ESID Working Paper No. 54

The politics of governing oil effectively: A comparative study of two new oil-rich states in Africa

Sam Hickey,[1] Abdul-Gafaru Abdulai,[2] Angelo Izama[3] and Giles Mohan[4]

October, 2015

[1] IDPM, The University of Manchester
Email correspondence: sam.hickey@manchester.ac.uk

[2] University of Ghana Business School
Email correspondence: agabdulai@ug.edu.gh

[3] Independent researcher, Uganda
Email correspondence: izama.angelo@gmail.com

[4] The Open University, UK
Email correspondence: g.mohan@open.ac.uk

ISBN: 978-1-908749-56-7

email: esid@manchester.ac.uk
Effective States and Inclusive Development Research Centre (ESID)
School of Environment and Development, The University of Manchester, Oxford Road, Manchester M13 9PL, UK
www.effective-states.org

Abstract

The challenges facing developing countries with new-found natural resource wealth are generally understood in terms of whether they have the institutions of 'good governance' required to avoid the resource curse. New insights from a political settlements perspective show how deeper forms of politics and power relations play a more significant role than such institutions, and help explain some counter-intuitive findings regarding how 'semi-authoritarian' Uganda seems to be governing oil somewhat more in line with its national interest as compared to 'democratic' Ghana. We find that bureaucratic 'pockets of effectiveness' play a critical role, with outcomes shaped by the nature of their embedded autonomy vis-à-vis different kinds of ruling coalition. Efforts to promote 'best-practice' governance reforms in such contexts might be misplaced, and could be replaced with a stronger focus on building specific forms of state capacity and a greater acceptance that 'developmental collusion' between political and bureaucratic actors may offer more appropriate or 'best-fit' solutions.

Keywords: oil, governance, political settlements, Africa, Ghana, Uganda

Hickey, S., Abdulai, A-G. Izama, A and Mohan, G. (2015). The politics of governing oil effectively: a comparative study of two new oil-rich states in Africa. *ESID Working Paper No. 54*. Manchester, UK: University of Manchester. Available at www.effective-states.org

This document is an output from a project funded by the UK Aid from the UK Department for International Development (DFID) for the benefit of developing countries. However, the views expressed and information contained in it are not necessarily those of, or endorsed by, DFID, which can accept no responsibility for such views or information or for any reliance placed on them.

Introduction

There is a strong consensus within mainstream governance thinking that the quality of institutions within resource-rich countries is the key to how successfully they will manage to avoid the 'resource curse'. Based on an analysis of what seems to have worked well in countries like Norway, this perspective has led international agencies to promote a remarkably similar range of reforms and institutional arrangements in countries with new-found oil wealth in sub-Saharan Africa, including the adoption of sovereign wealth funds to offset the dangers of Dutch Disease and a strong oversight role for parliaments and civil society in terms of transparency and accountability (e.g. Humphreys et al., 2007; NRGI, 2014). This approach is influential well beyond natural resource governance: for example, the report of the High Level Panel on the post-Millennium Development Goals agenda also placed transparency and accountability at the core of its institutionalist approach to governance (UN, 2013).

In this paper, we challenge this mainstream approach and propose a different analytical framing which is grounded in political economy thinking and which can underpin an alternative policy agenda. We do this through a comparative analysis of two countries in Africa whose new-found oil wealth has generated heated debates around what this means for their developmental futures, namely Ghana and Uganda. These countries make good comparators, given that the oil finds in each context are broadly similar, whilst the political and governance contexts are generally seen as markedly different. Both countries identified recoverable amounts of oil at around the same time and at a similar level of economic value, both in absolute terms and as a proportion of contribution to gross domestic product (GDP, see Table 1). The main differences between them are that oil has been found offshore in Ghana and onshore in Uganda, and also that oil has been flowing in Ghana since 2010, whereas first oil is not projected to arrive in Uganda until 2018 at the earliest. However, the more significant differences concern their respective levels of development and governance: according to standard measures, Ghana far outstrips Uganda along every dimension (see Table 2).[1] From a neo-institutionalist perspective, then, there would be strong expectations that Ghana would be in a better position to govern its oil more effectively and accountably than Uganda.

[1] We present data here as closely as possible to the point of oil discovery. Polity IV operates on a scale of -10 to +10, whilst the World Governance Indicators use a scale of -2.5 to +2.5.

Table 1: Oil in Ghana and Uganda: the basics

	Ghana	**Uganda**
Major discovery	2007 (offshore)	2006 (onshore)
Production begins	Nov 2010	2018/19 (est.)
Projected lifespan	c.2030	c.2040
Volume	2bn+ barrels 103k bpd as of June 2014	1.2-1.7bn barrels recoverable (6.5bn barrels in total)
Economic value	3-4% GDP $1-1.5bn pa max Only $533mn in 2013	6-7% GDP pa
International oil companies	Kosmos, Tullow, Anadarko, Hess, PetroSA, Lukoil, Mitsui, ENI, AGM	CNOOC, Tullow, TOTAL
National oil companies	GNPC established in 1983	National oil company established 2013

Table 2: Comparing Ghana and Uganda through a 'Good governance' lens

	Ghana	**Uganda**
Development indicators	$1,570 GDP per capita 135/187 HDI (medium) Growth: 5.6% (2001-10)	$500 GDP per capita 161/187 HDI (low) Growth: 7-8% (2001-10)
Democracy (data from Polity IV 2010)	Multi-party since 1992 Democratic: 8 Polity IV	Multi-party since 2005 Semi-authoritarian: -1 Polity IV
Governance indicators (WGI, 2006)	Voice and acctbty: 0.37 Govt effectiveness: 0.11 Rule of law: 0.00 Control of corruption: 0.02	Voice and acctbty: -0.42 Govt effectiveness: -0.48 Rule of law: -0.34 Control of corruption: -0.75

We argue here that the neo-institutionalist reading is misplaced in these two cases and that an alternative perspective is required to understand how oil governance is playing out in practice. Drawing on new theoretical developments around the politics of development and in-depth primary research, we argue that the character of formal institutions *per se* matters much less than the ways in which deeper forms of politics and power relations shape how institutions, both formal and informal, actually function in practice. Theoretically, we pursue recent efforts to move beyond neo-institutionalism (e.g. Acemoglu and Robinson 2012, North, Wallis and Weingast 2009) and focus in particular on Mushtaq Khan's (1995, 2010; also Khan and Jomo

2000) notion of political settlements, which refers to "the balance or distribution of power between contending social groups and social classes, on which any state is based" (Di John and Putzel, 2009: 4). A political settlement can be said to exist where a process of elite bargaining has led elites to broadly accept institutional arrangements, primarily on the basis that they distribute resources in line with their level of power. In most of the developing world, political settlements remain 'clientelistic', "characterized by the significant exercise of power based on informal organizations, typically patron-client organizations of different types" (Khan, 2010: 4), with the personalised character of elite bargaining ensuring that institutional arrangements remain based on 'deals' rather than 'rules' (Pritchett and Werker, 2013).[2]

Of particular importance in shaping the prospects for development in such contexts is the organisation of power within the ruling coalition (Khan, 2010; Kurtz, 2009; Slater, 2010). Where ruling coalitions are able to either repress or co-opt rival sources of power, then they are able to secure a *dominant party* political settlement, within which there is relatively little prospect of power changing hands through a formal electoral process. The main alternative type of political settlement is termed *competitive clientelist*, referring to the strong likelihood of ruling coalitions becoming displaced through electoral competition. In neither context have the 'rules-based' institutional arrangements cherished by the good governance agenda displaced personalised 'deals-making' as the norm within the public bureaucracy (Levy 2014). However, although the type of political settlement sets certain structural conditions within which governance takes place, the power relations that underpin these settlements are dynamic rather than static, and in both kinds of settlements the role played by specific actors, both leaders and coalitions, can be critical in determining which paths are taken (Leftwich, 2010).

For example, the ways in which deal-making occurs is likely to differ according to each type of settlement, both in line with the structural balance of power (Khan, 2010) and the more dynamic manoeuvres of elite coalitions (Leftwich, 2010). So, dominant party settlements may enable political elites to develop the longer-term time horizons required for them to see that investing in institution-building is in their self-interest, although much here depends on the vision of the political leadership and their capacity to control the rent-seeking activities of other elites within the ruling coalition (Kelsall, 2013). This may be more difficult in competitive clientelist settings, where, according to Brian Levy (2014: 40), the threat of being removed from power within an electoral cycle may mean that "there is little incentive for political leaders to invest in the long-term task of building bureaucratic capability", and rather more for them to use the public bureaucracy as a means of maintaining their coalition in power through, *inter alia*, "the discretionary allocation of rents: market privileges; patronage public employment; single-sourced procurement contracts; preferential access to

[2] A growing body of published literature has discussed and used the notion of 'political settlements' to assess the prospects for governance and development in Africa, including Hickey et al. (2015), Levy (2014), Whitfield et al. (2015).

natural resources". Importantly, these categories represent a continuum, with, for example, the competitive pressures of elections potentially increasing over time within dominant party settings. A similar argument concerning ruling coalitions and electoral competition is made by Kurtz (2009: 481), who argues that developmental statism is more likely to emerge where "non-elite groups…are excluded from effective political participation", and that the levels of elite co-operation required for long-term investments are more likely where:

> political competition takes on an iterated character, rather than embodying a zero-sum struggle for immediate dominance; when the former occurs, time horizons can lengthen and cooperation around public goods investment can occur (Kurtz, 2009: 481).

As Lewis (2007) noted, in his study of oil governance in (dominant) Indonesia as compared to (competitive clientelist) Nigeria, levels of elite coordination and developmental leadership were critical factors in shaping the relative success of these two cases.

Following Lewis, and taking Ghana and Uganda as representative of these two differing political settlements, we can begin to explain some counter-intuitive findings regarding how 'democratic' and comparatively well-governed Ghana is performing so far in comparison to 'semi-authoritarian' Uganda. We focus in particular on the role played by 'islands of efficiency' (Leonard, 2008) or 'pockets of effectiveness' (Roll 2014), which can be defined as "public organisations that are relatively effective in providing public goods and services the organisation is officially mandated to provide, despite operating in an environment in which effective public service delivery is not the norm." (ibid: 24). We prefer the 'pockets' to the 'islands' metaphor, as the latter implies a disconnection between such agencies and their political context, whereas we are specifically interested in exploring how this context actively shapes the functioning of such agencies.

