

Policymaking in the Periphery

Debt and Distribution in Developing Democracies

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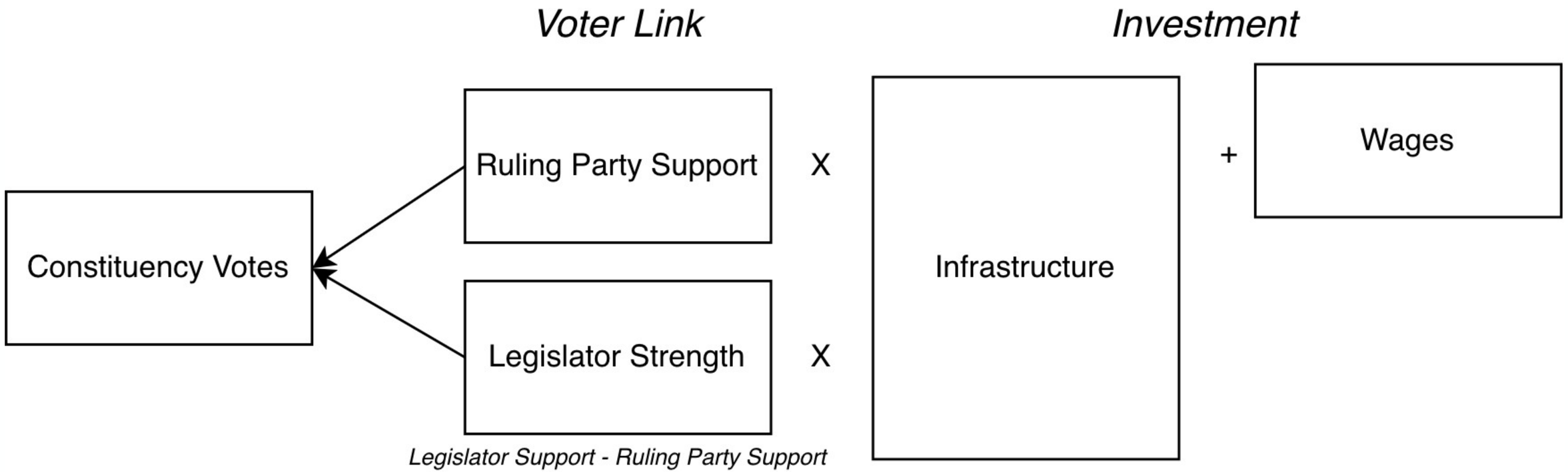

TIKAYO
CYAMA
YOCOM
ARISE.YD
SKILLS
NYICCA
CYET




ZAMBIA-MALAWI
TICKET OFFICE
We Try Others Cry



Maximizing Votes



$$\text{Executive Votes} = \sum_{\textit{Constituency}} \text{Ruling Support} \times (\text{Wage} + \text{Infrastructure}) + \text{MP Strength} \times \text{Infrastructure}$$

Legislator Strength

- Shared prosperity emerges from broad settlements between executives and strong elites (Coercive, Economic, Institutional)
- This is rooted in the degree to which politicians can mobilize downward ties with citizens without drawing on upward ties to party leader.
- A strong politician is one that can bring voters *in* or *out* of the ruling coalition.
- The terrain isn't even: Similarly popular politicians will have less leverage where the party is strong.

