

Botswana and Nigeria  
Same Colonial Legacy but Different Paths

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## **Abstract**

This study attempts to explore whether colonialism contributed to disparities in the quality of state institutions and governance in former colonial territories, using Botswana and Nigeria as case studies for two post-colonial states. The study aims to contribute to the understanding of the reasons behind disparities between post-colonial states in terms of quality of institutions and strength of governments. The points of leverage found in this study supports the hypothesis that the quality and strength of contemporary institutions in former colonial states is a function of both colonial experiences as well as domestic conditions pre- and post-colonialism.

## Introduction

While many scholars have asserted that the colonialism might have accelerated the development process through the exportation of new thoughts and inventions to those countries that were once colonized, others argue that colonialism did more harm than good. This paper aims to explore how colonialism affected the formation and competence of the contemporary political institutions and governance systems in two post-colonial states of Africa: Botswana and Nigeria. Despite the similarities between both countries, the British colonialism of Nigeria differed considerably from that of Botswana, where both countries were exposed to different colonial policies and strategies. Since independence, the two countries are nearly polar opposites in terms of political stability, corruption and institutional quality (Valentin 2011, Knuckles 2006). According to Transparency International's Corruption Perceptions Index, Botswana is classified as the least corrupt country on the African continent. On the contrary, Nigeria is rated the second most corrupt country in the region of Sub-Saharan Africa.

Mehlum et al (2006) suggested that the key factor that determines a country's economic growth is not its resource abundance but rather the effectiveness of its institutions. Similarly, Osabuohien, Efobi and Salami (2012) argue that economic performance and development are connected to the efficiency of policies and quality of institutions. However, Sawyer (2004) emphasized that governance failure in Africa has its roots in the legacy of colonialism. Despite being the target of the liberation movement, colonial governance institutions turned out to be the colonialism's heritage after independence. Likewise, Acemoglu, Johnson and Robinson (2001) associated institutions and strategies during the colonial period with disparities in economic development after independence. Acemoglu, Johnson and Robinson (2004) and Valentin (2011) describe colonialism as a "natural experiment" in which imported institutions have been forced on existing orders of informal institutions and local populations. Thus, colonial institutions are believed to be a significant determinant of levels of economic performance, political stability, and provision of public goods after independence (Lee and Schultz 2012). Moreover, many studies have highlighted the connection between different levels of institutional transfer

during the course of colonialism and the disparities in institutional quality post-colonial states (Gennaioli and Rainer 2005, Lange 2004, Englebert 2000).

Much economic research attributes Botswana's impressive economic growth to its strong institutions, good governance and transparency (Kaufmann et al. 2009, Valentin 2011, Bamiduro 2012). On the other hand, Osabuohien, Efobi and Salami (2012) noted that the key reason behind the weak economic performance in Nigeria is its weak institutions. Nigeria is notorious for its long history of corrupt and military autocratic regimes, leaderships unaccountable to its citizens, and the provision of poor public goods and services (Bamiduro 2012). Interestingly, Transparency International consistently lists Nigeria as one of highly corrupt states (Transparency International 2013).

My methodology will be based on a comparative case study between Botswana and Nigeria, two former British colonies. I selected these two countries for their geographic, historical and extractive resource wealth similarities to make the comparison more salient. In other words, Nigeria and Botswana are both sub-Saharan countries that have many things in common: same colonizer – Britain, similar colonial period, non-settler colonies, and the abundance of the extractive wealth. The timeframe of colonialism and independence of both countries is very similar - both became British colonies in the 1880's and independent during the 1960's. Likewise, Nigeria is highly dependent on oil while Botswana is highly dependent on diamonds. Additionally, the two countries discovered their extractive wealth resources during the first decade after their independence (Valentin 2011).

On the other hand, the populations of the two countries are very different; with Nigeria being the most dense and diverse in all of Africa, around 177 million people. The population of Botswana is not only much smaller, 2.1 million people (CIA World Factbook Botswana 2014), but there is much more land per capita and the traditional cattle culture offers a more diverse economy. Most importantly, the two countries are nearly polar opposites in terms of political stability, corruption and institutional quality (Valentin 2011, Knuckles 2006). According to Transparency International's Corruption Perceptions Index, Botswana is classified as the least corrupt country on the African continent. On the contrary, Nigeria is rated the second most corrupt country in the region

of Sub-Saharan Africa. Despite these differences, the commonalities between the two countries will make the comparison of their post-colonial performances more relevant and highlight whether colonialism contributed to the disparities in state governance both countries continue to show. In addition, limiting the study to a single colonial power, Britain, excludes any possible confounding factors related to the nature of the colonizers' identity and ruling strategies.

Hence, the paper tries to explore whether colonialism contributed to the success or the failure of any of these states. If yes, what was the colonial impact? If not, what are the factors? Studying the effects of colonialism on governance might provide more information on how a country's history determines the competency of its governance system and the level of corruption. As Ménard and Shirley (2008, p. 633) suggest, this type of research should help researchers identify the ways in which colonial rule shaped current institutions of former colonies. Through comparing the two countries, the paper investigates whether colonialism has contributed to promoting or undermining the incentives for 'good governance'.

### **Hypothesis and Research methodology**

The hypothesis to be tested in this study is that colonialism largely accounts for current disparities in institutional quality and state governance in two former British colonies. The hypothesis maintains that the institutions established during colonization largely explain institutional quality today.

### **Theory and Types of Colonialism**

Colonialism is typically described as a form of dominance in which a group of people is subjugated by another (Horvath, 1972). Lenin also viewed the colonial economic system as a form of exploitation (Ibid.). Moreover, the term "colonialism" is often used to depict "the occupation of Africa, Latin America, Oceania, North America and other territories that were controlled by a large population of European settlers" (Stanford, 2012). The objective of colonialism was unanimous: exploit economic resources for the colonizing country. European powers established administrations with the aim of benefiting the

colonizer through economic exploitation and improving the colonizing country's international stature (Fenwick, 2009).

## **Forms of Colonialism**

Scholars generally describe several forms of European colonialism:

### ***1. Company Rule***

In this form of colonialism, European Rulers permitted the founding of private firms that were granted sizable lands to manage in the target country. Examples of these companies include: the French trading Company and the East India Trading Company (VOC). Such firms established their own rules of taxation and labour mobilization and took responsibility for all of the expenses related to governing the colonies. By 1924, this form of rule was replaced by other forms of European colonialism.

### ***2. Direct Rule***

Direct rule was the most common form of political administration in the colonial territories (Fenwick, 2009). Several European colonizers employed this form of colonialism to govern their colonies in Africa including, Belgium, France, Germany, and Portugal. They stressed policies of assimilation. The French believed this would lead to "civilizing" the colonized populations (Lewis, 1962). These colonialists did not negotiate the structures of administration with local rulers. Moreover, the native authorities were placed as subordinates in these administrations (Doyle, 1986). Direct rule had a centralized legal-administrative structure with a formal chain of command that linked the various state actors throughout the colony to the central colonial administration and thereby back to the colonizer in Europe (Lange 2004). The European colonizers considered native institutions inadequate for their drives and therefore created their own structures. The colonial law was enforced by the European military (Fenwick, 2009). Additionally, direct rule deployed the approach of "*divide and rule*" by designing policies that purposefully weakened indigenous institutions.

### ***3. Indirect Rule***

This mode of rule employed native rulers and administrators within the colonial government; however, usually natives occupied inferior positions. This form of

colonialism was practiced by Britain in governing many of its colonies. Indirect rule was first implemented by Lord Lugard in Nigeria; he employed both indigenous institutions (Fisher, 1991) and tribal chiefs to execute British orders (Fenwick, 2009). Despite the fact that indirect rule was more cooperative than direct rule, it deepened the ethnic divisions and empowered specific elites to govern locally on behalf of the British. Indirect rule relied on a three-party chain of “patron–client relations” connecting the colonial government to the population through tribal chiefs (Lange 2004). Tribal chiefs acted as intermediaries between the colonial administration and the local population. Lange, Mahoney and Hau (2006) argue that higher levels of development in pre-colonial societies encouraged low levels of British colonialism. Normally, only a few hundred British supervisors were in charge of administering indirect rule in each colony (Ibid.).

#### ***4. Settler Rule***

This model of colonialism was utilized in southern Africa, where European colonizers applied direct rule on their colonies. However, the key character of this model was the substantial number of European immigrants who settled in these colonial territories. In order to flourish, settlers demanded differential treatment, in terms of protection, as well as political and economic rights. Thus, settler rule was known for its cruel policies against native people. Settlers from Holland, Britain, Germany and Portugal colonized Southern Africa: Angola, Mozambique, Namibia, South Africa, Zambia and Zimbabwe; France colonized Algeria in North Africa; and Britain colonized Australia, New Zealand and North America.

#### **Disparities among Colonizers**

Acemoglu, Johnson and Robinson (2001, 2002) provided evidence that colonialism shaped state institutions. They claimed that differences in colonial experience could be responsible for differences in post-colonial institutions, where frameworks and institutions of colonial state endured and created the foundation for contemporary institutions after independence.

