Democratic leaders do not necessarily outperform traditional leaders at the local level

Björn Vollan[a], Esther Blanco[b], Fabian Petutschnig[b], Sebastian Prediger[c], Ivo Steimanis[a]

[a]Philipps-University Marburg
[b] University of Innsbruck
[c]FAU Erlangen / GIGA Institute of African Affairs

Take-home messages

1. Appointed traditional leaders are not as bad as often viewed by western scholars (at least in Namibia)

2. What does not work on the national level might be suited for the local level.

3. On “paper” institutions ≠ implemented institutions

Motivation

- Democratic decentralization wave in the past decades all over Sub-Saharan Africa based on assumption, that ...

- However, these improvements are not always observed in democratized states.
  - Weak institutions and favoritism based on family or kin relations can be detrimental to development, poverty reductions, growth (Paldam, 2002; Gray, 2008; Gupta et al., 2002)

"The claims and expectations of democratic decentralization become threatened when it is poorly or only partially implemented, thus not delivering the benefits it promises and losing the support of those it is meant to empower."

–Jesse C. Ribot, "African Decentralization" (2002)

Contribution

- We study the relative performance of local level political leaders (elected and appointed) in terms of three important dimensions of leadership quality: procedural fairness, social preferences and nepotism.
- Decentralization in Namibia - **coexistence of traditional and democratic forms** of local governance within the same villages:

1. Traditional Authorities (TL)
   - Life-long power through inheritance or appointment by Queen
   - Responsibilities: Land allocation, dispute settlement
2. Chairpersons of local Water Point Committees (DEL)
   - Face checks and balances: Elections, committee, joint decision making
   - Responsibilities: Managing and controlling water supply

Study Area

Approach

We exploit this unique setting by conducting three lab in the field experiments with in 32 Namibian villages with real local leaders and their villagers:

a) **Experiment 1: Procedural Fairness**
   - New experiment to study key elements of fairness and pro-social behaviour in a leader decision making context at the grassroots level.

b) **Experiment 2: Social preferences**
   - Non-strategic, three item allocation task of own and other payoffs (adopted from Fehr et al. 2008)

c) **Experiment 3: Nepotism**
   - Series of binary, one-shot Trust Games with the option of leaders to engage in costly third party punishment

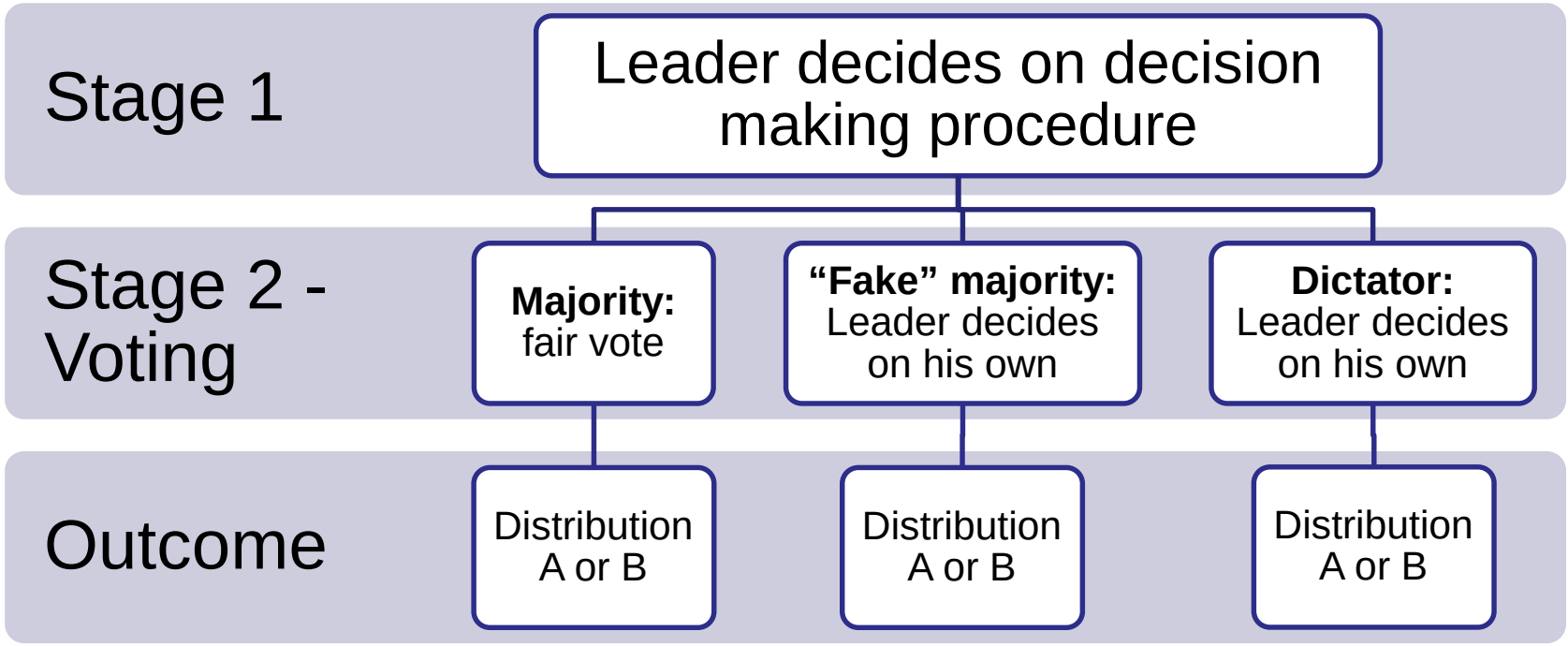
d) **Survey:** Extensive questionnaire by leaders and villagers on perceptions on leadership in their village

Experiment 1: Procedural Fairness

- Under the right circumstances elections should be efficient in attracting more public-spirited leaders and hold them accountable (Besley, 2005)
- Grass-roots level institutions represent a “best-case” scenario for bottom-up selection and accountability → environment with little asymmetric information, making it difficult to hide corrupt behaviors.

- However, limited capacity for control of local level government institutions and judicial enforcement against corrupt leaders.
  - Previous studies have shown, that local leaders have the opportunity to abuse their powers for their own benefit and do so, for example embezzlement of aid (Beath et al., 2014) or rent extraction (Lierl, 2016) of local level leaders.
- We add to the existing literature, by studying the motivation real-world leaders to implement fair decision making processes in a small-village setting.

Experiment 1: Design



- Villagers **always** voted and received information at the end whether "the leader allowed for a vote" (majority and "fake" majority rule) or "decided on his own" (dictator rule).
- Leaders knew about the tradeoff they were facing in the distribution before deciding on procedure.

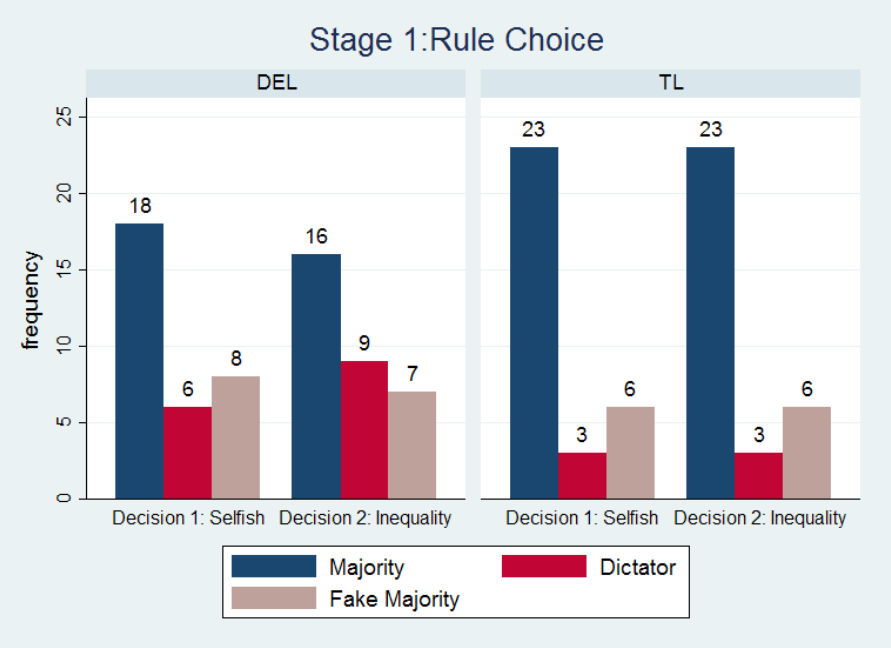
Experiment 1: Design (cont.)