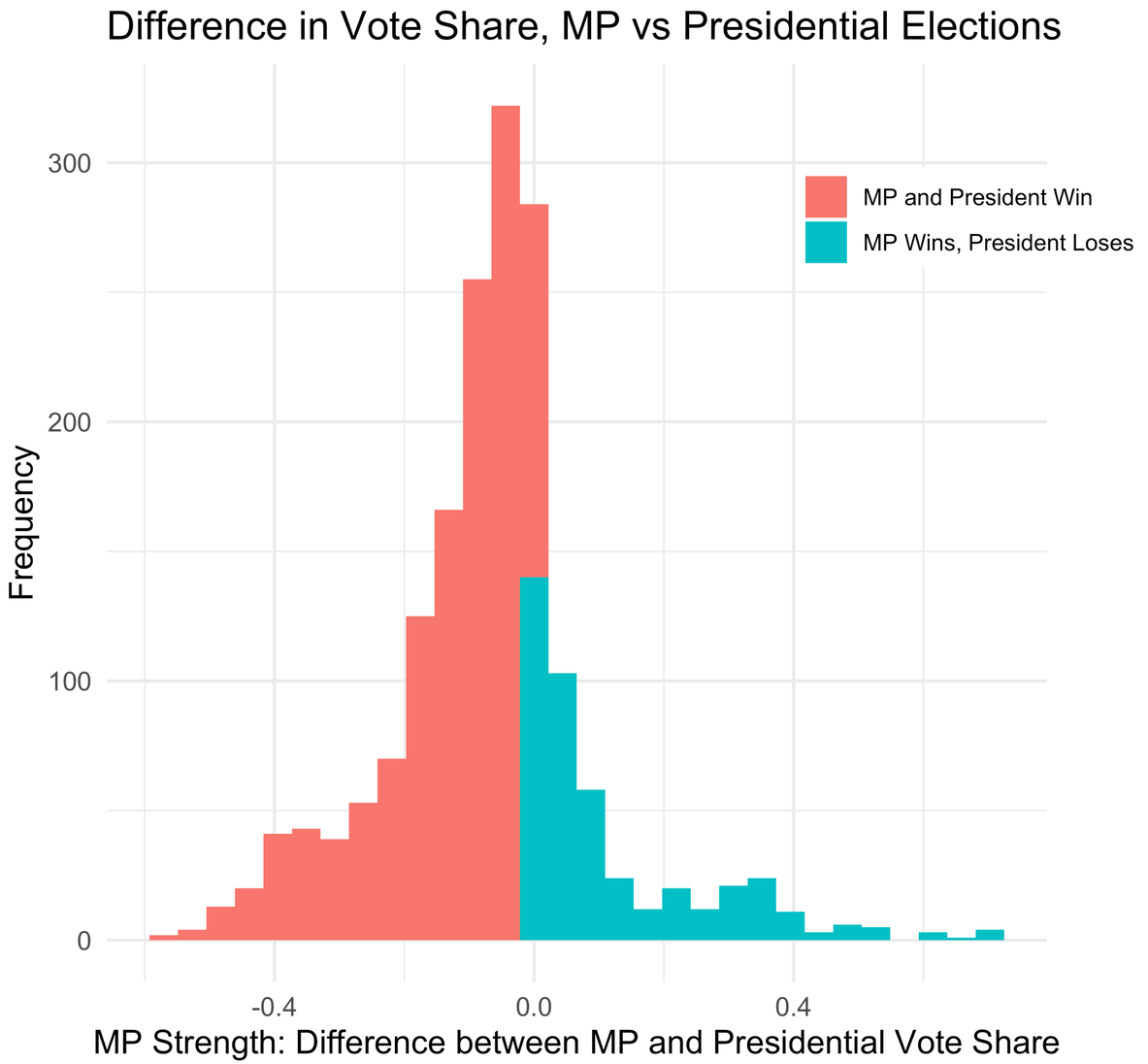


Voters in Zimbabwe, 2023 [KB Mpofu]

MP Strength

Explanatory Variable

- Difference between MP and Presidential vote share.
- Examples:
  - MP: 60% President: 50% →10%
  - MP: 60%, President: 80% → -20%
- **Scope:** MPs lose leverage when executive can turn to repression, alternative brokers

