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Influence of Political Dynasty on Economic Growth of Developing Countries: A Case of African Countries

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Abstract

The political dynasty is a well-established tradition in developing countries and most particularly in Africa, where many politicians can trace their political lineage back several generation. There are some unbroken representation extending back to the foundation of the state. Political dynasties are present in many African countries, yet we have very limited evidence on the economic consequences of dynastic rule. Economic theory makes ambiguous predictions about political dynasties: on the one hand, dynasts may behave like “stationary bandits” and invest more in their constituencies, and use their clout to direct state resources to their localities. On the other hand, dynasts may have particularly strong incentives to foster long-term clientelistic relationships, which may chill political competition and worsen governance. The paper explores the grip on power these families have, and how they influence economic growth; the pressures on family members to continue the traditions of their forefathers; the intense grip on power and the impact of these dynasties on the economic growth. The study adopted a literature review methodology. The study concluded that dynasties are able to sustain their reign because they are able to access: money, machinery, media, and alliances/mergers. Often, the responsibility of the family members is to safeguard the elite’s political and economic interests and, most importantly, the extension of their rule. Political dynasties affect the quality of government policies as dynastic politicians have incentives to implement policies that will increase their advantage and guarantee the perpetuation of power. However some dynasties have the advantage of passing down dynastic tradition, ruling oligarchs’ experience, political and economic resources, and vast array of networks including their names to their children and grandchildren that would carry on their legacies. The effect of such hereditary notion of politics can be positive

especially when the traditions and values inherited are good. The study recommended on to championing for social and economic development where political dynasties exist and strengthening of institutions.

Keywords: *Political Dynasty, Economic Growth, Developing Countries and Africa.*

1.0 Introduction

Political dynasties are families who have exerted disproportionate influence on the politics of their societies (Mazrui 2008). Simbulan (2007) defined political dynasty as a succession of people from the same family who plays a role in politics. It's often argued that political dynasties affect the quality of government policies as dynastic politicians have incentives to implement policies that will increase their advantage and guarantee the perpetuation of power. In countries with weak institutions, this can lead to patronage and corruption. The perpetuation of dynasties in power might also generate negative consequences through selection. If countries limit the pool of candidates that can enter politics, the quality of government can decrease as leaders are chosen from a restricted set of individuals. If they are very successful they may produce more than one head of state or head of government. But at the very minimum political dynasties have produced political leaders in varied ranks of the political process. Dynastic politicians often enjoy campaign advantage and brand-name advantage as noted in Laband and Lentz (1985). This advantage provides them a considerable edge over comparable non-dynastic opponents. The children coming from political dynasties have wealth, and there is a close relationship between wealth and politics.

In Africa, seven countries have had dynasty lead the country namely Botswana, Kenya, the Democratic Republic of the Congo (DRC), Gabon, Togo, Mauritius, and Malawi (Morocco and Swaziland are excluded from the list since they are kingdoms). In each of these cases, the succession process has been different, as has the interim between father and son. Three sons of a founding father (the first president or prime minister after independence) are currently in power in Botswana, Kenya, and Mauritius—President Ian Khama, President Uhuru Kenyatta, and Prime Minister Navin Ramgoolam, respectively. In the case of all three, the succession took place over a decade after the father left office. Sub-Saharan countries have experienced immediate succession by the son of the head of state after his father's death, often leading to

decades of rule by a single family. In the DRC, President Joseph Kabila came to power in 2001 immediately following the untimely assassination of his father. Altogether, the Kabilas' have ruled the DRC for a third of the country's post-independence history for close to 18 years.

There have been over 38 cases on the continent where the leader passed away in office, and family dynasty taken over. Over the last two years there have, however, been two contested elections that involved the son and brother of a former president Kenyatta in 2013 and Mutharika in 2014. Increasingly, countries have put in place constitutional provisions to handle the passing of the president or are respecting constitutional provisions from earlier constitutions such as in Nigeria, Ghana, Zambia, and Ethiopia, all countries who have seen their presidents pass away and whose transitions have been handled in a smooth and constitutional way. It seems that the passing of presidents has not generated prolonged political instability on the continent (Goodman 2016)

Dal Bo (2009) noted that the centralization of power within dynasties has a profoundly negative effect on the state of democracy in Africa. Family fiefdoms control state power and massive unprecedented looting often accompanies it, and is impoverishing the very citizens these leaders have sworn to protect.