Much research focuses on the contrasts between the identity of European colonialism and the postcolonial outcomes (Lange, Mahoney & Hau 2006). For instance, due to its

adoption of better levels of freedom and market economy, some studies argue that British colonial rule gave rise to better outcomes, such as strong institutions and less corrupt governments, than those of the Spanish or the French (La Porta et al. 1999 & North 2005). North (2005) claims that Britain left behind institutions that are conducive to economic growth. Others found that legal origin is associated with “quality of government” in terms of corruption and provision of public goods (La Porta et al. 1999). Similarly, Treisman (2000) found that lower levels of corruption are more prevalent in the common law countries and attributed that to the British culture and enforcement mechanisms. In addition, others found that indirect rule (Whittlesey 1962) and higher levels of political participation (Lipset, 1993) led to democracy in the former British colonies. Finally, Miles (1994) described the British rule as more respectful of the indigenous political institutions than the French.

On the other hand, other scholars questioned the correlation between the colonial origin and post-independence outcomes (Lee & Schultz 2011). Acemoglu et al. 2001, p. 1373) suggest that what matters are the domestic conditions in the colonies not just the “identity of the colonizer”. For instance, Acemoglu et al. (2007) found that colonial origin did not have a substantial impact on democracy in former colonial states. Likewise, Lee and Schultz (2011) found little evidence that British colonial rule produces better outcomes. Finally, Lange, Mahoney & Hau (2006) claim that both conditions in pre-colonial states and the identity of the colonizer are two determinants of how colonialism shaped post-independence institutions (Ibid.).

### **British colonialism**

Lange, Mahoney and Hau (2006) divided British colonialism into four types that reflect different levels of colonialism. First, *settler colonialism*; where permanent British residents transferred different sorts of institutions from Britain to the colonies without maintaining the pre-colonial structures. Examples of settler British colonies include: Southern Africa: South Africa, Southern & Northern Rhodesia (Zimbabwe & Zambia), Angola, Mozambique, & South West Africa (Namibia).

Second, *indirect colonialism*; where domestic leaders were granted political and legal authority over their subjects, but were forced to report to the colonial administration and collect taxes on its behalf. By giving chiefs extensive power and authority, British indirect colonialism fundamentally changed the political and social structures of the colonies (Mamdani 1996). Therefore, it is argued that traditional institutions employed by the British were to different degrees colonial structures (Ibid.). This form of colonialism was characterized by the low levels of institutional transfer from Britain. This was the common method of British rule in Africa. Examples of indirect ruled colonies include Botswana and Nigeria. Third, *direct colonialism*, where the British established a colonial state that was bureaucratically organized. However, direct colonialism was not characterized by a large and permanent British settlement due to the prevailing disease environment. India represents one of the directly British ruled colonies. Finally, the *hybrid* colonialism, which merged indirect rule with either settler or direct rule. Colonial South Africa represented, to some extent, this model, where indirect colonialism accompanied settlement.

### **Approach**

To identify whether colonial legacy contributed to the disparities among the contemporary state institutions in former British colonies, we focus here on two very different African states, Botswana and Nigeria. The same colonial power - Britain - colonized the two countries; however; they both retain extremely different governance outcomes. We first start with a brief overview of the current differing qualities of governance systems and institutions in Botswana and Nigeria. A comparison of these two countries should allow a deep analysis of the real colonizer impact. We then attempt to explain why the two countries function differently through tracing the institutional origin of each country to the colonial and pre-colonial eras, with a focus on forms and qualities of institutions. The study of each country includes a) pre-colonial institutions: reviews the preexisting conditions in terms of institutions and governance structure, b) colonial: looks at what happened to these institutions under the British rule, and c) post-colonial period in terms of the institutional evolution that took place after independence.

## **Comparing Botswana to Nigeria**

In this section we briefly portray the opposite characteristics of Botswana and Nigeria in terms of quality of governance systems, corruption, the rule of law, and political stability. This comparison should help establish the fact that the two countries are polar opposites despite being exposed to the same colonial rule.

Botswana's institutions are widely considered to be the least corrupt among sub-Saharan countries, where the rule of law is highly respected and poverty is least severe in Africa (Owolu, 1999). On the other hand, Nigeria's political and economic institutions are notoriously famous for being corrupt (Seidler 2011). On institutional quality, among 212-world sample, Botswana ranks 53/212 while Nigeria ranks among the weakest countries in terms of institutional quality, scoring 187/212 (Kaufman et al. 2009 & Seidler 2011).

### ***The Worldwide Governance Indicators (WGI)***

The World Bank dataset uses six perception-based indicators to measure institutional quality in terms of: voice and accountability, Political stability, Government effectiveness, Regulatory quality, Rule of law, and Control of corruption. Each indicator ranges from -2.50 (least efficient institutional quality) to +2.50 (most efficient). Table (1) shows that Nigeria is lagging behind Botswana on the six measurements of institutional quality. Figures (1) and (2) illustrates the huge gap in governance quality between Botswana and Nigeria.

Table (1): Worldwide Governance Indicators

<b>Indicator</b>	<b>Year</b>	<b>Min. Governance (-2.5 to +2.5)</b>		<b>Min. Percentile Rank</b>	
		<b>Botswana</b>	<b>Nigeria</b>	<b>Botswana</b>	<b>Nigeria</b>
<b>Voice and Accountability</b>	2003	0.69	-0.64	68.27	28.37
	2008	0.48	-0.76	61.54	27.4
	2013	0.47	-0.74	62.56	27.49
<b>Political Stability and Absence of Violence/Terrorism</b>	2003	1.08	-1.65	86.06	5.77
	2008	0.98	-1.86	81.34	5.26
	2013	1.06	-2.08	84.83	3.79
<b>Government Effectiveness</b>	2003	0.73	-0.96	74.63	15.61
	2008	0.56	-0.97	70.39	15.53
	2013	0.28	-1.01	62.2	16.27
<b>Regulatory Quality</b>	2003	0.79	-1.24	75	10.29
	2008	0.48	-0.78	64.56	22.33
	2013	0.66	-0.71	73.21	25.36
<b>Rule of Law</b>	2003	0.67	-1.52	71.29	5.74
	2008	0.66	-1.06	70.19	14.42
	2013	0.59	-1.16	68.25	12.32
<b>Control of Corruption</b>	2003	1.25	-1.32	85.85	4.39
	2008	0.99	-0.81	80.1	21.36
	2013	0.92	-1.2	79.43	9.09

Source: Kaufman et al. 2009

### *Corruption Perceptions Index*

This index, created by Transparency International, ranks countries based on how corrupt a country's public sector is perceived to be. Scores range from 0 (highly corrupt) to 100 (very clean). In 2014, Botswana scored 63/100, while Nigeria scored 27/100, which indicates that Nigeria is perceived to have a serious corruption problem (Transparency International 2014).

### *The Human Development Index (HDI)*

The HDI is a standard measure, issued by the United Nations Development Programme (UNDP), which evaluates long-term progress in three key dimensions of human development: health, education and quality of life. According to the HDI, Nigeria's falls under the low human development category, where the country scores 152 out of 187 countries. On the other hand, Botswana is listed as a medium human development

country, scoring 109 out of 187 countries (Human Development Index 2014). This brief comparison asserts how Nigeria is lagging behind Botswana in terms of the provision of public goods and services.

### *Summary*

The comparison of the two countries reveals the extreme disparities between the qualities of institutions in two former British colonies. This should defy the hypothesis that states that British colonial rule produces better institutional outcomes. However, this still does not eliminate the hypothesis that colonialism, by and large, accounts for the disparities and underlying differences in post-colonial state institutions. To test this hypothesis, we need to know what kind of colonial policies and strategies did Britain employ in both countries.

### **Botswana**

Botswana's is a landlocked southern African country with a population of around 2,1 million people (CIA World Factbook Botswana 2014). It borders to the south and east South Africa, to the north Zambia, to the northeast Zimbabwe, and to the west and northwest Namibia. Botswana land is mainly arid with only 4% arable lands. The country is considered to be very ethnically and religiously homogenous. The predominant ethnicity is Tswana, which accounts for 79% of the population. This group is generally cattle traders, which migrated from the southeast into the lands of today Botswana in the eighteenth century (Acemoglu et al. 2001). Moreover, an estimated 70 percent of the population is Christians and nearly 20 percent are not religious.

### *Pre-colonial Botswana*

As described by Seidler (2011), by the 19<sup>th</sup> century, various related Tswana tribes had established themselves in the area that currently encompasses Botswana. Tswana tribes built strong relationships with one another. They established shared cultural establishments and a common dialect, known as Setswana. On the other side, non-Tswana tribes were organizationally included and generally engaged into Tswana community. The tribes took up trade as a source of living and a way to obtain necessary merchandise including firearms. By the beginning of the 19th century, contact and trade

with Europeans were established. Selling of Ivory and ostrich feathers to the Europeans dates back to 1805.

### Political system

According to Samatar (1997), pre-colonial Botswana was partitioned into a few self-ruling communities that shared comparable social customs. Every gathering was ruled by a chief, (or so called Kgosi), who controlled its political matters. He was the richest person in the group and possessed the supreme legal, judicial and official authority. The oldest son of the first wife generally succeeded the chief father. In spite of the fact that the conventional Botswana chief held a great deal of power, he was not the absolute ruler. The chief had full authority over where one resided in the village. His political authority was cemented by his control over large herds of cattle and his ability to loan his cattle to the tribesmen and members of his group. Those who kept the cattle of the chief lived off its production, but when they lost the favor of the chief they could be deprived of access to the cattle. This patron-client relationship ensured the loyalty of the subjects.