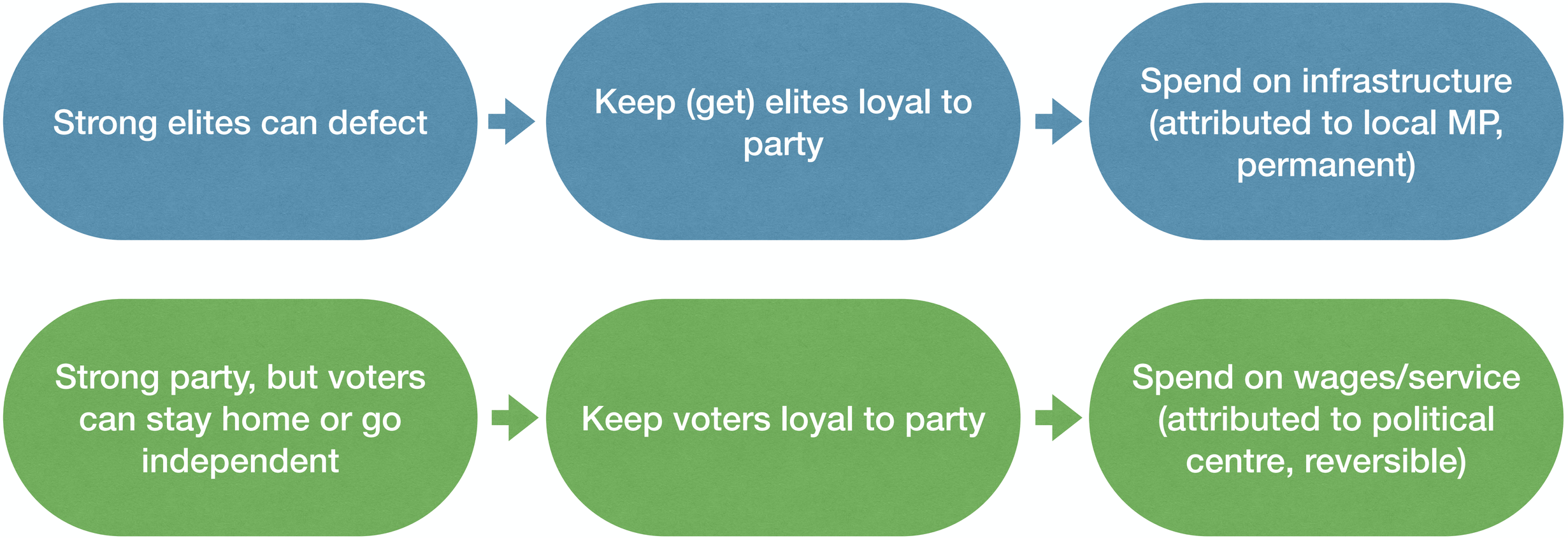


Winning strong legislators

- Strong politicians seek private benefits but also public resources to maintain their credibility.
- **Capital**: Voters reward local representatives for local public goods (roads, boreholes)
- **Recurrent**: Voters attribute jobs and service delivery to the party leader.
- Executives don’t want to concede infrastructure to potential rivals (in or out of party)



