

**Dictators, Democrats and Political Coalitions:  
Government Performance in an African Country**

**(Draft Introduction)**  
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Comments welcome

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What conditions contribute to good governance in developing countries? Nigeria possesses many of the factors that arguably impede government performance such as ethnic and religious diversity, an economy highly dependent on natural resource exploitation, and a history of political instability. These complexities have hindered the country's political development and frustrated scholars in search of a concise explanatory theory. Yet spurts of progress punctuate Nigeria's history and are nearly as baffling as the prevalence of poverty in the midst of its oil wealth. For example, hospitals apparently had more beds to accommodate incoming patients in the late 1980s under dictatorship than during recent years under democracy, and Nigeria's federal courts were more efficient in the mid-1960s (a period of great social upheaval) than they were a decade later. This study identifies such variation in four policy areas and demonstrates how Nigeria's political institutions and their social context interact to explain overall government performance.

Economists, political scientists and politicians measure government performance in different ways. Many studies utilize the concept of public goods to measure government performance because it identifies the theoretical properties of different policies as well as the challenges of implementing those policies. This approach sometimes overlooks areas where the government shapes policy but the policies are not properly classified as "public goods." I examine a range of policies between 1961 and 2003, including education, health care, the courts and fiscal discipline. These policies are all important components of political development that demonstrate variation over time in Nigeria. My data reveal that there were more teachers per student in primary schools throughout the 1960's than at any point during the 1980's; the number of hospital beds available for patients increased steadily for twenty years then began to decline in the early 1990s; and the federal courts generated huge backlogs in the early the 1980s when they had been actually reducing backlogs fifteen years earlier. As for fiscal discipline, the Federal Government ran surpluses in seven of its budgets since 1961 (and inflation during that time ranged from below zero to nearly 73 percent).

Regime type offers one possible explanation for this variation in government performance. Democracies supposedly perform better than dictatorships because political competition through elections improves accountability. The credible threat of replacement gives politicians an incentive to respond to their constituents and formulate policies that serve broader constituencies. In contrast, dictators have fewer reasons to consider the public's preferences when weighing their policy choices because there are no pending elections that could hold them accountable. When weighing their self interest against the nation's broader collective good they have fewer incentives to formulate national-oriented policies. The likelihood of property expropriation or the extraction of rents is higher where accountability mechanisms such as elections or legislative oversight are weak. The evidence from Nigeria, however, suggests no clear correlation between regime type and government performance. Some authoritarian regimes have experienced periods of impressive economic growth and marked improvements in the delivery of social services while some democracies have performed poorly in these areas. What explains variation in government performance in Nigeria if not regime type?

A second possible explanation is that performance is merely a consequence of the financial resources available. Some governments have reaped the benefits of oil booms, contributing to budget surpluses and facilitating massive government consumption. Other governments had to

formulate spending policies in the face of low oil prices, confront the daunting task of collecting taxes in a poor country, and sometimes address both of these challenges. On the face of it, this is a compelling argument because the rise of oil revenues in the first half of the 1970s coincided with huge government investments in education and infrastructure. The Federal Government also enjoyed increased revenue during several years of the 1990s. From 1990 to 1991, government receipts nearly doubled, and between 1994 and 1995 receipts more than doubled. However my examination of the evidence suggests that the wealth of the state is not necessarily linked to improved policy performance.

These two explanations are characteristic of the conventional wisdom about Nigerian politics, yet few studies have attempted to translate them into testable hypotheses. My dissertation attempts this by testing a “regime type” hypothesis and a “fiscal resources” hypothesis. I reject these explanations based on empirical results and advance an alternative explanation of government performance based on the politics of coalition formation. According to this theory, dictators and democrats alike require a ruling coalition and each coalition faces a tradeoff between representativeness and efficiency. Increasing the size can make a coalition more representative. Numerous political institutions in Nigeria generate pressures for increasing coalition size by promoting ethno-regional diversity in government. But larger coalitions can be less efficient because policy changes require the approval of more actors and government resources need to be distributed among more coalition partners. Small coalitions make decisions efficiently but this too has drawbacks: it leads to expensive, hastily fashioned policies, or it increases the bargaining leverage of any single coalition actor, allowing him or her to extract costly concessions. Thus all coalitions face a dilemma between sharing power and efficient decision making. My theory therefore predicts that coalitions that are either too big or too small explain periods of poor government performance, whereas coalitions that strike a median balance between representativeness and efficiency account for periods of good government performance.

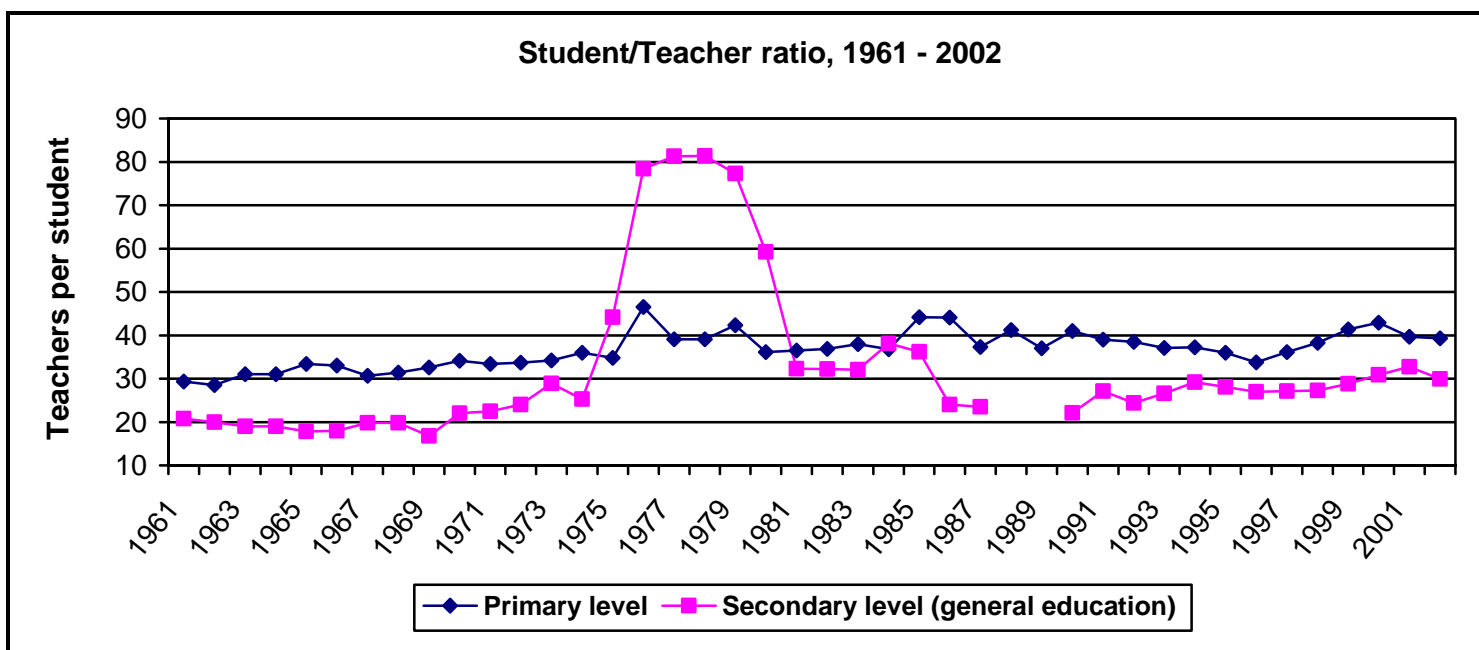
The next section of this chapter offers a brief overview of government performance over time in the areas of education, health care, the courts and fiscal discipline. A more detailed analysis of these four variables will be presented in Chapter 2, along with an explanation as to why they were chosen and how they are operationalized. That chapter will also describe some of the problems in data collection and measurement, and introduce an aggregate measure of performance. After summarizing the data discussed in this introduction, I describe the theories that might explain the dependent variable and how the chapters that follow develop and test them.