The argument presented here poses three different challenges to the good governance agenda that remains influential within international development. First, it suggests that its intellectual underpinnings in new institutionalist economics are flawed, and need to be displaced by political economy analysis that examines the deeper forms of politics and power relations which shape how both formal and informal institutions work in practice. This begins to address Roll's call for a 'more comprehensive political economy framework' (2011: 217) for understanding and moving beyond resource curse type scenarios. He goes on to outline the external, systemic and elite factors that might populate such a framework. Unpacking these further, and relevant to our ensuing discussion, is the relative scarcity of financial resources, rent management centralisation, the social nature of the elite coalition and their productive-capitalist orientation, as well as their developmental vision. Second, the evidence shows that 'best-fit' governance solutions that involve deals rather than rules, and which require high levels of state capacity which flow from a degree of collusion between political and bureaucratic actors (Evans, 1995; Fukuyama, 2013), may be more effective than the ‘best-practice’ solutions promoted from a good governance perspective. Finally, evidence on the critical role played by bureaucratic ‘pockets of effectiveness’ offers further support to the argument that promoting system-wide processes of bureaucratic reform is both unrealistic and unnecessary in most developing country contexts, and could be usefully replaced by more focused support at the level of specific public agencies.

The paper is structured as follows. The next section introduces the two case-study countries in terms of their different types of political settlement and how these are shaping the governance of oil in each case in broad terms. Having identified state capacity as a key emerging issue, the paper introduces the literature on pockets of effectiveness in oil-rich states and offers a detailed comparative study of the role played by key bureaucratic agencies in securing contracts with oil companies. The final section concludes by exploring the implications of this analysis for the good governance agenda, both within these countries and more broadly. The evidence presented is drawn from a comparative study of Ghana and Uganda, which involved applying the same conceptual and methodological approach. Data collection took place over 2013-14, and involved intensive qualitative research in both countries, with over 30 interviews conducted with key stakeholders in each country, including governments, oil companies, parliamentarians and civil society actors. Gaining direct insights from those directly involved in negotiating oil deals was critical in enabling us to get at least some way inside this blackest of boxes, although we are also aware of the dangers of interviewee bias and seek wherever possible to triangulate this evidence with data from other sources, including media and the secondary and grey literatures.

Beyond new institutionalism: how different political settlements shape the governance of oil

Comparing competitive clientelist Ghana with dominant party Uganda

Following the persistent political instability of the 1970s, Ghana’s political settlement became a definably dominant party type under Jerry Rawlings’ Provisional National Defence Council (PNDC) in the early 1980s, before becoming gradually transformed into a form of competitive clientelism following the return of multi-party politics in 1992 (Oduro et al., 2014). The latter involves an intense process of inter-elite bargaining to agree the rules of the game for the exchange of political power. The stability of the 1980s and a high degree of political consensus around economic policy-making, coupled with a degree of protection afforded to the economic technocracy, helped establish the conditions for a successful period of economic growth. Ghana’s success in avoiding inter-ethnic conflict and holding successive elections that have involved two largely peaceful turnovers has seen the country lauded as Africa’s premier success story (Radelet, 2010). However, it has become increasingly clear that Ghana’s political settlement significantly undermines the country’s capacity to achieve the more onerous tasks of promoting structural transformation, socio-economic equality and institution-building (Abdulai and Hickey, 2016; Oduro et al., 2014; Whitfield 2012). Multi-partyism has not led to democratic norms fully displacing clientelist forms of politics (Gyimah-Boadi and Prempeh, 2012; Keefer 2007), not least because of the form it has taken. Electoral competition is dominated by two parties, the National Democratic Congress (NDC) and the New Patriotic Party (NPP), which have largely alternated in power since 1992, with increasingly tightly-fought elections. The short-termism generated by the strong likelihood of electoral turnovers has resulted in a highly politicised public bureaucracy, with personalised policy-making and elections which generate a significant turnover of jobs and massive public spending, and undermine macroeconomic stability (Killick, 2008): even areas of the bureaucracy where technical capacity is probably at its highest, as within the Bank of Ghana and the Ministry of Finance, struggle to maintain their autonomy around election time.

However, the changing political settlement is overlain by ideological differences between the leading parties, particularly the PNDC versus the NPP, but also latterly regarding more subtle differences in the NPP and NDC approaches to oil governance. Broadly speaking, the PNDC pursued a statist and populist approach to oil contracting, seeking to garner the best stake for the state, whereas the NPP pursued a more market-led approach that saw foreign investment as the key, even if this meant lowering royalty rates. These differences, and the levels of relational autonomy of Ghana's national oil company, the Ghana National Petroleum Corporation (GNPC), vis-à-vis the ruling party, help explain the different ways in which GNPC and key ministries have been shaped and used by successive regimes. Yet these differences do not negate the fact that rent-seeking has been a constant across regimes, even if they do help explain how such rents are controlled and invested.

Uganda represents a dominant party political settlement, albeit one where competitive pressures have grown over the past decade (Golooba-Mutebi and Hickey, 2013). On taking power in 1986, the National Resistance Movement led by President Yoweri Museveni was largely successful in establishing political stability through building an inclusive ruling coalition that co-opted political elites from most ethno-regional groups (Lindemann, 2011). Unopposed by organised social and political groups, and apparently driven by a genuine ideological commitment to development, President Museveni undertook a series of radical economic and political reforms which, alongside major external support, had a largely positive effect in terms of economic growth and poverty reduction. This included a deal between the executive and leading bureaucrats that gave the Bank of Uganda and the Ministry of Finance the autonomy to establish the conditions for macroeconomic stability and growth. However, this capacity is not widespread, with Uganda's apparently eager adoption of 'good governance' reforms belied by the very low level of functioning of public institutions and high levels of corruption throughout the system (Andrews and Bategeka, 2013). Uganda's economic technocracy has come under increased pressure as the perceived threat to the ruling coalition from elections has heightened, as illustrated with the increased macroeconomic instability around the 2011 elections (Golooba-Mutebi and Hickey, 2013). The rise of political competition has been used by the president to deepen his hold on power, whereby the return to multi-party politics in 2005 was seen as a means of ensuring greater discipline within the NRM (Makara et al., 2009), and through constitutional reforms that ended the two-term limits on presidential incumbency in the same year. This dominance was further underlined at the 2011 elections, which saw both party and president reverse the polling trends of the 2000s by securing large majorities, with the president in late 2014 also securing the sole candidature of his party ahead of the 2016 poll.

Pacing of production and regulation

Although the two countries discovered commercial quantities of oil within months of each other, Ghana managed to move to production by late 2010, whereas Uganda remains unlikely to produce oil until 2018. In the case of Ghana, the imperatives created by closely fought elections has clearly helped to accelerate the pace of oil production, to the extent that successive governments have emphasised the process of securing deals with international oil companies (IOCs) and moving to production *before* getting the usual legislative and institutional arrangements in place. Indeed, oil production started at a moment when there was an “acute shortage of technical skills at all levels” along the oil value chain (World Bank, 2010: 1), and when capacity needs of various state institutions responsible for the management of the sector were “considerable” (Ibid., p.2). Under the NPP’s second term (2004-08), “Some concerns have been privately expressed that the government, eager for cash, was pushing the [Jubilee] consortium to do a ‘quick and dirty” plan that would cut corners to exploit the field as quickly as possible” (Gary, 2009: 24). Our research suggests that this urge continued under the NDC government, which entered power in January 2009, determined to ensure that oil revenues were flowing in time to help secure a second term in 2012. According to one senior oil bureaucrat in Ghana,

> Government came in [and said] we need to have first oil this year. We kept telling government that, look, it is dangerous to have first oil in the year 2010. If anything at all, we can shift to the first quarter of 2011. 2010 came, we had the first oil, we all celebrated, we were all happy. At the end of 2011, how much did government get? Zero! (Interview, 27 August 2014.)

The results of this rush to production were not only unproductive in fiscal terms, but also took place in an unregulated environment. Although the 2007 discoveries of commercial quantities of oil led to calls for the restructuring of the sector (Gary, 2009; Heller and Marcel, 2012), it was not until a year after oil had started to flow in 2011 that parliament moved to break up the dual commercial and regulatory role of the GNPC, to establish both a new regulatory body, known as the Petroleum Commission (PC), and the civil-society-based Public Interest and Accountability Committee (PIAC) as an oversight body, as well as the Petroleum Revenue Management Act (PRMA). By 2015, some of these bodies remain barely operative, including the PC, which is yet to play any meaningful role in the contracting process (Interview, Petroleum Commission, 26 August 2014). PIAC also suffers from chronic under-funding, in a way that “seriously limits the … execution of its core mandate” (PIAC, 2014: 66). In 2013, PIAC “operated with no funding for any of its planned programmes and activities", compelling the Committee to bring its "operations … to a halt for about six months" (ibid., p.65). However, and as we argue further below, it may be that the key link between this hastiness to develop the Jubilee Field and the fact that oil revenues for 2012 and 2011 were US$ 541million and UD$444 million, respectively (much less than the anticipated US$ 1 billion plus per annum) has more to do with issues of state capacity than good governance *per se*, particularly in terms of establishing and enforcing higher taxation rates on oil companies. Our interviews with senior officials at the Ghana Revenue Authority reveal that they lack the capacity to ensure the compliance of oil companies with revenue laws, which, as discussed below, are not as beneficial to the country as those established elsewhere in Africa, including Uganda.

This approach stands in contrast to the one adopted by Uganda, which has been notably more cautious with regards to making deals with companies and moving to production relative to the establishment of legislative arrangements. With only legislation from 1985 to guide it, Uganda placed its negotiations with IOCs on hold in 2007, whilst it established what would become the National Oil and Gas Policy in 2008 (Kashambuzi, 2010: 7). As one international oil expert then working in Uganda told us, "They (Government of Uganda) said that they were not going to do any further oil licensing without getting things in place first … that was a very brave statement and it has been followed-up politically" (interview, Development Advisor, 14 April 2014). For example, De Vibe (2013) also notes that the most recent round of contracting was similarly put on hold until the Upstream and Midstream Bills, and later the Public Finance Act, were passed in early 2013 and late 2014, respectively. There is also a strong sense that the government of Uganda (GoU) was happy to move slowly in its negotiations with IOCs in order to ensure that it gained the best possible deal for itself: according to one oil technocrat involved in discussions around the transfer of exploration rights from Heritage to Tullow during the mid-2000s, the head of Heritage oil at one stage in the negotiations turned to the executive and said: "Mr President you have a very tough team", with reference to oil ministry officials and their legal team (Interview, 11 April 2014).

