts provide insight into specific extraction practices. Given the sensitive nature of the interview content, respondents are kept anonymous, using only vague references to titles and organizational affiliations. Where possible, I supplement interview data with existing case work or media accounts of key events and decisions. I also corroborate the qualitative narratives of collusive and coercive extraction with data from bureaucratic surveys (described below).

Second, I analyze whether and how the different systems of extraction produce variation in the politicized distribution of jobs at different levels of the state apparatus. To analyze executive job distribution, I draw on an original database containing detailed biographical data for all minister appointees (n=586) spanning 12 different presidential terms across the two countries. Minister data come from a variety of sources including government communiqués, newspapers, legislative archives, and interviews with political historians.⁹⁶ The database includes information on each appointee's educational, professional, and political backgrounds. Using these data, I construct a novel latent measure of politicization of each minister appointee with a Bayesian item-response theory (IRT) model. I pool this measure with ministry-level data on procurement contracts, personnel, and budgets to assess the role of extraction in patterns of executive job distribution. To analyze the relationship between extraction and the distribution of bureaucratic jobs, I draw on data from a variety of sources including interviews, news media, and bureaucratic surveys.

The third analytical step is to understand how incumbents in the two countries, given their different extraction strategies, manage the day-to-day business of the state's executive and bureaucratic institutions. Combining data on minister appointments, interviews, journalistic accounts, and surveys of bureaucrats, I show divergent patterns of political management of state business, and connect these management practices to leaders'

⁹⁶In Benin, I consulted Pierre Metinhoue's (2005) historical records.

collusive and coercive extraction strategies.

In each of the main empirical chapters (4-7), I provide additional detail on the specific data and analytical methods that I employ. It is important to note, however, that the political behaviors I study are not always easily observable. Parties in Benin and Ghana do not regularly or reliably report their financing sources. Interviews sometimes generated opposing responses about particular phenomena, for example in perceptions about the scope or nature of state politicization. To some extent, the systems and processes I study endure precisely because reliable information is limited. These challenges mean that the empirical work does not always yield direct observation of the theorized behavior, forcing instead the use of proxies or triangulation.

Surveys of Bureaucrats

Throughout the book, I rely to a considerable extent on data obtained from surveys of bureaucrats that I conducted in the two countries. Surveys of public service personnel are increasingly common in political science and public administration because they provide granular empirical information about attitudes and capabilities of public servants, as well as information about the constraints that employees face in the course of their work.⁹⁷ Although the surveys capture only attitudes and not actual behaviors, bureaucrats' perceptions are important insofar as they, unlike expert observers or citizens, are closely involved the day-to-day business of the state and are thus likely to have firsthand knowledge about extraction, politicization, and management. I use the survey results to compare patterns of extraction and politicization across the two countries and to analyze the relationship between extraction and politicization within each country.

I draw on results from two surveys of bureaucrats, both of which were comprised primarily of public service personnel employed by central government ministries, departments, and agencies. The first survey, which I conducted from October 2013 through

⁹⁷[Schuster et al. \(2020\)](#).

June 2014, was carried out with a total 1,096 public service employees in the two countries (581 in Benin and 515 in Ghana). To administer this survey, I distributed questionnaires in public service training programs at multiple sites in each country. In Benin, the survey was conducted in Cotonou, Abomey-Calavi, and Parakou. In Ghana, the survey was conducted in Accra, Kumasi, Navrongo, and Wa. The survey, which was identical in both countries except for the language in which it was administered (French in Benin and English in Ghana), captures a diversity of public servants across different agencies and experience levels. It was conducted in classroom settings in which public servants regularly speak candidly about the challenges they face at work, including those related to politics and political pressures.⁹⁸ Throughout the book, I refer to this survey as the *Classroom* survey.

A second, somewhat larger survey of public service employees was conducted in March 2017, only in Ghana. The survey was part of a broader cross-national survey project⁹⁹ This survey included 1,641 public service employees from 49 different public service ministries, departments and agencies.¹⁰⁰ The survey included central government employees whose primary work location is in the capital of Accra. The survey sample is based primarily on access and convenience, with an effort to stratify the sample across public service institutions. This survey was conducted face-to-face by a talented group of Ghanaian enumerators. The surveys lasted, on average, about one hour for each respondent and included a mix of both standard and experimental questions. Throughout the book, I refer to this survey as the *Workplace* survey.

