Questioning the Patrimonial Issue in Rent-Seeking Debates

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Abstract*: The contemporary debate in rent-seeking and corruption-related activities in Sub-Saharan Africa has focused so much on the so-called patrimonial question. According to scholars who have advanced this argument, African corruption is characterised by the notion of 'neopatrimonialism', which describes a resurgence of ethnic and tribal mutual support ties that work along traditional lines, thus exacerbating corruption. In this paper the author contends that the patrimonial argument is flawed as an explanation of African corruption and it seems to be advanced with the aim of eschewing contributory responsibility of forces in the developed world. A more viable outlook of rent-seeking and corruption should therefore focus on greed as a factor and be more inclusive by focusing on the culpability of all parties and groups.*

INTRODUCTION

The contemporary debate in rent-seeking activities in sub-Saharan Africa has focused so much on the so called *patrimonial issue*. This paper seeks to contribute to this debate by questioning the patrimonial label itself. We must however begin with an understanding of the phenomenon of rent-seeking from the perspective of economics and political ethics. Fukuyama (2011) traces the origin of the term to a practice in the French state in the 18th century in which government posts, military command positions and the right to collect taxes were sold to the highest bidder, giving birth to the French term *rente* to describe the practice of selling public assets and offices (Fukuyama, 2011: 339). A clear understanding of patrimonialism's role in corruption in Africa as related to other factor of corruption can help us to understand how it works. This in turn can help us evaluate more accurately the contentions that corruption and rent-seeking in Africa work mainly on the basis of patrimonial patterns rather than on any other bases.

THE PHENOMENON OF RENT-SEEKING

According to the New Palgrave Dictionary of Economics the term *rent* can variously be used in the field to define rents in general (for instance that paid for labour, land, equipment); economic rents (arising to goods whose price is determined by the demand and roughly equated to the profit). It is also used to define Ricardian rents, related to differences in rents in units of otherwise homogenous resources e.g. land of equal fertility attracting different values due to location or accessibility (Alchian, 1987: 143).

Rent-seeking in the context of monopoly rents and as used in this paper is "the ability of individuals or enterprises to extract uncompensated wealth for non-productive activities from others over and above the marginal cost of the product" (Desta, 2012: 2). Another definition by Murphy *et al.* (1993) is "rent-seeking is an unproductive activity, aimed at redistribution of wealth created by others". In the context of this paper the term "rent-seeking" is also used synonymously with the term "corruption" as a way of emphasis and drawing the force of both. Some rent-seeking actions (like taking a travelling allowance from

the employer without actually travelling as purported) may not entail directly corrupt actions but will qualify as rent-seeking activities.

The term as used in this paper includes several rent-seeking and corrupt activities: Creation of artificial monopolies; using cartels to set prices at artificially high levels that do not reflect an interplay of supply and demand forces; using insider information to secure public assets 'on the cheap'; extortive acts to get a bribe or creation of circumstances and avenues to give bribes with motives for higher future gains; expropriation by private interests of what should otherwise remain in public domain and use of public facilities for private ends, or where legally entitled, using them extravagantly and below limits allowed by the law.

An example is distributing favours and public slots to cronies and relatives (like public office or travel in otherwise official government business). It also includes using expensive means in undertaking government business where cheaper alternatives are available. Rent-seeking is a wasteful phenomenon that adds no value in the value chain, in consequence making both goods and services available at artificially higher prices, harming innovation and competitiveness and hence imposing undesirable burden on the consumer and the economy.

This activity is known to have existed in the past centuries in Europe and the USA. Rothstein (2011) reports that in early 19th century Sweden it was normal for an individual in the civil service to hold up to six positions. What mattered was personal contacts with the king's court rather than what law said. Public office in the military and the civil services was available for purchasing and selling (Rothstein, 2011: 111).

UNDERSTANDING PATRIMONIALISM

Patrimonialism is a social system in which a royal elite rules through personal and arbitrary control over a bureaucracy and over slaves, mercenaries, and conscripts who have no power themselves and serve only to enforce the monarch's rule. The term has its origins from Max Weber's works in sociology (Swedberg, 2005: 195). Its employment by political scientists to analyse 'African' rent-seeking activities corruption has been questioned not only by sociologist, but even by political scientists (Perrson & Sjösted, 2012; Rothstein, 2011; Blundo, 2006; Williams, 1987).