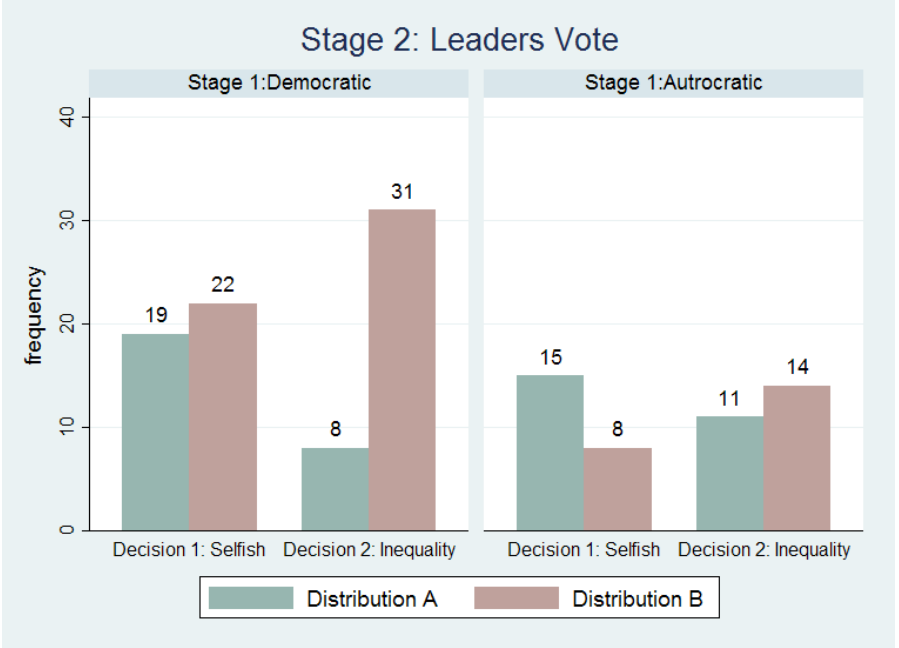
- Leaders had to make choices on rule and preferred distribution for four different fairness tradeoffs:
  - No efficiency differences between A and B (decision 1 & 2)
  - No envy. The leader is better off than the villagers in A and also in B.

→Letting people vote comes at a potential cost in own payoff to the leader.

	Distribution A	**Distribution B**
Decision 1: Selfish	1 Leader=$100 6 Villagers=$10 each	1 Leader=$40 6 Villagers=$20 each
Decision 2: Inequality	1 Leader=$40 1 Villager=$5 5 Villagers=$23 each	
Decision 3: Spite against leader	1 Leader=$60 6 Villagers=$20 each	
Decision 4: Spite against villager	1 Leader=$40 6 Villagers=$15 each	

Experiment 1: Results





- R1: TL significantly more likely to implement a democratic decision rule in both decisions.
- R2: Correlation between democratic procedure in stage 1 and payoff choices for the socially more preferable allocation B in stage 2.
- R3: No significant differences for decisions three and four.

Experiment 1: Results (cont.)

VARIABLES	(1) Democratic
TL	0.501**
	(0.252)
Decision 1	0.0833
	(0.203)
Decision 2 (reference category)	-
Constant	0.0368
	(0.219)
Observations	128
chi2	4.098
p	0.129
r2_p	0.0294

Notes: Marginal effects after Probit regression. Robust standard errors in parentheses, Std. Err. adjusted for 64 clusters in id.
*** p<0.01, ** p<0.05, * p<0.1

Experiment 2: Social Preferences

- Experimental evidence shows that social preferences are vital and important drivers of cooperation, collective actions and efficient institutions (norm enforcement)
  - Antisocial preferences can undermine these collective actions.
- Especially leaders (elites) are important for development outcomes. Their social preferences can differ substantially from those of the general population (Fehr and List, 2004):
  - Real-world leaders who value efficiency(experiment) show positive real-world forest outcomes, while antisocial leaders see relatively negative outcomes (Kosfeld and Rustagi, 2015).
  - Shows that village leaders rent extraction is at least partly determined by their social preferences. Interestingly he finds that elected local level leaders are intrinsically less willing to embezzle money (Lierl, 2016).

Experiment 2: Design

- We elicit participants broad social value orientations by conducting three simple and time-efficient binary dictator games.
  1. Competitive: (5,5) vs (5,0) → DM can decrease other's payoff without cost to himself, joint welfare-loss
  2. Pro-social: (5,5) vs (5,10) → DM can increase other's payoff without cost to himself, joint welfare-gain
  3. Individualistic : (5,5) vs (10,0) → DM can increase own payoff at cost to other's payoff.
- Within session matching.
- Half of the participants were randomly selected to be senders, the other half receivers, to avoid strategic decision making influenced by beliefs of what the other person will do.

Experiment 2: Results

Decision	Payoffs (**N$ for self,** N$ for other) for left and right	Fraction who choose **right.**			P-value (Mann-Whitney test)	
	DM chooses between…	DEL	TL	Villagers	DEL/TL	Leaders/ Villagers
Competitive	**(5,**5) vs. (**5**,0)	0.09	0.06	0.19	0.64	**0.04**
Pro-social	**(5,**5) vs. (**5**,10)	0.53	0.5	0.25	0.80	**0.00**
Individualistic	**(5,**5) vs. (**10**,0)	0.38	0.31	0.28	0.60	0.29

- R1: No significant differences between leader types.
- R2: Leaders value others payoffs much stronger when it not incurs an own cost and are less competitive / spiteful than villagers.

Experiment 3: Nepotism

Definition: Granting preferential treatment towards friends, relatives, or members of a specific social group based on personal relations rather than merit.

- Favoritism of political leaders towards their home areas is a wide spread behavior.
  - Reward or buy loyalty of kin or clan in exchange for political support.
  - Handing out “development goods” to kin or clan members.
    - i.e. solar panels, water tanks, or infrastructure projects.
- Using nighttime light as a measure for development, regions have more intense nighttime light when being the birth region of a current political leader (Holder and Raschky, 2014).
- Substantial fraction of African national leaders use Chinese aid to finance projects at their birthplace (Dreher et al. (2016).