Theory

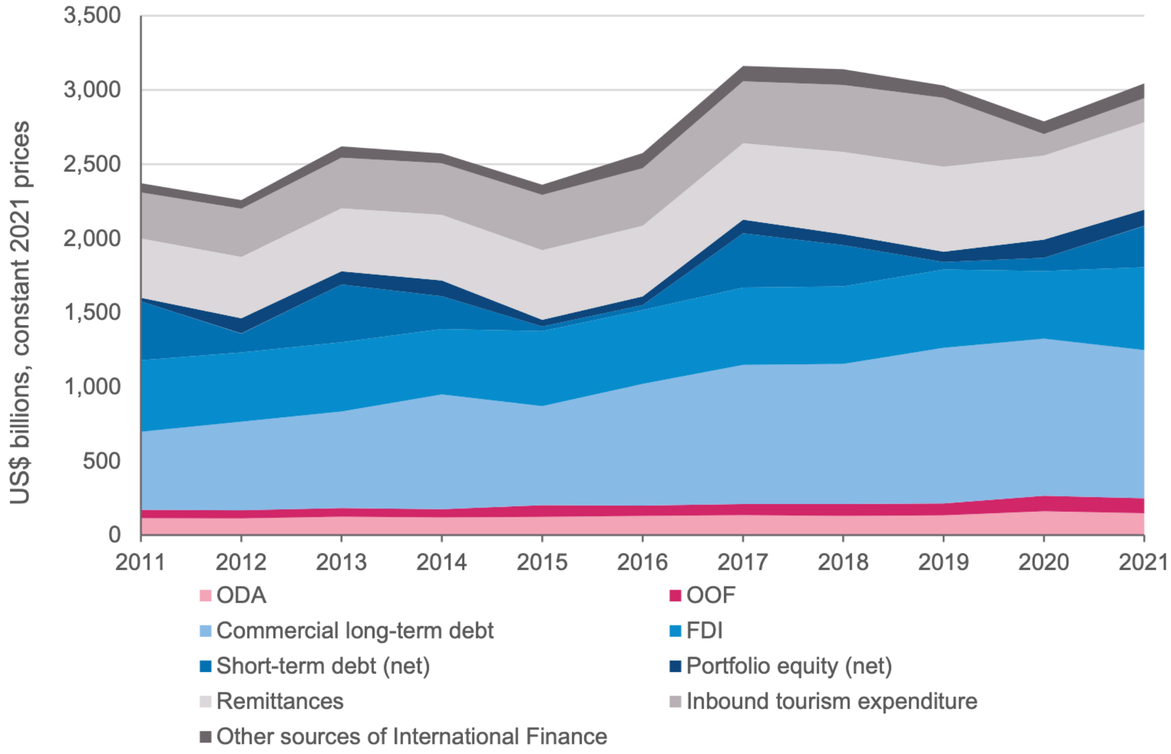


See *Kasara 2007, Choi 2018, Albertus 2013*

Debt funds development

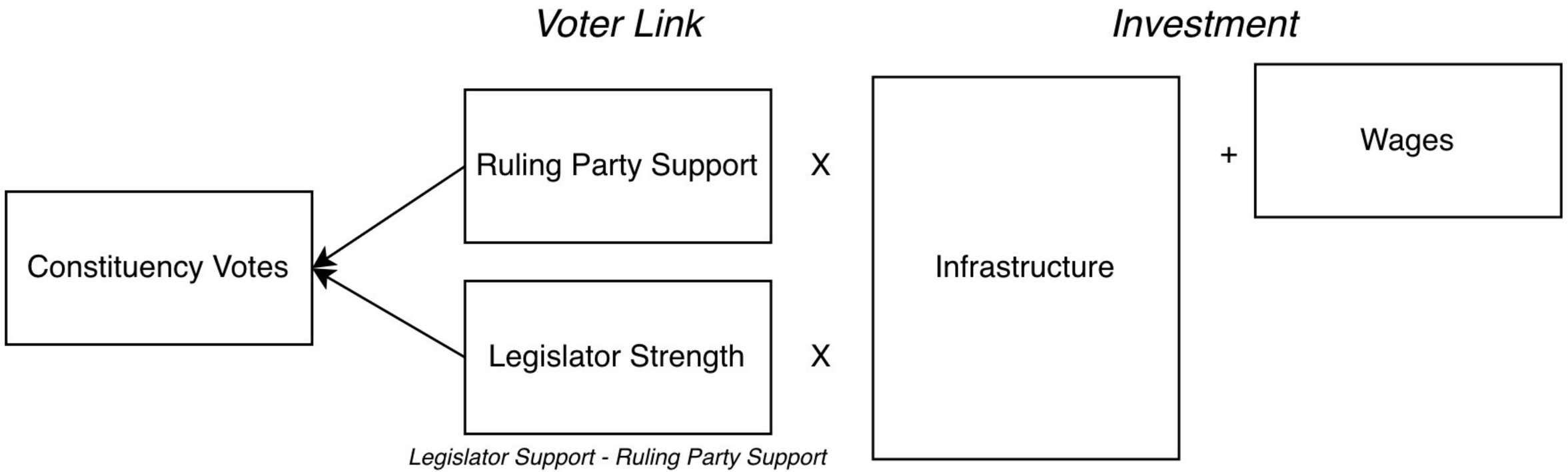
- Developing countries can access finance from donors, development banks, alternative lenders, markets
- The interest rates that countries pay on loans reflect global capital cycles, not country-specific information (Rey, 2015, Brooks et al, 2015, Cormier & Naqvi 2023)
- Government's budget constraint changes with global cycles, not local policies.
- Rising borrowing costs constrain infrastructure more than wage spending.

Trends in major international financial flows, 2011–2021



Aid is a small and borrowing a big part of financial flows to developing countries