1.1 Statement of the problem

Political dynasties have long been present in African states, raising concerns that inequality in the distribution of political power may reflect imperfections and affect the quality of government policies as dynastic politicians have incentives to implement policies that will increase their advantage and guarantee the perpetuation of power. However, the persistence of political elites may simply reflect differences in ability or political vocation across families and not their entrenchment in power.

Political power is being passed down through families across sub-Saharan Africa, with dynasties increasingly becoming the new instrument to acquire huge wealth and influence government affairs. Ruling elites across the continent appear to have ditched slogan-chanting party loyalists and wartime comrades in favor of their wives, sons, daughters, siblings and in-laws taking up

leadership positions (Purdey, 2014). Often, the responsibility of the family members is to safeguard the elite's political and economic interests and, most importantly, the extension of their rule. To retain power, it seems blood is thicker than water, and Africa's rulers would rather place their fates in the hands of relatives than their liberation struggle comrades. While this may make Africa's rulers sleep easy at night, questions persist about nepotism's effect on good governance. A major concern among political analysts is whether citizens are the biggest losers of dynastic rule as they face the prospect of extended rule long after an incumbent leader steps off the political stage.

There is a negative aspect regarding political dynasties. According to Mendoza et al., (2013), political dynasties can be effective in preventing the people from communicating their real needs to the government. They can weaken existing governance and accountability mechanisms to secure their positions. More specifically, dynastic officials can take advantage of state power for self-serving interests without fear of replacement or administrative sanctions; or, use state power to influence the selection of political leaders, thereby favoring those with political clout, preventing the best and the brightest from serving in the government, and/or biasing policies in favor of certain elite groups.

The mere existence of political dynasties, however, does not necessarily reflect imperfections in economic growth. Research continues without success to find out if political dynasties arise because some families have certain characteristics that make them more prone to political success. However, such families seem to always campaign on this claimed strength. We may associate interest in politics by children from political dynasties by saying that that is the job they have known from their parents or relatives. Also, it may be that other people think that politics is for those from the dynasties: and they ignore politics and concentrate on other things and professions (Fortes& Evans, 2015).

While there is growing evidence that political dynasties self-perpetuate in power, there is limited evidence on the consequences of having dynastic politicians in government. This paper also examines whether dynastic politicians choose different policies and induce different economic outcomes compared to non dynastic politicians.

1.2 Objectives

- i. To establish the effect of political dynasty on economic growth of developing countries
- ii. To provide recommendation on economic growth in developing countries with political dynasty.

2.0 Literature Review

2.1 Theoretical review

2.1.1 Theory of Dynastic cycle

Dynastic cycle theory is an important political theory in Chinese history. According to this theory, each dynasty rises to a political, cultural, and economic peak and then, because of moral corruption, declines, loses the Mandate of Heaven, and falls, only to be replaced by a new dynasty. The cycle then repeats under a surface pattern of repetitive motifs (Edwin 1965)

Chinese history is traditionally represented in terms of dynastic cycles. Through its long history, the Chinese have been ruled not by one dynasty, but by a succession of different dynasties. The first dynasty in China to be described in ancient historical records such as Records of the Grand Historian and Bamboo Annals is the Xia, which was succeeded by the Shang, although concrete existence of the Xia is yet to be archaeologically proven. Among these dynasties the Han and Tang are often considered as particularly strong periods, although other dynasties are famous for cultural and other achievements (for instance, the Song dynasty is sometimes associated with rapid economic development). Han and Tang, as well as other long, stable dynasties were followed by periods of disorder and the break-up of China into small regimes. Although this well known dynastic periodization of China is more or less based on traditional Sino centric ideology, it also applies to non-native rulers who sought to gain the Mandate of Heaven. While most ruling dynasties in Chinese history were founded by native Chinese, there were also non-native or Conquest Dynasties established by non-Han Chinese people beyond the traditional border of central part of China dominated by Han Chinese people (also known as China proper). These include the Yuan founded by Mongols and the Qing founded by Manchus, who later conquered the central part of China and assumed the title of Emperor of China.