Some of the studies explaining rent-seeking in terms of neopatrimonialism are by Erdmann (2007); Gymah-Boadi (2007) and Nugent (2007); who point to the problem of elections in the countries surveyed (including among others Tanzania, Kenya, Zimbabwe, Zambia, Namibia, Ivory Coast, Mozambique and South Africa). These researchers argue that elections in these countries function only to perpetuate the rule of those in power and are also oblivious to electoral irregularities including illegal expenditure of money in form of gifts to electorates, reflecting patrimonial tendencies (Gymah-Boadi, 2007: 24-5; Erdmann, 2007: 45-8; Nugent, 2007: 256-64).

On their part Chabal and Daloz (2006 & 1999) correctly argue that disorder (including dysfunctionality of the state manifested by corruption). is used as a political instrument in Africa. They argue that patrimonialism and use of public employment as private resource are the norm rather than an exception, giving rise to totalitarianism emergence of 'neo-patrimonialism' (Chabal and Daloz, 1999: 1, 6-9, 12, 25, 32, 75, 95, 100-103). (Their analysis

excludes the Northern African 'Arab world' and South Africa). One important position of their studies is the observation that real politics tend to take place in a realm often overlooked by the political analyst:

> Here we propose the notion of 'informalization' of politics, in clear reference to the vast literature on the informal economy- because the parallel seems to us both apposite and enlightening…what is actually happening in the political realm in Africa is more often than not of an 'informal' or personalized nature (p. 1).

Chabal and Daloz (1999) discount the argument that the state in Africa has managed to exercise hegemony. The duo argue instead, that it is the society that has captured the state in corrupt Africa, hence making it an opposite of the Weberian-Hobbesian-state in which the private is separate from the public and the political functionaries are compelled to exercise authority in the interest of the society (Chabal and Daloz, 1999: 26). The duo's other (rather illuminating) proposition that corruption in sub-Saharan Africa forms the process of instrumentalization of disorder, actually contradicts their view that society in Africa has captured the state. For instance, the contemporary picture properly analysed includes several more serious 'captors'. The list may include shadowy political functionaries in flawed party political systems, MNCs and TNCs, venture capitalists, money speculators, land grabbers, oil and mineral explorers and extractors, as well as drug barons.

The study (Clapham 1992). though more sympathetic in outlook than that by Chabal and Daloz (1999) and Herbst (2000); equally cites neopatrimonialism as a major problem that makes elimination or at least control of corruption in Africa a difficult if not impossible task. He continues (Clapham (1992):

> Any form of organisation, essential though it may be for the achievement of group and individual goals, and the management of conflicts between competing interests, itself produces inequalities of power, and thus further differences of interests between those who have more power and those who have less. (p. 1).

THE PATRIMONIAL QUESTION IN RENT-SEEKING DEBATES

Literature on the failures of third world politics has applied to African situations the idea of 'neopatrimonialism' in African politics to describe a resurgence of ethnic and tribal mutual support ties that work along traditional lines, thus exacerbating corruption. It is further argued by proponents of this notion that what is appropriated through rent-seeking or corruption is redistributed more or less fairly and therefore everybody seems to gain something. They therefore advance an argument about existence of a 'communitarianism of corruption' and a 'moral economy of corruption' that also sees no point in reacting to the situation and rather accepts acquiescence and participation (Chabal and Daloz 2006, 267, 314-5; 1999, 100).

In his work, Hyden (2013) looks at African politics in different perspectives that take into account the rise and practice of political supremacy in their various stages: the party state, the development state, the efficient (or quest for the efficient state) and finally the democratic state (Hyden 2013, 29-41). He observes that at the top of politics and all the way down, a culture of the 'Big Man Rule' emerges characterised by clientelism, patrimonialism and

personal accumulation (Hyden 2013, 103, 107). This paper seeks to contribute to this discussion, with some alternative conclusions.