Different from most African ethnic groups, the political relationships between the Tswana chiefs and their subjects could be described as stable and collaborative (Schapera 1955). Most importantly, Tswana institutions successfully limited the chief's authorities (Seidler 2011). Three important institutions curbed the chief's rule. First, the chief had to consult a traditional assembly (known as kgotla), which he headed. Before issuing any final decision on an issue, the chief had to seek consensus of the assembly. Second, in order to maintain political support of his group, the chief had to pursue economic interests of the whole group. Third, if the chief was seen as unfit, Tswana customary systems permitted the chief's authority to be openly contested (Samatar, 1997).

### Legislative and Judiciary System

Chiefs were responsible for establishing justice and settling disputes within the tribal frameworks. Lower tribesmen had similar but limited authorities. The trials used to be held in the so-called kgotla (Schapera 1955). Legal norms stemmed from traditional religions. Existing legal norms were further developed by a chief's legislation and jurisdiction through oral case law (Ibid.). According to Tswana norms, all people were equal before the law; no one was above the law, including chiefs. However, at execution

of the law, offences by the chiefs and their favorite subjects were treated more mildly than those of the commoners (Ibid.). The kgotla provided a platform for the laymen to voice their views and complaints. Moreover, the tradition of consultation and consensus seeking was principal to Tswana rule and decision-making (Lewis 2006). Early Tswana rule is described by political scientists as “personal rule” or “patrimonialism”, in which political support depends on patronage and clientelism (Seidler 2011).

### Property Rights

Seidler (2011) describes that pre-colonial Tswana had established institutional rules for property rights, which included ratification of both public as well as private ownerships. Chiefs were responsible for enforcing both kinds of ownerships, public and private. The chief could also use this privilege to allocate lands to his headsmen in exchange for services and political allegiance. The pre-colonial Tswana used private property rights for cattle, sheep and plantations alike.

### *The Colonial Interlude*

Between 1885 and 1966, today’s Botswana was known as the Bechuanaland Protectorate, a quasi-colony of Britain (Knuckles, 2006). Until independence in 1966, the Protectorate was run by the British using a very “light” form of indirect rule (Robinson 2009, p. 1). Consequently, the British rule left the pre-colonial tribal frameworks almost unchanged. The British neglect of the colony was obvious, where investments in the country’s infrastructure and human development were very insignificant. The legacy of British colonialism in Botswana was a mere handful of university graduates, no meaningful educational infrastructure, some miles of a paved road, and no vital private or public sector (Samatar, 1997). According to (Acemoglu et al. 2001, p. 1) the British left Botswana with only “12 kilometers of paved road, 22 Botswana university graduates (in South Africa) and 100 from secondary school”. However, AJR (2003) claims that after independence, Botswana inherited the “good institutions” of private property and the rule of law from Great Britain. Moreover, Beaulier (2003) mentioned that there were a few harsh British policies imposed on Botswana. The most severe policy was the “hut tax”, which was introduced in 1899. The tax required all Botswana hut owners to pay a one-pound tax to the British government.

Fortunately, the British did not exhibit any interest in the economic resources of the colony (Scott 2003). The colonial government was very small and had minimum collaboration with the colonial local people (Lange 2009, p. 9). Thus, the existence of British officials in the colony remained marginal. Lange (2009) mentions that in 1915, the estimated number of British government officers was 277, 90% of them border guards. In the mid-1930s, only 22 non-police administrators were permanently stationed within the Protectorate.

### *Political Institutions during Colonial Era*

Tswana political organizations, for example the Kgotla, the need for consultation, consensus seeking and the strong relationship between economic wealth and political control stayed unchanged under the colonial rule. By and large, the rule of customary chiefs was not replaced. However, Good (1999) noted that chiefs' authority was affected by colonization in two ways: (1) Christianity replaced their spiritual functions; (2) They were able to benefit financially from acting as agents and tax collectors on behalf of the colonizer. Schapera (1936) added that chiefs also obtained payments from merchants as well as cash tribute from migrant labor on their way back to their tribes.

In addition, missionaries extended their proselytization activities during the British colonialism. As a result, the spread of Christianity gradually dissolved the chiefs' spiritual status and threatened their religious legitimacy. However, the chiefs responded by reacting pragmatically, embracing Christianity and collaborating with the missionaries (Seidler 2011).

### *Colonial Effects on Tswana Institutions*

Seidler (2011) argues that British rule of the colonial Botswana was indirect, although in a much "lighter" version than the "classic indirect rule" which was practiced in Nigeria. Tswana figured out how to protect the vast majority of their institutions under the colonial rule (Beaulier 2003). Contrary to other African territories, colonialism did not dramatically alter the indigenous Tswana institutions. Thus, because of the light colonial rule and pragmatic Tswana leaders, the clash between Tswana customary institutions and the British ones was avoided (Englebert 2000).

However, Samatar (1997) indicated that the British colonial rule impacted the pre-colonial system in Botswana in three ways. First, by defining 'Tribal Reserves' for each Botswana nation, the colonizer solidified what were formerly fluid social and locative processes. Second, by recognizing the 'chiefs' as the legitimate traditional rulers of the tribes, and proclaiming that they could only be removed by the colonial administration, the British ended informal systems of control on chiefs. Third, the colonial state also reserved the right to recognize new chiefs. This meant that the tribe (i.e., the chief) and the colonial administrator became the two administrative anchors of the new order.

### *Post-colonial Botswana*

#### Political Stability

In 1966, the modern state of Botswana was born after gaining its independence peacefully from the United Kingdom. Shortly afterwards, a constitution was written and a form of government was selected. The same constitution and government system have been in place ever since (Knuckles, 2006). Botswana today is a parliamentary democratic republic with its legislative, judiciary and governmental institutions modeled on European examples but customized to Tswana tradition (Seidler 2011). The president enjoys robust presidential powers and is chosen by election for no more than two five-year terms. The right to vote is universal for all adult Botswana citizens. Botswana's democracy has been demonstrated through peaceful transfer of power and impartial elections.

#### Optimizing Chieftainship and Institutional Building

The development process of Botswana's political institutions commenced right after the end of the colonial era with the degradation of chiefs' powers (Seidler 2011). It started in 1966 with the establishment of elected district councils to manage the tribal territories. Simultaneously, the Chieftainship Act of 1965 formalized the chiefs' authorities and rights. Moreover, the power to appoint and remove a chief was delegated to the president. Following the chiefs' acceptance of this formalization, their powers were progressively degraded in a chain of regulatory amendments. Likewise, the rest of chiefs' rights such as tax gathering were assigned to local administrations and tax agencies. Eventually, the chiefs' role as chairpersons in the district councils was abolished (Ibid.).

More importantly, after independence, Botswana started a conscious adoption of formal modern state institutions. Seidler describes how Botswana's leadership decided which institutions to 'build from scratch' and which already established ones to maintain. New institutions were established on European standards and tailored to Tswana culture. Furthermore, pre-colonial institutions such as the kgotla were merged into the official institutional structure (Ibid.). Seidler argues that kgotla example demonstrates how the incorporation of traditional institutions into the formal institutions enhances political legitimacy and improves the efficacy of state institutions. Finally, professional bureaucrats, who were either Tswana expatriates or civil servants who received their education from abroad, executed the public administration (Ibid.).

#### Botswana's impressive economic performance

At independence in 1966, Botswana was the third poorest nation worldwide (Tregenna 2003), with a GDP per capita of nearly US\$70. Today, Botswana's development and impressive economic performance are very noteworthy in the African continent and the whole world. Since independence, Botswana's economic growth continued to beat other African economies and also exceeded other low-income nations and the world average (Seidler 2011). From 1966 to 1996 Botswana's average real growth per capita reached 8.2%. Such achievement made Botswana the world's fastest growing economy for three consecutive decades (Seidler, 2011). Good fiscal policies and conscious leadership have often been referred to as the reasons behind this remarkable growth (Knuckles, 2006).

However, Botswana's economy is not free from problems: Unemployment and economic inequality are relatively high, especially in the rural regions. HIV/AIDS is another major challenge. Botswana suffers from the highest infection rates in the world. Conventional sexual behavior has contributed to the dissemination of the disease despite the state's early and well-organized campaign (Lewis 2006). Lastly, Botswana's rural economic development is lagging behind the country's overall economic expansion (Beaulier 2006, p. 108).

#### Property rights on land

The property rights in Botswana are protected by a strong legislative system that promotes transparency and limits corruption (World Bank 2009).

## **Nigeria**

Nigeria is a sub-Saharan country located in western Africa on the Gulf of Guinea. Nigeria shares territorial borders with four francophone countries (Benin to the east, Niger to the north and Chad and Cameroon to the west). Nigeria is the most populous nation in Africa, with a population estimated to be around 177 million people. It is also the most ethnically diverse country in the continent with an aggregation of numerous nationalities. It is a pluralistic society both in terms of ethnic and religious composition (Uduma, 2009). Nigeria is composed of more than 250 ethnic groups; the following are the most populous and politically powerful: Hausa and Fulani 29% (in the north), Yoruba 21% (in the south west), Igbo (or Ibo) 18% (in the south east), Ijaw 10%, Kanuri 4%, Ibibio 3.5%, Tiv 2.5% (Nigeria CIA Factbook 2014). As for religion, 50% of the population is Muslim (predominately in the north), 40% are Christian, and the rest are either not religious or follow native religious traditions (ibid.). Natural gas, oil, coal, iron ore, tin, limestone, lead, and abundant fertile land comprise the bulk of Nigeria's natural resources (Knuckles, 2006).