Maximizing Votes

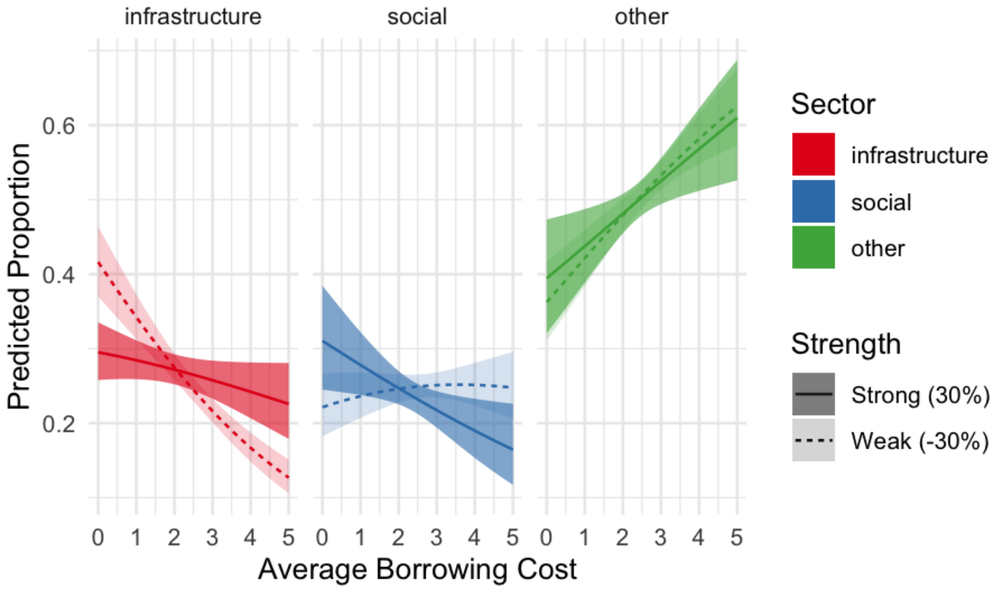


$$\text{Executive Votes} = \sum_{\textit{Constituency}} \text{Ruling Support} \times (\text{Wage} + \text{Infrastructure}) + \text{MP Strength} \times \text{Infrastructure}$$

Ch 2: Loaded Questions

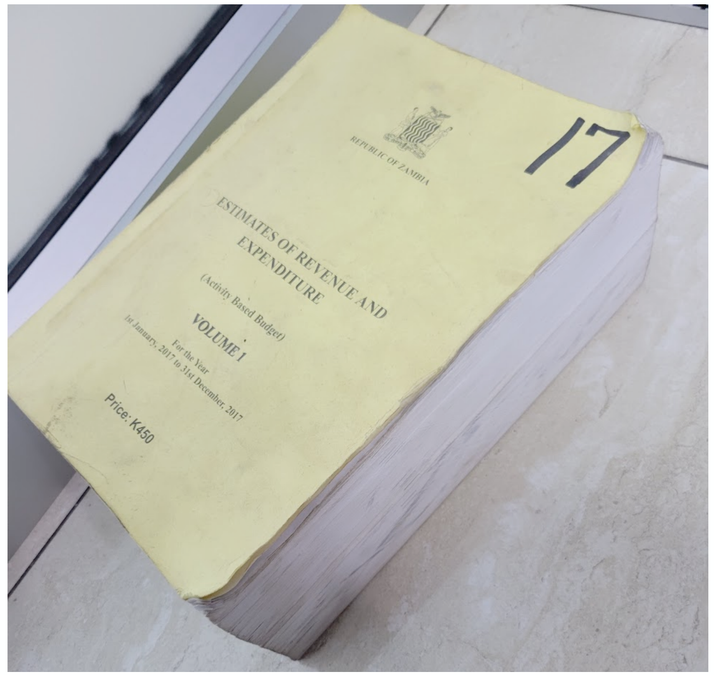
- Do legislators really make these kinds of demands?
- Electorally strong legislators make more requests for infrastructure.
- Rising borrowing costs make legislators switch away from infrastructure to social sector requests.
- Strong legislators are more likely to get assurances, especially when budget constraint is low.

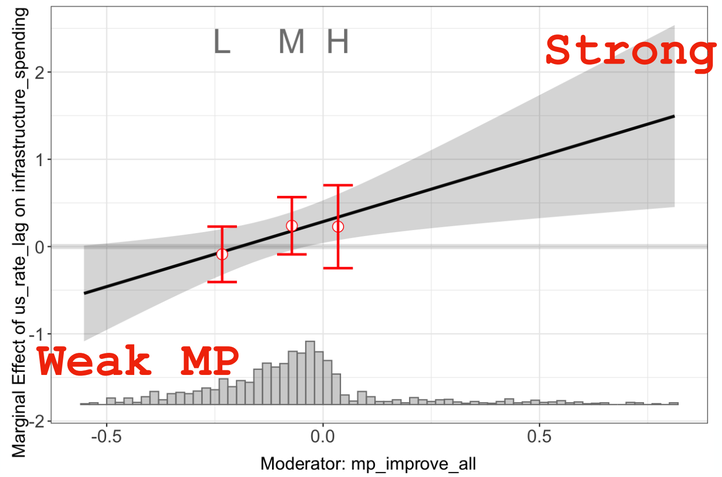




Ch 3: Sharing a Shrinking Pie

- Do executives really allocate funds this way?
- Executives spend infrastructure funds where legislators are strong, spend on wages where (ruling) legislators are weak.
- Rising borrowing costs sharpen this distinction.