Adopting and implementing 'best-practice' legislation

Scholars adopting a political settlements perspective note that a typical feature of competitive clientelism is that best-practice policies and institutions are formally promoted and even adopted, but then have their functioning disrupted by interests with holding power within the ruling coalition (Levy, 2014). In the case of Ghana, this has been most apparent with regards to the Petroleum Revenue Management Act (PRMA), which included several measures to try and ensure that Ghana would not suffer from Dutch Disease effects, including rules regarding revenue allocation and a commitment not to collateralise future oil earnings. When first presented to Parliament, Clause 5 of the Bill prohibited the use of the Petroleum Holding Fund as "collateral for debts, guarantees, commitments or other liabilities of any other entities". But once the bill reached parliament, a member of parliament from the ruling NDC proposed an amendment to the clause to allow for collateralisation, an amendment which was upheld in a vote that followed strict partisan lines.[3] This gave the ruling NDC the green light to use future revenues from oil as collateral in accessing loans. Significantly, the minister of finance largely evades the scrutiny of citizens because the PRMA does not provide limits on how much the minister can borrow against future petroleum revenues. This increases the temptation to spend revenues outside the transparent and accountable framework defined in the law, something which has beleaguered the $3 billion oil-backed loan from the China Development Bank.[4]

Although we would expect Uganda to be performing poorly on this front, given its rating as a 'semi-authoritarian' polity, a weakly institutionalised form of multi-party politics and a legislature that is constitutionally subservient to the executive (Makara et al., 2009; Tripp, 2010), the process of passing legislation around oil in Uganda has actually been highly contested. This did not occur along strictly partisan grounds, as in Ghana, but with a coalition of government party MPs joining forces with opposition counterparts within a wider move to apparently protect the national interest. Organised around the Parliamentary Forum on Oil and Gas, which relied heavily on support from civil society, it pushed MPs to extract several concessions in important areas, particularly the composition of the boards of the new institutional actors being established as regulatory and commercial actors in the Midstream Bill, namely the National Oil Company and Petroleum Commission. This coalition of MPs and civil society also exerted influence over the Public Finance Bill, with one civil society activist claiming that: "the public finance management bill has taken on up to 50 percent of our input. Up to 70 percent of the original bill has been revised" (interview, 27 February 2014). A different activist noted that such successes derived from MPs being willing to work across party lines in apparent defence of the national interest, such that "MPs put their parties aside and discussed oil legislation for Uganda, which they rarely do in parliament" (interview, 28 February 2014). However, such successes were ultimately limited: the president exerted considerable efforts to eventually persuade ruling party MPs to reduce their resistance, with the approved bill maintaining executive power to negotiate, grant and revoke exploration and production licenses and to keep oil agreements secret (De Vibe, 2013: 10).

Revenue allocation: beyond economic populism?

A recent study of oil governance in Gulf states stresses that economic populism, which involves "the political use of economic resources to mobilise support from what are regarded as previously marginalized classes, newly recruited as a support base for the regime", is a particularly damaging strand of patronage that tends to result in the pervasive manipulation of prices, overemployment and imposition of welfare tasks on public agencies (Hertog, 2010: 278). Such populism is prevalent in both of our cases, although arguably more visible in Ghana, not least because it has already

[3] This occurred on 9 December 2010.

[4] This sub-plot around the management of oil revenues both reflects and feeds into the broader political dynamics around public expenditure in Ghana, one result of which has seen the country's indebtedness rise to the extent that government was forced to sign an austerity deal with the IMF in late 2014 (Sahara Reporters, 2014).

started to allocate its oil revenues. This process has provoked heated debate: despite making commitments to direct the spending of petroleum wealth to the growth-enhancing sectors of the economy (Heller and Heuty, 2010: 55) so as to avoid the 'resource curse' and reduce poverty, the reality is that actual expenditures have been spread thinly across multiple sectors and regions, in line with a pork-barrelling logic that enables politicians from all regions to claim that they have helped bring development home.[5] In 2012, the year of a closely fought election, 50 percent more funding was allocated to a vague 'capacity-building' budget line than to agricultural modernisation (ACEP, 2013: 8), with critics alleging that these funds were used as an informal campaign fund, and PIAC (2014) able to trace only 6.7 percent of expenditure under this budget line to capacity-building interventions in the oil and gas sector over 2011-13. The process itself has also been heavily criticised, as it accords the minister of finance a highly discretionary role in determining which sectors benefit each year, with little oversight from parliament or PIAC (ibid.).

It is not yet possible to compare like with like here, as Uganda has yet to generate revenues from oil for allocation. Nonetheless, and despite the growing pressures from within Uganda's weakening dominant party system to commit oil wealth to populist spending pledges, the president has so far promised to invest oil revenue in agriculture and infrastructural development to help offset potential Dutch Disease effects and to avoid 'wasting' it on recurrent expenditures (Hickey et al., 2015). In dominant party contexts, long-term developmental visions in the national interest are more likely to emerge (Kelsall, 2013; Khan 2010), and the advent of oil appears to have re-energised the president's longstanding ideological commitment to structural transformation which underpins these spending commitments. However, only time will tell whether these promises are upheld and legislative commitments enforced once Uganda moves further down the value chain. The current direction of travel within Ugandan's political settlement does not augur well in this regard.

These vignettes of different aspects of oil governance in Ghana and Uganda to date help illustrate the extent to which different kinds of political settlement can orient governments to act in ways that seem counter-intuitive to the expectations generated by a reading of formal indicators around democratic governance. In particular, they suggest that certain forms of multi-party democracy may undermine prospects for the 'good governance' of oil, whereas a degree of executive dominance may offer a more propitious context for this. These initial findings reinforce the growing sense that current debates around the governance of natural resources, and of good governance more generally, are hinged in the wrong place, and that other forms of politics are also, and probably more, deserving of attention. Within wider debates on the politics of development, scholarly attention is increasingly switching (back) to issues of state capacity, rather than issues of democratic governance alone. Always a central focus within the literature on developmental states (Evans, 1995; Leftwich 1994) and the comparative sociology of development (Lange and Rueschemeyer,

[5] This pattern is familiar to scholars of public expenditure in Ghana, and does very little to reduce the country's high levels of spatial inequality (Abdulai and Hickey, 2016).

2005), more mainstream schools of thinking are increasingly underlining the extent to which developmental success is predicated first and foremost on the capacity and commitment of states to deliver development (Fukuyama, 2013; World Bank, 2008a). More specifically, and given the prolonged timeframe within which countries have historically moved from patronage-based forms of rule to more rational-bureaucratic forms, the focus here has tended to fall not on state capacity in a broad-based sense across the entire public bureaucracy, but within more specific ‘pockets of effectiveness’ within particular key sectors (Booth et al., 2015). The next section briefly introduces this phenomenon, before showing the key role that (potentially) high-performing public agencies have played in both Ghana and Uganda.

Oil governance in clientelist political settlements: the role of bureaucratic ‘pockets of effectiveness’

The intermittent attention paid over the past two decades within international development to the role of ‘islands’ or ‘pockets’ of effectiveness within bureaucracies (Grindle, 1997; Leonard, 1991, 2008), is becoming more widespread in light of disillusionment with the good governance agenda. Efforts to promote one-size-fits-all and ‘best-practice’ solutions, whereby wholesale public sector reforms aimed at introducing western-style institutional arrangements, are largely seen to have failed, even by those agencies involved in promoting them (e.g. World Bank, 2008b). In lieu of this hiatus within the governance agenda, and in light of growing evidence that pockets of effectiveness may be more widespread than previously thought (Roll, 2014), this phenomenon is gaining increased attention, including from those who view governance and development from a political settlements perspective.

Proponents of this position argue that ‘good governance’ reforms are not only inappropriate, because there is little evidence that these ideal forms of governance are required for achieving economic development (Khan, 2005), but also that they are bound to fail, given that political elites have little incentive to ensure that institutions perform in a rational-bureaucratic manner. Rather, in contexts where formal rules-based norms have yet to displace personalised elite bargaining as the main form of political exchange, the primary drive is to ensure that institutions allocate resources in line with the prevailing balance of power (Khan, 2010). In such contexts, the presence of a small number of high-performing public agencies is the best that can be hoped for. According to Brian Levy, this is particularly the case in ‘competitive clientelist’ forms of political settlement, in that the presence of electoral competition extends the number of political ‘principals’ to whom bureaucratic ‘agents’ are answerable. In contrast, Roll (2014) suggests that such pockets are more likely to emerge and be protected where there is a strong head of state and a coherent elite, as in dominant party settlements, because their relative security may enable political elites to adopt a long-term vision that includes a focus on institution building and the short-term use of public resources to maintain patronage networks, as well as offering them the power to do so relatively unopposed.

Pockets of effectiveness are not solely defined in terms of their external context, but also by a range of internal factors, notably leadership, management and organisational practices, organisational capacity and ‘organisational culture’ (Grindle, 1997; Leonard 2008; Therkildsen 2009). Leadership is identified as particularly significant by Roll (2014: 37), although once the pocket is established, the relevance of this leader reduces and other factors gain importance (Roll, 2014: 223), including the creation of an organisational culture and the effective ‘political management’ of wider political forces. In terms of practices and culture, the professionalism of staff – particularly managers – and a strong sense of mission are most commonly identified as producing success (Leonard, 1991; Grindle, 1997; Tendler, 1997; Simbine et al., 2014; Therkildsen, 2009). These factors are shaped by competitive recruitment based on merit,[6] strong norms and expectations around performance (Grindle, 1997), as opposed to nepotistic appointments and under-performance due to lack of pressure and expectation.

Questions of weak governance and clientelist politics are particularly significant in countries which rely on natural resource wealth for a significant part of their revenue (Karl, 2007; Ross, 2012). Informed by a wider distinction in the literature on states as being either ‘developmental’ or ‘predatory’ – with those that have avoided the resource curse (e.g. Botswana, Norway, Indonesia) in the former camp and those that have succumbed (e.g. Nigeria, see Lewis [2007]), in the latter – the mainstream policy response has been to promote good governance institutions, particularly their accountability and transparency (NRGI, 2014). Without denying that these opposing conditions exist, this still leaves a large middle ground of countries within which performance seems to be neither heroic nor hellish. To help theorise this middle ground, Daniel Bach (2012) employs the term ‘regulated neopatrimonialism’, as distinct from both rational-bureaucratic and ‘predatory forms of neopatrimonialism’, a distinction that Will Hout (2013) uses to reveal the differing possibilities for state-owned enterprises within the oil sector to emerge as pockets of effectiveness in ex-Soviet states. Defining Russia’s political system as a form of regulated neopatrimonialism, and Kazakhstan as a predatory form of neopatrimonialism, Hout (2013: 79) argues that “the establishment of pockets of effectiveness in post-Soviet countries is rather difficult but not impossible in the case of Russia”, and shows how such pockets strategically develop, deploy and protect high levels of technical capacity from potentially predatory political principals. Hout emphasises the importance of agencies securing autonomy from the state, whilst noting that in other cases the insulation of agencies by political leaders is crucial for their success.

A similar argument has recently been made by Tim Kelsall, who suggested that several African economic success stories can be explained as examples of ‘developmental patrimonialism’. This term refers to states that have not achieved rational-bureaucratic status in a Weberian sense, but rather where dominant leaders have managed to centralise rent-seeking as opposed to it being decentralised

[6] Therkildsen and Tidemand (2007) found a clear relationship between the principle of merit for hiring, firing and promotions and the performance-based rating of an organisation.

amongst multiple players, and also that their longevity in power enabled by such dominance allows the political elite to develop a long-term vision. Dominance does not, of course, guarantee that neopatrimonial politics will be developmental rather than predatory (as Hout discovers in the case of Kazakhstan). However, further research into oil governance in rentier states suggests that a degree of dominance *can* be a useful feature of the political landscape when it comes to protecting pockets of effectiveness. Examining state-owned enterprises (SOEs) in Gulf states, Hertog finds that what defines pockets of effectiveness in rentier states is that they are "… given clear orders from a strictly limited number of elite players … and are, to a significant degree, insulated from games of patronage and rent-seeking, and enjoy considerable autonomy from the rest of the state" (Hertog, 2010: 273). Such conditions rarely pertain in competitive clientelist settings. These insights can be explored further in the two cases we examine here.

