



DLP

Policy and Practice for Developmental
Leaders, Elites and Coalitions

DEVELOPMENTAL LEADERSHIP PROGRAM

Background Paper 02

The Politics of Institutional Indigenization:

Leaders, Elites and Coalitions in building appropriate and legitimate institutions for sustainable growth and social development

Adrian Leftwich and Steve Hogg

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The Politics of Institutional Indigenization

Adrian Leftwich and Steve Hogg

Over recent years the international community, at least in some quarters, has rightly recognised that development is fundamentally a political process. We also accept more readily that economic growth, governance and politics are interdependent. But where we have failed, at least publicly, has been in not understanding and recognising the implications of this for donor policy and programming. It is broadly agreed that 'good governance' and sound institutions are necessary for growth and development, but our conventional approaches to governance reform are not working.¹

Attempts to transpose institutional models (both economic and governance) from OECD countries and to facilitate 'country led approaches' around Poverty Reduction Strategies (PRSPs) have not had the desired impact.

What explains this now widespread failure of institutions, including PRSPs or national development strategies, which have been transferred from developed to developing countries to take root and prosper? It is important to explore more deeply this fundamental question as there is a lot of international aid riding on the answer(s).

We expect that the answer is less about technical issues and much more about political and cultural incentives and processes. We also think that much of what we, as an international community, are advocating in terms of international aid policy and strategy often lacks historical understanding.

The hypothesis which underlies this research programme is that appropriate, legitimate and effective institutions – and especially the 'core' institutions which define the fundamental rules of the game which lie at the heart of effective states, stability and economic growth – are made in the course of political processes and interactions between **local leaders, elites and coalitions**. For appropriate and legitimate institutions to emerge and work, they need to be embedded deeply in local politics and culture. Hence they need to be 'indigenized', that is made recognizable and acceptable within prevailing political and cultural standards, practices and norms of the host society, especially as they undergo reform and change. And effective indigenization requires the active participation, consent and agreement of local leaders, elites and coalitions. **In short, the quality, legitimacy and implementation of institutions depend very much on the quality of leaders and elites and how they work collectively.**

However, indigenous institutional formation does not occur within a vacuum; and the range of elites which forge them do not necessarily understand, follow, adopt or even necessarily believe in the legitimacy of the formal institutions associated with the so-called OECD institutions which are being advocated and pursued by the international community. In many instances, these institutions are perceived as alien to

¹ This paper was originally written and published under the auspices of the first phase of this work, then called the Leaders, Elites and Coalitions Research Program (LECRP).

the historical traditions, institutional legacies, cultural patterns and even value systems of such societies.²

Such transposed or introduced institutions will almost certainly conflict with the distributional interests of some group, or groups, which benefit from prevailing institutional arrangements. Even where local leaderships want and are committed to undertake reform of institutional arrangements, or devise new ones, there will be deeply embedded structural, political and cultural factors that are profoundly unresponsive to such efforts.

It is thus not unusual to find that the formal institutions which are urged upon many developing countries – and sometimes ‘adopted’ – are often systematically distorted, undermined or simply bypassed.

This is probably because donor processes (e.g. PRSPs) to establish ‘ownership’ and ‘country led approaches’ are commonly superficial and often ceremonial with respect to the deeply rooted structural and political realities within these countries. Informal or pre-existing institutions and incentives, embedded in the indigenous political and economic circumstances, social practices and culture, become, in effect, the real operational institutions. Of course, there are many instances – where formal institutions are weak – where naked corruption contributes to the process of institutional decay or avoidance. But, equally, there is strong evidence that the character of the institutions simply does not ‘fit’ the indigenous circumstances. As a result, like many other transplants, they are simply ‘rejected’ by the host. And it is always local leaders, elites and coalitions that determine the shape and trajectory of institutional development.

We argue that the international community has paid too little attention to the critical role of leaders, elites and coalitions in building effective states, in shaping, sustaining and implementing institutional reform and evolution in developing societies and in building effective organizations in the public and private sectors. Simply stated, there has been too much attention given to the ‘structure’ of institutions and too little given to the human ‘agents’ of change.³

By the term **leaders**, we do not refer simply to the formal political leaders, and certainly not only to the ‘great men and women’ of history, but rather to a wide range of individuals (some in formal positions of power and authority, some less formal; some national, some local) across many domains of society – in both the public and private sectors – including politics, business, trade unions, traditional authorities, religion, the military, the media and other areas of civil society. By the term **elites** we refer collectively to that small group of leaders – seldom more than 3% of the population in any unit of analysis, organization or society – in formal or informal positions of authority and power who take or influence key economic, political, social and administrative decisions. And by **coalition** we mean formal or informal associations of groups of leaders and elites who come together to achieve certain goals which they could not achieve on their own.

The evolution and consolidation of effective states, robust institutions and stable societies has never happened overnight, and seldom without conflict – often violent and sometimes totally destructive of a society or political entity. However, where effective states, locally appropriate institutions and stable societies do exist, they have generally evolved through the political interaction of mainly indigenous leaders, elites and coalitions (though often borrowing and adapting from, or being influenced by, external sources). Likewise, overcoming many key global, regional and local socioeconomic and political problems

² Whether argued for cynical reasons or not, the Times of Fiji editorial entitled ‘Democracy, a foreign flower?’ conveys the point sharply.

³ This is especially surprising given the long and strong tradition in political science of attention to leaders and elites. Concern for the quality, training and characteristics of leadership can be found in both the classical Greek tradition, going back to Aristotle, and the Chinese tradition going back to Confucius. Concern with leaders and elites is picked up again in the analytical writings of Machiavelli, Mosca, Pareto, Michels, Weber, Schumpeter, Bachrach and Sartori.