### **AN OVERVIEW OF GOVERNMENT PERFORMANCE, 1961 – 2003**

The Nigerian government’s performance in education, health care, the judiciary and fiscal discipline has experienced periods of improvement and decline. Good performance in these areas is essential to development and numerous governments recognized this in their policy statements. However as of 2003, Nigeria stood among the world’s poorest and most underdeveloped nations, ranking 151<sup>st</sup> on the United Nations Development Program’s Human Development Index. The data discussed here make clear that this rather unfortunate distinction follows years of development ups and downs.

Several measures of education used in this study show that the situation in the schools is worse today than it was four decades ago. Although enrollments and enrollment ratios have increased (for both boys and girls), the student teacher ratios are generally higher today than they in the post-independence era.<sup>1</sup> In 1960, the student/teacher ratio stood at 30.1 students for each teacher in primary schools and 20.1 in general education secondary schools. In 2002, those figures (optimistically) stood at 39.3 and 29.9. Figure 1 shows student/teacher ratios at the primary and secondary school levels since 1960. At the primary level, the educational situation showed only a very slight decline until the mid-1970s. The student/teacher ratio worsened slightly, then by the end of the decade the ratio had deteriorated further. The 1980s show little change in the student/teacher ratio at first, with an increase in 1985 at the primary school level. This is followed by a slight improvement in the early 1990s and a gradual deterioration after 1996. Minor improvements appear after 2000.

Figure 1



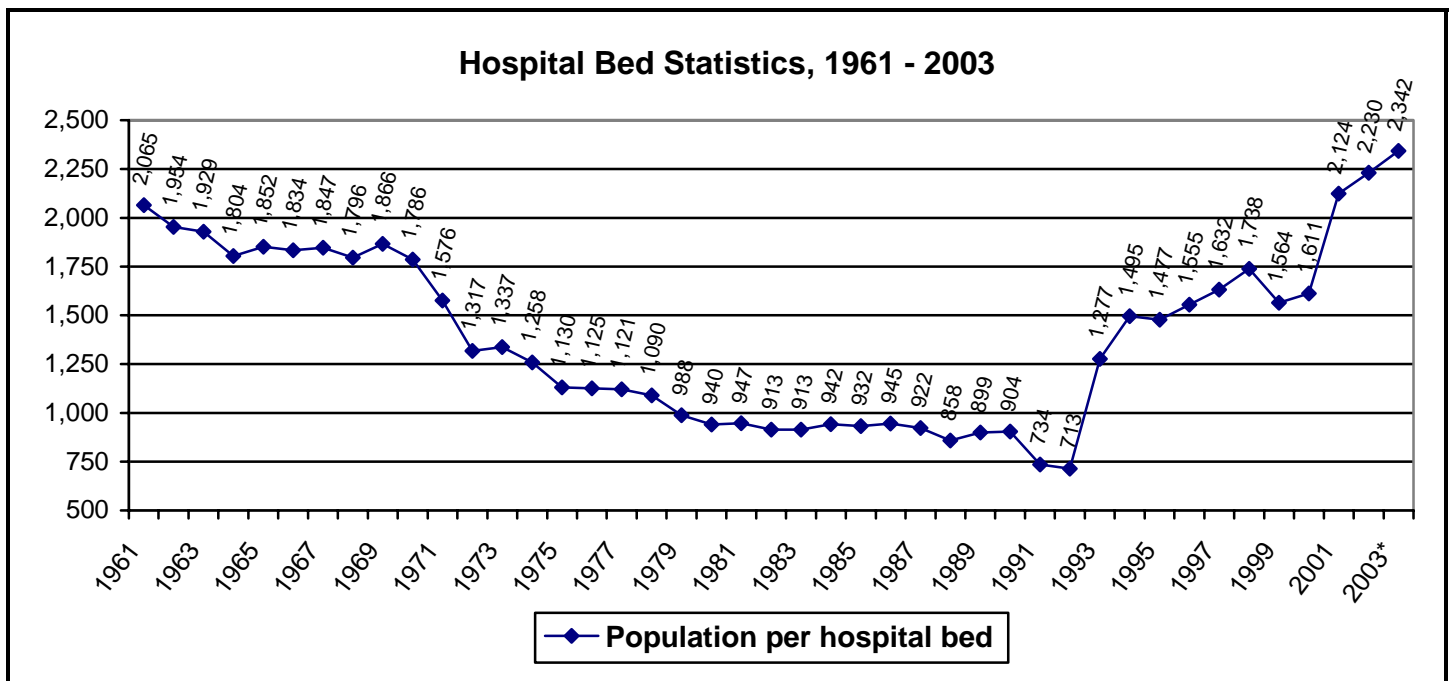
As absolute numbers, these figures do not entirely reveal the magnitude of the variation as experienced by the average student; an increase from 30 to 40 students per teacher may appear modest. But this could imply a huge difference in the quality of instruction the teacher is able to offer, and it may conceal other problems such as teachers who actually share classrooms. One recent survey of 54 schools throughout the country found that two or more classes may share one classroom, and those classrooms are often in a state of disrepair (National Primary Education

<sup>1</sup> Absolute enrollment levels are sometimes used as a proxy for quality of education, since they in part reflect the willingness – or ability – of families to send children to school rather than to work. There are several sources for enrollment rates, including *Handbook of Basic Education in Nigeria*. It reports rates for all years after 1990 (Federal Ministry of Education 2003). The Handbook uses *gross* enrollment rates, and sources (such as the African Development Bank) for earlier figures make no distinction between gross and actual enrollments; it is used here because 11 years are available. Moreover, when compared to various years listed in Central Bank Annual Reports for 1999 and 2003, the differences are no more than 2 – 4 percentage points, suggesting that the gross figures are reliable estimates.

Commission ). Why accounts for this increase in class size in a country that not only declared education a top priority on several occasions but also apparently had the fiscal resources to make meaningful improvements? What accounts for the periods of relative improvement? Later chapters will answer these questions by demonstrating how education outcomes were impacted by broad political processes.

Trends in health care are illustrated in Figure 2, showing the population per hospital bed. The 1960s show only modest improvement; throughout the course of the decade, the population-to-bed ratio shifts from 2,065 in 1961 to 1,866 in 1969. Then the period after the Civil War, which ends in January 1970, shows rapid improvement. By 1971 the ratio drops to 1,576 and just a year later it stood at 1317. This, in fact, appears to be the period of the greatest improvements in the population-to-bed ratio in Nigeria’s history. The 1980s are largely stagnant, beginning with a 940 person per bed ratio, and ending with a ratio of 899. The early 1990s show swift improvement again then there is a massive reversal, sending the person per bed ratio up to 1,495 in 1994. With the exception of a brief respite in 1999 and 2000, the situation has rapidly deteriorated; by 2001 the person to bed ratio was worse than it was at independence. Chapter Two introduces a second measure of health care based on the number of doctors, relative to the population. It shows that the number of doctors increases fairly steadily over the years. However there are several periods, (1967 to 1979, and 1997 to 2001) where the number of doctors was lower than expected by the trend line.

