

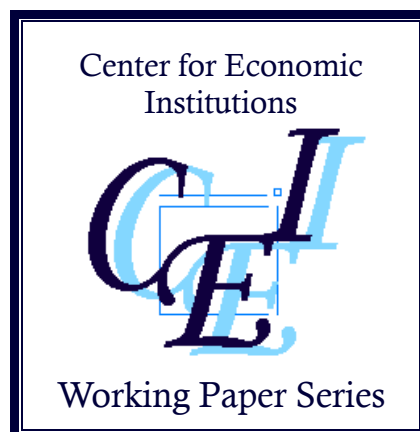
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**“A Test of the Unraveling Hypothesis: Constitutional
Bargaining and the Quality of African Institutions”**

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Constitutional Bargaining and the Quality of African Institutions**

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Abstract

This paper focuses on the source of path dependency in institutions. Within a bargaining theory of reform, the domain of bargaining and number of bargains reached determine the path of institutional change. The French and British governments negotiated with their various African independence movements during the 1950s, and produced a relatively large number of relatively liberal independence constitutions. After independence, a series of political and military shocks created natural moments for constitutional reform that unraveled the relatively high-quality political and legal institutions agreed to in the years leading to independence, although some unraveled more than others. The African countries that began with the narrowest domain of constitutional bargaining and experienced the fewest political shocks generally have better contemporary institutions than states that began with less restrictive constitutional rules and experienced more constitutional moments.

Keywords: Decolonization, Independence, Constitutional Negotiations, Constitutional Bargaining, Post-Colonial Reform, Eminent Domain, Takings, Institutions, Africa

JEL codes: O43, O55, K11, N47

1. Introduction

A broad literature suggests that colonial history plays an important role in contemporary Africa through effects on culture, civil law, and political institutions.¹ Why this should be so is not obvious. The period of colonial rule lasted only a few generations, and governments after independence were often dominated by strong leaders with supportive parties—often the same persons and organizations that had pressed for independence during their last decades as colonies. In such circumstances, one might have expected major political and legal reforms after independence that would have restored pre-colonial institutions or created new institutions that advanced the interests of the men in power, rather than colonial path dependency. This paper suggests that colonial legacy may have affected contemporary political and legal institutions through effects on the initial quality of formal institutions and on the domain of constitutional bargaining.

After independence, there were clearly many opportunities for constitutional renegotiation. However, reverting to pre-colonial institutions was impossible.² The legal and political institutions for independence were generally the first that fully encompassed the territories to be ruled, because the territorial boundaries of the new states were themselves products of colonization and negotiations over the previous century. As a consequence, there were no national institutions or laws available from the pre-colonial period, although there were long histories of local and regional customary governance and law.

Moreover, the bargaining that had achieved the transitional political and legal institutions implied that many domestic interests were advanced by those institutions, not simply those of the colonial powers, nor those of a particular independence leader or two. The initial balance of

¹ A substantial strand of development research suggests that former British colonies have better institutions for economic growth than the former French colonies and others (Hayek 1960; Lipset 1993; and La Porta et al. 1998, 1999). However, this perspective is not universally accepted. For critiques of the civil law hypothesis, see Acemoglu, Johnson, and Robinson 2001; Przeworski et al. 2000; and Lee and Schultz 2009. For a summary and overview of these literatures, see La Porta, Lopez-De-Silanes, and Shleifer 2008. This paper suggests that the effects of British rule may operate through differences in transitional constitutions, rather than civil law per se.

² The lack of national institutions also applied to colonial military forces, which tended to be organized by region, rather than by colony. There were no national army institutions or traditions. The recruits were often from particular tribes and regions, often minorities in their home colonies (Howe 2004, ch. 2).

parliamentary and executive authority, as well as the particular interests represented by those holding offices, affected the feasibility of formal constitutional reforms in much the same way that initial endowments in an Edgeworth Box affect the location, shape, and size of the Pareto set. Formal reforms were possible but required consensus among those with sufficient authority to adopt reforms. Constitutional gains to trade were a precondition for reform, and these were not always anticipated for major reforms.

Our analysis of the course of reform in post-colonial Africa is organized as follows. Section 2 describes how and why constitutions affect the feasible set and trajectory of political reform. Section 3 briefly describes the history of African transitional constitutions, noting reasons why constitutional gains to trade emerged between European colonial powers and African leaders between 1940 and 1965. The gradual transfer of authority to Africans and differences in the initial specifications of government offices and eminent domain authority in the former British and French colonies were not usually products of revolution, but of negotiation and agreement. As a consequence, the first formal institutions of African nation states tended to be of high quality. Section 4 provides an overview of the unraveling of those institutions during the post-independence period. In general, the post-independence political environment tended to favor illiberal reforms for pragmatic, ideological, and geopolitical reasons. Section 5 provides a brief overview of the Portuguese and Belgian colonies, which had more turbulent transitions to independence.

Section 6 restates the constitutional bargaining hypothesis in a form that allows statistical tests of the unraveling hypothesis. The statistical tests are consistent with the hypothesis that the initial strength of property and civil liberty protections, together with major political shocks, had clear effects on the extent to which initially strong formal institutions tended to unravel in the former French and British colonies. Section 7 summarizes the analysis and conclusions.

Many previous studies suggest that Great Britain's cultures and institutions contributed to more stable politics and robust economic growth of its colonies (for a summary, see La Porta, Lopez-De-Silanes, and Shleifer 2008; or Lee and Schultz 2009). The theory and evidence developed in this paper provide a possible explanation for the systematic differences between the former French and British colonies and those of Portugal and Belgium, and also among the former French and British colonies.

2. Bargaining and Formal Constitutional Reform

All constitutions include formal procedures for adopting public policies. Most constitutions also include formal procedures for revising those procedures that we refer to as amendment procedures. In addition to formal amendments, informal constitutional reforms are possible insofar as the process of enacting laws and constraints on law making may be altered through tacit agreements that among officeholders or offices of government that alter day-to-day procedures and relationships.³ Because changes in rules can always advance some interests, formal and informal bargaining over the distribution of policy-making authority tends to be a nearly continuous process in both autocracies and liberal democracies. Thus, constitutional rules are stable only as long as coalitions of sufficient size and authority believe that their interests can be best advanced with the rules currently in place.

A variety of internal and external shocks can alter the breadth of support for reform, just as they can affect demands for ordinary goods and services. For example, ideological shocks may change the theories or norms used by office holders to appraise the relative merits of existing rules and their alternatives. Fiscal shocks may increase the level of support for tax or eminent domain reform. External organizations of various kinds may attempt to subsidize or discourage particular reforms. Revolutionary threats may induce support for curtailing rights of association and expression. Extra-constitutional political events such as a coup or assassination may change key office holders or, in the case of failed attempts, increase support for new security measures that may have been ruled out by the constitution.