Although complete and reliable demographic statistics for the populations of public service employees in the two countries are not available, I compile statistics from government reporting and other researchers' surveys to show that the survey samples, despite having been based primarily on access and convenience, are largely in line with what is

⁹⁸Prior to fielding the survey, I visited and observed a number of these courses to assess the survey's viability.

⁹⁹See Meyer-Sahling, Schuster and Mikkelsen (2018) and Sigman et al. (2018) for an overview of this project.

¹⁰⁰The list of organizations is provided in Appendix A.

known about the relevant populations (See Appendix B). Where the survey samples do diverge from known or estimated parameters of the population, I apply survey weights to ensure that key findings throughout the book are not biased by the samples (presented in Appendix C). Using official data contained in Benin's annual *Tableau de bord des agents de l'état*, I estimate that Benin's Classroom survey sample represents 1 percent of the relevant population of public service employees. In Ghana, I use the Ministry of Finance and Economic Planning's 2014 annual budget statement appendices, which list the number of personnel for each organization, to estimate that the Classroom survey sample represents 0.5 percent of the relevant population and the Workplace survey represents 1.6 percent of the population.

When possible, I compare key findings across the Classroom and Workplace surveys in Ghana, where both surveys were conducted. Although we might expect that the different survey designs – their settings (classroom vs. workplace), procedures (written vs. face-to-face), timing (after an incumbent party election in 2013 victory vs. after an opposition party election victory in 2017), survey samples (greater vs. lesser organizational diversity) and, in some cases, differences in the wording of survey questions¹⁰¹ – would produce varied results, I find considerable consistency in the results across the Classroom and Workplace surveys. For example, by analyzing results of list experiments in the Workplace survey, I find that those surveyed face-to-face in the workplace appeared similarly forthcoming on sensitive topics as those conducting written surveys in the classroom. This consistency instills confidence in the reported results and in the survey procedures used.

1.6 Contributions and Related Literatures

This book makes several important theoretical and empirical contributions to the study of elite politics, political parties, and states. First, the book articulates an important

¹⁰¹The differences in the wording of questions across the two surveys are primarily a function of having had different partners in survey implementation with different analytical plans and interests. When wording of questions diverge

mechanism linking party institutions to governing outcomes. There is a growing volume of work theorizing the effects of party institutionalization on outcomes such as political stability, democracy, reform outcomes, and economic governance.¹⁰² This body of work has not, however, fully incorporated the role that party finance plays in mediating these relationships. By centering parties' financial imperatives and fundraising practices, I highlight how the intersection of pecuniary and agency problems faced by party leaders explains divergence in the governing practices of party elites.

Second, the book sheds new light on the politics of state institutional performance. It emphasizes the necessity of studying state capacity and performance as a function of political processes and interactions. Although this perspective is already well-advocated among political scientists, there are still many international organizations that see state performance as a technical problem to be solved by development practitioners. In explaining how leaders deploy their states' capacities to more or less productive ends, the book pinpoints particular dimensions of contemporary politics – party institutions and political finance – on which scholars and practitioners ought to focus to better understand the political determinants of state performance.

This focus on party institutions as a locus of state performance is important because it bridges structural and strategic theories of the state. Structural approaches that focus on geography,¹⁰³ colonialism,¹⁰⁴ conflict,¹⁰⁵ or social coalition history¹⁰⁶ are useful for determining the institutional limits and opportunities for the types of policies that contemporary states pursue. Whether and how state capacity is (or is not) deployed in contemporary states, however, also requires an understanding of politicians' strategic management of the state apparatus.¹⁰⁷ I argue that leaders make strategic choices about

¹⁰²Geddes (1994); O'Dwyer (2006); Cruz and Keefer (2013); Pitcher (2012); Geddes et al. (2018); Kroeger (2018); Bleck and Van de Walle (2018); Bizzarro et al. (2018); Bernhard et al. (2020).