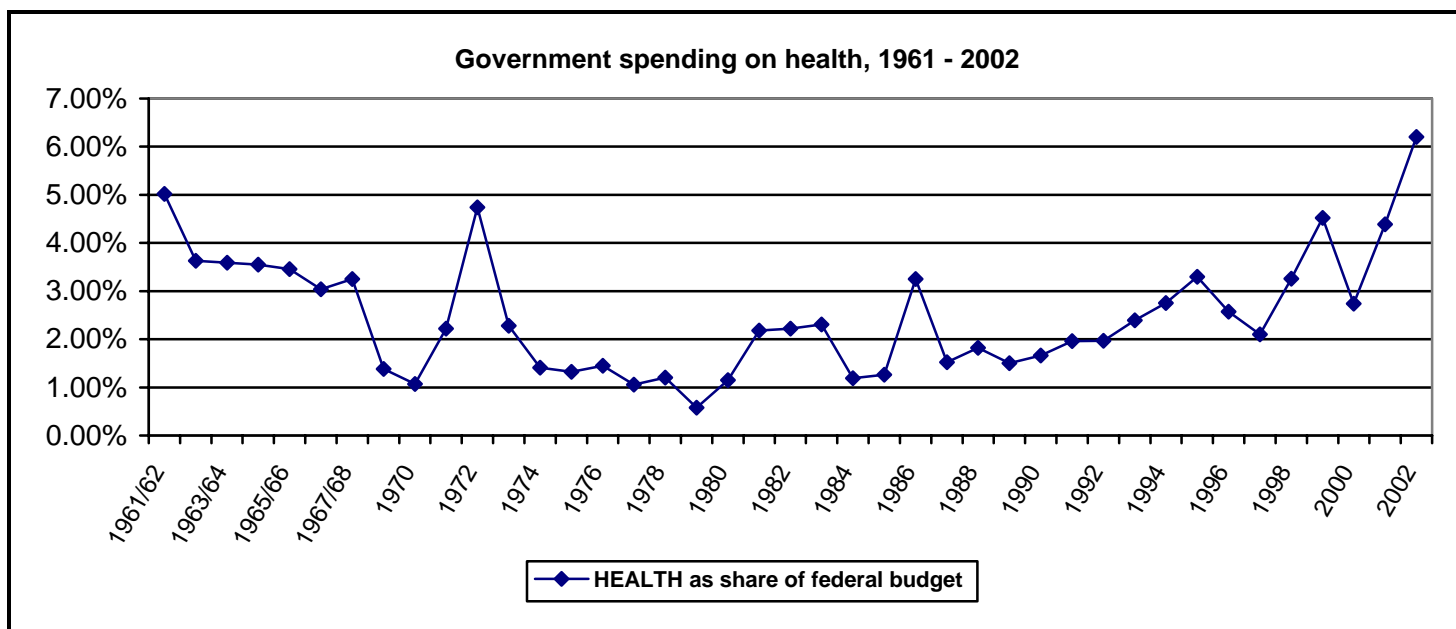
Figure 2



The Federal Government’s commitment to health care has varied considerably since independence as the spending data in Figure 3 demonstrate. Nigerian scholars have pointed to the relatively low share of the federal budget devoted to health as evidence that poor health conditions are a consequence of misplaced government priorities. As a goal for African

countries, the World Health Organization recommends that governments spend at least 5 percent of their budget on health care (Jegade 2002, 212-226). Nigeria has only reached that benchmark in 1961/62, in 1972, and in 2001/2002. These figures are consistent with a study which reports “no significant growth in health budgets relative to total federal budgets during the period between 1988 and 1993” the years following the Federal Ministry of Health’s supposed new emphasis on primary care. A study published in 2001 by the same scholar covering years 1983 to 1997 reports similarly low allocation of resources to health, considerable inefficiency and waste, and inadequate access to health care (Aregbeyen 1996; Aregbeyen 2001). A low point during this period is 1987, which coincides with the implementation of Structural Adjustment. One survey of over 2000 households in the southwest of the country attributed drastic reductions in federal health spending, as well as reduced access to health services specifically to SAP reforms (Okafor, Abumere and others 1998). (Measured as a share of GDP, there is a drop in federal spending on health 1990-1992, which is at least partly attributable to a low allocation for research.)<sup>2</sup> Spending on health, relative to other priorities, shows a sharp increase after 2000.<sup>3</sup>

Figure 3



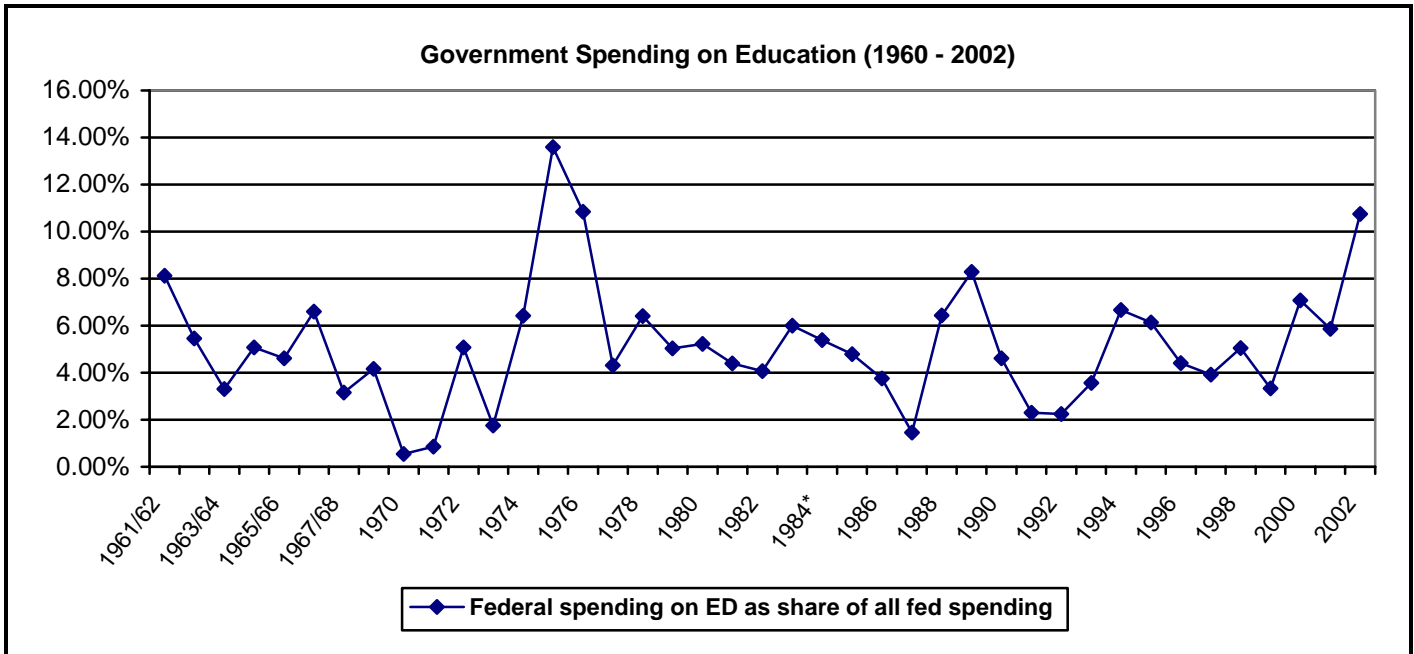
The Federal Government’s commitment to education has also varied, as illustrated in Figure 4. As a share of the federal budget, the years of highest spending were during the launching of UBE. At that time, influential White Paper by Chief Simon Adebo in 1977 called education the “greatest investment that a nation can make for the development of its economic, political,

<sup>2</sup> Emu-Dorcas Irerhime, “Ailing Allocation: the Health Sector Suffers a Setback,” *The Nigerian Economist*, Jan. 22, 1990, pp. 22-23.