The extent and prospects for such reforms are also affected by the potential domain of bargaining, which is largely determined by pre-existing divisions of authority specified by constitutional law and custom. For example, strong eminent domain restrictions tend to reduce the domain of political bargaining by ruling out a broad range of potential exchanges. Weakening eminent domain laws tend to increase the domain of potential bargains that can be

³ Formal procedures for amending constitutions have a long history in Europe that precedes the emergence of liberal constitutions by many centuries. For example, the written constitutions and grounding charters of medieval Europe normally required acceptance of proposed reforms by the noble and clergy chambers of parliament or by the government's council of state. Medieval kings could not adopt such reforms by themselves (Congleton 2011). Similar requirements are also common for contemporary authoritarian regimes, which often have quite similar formal architectures.

consummated for much the same reason that adding a third dimension to an Edgeworth box increases the potential domain of private bargaining. A wider range of bargains becomes feasible.

Historical evidence suggests that political and economic shocks and the potential domain of constitutional bargaining affected both the process of negotiating the independence constitutions of Africa and the reforms adopted after independence as developed below.

3. Setting the Stage: Decolonization, Independence, and Constitutional Government in Africa

It is useful to recall that for most of the past four centuries, Europe's relationships with Africa were economic, rather than political or cultural. European trading posts were gradually established along the Atlantic and Indian Ocean coasts of Africa beginning in the sixteenth century. Colonization of sub-Saharan Africa did not take place until the late nineteenth century, with minor exceptions. Indeed, it was not until the colonial period of the late nineteenth and early twentieth centuries that Europeans ventured inland from their coastal entrepôts. The end of the Western slave trade in the mid-nineteenth century induced European and African entrepreneurs to look for new revenues, which increased European rivalries in Africa and interventions in African affairs by European governments.

Colonial rule, for the most part, began around 1900 after a period of negotiation, conquest, and pacification. Although colonial rule did not exhibit or promote civic equality, it was not a period of "master-slave" relationships. Indeed, slavery within Africa was formally banned by the colonial powers.⁴ Natives provided most of the manpower for colonial armies (although not the officers), administered local (village) governments, and staffed out various economic enterprises. By the end of World War I, colonial governance normally included some elements of self-rule, with native representatives and advisors at high levels of colonial government and in local administration. Native entrepreneurs and laborers were encouraged to participate in the cash economy, especially in the agricultural and mineral export markets. Head

⁴ It bears noting, however, that many of the colonial administrations used involuntary sources of labor, although this "forced labor" was supposed to be paid a fair wage and/or receive useful job training. See Conklin (1997: ch. 7) for an overview of the use of forced labor in the French West African colonies. Forced labor to advance private purposes was phased out in the British colonies after 1930 and in the French colonies after 1946.

taxes were collected to fund infrastructure projects and also to encourage participation in the cash economy.⁵

World War II (WWII) changed the bargaining equilibrium between both the (free) French and British governments and their respective African colonies. The French and British desperately needed African supplies and manpower for their war efforts, which placed African leaders in an unusually strong bargaining position. As a consequence, De Gaulle agreed to provide home rule after the war was over. Churchill did not formally agree to do so but accepted language in the Atlantic Charter of 1941 that suggested that Britain would also promote home rule and subsequently independence after the war.⁶ After WWII was over, British and French governments continued to negotiate with leaders in their African colonies, in part, because of commitments made during the war and, in part, because European voters were more interested in rebuilding their home countries after the war than in subsidizing their colonial empires in Africa.

Autonomy in the French Colonies

The French process of transferring authority to its colonies after WWII was more formal and uniform than the British transitions. Much of it occurred within the framework of French constitutional law. Shortly after WWII, a new French constitution was promulgated (for the Fourth Republic, 1946), which included a section that addressed colonial issues. It created a new French Union that included representatives of its colonies.⁷ Local colonial assemblies were

⁵ Harris (1914) provides a contemporaneous perspective on the relatively benevolent motivation of the colonial powers during the period of colonization. He suggests that European voters and their governments generally attempted to promote economic development and Christianization in their African colonies. Economic development was encouraged by imposing Western forms of civil law and through investments in infrastructure. Conklin (1997) provides a more recent analysis of French efforts to “civilize” black Africa in the period between 1890 and 1930. She also stresses the benevolent, liberal, motivations of voters and French governments in the late nineteenth century and early twentieth century. The French and British often rationalized their more coercive policies with benevolent paternalistic arguments.

⁶ Article 3 of the *Atlantic Charter* called for signatories to “respect the right of all peoples to choose the form of government under which they will live and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them.” The charter was drafted and signed by President Roosevelt and Prime Minister Churchill in 1941. Other provisions called for trade barriers to be lowered and freedom of the seas.

⁷ The French Union is described in title VIII of the Constitution of the Fourth Republic. It also created a new umbrella organization for the French territories and procedures for the union created. The new

mandated (article 77) and provisions for electing colonial representatives to the new French Union Assembly were established (article 66). Although civil law, military, and many other policies remained those of the French national government, the new local assemblies had some control over local policies and played roles in both Union and French national politics. In 1958 France adopted another new constitution and replaced the French Union with the French Community under Title VI of the Constitution of the Fifth Republic. The new rules allowed the territorial assemblies greater authority over spending and legislation (article 72), while again reserving military and foreign policy for the French government.

French assurances (and subsidies) persuaded its African colonial leaders that membership in the French Community would be more beneficial than independence. Seven of eight territories in French West Africa accepted the Constitution of the Fifth Republic of France (table 1) with its French Community, although groups in several of those French African colonies had been fighting for independence.⁸

Table 1. Voting Results for the Constitutions of the Fifth Republic of France

Territory	YES (%)	NO (%)
Benin (Dahomey)	97.84	2.16
Burkina Faso (Haute-Volta)	99.18	0.82
Côte d'Ivoire	99.98	0.02
French Sudan	97.53	2.47
Guinea	4.78	95.22
Mauritania	94.04	5.96
Niger	78.43	21.57
Senegal	97.54	2.46

Source: Chafer 2002, p.179.

Note: “NO” meant outright independence from France. “YES” meant accepting the Constitution of the Fifth Republic that gave French continued authority in French Africa.

political institutions superseded and strengthened earlier local and national councils established during the 1920s. See Conklin (1997, Ch. 6) for an overview of earlier efforts to include Africans in colonial governance.

⁸ When Guinea voted for outright independence, rather than association, the French government withdrew all French personnel and equipment (Khapoya 1988, p. 182.). It also informed Guinea that it would receive no further public investment or budgetary aid from France. In 1959 Guinea turned to the Communist countries for support (Charles 1980, p. 91).

Together, the Fourth and Fifth Constitutions of France had created increasingly autonomous political units with the aim of advancing French interests in French West Africa (Chafer 2002, ch. 6; Levine 1964). Complete independence within the French Community subsequently became possible through reforms adopted in 1960, and essentially all of the French colonies took advantage of that possibility during the next few years.⁹ French-derived colonial political and legal institutions thus formed the basis of government in former French colonies during their first years of independence.

All the former French colonies in sub-Saharan Africa except Guinea had, and still have, political institutions that are remarkably similar (in structure) to those of France.