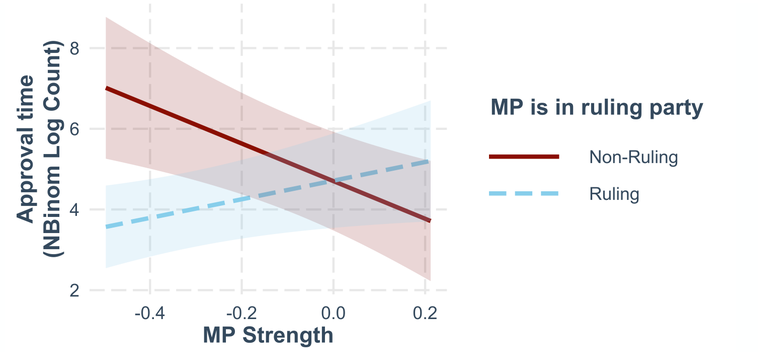




Ch 4: Careful Concessions

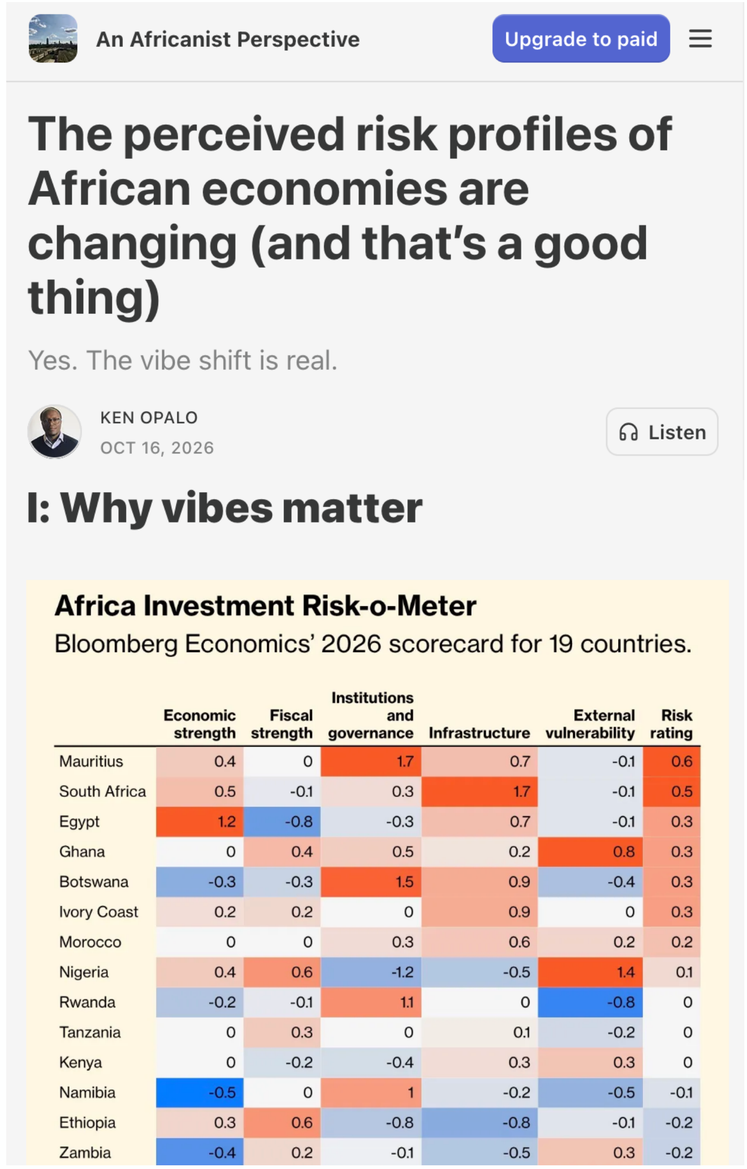
- When executives can use other electoral intermediaries, legislators lose bargaining power.
- However, this can lead to collective action from legislatures.
- In Zambia: Executives manipulate fund implementation to benefit strong legislators.
- In Malawi: Strong legislatures extract shared benefits.





Scope Conditions

- **Majoritarian institutions and valence competition**: Legislator leverage unlikely where voters motivated by party ideology.
- **Periphery**: Rational markets and improved debt management may soften borrowing constraint.
- **Democracy**: Executives can repress or manipulate elections.
  - My hunch: Tight budgets shorten time horizons, increasing the likelihood of sabotaging institutions.



An Africanist Perspective

Upgrade to paid

The perceived risk profiles of African economies are changing (and that's a good thing)

Yes. The vibe shift is real.

KEN OPALO
OCT 16, 2026

Listen

I: Why vibes matter

Africa Investment Risk-o-Meter

Bloomberg Economics' 2026 scorecard for 19 countries.

