Leadership and Nepotism in a Trust Game with Third Party Punishment in Rural Namibia
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Abstract

Social norms and leadership structures are two of the success factors for the self-governance of natural resources. However, it has been frequently stressed that local elites may be corrupt, nepotistic and thereby not acting in the interest of their community. Nepotism (i.e. favouritism granted to relatives/friends regardless of merit) or arbitrary enforcement of norms can significantly undermine the development of trust among users of natural resources. Thus, nepotistic leaders might impede collective action for the conservation of resources.

The aim of this project is to establish experimental evidence on the nepotistic use of punishment of democratically elected and traditional leaders in rural Namibia. We use a combination of experiments in 32 communities in Northern Namibia, in the Ohangwena region. First, traditional authorities inherit their power and remain in power for their lifetime. A main task is to regulate access to grazing land. Secondly, there exist democratically elected water point committees in every village which were implemented by the government in the early 2000’s who manage access to water. This legal pluralism enables us to compare traditionally appointed (TL) and democratic elected (DEL) leaders in every village.

The experimental set-up consists of a one-shot binary trust game between two villagers and a third party punishment option that a leader can exercise. In particular, the leader decides (using the strategy method) whether or not he wants to spend money to punish the second player based on his behaviour. The experimental design includes two novel components. First, the third-party is either the traditional leader or the democratic authority in the village. Second, the two villagers playing the trust game, players A and B, and the leader are aware of the other player’s relationship to the leader (i.e. whether they are family members of the leader). Villagers are also informed that a certain leader (name, position) will observe their relationship status and their actions and can reduce their earnings.

Preliminary results show that traditional leaders are less nepotistic. We discuss these results based on additional surveys and qualitative data gathered in the field.

Keywords: Decentralisation, democracy, leadership, Namibia, nepotism, traditional authority, trust

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