<sup>3</sup> Because the federal government has shared jurisdiction over health with the states and local governments, the best reflection of the government’s commitment to health would be to report the combined federal and state spending on health care. The only available figures differentiating between national and subnational spending by budget function comes from the 1960s. It shows that the federal government accounted for less than half of all government spending on health care for any given year (Federal Office of Statistics ; Federal Office of Statistics ). These statistics also shows low levels of government spending during the Civil War (1967 – January 1970), in 1979, in 1987, and in 1991 – 1992.

sociological and human resources.”<sup>4</sup> Other years of noticeably high spending were the years of early independence, the late 1980s and 2002. The nadir was immediately following the Civil War, while 1987 and 1991-92 also recorded low levels of spending relative to other government priorities.

Figure 4



To examine the relationship between policy inputs and policy outputs for health and education, in Chapter 2 I convert the Federal Government’s spending into constant 2000 naira. I then compare spending in these areas with measures of health and education that represent both infrastructure and human resource investments. These policy outputs are measured in terms of schools and hospitals, and student/teacher ratio and doctors. By comparing the observed values with the predicted values, I identify the years in which the government under-performed, given the level of spending and using appropriate controls. An appendix also examines whether policy inputs and outputs can actually be linked to education outcomes, specifically standardized test scores.

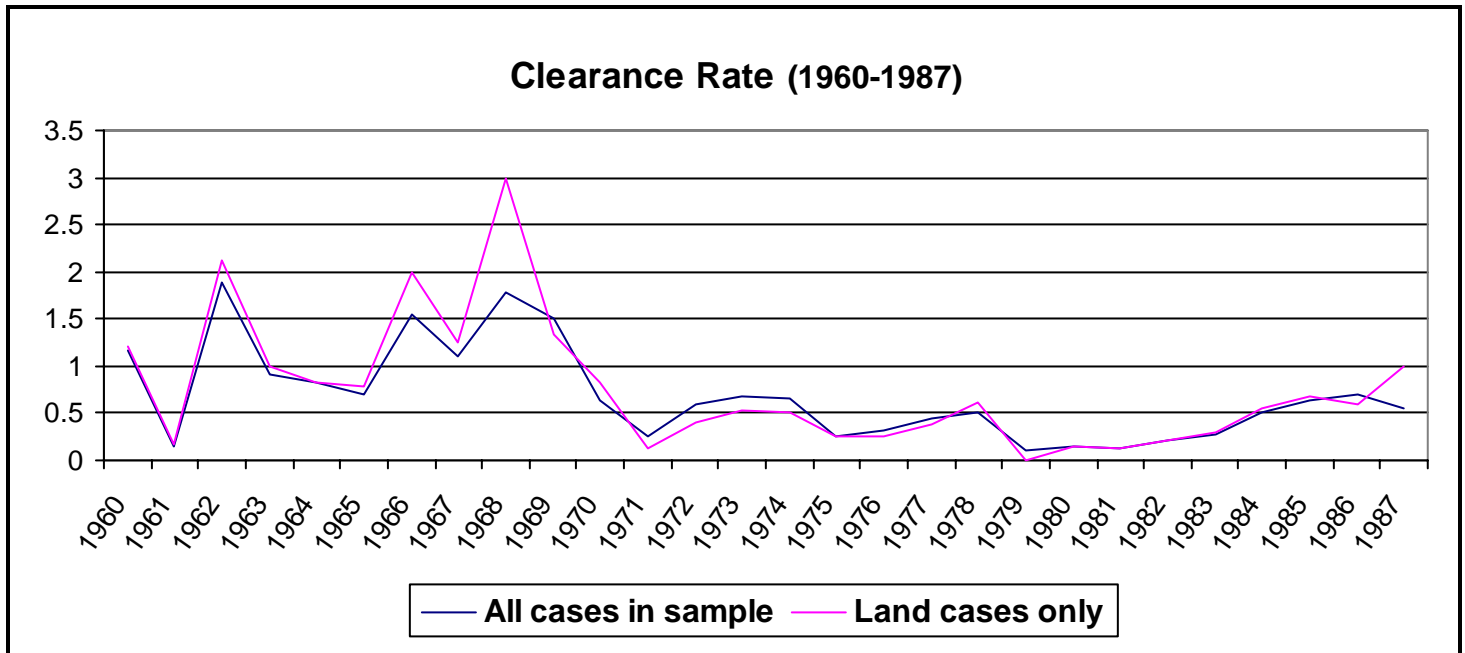
Judicial efficiency, my third measure of government performance, is graphically illustrated in Figure 5. I measure the efficiency of the courts with the clearance rate, a ratio based on of the number of cases disposed divided by the number of cases received. This a commonly used measures of judicial efficiency because it capture performance in relative terms from one year to the next (Buscaglia and Ulen 1997, 275-91; Dakolias, Maria 99). The complete sample in my study is composed of 449 land disputes and 69 “companies” cases decided between 1960 and the late 1980s. The cases included in this data set were either decided or proceeded on appeal from the State High Court to the Court of Appeal and the Supreme Court. A rate of less than one indicates that the court is creating backlog, while a rate greater than one means that the court is

<sup>4</sup> Editorial, “Hard Road for Education,” *West Africa*, May 21, 1979, p. 871.

disposing of cases faster than it is receiving them. The courts operated efficiently throughout the 1960s, where the average clearance rate was 1.16 – impressive for a new democracy. The 1970s were moderately inefficient, with an average clearance rate of 0.48 between 1970 and 1978. The next nine years had an average clearance rate of 0.36. Although I have data on cases resolved up through 1999, the data examined here stops at 1987 because my figures for cases received after the mid-1980s is incomplete. Contrary to anecdotal evidence from legal scholars in Nigeria who insisted during interviews that land cases are uncharacteristically long, the two types of cases in my sample are highly correlated.<sup>5</sup> Most of the land cases concern disputes over title to land.

In Chapter 2 I also measure judicial efficiency with the number of awaiting trial persons (ATPs) in prison. By using this second measure, I am able to generalize about the ability of the courts to handle both criminal cases as well as civil disputes. An appendix demonstrates that these two measures are statistically related, as expected. I then use this similarity to extend my time series for judicial efficiency beyond 1987 by using predicted values.