	Economic strength	Fiscal strength	Institutions and governance	Infrastructure	External vulnerability	Risk rating
Mauritius	0.4	0	1.7	0.7	-0.1	0.6
South Africa	0.5	-0.1	0.3	1.7	-0.1	0.5
Egypt	1.2	-0.8	-0.3	0.7	-0.1	0.3
Ghana	0	0.4	0.5	0.2	0.8	0.3
Botswana	-0.3	-0.3	1.5	0.9	-0.4	0.3
Ivory Coast	0.2	0.2	0	0.9	0	0.3
Morocco	0	0	0.3	0.6	0.2	0.2
Nigeria	0.4	0.6	-1.2	-0.5	1.4	0.1
Rwanda	-0.2	-0.1	1.1	0	-0.8	0
Tanzania	0	0.3	0	0.1	-0.2	0
Kenya	0	-0.2	-0.4	0.3	0.3	0
Namibia	-0.5	0	1	-0.2	-0.5	-0.1
Ethiopia	0.3	0.6	-0.8	-0.8	-0.1	-0.2
Zambia	-0.4	0.2	-0.1	-0.5	0.3	-0.2

Democracy after the third wave

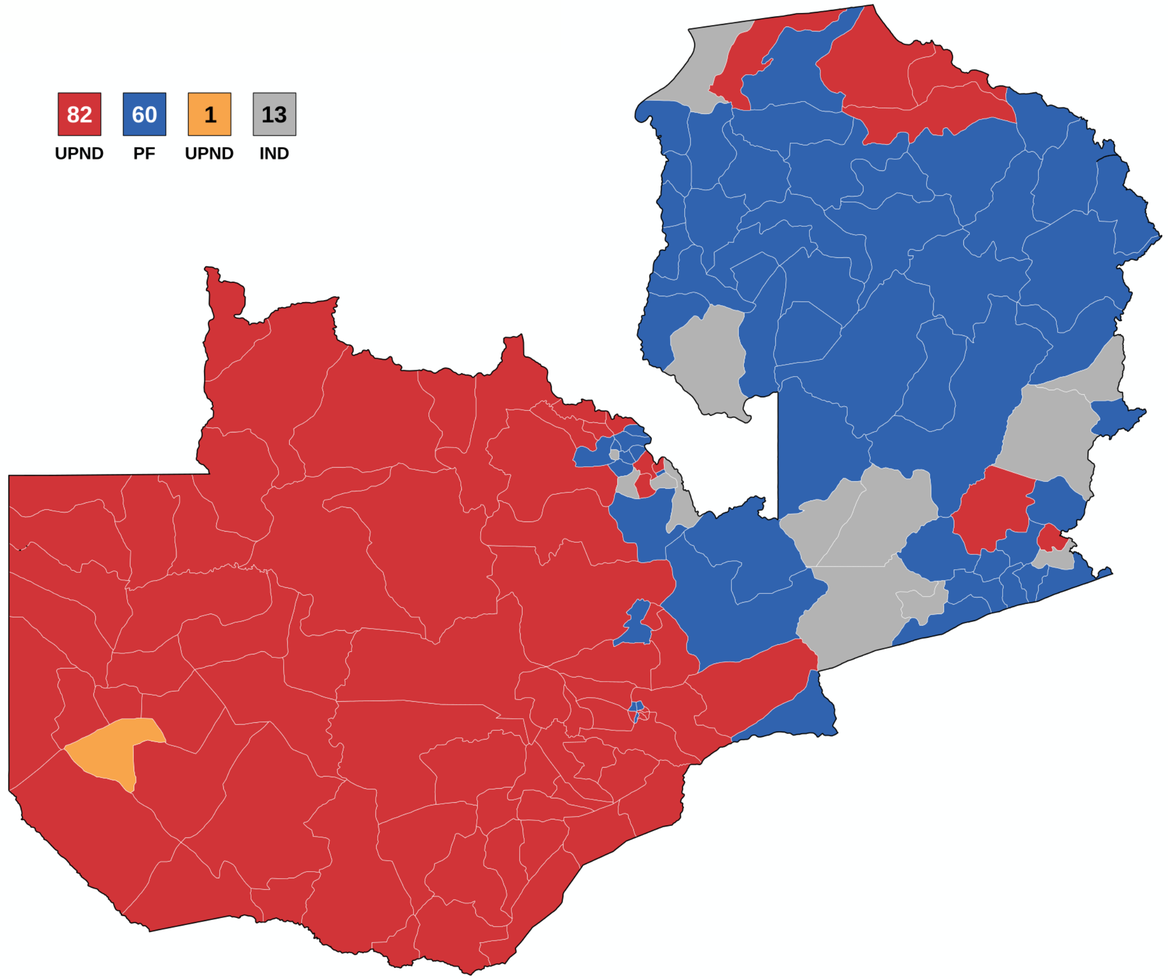
- Distributive strategies vary with the budget constraint.
- Executives lack national legitimacy, must deliver on the promise of democracy.
- Tradeoff between democratic goals: local responsiveness and legislative strength.
- Facing material constraint, executives are now battling to concentrate institutional advantage.