### ***Nigeria's Oil Resources***

Its world's 13<sup>th</sup> largest reserves of oil have turned the country into an African economic giant. It has the third biggest economy by GDP in Africa behind South Africa and Egypt. Yet most scholars agree that despite immense wealth in natural resources, average Nigerians are probably not much better off early in the 21<sup>st</sup> century than they were in the 1960s (Seidler, 2011). An estimated 57% of Nigerians are under the poverty line (Aigbokhan 2008:13). Also, the country is divided between "either extremely rich or extremely poor" with a very small middle class (Obeng-Odoom 2013).

### ***Pre-colonial Nigeria***

From approximately the twelfth century up to the colonial era, today's Nigeria was a collection of several states, empires, and kingdoms with extensive trade networks and complex political systems. Up to the beginning of the colonial era, people were living under different administrative arrangements and political systems. The main reason for the heterogeneity of pre-colonial Nigeria is viewed to be due to the differences in the ethnicity and languages (Seidler 2011). For example, pre-colonial political systems of

Yoruba and Hausa/Fulani were chiefly centralized while Igbo's was a headless, decentralized system.

In pre-colonial Nigeria, the Sokoto Islamic Caliphate was composed of several emirates in the north, and the dispersed Yoruba Empire connected coastal settlements with political groups in the interior through the strong Kingdom of Oyo. Due to the lack of resources to administer Nigeria, with its 20 million people, in 1849 the British deployed a few hundred officers under the existing power hierarchy of Yorubaland and the Islamic north. Though colonies were different, colonial rule via indigenous elites took place throughout the British Empire in several parts of Africa and permitted the British to administer vast lands with relatively large populations at a very low cost (Ibid.).

#### Legal system

Shari'ah law is another example of a pre-colonial institution which has prevailed and literally re-emerged today. Islamic jurisdiction had been centuries old when the British conquered Nigeria's north. Colonial rule rather strengthened it by integrating it into colonial administration (Ibid.). Customary law, which is derived from aboriginal traditional customs and norms, including the dispute resolution meetings of pre-colonial Yorubaland secret communities and the Egbo of Igboland (Ibid.).

#### *Colonial Nigeria*

British control over what is today Nigeria was a process of five successive stages (Ibid.). The settlement of Lagos became a colony in 1861. From 1886 to 1900 the Royal Niger Company controlled central Nigeria. After that its territories were incorporated into the new Protectorate of Southern Nigeria. In 1906 the Protectorate of Southern Nigeria merged with the Lagos Protectorate. Finally, the Southern Protectorates merged with Northern Nigeria in 1914, although a certain degree of administrative distinction between the Southern and Northern Nigeria was maintained (Ibid.).

Even after 1914, the colonial administration of the newly created "Colony and Protectorate of Nigeria" was by no means uniform, and was highly decentralized. This reflected the enormous cultural difference of the ethnic groups that had been artificially united in one territory (Seidler, 2011). Only the treasury, railways, judiciary, military and post and telegraphs were managed centrally by Frederick Lugard who was appointed as

the first Governor-General. Most other things and day-to-day business was effectively regionalized in the hands of Lugard's two Lieutenant-Generals (one for the North and one for the South). Even working languages differed. The Northern administration used widely common Hausa whereas the South used English.

Lange (2004) argues that British rule in Nigeria was an extreme case of indirect rule. The policy of indirect rule famously formulated by Frederick Lugard as High Commissioner of Northern Nigeria eventually became a goal for the administration of the whole of Nigeria. Indirect rule basically meant that existing political hierarchies were remodeled into units of local self-government that fitted into the British colonial administration. Existing traditional political leaders (Emirs, Shehus, chiefs etc.) were to govern their people, not as independent but as dependent rulers (Seidler, 2011). The British also had a say in the nomination of local village leaders (Ibid.).

Different from the Botswana study, Nigeria was confronted with a variation of colonial ruling strategies and tax institutions (Ibid.). Indirect rule in Nigeria was quite different from the "light" rule in Botswana. Moreover, Tswana chiefs were financially independent. They kept only 10% of the tax revenues. Nigerian suzerains were instead, de facto salaried functionaries of the British administration.

### *Colonial Impact*

As per Coleman (1963) British rule brought a range of changes. The most significant changes for the aim of this study are: First, slavery was abolished in Bornu and the whole of Nigeria, but – in order not to upset the social structure – only those who ran away from the former masters were deemed free. British control of all of Nigeria created a large free trade area. Security along the trading routes was enhanced and transaction costs reduced. As a result the volume of internal trade increased. Investments in infrastructure (roads and railways) promoted trade. A common currency was introduced, although it took until the mid 20<sup>th</sup> century to replace the traditional money units. In 1922 more than 40 per cent of the revenue of the colony was spent on construction and maintenance of infrastructure. In 1950 there were more better transport infrastructure, free trade and currency unit. They sound economically great, but they mainly served the overall goal of providing resources for British manufacturers and markets for British goods (Ibid.). Hence, colonial economic

policies aimed to maximize exports and imports. Internal markets seemed to have been neglected. International trade was almost monopolized by a few European companies, such as the United Africa Company (UAC). Off the main exporting routes, internal markets had hardly been developed during colonial rule. The British created a class of educated local bureaucrats needed to perform routine tasks of administration. To avoid corruption, this group was liable to serve in areas different from those of their birth (Ibid.).

### Taxation

The British colonial administration eventually set out to simplify the existing tax system. Its aim was to “... consolidate the multiplicity of taxes into a single ‘general’ tax, payable on a single demand after the harvest, and whenever possible in currency instead of in kind” (Lugard 1922, p. 236). The other aim was to finance the costs of British administration. Usually 50 per cent of the tax revenue was kept by the British. The second half reverted to the native treasury. A second feature of indirect rule in Nigeria was the regularization of expenditures out of the native treasuries in accordance with a budget, which was subject to scrutiny by colonial officers.

### Property rights of land

Across the whole colony, British rule had dissimilar impacts on traditional land rights. Whereas in the north the administration prohibited anyone (European, Nigerian – whether from the south or the north) from acquiring a freehold title, in the urban and semi urban areas in the South, which had been under British influence much longer, the administration developed early forms of individual land tenure (Coleman 1963). Customary land laws worked against fast economic integration with the European economy. Land rights inhibited internal migration of Nigerians. Ethnic groups from overpopulated land (such as those in the Ibo territory in the South) were not allowed to settle in other areas in Nigeria (Ibid.). European migration or land purchases by Europeans remained minimal.

### Induced Inequality

The implementation of British indirect rule affected local traditional institutions to a varying degree in Nigeria. In the south and in the former capital Lagos, British rule

brought more European education, Christianity and Western work ethics. In the Muslim north, British indirect rule largely strengthened and rigid existing institutional arrangements.

Colonial regime showed little enthusiasm for promoting the education in Northern Nigeria (Seidler, 2011). This can be attributed to the fact that missionaries were not welcomed in the Muslim dominated North of Nigeria, where the spread of Christianity was closely related with schooling that was mostly run by missionaries (Ibid.). The 1939 census in Northern Nigeria counted only 25,067 pupils in primary schools out of a population of 11.5 million. In the South, 267,788 attended school out of a population of 8.6 million (Seidler, 2011).

### *Post-colonial Nigeria*

Nigeria obtained its independence from the United Kingdom in 1960. At that time, there were nearly 60 million people belongs to more than 250 distinct ethnic groups in the country (Knuckles, 2006). Shortly after independence, the cohesiveness of the nation was weekend by disagreements over lands and authority. Moreover, ethnic tensions and disputes fuelled many violent struggles over power, including a long and very bloody civil war in the 1970s. This civil war has been judged by many as genocidal against the Igbo. During the two and a half years of fighting, between one and three million Igbo, who sought to break away, were killed, while far fewer Hausa-Fulani died. Ultimately, General Yakubu Gowon who led the fight against the seceding eastern region became the leader of Nigeria after the civil war (Ibid.).

Ever since independence, Nigeria has suffered from political instability. The nature of the Nigerian state produced an elite class that that many have seen as only concerned with consolidation of power (Afegbua and Adejuwon 2012). Several military coups and constitutional amendments have changed Nigeria's constitution since its independence. The military ruled Nigeria almost entirely uninterrupted from 1983 to 1999. During this rule, a culture of impunity grew and soon became institutionalized. In addition, military rule undermined the rule of law in the country (Seidler 2011). Nigeria finally achieved democracy in 1999. The election in 2007, although regarded as severely flawed by

international observers, can be considered as the country's first democratic experience (OECD 2008).

Two damaging coups took place six years after independence. The Igbo population triggered the first coup in 1966 due to corrupt political leaders, who were from the Hausa-Fulani ethnic groups. The new Igbo leaders, though, did not govern with much less corruption or selfishness, and a few months later, a second coup occurred. This coup placed a Hausa-Fulani as the head of state, who immediately created a federal government, dividing the country into four regions. Afterwards, eastern region (mainly Igbo) seceded from the rest of the country and called itself the independent state of Biafra. Subsequently, the central government counteracted by forming a military government.