¹⁰³Herbst (2000).

¹⁰⁴Migdal (1988); Kohli (2004).

¹⁰⁵Tilly (1990); Centeno (2002a); Besley and Persson (2009).

¹⁰⁶Boone (2003); Saylor (2014); Whitfield et al. (2015).

¹⁰⁷Holland (2017); Hassan (2020).

how to manage state organizations and personnel not only within the confines of the broader state structures and financial challenges they have inherited, but also according to the party institutional structures in which they operate politically.

Third, this book adds to a growing literature that studies the inner workings of executive and bureaucratic institutions in Africa and across the developing world. Despite longstanding assertions in the Africanist literature about the executive and bureaucracy as important sites of political distribution,¹⁰⁸ there had, until recently, been surprisingly little systematic work on the way these institutions operate.¹⁰⁹ Regarding executive institutions, in particular, recent studies have greatly advanced knowledge about the composition and rotation of minister personnel in Africa¹¹⁰ and across the world.¹¹¹ Much of this literature, however, has glossed over the agency problems that leaders face when they share power and resources with opponents or potential defectors.¹¹² As this book demonstrates, these financial and agency problems – and incumbent leaders’ responses to them – are very important for understanding why executive institutions vary in their composition, stability, and cohesion. In this book, I develop a set of theoretical and empirical tools to study these agency problems, including novel ways to measure the politicization of the executive.

Turning to literature on bureaucracy, this book helps to answer the call for “additional research that carefully considers the specific administrative and political context in which bureaucrats operate.”¹¹³ A rapidly growing body of research on bureaucracies in the developing world highlights considerable variation in the interactions between political principals and bureaucratic agents. Empirically, these works are largely based on studies of sub-national variation in politician-bureaucrat relationships.¹¹⁴ By zooming out to

¹⁰⁸For example, Hyden (1983); Callaghy (1987); Berman (1998).

¹⁰⁹Exceptions include Price (1975); Montgomery (1987); Widner (1992).

¹¹⁰Osei (2012); Francois, Rainer and Trebbi (2012); Arriola and Johnson (2014); Francois, Rainer and Trebbi (2015); Abdulai (2017); Buckles (2017); Ariotti and Golder (2018); Kroeger (2018); Woldense (2018); Ricart-Huguet (2020); Nwankwor (2021).

¹¹¹Martinez Gallardo (2012a); Dowding and Dumont (2014); Camerlò and Pérez-Liñán (2015).

¹¹²Exceptions include Martínez-Gallardo and Schleiter (2015); Hassan (2020); Lee (2020).

¹¹³Pepinsky, Pierskalla and Sacks (2017: 250).

¹¹⁴For example: Bussell (2012); Baldwin (2019); Oliveros (2016); Gulzar and Pasquale (2017); Callen, Gulzar and Rezaee (2020); Pierskalla and Sacks (2020).

consider national-level features such as party institutions and parties' extraction strategies, this book provides important context to many of the principal-agent dynamics observed in these works. In highlighting the party-based conditions that drive politicians' strategic management of the bureaucracy, the book provides useful insight into questions about when and why bureaucrats are allowed more or less autonomy to preserve professional prestige and complete tasks¹¹⁵ or to respond to citizen demands for accountability.¹¹⁶ For example, knowing that the ruling [National Resistance Movement \(NRM\)](#) in Uganda relies on extraction by party members at the local level (see Chapter 8) helps to explain why the political oversight of bureaucrats is particularly challenging in ruling party strongholds, as Pia Raffler's field experiment finds.¹¹⁷

The book also speaks to an emerging body of work on Ghana's bureaucracy, much of which also explores sub-national variation in outcomes such as bureaucratic corruption or (non)compliance with rules,¹¹⁸ patronage and clientelism,¹¹⁹ and project completion or distribution.¹²⁰ By highlighting the party institutional context in which these local dynamics are situated, this book helps to put this work into broader perspective. I argue that Ghana's well-institutionalized political parties are likely to condition the local relationships observed in this literature.¹²¹ For example, it is local government leaders' close ties to the national ruling party that enable them to informally influence the rotation of employees by the centrally managed Local Government Service,¹²² a strategy that may not be available in contexts of weaker party organization and coalition government. In short, this book serves as a reminder that generalizations based on sub-national variation within a single country should be handled with caution, as national-level party alignments,

¹¹⁵Rasul and Rogger (2018); McDonnell (2020).