The theory portrays how the each dynasty rises to a political, cultural, and economic peak and then, because of moral corruption, declines, loses the Mandate of Heaven, and falls, only to be replaced by a new dynasty. The trend is common in Africa states in major and lower positions.

2.2 Empirical review

Political dynasty is often understood as the rule of certain families for a relatively long period by using strategies such as: the establishment and maintenance of a kinship network; the organization of political machines; the mobilization of wealth and property; access to state resources; and the cultivation of issues, image, and popularity (Fernandez, 2014). Political dynasty has been a subject of debates these past few years. Some people consider it a fact of life as it exists not only in the third world but in industrialized countries as well. Others view political dynasty with contempt because it undermines democracy, cripples the opportunity of those who are more qualified to serve the country, and serves as impediment to genuine political reform and economic development.

Yasushi Asako (2012) carried a study in dynastic politicians in Japan. Compared to the districts electing non-dynastic legislators in Japan, the districts electing dynastic legislators with abundant resources display lower economic performance. GDP values were used. The negative coefficient showed that dynastic legislators elected from the dynastic district suppress the rate of economic growth by spending the distributive benefits in an inefficient manner. The model predicted that dynastic politicians have a higher probability of winning in elections, but yield less economic benefits for the majority of constituents in the district once elected. The areas represented by dynastic legislators receive a larger amount of discretionary grants than the areas represented by non-dynastic legislators, yet the increased transfers do not boost economic performance in the area. Rather, prefectures face worse economic performance when represented by dynastic legislators. Dynastic legislators suppress local economic performance despite the fact they deliver a larger amount of distributive benefits to their districts. More distributive benefits improve local economic performance, yet dynastic legislators spend the distributive benefits inefficiently, which in turn suppresses the growth rate in their districts (Bevan, 2014)

Siddharth et al., (2010) on their study in understanding the economic impacts of political dynasties compiled novel data on the family connections of Indian politicians, and used a close elections RD design to estimate the impact of being ruled by a political dynasty on local economic development. Using night-time luminosity as a measure of local economic activity, he found that constituencies where dynasts narrowly win grow 6.5pp slower per year (~ 0.2 Std dev) compared to constituencies where dynasts narrowly lose. These results hold even when comparing neighboring villages that are in the same administrative district but different political constituencies. Wolters (2010) noted there is often a "lack of transparency" about why several politicians' relatives are involved in politics. "Most African rulers are anointing their children to be their successors. It could be that the first generation of the family enriched themselves so much such that they stand to lose much in a power transition.

In business, too, dynasty companies with influence from politicians continue to thrive. According to the Economist (2015) report, more than 90% of the world's businesses are family-managed or controlled. In the emerging world the preponderance of family control is greater still. The importance of power families would have surprised the founders of modern economic and political theory. Political dynasties were supposed to fade as ordinary people got the vote. Family businesses were supposed to lose ground as public companies raised money from millions of small investors. This never happened partly because many advantages of kinship proved surprisingly enduring. Political dynasties have a powerful mixture of brand names and personal connections. Family companies can be more flexible and far-seeing than public companies. Family owners typically want their firms to last for generations, and they can make long-term investments without worrying about shareholders hunting for immediate profits (Freund, 2016). Power families have also prospered from big, and welcome, social and economic shifts. Their prominence reflects the increasing prosperity of Asia, where families traditionally play a large role

Political dynasty can be found in the most mature of democracies. The composition, retention and replication of elite interests vary from polity to polity, influenced by a range of variables that will reflect the depth of democratic values and practices, the robustness of institutions, policies and notions of accountability (Fortes & Evans2015). In some countries, it appears that a

leadership position in politics is a birthright; a single family dominates the political landscape until the family name becomes synonymous with the country. Botswana, Kenya, the Democratic Republic of Congo, Gabon, Togo and Mauritius have all had father-and-son rule. At the core, political dynasty causes undue harm to the notion of representative. Instead of representing the people, entrenched political families take their own interest as their primary consideration; while the welfare of the people, if at all, simply comes second. They hijack the electoral process to ensure their reign using the power of their purse, influence, and connection. They establish an extensive network among themselves and subject the political party system to their disposal. They proclaim, of course, to promote the common good and people's welfare; but, what they often do is different from what they say (Querubin, 2012).