Autonomy and Independence in Great Britain's African Colonies

The British government also took substantial steps toward greater colonial autonomy in its African colonies after WWII was over. Elections to new colonial assemblies were held and native representatives recruited for senior administrative positions. In contrast to France, these home-rule institutions were negotiated country by country with differences in institutional details, timing of elections, and policy domains delegated to the colonial assemblies.

Postwar elections for the colonial assemblies of the French and British colonies were the first national elections ever held in those territories. Electoral competition naturally induced the development of national political organizations, which to be successful, had to address the concerns of a broad cross-section of the various national electorates. As a consequence, the gradual shift to democratic forms of home rule in the late 1940s and early 1950s inadvertently facilitated the formation of national independence movements that advocated further reforms in the 1950s and early 1960s (Reid 2012, ch. 15). These increasingly well-organized and largely

⁹ Algeria is an important exception; it fought a war of succession and did not belong to or join the French Community after independence.

The demand for independence in the north of Africa differed substantially from that of sub-Saharan Africa. Algerian leaders demanded independence immediately after WWII ended. The French government initially refused to grant independence, in part because of the opposition of French settlers in Algeria. As a consequence, Algeria's National Liberation Front launched a war of independence with the support of the independent Arab countries. France granted independence to Morocco and Tunisia in 1956, hoping these movements would reduce Arab support for Algerian independence (Arnold 2005, p. 27–29). Algeria finally won its independence in 1962.

peaceful groups lobbied for self-rule and independence, as well as for particular public policies of interest to their constituencies. Lawful public pronouncements and demonstrations, however, were often combined with acts of civil disobedience, including refusal to pay taxes, large-scale demonstrations, boycotts, strikes, and occasional acts of terrorism.

As a consequence of the colonial independence movements, the British negotiated formal transitional (independence) constitutions in each of their colonies at the same time that they negotiated schedules for independence. The constitutions of the former British colonies were all liberal in the sense that they were written; called for elected, representative national governments; and protected a variety of civil liberties, including private property. Specific details varied among countries in a manner that attempted to take account of ethnicity, religiosity, and historical relationships. The constitutions, for example, varied in the extent to which federal structures and provisions for ethnic-based representation were included.

The relationship between secure property rights and economic development was clearly recognized by those drafting the transitional constitutions. For example, the *Report of the Kenya Constitutional Conference* (1962) explicitly mentions the importance of property institutions: “Only by this means will it be possible to maintain confidence and to encourage development and investment, including the attraction of overseas capital, not only in the immediate future but also in the long term” (Allen 2000, p. 59). As a consequence, most of the transitional constitutions of the British colonies included strong eminent domain clauses. The property clause of the Kenya Constitution of 1963 (article 19-1) stipulates, “No property of any description shall be compulsorily taken possession of...except...so as to promote the public benefit...[and] that provision is made...for the prompt payment of full compensation.” Recipients of compensation were to be free to take their compensation out of the country without tax or other fees and in the currency of their choice (article 19-4).¹⁰

As a consequence of negotiation and previous efforts to establish law and order, both the eminent domain provisions and the civil law codes of the former French and British colonies

¹⁰ The text of the 1963 Kenyan constitution is available at: <http://www.mlgi.org.za/resources/local-government-database/by-country/kenya/constitution/1963%20Independence%20constitution.pdf>. (The numbering of articles varies among Web sources; the above property assurance is labeled article 72 on some other websites.) Much of the property to be protected in the French and British colonies was owned by crown companies and expatriates, who were clearly minorities that benefited from civil law protection.

initially resembled those of their former rulers. These followed European norms and procedures for contracts, property, and rules for eminent domain. However, British and French civil law do have relatively minor differences, some of which were important in the African context. For example, French property law includes a somewhat more elastic provision for “takings” under its *mise en valeur* principle. Under that principle, “abandoned” and “undeveloped” land automatically reverts to national ownership. In France, that provision would rarely apply, but in the colonies, *mise en valeur* allowed communal pasture lands, wastelands, and fallow fields to be taken by colonial government and sold or given away to other parties, without formal eminent domain proceedings or compensation.¹¹

Independence without breaking with the French and British governments

Both French and British negotiators evidently believed that independence could shift all of the cost of governance to the colonies and avoid the need for future military expenditures. The economic advantages of African enterprises could, in principle, be preserved through property protections and formal trading relationships. Native leaders and their supporters expected to benefit from greater authority over public policy and taxes. They also believed that continued relationships with their former rulers had benefits, as with potential subsidies, preferential tariffs, and expertise. Most of the former British colonies in Africa remained members of the British Commonwealth (since renamed the Commonwealth of Nations), and most of the former French colonies remained members of the French Community. Table 2 lists the various dates of formal independence in the former British and French colonies.¹²

¹¹ See Leonard and Longbottom (2000) for an overview of French property law as applied to its colonies. Population densities were much lower in 1900 than they were in 2000, which implies that substantial tracts of land were “unclaimed” during the period of colonialization.

¹² Many of the transitional constitutions and first reformed constitutions are available online. For example, Nigeria’s 1960 constitution is available at: http://www.worldstatesmen.org/nigeria_const1960.pdf. Nigeria’s 1963 constitution is available at: <http://www.eienigeria.org/sites/default/files/files/TheRepublicanConstitutionOf1963.pdf>.

Table 2: Independence Dates of Former British and French Colonies

British Colonies		French Colonies	
Country	Date	Country	Date
South Africa	5/31/1910 (fully recognized in 1931)	Tunisia	3/20/1956
Egypt	2/28/1922 (fully recognized in 1956)	Morocco	4/7/1956 (from France and Spain)
Sudan	1/1/1956 (from Egypt and Britain)	Guinea	10/2/1958
Ghana	3/6/1957	Cameroon	1/1/1960 (from Britain and France)
Somalia	7/1/1960 (from Italy and Britain)	Togo	4/27/1960
Nigeria	10/1/1960	Mali	6/20/1960
Cameroon*	1/1/1961 (from Britain and France)	Senegal	6/20/1960
Sierra Leone	4/27/1961	Madagascar	6/26/1960
Uganda	10/9/1962	Benin	8/1/1960
Kenya	12/12/1963	Niger	8/3/1960
Malawi	7/6/1964	Burkina Faso	8/5/1960
Zambia	10/24/1964	Côte d'Ivoire	8/7/1960
Tanzania	12/9/1964	Chad	8/11/1960
Gambia	2/18/1965	Central Africa Republic	8/13/1960
Botswana	9/30/1966	Congo	8/15/1960
Lesotho	10/4/1966	Gabon	8/17/1960
Mauritius	3/12/1968	Mauritania	11/28/1960
Swaziland	9/6/1968	Algeria	7/5/1962
Seychelles	6/29/1976	Comoros	7/6/1975
Zimbabwe	4/18/1980 (proclaimed in 1965)	Djibouti	6/27/1977

* Cameroon does not have an independence day; only a reunification day.