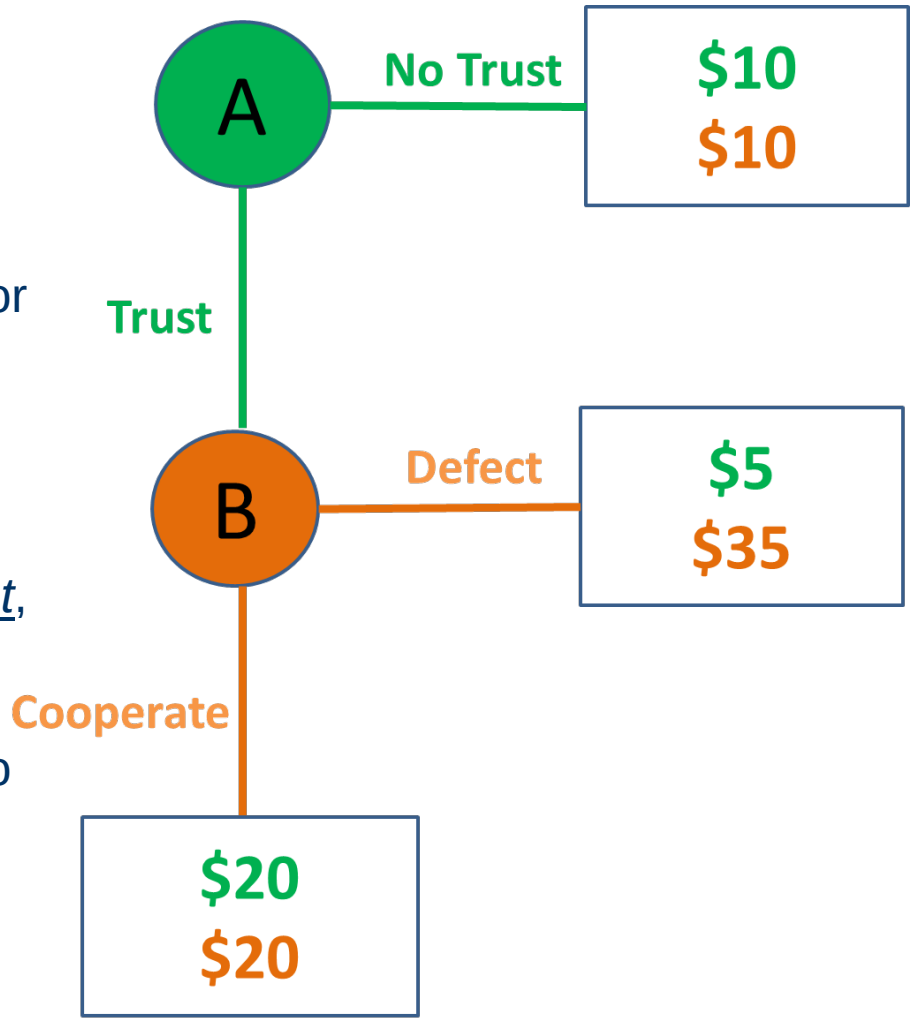
Experiment 3: Nepotism

- The problem of granting favors based on relatedness instead of merit…

Isabel dos Santos, nicknamed “Princess” and Africa's only female billionaire

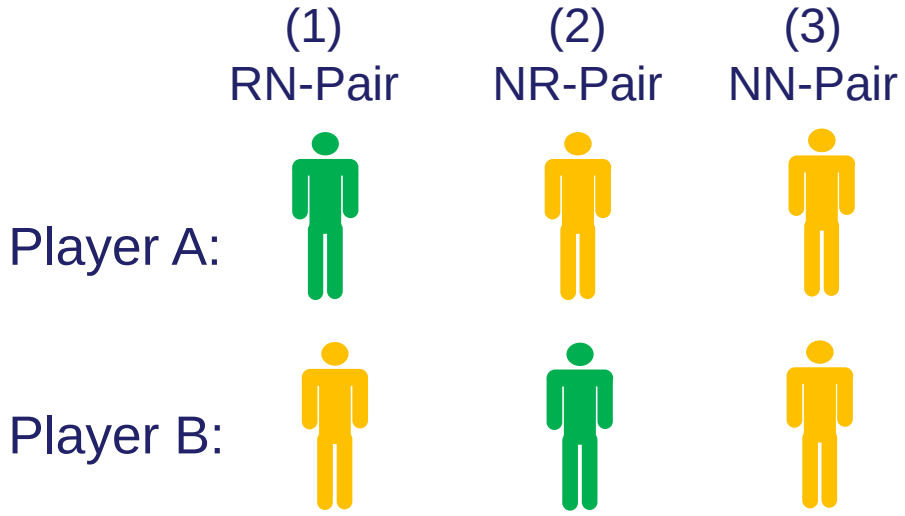
Experiment 3: Design

- One-shot trust game between two randomly matched villagers and one leader.
- Player A can choose between *trust* or *no trust*.
  - *No trust*: game ends and both players receive $10.
- Player B, knowing that A played *trust*, can either *defect* or *cooperate*.
- Leader (TL or DEL) has the option to punish Player B.
  - Cost of punishment: $40 - *p*
  - Received punishment: 3 * *p*



Experiment 3: Design (cont.)

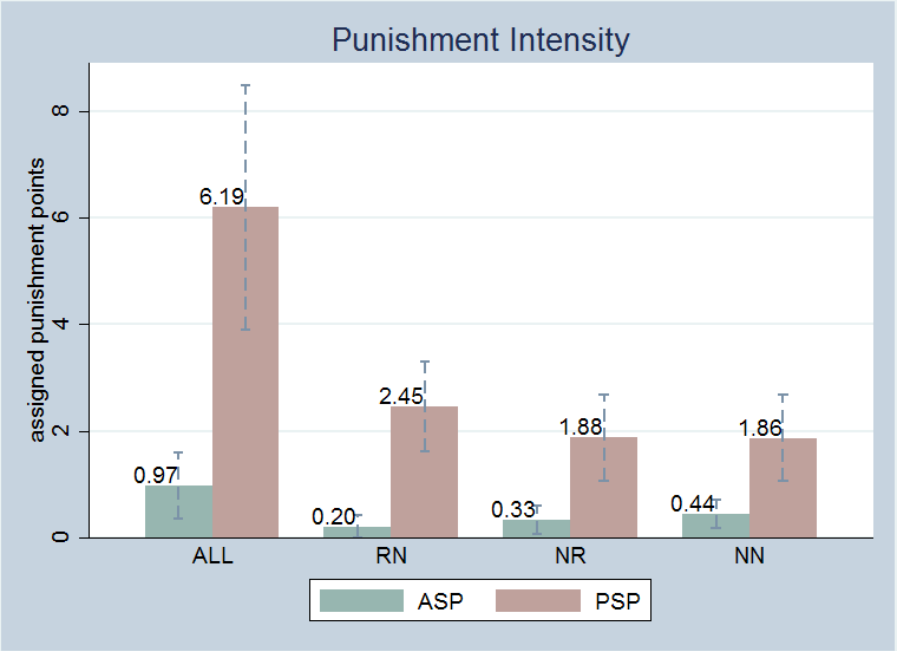
- Leader sees real names for each player A and player B.
- Player A & B know identity of the third party leader.
- Player A & B do not know identity of other player, but other player's relationship (relative or neutral) to the leader.

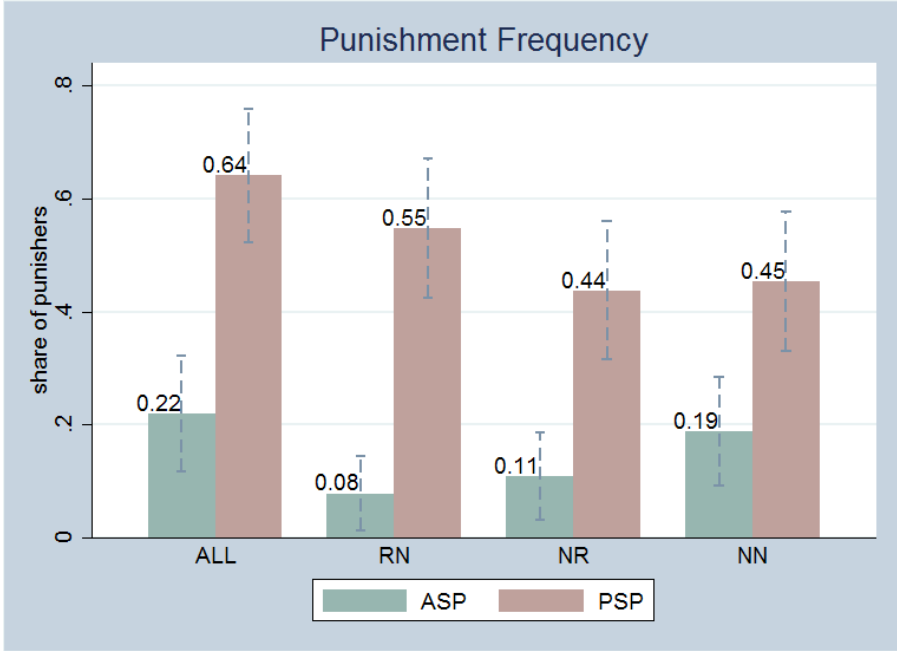


R = 2 names of his relatives

N= 2 names that are neutral (unrelated)