– like HIV/AIDS, corruption or gender exclusion – requires the active collaboration of a range of differently constituted leaders, elites and coalitions across the public and private sectors.

Leaders, elites and coalitions always have a difficult enough task in agreeing, devising and implementing institutional reform in stable, democratic polities where both the legitimacy and institutional arrangements of the state are secure. These leadership skills and experience are highly valued, hence the high priority given to nurturing, developing and resourcing leaders and leadership skills in developed countries. But the challenge confronting leaders, elites and coalitions in achieving far-reaching and complex developmental goals in polities where the institutional architecture is not secure, where social cleavages are often sharp and deep, where consensus about goals is often patchy and where the need for change is so pressing, is much harder and often ignored by the international community.

Yet we know too little about how developmental leaders, elites and coalitions emerge, nationally or locally, within organizations or sectors, and we know too little, also, about their empirical characteristics in different sectors and spheres. Where do they come from? What is their background, education and experience? What factors facilitate or frustrate the formation of the all-important growth or developmental coalitions? We also know too little about the various forms and cultures of leadership and about the limits they impose and the possibilities which they offer. We know too little about the expectation which different constituencies of followers have of their leaders, about the way leaders and followers in different sectors and organizations interact, and about the effects of interaction of different elites (for instance traditional and modern, national and local, secular and religious, bureaucratic and political). In short, our knowledge of the provenance and role of leaders, elites and coalitions in the politics of shaping the institutions which promote growth and overcome the many nested collective action problems of development is very limited.

The Research and Analytical Programme (RAP) is designed to start filling the knowledge gap. Our central focus of interest is the role of leaders, elites and coalitions in promoting stability, national economic growth and inclusive social development. In order to do this we are:

- Building a series of databases and taxonomies which will map the empirical characteristics of effective leaders, classify the different cultures and forms of leadership, and identify and evaluate the various organizations and initiatives concerned with promoting leadership.
- Undertaking a series of case studies in Africa, the Middle East and the Pacific regions which explore the provenance and function of leaders in successful (and less successful) episodes of national and sub-national economic growth and social development. We intend to expand this to Latin America and other regions at a later date when both capacity and resources are available.
- Investigating the way in which leaders and elites have shaped more or less successful organizations in the public sector and civil society (such as business associations, unions and promotional groups).
- Developing comparative analytic narratives of how different leaders and elites have, or have not, been able to form 'developmental' or problem-solving coalitions, at national and sub national level.
- Analysing a number of global, regional and sectoral challenge areas (e.g., HIV/AIDS, corruption, climate change, exclusion) to assess the extent to which elite behaviour and interaction best explains the relative success or failure to overcome such problems.

In summary, the interest in both governance and the institutions which promote growth has been a welcome development over the last two decades. However, the failure to recognise that it is political processes and human agency – primarily in the form of leaders, elites and coalitions – which make or break such institutional arrangements has often led to inappropriate donor policy. We believe that the findings of this programme of research and analysis will not only fill significant gaps in our knowledge about the role of leadership in development, but will contribute directly to better informed short and long term donor policy.

DLP Publications

Research Papers

1. Jo-Ansie van Wyk (2009) "Cadres, Capitalists and Coalitions: The ANC, Business and Development in South Africa".
2. David Subudubudu with Patrick Molutsi (2009) "Leaders, Elites and Coalitions in the Development of Botswana".
3. Eduard Grebe with Nicoli Nattrass (2009) "Leaders, Networks and Coalitions in the AIDS Response: A Comparison of Uganda and South Africa".
4. Deborah Brautigam with Tania Diolle (2009) "Coalitions, Capitalists and Credibility: Overcoming the Crisis of Confidence at Independence in Mauritius".
5. Jo Beall with Mduduzi Ngonyama (2009) "Indigenous Institutions, Traditional Leaders and Developmental Coalitions: The Case of Greater Durban, South Africa".
6. Adrian Leftwich (2009) "Bringing Agency Back In: Politics and Human Agency in Building Institutions and States".
7. Junji Banno & Kenichi Ohno (2010) "The Flexible Structure of politics in Meiji Japan".

Background Papers

1. Adrian Leftwich & Steve Hogg (2007) "Leaders, Elites and Coalitions: The case for leadership and the primacy of politics in building effective states, institutions and governance for sustainable growth and social development".
2. Adrian Leftwich & Steve Hogg (2008) "The Politics of Institutional Indigenization: leaders, elites and coalitions in building appropriate and legitimate institutions for sustainable growth and social development".
3. Heather Lyne de Ver (2008) "Leadership, Politics and Development: A Literature Survey".
4. Heather Lyne de Ver (2009) "Conceptions of Leadership".
5. Adrian Leftwich & Steve Hogg (2010) "The Leadership Program: Overview & Objectives".
6. Adrian Leftwich (2010) "An Overview of the Research in Progress for the Leadership Program: Developmental Leaders, Elites and Coalitions".
7. Isabelle van Notten (2010) "Integrity, Leadership, Women's Coalitions and the Politics of Institutional Reform. Bringing Agency Back In. Mid-Term Workshop Report, Cape Town 25-26 May 2010".
8. Edward Laws (2010) "The 'Revolutionary Settlement' in 17th Century England: Deploying a Political Settlements Analysis".



The Developmental Leadership Program (DLP) addresses an important gap in international thinking and policy about the critical role played by leaders, elites and coalitions in the politics of development. This growing program brings together government, academic and civil society partners from around the world to explore the role of human agency in the processes of development. DLP will address the policy, strategic and operational implications of 'thinking and working politically' - for example, about how to help key players solve collective action problems, forge developmental coalitions, negotiate effective institutions and build stable states.

The Developmental Leadership Program

E: info@dlprog.org

W: www.dlprog.org