4. The Great Unraveling: Constitutional Reforms during the First Decades of Independence

As a consequence of years of formal negotiations, the British and French colonies in Africa gradually became independent nations with formal political and legal institutions comparable to those in Europe at the time. The first national elections were normally held under the auspices of the departing colonial power.

In most cases, the party organizations of the various colonial independence movements won supermajorities in the new national assemblies and so controlled the first independent parliaments. The first presidents or prime ministers were similarly elected and often were the most visible leaders of their independence movements. In most cases, both the independence movement and their leaders had long advocated democratic governance, greater civil equality, and rule of law. Given that and the institutions in place, one might have expected those new African countries to flourish in the next few decades under their European-derived institutions and leadership.

The ruling independence parties normally had supermajorities sufficient to engage in formal constitutional amendments, and colonial governments were no longer veto players. As a consequence, most of the transitional constitutions were reformed during the years immediately following independence (Reid 2012, Ng'ong'ola 1992, Wasserman 1973). The general architecture of government was normally preserved, but new emergency powers were often created, rules for competitive elections and free press modified, and eminent domain rules revised. These formal reforms normally produced one-party states with strong executive offices. The reforms allowed many of the first generation of Africa's national leaders to remain in office for decades.

However, the reforms did not always produce the political security that their proponents evidently desired. The reforms made the executive office more enticing and often placed minorities at significant risk. As a consequence, most second and third generations of African rulers rose to office via coup d'état, rather than election. This was essentially the only route to high office, given the first wave of constitutional reforms. In a few countries, coups were commonplace from the first days of independence, as in Benin and Nigeria, where a series of coups took place in the first decades of independence. In others, coups were few and far between. In general, many more coups were attempted than succeeded (Marshall 2006, Annex 2B).

Coups imply that the core procedures through which senior officials were supposed to be chosen were replaced *de facto* with other procedures, rather than as a consequence of formal amendment. After a coup, pivotal decision makers change and the constitution may be formally reformed or suspended insofar as its constraints conflict with the interests and routines of the new government leaders. The early coups were normally organized by subsets of the former colonial military, and the procedures adopted by the new leaderships tended to further undermine liberal constitutional procedures and norms, rather than strengthen them.¹³

¹³ Military organizations tend to be rule bound, although both formal and informal military rules tend to conflict with the liberal norms and procedures of democratic governance. The risk of military coup was doubtless increased by the pre-independence organization and training of African forces. Only a handful of the native military officers of the colonial armies were trained at international military schools, where deference to civilian authority is the norm (Howe 2004, ch. 2).

Reforms of the Eminent Domain Provisions of Transitional Constitutions

Nonetheless, constitutions were rarely rewritten whole cloth. To revise a constitution is not always to overturn it. For example, takings clauses can be revised to make the use of eminent domain easier without totally eliminating their protection or changing other civil liberties, the procedures for election, or term limits.

Most of the former British colonies initially eliminated clauses guaranteeing that compensation for government expropriation could be requested in international currencies paid to foreign accounts but kept other provisions of the law. Others eliminated some of the restrictions for the use of eminent domain. Several countries added new emergency power clauses that further reduced the necessity for compensation for expropriation, and in a few cases, eliminated the concept of private property as applied to land and mineral rights. Only Botswana and Mauritius kept all of their transitional constitution's safeguards against property expropriation, including the repatriation clause for compensation (Read 1975; Ng'ong'ola 1992; Allen 2000).¹⁴

As a consequence, African mining and other mineral extraction businesses were often nationalized with little or no real compensation for their former owners, who were often large firms based in Europe.¹⁵ The appropriated land and mineral rights could then be sold or leased to provide government revenues, or run by the government to provide a source of revenues and patronage. In several cases, whole industries were nationalized under the revised eminent domain

¹⁴ Repatriation provisions were deleted from the constitutions of most countries partly because of exchange-rate issues after independence, including Kenya's, which was also otherwise less inclined to reduce constitutional safeguards for eminent domain.

¹⁵ Post-war governments in France and Britain also engaged in considerable nationalization, including many banks and utility companies.

It also bears noting that France and Britain did not always use formal eminent domain procedures during their periods of colonial rule, because Western legal codes were initially applied to only a subset of the residents of their colonies. Various combinations of tax and takings laws were sometimes used to encourage native owners and occupants to relocate to lower tax "reserves" analogous to the Indian reservations of the American West during this period. In places where European emigration was encouraged, as in Algeria, Kenya, and Rhodesia, large blocks of land (mostly unoccupied) were sometimes simply taken and transferred to European emigrants (Reid 2012, ch. 11).

rules. In other cases, the taking was done extralegally through what is sometimes called “right of conquest” rules.¹⁶

5. A Digression on the Turbulent Transitions to Independence in Portuguese and Belgian Colonies

Our study focuses for the most part on the former French and English colonies, because they began nationhood with relatively liberal constitutions and civil law. In other former European colonies, transitional constitutions were either not formally negotiated or negotiated at the last moment as independence was acceded to. In the Portuguese and Belgian transitions, the process of independence was often less formal, more rapid, violent, and chaotic. Moreover, Portugal itself was essentially a one-party state between 1932 and 1974, at which point its Estado Novo government was overthrown by a military coup.¹⁷

The Portuguese government was the last to transfer policy-making authority to its colonies, although it also undertook a formal reorganization of its colonies after WWII. During the 1950s, the colonies became an overseas province of Portugal. By the early 1970s the colonies had become Portuguese nonsovereign states. They remained Portuguese territory but with a wider administrative autonomy (Chabal 2002, pp. 29–32). Administrative authority in the colonies, however, was mostly held by Portuguese emigrants. This, together with Portuguese policies of expropriation, provoked demonstrations and armed conflict. For example, in 1961 black militias attacked both white and black civilians in cross-border operations in northeastern Angola. Portugal responded by sending troops to quell the revolt. In combination with other armed conflicts in Guinea-Bissau in 1963 and Mozambique in 1964, these came to be known in Portugal as the Colonial War (1961–75).¹⁸

¹⁶ Of course, it was not necessary to appropriate all these resources or businesses in order to extract revenues from them. The mere threat of expropriation would induce tax payments and bribes to flow to governments.

¹⁷ During the Estado Novo period, the number of Portuguese settlers in Angola and Mozambique increased rapidly: increasing in Angola from 30,000 in 1930 to 44,083 in 1940, 78,826 in 1950, 172,529 in 1960, and 335,000 in 1973 and increasing in Mozambique from 18,000 in 1930 to 27,400 in 1940, 48,200 in 1950, 97,200 in 1960, and 200,000 in 1973 (Newitt 1981, p. 164).