¹¹⁶Asunka (2017); Martin and Raffler (2021).

¹¹⁷Raffler (2020).

¹¹⁸Asunka (2016); Luna (2019); Brierley (2020).

¹¹⁹Driscoll (2018, 2020); Brierley (2021).

¹²⁰Harding (2015); Abdulai (2017); Williams (2017); Brass et al. (2020); Harris et al. (2020).

¹²¹Barry Driscoll's work, in particular, accounts for the importance of Ghana's strong parties for understanding the competitive patronage dynamics he studies.

¹²²Both Driscoll (2015) and Brierley (2020) discuss this phenomenon.

organizations, and identities can shape many of the relationships and outcomes observed in these studies.

A final important contribution of this book is to highlight that neither the extraction of state resources by politicians nor the politicization of state personnel are, as many assume, universally and uniformly detrimental to state capacity and performance. This finding builds on studies that recognize variation in outcomes associated with “bad governance,” weak institutions, and corruption¹²³ and that question the usefulness of concepts like neopatrimonialism that paint pictures of African states with overly broad brushstrokes.¹²⁴ Although widespread extraction of state resources undoubtedly causes serious financial loss to the state and permits unethical accumulations of personal wealth, my study explains how some forms of extraction are much less disruptive to the pursuit of public policy than others. Specifically, when extraction involves trusted party agents and partisan networks outside the state, it is considerably less likely to undermine the work environments of state institutions. By contrast, when incumbents fear elite defection and delegate to agents with weaker partisan links, extraction is more likely to wreak havoc on the productivity of the state’s executive and bureaucratic institutions. These differences in extraction strategies are an important for understanding how, even in the presence of widespread state exploitation by political elites, more effective states may emerge.

1.7 Plan of the Book

I develop the book’s arguments over the following six chapters. In the next chapter, I first describe the political financing landscape faced by many leaders in Africa and, second, develop a theoretical account of the book’s core arguments linking party institutions to

¹²³For example, both [Kang \(2002\)](#) and [Ang \(2016\)](#) make this argument in the context of government-driven economic growth in East Asia. [LaPorte \(2017\)](#) explains how different sources of extracted money shape repressive governance in Central Asia. In the corruption literature, works by [Shleifer and Vishny \(1993\)](#) and [Rose-Ackerman \(1999\)](#) suggest that certain forms of corruption are more or less economically detrimental than others.

¹²⁴[Pitcher, Moran and Johnston \(2009\)](#); [Mkandawire \(2015\)](#).

extraction strategies and state politicization. Chapter 3 provides background and case selection information on the two country cases: Benin and Ghana. In Chapters 4-7, I sequentially investigate each part of the argument depicted in Figure 1.1 with analytical attention on Benin and Ghana. Chapter 4 describes the collusive and coercive systems of extraction in the two countries. In Chapter 5, I show how collusive and coercive extraction lead to different patterns of politicization in the recruitment and selection of state personnel. I turn to the dynamics within the executive in Chapter 6, showing how the intensity of agency problems in Benin's coercive system of extraction lead to frequent rotations and low levels of trust and cohesion within the executive. Moving further downstream in the state apparatus, Chapter 7 investigates how collusive and coercive modes of extraction play out for bureaucratic personnel and organizations.

The concluding chapter addresses two issues not yet resolved in the book. First, I discuss the potential application of the book's argument to other countries. I do so with attention to two shadow cases – Botswana and Malawi – that help to reinforce how variation in ruling party institutionalization leads to more collusive or coercive forms of extraction. I then move to consider an “intermediate” case of party institutionalization in Uganda, as well as processes of party de-institutionalization in Senegal. These cases illustrate how the argument can be adapted to other party and regime contexts. In the second half of the chapter, I discuss in more detail the theoretical and practical implications for the role of party institutions and party financing in the advancement of effective democratic states in Africa and throughout the world.