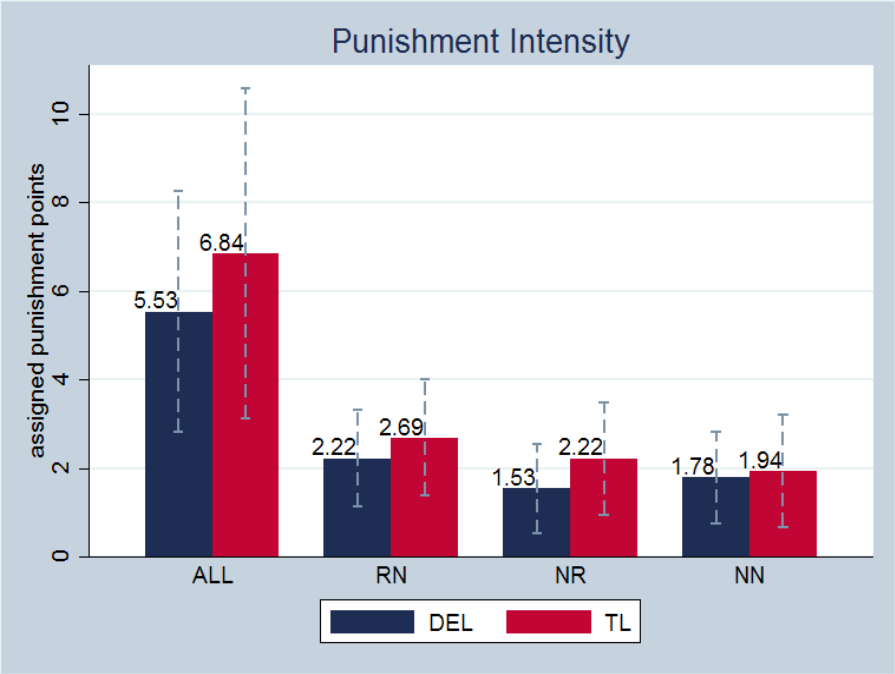
Experiment 3: Results

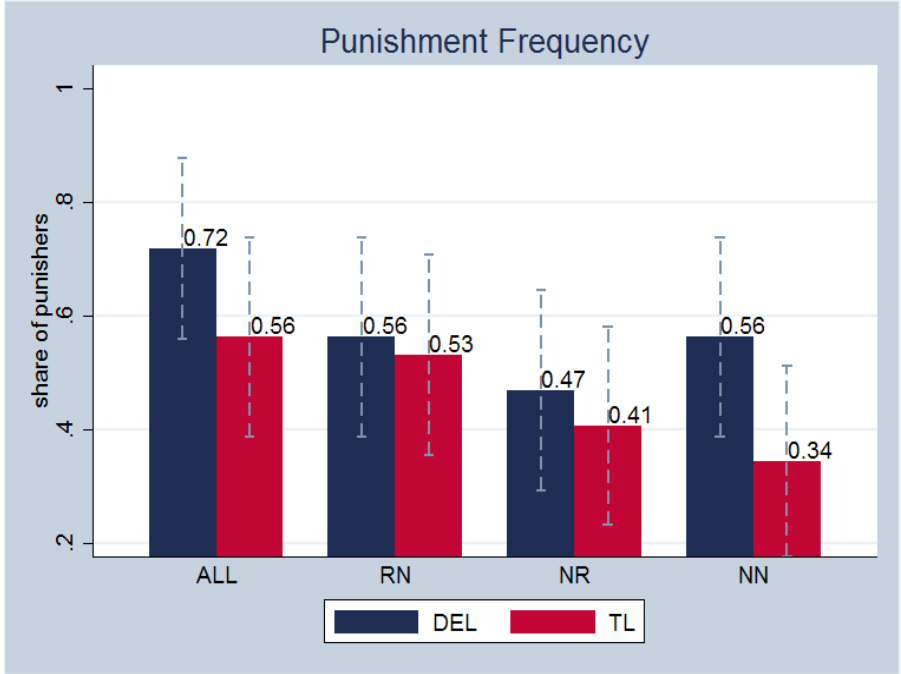




- R1: Vast majority of punishment decisions are directed toward violators of cooperation norms. About two-thirds of leaders punish norm violators in at least one pair.

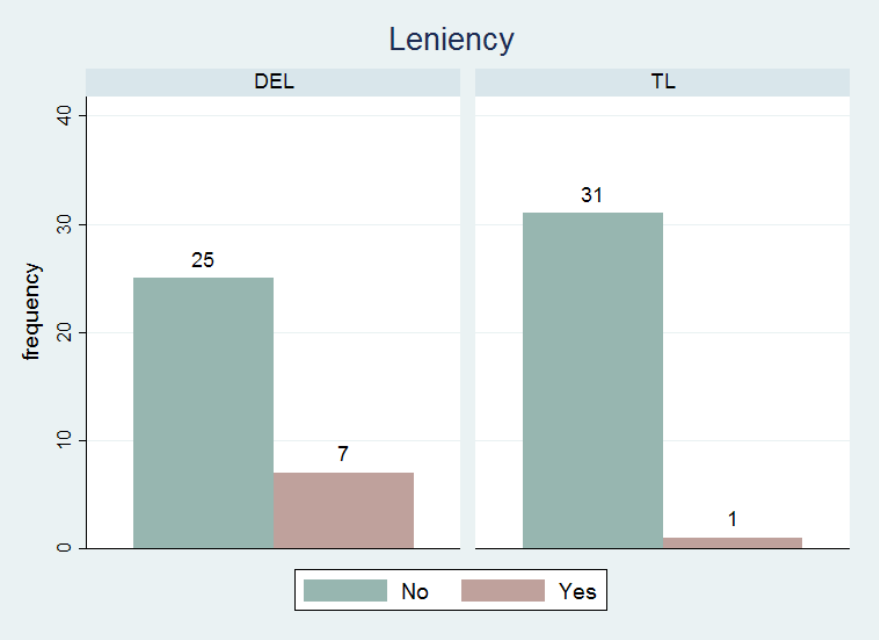
Experiment 3: Results (cont.)

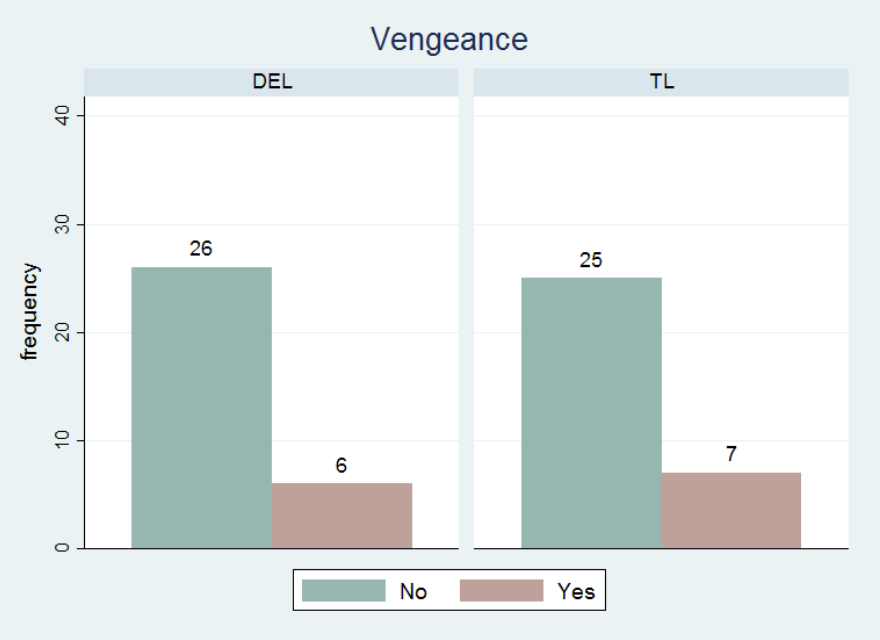




- R2: There are sizeable but statistically insignificant differences in punishment intensities and frequencies between leader types.

Experiment 3: Results (cont.)