Since independence, Nigeria's economy has been heavily dependent on exports of natural resources ranging from agricultural products to minerals. Oil became the most important economic resource in the 1970s. Today, Nigeria is the world's 13<sup>th</sup> largest producer of crude oil at approximately 2.5 million barrels per day. Oil and related products account for around 95% of Nigeria's exports and more than 70% of the government's fiscal revenues. It contributes around one third of Nigeria's GDP. Other important export commodities are traditionally cacao and rubber.

The importance of oil is economic as well as political. To eliminate secessionist tendencies, the federal government redistributes a substantial share of the oil revenues to Nigeria's 36 states and 776 local governments, which have become highly dependent on this source of income (Englebert 2009). Although oil revenues per capita increased tenfold from about 33 USD in 1965 to 325 USD in 2000, income per head did not grow accordingly. Moreover, scholars argue that oil revenues have promoted overall corruption and further undermined Nigeria's state institutions (Martin and Subramanian 2003).

### Institutional Failure

Many institutional experts agree that Nigeria's economic problems are correlated with its extremely weak political and economic institutions (Seidler 2011). Nigerian state institutions broadly fail to provide a framework for basic political and economic institutions on a nation-wide scale. It seems that the only effect it achieves is keeping the

country from dissolution (Knuckles 2006). The weakness of Nigeria's state institutions can be best displayed by the marginalization of federal law (Uduma 2013). The 1951 constitution cemented the idea of federalism with its components as regions. However, Uduma (2013) argues that a federal system is useless when its component units (the regions) lack autonomy and self-governance.

According to Uhumwuangho and Barr (2011), federalism as a system was meant to integrate people in a society that is diverse ethnically, geographically, culturally and even religiously. Thus, it is an imperative that once a government is in place, it must strive to equitably distribute powers, functions and resources among these diverse groups. But in Nigeria, there are incidents where governments have openly violated the principles of federalism. In theory, Nigeria can be said to be operating the federal system of government, whereas in the real world, the country is leaning towards a unitary state. Therefore, the problem with federalism in Nigeria is the mix-application or non-application at all, especially as it has to do with power distribution. Nigeria has not been applying the principle of power distribution to the letter and this resulted in the escalation of ethnic conflicts and lack of trust among ethnic groups. Thus, ethnic tension in Nigeria is the consequent of improper distribution of powers and resources. This is because the people who now feel left out in the game see it as a necessity to resort to their ethnic groups which will provide them a good support for competing with others for resources and against domination by the dominant groups. Also, ethnic politics has become the norm, as it is believed that an alliance with one's ethnic group provides an easy access to resources (Ibid.).

### Legal System

In Nigeria today four different systems of law are applied: the received English common law, Nigerian legislation, customary law including Shariah law, and modern case law. The result is an institutional mess (ADB 2009). The legal system in Nigeria is based on English common law, except in 12 states where Islamic Shariah law governs instead. Nigeria's constitutional foundation was built in colonial times. It foresaw a common legislative basis for the north and south. In addition, it divided Nigeria into three regions (Northern, Eastern and Western Region) each with a House of Assembly and a House of

Chiefs. In 1963, an additional region called the Mid-Western Region was created. This structure was unpopular from the start and was politically contested in particular in the south. Consequently a new constitution entered into force in 1954, which devolved more political power to the regions. Today – after years of military rule and constitutional revisions - Nigeria is a federal republic made up of 36 states. Each state has its own law-making organ known as the House of Assembly. State House of Assemblies have powers to legislate on any matter in the concurrent legislative list and any other matter with respect to which it is empowered to make laws in accordance with the provisions of the Constitution. The system of Government in the Nigeria is modeled after the American presidential system with three arms of government, namely, the legislature, the executive and the judiciary. The president holds extensive powers similar to the presidential systems of France or the United States.

### Security

Institutions which provide only a minimum of personal security to citizens are not simply viewed as ineffective, but also as a source of insecurity themselves. Failure to provide personal security to citizens has undermined the legitimacy of Nigeria's federal government. This has led to a privatization of security on a local level. Vigilante groups (e.g. the Bakassi boys) and ethnic militias (e.g. yan banga) legally co-exist with or are at least untroubled by the police force. Criminalization of politics is another problem. Numerous assassinations or assassination attempts were recorded during local elections in 2004 (Bach 2006, p. 77). Key players in domestic politics appear to be backed by ethnic militias or groups of vigilantes such as Arewa Consultative Forum in the north, the Afenifere in the southwest or Ohanze Ndigbo in the south (Bach 2006).

### Property rights

Before 1978, the absence of strong property rights impeded economic use of Nigeria's resources (Seidler 2011). Today, federal law may conflict with informal institutions governing land rights. In the Niger Delta property conflicts over land ownership fuel violence and the appropriation of crude oil by the region's inhabitants (Bach 2006). Theoretically, the federal law of 1978 nationalized all lands and delegated their management to the Local Governments. Despite the fact that this legislation applies to all

unoccupied lands that belong to the state, the heads of villages or chiefs have continued practicing their traditional rights to allocate land within their village areas. State authorities have silently accepted this. This practice of conflicting institutions of property rights has led to numerous cases of conflicts and inefficiencies. This has undermined Nigeria's potential to attract foreign investments.

### Political Legitimacy

Given the weakness or low level of legitimacy enjoyed by the formal federal institutions, Nigerian civilian and military rulers alike have resorted to a traditional informal institution with arguably high legitimacy all over Nigeria: patron-client relationship. This has resulted in a form of neo-patrimonialism, which is very resistant to modernization. Resources are allocated according to political interests cause clientelism and corruption (Englebert 2000). Effective state institutions have either not been transferred or have failed to be embedded in existing institutions in a coherent way.

Englebert points out that in Africa, the gap between the post-colonial state and informal local institutions may have been most severe. It caused a typical chain of events: after the first years of independence formal new state institutions began to lack legitimacy in the eyes of the population. People preferred to follow local informal institutions. Indirect rule and arbitrary state boundaries resulted in weak central state institutions which lacked legitimacy compared to local informal ones (which may even have been strengthened by indirect rule).

### Ethnic and Sectarian Unrest

The process of ethnic identification, which is rewarded with shares of oil revenues by the federal government, is self-reinforcing and thus very persistent. In this institutional framework it is only rational for all actors to create ever more ethnic states and governments (Greif and Laitin 2004). Ethnic heterogeneity based on arbitrarily drawn boundaries adds to the lack of legitimacy. To maintain their power, civilian and military leaders alike have resorted to a neo-patrimonial ruling strategy, which is more in line with traditional institutions based on patron-client relations. To cater the needs of over 250 ethnic groups each with their own institutional development path - seems impossible for one single national institutional framework (Ibid.).

The competition between those that see themselves as the true “indigenes” of an area (here: local Kanuri) and those that are considered to be more recent “settlers” (here: those who had to pay) who are members of different ethnic groups. This practice can be found all over Nigeria and is an effective institutional arrangement for allocation of land rights, but it is economically and politically clearly sub-optimal to an institutional solution based on more equal access. Furthermore the distinction between settler and indigenes is very often the reason for Nigeria’s many violent riots (BBC 2011).

In some Northern Muslim states (e.g. Kano) so-called hisba groups, made up of Muslim youth seeking to enforce Shari’ah law, have in effect developed local law enforcement forces in clear contradiction with federal law and the police. Conflicts with state institutions have either been settled in case-by-case solutions or have led to serious clashes and unrest (Adamu 2008). The re-introduction of shari’ah law in the 12 Muslim states of Nigeria has led to violent religious clashes, mainly between Christians and Muslims.

Englebert adds that in many cases, ethnic heterogeneity based on arbitrarily drawn boundaries added to the lack of legitimacy. To stay in power, the leaders appealed to a neo-patrimonial ruling strategy, which was more in line with prevailing local institutions. Distributing oil revenues to create dependencies is just another form of the patron-client relationship which is well known all over Nigeria. Today, the results of neo-patrimonial rule are clearly visible. Inefficient institutions foster corruption and cause widespread distortion in market mechanisms (Englebert 2000).

## **Discussion**

### ***Explanation of Post-colonial Disparities in Nigeria and Botswana***

Despite the similarities between Botswana and Nigeria, the institutional performance in both countries is at polar opposites. Botswana is a democratic politically stable country with the least levels of corruption in Africa. In contrast, Nigeria suffers from chronic levels of political instability, corruption and institutional failure. Comparing the colonial legacy of both countries should help us investigate the colonial impact on the contemporary governance systems.

Nigeria and Botswana's colonial pasts share some similarities, both being characterized by late British colonialism, indirect rule and negligible European immigration. However, as Fenwick (2009) argues that the nature of African states since independence has been greatly affected by their colonial experiences. The two countries were exposed to different colonial policies and strategies. British colonialism of Nigeria differed considerably from that of Botswana. Despite its name, indirect rule in Nigeria meant involvement of British officials down to the locality level. British colonialism boosted chieftaincy through indirect rule in Nigeria. Local chiefs were de facto salaried employees of the British administration. They were paid a fixed income out of the tax revenues they collected for the British. On the other hand, in Botswana, until 1934 the British hardly attempted to establish the direct authority of the Tswana chiefs (Acemoglu et al. 2001).

