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Leader and villager behavior: Experimental evidence from Cameroon

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ABSTRACT

We use an inter-village study in rural Cameroon to explore how behavior of local chiefs is associated with specific behavior of common villagers. Our key variables are based on the behavior of the chief and villagers in lab-in-the-field experiments. As measures of leadership quality we use trustworthiness of the chief as measured in a trust game. As measures of norms of civil conduct we use within-village altruism, trust and trustworthiness as measured in dictator and trust games. We mainly document negative associations between leader and villager behavior, which is consistent with the view that good leadership crowds out good behavior by villagers.

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1. Introduction

The distribution of income across countries is very unequal, and a large literature tries to explain variation in income by differences in institutions, geography, policies or culture (e.g. [Acemoglu, Johnson, & Robinson, 2001](#); [Rodrik, Subramanian, & Trebbi, 2004](#); [Guiso, Sapienza, & Zingales, 2006](#)). A more recent literature seeks to move beyond analyses of univariate causes, and probes the co-evolution and joint influence of multiple factors. The two-sided interaction between cultural traits and institutions is a natural candidate for such an analysis, as argued by [Aghion, Algan, Cahuc, and Shleifer \(2010\)](#), [Bisin and Verdier \(2015\)](#) and [Alesina and Giulano \(2015\)](#). Culture is usually defined as preference traits, norms and attitudes transmitted across generations by various socialization processes, or through socioeconomic interaction between peers. Institutions are the “rules of the game” structuring human interaction, and typically externally enforced.¹ [Bisin and Verdier \(2015\)](#) develop a dynamic model of co-evolving institutions and cultural traits, and demonstrate that culture and institutions may be complements – resulting in multiplier effects – or substitutes in development. If development outcomes depend on the interaction between multiple factors, then econometric “horse races” of alternative factors may overlook important pieces of the puzzle.

We focus on behavior of villagers in economic experiments, and view this behavior as a proxy for local norms of civic conduct. We analyze sender and returner behavior of villagers when playing dictator and trust games with anonymous fellow villagers. Behavior of village leaders is seen as a proxy for regulation (or institutional quality). We ask whether the chief rewards efficient or pro-social behavior of his villagers in the experimental setting. We organize lab-in-the-field games in 138 villages in rural Cameroon, and collect data on the play of a large number of chiefs and “ordinary villagers.” As robustness check we also consider additional proxies of leadership quality. The within-country focus of this study implies controlling for many relevant unobservables. We zoom in at the local level where we expect the interaction between local leaders and villagers to be particularly intense as centralized state involvement in the rural hinterland tends to be minimal (e.g. [Michalopoulos & Papaioannou, 2013](#)).

The main objective of this paper is to contribute to the understanding of how leadership and norms of civic conduct by villagers co-evolve by establishing whether there is an association between the quality of local regulation and enforcement and the propensity for pro-social and trustworthy behavior by villagers. Our main result is that good leadership, captured by chiefs rewarding pro-social and efficient behavior in an experimental setting, tends to be negatively associated with our measures of villager altruism and trustworthiness. The same is true for our alternative measures of leadership quality.

The analysis speaks to various literatures. First and foremost, it speaks to a recently emerging literature on the joint evolution of (specific measures of) institutions and culture. Various studies, summarized below, find that institutions and culture appear to be substitutes (rather than complements) in development. Second,

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E-mail addresses: niccolo.meriggi@wur.nl (N.F. Meriggi), erwin.bulte@wur.nl (E. Bulte).¹ Informal institutions are sometimes considered as subgame perfect equilibria of decentralized interaction among economic agents – lacking external enforcement ([Aoki 2001](#)). This implies the distinction between culture and institutions may appear blurry, depending on the context ([Alesina and Giulano 2015](#)).

the paper contributes to the emerging literature on leadership and economic performance. The importance of leaders for development outcomes has been demonstrated at various “administrative levels,” including the country level (e.g., [Besley, Montalvo, & Reynal-Querol, 2011](#); [Jones & Olken, 2005](#)), the provincial or chiefdom level (e.g., [Acemoglu, Reed, & Robinson, 2014](#)), the firm level ([Bertrand & Schoar, 2003](#); [Bloom & Van Reenen, 2007](#)), and the local level (e.g., [Kosfeld & Rustagi, 2015](#)). This is not surprising, as leaders set an example, enforce rules and reward good behavior. In the context of the village, chiefs play an important role in the customary law system, mobilize labour (effort), and serve as a focal point for expectations.

Unlike several papers studying causal relationships between leadership and villager behaviour, our analysis only considers the reduced form association between these variables. Another limitation of the study is the fact that we focus on specific behavioral measures of the chief. We do not wish to deny that local governance is a multidimensional concept. The desirability of specific behaviors may be context-specific, and our leadership measures do not capture all relevant dimensions of the institutional domain. For example, one might expect that morality or willingness to police and punish defective behavior are important dimensions of good leadership that are not (or imperfectly) captured by our explanatory variables.

The paper is organized as follows. In [Section 2](#) we sketch the conceptual framework. [Section 3](#) provides context and background, and outlines our experimental approach. [Section 4](#) summarizes our data and econometric strategy. In [Section 5](#) we present our regression results, and [Section 6](#) concludes.