Figure 5



My last measure of government performance is “fiscal discipline,” which Figure 6 illustrates in terms of federal budget surpluses and deficits. Fiscal discipline differs from the measures used in this study because its impact on the nation is non-divisible; unlike schools and hospitals its benefits are not geographically targetable. Also when services like education and health care are largely provided by the private sector, they can benefit some interests over at the expense of others. Fiscal discipline is an important measure because policies that balance federal budgets can contribute economic development but are frequently not in the immediate interests of incumbents. Although modest and temporary levels of deficit spending arguably can contribute to economic growth, policy makers are often tempted to push for excessive government spending

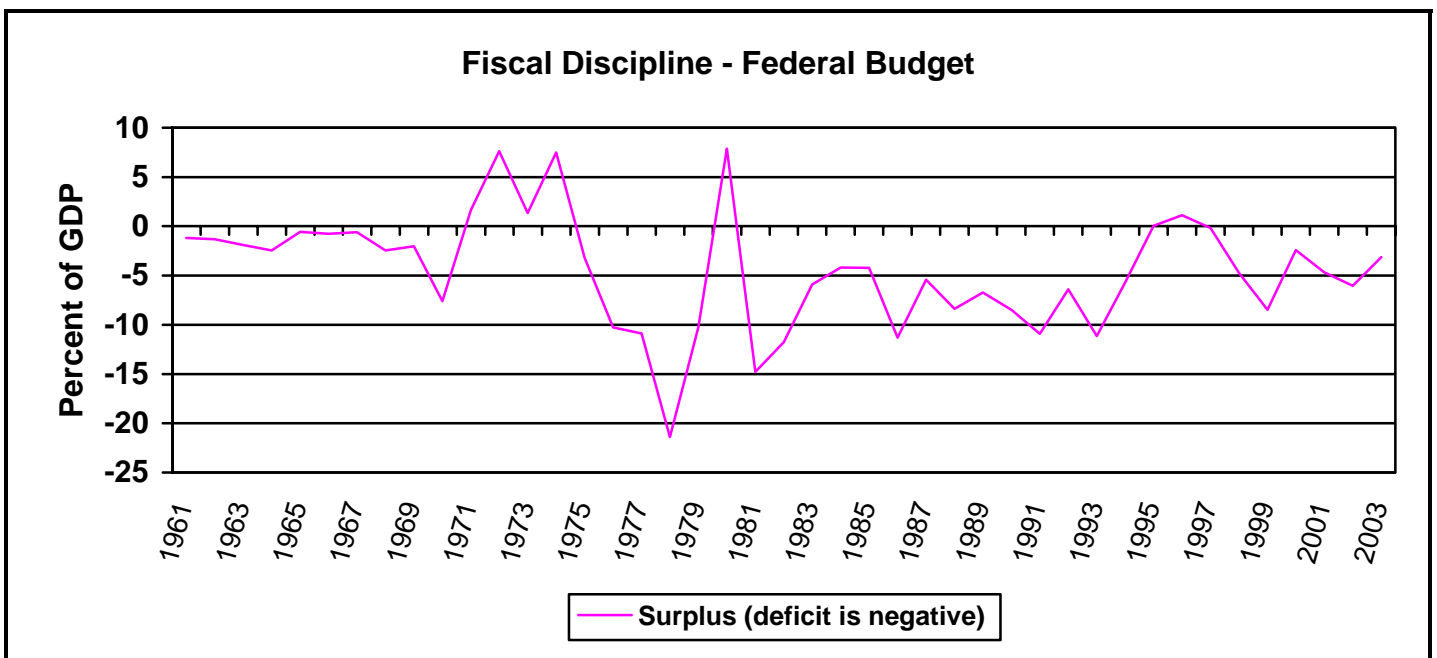
<sup>5</sup> Pearson’s  $R > 0.9$



that serves their own political survival but not necessarily the long term economic interests of the nation. Maintaining fiscal discipline poses a collective action problem that requires mutual self-restraint by incumbents. Chapter 2 discusses how, for exactly these reasons, fiscal discipline more closely approximates an ideal public good than other measures.

The data show that the government ran large surpluses (more than 5 percent of GDP) in 1971-1974 and 1980, and comparatively small surpluses in 1995 and 1996. In all other years the federal government ran deficits, although the deficits for 1961 to 1963, 1965 to 1967, and for 1997 were relatively small (amounting to less than 2 percent of GDP). The most egregious deficits, where the deficit amounted to over 10 percent of GDP, occurred from 1976 to 1979, in 1981, 1982, 1986, 1991, and 1993.<sup>6</sup>

Figure 6



Chapter 2 discusses how other development studies measure of government performance and summarizes in greater detail the results for each measure. I utilize qualitative evidence to elaborate on each variable and describe changes in each policy area, a useful advantage over large-*N* studies that focus on cross-national analysis. In the next section, I attempt to summarize overall government performance. Ultimately, even this lacks sufficient precision, a problem which points to the utility of an aggregate variable.

<sup>6</sup> The deficits of the 1960s should not be misinterpreted though. During many of these years, Nigeria experienced small deficits relative to GDP, low inflation, and managed to avoid printing too much currency – all policies that might be considered signs of fiscal discipline. Inflation was over 20 percent in 1975, 1976, 1981, 1983, and more than 40 percent in 1988-1989 and from 1992 through 1995. The largest increases in money supply, where the currency in circulation increased more than 30 percent over the previous year, were 1971, 1973-1974, 1976-1977, 1980, 1988, 1992-1994 and 2000.

## Summary of Government Performance

The data introduced so far reveal that the number of teachers kept pace with population growth throughout the 1960s.<sup>7</sup> The number of students per teacher increases in the second half of the 1970s, especially at the secondary level. This would seem to point to a period of bad government performance. Chapter Two will consider whether these figures reflect other factors such as changes in the rate of enrollment. The second half of the 1980s is a period of weak performance at the primary level but show an improvement of performance at the secondary level. The gap between these two narrows in the early 1990s, and around 1997 both ratios increase in a trend that is barely arrested in 2001.

Health trends for the 1960s are similar, at least in terms of the person-to-bed measure which shows some improvement. Improvement is much sharper in the decade following the Civil War. Whereas the person to bed ratio was 1,576 in 1971, by 1980 it was 940 persons per bed. The 1980s hold fairly steady and there appears to be a brief peak period of bed provision in 1991 and 1992. Health care thereafter begins a precipitous decline. By 2001, the person-to-bed ratio was worse than at any time in Nigeria's history.

The judiciary data show that on the whole the courts were efficient during the 1960s, although between 1963 and 1965 they accumulate some case backlog. The clearance rate between 1970 and 1978 was half the rate as the 1960s, pointing to the creation of a backlog of land and companies cases. The nine years beginning in 1979 – the series nadir – had the lowest average clearance rate.

Nigeria's federal government ran budget surpluses in seven out of the 42 years analyzed; this includes four years in the 1970s, as well as 1980, 1995 and 1996. Chapter 4 will evaluate the extent to which these surpluses can simply be attributed to oil booms, rather than fiscal discipline. Measured as a share of Gross Domestic Product, the surpluses during the 1960s were small, never amounting to more than 2.6 percent of GDP. This would suggest that the federal budgets were fairly well disciplined throughout the decade, and additional evidence introduced in Chapter 2 supports this notion. The government ran high budget deficits, amounting to over 5 percent of GDP, in 1970, 1978, 1982, 1983. The budget deficits from 1986 through 1994 were at least as large. The budget deficit was also large in 1993 and 1999.