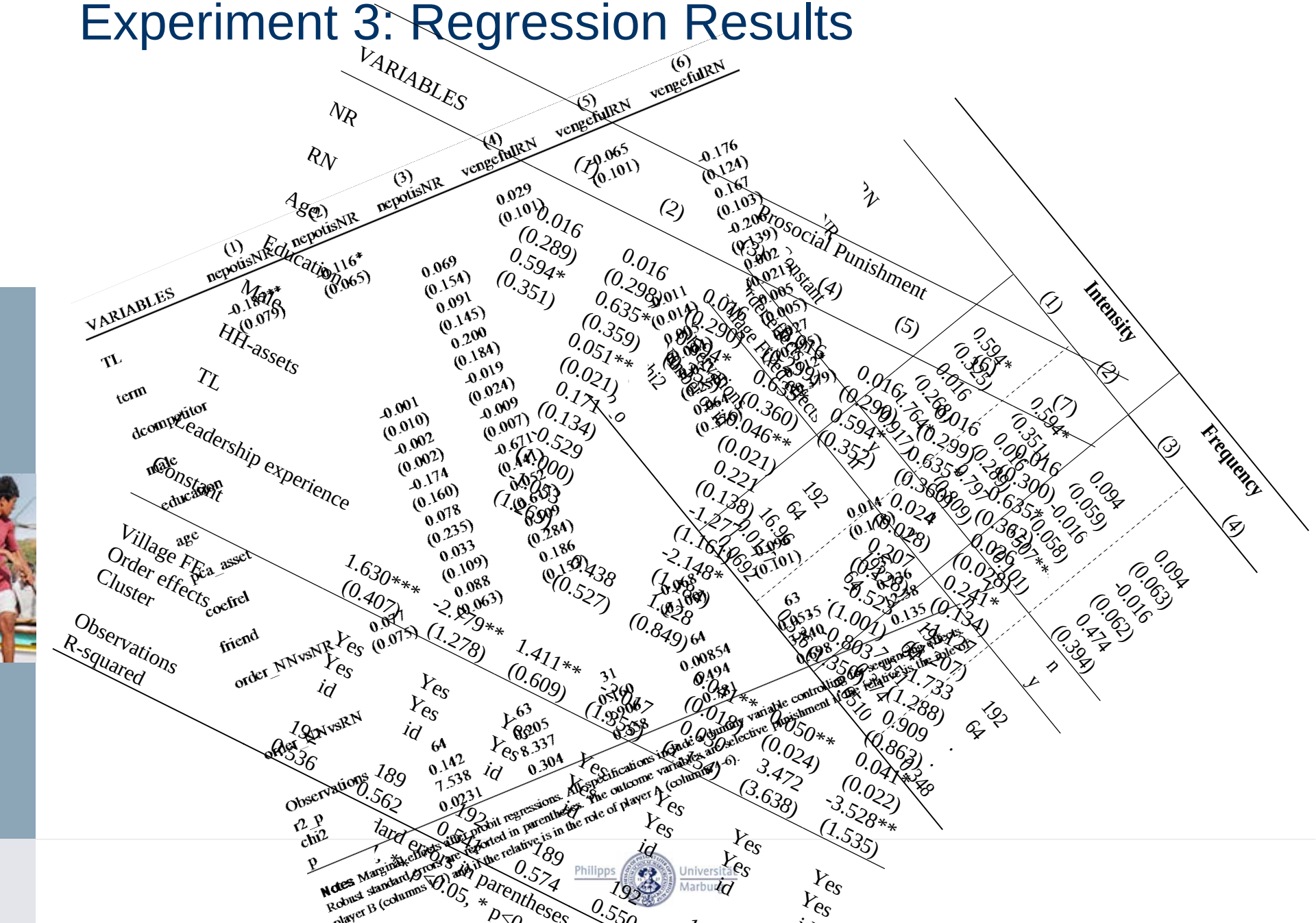




Reminder

- R3: DEL's are significantly more likely to engage in lenient selective punishment ($Chi^2=5.15$, $p=0.02$), while we observe no difference in vengeful selective punishment.