Playing into this dominant leadership and relative insulation are other processes, notably the role of ideas and ideology, as well as the more material incentives which can drive elite behaviour concerning the governance of public resources. Michael Watts (2004) shows how the advent of oil can transform the political imaginaries of political actors at multiple levels of the political system, including renewed belief in the possibilities of national development. For Hertog (2010), the fact that oil can inspire a form of economic populism helps explain how and why the efficient performance of public oil agencies in countries such as Algeria, Iran, Libya and Venezuela has been undermined as a result of their being forced to adopt welfarist functions.

Pockets of effectiveness in Ghana and Uganda's oil sectors

This section introduces the public sector agencies that have played a central role in governing oil within Ghana and Uganda. It examines the extent to which they can be considered as pockets of effectiveness, through an analysis of their role in securing deals with international oil companies. It borrows its structure from Hout's comparative analysis of state-owned oil agencies in post-Soviet states. Hout (2013) examines both the internal and external factors which shape agency performance: the former covers organisational leadership and management, and the functions and attributes of organisations; whilst external refers to "political processes, political institutions and material interests and power positions of social groups" (Hout, 2013: 79), or what we have conceptualised as the 'political settlement'. Here we follow this rubric, whilst also drawing attention to the critical role played by transnational actors in developing the capacity and commitment of public agencies in both of our cases.

GNPC: an introduction

In terms of GNPC being considered a pocket of effectiveness, it has had a distinct and strong management and leadership style as well as possessing high calibre technocrats. Crucially, the strength and style of the leadership is a product of both the ideological orientation of ruling elites under different regimes and the political incentives generated by the different political settlements, particularly the transition from a dominant party model under the PNDC to a competitive clientelist model since 1992. The early 1980s saw Ghana undertake a restructuring of the energy sector to accelerate the pace of petroleum exploration and development, with the cash-strapped PNDC government concentrating power in the Ghana National Petroleum Corporation (GNPC). GNPC was mandated in the 1983 GNPC law (PNDCL 64) to be both industry regulator and commercial entity, somewhat along the lines of Brazil's Petrobras, from which it initially received technical assistance (Arthur, 2012; Heller and Marcel, 2012). GNPC was led by Tsatsu Tsikata, a close ally of the then head of state, who utilised his political connections to establish the initial legal framework for the sector and take over the functions of the Ministry of Fuel and Power's Petroleum Department. Tsikata's autonomy was possible because of his relationship with President Rawlings and in turn this autonomy allowed him to nurture a particular management style and esprit de corps within GNPC.

Tsikata was well known for his socialist orientation and this determined how he viewed the potential of oil within a national development vision, what role the state should play in exploration, and how royalties should be determined. As one GNPC official noted, "We were in a revolution time which had some sort of socialist undertone, and everybody wanted to derive the maximum benefits from the resources" (interview, 26 August 2014). This essentially resource nationalist view reflected the PNDC's ostensible socialism, but was also part of Rawlings' wider populist approach. The basic idea was to maintain a more stringent fiscal regime – even if this may deter foreign investors – and then try to discover oil through the exploitation of domestic resources. Some argue it was this idea that informed Tsikata's decision to diversify GNPC into non-core oil and gas activities, including investments in farms and telecommunications. As a former energy Minister commented of Tsikata and his approach,

> … he is a well known socialist and his preference was that, let Ghana use its own money to search for the oil such that when we discover it, it will be owned by Ghanaians, it will not be like gold, which was discovered by foreign company and pay us royalty … but he also believed that there must be oil in Ghana, so put a lot of pressure on government and on the ministry of finance to find money for him to dig, this became known in Ghana as gambling … Ghana was not having much money because the World Bank, the IMF were at the back of government, so Tsatsu's solution was to get revenue earning companies. So he went into salt production, he went into gold production … they were doing all manner of things including telecom …. the idea was that, if we are not getting the money from government let's use this facility to try to raise money so that we can continue to search for oil, and if indeed he had got oil, it would have been positive but he did not (interview, 10 April 2014).

Hence GNPC diversified *because* no commercially viable oil deposits had been discovered at that point. But this strategy began to incur fiscal and political costs. Critics claim that the Rawlings-led NDC government was unable to discover oil in commercial entities in part because Tsikata's diversification into non-core oil and gas activities was distracting from exploration as well as incurring debts (interview, former Energy Minister, 10 April 2014). Opoku (2010) claims that Tsikata was effectively using GNPC as a "personal vehicle" for accumulating wealth, with his close association with Rawlings enabling him to personally control the Corporation's 20 percent share in Westel, a telecommunications company. These strains led to a falling out between Kwesi Botchwey, the then Finance Minister and architect of the SAP, and Tsikata[7] with some suggesting Rawlings was minded to sack Tsikata before the incoming NPP did so.

This close connection between the NDC and GNPC was directly targeted by the NPP government (2001-08), which moved swiftly to set up a committee to advise on restructuring the Corporation (Ghana News Agency, 25 June 2001). Following the Committee's report to the Minister of Energy (which was not made available to the public), the NPP government undertook significant restructuring of the Corporation, including closing down its drilling, marine, aviation, marketing and corporate affairs departments (Kobbie, 2012), and sentencing Tsikata to imprisonment for causing financial loss to the state – a move seen by former President Atta-Mills as a form of 'political witch-hunting'. As a ministry official at the time observed,

> the head of the GNPC was very well aligned to the government that lost power, the incoming [NPP] government just simply threw away the baby with the bath water (interview, energy ministry official, 29 August 2014)

Another GNPC official saw this restructuring as undermining the corporation's capacity and diluting the 'socialist' ethos that had guided its mission. He noted, "So, as for negotiation, yes, we had the capacity to negotiate for the interest of the nation. Recently, almost all the people who were socialist inclined are leaving the Corporation" (interview, 26 August 2014).

Against these issues of financing oil exploration, ideological differences, and GNPC's political embeddedness with the PNDC, significant efforts were made during the mid-1980s to develop the capacity of GNPC to undertake exploration and attract foreign investment. The assets and personnel of the then Petroleum Department were transferred to GNPC, including most petroleum specialists (Prempeh and Kroon, 2012). Staff were sent abroad to acquire higher degrees in petroleum-related subjects, with one beneficiary noting that "the core group of GNPC staff at the beginning were people who had benefited from training in Canada, UK, Romania and Russia" (interview, GNPC official, 27 August 2014). Staff were also attached to international oil companies in order to build capacity around project management and contract negotiations. A senior official at the energy ministry recalled how they "were all looking for work at GNPC; there was really a lot of motivation" (interview, 29

[7] Opoku argues further that Kwesi Botchwey (then Minister of Finance) questioned Tsikata's handling of GNPC's finances and resigned partly in disgust over Rawlings' apparent tolerance for this, although the NDC removed Tsiktata as CEO in September 2000, shortly before the elections in December.

September 2014), motivation which may have flowed in part from the economic nationalism of the PNDC's ideological approach at the time, but no doubt aided by the much higher salaries on offer at GNPC in comparison to civil servants of equal grade. Most informants stressed that GNPC became known as a high capacity institution during this period: "GNPC had a strong calibre of workforce…to the extent that they were even able to undertake oil exploration in territories like Angola and Equatorial Guinea" (interview, energy ministry official, 29 August 2014), a judgement shared by other observers (Prempeh and Kroon, 2012: 10).

However, it was not until the NPP regime (2001-08) that exploration accelerated to the level that enabled Ghana to attract international oil companies to invest, some of which led to the discovery of commercial quantities of oil in 2007. In contrast to the statist orientation of the (P)NDC, the NPP thought that the only way oil could be discovered was through private capital, and accordingly:

> restructured and refocused the work of the GNPC and provided the conducive business environment to attract committed investors to our off-shore oil fields. The result was the discoveries announced in June 2005, June 2007 and February 2008 (NPP, 2008: 260).

Hence the restructuring reflected both the ideological beliefs of the NPP in favouring private over state-led investment, as well as a political calculus of ridding GNPC of NDC sympathisers and appointees. But, as the earlier comment suggested, this twin motivation resulted in throwing the baby out with the bathwater, the latter including an extensive downsizing of GNPC, with nine in ten staff sacked. As one respondent aptly put it, "We built the capacity [of GNPC], but we destroyed the capacity with politics" (interview, Petroleum Commission, 26 August 2014). This approach to GNPC was reversed somewhat after 2008, with the NDC returning to power and investing heavily in recruitment and capacity-building projects and Tsikata acting as an advisor to President Atta-Mills.[8]

Beyond party politics, GNPC suffers from the wider malaise of Ghana's public bureaucracy being undermined by a persistent 'clientelization of democratic politics' (Gyimah-Boadi and Yakah, 2012), particularly in terms of appointments. However, there is also a sense that a meritocratic approach has prevailed within the most significant positions, in line with GNPC's claim that its core values are 'professionalism, respect for talent, and reward of merit'.[9] So, appointments to GNPC's governing body, which are under presidential control, are "certainly political", and posts at the junior level are determined by "whom you know … The junior level is

[8] See Ghana News Agency (25 August 2013), 'Capacity building explains rise in GNPC expenditure – Director'. Available at: http://www.ghananewsagency.org/economics/capacity-building-explains-rise-in-gnpc-expenditure-director--63843; Daily Guide (24 Aug 2013), 'GNPC blows cash on capacity building'. Available at: http://www.modernghana.com/news/484437/1/gnpc-blows-cash-on-capacity-building.html

[9] See GNPC's website at: http://www.gnpcghana.com/SitePages/ContentPage.aspx?ItemID=30&ItemTitle=Our%20Values

more of cronyism" (interview, energy ministry official, 29 August 2014). However, GNPC does "still exhibit high level of control over who comes there; the merit level is still very strong, especially the technical persons who cannot hide their incompetence" (interview, energy ministry official, 29 August 2014). As discussed below, this struggle to retain a degree of autonomy from political pressures has also directly shaped GNPC's role in negotiating deals with international oil companies.