¹⁸ The colonial wars induced Portugal to revise its policies. Reforms of September 1961 abolished forced labor and illegal land expropriation. Portugal also expended considerable effort and money in an attempt to improve social and economic opportunities for Africans (Newitt 1981, p. 219). The regions where the

In 1974 a military-led coup ended the Portuguese government that had long opposed colonial independence (the Carnation Revolution). The new government was less interested in financing the suppression of African rebels and pledged to end the colonial wars. It began negotiations with the African independence movements and rapidly ceded independence: to Portuguese Guinea in 1974, and to Cape Verde, Mozambique, São Tomé and Príncipe, and Angola in 1975.¹⁹

In Belgium's largest colony, colonial authority was undermined by widespread refusal to pay taxes and riots during the 1950s. To reduce tensions, the Belgian government agreed to a gradual transition to self-governance. Local elections in the Belgian Congo were held in 1957–58. In subsequent negotiations, the Congolese leaders—especially Lumumba—demanded quick independence.²⁰ The Belgian government agreed to grant full independence by May 1960 as revolts spread (Martelli 1962, p. 226). The Belgian government withdrew its troops, and Belgian expatriates fled the country, leaving the Congo with relatively few experienced administrators, as had happened elsewhere when there was little confidence that the post-colonial government would protect existing property claims or civil liberties (Roth 1979, p. 46).

Lumumba became prime minister of Congo and obtained substantial Soviet aid (Okumu 1963, p. 186). He was assassinated in 1961, and a few years later, General Mobutu seized power in a bloodless coup, and used emergency powers to hold on to office for more than three decades,

Portuguese controlled security and reformed institutions experienced robust development during the Colonial War periods (Ferreira 2006; El-Khawas 1974).

(Forced labor for private purposes had been phased out in the British and French colonies much earlier, in 1930 and 1946 respectively. Labor-based taxes continued, however, as had been used in Europe in the nineteenth century and earlier.)

¹⁹ After independence, Angola and Mozambique officially became communist countries, although civil war broke out between groups supported by the Soviet Union and Cuba and other groups supported by the United States and South Africa (Newitt 1981). East-West geopolitics also played a role in foreign aid and to some extent in promoting coups between 1970 and 1992.

²⁰ Patrice Lumumba had founded the Mouvement National Congolais (MNC) and drafted a demand for full independence for the Belgian Congo in 1958 (O'balance 2000: 2–10).

renaming the country Zaire, nationalizing foreign firms, and using them as a source of patronage.²¹

6. Restatement of the History and Theory for Purposes of Statistical Analysis

In the decade or two before independence, relatively liberal constitutions were negotiated between the British and French governments and leaders of their colonial independence movements, many of whom had been elected to high offices in the new representative assemblies of their colonial governments. After independence, most of the new nations formally modified their constitutions, often weakening both electoral competition and the requirements for compensating owners for property taken for public purposes. Exceptions to the latter include Botswana and Mauritius, which retained the stringent protections embodied in their transitional constitutions (Read 1975; Ng'ong'ola 1992; Allen 2000). Tanzania, Ethiopia, and Mozambique represent the other extreme, where private ownership of farm land was formally eliminated (Ensminger 1998; Reid 2012, ch. 17).²²

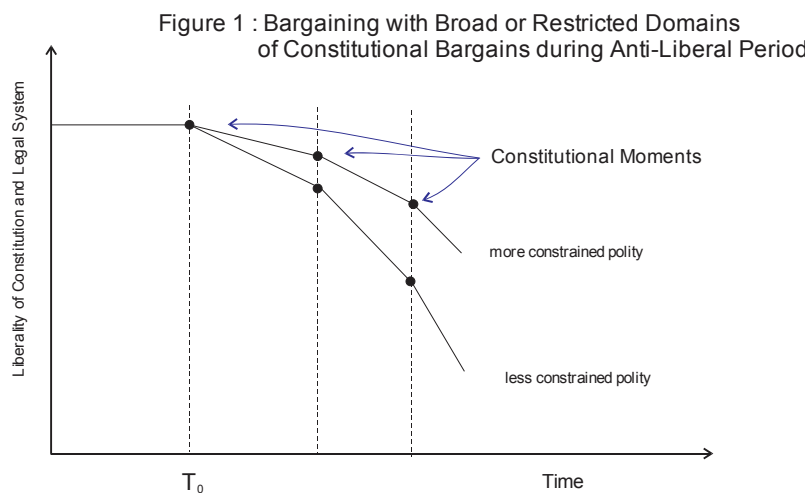
In post-independence Africa, the constitutional reform environment was generally illiberal, both domestically and internationally, as Cold War subsidies helped to sustain authoritarian regimes and discouraged competitive elections in the period before the dissolution of the Soviet Union in late 1991. In that environment, the constitutional bargaining model predicts a steady decline in the quality of institutions, with a greater decline in less-constrained polities, as illustrated in figure 1. The more constitutional crises (coups and civil wars), the lower the overall quality of institutions is predicted to be, other things being equal.

Together, the initial independence constitutions and the constitutional bargains struck in the years after independence determine the institutional quality that African countries have today. Countries that emerged peacefully from bargaining tables between 1955 and 1965 had better

²¹ Declassified Belgian archives reveal that the Belgium government had assassinated Lumumba with the aid of the United States to prevent Communist control of mineral fields (de Witte 2000). In 2002 the Belgian government officially admitted participating in the 1961 assassination of Lumumba and apologized to the Democratic Republic of the Congo. General Mobuto generally aligned himself with the West, and his government renamed the country Zaire. The official name became the Democratic Republic of the Congo after a coup removed Mobuto from office in 1997.

²² Customary law in much of Africa had included concepts similar to private property, although as in medieval Europe, those rights normally could not be easily transferred or sold to others outside families.

formal institutions at independence because of the efforts of the British and French governments to preserve civil liberties and promote economic development in their former colonies. In countries, whose first-generation constitutions were not subject to liberal veto power, one would expect less liberal initial institutions. The Portuguese Government before the Carnation Revolution was not a liberal regime, and revolutionary armies are rarely liberal entities themselves. The subsequent weakening of eminent domain laws is also relevant, because it affected the domain of constitutional bargaining. The greater the reduction in eminent domain protections, the greater the scope for reform, and the lower the overall quality of institutions is predicted to be in the illiberal environment after independence.



Toward the end of the century, a more liberal international environment emerged, and one would anticipate that the direction of subsequent reforms would shift in a liberal direction in the twenty-first century.²³ However, the bargaining model suggests that a rapid re-establishment of liberal constitutional regimes is unlikely to occur, because existing institutions generally advance the interests of those currently holding offices with sufficient authority to adopt reforms.

²³ For example, the 2013 report of USAID's *Strategy on Democracy, Human Rights, and Governance* (p. 41) states that "the 1990s became the turning point in USAID's involvement in democracy promotion."

Data

Together the constitutional bargaining theory outlined above and the interests of office holders during the period following independence imply that the countries that undertook the most reforms in the second half of the twentieth century began the twenty-first century with the weakest institutions measured on international scales. To test this unraveling hypothesis, data on civil war (from Arnold 2005), communist aid (from Arnold 1979), and number of coups (from Marshall 2006) between 1960 and 1998 were collected as indicators of propensities to engage in illiberal constitutional reforms. An index for the tendency to unravel was created by adding binary values for civil war, communist aid, and coup attempts (greater than 3).