The political dynasty advantage is viewed to be undemocratic; and may cause both social and political unrest. African countries are still in a state of forming democratically established institutions in place. Africa does not have a monopoly on family political dynasties (Querubin, 2012). However, to guard against the creation of birth-right dynasties as opposed to merit-based family political dynasties, recent events suggest that countries should and must have clear constitutional processes for succession as well as open transparent freely contested elections. In Kenya, Mauritius, and Botswana where this has happened, the sons of past leaders are trying to keep the memory of a past not yet forgotten alive.

2.2.1 Dynasty states and economic growth

This chapter looks into the economic growth of some of the African states with political dynasty in the presidency namely Congo, Togo, Kenya, Gabon, Malawi, Mauritius and Botswana. The economic data is derived from the World Bank economic index.

In the DRC, President Joseph Kabila came to power in 2001 immediately following the untimely assassination of his father. Altogether, the Kabilas' have ruled the DRC for a third of the country's post-independence history for close to 18 years. After sharply increasing to almost 9 percent in the period 2013-2014, the real gross domestic product (GDP) rate decelerated in 2015 and the growth rate is not expected to exceed 2.5 percent in 2016. In 2016, budget performance deteriorated from a 0.1 percent of GDP surplus to a 1.5 percent of GDP deficit, mainly as a result

of decreasing revenue and the rise of inflation to an annual average of 5.7 percent. Despite a reduction in the poverty rate from 71 percent in 2005 to 64 percent in 2012, the poverty rate remains high in the DRC. The country is among the poorest countries in the world and was ranked 176 out of 187 countries on the latest United Nations Human Development Index (2015). The United Nations estimates that there are some 2.3 million displaced persons and refugees in the country and 323,000 DRC nationals living in refugee camps outside the country. (World Bank 2017)

President Faure Gnassingbe has been in power in the Togo since the death in 2005 of his father, Gnassingbe Eyadema, who had been at the helm for 38 years. Togo's recent economic performance has been relatively robust. Over the past five years, GDP growth has averaged 5.5%, higher than most Sub-Saharan economies. Inflation has remained under control, averaging 0.9% in 2016 thanks to prudent monetary policy followed by the BCEAO, and low food prices. Togo's fiscal situation deteriorated sharply, however, during 2015 and 2016, with the deficit growing from 7.8% of GDP in 2015 to 9.6% in 2016, while the country's central administration reported an accumulation of arrears amounting to 5.7% of GDP at the end of 2016. The public debt to GDP ratio went up from 75.6% of GDP in 2015 to an estimated 80.8% in 2016, the highest in West Africa and greater than the threshold of 70% of GDP agreed to within WAEMU. Poverty remains widespread in Togo, although national poverty rates declined from 59% in 2011 to 55% in 2015. Poverty is mostly a rural phenomenon with 69% of rural households living below the poverty line in 2015. (World Bank 2017).

In Kenya, dynastic rivalry between the Kenyatta and Odinga families has lasted more than half a century. For years political families have ruled and wielded power over Kenya's economy and society. President Uhuru Kenyatta is the son of the founding president Jomo Kenyatta. After faltering in 2008, economic growth has resumed, reaching 5.8% in 2016 to place Kenya as one of the fastest growing economies in Sub-Saharan Africa. Looking ahead, near-term GDP growth is expected to decelerate to 5.5% in 2017. GDP growth improved to 6.0% in 2016, up from 5.6% in 2015. The outlook is positive, with growth projected at 6.1% in 2017 and 6.5% in 2018.

Consumer Price Index (CPI) inflation projections remain slightly above 5% over the same period. (World Bank 2017).