2. Chiefs and villagers

A small literature probes the two-sided relation between regulation and citizen behavior. As argued by [Lowes, Nunn, Robinson, and Weigel \(2017\)](#), this literature can be traced back to the writings of Weber, Elias and Foucault, who argue that state formation and the development of formal institutions will “crowd in” advantageous behavior – a “civilization process.” Gradually, citizens will not simply obey the law because they fear punishment, but because enforced laws become internalized into norms. If regulation inculcates norms, this reinforces the institutions themselves ([Lowes et al., 2017](#)). A counter-perspective also exists, where regulation “crowds out” internal motivations. Socialization effort by parents can be the linking pin in this theory. For example, [Tabellini \(2010\)](#) describes how parents will invest less in cultivating desired traits and preferences in their offspring if the state enforces appropriate behavior via regulation. This insight fits into a broader literature on formal incentives crowding out intrinsic motives (see [Benabou & Tirole, 2003](#); [Bowles & Polonia-Reyes, 2012](#)). Of course, the relation can also run in the opposite direction – from villager preferences and beliefs to regulation. For example, [Aghion, et al. \(2010\)](#) develop a model where distrust creates demand for regulation.²

A small number of empirical studies considers these issues. Using cross-country data, [Aghion, et al. \(2010\)](#) find a negative correlation between measures of trust and beliefs about the role of the government (see also [Pitlik & Kouba, 2015](#); [Aghion, Algan, & Cahuc, 2010](#)). This finding is consistent with the recent paper by [Lowes et al. \(2017\)](#) that seeks to identify the causal effect of regulation on behavior of the governed population. Individuals whose ancestry can be traced back to the Kuba Kingdom, in present-day DRC,

tend to display weaker norms of rule-following behavior and a greater propensity to cheat for material gains (when such cheating cannot be detected and penalized). The only difference between the Kuba Kingdom and surrounding territories was that the former had an advanced regulatory system – enabling a causal interpretation of this negative correlation. Another empirical study of the relation between regulation and behavior is provided by [Rustagi \(2015\)](#), who uses an instrumental variable approach to demonstrate that the presence of conditional cooperators affects the formation of rules in a sample of forest user groups in rural Ethiopia.³

Because central governments may provide few basic functions beyond urban centers, lower tiers of government and customary leaders—chiefs—often have considerable autonomy in issues of economic importance in the African hinterland. [Michalopoulos and Papaioannou \(2015\)](#) explore the responsibilities of African chiefs, and find their roles and functions are multidimensional. Among their primary responsibilities are activities in the legal domain – applying customary law, settling local disputes, and allocating land rights. [Grossman and Baldassarri \(2012\)](#) demonstrate that enforcement of rules and sanctioning of deviant behaviour is one mechanism via which leaders affect local culture. The quality of local leadership, and the style of sanctioning, affects behavior by followers ([Baldassarri & Grossman, 2011](#); [Kosfeld & Rustagi, 2015](#)). Often chiefs also perform other functions, including the collection of taxes to provide specific local public goods. Taxation may take the form of labor mobilization for community projects. Finally, [Jack and Recalde \(2015\)](#) show that “leadership by example” may be a relevant channel via which chiefs affect behavior of villagers. A first mover in a sequential decision environment can influence others to behave in a socially desired fashion, for example by signalling important information (see also [D’Adda, 2011](#)).

Using Afrobarometer survey data from 20 African countries, [Michalopoulos and Papaioannou \(2015\)](#) report that chiefs, on average, are trusted more than national politicians or national institutions such as the formal court system or the police. A majority of respondents indicated they wanted the influence of chiefs to increase, so there is considerable support for chiefs. Chiefs to a large extent define and enforce the rules of the game, and their power to do this in part derives from backing and support by higher-up levels in the formal (state) or customary hierarchy. They are an important factor in shaping the quality of local governance, and their influence extends to both property rights institutions as well as contractual institutions ([Michalopoulos & Papaioannou, 2015](#)).

Notwithstanding popular support for the chieftaincy, the academic literature is divided on the extent to which chiefly rule is representative, transparent and inclusive. Some observers argue chiefs are best regarded as local despots (e.g. [Mamdani, 1996](#); [Mokuwa, Voors, Bulte, & Richards, 2011](#)). [Acemoglu et al. \(2014\)](#) demonstrate that chiefs behave worse when facing fewer political challengers. It has been argued that chiefly rule tends to be unaccountable to local constituencies because of the history of colonial systems of indirect rule, in which (rural) elites co-opted with colonial governments ([Boone, 2003](#)). But there are also more benign interpretations of the role of customary chiefs (e.g., [Baldwin, 2015](#)), and there is no clear consensus on the inclusivity or accountability of chiefly rule. This could be partly due to the fact that “chiefly rule” is a multifaceted concept, with many dimensions each affecting different aspects of economic performance.

² In turn, regulation attenuates the accumulation of trust, so such models can produce multiple equilibria. Depending on “starting conditions,” society may end up in a steady state with little trust and extensive regulation, or another equilibrium with ample trust and little regulation.

³ Specifically, [Rustagi \(2015\)](#) demonstrates that groups characterized by conditional cooperators are more likely to create institutions to govern resource management.

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