With respect to the risk of coups, a single coup attempt may be correlated with institutional quality insofar as poor institutional quality may encourage coups for several reasons. However, it is clear that individual coups benefit from surprise. This makes them exogenous shocks as far as the government being replaced is concerned. A series of coup attempts greater than 2 or 3 can thus be regarded as random events from the point of view of both the initial government and the subsequent one (the leadership of the first successful coup). Our use of coups greater than 3 and the surprise element of every coup thereby breaks this possible linkage between initial institutional quality and subsequent reforms. That so many coups occurred in the first decade of independence suggests that individual coups were generally not efforts to liberalize formal institutions.²⁴

Colonial origin is used as a proxy for the initial quality of institutions for reasons indicated in our historical overview. Contemporary institutional quality can be measured in a number of ways, and we somewhat arbitrarily use measures from a recent World Bank Study (The Worldwide Governance Indicators (WGI) project) and the Civil Liberty Index of the Freedom House. World Bank's Rule of Law Index measures the strength of property law: quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. We use the 10-year average for 1998–2012 as our dependent variable for the

²⁴ Moreover, as Shvetsova (2013) argues, constitutional reformers and other policy makers in the first decades after independence are not likely to have sufficient information or well-developed theories to fully anticipate the effects of their reforms on subsequent generations of leaders who may need to adjust to quite different internal and external circumstances. This also reduces our concern with reverse causality.

quality of legal institutions. We use a similar average of Freedom House’s Civil Liberty Index (1998–2014) as an extended measure of institutional quality. The Freedom House index includes rule of law indicators and various civil liberty indicators, including political speech and assembly rights. Both indicators provide useful tests of the bargaining theory, because forward-looking authoritarian regimes may favor property law yet oppose political civil liberties, although such rights were initially guaranteed by most transitional constitutions.

In addition, we collected data on two other factors thought to influence institutional quality: ethnic fractionalization (from Alesina et al. 2003) and pre-colonial population density (from Parker 1997), which can be regarded as indicators of the quality of pre-colonial institutions. Table 3 provides descriptive statistics for the data used in the estimates developed below.

Table 3: Descriptive Statistics for All African Countries

	Mean	Standard Deviation	Min	Max
Rule of law (average 1998–2012; a high number denotes good institutional quality)	−0.70	0.65	−2.36	0.95
Civil liberty (average 1998–2013; a low number denotes good institutional quality)	4.26	1.38	1.31	7
Unravel index	1.17	0.89	0	3
Civil war	0.36	0.48	0	1
War of succession	0.15	0.36	0	1
Communist aid	0.23	0.42	0	1
British	0.36	0.48	0	1
British-keep all	0.03	0.19	0	1
British-reform	0.26	0.44	0	1
French	0.38	0.49	0	1
Portuguese	0.10	0.29	0	1
Belgium	0.06	0.23	0	1
Ethnic fragmentation	0.63	0.25	0	0.93
Population density in 1400 (log)	0.11	1.33	−2.30	3.03
Coup attempts (greater than 2) before 1998	0.58	0.50	0	1

Estimation Strategy and Estimates

The estimation strategy takes advantage of the uniformly high institutional quality of the transitional constitutions in most of the former British and French colonies at independence. That more or less common point of departure allows us to estimate the long-term unraveling of those initially high-quality institutions as functions of factors that tend to increase the number or extent of the constitutional reforms adopted. The above analysis suggests that the initial institutions of the former British colonies were somewhat more resistant to unraveling than those of the former French colonies, because of differences in eminent domain laws; French rules were somewhat more elastic than British laws. Thus we anticipate a negative sign on the French binary variable in the civil law estimates and positive sign in the civil liberty estimates, where higher numbers indicate lower institutional quality. In the Portuguese and Belgian cases, the institutional starting point was less favorable because constitutional negotiation took place in a shorter period and those at the table were less interested in, or perhaps less able to obtain, legal and political safeguards in their quickly negotiated transitional constitutions and independence treaties.

We first estimate a series of models with specifications that focus on the initial quality of institutions and unraveling propensities within the former British and French colonies. These are followed by estimates that include variables that other studies have found to be important determinants of institutional quality and by similar estimates for all of Africa. In general, we find that unraveling pressures account for much of the institutional diversity among contemporary African nations. A third series of estimates examines the effects of weakening eminent domain laws on the unraveling process in the British and French colonies.

Table 4 reports estimates for the former British and French colonies. Coefficients for the unraveling variable are of the expected signs (positive in the civil law estimates and negative in the civil liberty estimates). They are statistically different from zero at the 0.01 significance level in every estimate. The French origin variable is also significantly different in the civil law estimates and has the predicted sign, but not in the civil liberty estimates (although the sign is the predicted one). Model fits are relatively good; all F-statistics are significant at 5 percent levels or better. No other independent variable has a statistically significant coefficient, nor is the R-square increased by their inclusion.

Overall, these results suggest that starting point and unraveling tendencies are important determinants of contemporary institutional quality among former French and British colonies, and ethnic fractionalization and precolonial institutions less so.

Table 4: Estimates of Institutional Quality: Former British and French Colonies

	Quality of Civil Law Institutions			Quality of Civil Liberty Protections		
	1	2	3	1	2	3
Unravel	-0.48**	-0.53**	-0.50**	0.62*	0.70**	0.75**
(t-value)	(-4.72)	(-5.53)	(-4.70)	(2.70)	(3.01)	(3.01)
French		-0.42*	-0.39*		0.59	0.67†
		(-2.69)	(-2.43)		(1.59)	(1.76)
Ethnic Fragmentation			-0.23			-0.93
			(-0.69)			(-1.15)
Log Population density in 1400			-0.02			0.18
			(-1.13)			(1.10)
Constant	-0.11	0.16	0.26	3.48**	3.10**	3.56**
	(-0.79)	(0.98)	(1.13)	(11.04)	(7.91)	(6.56)
F statistics	22.32**	16.65**	8.20**	7.31*	5.07*	3.01*
Adjusted R-squared	0.35	0.45	0.43	0.14	0.18	0.17
Breusch-PaganTest						
Statistic for homoskedasticity	0.00	0.19	0.10	0.12	0.42	0.92
(chi square) H ₀ : Constant Variance	Accept	Accept	Accept	Accept	Accept	Accept
N	39	39	39	39	39	39

Note: T-values in parentheses.

† Significant at 10% level, * Significant at 5% level, ** Significant at 1% level.

Table 5 reports similar estimates for all African countries, including countries in which the transitional constitutions and treaties were less carefully negotiated, although still present to some extent. These estimates require additional adjustments for differences in initial institutional quality; binary variables for both Britain and French origin are included. Coefficients for the unraveling variable are of the expected sign and statistically different from zero at the .01 significance level in every estimate but one. The model fits are again very good, with F-statistics significant at the .01 level.