A summary of these measures suggests that government performance was good in the 1960s, aside from slight increases in the number of students per teacher after 1967 and drops in judicial efficiency in 1963 and 1967. Performance in health care appears to improve throughout the 1970s while judicial performance and education do not, especially after the mid-decade period. Four out of the Federal Government's six budget surpluses were in the 1970s. But there is also evidence of fiscal indiscipline, especially in 1978-1979. The 1980s begin with a budget surplus that quickly evaporates. Judicial performance improves, but only slightly, while the number of persons per hospital bed holds steady. Primary education performance drops after 1984. The 1990s show huge budget deficits as well as two short-lived years of surpluses. Education performance shows a decline after 1996 that is not arrested until 2001, whereas performance in

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<sup>7</sup> All of this data, especially for education and health services, must be read with a grain of salt for 1967 through 1969 due to the Biafran Civil War. When the eastern states seceded, most of them stopped reporting figures to the Federal Government.

health care declines through most of the decade eventually reaching its worst state ever (at least in terms of persons-to-bed ratio).

Such a summary is still difficult to synthesize or to falsify though. In Chapter 2, I sharpen this summary by creating an aggregate measure of government performance that sums outputs in each of these areas, creating one continuous variable. This not only increases the study's parsimony, it mitigates ecological problems by aggregating "upwards" rather than making inferences about performance in specific policy areas based on variables that serve as proxies. Finally, the aggregate variable deepens the analysis of the education and health variables by directly relating spending levels to outputs. Thus all four variables are measured on the basis of the relative, rather than the absolute, level of performance.

### **POSSIBLE EXPLANATIONS FOR GOVERNMENT PERFORMANCE**

The chapters that follow test two conventional explanations for Nigerian government performance. Each hypothesis is framed within a major strand of the political development literature, operationalized using primary source data collected during field research, and tested. After rejecting both of these explanations, I argue for a theory of political coalitions that takes into account political institutions and the social contexts that shape them. My theory predicts that coalitions that are too big or too small have comparable adverse effects on government performance.

#### **The Regime Type Theory**

One possible explanation for government performance arises from distinctions in regime type. Recent cross-national research provides at least three distinct conclusions about the relationship between regime type and government performance: The first says that if government performance is measured in terms of economic growth, regime type does not seem to have much of an impact. These scholars generally share doubts about modernization theory's claim that high growth is difficult to achieve under democracy. However they tend to disagree about the causal relationship between economic growth and democratization; some maintain that economic growth is not necessary for democracy to take root while others are doubtful whether anything can be generalized from the cases of democratization in poor countries (Przeworski, Alvarez and others 2000; Feng 2003; Bueno de Mesquita et al. 2001, 57-72; Mainwaring and Perez-Linan 2003, 1031-67). A second school of thought claims that when government performance is measured in terms of social insurance or other public goods, democracies clearly outperform authoritarian regimes because they reduce opportunities for rent-seeking behavior (Lake and Baum 2001, 587-621; Boix 2003). This is especially true among poor democracies, who face electoral pressures to provide public goods such as education (Brown 1999, 681-707). The third stream of research argues that the causal relationship is framed incorrectly to begin with: human capital (such as investments in education and health care) leads to economic growth, and authoritarian regimes are often the ones to make such investments (Glaeser et al. 2004, 271-303).

This third conclusion would rest easy with several of Nigeria's former dictators. Reflecting on progress made under military governments, General Olusegun Obasanjo in 1979 pointed to a fourteen-fold increase in economic output, the establishment of free secondary education, and a

government task force that helped to reduce inflation.<sup>8</sup> General Ibrahim Babangida, four years into his tenure in 1989, similarly praised the military's contribution to stability and progress. He claimed credit for rescuing the nation from the "serious economic crisis arising from the mismanagement of the political era" (despite large budget deficits and record high inflation under his watch).<sup>9</sup> Nigerian economists and political scientists acknowledge that for all their flaws and despite some serious mistakes, military regimes did contribute to the country's development (Iwayemi 1979, 47-72; Ohiorhenuan 1988, 141-162). Chapter 3 evaluates these claims against the evidence by testing a hypothesis which states that regime type best explains government performance. It analyzes performance under all the governments between 1960 and 2003, categorizing them under either democratic or authoritarian regimes. An appendix to this chapter will also examine federal budget data to determine if democracies in fact give education, health care, and the courts higher priority than authoritarian governments. If militaries do tend to neglect social services one might also expect spending in these areas to suffer while the share of the budget spent on the military benefits.

To explore distinctions in regime type, this study identifies four democratic governments under three separate constitutions. The parliamentary government of Prime Minister Balewa took office upon Nigeria's independence in 1960, following elections in 1959. The second government under that same constitutional arrangement formed after new parliamentary elections in 1964. The second Balewa government was overthrown in a military coup in January 1966. The government of President Shagari began in October 1979, following a controversial and contested election. It was terminated in December 1983, shortly after presidential and legislative elections which led to violence and ethnic tensions. The fourth government examined is the first term of President Obasanjo, the current president, which lasted from May 1999 through May 2003. The two military governments that ruled from 1966 through 1975 are collapsed into one case. Although their stated policies were dramatically different, the first one only lasted six months. The two military governments that ruled from 1975 through 1979 are similarly consolidated into one government. The assassination of General Murtala Muhammed in 1976 led to few policy changes by his successor, (then General) Obasanjo, who pledged to stay the course towards the transition. The third military government operated under General Buhari, from January 1, 1983 to 1985. The fourth military government operated under Ibrahim Babangida from August 1985 to 1993. A transition government was put in place but it collapsed quickly and was promptly replaced by General Sani Abacha, who ruled until his unexpected death in 1998. In all, this classification identifies nine governments under two different regime types. My tests reject the hypothesis that government performance can be explained by regime type.

### **The Fiscal Resources Theory**

Chapter 4 offers a second possible explanation for variation in government performance. It attempts to determine the whether the level of federal government revenues provides a better causal explanation. If it does, would we expect scarcity or abundance to be correlated with good government performance? Some research suggests the answer depends on the type of economy,

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<sup>8</sup> Extracts from General Obasanjo's budget speech, "A Budget for Civilian Rule," *West Africa*, April 19, 1979, pp. 613 – 618.

<sup>9</sup> Address by General Imbrahim Badamasi Babangida on the Occasion of the Inauguration of the Armed Forces Consultative Assembly (Government Monograph), June 5, 1989.

rather than the type of regime. Recent political development literature sees little correlation between regime type and the absolute level of government revenues. However, where most revenues are derived from immobile capital politicians face weaker accountability mechanisms against extracting rents (Boix 2003, 184). Such states have commonly been referred to as “rentier states,” where only a small number of people are engaged in production while a large number of people share in the distribution of benefits (Beblawi 1990, 85-98). Governments that enjoy earnings from oil, mineral extraction and other sources of rents face a weak revenue constraint and do not have to place demands on the public in the form of taxes. In the long run, this reduces state capacity as public officials see politics primarily as a redistributive game (Karl 1997).

Most studies concentrate on the relationship between oil and authoritarianism, although few of these include countries outside of the Middle East, making it difficult to control for regional or cultural factors such as Islam (Ross 2001, 325-61; Salamah 1994). These scholars note that tax infrastructure was closely related with the state building and democratization processes in Europe, and without taxes the link between accountability and governance is severed. Repression is less costly in rentier states because per capita income may be high, weakening the demands for democratization. Research along these lines points to the weak condition of civil liberties and political freedom in rentier states (Bellin 2004, 139-57). Meanwhile, few cross-national studies on public goods include countries whose governments rely on rents for revenue, often due to the dearth of data (see for example Lake and Baum 2001).

