

Economics 172
Issues in African Economic Development

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Issues in African Economic Development

Lecture 28 – May 3, 2007

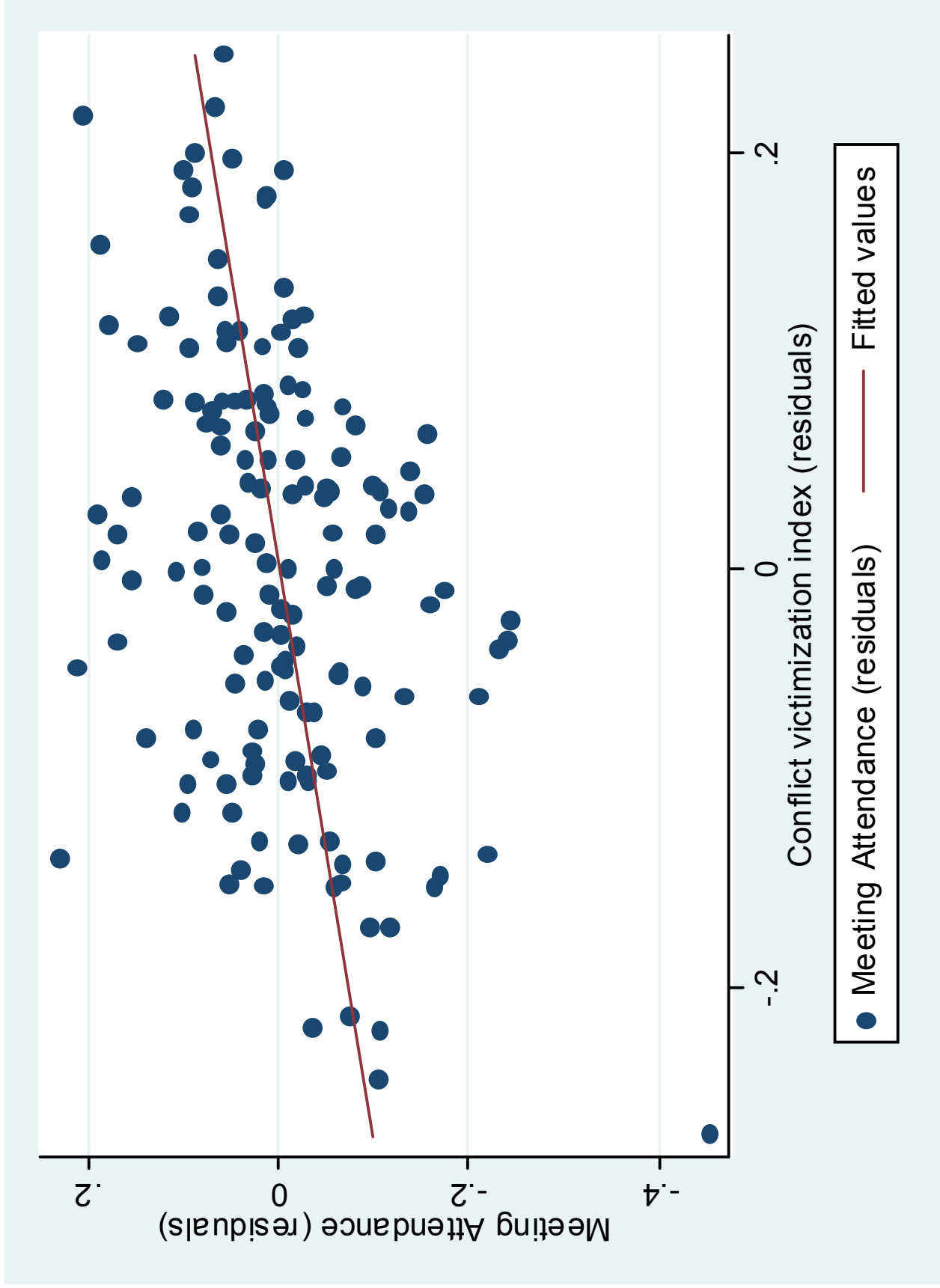
Outline:

- (1) The Sierra Leone Civil War (1991-2002) and its aftermath**
- (2) Acemoglu, Johnson, Robinson (2003) on Botswana**