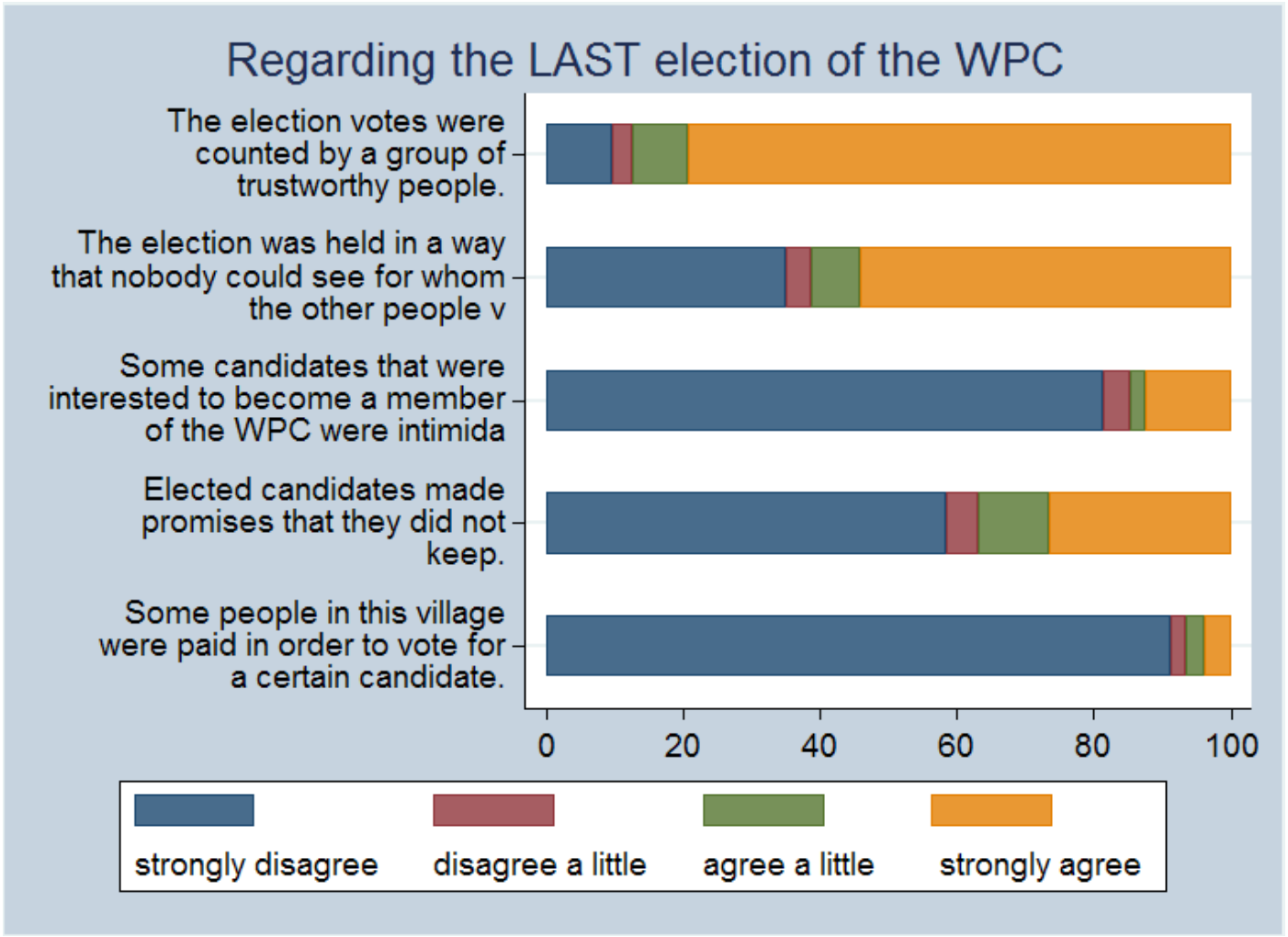
Experiment 3: Regression Results



Survey: Perceptions of leadership

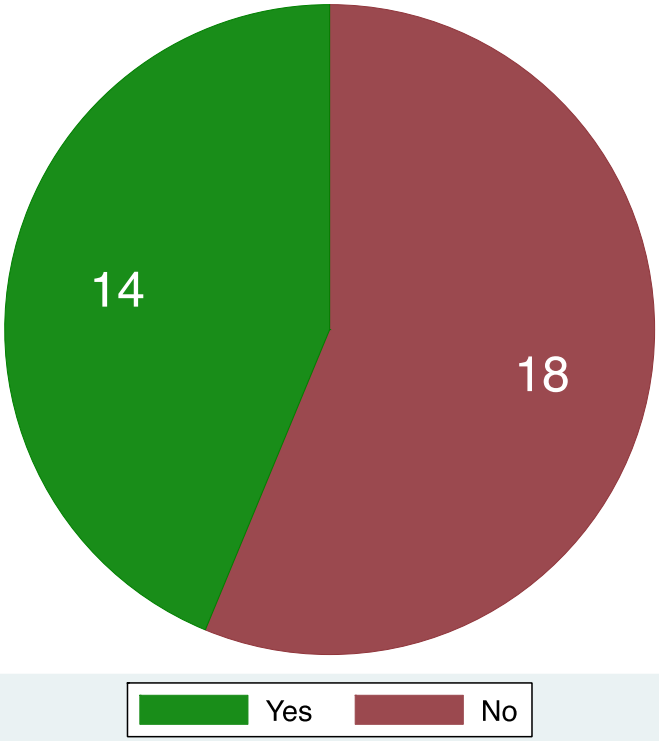
- What else could explain the so far identified differences in leadership quality?
  - Rootedness and long tradition of customary leaders in our study area could lead to higher popularity compared to the relatively new democratic institution.
  - Democracy seems the only legitimate procedure to us Westerners, however legitimacy can also be gained by charisma or the customary institutional procedures and thus may not be seen as illegitimate at all (Weber, 1930).
  - Problems associated with the democratic decentralization process in Namibia.
- Therefore, we implemented an extensive questionnaire to leaders and villagers to get a better understanding of local leadership.

Survey: Villager perception last election

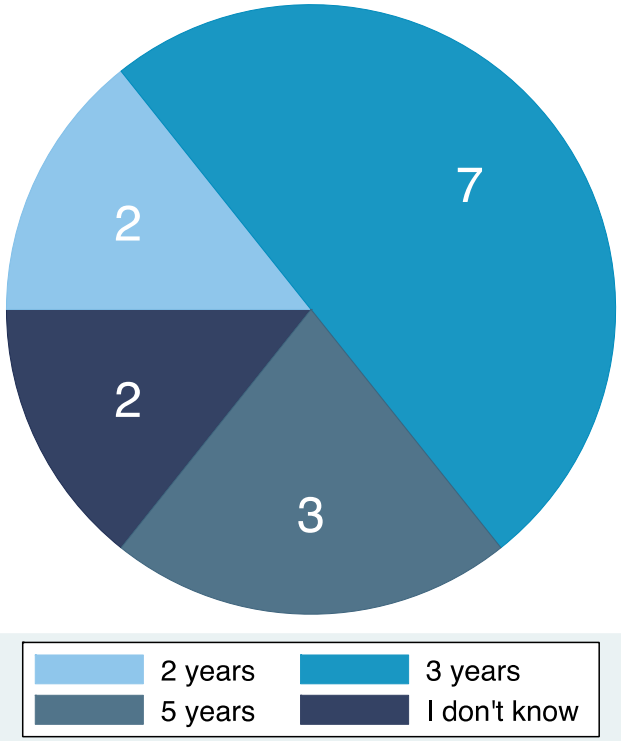


Survey: DEL's on democratic principles

Do you face a term of office?

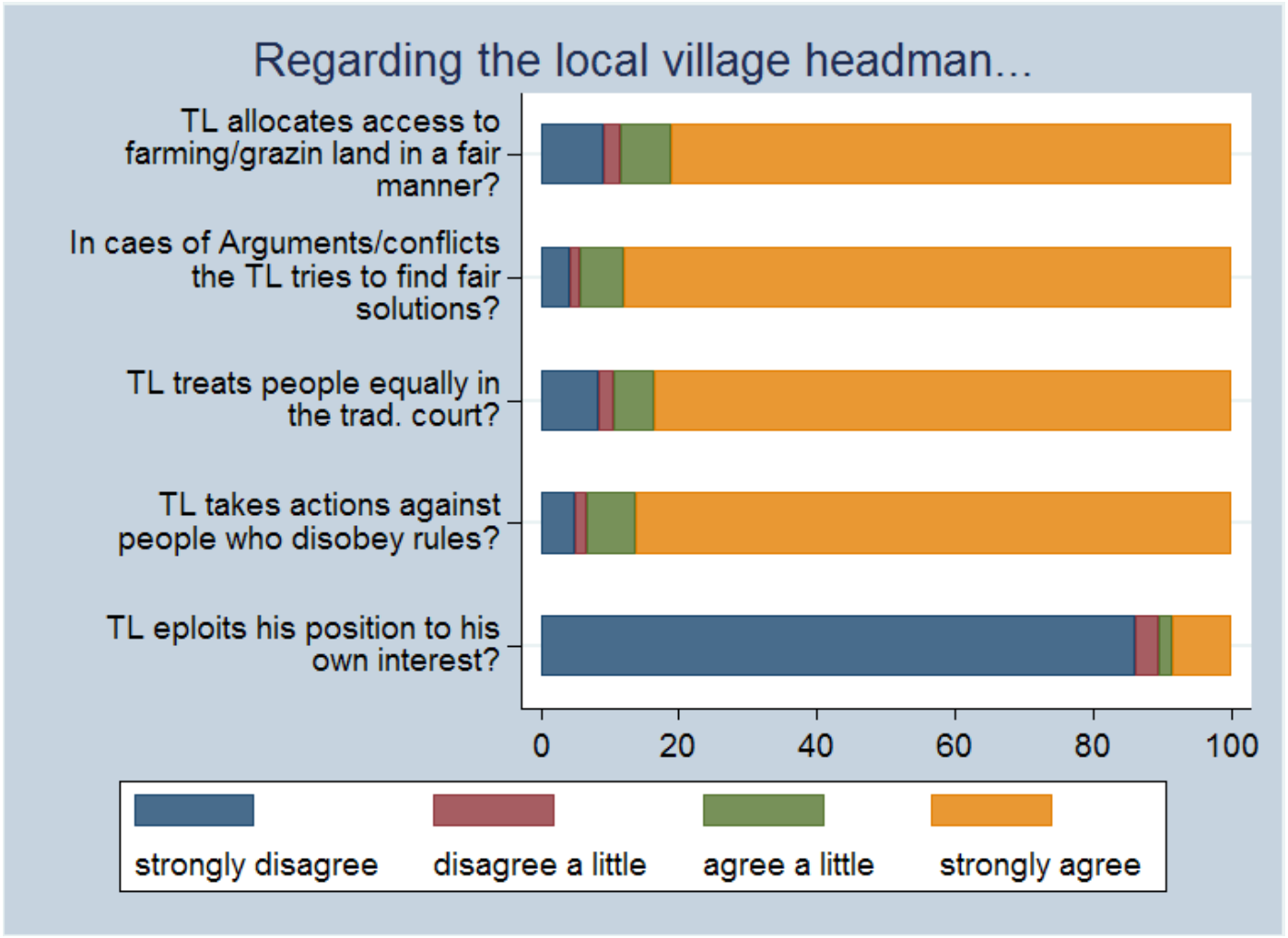


If yes, for how many years?