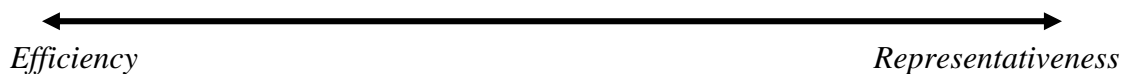
Nigerian scholars often attribute increased spending on development programs, especially education, to profits from the oil boom of the 1970s (Odetola 1982; Onyejekwe 1981). I test two variations of the fiscal resources hypothesis: First, I determine whether government performance is in fact related to government revenue levels. This hypothesis will determine if the overall fiscal resources available to the federal government positively impact performance. If inefficient courts, poor social services and fiscal indiscipline are simply related to the poverty of the national treasury, then good government performance should be correlated with generous fiscal resources. The second test determines whether it is the type of government revenue – rather than the level – that explains government performance. Oil has accounted for as little as 1 percent of federal government revenue in some years and as much as 95 percent in others. I refute a hypothesis which states that higher revenue levels lead to good performance. Numerous studies by the Nigerian government have recommended diversification of revenue; my research demonstrates why this would be beneficial.

### **A Theory of Political Coalitions**

If neither regimes nor resources explain variation in government performance, what does? Chapter 5 outlines a theory of political coalitions that begins from the proposition that all governments, regardless of regime type, require a political coalition in order to govern. In democracies, politicians form coalitions between parties in multiparty systems or sometimes within oversized parties in more majoritarian systems. Authoritarian regimes must form coalitions as well, choosing from among political elites, civil society organizations and sometimes the military services. These choices are an important way in which authoritarian regimes vary among themselves – an emerging theme in the literature on authoritarianism {Roeder 1994 #8570} {Barros 2003 #8830} {Remmer 1989 #12790} {Boix 2003 #12080}.

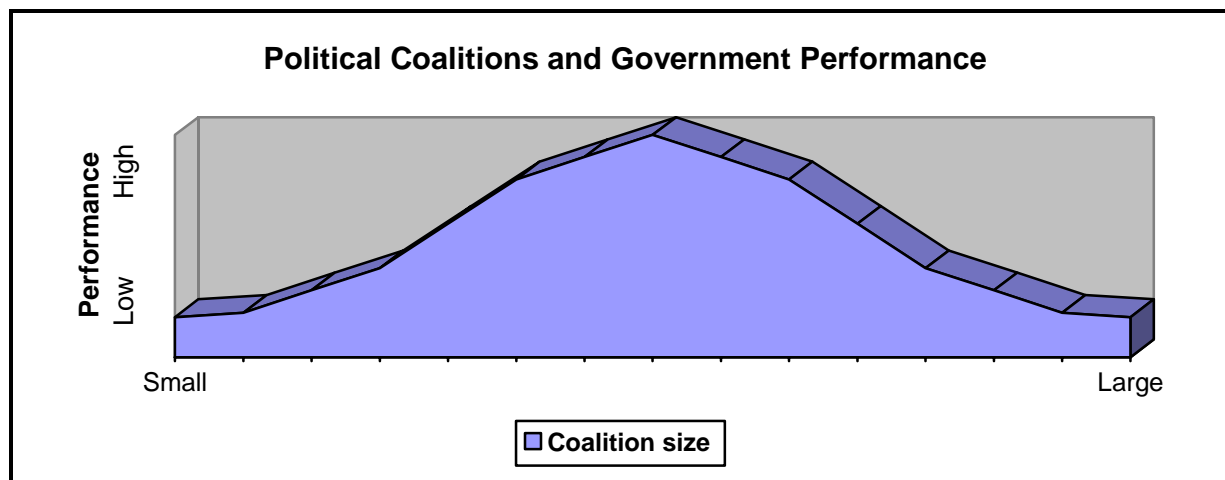
A second proposition is that all coalitions face a tradeoff between representation and efficiency. Coalition size determines the balance between these two opposite ends of a continuum, illustrated in Figure 7. Large coalitions may be more representative but this also means they must accommodate a greater number of preferences, especially if they are over-sized coalitions. Not only can this exacerbate collective action problems since a greater number of competing interests must agree on policy changes, it also can make maintaining policy more costly since maintaining the status quo requires more side payments. Small coalitions may face fewer collective action problems, an intuition developed through Olson's theory of group size and public goods (Olson 1965). But they too can be costly to maintain for an entirely different reason: any single member of the coalition has more bargaining leverage and is therefore in a good position to extract greater concessions. In public policy terms this can be expensive. Small coalitions are also inherently less representative, which is problematic if multiple ethnic and religious labels shape political alignments. In Nigeria, expectations of fairness drive coalition choices concerning representation, making it costly for coalitions to under-represent the country's ethno-regional diversity. I document how these norms of fairness have become institutionalized in election laws, internal party rules, the Standing Orders of the National Assembly, a commission that regulates bureaucratic recruitment, military decrees and even the constitution.

**Figure 7**



The choice that coalitions face between efficiency and representativeness is essentially a dilemma between the social imperatives of inclusiveness and the benefits of efficiency. My theory therefore predicts that the coalitions near the center of the continuum lead to good government performance because they strike a careful balance between these two competing demands. Coalitions that are too small or too big lead to lower levels of government performance, as illustrated in Figure 8. All other things being equal, this means larger budget deficits because more players need to be bought off, higher inflation and oversupply of money. It also means larger student/teacher ratios, fewer schools, and fewer hospital beds. Lastly, coalitions at these extremes should also lead to less efficient courts.

Figure 8



As described so far, the validity of my coalition theory turns considerably on how I determine membership in the coalition and what sort of authority members have. Another concern arises from potential behavioral distinctions between individual actors, such as a general who is head of one of the military services and collective actors such as a political party. The veto players literature explores both of these concerns. These scholars define a veto player as an individual or collective actor whose agreement is required to change the status quo. Although the terminology varies across the literature, one common conclusion is that the number and relative self-discipline of the actors holding an effective veto determines how difficult it is to change the status quo (Schiavon, Jorge A. 2000; MacIntyre 2001, 81-122; Crepaz 2002, 169-88; Cox and McCubbins 2001, 21-63). This approach has been applied to distinctions among parliamentary, presidential and non-democratic regimes, and been used explain variation in macroeconomic outcomes such as inflation or economic growth (Tsebelis 2002; Henisz 2000, 1-31).

I define members of a coalition as actors who hold veto power over at least one major policy area. My thesis demonstrates that larger coalitions are less efficient because they have more veto players. This may challenge the findings of other scholars who argue that the larger coalitions are precisely what distinguishes democratic regimes from authoritarian ones, and also what explains a supposed causal link between democratic political competition and economic growth (Bueno de Mesquita et al. 2001, 57-72; Bueno de Mesquita, Morrow and others 2000, 59-84).

### Constructing and Comparing Coalitions

Chapter 6 lists the coalitions and describes how they are formed and maintained. This chapter identifies each democratic and military ruling coalition, respectively. Each regime type uses comparable concepts. Thus in determining membership and size, authoritarian ruling coalitions will include members of the top executive ruling council, the cabinet, and the governors.<sup>10</sup> Democratic ruling coalitions consist of members of the federal cabinet, the chief executive, the leadership of the majority party in the two chambers of the National Assembly, and the governors of the majority party. In some cases, parties govern in a formal coalition. Broad

<sup>10</sup> Different labels are used by different governments for these positions.

categories of politicians banned from participation in elections will also be briefly discussed since they represent those specifically identified as not eligible for membership in the ruling coalition.