PEPD: an introduction

In Uganda, the Petroleum Exploration and Production Department (PEPD) was formed in 1991 as part of the Ministry for Energy and Minerals Development, an outgrowth of the Petroleum Unit that was established within the Geological Survey and Mines Department (GSMD) with World Bank support in 1985. This unit was tasked with acquiring geological data for the promotion of exploration opportunities; attracting oil companies to invest in exploration; monitoring and regulating licensees for exploration and production; initiating policy and legislation on petroleum exploration and development; and building national capacity in the field of exploration and development. When the NRM came to power in 1986 and international oil companies made Museveni aware of the probability that Uganda had commercial levels of oil, his discovery that Uganda lacked the human resources to explore and manage oil led him to hold off making deals with the IOCs in favour of building this capacity to ensure that Uganda controlled developments in the sector. A range of geo-scientists were sent to the UK and US to retrain from their hard-rock expertise to soft-rock specialisms, including men who would become commissioners within PEPD and later the Permanent Secretary for the Ministry of Energy. However, the government made little further investment in PEPD during the period when it was seeking to map and publicise the extent of Uganda's oil. A World Bank project, which ended in 1993, enabled PEPD to recruit and train staff, and acquire enough data such that "PEPD was in a position to carry out meaningful promotion although not good enough to attract the big industry players" (Kashambuzi, 2010: 3). This led to an outflow of staff from PEPD, particularly to IOCs, whilst those who remained reported having to forego field allowances and undertake gruelling exploration expeditions with inadequate support. Yet, according to Kashambuzi (2010: 5), the second commissioner of PEPD, this "willingness of PEPD staff to stay long periods in the field for less allowances made it possible to acquire the data that were crucial for the promotional effort". By the late 1990s, PEPD had generated enough high-quality data on Uganda's oil finds to start attracting serious players within the oil industry. In 2001, informal political connections enabled the PEPD commissioner to gain an audience with the president, during which he extracted a commitment to provide increased levels of government funding. These have remained in place since, and following the discoveries of 2006 were augmented by two successive capacity-building programmes from Norway. It is this interplay between PEPD's technical capacity and presidential commitment, alongside external support, that emerges as a defining feature of Uganda's experience of oil governance to date.

In terms of internal factors, PEPD strongly reflects the wider findings in the pockets of effectiveness literature. In terms of human resource capacity, there has been an emphasis on training and securing the best people from the outset. Makerere University provided no relevant training, so senior PEPD staff used their international training to provide in-house training at the office and in the field for three months before more junior staff were sent overseas for formal training. All operational and senior staff have postgraduate degrees in relevant fields; this is then consolidated and extended through regular on-the-job training: by 2009 all PEPD staff had undertaken Norway's International Programme for Petroleum Management (PETRAD) and the Oil and Natural Gas Commission in India. This training has been further consolidated through regular exposure to the international community of experts through conference attendance. International experts involved in supporting the oil sector in Uganda comment that "there is no doubt that technically they are good, they are very smart, very smart" (interview, development advisor 16 June 2014), and leading technocrats themselves acknowledge that their success is down to training:

> Knowledge is the thing. You must know. We placed a huge emphasis on training years back. You don't want an IOC to come to a Permanent Secretary who knows nothing about oil …. This knowledge is very important in negotiations. (Interview, Ministry of Energy 13 June 2014.)

The capacity of oil agencies to not only capture and manage data on their country's oil, but also to secure and protect international property rights over this data (even when it has been generated by IOCs) has played an important role in strengthening the government's hand in negotiations (see below).

Technical competence is further emphasised in PEPD's processes of recruitment and promotion, with one leading official claiming that PEPD offers "A very merit-based environment" (interview June 2013). In the early stages, officials secured the help of Makerere University to circumvent the normal process of public sector recruitment by examining the transcripts for all graduates in relevant areas and also querying lecturers on whether potential candidates could cope with the discomforts of extensive fieldwork (Kashambuzi, 2010). Promotion is also reported to be meritocratic, with little obvious external political influence, particularly during the first two decades from the mid-1980s and mid-2000s, where there was a lack of public interest in what PEPD was doing. With oil production drawing closer, some have noted that the staffing has become inflated at PEPD, driven in part by the political logic of appointing new staff from the oil-producing regions, albeit to junior positions. Whitfield and Therkildsen (2011) suggest that merit should be accompanied by loyalty within public agencies to ensure efficient policy implementation, with others agreeing that organisational culture is more important for good performance than rules, regulations and even remuneration (Grindle 1997). According to one observer,

> They [PEPD staff] have a high degree of autonomy: allowances are much more flexible; they are paid very well, even junior members; very highly motivated;

> even secretaries, etc., they behave like this because they are well-paid, get all the technology they want, they get the cars they need, any other arrangements, medical aid, whatever. (Interview, 22 November 2013.)

However, both senior and more junior staff at PEPD emphasise that the organisational culture of PEPD also has non-material roots, deriving in particular from the organisation's leadership, with successive commissioners and their teams being seen to share in PEPD's hardships during the 1990s, and also making significant efforts to instil a sense of mission, professional norms and a strong organisational culture around performance through regular staff meetings, training opportunities and regular checks on the quality of work being done (interviews with PEPD staff, April and June 2014).

The role of transnational support has been critical here, with one previous commissioner stating that: "The support from PETRAD is the single most important contribution, outside the GoU support, towards the rapid building of capacity in the oil industry in Uganda, nearly all of it in PEPD" (Kashambuzi, 2010: 54). Further critical support from Norway came through the Oil for Development programme, which ran in two phases, 2006-09 and 2009-2014, and focused directly on "Strengthening the state administration of the upstream petroleum sector in Uganda". This included supporting PEPD to develop the policy, legal and regulatory framework and building its capacities in terms of both human resources and infrastructure. A less formal but meaningful source of transnational support came from the induction of PEPD staff into the oil industry's global epistemic community, through being invited by the American Association of Geologists to the 'International Pavilion' each year from 1994 and the International Showcase of the Society of Exploration Geophysicists each year from 1995 to showcase the Albertine Graben region (Kashambuzi, 2010: 5). This greatly enhanced the professional capacities of PEPD staff and in subjecting their own efforts to peer review helped provide a strong set of ideas and incentives that encouraged them to pursue their work to the highest standards, whilst also opening opportunities to promote oil exploration externally.

In terms of external factors, PEPD appears to have had greater success in avoiding the political interference that typifies neopatrimonial settings, with Uganda's dominant party system affording it a higher degree of continuity and political protection than GNPC has received within Ghana's competitive clientelist settlement.[10] Having been ignored for much of the 1980s and 1990s, in a similar form of 'political insulation' (Hout, 2013) experienced by GNPC, the post-2006 period has seen a strikingly close and symbiotic relationship develop between the president and senior technocrats within the Ministry of Energy and PEPD in particular. Located away from the capital on the banks of Lake Victoria and within close proximity to State House, PEPD has been characterised as something of a presidential thinktank on oil issues. The

[10] Portes and Smith (2012) argue that high performance often stems from deliberate, concentrated efforts by governments at highest levels of authority assigning top priority to institutional changes.

president places an unusually high degree of reliance and trust in their advice, deferring to their judgement on critical issues: according to one oil technocrat “In most cases, the president backs us and looks to us” (interview, Ministry of Energy, 11 April 2014).[11] Technocrats have been central to all key negotiations, including contracting and identifying new partners and contentious discussions over the relative merits of the pipeline and refinery.[12] In discussions over the refinery, for instance, one energy expert notes: “Commissioners would be on phone with the president two to three times a day regarding the refinery ... So they felt emboldened and empowered”. This runs counter to the president’s prevailing approach to the public bureaucracy, which he has increasingly sought to sidestep in favour of establishing parallel structures in State House and more personalised forms of policy-making and even service delivery (Kjaer and Katusiimeh, 2012.[13] One international oil expert noted that: “I don’t see that the political leadership are pushing things through without a technical basis being there upfront. This has happened elsewhere”, as in cases where an African president “is taken on tour to Houston or wherever and things are signed, very technical decisions signed off by politicians without technical backing”. Pushed as to whether this really never happened in Uganda, the source responded “Maybe a little, but not to the extent that we see elsewhere” (interview, development advisor, 14 April 2014).

Getting good deals: the importance of state capacity and public agencies in negotiations with oil companies

This section sets out and then compares the performance of the case-study agencies in relation to the process and outcomes of contract negotiations with IOCs, and seeks to explain this in terms of the capacity of public agencies to protect the national interest within different kinds of political settlement.

The perils of contracting under competitive clientelism

The process of securing contracts with international oil companies in Ghana needs to be set within the shifting dynamics of its political settlement. Under the NDC in the 1980s and 1990s, and with a partisan CEO, the approach directly reflected the economic nationalism of the PNDC, whose earliest years saw quite belligerent

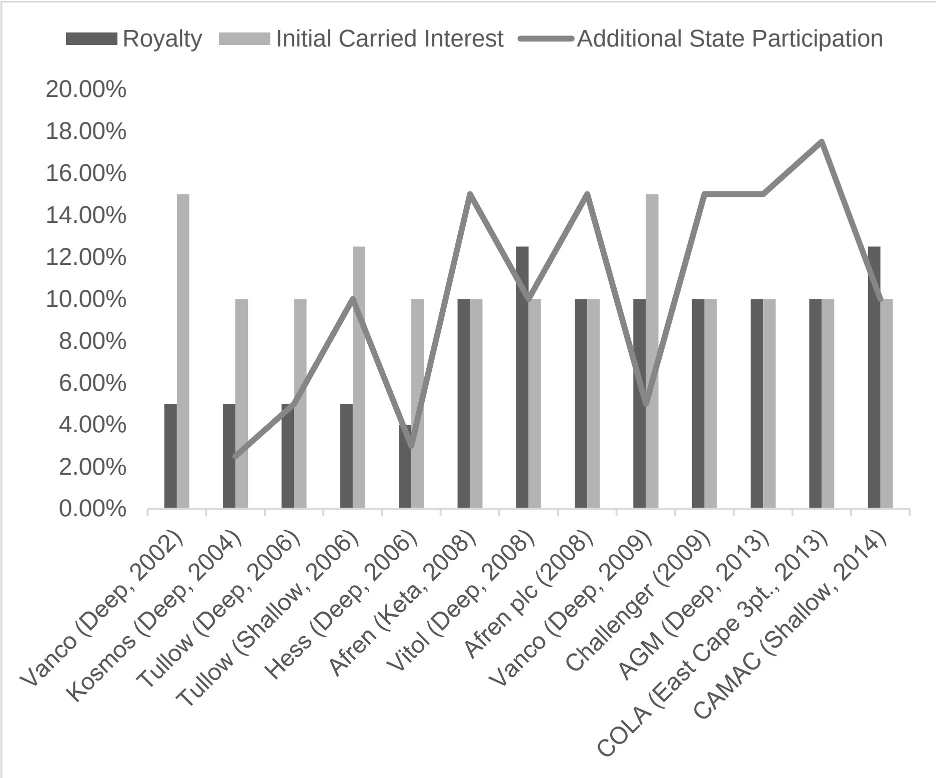
[11] Although some observers of oil governance in Uganda have argued that the president dominated the negotiations around PSAs (Vokes, 2012), we were repeatedly informed by those directly involved that whilst the president was a key player he drew heavily on the advice of senior technocrats within the Ministry of Energy and PEPD, and trusted them to lead negotiations (also Hickey et al., 2015).
[12] GoU’s insistence on establishing a refinery was closely contested by oil companies, which were keen to ensure that the majority of oil was transported in crude form to the coast for export via a pipeline. The fact that GoU stood firm and secured the refinery (albeit at a reduced scale) can be read as a display of both bureaucratic capacity with regards to making the technical case and also nationalist commitment and presidential support (Hickey et al., 2015).
[13] According to an inside source within the Ministry of Energy, the president did once in 1995 seek to impose a particular company on the Ministry of Energy as a contracting partner for oil exploration. PEPD responded with a detailed rebuttal regarding the company’s credentials, after which the president has never since made any significant decisions without consulting technocrats.

attempts to renegotiate energy and mineral contracts with international firms. As a former ranking member on the Energy Committee told us, these were ‘nationalist laws’ (interview, May 2013). According to a different source, the then head of GNPC was “well-known globally for his expertise in negotiation ... At that time, he had a cadre of lawyers and other technical persons who in terms of negotiation they were doing well” (interview, energy ministry official, 29 August 2014). Under this fiscal regime, government sought to obtain a state share of net-oil of between 65 percent and 55 percent (interview, former energy minister, April 2014).

