Political instability in Africa: A rent-seeking approach

JOHN MBAKU
Kennesaw State College, Marietta, GA 30061

CHRIS PAUL
Department of Economics, University of Alabama, Huntsville, Huntsville, AL 35899

1. Introduction

During the twenty-eight years from 1956 to 1984 fifty-six (56) coups occurred in Sub-Saharan Africa (McGowan and Johnson, 1984). Several more have taken place since, and this tally excludes the number of unsuccessful attempts and plots. The high rate of political instability in the region makes it fertile ground for the study of politically destabilizing activities. As a corollary the economies of many of these countries have continued to stagnate. Arguably, the level of political instability has been a significant factor in the lack of progress experienced by the continent's economies. In addition to diverting resources from productive activities to the pursuance of violent activities, the general instability has increased the cost of transacting business by increasing the probability of losing life or limb as well as property. The first step in breaking the cycle of government creation and destruction is identifying the underlying determinants of the existing political instability. The identification of the determinants of political instability in Sub-Saharan African nations is the central focus of this research effort.

Three theories of political instability or revolution have been offered. Young (1976), a sociologist who is specifically concerned with African nations, attributes political instability to inter-tribal rivalry, framed as "problems of cultural pluralism." Cultural pluralism, as used by Young, refers to a situation in which people from diverse ethnic, religious, racial or social groups live together within a political system. Political transactions in such a polity are characterized by competition, conflict and cooperation. The basis for coexistence may be a common ethnic background, language, caste, or territory. Young offers no explanation for the absence or low level of political instability in other pluralistic societies.

Studies of revolution by political scientists (see Goldstone, 1980), have concentrated on the public good aspect of revolution. The public-goods theory is summarized as portraying the object of revolution as the general improvement...
in the governance of the political organizations, thus improving the well-being of non-participating third parties.

Economists offer a competing theory of the participation of individuals in destabilizing political processes which has been titled the economic or by-product theory of revolution (see Ireland, 1967; Leites and Wolf, 1970; Tullock, 1971b and 1974; and Silver, 1974). Tullock notes in his by-product theory that while concern for third-party interest may be present, "people to some extent are motivated by ethical and charitable impulses," (1971b: 94); the high costs assumed by individuals who participate in revolutions usually call for offsetting personal gains. There is an additional aspect of the by-product theory which suggests a reason for the public goods approach subscribed to by political scientists. Simply put, the probability of having a successful revolution will be positively related to the level of support it enjoys with the general population and non-participating interest groups. The level of this support will be determined to some extent by the perceived *ex post* benefits to third parties. Thus, rhetoric which promises increased benefits to third parties is a necessary part of revolutionary activities regardless of the level of sincerity on the part of anti-government leaders.

While offering a preliminary empirical test of the explanatory powers of the first two theories, the main focus of this study is the by-product theory. The present model differs from previous constructs of the economic or by-product theory of revolution in its structuring of an engine for the self-interest motivation of participants. The previous constructs of the theory suggest that there exist a negative relationship between the probability of political instability and the state of the economy (Silver, 1974; Friedman, 1977; and Carwright et al., 1985). While concurring with this conclusion the present model treats the economy's health as a product of rent-seeking behavior on the part of government officials. In effect, the governmental apparatus is employed to create and extract rents. This behavior has two important implications. First, blocking competition in both the political and economic markets excludes non-members from sharing the rents and profits generated. Second, the creation and extraction of rents slows or reverses economic growth; further reducing the well-being of excluded individuals.

Blocked from competing for gains in government controlled markets and from competing for rents by exclusion from institutionalized political processes, members of excluded groups attempt to capture control of the government by extra-constitutional or violent political means. That is, members of excluded groups seek to displace the in-power group. Their object is, however, not to create free markets and/or public goods, but rather to capture the rent-creating governmental control of markets for the purpose of creating and extracting rents. This goal is achieved by excluding non-member groups which results in continued political instability. See White (1974: 77–78) for a discussion of this process in the history of Vietnam.