Coalition maintenance requires discipline, which I calculate for authoritarian regimes based on the frequency of dismissal or removal from office, information about coups and attempted coups, and assassination of anyone in the coalition. Another measure, covering 43 years and gleaned from primary source data, examines commissions and dismissals from the military's upper and middle ranks. Discipline in democratic regimes is measured by impeachment, censure, and defection or suspension from a party. Although political assassinations may be fewer under democratic regimes the most recent spate of political assassinations will be considered here.<sup>11</sup>

My examination of coalition formation centers on how patronage reinforces ethno-regional loyalties and how this impacts coalition size. My conclusions challenge some of the prevailing wisdom about Nigerian politics. The typical story about the role of ethnicity in Nigeria is that incumbents serve their own ethno-regional political base at the expense of others. Politicians want a share of the so-called "national cake" and use political power to obtain it, reflecting ethnic patrimonialism. Therefore a core problem of governance has been the inability to limit such rent-seeking behavior and to generate national policies that represent an economically rational distribution. This argument has been variously described as a problem of "prebendalism" (Joseph 1991) or selfish leadership (Achebe 1983; Osaghae 1998). It is closely related to what Nigerian scholars call the "national question," referring to the difficulty of reconciling a person's identity as a citizen of the modern state with his or her membership of an ethnic group; some evidence suggests this tension is more acute for ethnic minorities (Momoh and Adejumo 2002; Amuwo, Agbaje and others 2000; Suberu 2001). This argument cannot be casually dismissed since recent cross-national survey data from a twelve-country sample suggest that ethnic self-identification is in fact much stronger in Nigeria compared to almost all other countries in Africa (AfroBarometer 2002).

The impact of ethnic diversity on coalition formation is also a central concern of comparative studies of government performance. Some Africanists have blamed low growth, low school enrollment and federal budget deficits on ethnic fractionalization (Easterly and Levine 1997, 1203-50), a finding echoed by recent large *N* studies examining economic growth, corruption, and the quality of policy (Alesina et al. 2003, 155-94). Others have claimed that ethnicity even has positive effects on government performance in developing countries by promoting the development of human capital (Bates 2000, 131-4), or have officially declared agnosticism on the issue for now (Fish and Brooks 2004, 154-66).

I argue that ethnic diversity impacts government performance because it dictates a distributional logic that influences coalition size and efficiency. Using available state-level data gathered during field research, I document how changes in federal executive power are associated with a redistribution of resources for health care and education. (These tests use the number of regions

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<sup>11</sup> Domestic and international human rights groups documented a rise in politically motivated killings in 2002 – 2003. They are usually the result of internal party rivalries. This information is recent and probably not reliable enough to be coded systematically. The military governments, on the other hand, have been subjected to years of examination by the courts, non-governmental organizations, the press, and a truth commission investigation.



or geopolitical “zones” identified by the federal government at that time.<sup>12</sup>) Nigerian politics are not driven simply by ethnic patrimonialism or prebendalism, which would suggest that the executive merely re-directs resources to his or her own region. Nigerian politics are motivated by a measure of self-interest that recognizes the need to reward allies, make new friends and punish coalition defectors.

By describing politics in these terms, not only can Nigerian political behavior be discussed comparatively, but variation in government performance can be clearly linked to particular restraints on self interest. Another implication, which contributes to the comparative discussion on regime types, is whether the costs of increasing coalition efficiency vary. Arguably, increasing efficiency is costly for democracies because changing coalition size might be viewed as manipulative and illegitimate. For authoritarian regimes, increasing efficiency would seem to be less costly because dictators can change the number of veto holders relatively easily. Yet reducing the number of veto holders is not completely costless for dictators, even if they can do so by decree. More to the point, authoritarian regimes see broadening representation as costly because it may increase the government’s transparency and expose it to unwanted public pressure. Governments at the far end of either side of the tradeoff – regardless of regime type – have an interest in avoiding the extremes, and in my political coalition theory the extremes both have an adverse effect on government performance.

## **CONCLUSION**

The last chapter summarizes how each coalition balanced between representation and efficiency, and identifies how this explains aggregate government performance. If the political coalition thesis is correct, then coalitions at either end of my continuum will correspond with lower levels of government performance. The chapter then discusses several important implications of the political coalition theory which weigh on the prospects for democratic consolidation in Nigeria and in other heterogeneous societies.

If larger and more ethnically heterogeneous coalitions are in fact less efficient, this has important implications for Nigeria’s democratic institutions because the country’s Federal Character tradition (an indigenous quota-based version of affirmative action) promotes the idea of inclusiveness as an inherently normative good.<sup>13</sup> This has had the effect of increasing the size of commissions, legislative committees and the number of committees in the National Assembly, cabinets and other political institutions. This leads to a broader claim about Nigeria’s political institutions: They have attempted to substitute inclusiveness for alternation of power and this undermines the incentive for an opposition to develop. This is demonstrated by the declining Effective Number of Parties, a “bandwagon effect” of defections from smaller parties to larger parties, and enforcement of what Nigerians refer to as “power shift.” Under the tradition of “power shift,” politicians voluntarily agree to not run for re-election in exchange for a future political appointment. Evidence gathered from interviews with political journalists, former

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<sup>12</sup> It would be possible measure the average indicators for education and health care in the chief executive’s home region compared to a national average and a standard deviation. However, this would lead to results which would confuse changes in the level of development with already existing regional developmental differences based in historical patterns.

<sup>13</sup> For a discussion of Federal Character and its history, see (Amuwo, Agbaje and others 2000; Ekeh and Osaghae 1989; Ejobowah 2001).

members of the National Assembly, and information from the Electoral Commission Tribunals overwhelming points to one conclusion: it is extremely costly to run for re-election against the wishes of the central party leadership.<sup>14</sup>

By undermining competition through power shift and oversized coalitions, Nigeria's political institutions challenge some of the basic intuitions about accountability. For example, incumbent politicians, as rational self-interested actors, should seek re-election (Mayhew 1974). Politicians have decision making power because they act as agents, who were delegated this power by voters, or what rational choice scholars refer to as "principals." Breakdowns in this "chain of delegation" can explain accountability problems (Strom 2000, 261-89; Ferejohn 1999, 131-153; Fearon 1999, 55-97). Many of Nigeria's politicians do not run for re-election though: Nearly 80 percent of the House and Senate, including virtually all of the leadership, is new and my research attributes this to seemingly "irrational" decisions to not run for re-election (LeVan et al. 2003, 30-47). The same is true for the governors. In Nigeria, voters can vote politicians in but rarely can vote them out, severing the chain of delegation. It is therefore difficult to punish politicians for bad performance.

These conclusions clearly have important implications for the comparative democracy literature, some of which argues that ethnicity trumps institutions, and some of which is hopeful and optimistic about the possibility of democratic consolidation in multi-ethnic democracies. My conclusions ultimately point to the need to promote political competition, even in an environment that seems to require power sharing, and to weigh more carefully the tradeoffs faced in crafting political institutions that are both productive and representative.

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<sup>14</sup> This data collection is incomplete but still very compelling.

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