### *Ethnic Diversity*

Botswana and Nigeria are very different in their ethnic diversity. Nigeria was created by the British through combining numerous existing entities and ethnicities -- more than 250 -- into a single colony and then nation (Uduma 2013). It is perhaps the most ethnically diverse country in Sub-Saharan Africa. Botswana, on the other hand, has very little ethnic diversity; nearly 80 percent of the population is Tswana. When colonial rule ended, Botswana was a remarkably ethnically homogenous nation (Knuckles 2006). Upon independence a majority considered themselves Tswana and shared the same language (Robinson 2009). Moreover, Botswana was not at the start of the colonial era and is not now as religiously diverse as Nigeria (Knuckles 2006). Almost three quarters of all Botswana are Christians ("Botswana" The World Factbook), while Nigeria is split between Muslims, Christians and other traditional religions, with Islam having been well-established before the colonial era.

Robinson and Parsons (2006) indicated that before the colonial era customary Tswana political institutions acted inclusively and successfully included non-Tswana populations into the political structures of the local state. This inclusive nature of indigenous Tswana institutions decreased the likelihood that alternative groups would violently challenge the legitimacy of the new state. Conversely, in Nigeria, the ethnic and religious diversity and

divisions created rivalries and led to a bloody civil war (the Biafra War was actually fought over the separatist ambitions of one ethnic group – Igbo - in southeast Nigeria) and a series of sectarian conflicts, violent struggles for power (Knuckles 2006), multiple military coups (Pierce 2006), and a persistent lack of cohesion in society. On the contrary, Botswana did not experience the same types of problems. In fact, the same political party has ruled Botswana since its independence in 1966. Robinson (2009, p. 9) argues that the sense of belonging to a homogeneous group had a politically stabilizing effect in Botswana.

### *Natural resources Management*

Lange (2004) has pointed out that the nature of Botswana's and Nigeria's natural resources are very much similar. Both, diamonds and oil reserves require large infrastructure, technology and investment in order to be profitably exploited. The differences in the regulation of these major extractive industries in Botswana and Nigeria set them at the opposite ends of the corruption scale (Knuckles 2006).

Botswana's management of its mineral wealth is one good example out of many sound economic policies. Its economic exploitation of diamonds and other mineral resources has not ended in a resource curse as with many other resource-rich. Botswana has applied some useful policies to prevent its resource boom from turning into a disaster. Harvey and Lewis (1990) mentioned the governmental heavy investment in education and health care as one of the wise strategies Botswana's government employed. Revenues from the diamond industry were heavily reinvested in health care, and in primary, secondary, and tertiary education. Moreover, strong foreign exchange reserves have been built and used to absorb demand shocks and stabilize real exchange rates (Leith 2000). Macroeconomic stability has been ensured by a soundly operating central bank, which was established in 1976 (Leith 2000). The use of a National Development Plans has determined domestic spending. Planned investment has ensured legislative control over public expenditure (Martin, 2008). Moreover, policies aiming to diversify the economy (i.e. cattle to minerals and finally to manufacturing) have curbed the mineral sector's share at a level of around 40% of the GDP (UNDP 2005).

Unlike the diamond industry in Botswana, the oil sector in Nigeria is highly infested with corrupt public servants. Nigeria suffers from high levels of corruption due to the diverse and strong causes of corruption specific to Nigeria (Seidler 2011). The Nigerian government has had little success in properly controlling or legally handling the oil extraction industry. As a result, money from the oil industry has often found its way into the pockets of Nigerian leaders looking to make a profit off an industry that Nigeria relies on to a great extent. In Botswana, on the other side, even though the government owns a substantial portion of the diamond extraction industry, profits from this sector rarely go to the personal safes of government officials.

According to Lange (2004), by the time the diamond deposits were discovered in 1967 Botswana had established state institutions efficient enough to avoid a resource curse. On the contrary, Nigeria lacked well-functioning central state institutions upon independence and failed to establish them in the crucial first years, which would have helped in exploiting its wealth in oil resources (Lange 2009). Similarly, after contrasting the economic outcomes of dependence on extractive wealth between Botswana and Nigeria, Fosu (2011) found that resource curse exists in Nigeria opposite to Botswana due to the differences between their institutional qualities.

### *Role of Leadership and Culture*

Knuckles (2006) attributes the sound legislation and control of the diamond industry in Botswana to both leadership and culture of intolerance which continued to be less prone to corruption than the leadership of Nigeria. Indeed, Knuckles stresses that quality of leadership is probably a key reason behind the disparities between Botswana and Nigeria in their levels of corruption. However, it is truly difficult to envisage that Botswana has simply gotten lucky for almost 40 straight years in having political leadership that is not corrupt. Corruption was not tolerated in 1966 and continues not to be tolerated today. This culture of intolerance discourage a corrupt leader from seeking power and quickly eliminates a leader that becomes corrupt (ibid.).

In contrast, long history of government corruption has created a lack of faith in the government as well as a loss of hope for change in Nigerian society. These two characteristics worked together to create a culture that accepts corruption as the only to

get things done. This acceptance of corruption prevents from promoting accountability of public officials and creates an acceptance of corruption as a means by which one must conduct private business. This is not the situation with Botswana, where instances of corruption are exceptionally limited and rare when contrasted with those of Nigeria. The relatively mild and infrequent nature of corruption in Botswana can partially be attributed to a culture that has zero tolerance for corruption and to citizens who highly trust the impartiality of their representatives and leaders (ibid.).

### *Reasons behind Botswana's success story*

Robinson and Parsons (2006) argue that the key reason behind the astonishing economic performance of Botswana has been strong governance. Seidler (2011) argues that Botswana wound up with better institutions than the vast majority of its African peers for three reasons. The first reason is based on pre-colonial local institutions. Pre-colonial Tswana enjoyed a number of traditional structures that were more conducive for creating a modern state. Most importantly, the chiefs' powers were restricted and the political elite pursued inclusive economic strategies. The second reason is embedded in the country's colonial history. For various reasons, British colonial rule was "light". British administration did not significantly alter the pre-existing Tswana arrangements. The last reason is a product of the first two factors. In few years immediately before and just after independence Tswana institutions underwent a remarkable institutional transformation during which local institutions successfully incorporated with modern institutions, many of which designed on European standards.

According to Samatar (1999) two related factors have made Botswana's success possible: wise and disciplined political leadership and a professionally independent and accountable public service. Samatar attributes the achievement of Botswana's post-independence development to what he depicts as an economic and political union of the ruling class guided by a disciplined political leadership that is conscious of the institutional requirements of its project. The combination of such a political and bureaucratic structure made the wise use of Botswana's mineral resources possible (Ibid.). Similarly, Martin (2008) mentioned some factors that contributed to the reinforcement of good governance and political stability of Botswana. Among these factors are: the

transfer of the power of land allocation from the chiefs to the state; the separation of government officials from politics; the integration of traditional courts into the official court system; and the continuous introduction of expatriate employees in the public sector. A Botswana researcher adds that “well established property rights, “rule-based governance” and “autonomous Judiciary” are behind the continuous flow of foreign direct investment since the 1970s (Maipose 2003). Furthermore, Botswana elites have been working in an institutional environment that guarantees they would maintain their political power if they pursued good policies. They were themselves the main beneficiaries of the country’s development. Furthermore, Maipose (2003) emphasized that the institutional setting of a multiparty democratic system imposed limitations on the illegal use of diamond revenues, rent-seeking or abusive clientelism. This is consistent with the arguments of Mehlum et al. (2006) and Robinson et al. (2006) on the crucial role institutions play with respect to avoiding the causes of resource curse.

To sum up, Botswana’s good governance system could be attributed to a unique combination of both endogenous and exogenous factors. The earlier incorporate: Tswana leadership who pursued broad societal economic interests and promoted good governance; the gradual introduction of European institutions which have been adjusted to Tswana culture; the integration of important local institutions into the post-colonial institutional frameworks (e.g. judiciary system incorporates customary courts); and finally, the availability of skilled bureaucrats enabled continuity. On the other side, exogenous variables include: pre-existing political institutions constrained political power of the chiefs (kgotla); light colonial rule left Tswana pre-colonial institutions untouched; high ethnical and religious homogeneity among the Tswana population; rich deposits of minerals and diamonds found after independence; and lastly, relative high level of geopolitical neglect by the European colonial powers.

### ***Roots of Nigeria’s socio-economic and political problems***

#### **Pre-colonial Conditions**

The quality of institutions in postcolonial Nigeria did not only stem from the institutions established by the colonizers but also the pre-colonial factors (Gennaioli & Rainer 2005). Thanks to their continuity, pre-colonial institutions in Nigeria contributed to the nature of

contemporary state governance. Abubakar (1980) and Falola (1999) highlighted the poor performance of traditional institutions among the Ibo and Ibibio in Nigeria. In addition, Nigeria has a long history of government corruption that goes even back to the pre-colonial period. Lord Lugard (1922) mentioned in his testimony that the British administrators themselves complained about corrupt Nigerian officials from the outset of the colonial era (Pierce 2006). Interestingly, during the colonial period, Nigerian tax officers who were in charge of evaluating farms reportedly used to ask for bribes. If the grower declined to pay the bribe, the officer would increase the farm's reported size and thereby forcing the farmer to pay much larger taxes (Ibid.). Moreover, during the era of military rule, the government gained a reputation of immunity from accountability and punishment (Knuckles, 2006). Because of this long history of government corruption and impunity, Nigerian society almost expects public servants to be corrupt, and it seems that for many, corruption is an inevitable, and the normal way of doing business (Ibid.).