In Gabon President Ali Bongo, 57, has been in office since his father Omar - who ruled from 1967 - died in 2009. Gabon is an upper-middle-income country. The fifth largest oil producer in Africa, it has experienced strong economic growth over the past decade, driven in particular by oil and manganese production. On average, over the past five years, the oil sector has accounted for 80% of exports, 45% of GDP, and 60% of budget revenue. Gabon's GDP growth rate slowed down to 3.9% in 2015. (World Bank 2017)

In Malawi, Peter Mutharika succeeded his brother the late former president Mbingu Wa Mutharika. Malawi's GDP growth rate was 2.5% in 2016. Agriculture contributes 30% of GDP. The country's headline inflation rate continues to decelerate faster than anticipated, falling to 9.3% in August 2017, compared to 22.8% in August 2016. (World Bank 2017)

In Mauritius, Pravind Jugnauth, 55, son of the outgoing Prime Minister, Sir Anerood Jugnauth, 86, became the prime minister of Mauritius. Mauritius' economic growth increased modestly to 3.8% in 2016, driven mainly by a recovery in investment activity. Much depends, however, on the extent to which public investment picks up in accordance with the 1.2% of gross domestic product (GDP) lift in public capital expenditures targeted in the FY2016/17 budget. The country's current account deficit remained smaller than in recent years, as is consistent with some persistent slack in Mauritius' economy. Inflation remained at about 3% in 2016 in the absence of imported price shocks. The international poverty rate based on the \$3.1 a day poverty line (in PPP 2011) is projected to fall by 1.3 percentage points between 2012 and 2018. Unemployment is remained at around 8 %. (World Bank 2017)

In Botswana Sir Seretse Goitsebeng Maphiri Khama, was the first President of Botswana. The founding president is the father to the current president Seretse Khama Ian Khama. Botswana's fiscal deficit narrowed in fiscal year 2016/17 to 0.7% of GDP compared to -4.7% in the previous fiscal year, which starts in April. In aggregate, revenues increased by 0.8% of GDP in the fiscal year 2016/17, and reached 31.9% of GDP, although they are still low compared to the historical average of around 37%. Expenditures declined by 2.7% of GDP compared to the last fiscal year

and equaled 33.2% of GDP, mostly due to higher than anticipated GDP growth. (World Bank 2017)

3.0 Conclusions

In most cases, political dynasties are able to sustain their reign because they are able to access: money, machinery, media, and alliances/mergers. Such state of affairs renders the country's political institutions weak and the political condition of the country feeble even as the economy is made to perpetually succumb to political dynasties that can easily buy off influence in government and circumvent the law and due process. Above all, political dynasty impedes genuine national development. Political dynasties affect the quality of government policies as dynastic politicians have incentives to implement policies that will increase their advantage and guarantee the perpetuation of power.

Political dynasty is usually sustained through generations. It has the advantage of passing down dynastic tradition, ruling oligarchs' experience, political and economic resources, and vast array of networks including their names to their children and grandchildren that would carry on their legacies. The effect of such hereditary notion of politics can be positive especially when the traditions and values inherited are good. Even then it does not imply there is virtue of political dynasty over a true economic growth. Conversely, if the values and practices are bad then the evil of the father can easily be inherited by his children. To be fair, it may also be safe to say that in relatively open democracies people are partly to blame for continuously electing dynastic families in office in the exercise of their democratic choice. The right to choose is a power that belongs essentially to the people. Hence, when they keep electing leaders belonging to dynastic families there must be flagrantly wrong with the dispensation of their rights. Dynastic selection can play a role in improving economic performance when institutions for controlling politicians are weak and policy-making skills are persistent within a dynasty.

4.0 Recommendation

In the democratic states with political dynasty, the right to choose is a power that belongs essentially to the people. Hence, the people should consider the history and the economic

development that the dynasty has achieved before empowering them by electing them. The people should champion for social and economic development where political dynasties exist. There should be strengthening of institutions to mitigate patronage and corruption. More so, the executive should be all inclusive so that the people are adequately and equally represented.

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