Some students of African politics and development have advanced the idea that patrimonialism should not be resisted but ought instead to be taken as 'a given' and reality. Development and governance efforts ought therefore, to understand it and make use of it to achieve development and political goals (Kelsall, Booth, Cammack & Golooba-Mutebi, 2010; Kelsall 2008). These scholars' analyses point one way or the other to the influence of patrimonialism on the level of corruption in Africa south of the Sahara. Their views however do not take regard of the fact that other cultures like Chinese, Indian and Arab/Middle eastern exhibit equally, or even stronger patriarchal ties, but have exhibited different patterns in corruption, evaluated on the basis of available data. What such analyses miss is the fact that neopatrimonialism is a contraption of the post-colonial state and has little to do with the patrimonial setup of the pre-colonial state on one hand and a misinterpretation of the 'economy of affection' properly understood, on the other (Sugimura, 2011, 29; Hyden 2013, 103, 107 & 2004, 6-7).

PATRIMONIALISM'S CONNECTION TO RENT-SEEKING: AN IMBALANCED VIEW?

Perrson & Sjösted (2012, 193) for example, question why and how Hong Kong and Singapore, two states with a strong oriental culture that has parallels to the patriarchal system and in which corruption was a normal way of life from the 1950s to the 1970s, managed to reasonably extricate themselves from the vice.

Evidence, even within the works by the patrimonial scholars, indicate problems in Africa, just like anywhere else on the globe, to be on the major part connected with inept, selfish leaderships and uncaring businesses. This should partly discount the idea of any serious connections between exacerbated corruption in Africa and neopatrimonialism. The problem therefore seems to point to innate human greed and the inclination to exploit opportunities and available social dynamics, in the process of consolidating unchallenged power. The conclusions made by scholars who advance the patrimonial argument are apparently based on flawed observations: the astounding ability of most regimes in contemporary sub-Saharan Africa to exploit society's social dynamics and positive values in negative ways. For instance, consider the cultural norm of respect of elders. This can be easily manipulated by politicians who demand their behaviour not to be put to scrutiny, however unacceptable. The problem therefore, as Clapham (1992) suggests, lies in power, in those who control it and how they employ it in running the affairs of the state, with complicity of the outside world.

The argument as to complicity of the outside world is supported by Rotberg (2000) who cites an example of the Kenya, DRC and Malawi situations; as well as Cockroft (2012) who contends that the western world closed an eye to the likes of Mobutu and in their covert operations during the cold war. In the Kenya situation, Washington firmly supported Moi's repressive regime to his last days in office. Rotberg (2000) argues that this was partly due to the fact that the other ally, Mobutu of the former Zaire was fast losing power in the period. It was therefore seen by Washington as a huge loss to see Moi go at the same time. In Malawi western complicity revolved around the dilemma faced by an incoming government in dealing with corruption, out of fear of facing destabilization and inefficient use of resources that could be more usefully employed in other ways. This paralysed both the domestic

government and the donor community in dealing with corruption by the previous regime (Rotberg 2000; 197, 202).

A further illustration is offered by Soremekun (2000) who notes willingness of the west to support the government in Uganda in spite of it being clearly undemocratic, on the argument that there are indicators of good governance in the country; as well as the support of former regimes in Zaire and Somalia by both the western powers and the former Soviet Union. Specifically with Uganda, the British support of Idd Amin presents a very sad reminiscence. Arguably, in many of these cases these powers were moved by self-interest than moral undergirding. In the past as well as in the present, resources like oil are responsible for such stances (Soremekun 2000; 270, 280, 285, 288). Realism and higher economic interests, not ethical conduct and justice, become the fundamental yardstick, as an observation by Kelsall, Booth, Cammack & Golooba-Mutebi (2010) confirms:

> "The Indonesian economic model was wasteful, politically repressive, and environmentally destructive. But its growth potential cannot be denied...Indonesia thus appears to confirm the idea that 'In the early stages, a patrimonial political structure need not be an obstacle to capitalistic economic development (p. 5)

National interests and political realism is another reason. Koechlin (2013) observes that corruption was even seen as one of the strategies in the war machinery against the East in the Cold War era, a situation that changed only after the end of the Cold War. She argues on the process of political change in Africa in the context of corruption and the political order that:

> A particularly telling example is the bribing of foreign officials by international companies: until the late nineties, it was not only perfectly acceptable for Northern enterprises to give bribes, it was also perfectly normal to expect foreign (Southern) officials to take bribes. In other words, corruption was a generally accepted-[tax] deductable standard practice in many OECD countries -business as usual. (p. 2)

Koechlin (2013) argues further that [western] scholarly discourse on corruption has deliberately or inadvertently, systematically squeezed out the possibility of agency and mobilisation' and the possibility for 'challenging dominant socio-political imageries, and dispossessed African political order of actors, fields and practices of political struggle that could or do lead to a 'viable social order' (Koechlin 2013, 87). Apparently she is referring to absence in western scholarly work on corruption; of the voice of Africans, apparently because western scholarship regards itself as possessing both the explanation and the solution to the problem.