Frustrated at the lack of progress, the NPP sought to offer more generous and flexible terms to investors, and reduced this figure to between 55 percent and 45 percent. This resulted in an increase in investment, albeit at a reduced rate of profit for government, and led to a fierce battle between the NPP and GNPC. Shortly after the NPP assumed office in early 2001, at a seminar organised around the oil sector reforms by the NPP, GNPC staff were criticised for their ‘stringent’ requirements that might undermine private sector investments in the oil sector (interview, GNPC official, August 2014). One retired GNPC official recalled how the new government insisted that “we should cancel royalties and tax … and I said over my dead body” (interview, Petroleum Commission, August 2014). As discussed above, the NPP proceeded to radically downsize GNPC, and also to sideline it in negotiations with oil companies, which were led by specially appointed presidential advisors. This led some critics to suspect that weaker deals were made with partisan interests to the forefront. Most prominent here was the Kosmos-E.O. Group deal. In 2004 the NPP granted an oil licence to the E.O. Group, a Ghanaian-owned company that was perceived to be close to President Kufuor. On taking office, the NDC investigated the terms of this deal and focused on the E.O. Group’s 3.5 percent share in the Jubilee Field, the majority of which it sold to Kosmos Energy, a small US-based oil firm. The NDC argued E.O. had used its connections to Kufuor to obtain the licence cheaply and was essentially a front for the president (Public Agenda, 2011). Compared to previous Petroleum Agreements, the norm for the industry, and the terms offered to Tullow a year later, the Kosmos contract had relatively low royalty fees and GNPC’s participating stake.

The return of the NDC to power, which coincided with the production of commercial oil, saw a reinvestment in the capacity of GNPC, and a return of its leading role in negotiations, with one official suggesting that: “in terms of the legal, technical and commercial skills needed to negotiate agreements, they have the human resource capacity” (interview, oil company official, 22 August 2014). However, the increased efforts of the current NDC to restore GNPC’s capacity do not in any way imply a reversal of the NPP’s partisan approach to managing GNPC (e.g. the sacking of several GNPC staff perceived to be NDC sympathisers) and the oil industry in general. The NDC still espouses a more resource nationalist approach to oil and gas, seeking a greater stake for government vis-à-vis oil companies. In addition, much of the current approach adopted by the NDC is influenced by the changing landscape of the sector, rather than ideological or competitive clientelist pressures; the discovery of commercial oil, the increasingly derisked nature of the industry, and issues around local content which requires the availability of domestic skilled manpower.

Figure 1: Royalty rates for Ghana's oil agreements.



Source: Authors, based on Ghana's oil agreements, 2002-14.

Hence, the fact that these political shifts in political settlement and ideology have been accompanied by changes in the materiality of oil in Ghana, and particularly the discovery of commercial quantities of oil in 2007, makes it difficult to identify the precise causal mechanisms at play here. Figure 1 shows that while royalty rates for all the agreements signed between 2002 and 2006 varied from 4 to 5 percent, this has doubled to 10 percent since 2008. The improvement in government's take is particularly impressive when analysed in relation to the state's additional participation,[14] which has seen an improvement from an average of 4 percent during 2002-06 to around 13 percent during 2008-14. Amoako-Tuffuor and Owusu-Ayim (2010: 14) also observed that subsequent agreements have generally lowered the rate of return accumulation rates and the tax rates have risen, accentuating the progressiveness of Ghana's fiscal regime. Although much of this will be because of investments being derisked following the discovery of commercial quantities of oil in 2007, it seems likely that the return of more capable civil servants to the negotiating table, with regards to the stronger role for GNPC and its founding leader in oil

[14] Under Ghana's oil laws, the state is entitled to a 10 percent interest in each contract area. This is called 'state initial or carried interest'. However, in any given commercial discovery, the state is also entitled to buy additional interest in each contract area, for which it is responsible for full costs during development and production phases. This is what is referred to as 'additional state participation', and the allowable percentage of this interest varies for each contract (Amoako-Tuffour and Owusu-Ayim, 2010)

negotiations from 2008 onwards, also helped with this progressive increase in the national take. A review of the upstream fiscal regimes recently established within oil- and gas-producing countries in sub-Saharan Africa, which shows that the country has performed relatively well in relation to governments across Africa, in terms of the profit share that governments have been able to secure, and is in line with the global average of around 55-60 percent (Amoako-Tuffuor and Owusu-Ayim, 2010).

Both the same source and several others suggest, however, that Ghana has performed worse than Uganda in securing good deals. Ghana's 38-50 percent government take, based on Jubilee Phase I at a price of $65 per barrel, is relatively low when compared to the government take of 43.5-66 percent for Uganda (Amoako-Tuffuor and Owusu-Ayim, 2010). Moreover, Uganda's deal for limiting the level of cost-recovery that can be claimed by IOCs to 65 percent is better than the global average of 60 percent, while Ghana has not secured any limit. According to one oil industry source, "Government of Uganda's revenue share is one of the highest in Africa – see IMF report on that. Uganda's cost recovery is 80 percent per barrel, but it is only 60 percent in Ghana" (interview, oil company source, 7 November 2013).

Although the differing materiality of oil in each country may also be a factor here, the evidence suggests that Ghana may have been in a stronger bargaining position than Uganda, in that the relative difficulty and cost of offshore drilling in Ghana compared to onshore in Uganda partly explains the weaker bargaining position of GNPC as compared to PEPD. As such, we would argue that what mattered more here is the different levels of capacity that each agency was able to use in negotiations with oil companies, and that this capacity is shaped by the differing character of the political settlement in each country. For example, Ghana's competitive clientelist political settlement, with its shorter time horizons and multiple principals, leads to a greater level of political interference in oil contract negotiations than witnessed within Uganda's dominant party setting (see below). When asked who has the final say in terms of awarding oil blocks in Ghana, one official from the energy ministry said "Your guess is as good as mine, when it comes to these issues, politics take centre stage" (interview, 29 September 2014). A top-ranked GNPC official reiterated this view: "I have never doubted my capacity within GNPC. But does the negotiation, and decisions always rest with GNPC? No." (Interview, 27 August 2014.)

Oil companies are equally aware of the incentives for politicians to intervene in the negotiation process, and will directly circumvent what they see as bureaucratic roadblocks in favour of making deals with Ghana's political principals: "When it gets to the crunch, the companies that know that … the capacity is not at the Ministry … will hijack the negotiation somewhere" (ibid).

Negotiating good deals in Uganda

Uganda has a growing reputation for being able to drive tough bargains with oil companies that are perceived to be in the national interest. In addition to the comparative data cited above, a report from the independent advocacy group which gained access to two of the Production Sharing Agreements (PSAs) drawn up in 2012 found that:

> The improved financial terms in the contracts could earn the state hundreds of millions of dollars in additional revenue and secure the government a very high percentage of the oil profits. Uganda is likely to receive between 80% and well over 90% of revenues, after costs have been recovered… (Global Witness, 2014: 6-7).

Further evaluations by the IMF and a consultancy firm hired by GoU support the extent to which Uganda has performed favourably in comparison to its international counterparts, including Ghana, in gaining good deals.

Multiple stakeholders relate this success directly to the capacity of the technocrats within the Ministry of Energy and PEPD in particular. One international oil expert notes that: “I would think that there are few other governments in Africa that match the one of PEPD … their ability to negotiate with oil companies is very advanced” (interview, 15 April 2014), whilst an IOC source states that: “We find the Ministry of Energy and Ministry of Finance (in Uganda) to be highly competent” (interview, 7 November 2013). In its early negotiations, PEPD decided against using consultants in favour of training government employees to handle the task, a decision which flowed from the initial presidential decision to hold off IOCs whilst developing national capacity in the sector, and a move which one insider credits as “probably the single most important contribution to the making of good agreements in the country” (Kashambuzi, 2010: 71-72). PETRAD trained PEPD officials on conducting negotiations with IOCs, which included testing agreed negotiating positions through role play, not accepting bribes, and avoiding socialising during negotiations. These tactics laid the groundwork for GoU’s success in a series of deals within which it largely secured its priorities vis-à-vis those of the IOCs, up to and including the 2014 Memorandum of Understanding, which ensured (against IOC preferences) that first oil would flow to a refinery before being used for export.[15]

PEPD also played a central role in drafting both the 2008 National Oil and Gas Policy and the later Upstream and Midstream Bills in 2012, again with strong support from Norway. Importantly, and unlike the situation in Ghana, where the promotion of new institutional arrangements has involved a direct challenge to the powers of GNPC, PEPD has been at the forefront of establishing the new architecture in Uganda, which is seen as a means through which its high levels of performance can be spread throughout the growing sector. How this actually plays out remains to be seen, and there are some concerns that existing capacity will instead be spread too thinly and that some may be more tempted towards the lucrative jobs and rent-seeking opportunities on offer within the commercial operations, as opposed to the regulatory and oversight arms of the new architecture.

[15] See Hickey et al. (2015) for a detailed account of how this agreement was reached.

Analysis: what shapes pocket of effectiveness' performance in differing political settlements?

PEPD emerges as a high-capacity government agency which has at key moments been granted the blend of autonomy and political support required to ensure that it could perform its key functions effectively (Fukuyama, 2013). Although GNPC also amassed a great deal of expertise over the years and played an influential and often progressive role within the sector, the higher levels of political collusion and interference in the case of Ghana have arguably reduced its effectiveness, as has been particularly evident in weaker performance in negotiations with oil companies. In his comparison of how state-owned oil companies have performed in different post-Soviet states, Hout (2013: 86) shows how distinctive forms of patronage politics enable different levels of agency performance, noting that:

> In less extreme cases of patrimonialisation … the state will likely be dependent on taxation for at least part of its resources. As a consequence, accountability mechanisms will most probably be stronger, and there will be greater opportunity for organisations to claim autonomy from the state. It is under these circumstances, if at all, that the likelihood of pockets of effectiveness is greatest.