The British binary variable is significant and positive in the legal institutional quality estimates and negative in the civil liberty estimates, although not always statistically distinguishable from zero. The French binary variables have a similar pattern, but the coefficients are smaller in magnitude than those of the British binary variables. This is consistent with the hypothesis that the British transitional institutions were of somewhat higher quality than the French ones, possibly because of differences in eminent domain laws or possibly because British colony-by-colony negotiations produced somewhat more robust constitutions. Ethnic fractionalization and population density are statistically significant at the 0.1 level in the quality of civil law estimates but not in the civil liberty estimates. These results again suggest that the starting point and unraveling tendencies are the main determinants of contemporary institutional quality in Africa, rather than ethnic diversity or precolonial institutions.

Table 5: Estimates of Institutional Quality, All African Countries

	Quality of Civil Law Institutions			Quality of Civil Liberty Protections		
	1	2	3	1	2	3
Unravel	-0.42**	-0.45**	-0.39**	0.64**	0.69**	0.56*
(t-value)	(-4.69)	(-5.29)	(-4.14)	(3.03)	(3.26)	(2.43)
British		0.44*	0.40*		-0.65	-0.77†
		(2.42)	(2.14)		(-1.43)	(-1.68)
French		0.05	0.05		-0.06	-0.19
		(0.29)	(0.30)		(-0.14)	(-0.42)
Ethnic fragmentation			-0.43			-0.41
			(-1.42)			(-0.55)
Log Population density in 1400			-0.06			0.23
			(-1.07)			(1.59)
Constant	-0.23†	-0.38*	-0.15	3.55**	3.75**	4.26**
	(-1.93)	(-2.27)	(-0.65)	(12.19)	(8.97)	(7.24)
F statistics	21.98**	10.80**	7.23**	9.17**	4.04*	2.85*
Adjusted R-squared	0.29	0.36	0.38	0.14	0.15	0.16
Breusch-Pagan Test Statistic for homoskedasticity (chi square) H ₀ : Constant Variance	0.03	0.66	0.07	1.42	0.30	0.23
	Accept	Accept	Accept	Accept	Accept	Accept
N	52	52	51	52	52	51

Note: T-values in parentheses.

† Significant at 10% level, * Significant at 5% level, ** Significant at 1% level.

Additional Evidence: Eminent Domain and the Unraveling Process

Among the clearest constraints on policy and constitutional bargaining are those that determine the domain of the public and private sectors. If item *X* is not under the direct control of the government, authority over *X* cannot be traded for support of new public policies or used as part of a bargain that produces a constitutional reform. Under strong eminent domain laws, a private office building cannot simply be taken from its owners and used to provide office services for the national bureaucracy. The owners must be compensated and a clear public purpose must be advanced. When eminent domain laws are weaker, the possibility of taking a private office building and reassigning it to the public sector or transferring ownership to a critical supporter becomes more feasible and/or less expensive.²⁵

Strong versions of eminent domain clauses were included in the transition constitutions negotiated between the British and leaders of colonial independence movements as noted above. A direct test of the effect of constitutional constraints on the trajectory of constitutional reform is possible using Ng'ong'ola's (1992) classification of eminent domain laws. He divides former British colonies into three categories according to the degree to which those countries formally repealed provisions of their transitional constitutions with respect to eminent domain laws. Only a few countries kept all restrictions, including the right to receive compensation in the currency of one's choice. Several repealed essentially all protections, and the rest repealed intermediate levels of their initial constitutional provisions for protection of private property.

The unraveling hypothesis implies that the countries that initially weakened their eminent domain laws the most would tend to have the weakest contemporary institutions. To test this hypothesis, we first estimate lean models of contemporary institutional quality using colonial origin for the former French and British colony data set. Only a French binary variable is included. The British binary variable is omitted and may be regarded as the reference group. The

²⁵ Epstein's (1985) classic book on takings provides a variety of normative defenses of the eminent domain principle, many of which are based on social contract theory. He suggests that "takings law" is one of many ways to constrain a government and protect minority rights. Eminent domain rules also make private property claims more certain, which tends to increase their value and encourage improvement and investments in capital goods receiving similar protection. Partly as a consequence of these ideas, essentially all Western constitutions had such clauses by 1900.

French binary variable does not have a statistically significant coefficient in this first estimate, and the F-statistic for that regression is not statistically distinguishable from zero. The second series of estimates includes binary variables for two of the three Ng'ong'ola categories; the “kept all” group is the excluded (reference) group. The coefficients on the other two categories and the French origin variable are all statistically significant and have the predicted signs and relative magnitudes. The weaker eminent domain laws were (in 1992), the lower the quality of contemporary legal institutions and civil law protections. We augment this bare-bones model by including the unravel index, which has the expected effect on legal and civil liberty institutions, without affecting the order of magnitude magnitude or significance of the eminent domain variables. Last, we include ethnic fractionalization and log of population density in 1400. As in the previous runs, these generally are not statistically different from zero at conventional levels of significance.

The overall pattern of coefficients and their significance are consistent with the unraveling hypothesis. The weaker eminent domain laws and more frequent constitutional crises were, the more unraveling took place. It is not a coincidence that Botswana and Mauritius are among the most successful African states. They both preserved their initially strong eminent domain clauses and, partly as a consequence, many other liberal provisions of their transitional constitutions.²⁶

Together, the three tables of statistical results and the historical overviews provide support for the bargaining model of constitutional reform and its relevance for contemporary African institutions. The countries that weakened their eminent domain protections most and experienced the greatest unravelling pressures tend to have the weakest contemporary property and civil liberty protections.²⁷ The stability of the coefficients for the unraveling index across

²⁶ A similar situation is observed in the commonwealth countries in the Caribbean and the Pacific. Among the Caribbean island countries, St. Kitts and Nevis and St. Lucia have clauses in their constitutions about repatriation. In contrast, the Jamaican Constitution states that if the property owner has indirectly benefited from the public project, then the owner has no claim to direct compensation. Among the Pacific islands countries, Fiji has a constitutional clause about repatriation (Allen 2000, ch. 3).

²⁷ In addition to the results reported above, we also examined other possible factors that might be argued to affect institutional quality such as those associated with the resource curse. In regressions that included the unravel index, none had coefficients that were statistically different from zero. These included the log of average gold production, the log of average oil production, and the log of average diamond production

regressions demonstrates the results are robust to significant changes in model structure. The timing of the independent and dependent variables implies that reverse causality is unlikely to be a significant problem in our estimates. The independent variables are all from earlier periods. Moreover, there is no reason to expect current institutions to have caused colonization in the late nineteenth century, civil wars, communist support, or past coup attempts.