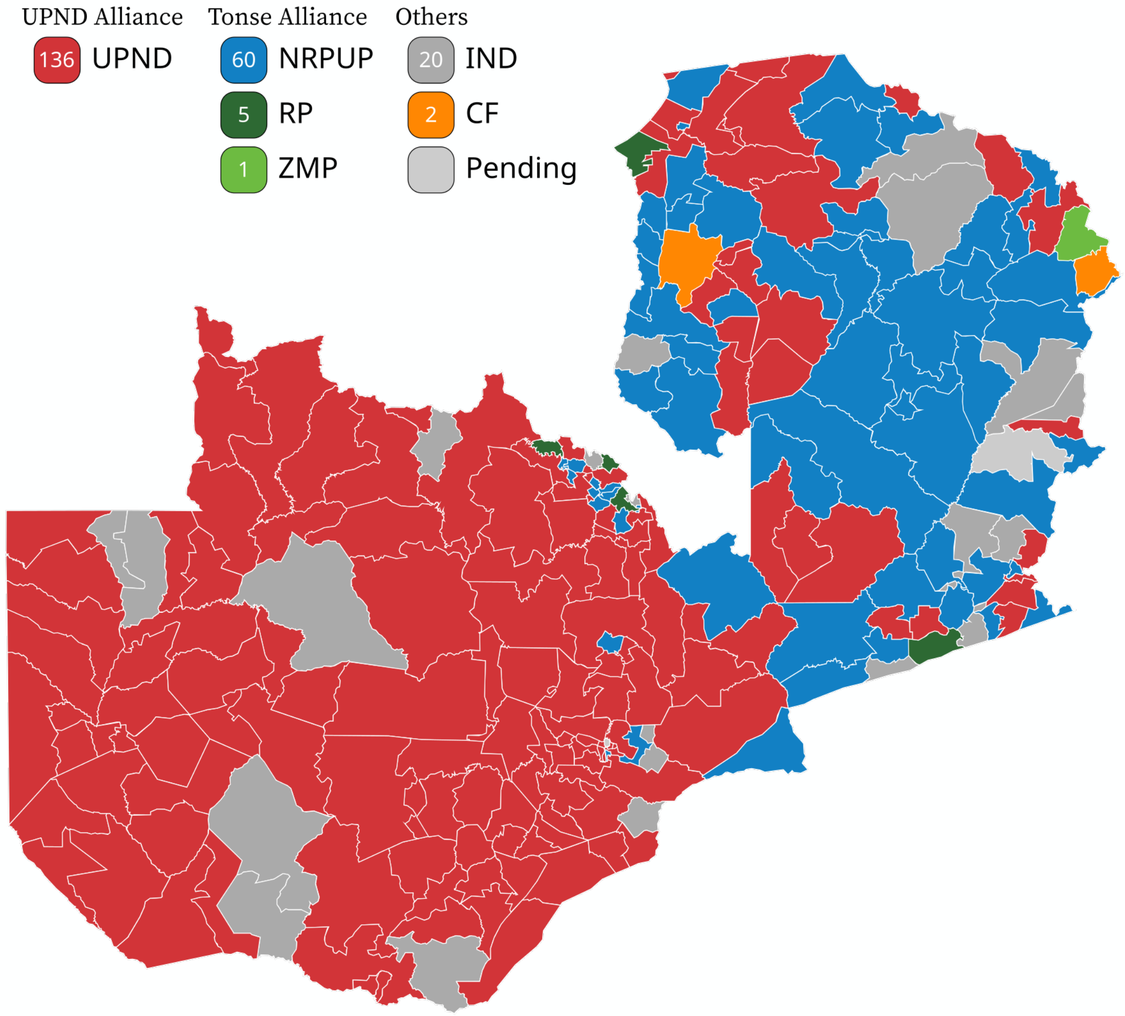
Thank you!


LIUWA CONSTITUENCY
CONSTITUENCY DEVELOPMENT FUND
PROJECT MONITORING
CDF

Zambian Parliamentary Elections



2021



2026

Figure 2: Trends in support for democracy and rejection of authoritarian rule | 30