Our evidence strongly underlines this effort to identify different forms of patronage politics in different settings, but goes further in relating these distinctive forms to the underlying political settlement, and also challenging the logic that formal taxation and accountability systems are the intervening variables that help shape more developmental forms of patronage in different cases. For example, the higher level of 'regulated neopatrimonialism' in Uganda's oil sector, as compared to Ghana, does not reflect this. Uganda scores lower than Ghana on both counts, with Uganda's level of domestic revenue mobilisation at around 12 percent of GDP compared to 17 percent for Ghana (see Table 2 for data on accountability). Rather, the key differences emerge from the dominant incentives and ideas that flow from the different political settlements in each case, which has led to different forms of 'embedded autonomy' for the key public agencies responsible for governing oil. This finding on the relative strengths and weaknesses of 'dominant' and competitive' settlements with regards to oil governance directly reflects Peter Lewis' (2007) analysis of the relative success achieved by two other oil-rich states which broadly fit these categories (Indonesia and Nigeria). Lewis' study found, as did we, that the role of elite coordination, growth coalitions and respect for technocratic advice are central in determining levels of state capacity and developmental governance in these cases.

This form of embedded autonomy is recognised as critical in wider literature on developmental states (Evans, 1995) as well as the more limited literature on pockets of effectiveness (Simbine et al., 2014; Pogoson and Roll, 2014). In relation to oil governance, Hout (2013) notes, in agreement with Fukuyama (2013), that whatever relative success such cases achieve in clientelist contexts is likely to be unstable, and to depend on the capacity of agencies to attain autonomy from the state whilst remaining sufficiently embedded in relationships with political principals in ways that enable the development of trust and swift flows of information. Whilst GNPC was also able to develop a high degree of technical competence, its capacity to operationalise this has been strongly undermined by the tendencies towards politicisation that emanate from its competitive clientelist settlement. As a result, Ghana has tended to secure deals that are somewhat less stable and beneficial to the country than those secured in Uganda's dominant party political settlement, whereby a committed political principal with a longer-term time horizon joins forces with a capable set of agents (Fukuyama, 2013). Ideas are also important here, with the president apparently seeing the governance of oil as a 'nationalist cause' (Hickey et al., 2015. Both the generation of a vision and the capacity to act on it are more likely to emerge within a dominant party settlement than in a competitive clientelist setting where shorter-term time horizons prevail and the presence of multiple and shifting political principals reduces the likelihood of principal-agent relationships which privilege performance over patronage being forged and maintained (Levy, 2014). In both cases, it was a dominant regime that established and nurtured the pockets of effectiveness, and, in the case of Uganda, which seemed to enable the establishment of a level of 'embedded autonomy' (Evans, 1995) that reflected the 'sweet spot' identified by Fukuyama's (2013) definition of state capacity, and which underlines his argument that the more capable the technocrats, the more autonomy they should be granted. Uganda's willingness to move slowly through the gears in order to ensure that institutional arrangements were in place to secure the best deal possible contrasts markedly with the record-breaking rush to production without the appropriate legislation in place in Ghana.

This does not lead us to predict that Uganda will inevitably benefit more from oil than will Ghana: the fact that Ghana has already moved to production, whereas Uganda is still some years off, could prove costly to Uganda, not least given the downturn in oil prices. How to make a call between the productive, political and principled differences between Uganda's brand of economic nationalism and semi-authoritarian politics versus Ghana's more liberal, footloose emerging democracy is beyond the remit of this paper (Van de Walle, 2015). Nor is this to lodge a call for dominant forms of politics, or to ignore the historically prevalent rate of developmental failure of such regimes. At the very least, such claims would require close investigations into how other 'dominant party' settlements in Africa, such as Mozambique and Tanzania, are governing their new natural resource finds in comparison to other competitive settlements, such as Kenya. The politics of natural resource governance is a dynamic process that involves agency as well as structure (Bebbington, 2013), and needs to be explored through close-grained investigations and analysis of specific processes on the ground, rather than read off from broader typologies. The case of Uganda also shows the dangers of untrammelled executive power in a clientelist settlement, including the securing of contracts for family members via military assignments, and the difficulty of disentangling strong patriotic commitment from what is also a highly personalised project focused on maintaining power and ensuring a presidential legacy (Hickey et al., 2015).[16] There is also a real risk that the close relationship between the bureaucracy and the president results in the overt politicisation of public agencies: for example, the president has on occasion deployed senior oil technocrats to head off opposition to his plans for oil governance from parliamentarians and civil society activists, a role that some oil technocrats seem to have embraced rather too enthusiastically at times. The point, as emphasised by others (e.g. Roll, 2011), is to track such developments from the perspective of a political economy framework that moves beyond resource-curse-type scenarios to focus on issues of rent management centralisation, the nature of the elite coalition and their developmental vision.

Conclusions

This paper emphasises the critical role that state capacity plays in the good governance of natural resources, and particularly the role of bureaucratic pockets of effectiveness. The capacity of such agencies is shaped directly by the character of the prevailing political settlement and the key players therein, which establishes the incentives and ideas that shape elite behaviour in the sector, and cannot be fully understood through the new institutionalist lens of the good governance agenda. Grounding an analysis of such pockets (not islands) within a political settlements analysis helps release them from the rather peculiar air of being entirely free-floating and sui generis vis-à-vis their wider context, and situates them instead within the specific logics of particular kinds of political settlement (a move which also means such pockets can help reveal the core interests and ideas of different ruling coalitions). Both cases reveal the critical role that transnational factors play in shaping the success of pockets of effectiveness, not only through well-targeted capacity-building support from highly experienced nations, but also through the broader incorporation of technocrats into wider professional circuits (including epistemic communities) that can help build both technical excellence and professional norms. We find little evidence that undertaking good governance reforms around transparency and accountability is either realistic or has had much positive impact in these cases – where the more immediate policy challenge concerns how to sustain the levels of capacity required to protect the national interest in a context of having to adopt ‘best-practice’ institutional reforms – and may also provide a cautionary tale against moving to an open and rules-based order too soon. Such findings may have relevance beyond oil-rich states: having identified pockets of bureaucratic excellence in Gulf states, Hertog (2010: 261) argued that: “We need to rethink our generalisations about rentier states and, arguably, about public sectors in the developing world”. A stronger focus on pockets of effectiveness might help suggest a more realistic agenda for good governance in Africa than efforts to move ‘straight to Norway’.

---

[16] Portes and Smith (2012) observe that governments often focus on strengthening organisations that are directly related to their own economic survival and interests of business elites, rather than those addressing the wellbeing of the general population.

References

Abdulai, A-G. and Hickey, S. (2016). 'Rethinking the politics of development in Africa? How the "political settlement" shapes resource allocation in Ghana', *African Affairs* (forthcoming, January 2016).

Acemoglu, D. and Robinson, J. (2012). *Why Nations Fail: The Origins of Power, Prosperity and Poverty* (New York: Random House).

ACEP (2013). 'How a good law may not stop oil money from going down the drain'. Accra: Africa Centre for Energy Policy.

Amoako-Tuffour, J. and Owusu-Ayim, J. (2010). 'An evaluation of Ghana's petroleum fiscal eegime', , *Ghana Policy Journal*, 4, 7-34 (special issue on *Ghana's Petroleum Industry: The Prospects and Potential Impediments towards Good Governance Standards)*.

Andrews, M. and L. Bategeka (2013). 'The limits of institutional reform in Uganda', *ESID Working Paper No. 27*. Manchester: Effective States and Inclusive Development Research Centre.

Arthur, P. (2012). 'Avoiding the resource curse in Ghana: Assessing the options'. In M. A. Schnurr, and L. A. Swatuk (eds.), *Natural Resources and Social Conflict: Towards Critical Environmental Security* (pp.84-108), Palgrave Macmillan.

Bach D. C. (2012). 'Patrimonialism and neopatrimonialism: Comparative receptions and transcriptions', in D. C. Bach and M. Gazibo (eds.), *Neopatrimonialism in Africa and Beyond*. London: Routledge.

Bebbington, A. (2013). 'Natural resource extraction and the possibilities of inclusive development: Politics across space and time'. *ESID Working Paper No. 21.* Manchester, UK: Effective States and Inclusive Development Research Centre.

Booth, D. et al (2015) *Developmental Regimes in Africa: Initiating and Sustaining Development Regimes in Africa. Synthesis Report*. London: ODI.

De Vibe, M. (2013). *Political Economy Analysis of the Oil Sector in Uganda. A Scoping Study for the International Law and Policy Institute*. Oslo: ILPI.

Di John, J. and Putzel, J. (2009). 'Political settlements: issues paper'. Governance and Social Development Resource Centre: University of Birmingham, UK.

Fukuyama, F. (2013). 'What is governance?' *Governance*, 26, 347-368.

Evans, P. (1995). *Embedded Autonomy: States and Industrial Transformation*. Princeton, NJ: Princeton University Press.

Gary, I. (2009). *Ghana's Big Test: Oil's Challenge to Democratic Development*. Accra: Oxfam and Integrated Social Development Centre.

Global Witness (2014). *A Good Deal Better? Uganda's Secret Oil Contracts Explained*. London: Global Witness.

Golooba-Mutebi, F. and Hickey, S. (2013). 'Investigating the links between political settlements and inclusive development in Uganda: Towards a research agenda'. *ESID Working Paper No. 20*. Manchester: Effective States and Inclusive Development Research Centre.

Grindle, M. (1997). 'Divergent cultures? When public organisations perform well in developing countries', *World Development*, 25(4), 481-495.

Gyimah-Boadi, E. and Yakah, T. (2012). 'Ghana: The limits of external democracy assistance', *UNU-WIDER Working Paper No. 2012/40*. Helsinki: United Nations World Institute for Development Economics Research.

Gyimah-Boadi, E., and Prempeh, H. K. (2012). 'Oil, politics, and Ghana's democracy', *Journal of Democracy* 23(3), 94-107.

Heller, P. R. P. and Heuty, A. (2010). 'Accountability mechanisms in Ghana's 2010 proposed oil legislation', *The Ghana Policy Journal*, 4, 50-67.

Heller, P. R. P, and Marcel, V. (2012). 'Institutional design in low-capacity oil hotspots', paper, Revenue Watch Institute.

Hertog, S. (2010). 'Defying the resource curse: explaining successful state-owned enterprises in rentier states', *World Politics*, 62(2), 261-301.

Hickey, S., Bukenya, B., Izama, A. and Kizito, W. (2015). 'The political settlement and oil in Uganda', *ESID Working Paper No. 48*. Manchester: Effective States and Inclusive Development Research Centre.