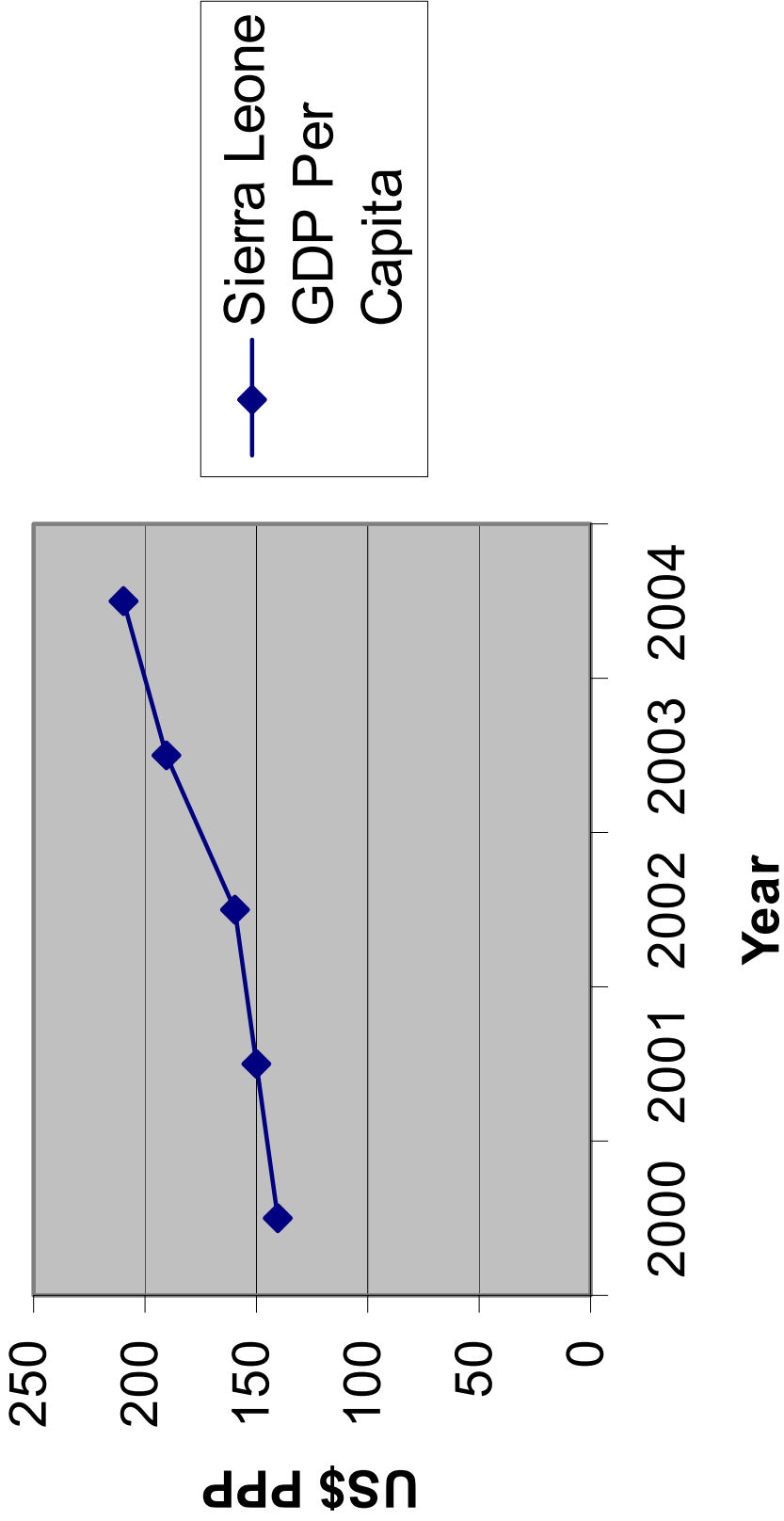
Conflict intensity and post-war recovery

- Conflict victimization is – surprisingly – positively associated with several measures of postwar political mobilization, including community meeting attendance, voter registration, community group membership
 - And there is no significant negative relationship between conflict exposure and postwar 2004 socioeconomic outcomes (per capita consumption, schooling, child nutrition)
 - Partial recovery from the war appears to have been very rapid (within only a few years)

Figure 5: Community Meeting Attendance and Conflict Victimization (residuals)



Sierra Leone GDP Per Capita



The bottom line

- We find no lingering adverse effects of civil war violence in Sierra Leone on local living standards or institutions
 - Several measures of political mobilization / collective action are somewhat better in areas that experienced more violence during the conflict
 - 60% of 2005 IRCBP respondents claim that the war positively impacted community cooperation
 - Institutions, norms, and organizations forged during war persist into the postwar period

Implications

- More speculatively: did the Sierra Leone civil war generate new – and possibly stronger – local institutions? Local governments?
- Keen (2005) claims the war increased political awareness and mobilization, especially for youths
- Ferme (2001, p. 228): “[Sierra Leoneans] have sometimes turned [social instability] into a creative, though violent, opportunity to refashion themselves vis-à-vis their own institutions”

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- Uncertainty over the July 2007 Presidential elections