#### Ramifications of Indirect Rule

The indirect rule approach involved identifying the local power structure: the kings, chiefs, or tribesmen. After being identified, the British would then invite, force, or bribe them to be part of their colonial government while granting them significant authority over their people. In areas where "tribes" and "tribal" chiefs did not exist, the British created them (Pearson n.d.). Lange (2004) argues that the level of indirect rule is strongly and negatively related to postcolonial state governance in terms of democratization and political stability, bureaucratic effectiveness, rule of law, and governmental integrity. He emphasizes that indirect rule produced dispersed forms of control in the form of powerful local intermediaries that impede authority of state institutions. According to Lange, the extent of indirect rule in Nigeria was 93.4 percent, whereas Botswana level of indirect rule was only 42.5 percent. This data confirms the conclusion of Mamdani (1996) that indirect colonial rule hinders postcolonial political development.

In his book, *Citizen and Subject*, Mahmood Mamdani (1996) argues that former colonial states have maintained the framework of indirect rule, in which chiefs have been able to translate their colonial powerful positions into a local despotism. Moreover, Mamdani asserts that chiefs' corrupt practices were tolerated and fostered by colonial and post-

colonial administrations similarly. Additionally, Mamdani finds that indirect rule generated a “bifurcated state” in which two distinct and unharmonious systems of governance existed - one dominated by the colonial government and the other by local chiefs. Likewise, Lange (2004) suggested two aspects of indirect rule that boosted local autocracy at the expense of centralized control. First, the central government was very small. Subsequently, the indirectly ruled colony emerged without the power necessary to execute policies in the regions outside the capital and wound up having no alternatives other than using force. Second, indirect rule granted chiefs great authority and because it lacked formalization, chiefs were able to mold and use it for personal benefit such as the control over communal lands (Mamdani, 1996). Lange (2004) argues that the institutional heritage of indirect rule was that it left behind an ineffective central government and powerful local chiefs, and thereby created a system of “decentralized despotism” that has left the state ineffective. Thus, when independence era reforms failed to weaken chiefs, this system of “decentralized despotism” created a significant limitation to governance and statewide development (Mamdani, 1996).

Lastly, one substantial outcome of indirect rule was the accentuation and deepening of ethnic identities and suppression of the development of a national cohesiveness. Playing the ethnic card served British colonial interests very well by forcing people to focus on their differences rather than confronting their unique enemy (Pearson n.d.). Similarly, Lange (2004), Mahoney, and Hau (2006) found that indirect British rule triggered ethnic conflicts due to the creation of politicized ethnic groups and patron-client networks.

#### Ethnic heterogeneity and Political Instability

Large body of research has argued that ethnic conflicts in Africa were to a large degree product of the colonial era (Englebert 2000). European colonizers established colonies that combined many different ethnicities, religions and languages (The Saylor Foundation n.d.). Because drawing of borders in Sub-Saharan Africa was done without involving local structures, the colonizers combined different ethnic groups in one nation (Alemazung, 2010). This has led to many countries being too ethnically diverse, and in

the worst cases has pooled ethnic groups that cannot co-exist, Nigeria as an example (Knuckles, 2006).

Consecutive colonial constitutions in Nigeria entrenched political power on regional basis (Ogunbadejo, 1979). Likewise, Amadi (2007) asserts that colonial laws generated ethnic polarization by regionalizing and ethnicizing access of Nigerians to privileges and rights. Thus, parties were organized on ethnic bases. As a result, ethnic divisions led to the marginalization of parties that declined to merge with the ruling party. Subsequently, these ethnic divisions contributed to violence and political instability (Alemazung, 2010), and prevalent social inequalities (Lange, Mahoney & Hau 2006).

Lange, Mahoney and Hau (2006) found that colonies with low levels of colonialism were also afflicted by ethno-racial strife. They implied that ethnicity-based stratification systems established by the British led to a sustainment of ethnical divisions. In particular, these systems stopped large groups from participating in productive economic opportunities, stifled the formation of labor associations, and often fuelled violent ethnic conflicts. Moreover, they argued that strong ethnic identities may prevent the spread of trust in a society. This in turn undermines social capital, legitimacy of the political leadership and its stability (Lange, Mahoney & Hau, 2006).

Ethnicity can be one of the explanations for authoritarian rule in multi-ethnic states such as Nigeria (Healey & Robinson 1994). In Nigeria, political instability arose from ethnic conflict exacerbated by a flawed federal structure, which provided the pretext for military intervention. As Decalo (1985) noted, the single party became the preferred option for governing divided societies. In contrast, in societies characterized by dispersed ethnic groups in which there are many ethnic groups, and where no single group predominates (as in Tanzania, and to a lesser extent, Ghana) political co-operation tends to be the outcome rather than conflict and instability.

Some may use the argument of Sawyer (2003), that ongoing conflicts between African populations are repeatedly labeled as ethnic conflicts despite the fact that most of them are exacerbated by the failure of governance mechanisms relevant to conflict resolution. However, this can be countered by the fact that colonial powers stimulated the internal 'tribal' hatreds and created societies that were often ethnically divided. At the point of

independence, fears of state dissolutions along ethnic lines were prevalent, with the Biafra civil war as an example. While such diversity does not necessarily hinder state governance, the deep societal divisions created by colonial policies created significant challenges to African governments and made the goal of state consolidation even more difficult (The Saylor Foundation n.d.).

Others may argue that ethnic conflicts were there before the colonial era. However, Rodney (1973) noted that “nowhere in the history of pre-colonial Nigeria” can anybody recall the slaughter of the Igbos at the hands of the Hausas or any occurrence which proposes that people were battling one another due to ethnic background. Rodney went on to argue that indeed there were conflicts, however, they were for different motives such as trade competition, religious conflicts, and the struggle for political predominance. Rodney argued that “tribalism” was itself a result of the way colonizers undertook to pool people together in order to exploit them. It was a product of “regional separations” and “differential access” by specific ethnicities and tribes into the colonial structure and economy.

#### Ethnic heterogeneity: Governance and Corruption

Low levels of British colonial administration (i.e. indirect rule) divided the society through the creation of politicized ethnic identities and patron-client networks (Lange, Mahoney & Hau, 2006). Throughout sub-Saharan Africa the colonial administration channeled resources to the chiefs, who in turn passed them on to their key advocates in order to maintain their positions. These patron-client relations produced politicized ethnic identities because common ethnic background was the key source of chieftom legitimacy and because the provision of common goods to locals, especially land, tied one’s ethnic identity to material rewards (Mamdani 1996). Moreover, given scarce resources and competition over the post-independence state, the chiefs and other politicians often resorted to ethnic mobilization for political support, thereby embedding the state in a vicious cycle of polarization. Thus, Easterly and Levine (1997) argue that ethnic diversity has led to social polarization and entrenched interest groups in Africa and has thereby increased the likelihood of selecting socially sub-optimal policies, where the representatives of each ethnic group favors the adoption of policies which serve their

group at the expense of the state as a whole, because the benefits to their group are greater than their share of the national cost of their policies (Englebert, 2000).

As per Lange, Mahoney & Hau, (2006), if ethnic divisions were strong within a government, they would pave the way for corruption. Ethnic diversity, tribalism, and permanent tensions between ethnic groups all lead to a lack of cohesion, not only in the government, but also in society as a whole. Ekeanyanwo, Loremikan & Ikubaje (2004) affirm that the absence of cohesion among people paves the way for corruption, and escalates it if it already exists. Moreover, the lack of cohesion might suppress any initiative for fighting corruption. Accordingly, Knuckles (2006) asserts that strong ethnic divisions within societies are the most significant factor that affects country's level of corruption. Likewise, if electorates vote based on their ethnic loyalties, there will be a stronger motivation to act corruptly in order for one political party to maintain power. Also, there will be more allowance of corruption if it does occur, since a group in power might often be seen as infallible by the ethnicity that put them in power and might be more unwilling to advocate anti-corruption laws (Omotunde 2004).

## **Conclusion**

This study attempts to explore whether or not colonial rule contributed to a range of disparities in the competency of institutions and state governance, using Botswana and Nigeria as case studies for two post-colonial states.

Much evidence confirms that good governance and strong state institutions are the key explanations for Botswana's success story. This good governance stems from many factors, principal among them are: First, democratic and inclusive Pre-colonial Tswana institutions; Second, light colonial rule that left the local frameworks relatively untouched; Third, the homogeneity of population had contributed to the political stability of the country; Fourth and most importantly, disciplined political leadership which employed well-educated autonomous bureaucrats and gradually introduced modern independent state institutions; and finally a prevalent culture that is corruption intolerant.

On the other hand, many factors have contributed to a lagging economic performance and political instability in Nigeria. These factors include: First, the British colonialism which

created the colony then the nation of Nigeria out of too many incompatible pre-existing entities and ethnicities. This led to the creation of a highly ethnically divided society, which I describe as too ethnic to survive; Second, a long history of governmental corruption that can be traced back to a time even before the colonial period; Third, unequal British indirect rule that employed very different forms of governance in the south and the north of Nigeria; Fourth, the poor leadership and weak state institutions that achieve nothing beyond keeping the state from dissolution; Fifth, the existence of stronger local and traditional institutions that has led to the loss of government legitimacy; and finally, the perception of government as immune and always corrupt, which has fostered a culture that is highly tolerant for corruption.