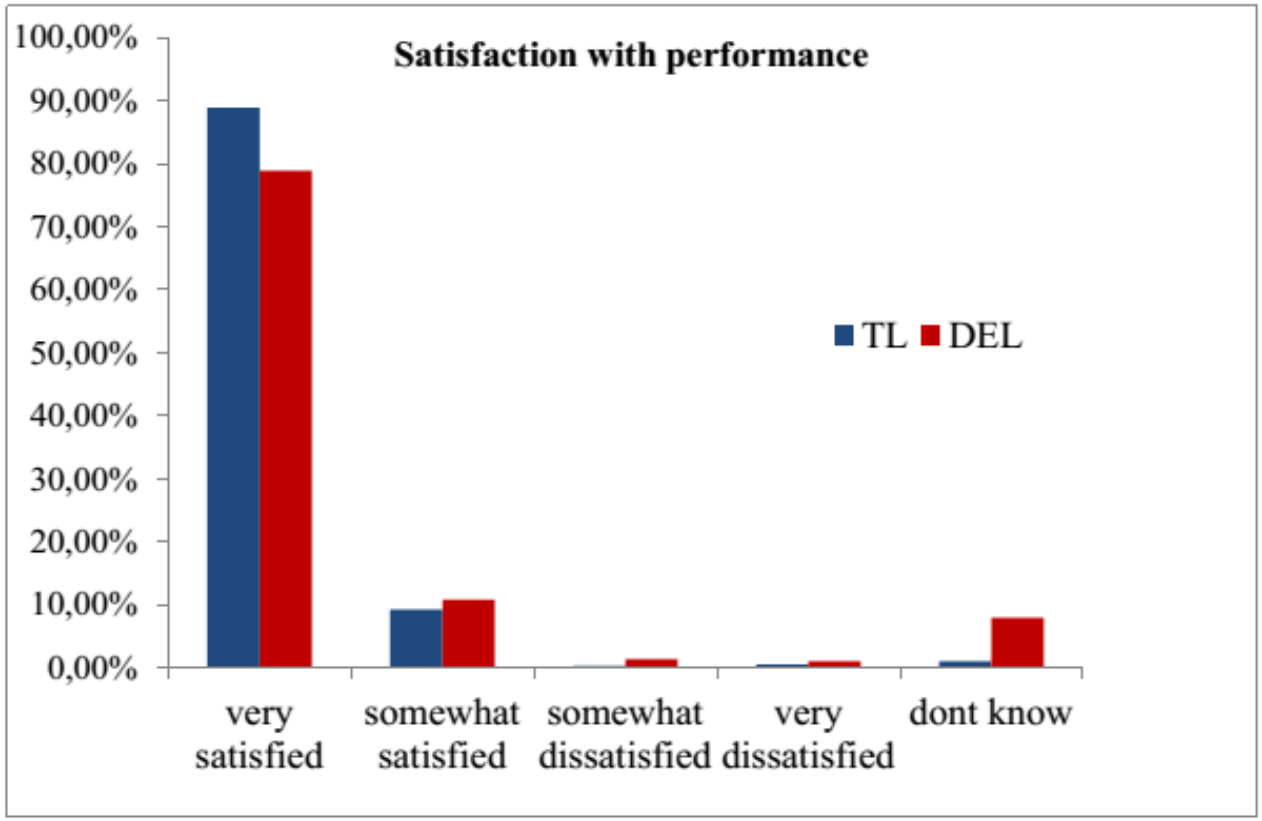


- Only 14% of the last elections in our sample villages relied on secret elections and not all leaders faced competition.
- Suggestive evidence that local democratic institutions in Namibia do not fulfill international standards.

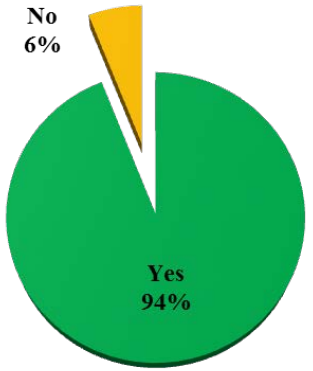
Survey: Villager perception of TL leadership



Survey: Villager satisfaction with leaders



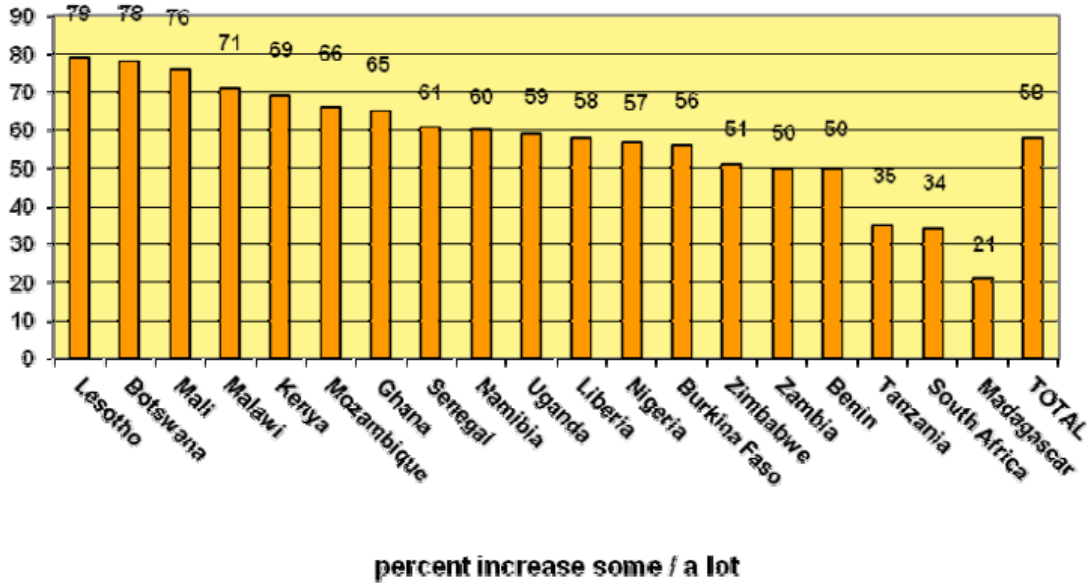
If there was an election, would you vote for the current TL?



N=382

Traditional Authorities Popular All Over Africa

Figure 1: Public view that influence of TLs should increase



Notes: Survey evidence from Logan (2013); “Do you think the amount of influence traditional leaders should have in governing your local community should increase, stay the same or decrease?”

Discussion

Elected Chairpersons do not outperform traditional leaders.

1. Results from the procedural fairness game show that TL's are more willing to implement democratic decision making processes.
2. Leaders tend to be more efficiency concerned and less spiteful than average villagers.
3. Nepotism results show a tendency, that TL's are less likely to treat their relatives preferentially.
4. These differences could partially result from…
   - Discrepancy between planned and de-facto institutions in Namibian democratization process
   - TLs are very popular among their people (in line with *Logan 2013*).
   - TLs have for long been introduced to their duties and feel high responsibility for their communities (in line with *Baldwin 2015*)
5. However, the local level democratization intervention studied here is quite standard for Sub-Saharan Africa → Findings are relevant in itself for local leadership in Namibia and cause concern for further exploration in the future!

Thank You

bjoern.vollan@wiwi.uni-marburg.de

Study Sample

		Traditional Headmen					Elected Committee Chairperson						
variable	Description	N	Mean	Std.dev	min	max	N	Mean	Std.dev	min	max	p	Test
male	dummy	32	0,97	0,18	0	1	32	0,47	0,51	0	1	**0,00**	Fisher
age	age in years	32	65,00	14,02	32	90	32	52,75	14,91	23	77	**0,00**	T-Test
education	Highest grade attained at school	32	6,19	3,89	0	12	32	7,09	3,39	0	12	0,32	Wilcoxon
married	dummy	32	0,91	0,30	0	1	32	0,78	0,42	0	1	0,30	Fisher
rootedness	share of lifetime spent in village	32	0,70	0,29	0,14	1	32	0,74	0,29	0,06	1	0,55	T-Test
experience	years in office	32	17,34	15,25	1	54	32	8,44	5,41	1	15	**0,00**	T-Test
term	term of office	32	0,00	0,00	0	0	32	0,44	0,50	0	1	**0,00**	Fisher
d2	household income	32	1637,50	2828,28	0	16000	32	1453,13	2229,82	0	10000	0,77	T-Test
pca_asset	household assets	32	0,44	0,21	0,07	1	32	0,30	0,19	0	0,68	**0,00**	T-Test
partof_individual	social identity	32	0,44	0,67	0	2	32	0,41	0,61	0	2	0,93	Wilcoxon
partof_local	social identity	32	0,63	0,75	0	2	32	0,53	0,67	0	2	0,67	Wilcoxon
partof_clan	social identity	32	0,34	0,60	0	2	32	0,56	0,84	0	2	0,39	Wilcoxon
partof_ethnic	social identity	32	0,38	0,61	0	2	32	0,47	0,80	0	2	0,93	Wilcoxon
partof_namibia	social identity	32	1,63	0,61	0	2	32	1,78	0,42	1	2	0,34	Wilcoxon
partof_world	social identity	32	1,19	0,86	0	2	32	0,97	0,78	0	2	0,27	Wilcoxon
type_selfish	based on social preference game	32	0,31	0,47	0	1	32	0,38	0,49	0	1	0,79	Fisher
type_efficiency	based on social preference game	32	0,47	0,51	0	1	32	0,50	0,51	0	1	1,00	Fisher
type_egalitarian	based on social preference game	32	0,31	0,47	0	1	32	0,25	0,44	0	1	0,78	Fisher