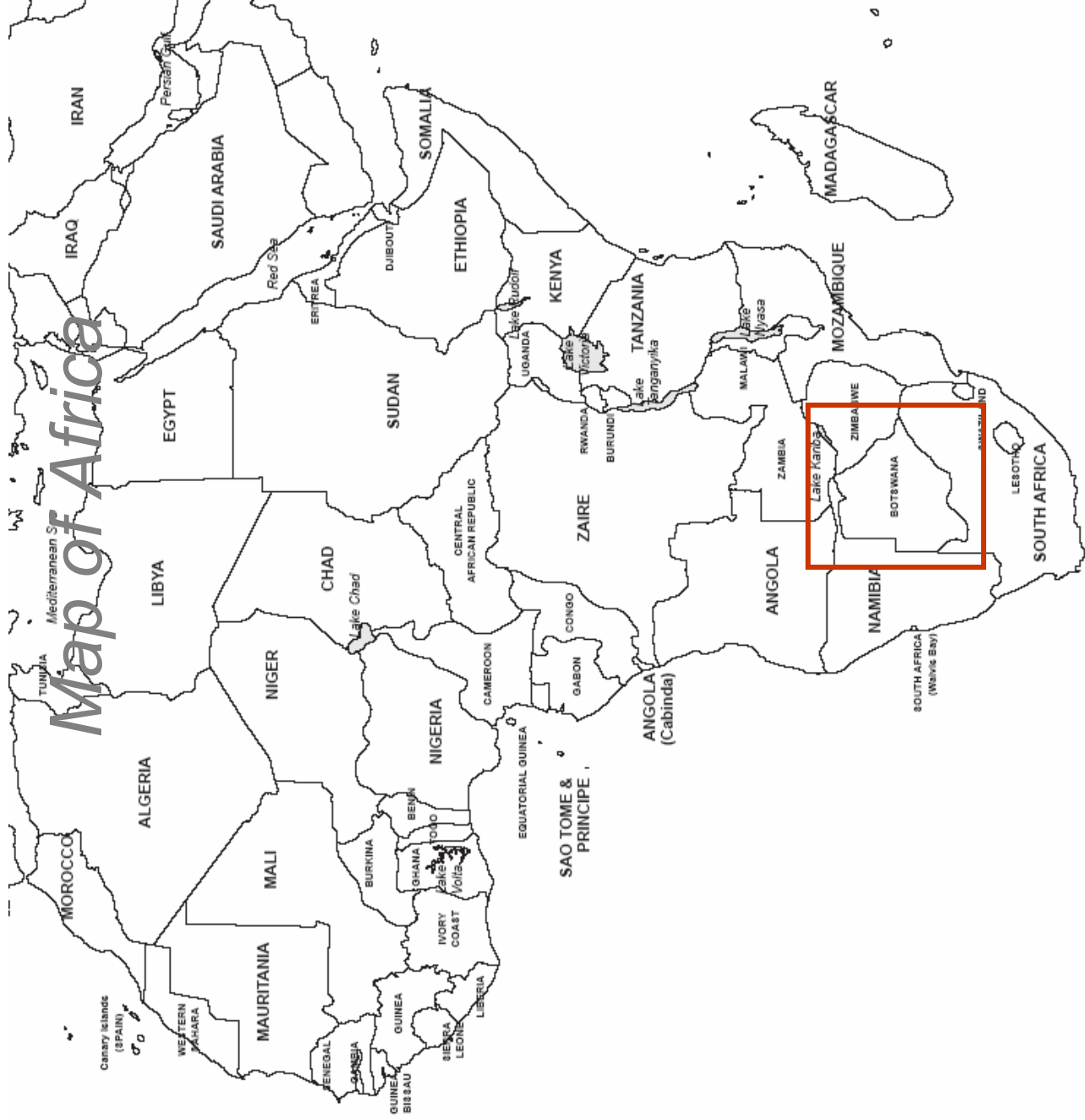
Botswana: Africa's success story

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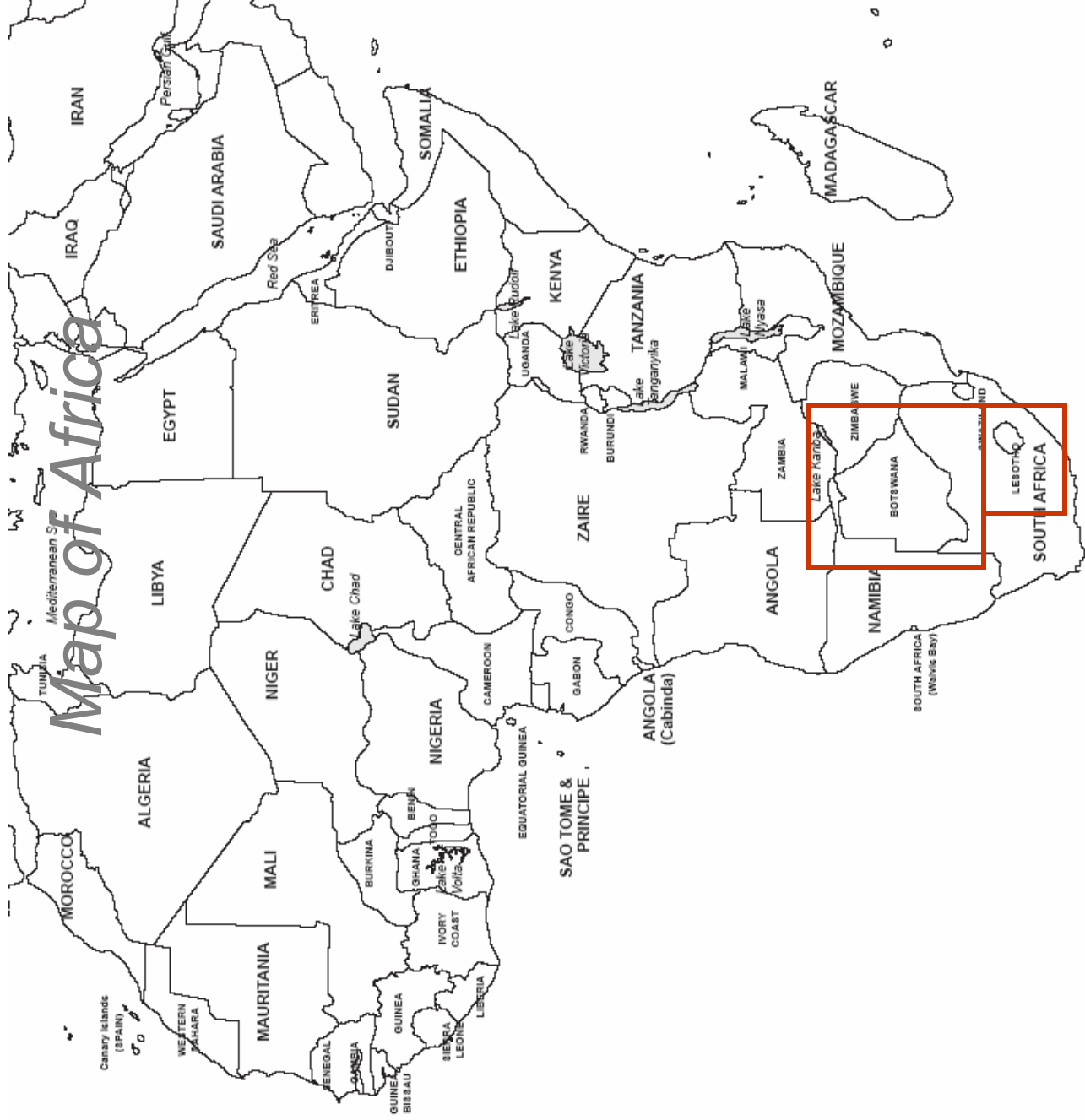
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- In 1965 the country had only two secondary schools and 100 secondary school graduates, and 12 km of paved roads. The country is tropical, landlocked, and arid. It started out with high income inequality, and lots of natural resources (diamonds, like Sierra Leone).



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- Botswana's political unity was forged in warfare against the Zulus and the Boers in the early 1800s
- Resisted direct rule by Boers, Cecil Rhodes
- In the late 19th / early 20th centuries, Botswana was a protectorate, almost entirely neglected by the British. Traditional political authorities were not co-opted or crushed by the colonizers, "benign neglect"?

Seretse Khama's reforms

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- Khama actively strengthened the central government, abolishing the traditional rights of Chiefs (including the right to allocate land, and to claim mineral wealth in their lands), and allowed the state to remove chiefs. Similar to Tanzania in this respect
- He was not personally corrupt, and tolerated opposition groups and an independent media

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- Botswanan public policy has been concerned with the welfare of rural residents.
 - Case in point: the extensive Drought Relief Program (DRP). Up to 60% of residents received relief during the severe mid-1980s drought

Why did Botswana succeed? AJR's reasons

- (1) Representative pre-colonial institutions, with lots of institutional checks/balances (e.g., public assemblies)
- (2) The limited U.K. colonialism left these existing institutions intact, and largely legitimate

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- (4) Huge diamond and other mineral income
- (5) Visionary nation-building decisions by post-independence leaders (especially Seretse Khama)
- (6) Heavy involvement of the state in the economy (central government expenditure 40% of GDP), combined with property rights protection, encouragement of FDI

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- Was Botswana's collaboration with the Apartheid regime a key to their success?
- Is it Botswana's ethnic homogeneity?
- What is the key factor?

- For next time: article on China and Africa

Whiteboard #1

Whiteboard #2

Whiteboard #3

Whiteboard #4

Whiteboard #5