Based on the above findings, we can conclude that colonialism has contributed to the Nigeria's political instability through escalating ethnic strife given the historic fact that Britain has created the country as a nation that is too ethnic to survive. From this perspective, we may argue that colonialism has indirectly contributed to the enduring corruption of the Nigerian governments in two ways. (1) Based on the findings of Joseph (1987) who thinks corruption is intertwined with ethnic politics; and (2) the British indirect rule, which granted local chiefs extraordinary powers and created a complex network of patron-client relationships. Nevertheless, there is strong evidence that colonialism is not the only determinant of the current levels of corruption in Nigeria. Pierce (2006) asserts that researchers think of corruption as a basic component of the Nigerian society, given the evidence that the British administrators themselves complained about corrupt Nigerian public servants since the onset of colonialism (Smith 1964).

However, this does not excuse Nigerian leadership from responsibility of the current governance failure. As Sawyer (2004) emphasized, governance failure in Africa has its roots in several sources, principal among them being the colonial legacy and the post-independence state leaders. Nigerian leaders have constantly failed to counter the impacts of colonialism and pursue a development strategy that is inclusive of its diverse populations. Unlike Nigerian leadership, Botswana, on the other hand, has since independence experienced a stable democratic process and strong leadership structure. Much evidence supports the idea that the key reason behind Botswana's success is its

leaderships. Botswana leaders were able to correct the inherent negatives of the indirect rule. Botswana's success can also be credited to its democratic culture and the wise management of revenues from the diamond industry. Finally, the governmental heavy investment in human capital, both education and health care, was cited as one of Botswana's major roots of success.

The above points of leverage found in this study support the third hypothesis that states that quality and strength of contemporary institutions in the former colonial states is a function of both colonial experiences and domestic conditions and arrangements before and after the arrival of colonizers.

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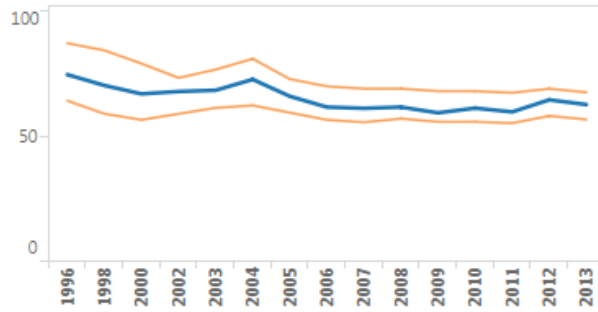
## **Appendix I**

### **Figure (1) Worldwide Governance Indicators - Botswana**

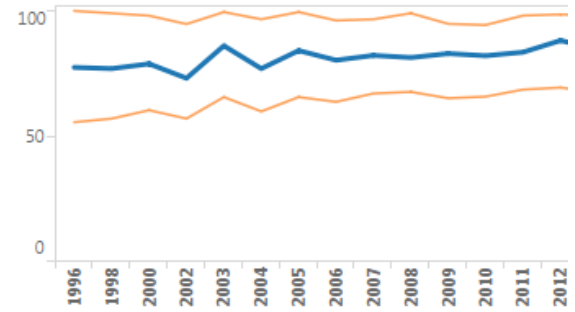
## Worldwide Governance Indicators

Income Group, Region, or Country: **Botswana**

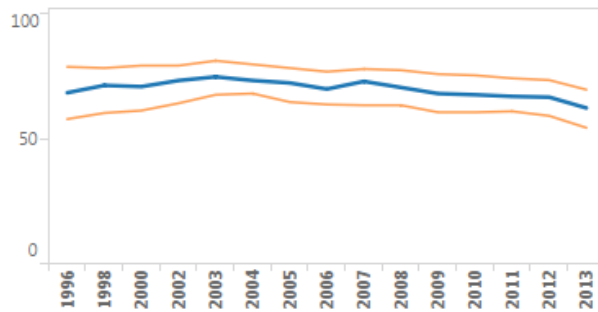
**Voice and Accountability**



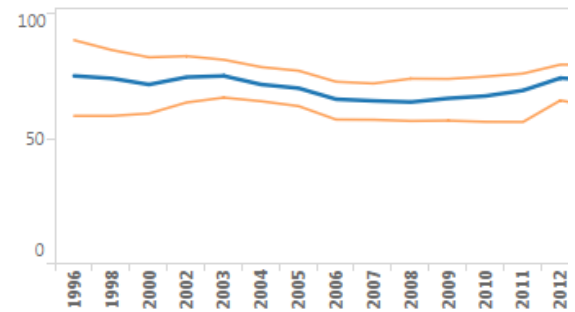
**Political Stability and Absence of Violence/Terrorism**



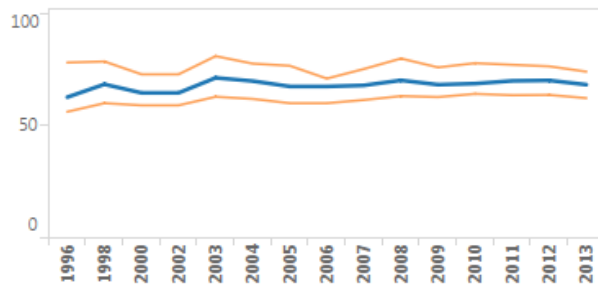
**Government Effectiveness**



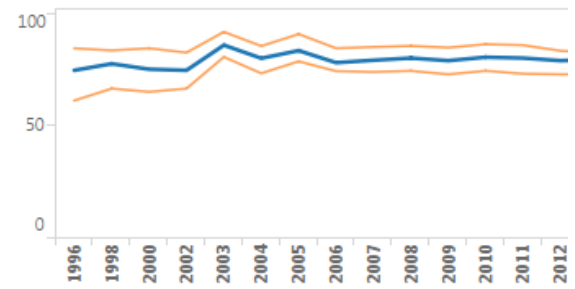
**Regulatory Quality**



**Rule of Law**



**Control of Corruption**

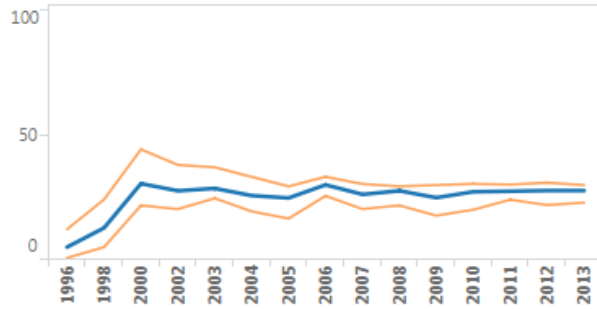


**Figure (2) Worldwide Governance Indicators – Nigeria**

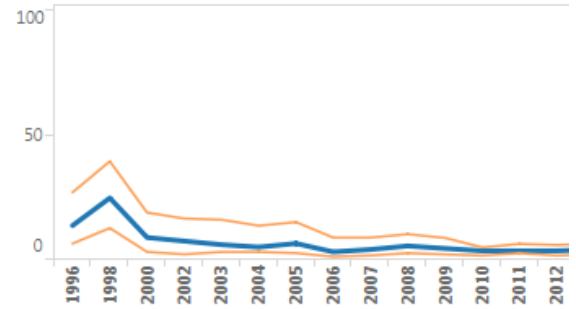
# Worldwide Governance Indicators

Income Group, Region, or Country: **Nigeria**

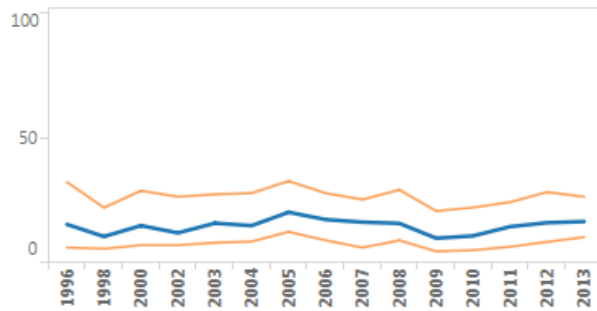
**Voice and Accountability**



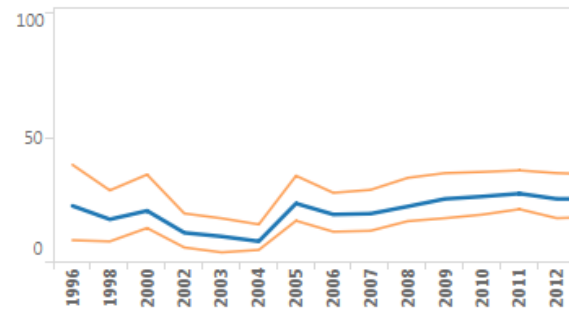
**Political Stability and Absence of Violence/Terrorism**



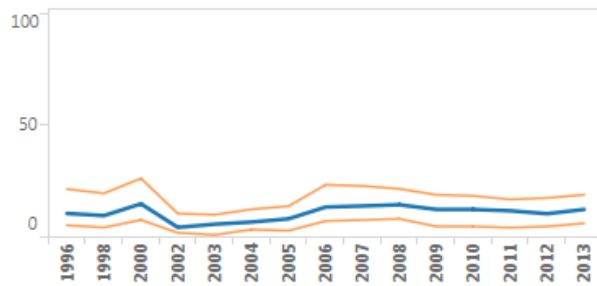
**Government Effectiveness**



**Regulatory Quality**



**Rule of Law**



**Control of Corruption**