On their part, the studies by Blundo & De Sardan (2006a, 2006b). while admitting the existence of institutionalization and socialization of corruption in sub-Saharan Africa; discount the patrimonial explanation offered by several political scientists and political sociologists discussed above. Instead they propose a different framework for understanding corruption in Africa. Their framework takes the view that corruption in Africa is a continuation of the corruption, brutality and extortion that existed during colonial rule. (Blundo and De Sardan 2006b). An earlier study (Williams 1987, 33-7, 45) takes the same approach, by discounting the 'culture' or 'tradition' explanation.

Arifari (2006); Blundo (2006); Blundo & De Sardan (2006a & 2006b) and Tijan Alou (2006) argue that the state in Africa has over recent years attained what they call 'privatization and personalization of the functions of the state', which manifests itself in form of corruption at all levels. (Arifari 2006, 185-7, Blundo 2006, 37-41, 217-22; Blundo & De Sardan 2006a, 88, 92-3, 98-100 ; Blundo & De Sardan 2006b, 110-34; Tijan Alou 2006, 126-7, 158). My argument here is that this has been a perpetuation of an order begun immediately after the birth of the postcolonial states, which has however been accentuated by the emergence of accelerated globalization of the 1960s to the 1980s.

Cockroft 2012 79-101) has documented global corruption trends from the time of Cicero (Circa 70 BCE); Francis Bacon (1621 CE); Boss 'Tweed and the Ring (1860-70s CE) in New York; to the Nigerian Mafia of the 1970-2010s and Alberto Fujimori in the 1990s to 2000s. The culprits come from different eras and 'tribes', but all share three common strand: greed, having at their disposal willing accomplices and 'suppliers'. Further evidence indicate clear corruption in the UK two houses (of Commons and of Lords) in 2011, in US political circles as late as 2012, as well as in the arms trade by Swedish and UK companies in 1999.

The logical conclusion therefore is that rent-seeking and corruption cannot be explained solely (or even mainly) in cultural terms. Neither should they be viewed as acceptable ways of life of a certain people. To do so is to externalize a global social problem and eschew joint and severable responsibility. At worst it stands the risk of driving both its proponents and opponents into the error of looking at the issue through racist lenses. To sum up, reasons for corruption in sub-Saharan Africa are not dissimilar to those in other parts of the world: Rent-seeking and corruption are equally driven by several interplaying factors everywhere in the world. These include sheer greed; lack of empathy and connection with the populace; ineptitude on part of politicians; the quest for inflated ego; the quests for control of natural resources and the arms trade among others. The required response therefore, is one of ethical frameworks and regulatory mechanisms. This needs further study engaging the interplaying factors and actors. As we have seen the corporate world has significant bearing on rent-seeking. Future studies in the field should therefore focus more on the need to understand rent seeking as a historical, global phenomenon that needs to be and addressed on the basis of joint efforts by all actors including the corporate world and political communities.

SUMMARY AND CONCLUSIONS

In this paper I have presented a critical outlook of the patrimonial view of rent-seeking. Patrimonial concepts of rent-seeking attempt to explain rent seeking in Africa. Evidence presented in this paper, as well as evidence from rent-seeking activities globally seems to adduce to the view that corruption occurs wherever there are no sufficient checks and balances, or where politicians manage to insulate themselves from restraining action. Rent-seeking in sub-Saharan Africa and elsewhere should therefore be seen as a menace to which several actors are contributing. These actors include politicians; local business communities; international business communities; investors and owners of capital for foreign direct investment; aid agencies and NGOs; multilateral institutions like the World Bank and the IMF; private citizens and seekers of government or public services. More fruitful efforts to understand it will therefore be possible only if we abandon partial, escapist concepts in studying and explaining it.

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