Table 6: Effects of Declines in Eminent Domain Protections on Institutional Quality

	Quality of Civil Law Institutions				Quality of Civil Liberty Protections			
	1	2	3	4	1	2	3	4
British-all	Ref				Ref			
British-kept all		Ref	Ref	Ref		Ref	Ref	Ref
British-kept some		-1.42**	-0.71**	0.83**		2.23*	1.37	1.08
(t-value)		(-3.30)	(-3.39)	(-3.06)		(2.48)	(1.48)	(1.02)
British-kept-few		-1.57**	-1.10**	-1.18*		2.54*	1.96†	1.80
		(-3.02)	(-2.66)	(-2.40)		(2.34)	(1.87)	(1.59)
French	-0.25	-1.55**	-1.10**	-1.17**	0.38	2.42**	1.87*	1.73†
	(-1.21)	(-3.66)	(-6.08)	(-5.25)	(0.92)	(2.75)	(2.17)	(1.79)
Unravel			-0.47**	-0.43**			0.57*	0.68*
			(-4.07)	(-3.56)			(2.31)	(2.52)
Ethnic Fragmentation				-0.30				-0.87
				(-1.04)				(-1.07)
Log Population density in 1400				0.04				0.11
				(0.74)				(0.56)
Constant	-0.51**	0.78†	0.78**	1.01**	3.98**	1.93*	1.93*	2.54*
	(-2.81)	(-1.94)	(6.12)	(3.95)	(11.36)	(2.30)	(2.44)	(2.50)
F statistics	1.47	4.54**	27.78**	16.38**	0.84	2.58†	3.52*	2.49*
Adjusted R-squared	0.01	0.22	0.52	0.50	0.00	0.11	0.21	0.19
Breusch-Pagan Test Statistic for homoskedasticity (chi square) H ₀ : Constant Variance	5.24	0.37	5.75	6.63	3.96	0.39	2.56	2.24
	Reject	Accept	Reject	Reject	Reject	Accept	Accept	Accept
N	39	39	39	39	39	39	39	39

Note: T-values in parentheses, calculated with robust standard errors when the null hypothesis for constant error variance is rejected.

† Significant at 10% level, * Significant at 5% level, ** Significant at 1% level

Ref denotes reference group, and is the omitted category to avoid singularity in the data matrix.

(from Nunn 2008). In our model, such production levels would reflect interactions between natural endowments and property protections.

7. Conclusions

Post-colonial Africa provides an excellent setting for tests of the bargaining theory of constitutions. A relatively large number of countries began independence at about the same time with high-quality political and legal institutions. These institutions tended to be somewhat more liberal than the average citizen or leader is likely to have desired, because they were partly determined by the British and French governments. Given this, it is predictable that the initially liberal institutions would unravel as constitutional renegotiation took place after independence. The historical overviews and empirical evidence suggest that pragmatic and ideological pressures for reform were liberal during the decades leading to independence and illiberal for several decades after independence. The latter was reinforced by external pressures (conditional grants) associated with the Cold War in that period. In general, the broader the scope for reform and the more frequent the opportunities to consummate constitutional bargains, the worse the final institutions tend to be as measured by contemporary indices of institutional quality.

We also find evidence that slight but significant differences in the French and British laws governing eminent domain account for part of the difference in the trajectories of institutional developments in their former colonies. Both groups of former colonies experienced constitutional reform, but the results were a bit worse in the former French colonies than in the former British colonies and worse in the British colonies that weakened their eminent domain clauses than in ones that did not. Nonetheless, the former French and British colonies benefited from relatively liberal transitional constitutions, which provides an explanation for their somewhat better institutional trajectories than the other former colonies in Africa.

In general, our results suggest that external support for liberal reforms is likely to improve the future trajectory of political and legal institutions in Africa; although our analysis suggests that there is an asymmetry in the effects of eminent domain laws on the path of reform. Strengthening eminent domain laws tends to encourage economic development and improve property law (essentially by definition) but also tends to reduce the scope for future bargaining in a manner that may reduce prospects for other liberal reforms and lower the trajectory of other potential improvements.

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Appendix Table 7.: Other Estimation Results of Interest (for All African Countries)						
	Quality of Civil Law Institutions			Quality of Civil Liberty Protections		
BRITAIN-ALL	Reference			Reference		
BRITAIN-KEPT ALL		Reference	Reference		Reference	Reference
BRITAIN-KEPT SOME		-1.42** (-3.22)	-.97* (-2.51)		2.23* (2.45)	.80 (0.88)
BRITAIN-KEPT FEW		-1.57** (-2.95)	-1.57** (-3.39)		2.54* (2.31)	1.82 (1.67)
PORTUGAL	-.19 (-0.59)	-1.49** (-3.04)	-.98* (-2.35)	-.67 (-0.83)	1.37 (1.37)	.70 (0.72)
FRANCE	-.25 (-1.23)	-1.55** (-3.58)	-1.40** (-3.32)	.37 (0.87)	2.42** (2.71)	0.93 (0.94)
BELGIUM	-.71* (-1.79)	-2.01** (-3.77)	-1.77** (-3.43)	1.53** (3.59)	3.58** (3.26)	2.58* (2.14)
NO COLONIZER	-.55 (-1.15)	-1.85** (-3.16)	-.95† (-1.92)	.92* (2.15)	2.96* (2.47)	1.38 (1.19)
Other Socio-economic factors						
WAR (colonial / civil)			-.75** (-4.40)			.86* (2.14)
COMMUNISM			-.25 (-1.25)			.30 (0.65)
ETHNIC FRAGMENTATION			.13 (0.29)			-.74 (-1.68)
PERCENTAGE OF ISLAM			-.003 (-1.57)			-.01* (2.07)
ISLAND INDICATOR			.58 (1.26)			-2.75* (-2.55)
ABSOLUTE LATITUDE			.02* (2.27)			-.07* (-2.26)
NORTH AFRICA INDICATOR			.14 (0.31)			-.34 (0.30)
LOG (SLAVE EXPORT/AREA)			-.002 (-0.07)			-.07 (-0.94)
LOG (POPULATION in 1400)			.10 (1.01)			-.32 (-1.29)
LOG (AVERAGE GOLD PRODUCTION)			.03* (2.17)			-.05 (-1.32)
LOG (AVERAGE OIL PRODUCTION)			.01 (.64)			.05 (0.80)
LOG (AVERAGE DIAMOND PRODUCTION)			-.09* (-2.26)			-.02 (-0.16)
CONSTANT	-.51** (-3.48)	.78† (1.90)	-.26 (-.44)	3.98** (10.73)	1.93 (2.28)	4.14 (2.95)
Adjusted R-squared	0.01	0.18	0.57	0.16	0.24	0.45
F statistics	1.05	2.23*	4.22**	2.34**	2.75*	2.98**
Test for heteroskedasticity (chi-square)	3.28	0.03	1.72	4.00	1.04	0.00
H ₀ : Constant variance	Accept	Accept	Accept	Reject	Accept	Accept
Number of observations	52	52	51	52	52	51

T-values in parentheses, calculated with robust standard errors when the null hypothesis for constant variance is rejected. † Significant at 10% level, * Significant at 5% level, ** Significant at 1% level
Ref denotes reference group, and is the omitted category to avoid singularity in the data matrix. Colonizer fixed effects used including Spain, South Africa, and Italy.