Hickey, S., Sen, K. and Bukenya, B. (eds.) (2015). *The Politics of Inclusive Development: Interrogating the Evidence.* Oxford: Oxford University Press.

Hout (2013). 'Neo-patrimonialism and development: Pockets of effectiveness as drivers of change', *Revue Internationale de Politique Comparée*, 20, 79-96.

Hout, W. (2014). 'Confidence in our own abilities': Suriname's state oil company as a pocket of effectiveness', in M. Roll (ed.), *State Performance and Reform in Developing Countries: Pockets of Effectiveness.* Abingdon, UK: Routledge.

Humphreys, M., Sachs, J. D. and Stiglitz, J. E. (eds.) (2007). *Escaping the Resource Curse*. New York: Colombia University Press, Karl, T. (2007). 'Ensuring fairness: The case for a transparent fiscal social contract', in M. Humphreys, J. D. Sachs and J. E. Stiglitz (eds.), *Escaping the Resource Curse* (pp. 256-285). New York: Colombia University Press.

Kashambuzi, R. J. (2010). *The Story of Petroleum Exploration in Uganda: 1984-2008. A Matter of Faith*. Kampala: IMPRO Publications Ltd.

Keefer, P. (2007). *The Resilience of Clientelism and the Political Economy of Growth-Supporting Policies in Ghana* . Washington, DC: The World Bank.

Kelsall, T. (2013). *Business, Politics and the State in Africa: Challenging the Orthodoxies on Growth and Transformation*. London: Zed Books.

Khan, Mushtaq (1995). 'State failure in weak states: A critique of new institutionalist explanations' in J. Harriss, J. Hunter and C. M. Lewis (eds.), *The New Institutional Economics and Third World Development* (pp. 71-86). London: Routledge.

Khan, M. and Jomo, K. S. (eds.) (2000). *Rents, Rent-Seeking and Economic Development: Theory and Evidence in Asia.* Cambridge: Cambridge University Press.

Khan, M. H. (2005). 'Review of DFID's Governance Target Strategy Paper'. Mimeo, available from https://www.soas.ac.uk/staff/staff31246.php.

Khan, M. (2010). 'Political settlements and the governance of growth-enhancing institutions'. Mimeo.

Kjaer, A. M. and Katusiimeh, M. (2012). 'Growing but not transforming: fragmented ruling coalitions and economic developments in Uganda', *DIIS Working Paper*. Copenhagen: Danish Institute for International Studies.

Kobbie, J. A. (2012). 'Agenda to cut back GNPC funding', *The Business Analyst*, 29 August to 4 September.

Killick, T., (2008). 'What drives change in Ghana? A political-economy view of economic prospects'. In E. Aryeetey and R. Kanbur (eds.), *The Economy of Ghana: Analytical Perspectives on Stability, Growth and Poverty* (pp. 20-35). London: James Currey.

Kurtz, M. J. (2009). 'The social foundations of institutional order: Reconsidering war and the "resource curse" in Third World state building'. *Politics & Society* 37(4), 479-520.

Lange, M. and Rueschemeyer, D. (eds.) (2005). *States and Development: Historical Antecedents of Stagnation and Advance*. New York: Palgrave Macmillan.

Leftwich, A. (2010). 'Beyond institutions: Rethinking the role of leaders, elites and coalitions in the industrial formation of developmental states and strategies'. *Forum for Development Studies* 37(1), 93-111.

Leftwich, A. (1994). 'Governance, the state, and the politics of development'. *Development and Change*, 25(2), 363-386.

Leonard, D. (1991). *African Successes: Four Public Managers of Kenyan Rural Development*. Berkeley, CA: University of California Press.

Leonard, D. (2008). 'Where are the "pockets" of effective agencies likely in weak governance states and why?' *IDS Working Paper 306*. Brighton: Institute of Development Studies.

Levy, B. (2014). *Working with the Grain: Integrating Governance and Growth in Development Strategies.* Oxford: Oxford University Press.

Lewis, P. M. (2007). *Growing Apart: Oil, Politics, and Economic Change in Indonesia and Nigeria.* Ann Arbor, MI: University of Michigan Press.

Lindemann, S. (2011). 'Just another change of guard? Broad-based politics and civil war in Museveni's Uganda', *African Affairs*, 110(440), 387-416

Makara, S., Rakner, L. and Svasand, L. (2009). 'Turnaround: The NRM and the reintroduction of a multiparty system in Uganda'. *International Political Science Review*, 30(2), 185-204.

North, D. C., Walliss, J. J. and Weingest, B. R. (2009). *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History*. Cambridge: Cambridge University Press.

NPP (2008). *New Patriotic Party Manifesto 2008*. Accra, Ghana.

NRGI (2014). *Natural Resource Charter*. Second edition. New York: Natural Resource Governance Institute.

Oduro, F., Awal, M. and Ashon, M. A. (2014). 'A dynamic mapping of the political settlement in Ghana'. *ESID Working Paper 28.* Manchester: Effective States and Inclusive Development Research Centre.

Opoku, D. K. (2010). *The Politics of Government-Business Relations in Ghana, 1982–2008.* New York: Palgrave Macmillan.

PIAC (2014). *Report on Management of Petroleum Revenues for 2013*. Accra: Public Interest and Accountability Committee.

Pogoson, A. I. and Roll, M. (2014). 'Turning Nigeria's drug sector around: The National Agency for Food and Drug Administration and Control (NAFDAC)'. In

Roll, M. (ed.), *The Politics of Public Sector Performance: Pockets of Effectiveness in Developing Countries* (pp. 97-127). Oxford and New York: Routledge.

Portes, A. and Smith, L. D. (2012). *Institutions Count: Their Role and Significance in Latin American Development*. Berkeley, Los Angeles and London: University of California Press.

Prempeh, K. and Kroon, C. (2012). *The Political Economy Analysis of the Oil and Gas Sector in Ghana: The Implications for STAR--Ghana*. Accra: Star-Ghana Publication.

Pritchett, L. and E. Werker (2013). 'Developing the guts of a GUT (Grand Uniifed Theory): Elite commitment and inclusive growth', *ESID Working Paper No. 16*. Manchester: Effective States and Inclusive Development Research Centre.

Public Agenda (2011). 'Daggers drawn over EO Group shares', 5 August. Available at: http://www.ghanaweb.com/public_agenda/article.php?ID=15410

Radelet, S. (2010). 'Success stories from "emerging Africa"'', *Journal of Democracy* 21(4), 87-101.

Roll, M. (2011). 'Conclusion: Solutions to the resource curse reconsidered', in M. Roll, and S. Sperling (eds.), *Fuelling the World – Failing the Region? Oil Governance and Development in Africa's Gulf of Guinea* (pp.208-224). Abuja, Nigeria: Friedrich-Ebert-Stitfung.

Roll, M. (ed.) (2014). *The Politics of Public Sector Performance: Pockets of Effectiveness in Developing Countries*. Oxford and New York: Routledge.

Ross, M. L. (2012). *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations*. Princeton, NJ: Princeton University Press.

Sahara Reporters (2014). 'Ghana begins final round of talks on IMF bailout loan', 14 October. Available at: http://saharareporters.com/2014/10/14/ghana-begins-final-round-talks-imf-bailout-loan

Simbine, A. T. with Attoh, F. C. and Oladeji, A. O. (2014). 'Taming the menace of human trafficking: Nigeria's National Agency for the Prohibition of Traffic in Persons and Other Related Matters (NAPTIP)'. In M. Roll (ed.), *The Politics of Public Sector Performance: Pockets of Effectiveness in Developing Countries*. Oxford and New York: Routledge.

Slater, D. (2010). *Ordering Power: Contentious Politics and Authoritarian Leviathans in Southeast Asia*. New York: Cambridge University Press.

Tendler, J. (1997) *Good Government in the Tropics*. Baltimore, MD: John Hopkins University Press.

Therkildsen, O. (2009). 'Public sector reforms and the development of productive capacities in LDCs'. Background Paper No. 1, *UNCTAD Least Developed Countries Report 2009*.

Therkildsen, O. and Tidemand, P. (2007). *Staff Management and Organizational Performance in Tanzania and Uganda: Public Servants' Perspectives*. Copenhagen: Danish Institute for International Studies.

Tripp, A. M. (2010). *Museveni's Uganda: Paradoxes of Power in a Hybrid Regime*. Boulder, CO: Lynne Reinner.

UN (2013). *A New Global Partnership: Eradicate Poverty and Transform Economies through Sustainable Development*. New York: United Nations.

Van de Walle, N. (2015). 'Democracy fatigue and the ghost of modernization theory', in F. Reyntjens and T. Hagmann (eds.), *Development without Democracy: Foreign Aid and Authoritarian Regimes in Africa.* London: Zed Books.

Vokes, R. (2012). 'The politics of oil in Uganda', *African Affairs* 111, 303-314.

Watts, M. J. (2004). 'Antinomies of community: Some thoughts on geography, resources and empire', *Transactions of the Institute of British Geographers*, 29, 195-216.

Whitfield, L. (2012). 'Growth without economic transformation: Economic impacts of Ghana's political settlement', *DIIS Working Paper 28*. Copenhagen: Danish Institute for International Studies

Whitfield, L. and Therkildsen, O. (2011). 'What drives state to support the development of productive sectors? Strategies ruling elites pursue for political survival and their policy implications', *DIIS Working Paper 2011:15*. Copenhagen: Danish Institute of International Studies.

Whitfield, L., Therkildsen, O., Buur, L. and Mette Kjær, A. (2015). *The Politics of African Industrial Policy: A Comparative Perspective.* Cambridge: Cambridge University Press.

World Bank (2010). 'Ghana – Gas and oil capacity building project', Project Appraisal Document, World Bank, Washington, DC.

World Bank (2008a). *The Growth Report: Strategies for Sustained Growth and Inclusive Development*. Washington DC: World Bank.

World Bank (2008b). *Public Sector Reform: What Works and Why?* Washington DC: The World Bank.

esid
identifying routes to social justice

The Effective States and Inclusive Development Research Centre

The Effective States and Inclusive Development Research Centre (ESID) aims to improve the use of governance research evidence in decision-making. Our key focus is on the role of state effectiveness and elite commitment in achieving inclusive development and social justice.

ESID is a partnership of highly reputed research and policy institutes based in Africa, Asia, Europe and North America. The lead institution is the University of Manchester.

The other institutional partners are:

- BRAC Institute of Governance and Development, BRAC University, Dhaka
- Center for Democratic Development, Accra
- Center for International Development, Harvard University, Boston
- Department of Political and Administrative Studies, University of Malawi, Zomba
- Graduate School of Development, Policy & Practice, Cape Town University
- Institute for Economic Growth, Delhi

In addition to its institutional partners, ESID has established a network of leading research collaborators and policy/uptake experts.

email: esid@manchester.ac.uk
Effective States and Inclusive Development Research Centre (ESID)
School of Environment and Development, The University of Manchester, Oxford Road,
Manchester M13 9PL, UK
www.effective-states.org