Field Implementation

- Initial first visit to the queen of the Kwanyama
- First visit to each village one week before the session
  - Invitation of DEL & TL
  - Pre-Game questionnaire
  - Recruiting a local assistant to help organizing the session
- Sessions
  - Conducted in Oshivambo
  - Separated locations for villagers and the two leaders
  - Three assistants (UNAM): One assistant for the villagers and one per leader (randomized)
  - Post-Game questionnaire
    - Socio economic background of leaders and villagers
    - Villager perception about their leaders

Field Implementation

Methodological Remarks

- Neutral language
- Villager's actual decisions remain anonymous to the leader
- Villagers could not infer the actual payoff implementation from their final payments

- Reputational concerns

- Villagers knew with which leader they were playing
- Villagers were told about the decision of their leader in both games
- Reputation in front of villagers is at stake for the leader in both games

Experiment 2: Categorization

	Competitive trade-off		Prosocial trade-off		Individualistic trade-off	
	Option A ($5,$5)	Option B ($5, $0)	Option A ($5,$5)	Option B ($5, $10)	Option A ($5,$5)	Option B ($10, $0)
Strongly egalitarian	A		A		A	
Weakly egalitarian/Selfish	A		A		B	
Strongly generous	A		B		A	
Weakly generous	A		B		B	
Ambiguous type	B		A		A	
Spiteful	B		A		B	
Ambiguous type	B		B		A	
Ambiguous type	B		B		B	

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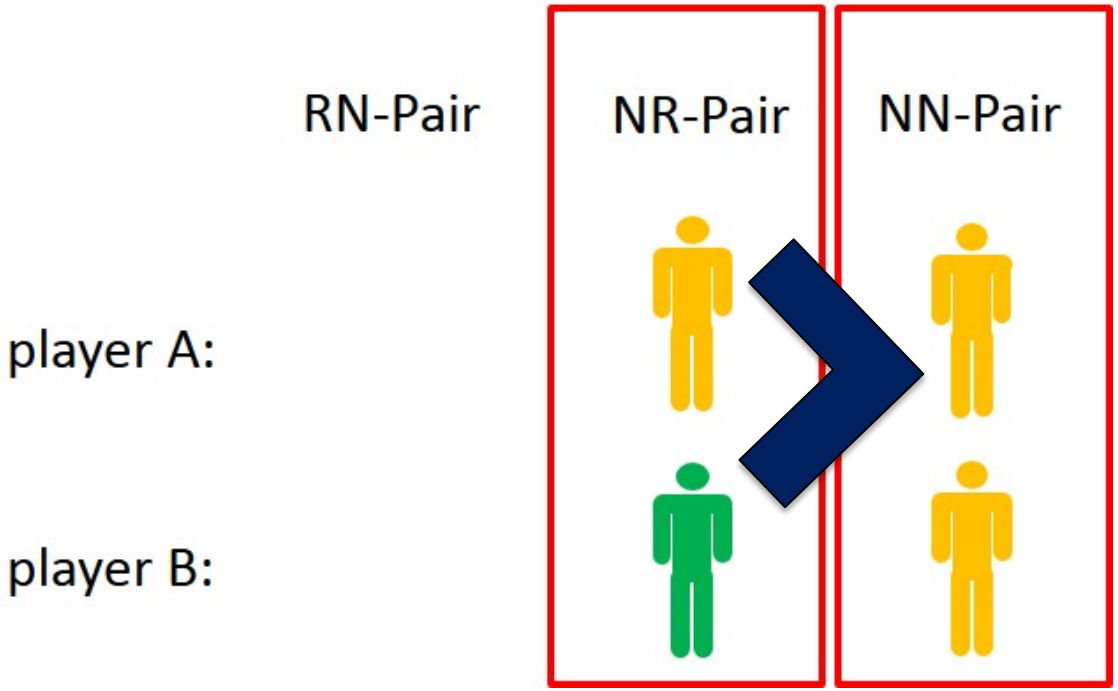
Experiment 3: Lenient Punishment

- **Definition**: Punishment in Pair NR > Punishment in Pair NN



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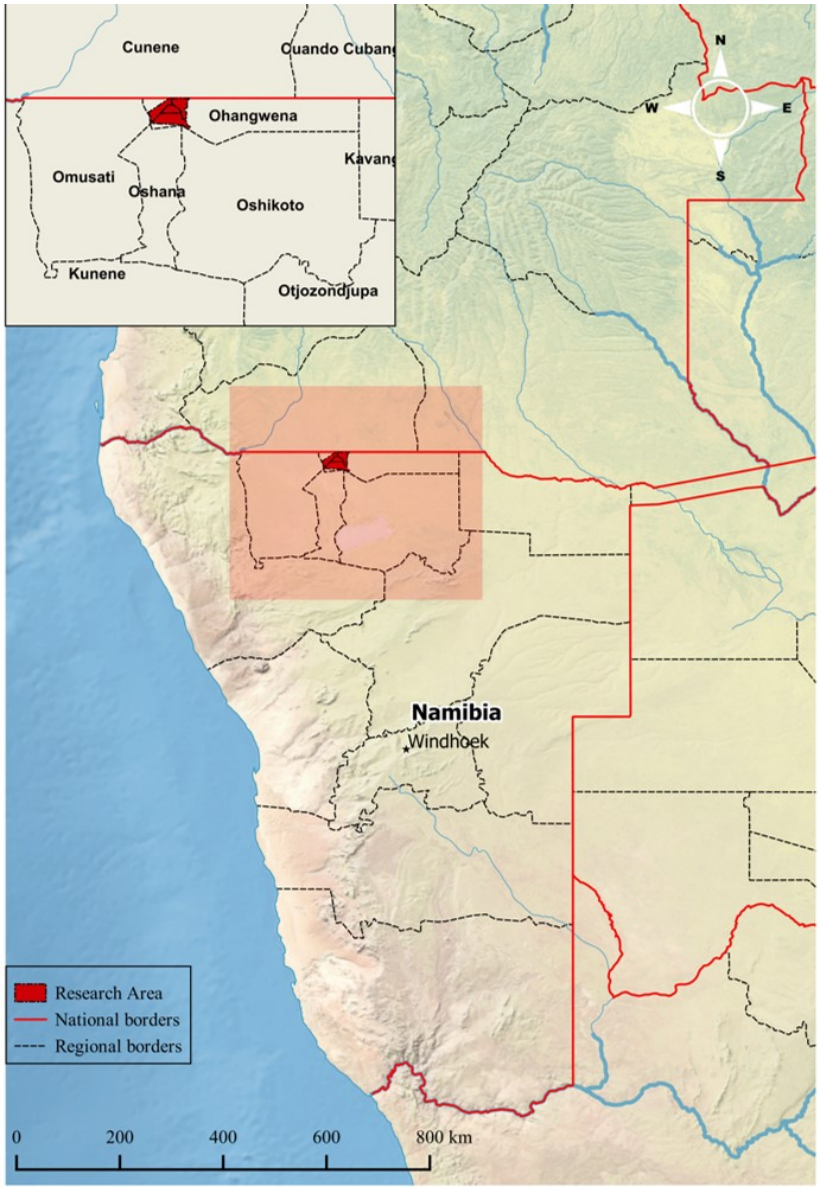
Study Site and Data Set

- Homogeneous study region
  - Ohangwena region (political)
  - Kwanyama tribe (traditional)
  - Constituencies: Endola, Engela & Oshikango
- 80% live on agricultural production – high dependence on natural resources (water and land)
- 32 randomly selected villages
  - Both leaders (TL & DEL)
  - 12 villagers
- Total sample size:
  - 64 leaders
  - 384 villagers



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