Colonial Heritage, Sovereign Debt, and the Institutional Architecture of Contemporary Africa

Bachelor's Thesis in International Relations

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Contents

Abstract

This study explores the long-term effects of colonial legacy and external debt on institutional quality in African countries between 2000 and 2023. Grounded in Dependency Theory, the analysis challenges endogenous explanations of institutional fragility by highlighting the structural constraints that shape governance across the continent. Combining a historical-institutional perspective with empirical methods, the study uses two indicators—the Polity Score and the Ibrahim Index of African Governance (IIAG)—to capture different dimensions of institutional quality. The results show that colonial legacy remains a significant predictor of institutional performance, particularly in relation to regime type and political inclusiveness. Meanwhile, the impact of external debt appears more ambiguous: negatively associated with democratic indicators but positively correlated with administrative performance. These findings suggest that institutional trajectories in Africa are shaped not only by internal reforms or leadership choices, but also by persistent external pressures and historically configured patterns of dependency. By disentangling the layered effects of colonialism, debt, and geography, this study contributes to the literature on African governance and highlights the importance of contextual, multidimensional approaches to institutional analysis.

Keywords: colonial legacy; institutional quality; external debt; African governance; dependency theory; Polity Score; IIAG; political institutions; postcolonial state; structural constraints

Chapter 1

1.0. INTRODUCTION

Since the formal independence movements following World War II, numerous studies have questioned to what extent African states have achieved genuine autonomy or whether, instead, they remain entangled in new forms of structural subordination. Early contributions such as Nkrumah's (1965) notion of *neocolonialism* and Frank's (1967) foundational work on dependency laid the groundwork for understanding the persistence of mechanisms of domination in formally sovereign contexts. These insights were later refined by more contemporary analyses that highlight how asymmetric political and economic relations continue to constrain African development in the postcolonial era (Bayart, 2000; Carmody, 2016).

These dynamics have not disappeared—they have simply transformed. Economically, for instance, more than 50% of African exports still head to Europe and are primarily composed of unprocessed raw materials (African Development Bank, 2020), a pattern that, as Ferguson (2006) warns, reproduces extractive logics rooted in colonial trade structures. This pattern is reinforced by the concentration of foreign investment in strategic sectors such as mining and infrastructure (Carmody, 2016), and by the continued use of mechanisms such as the CFA franc, which still ties 14 African countries to a monetary policy influenced from Paris (Van de Walle, 2001).

In political and military terms, scholars like Mamdani (1996) have shown how domestic elites often reproduce external logics of control, while the military presence of Western powers—such as the Serval and Barkhane operations, or AFRICOM—illustrates the persistence of geopolitical tutelage (Charbonneau, 2016; Gregory, 2004). Simultaneously, international financial institutions such as the IMF and the World Bank continue to impose discipline frameworks that restrict fiscal and policy autonomy (Stiglitz, 2002; Papadavid, 2016).

As a result, a substantial part of the contemporary literature argues that African institutional trajectories cannot be fully understood without accounting for the legacy of colonialism. Scholars such as Bertocchi and Canova (2002), Acemoglu and Robinson (2012), and have documented how differences in colonial administration—particularly between direct and indirect rule—have left deep structural footprints on institutional quality, state legitimacy, and political stability.

This work is grounded in that premise: the colonial heritage has contributed to persistent forms of dependency and fragility that continue to shape the institutional paths of African countries. Within this framework, external debt is interpreted not as an isolated factor, but as a complementary indicator of structural subordination—one that reflects and reinforces the limited policy space and vulnerability of postcolonial states.

1.1 Objectives

The general objective of this paper is to explore how colonial legacies and external debt relate to institutional quality in African countries between 2000 and 2023. The study adopts a mixed-methods approach, combining statistical analysis and qualitative case studies to capture both broad structural patterns and country-specific dynamics. Specifically, the thesis aims to:

i. **Examine whether different colonial heritages are associated with varying levels of institutional quality**: This objective explores whether countries formerly colonized by different European powers (e.g., Britain, France, Belgium) show systematic differences in governance indicators today.

ii. **Evaluate the role of external debt in shaping institutional outcomes**: This objective investigates whether levels of external debt (measured as a percentage of GNI) are related in any way to institutional quality, as captured by the Polity Score and the IIAG index.

iii. **Explore possible regional variations in governance indicators**: While not the main focus, the inclusion of regional groupings allows for a preliminary analysis of whether geographic blocs within Africa show relevant institutional patterns.

iv. **Contextualize the quantitative findings through case studies**: This objective complements the statistical analysis with case studies of Ghana, Zambia, and the Democratic Republic of the Congo. These examples aim to shed light on how historical and financial factors may have influenced political and institutional development in specific national contexts.

1.2. Justification and Motivation

The choice of this research topic is justified by its academic and practical relevance in the context of international relations and economic development. Historically, Africa has served as a key laboratory for analyzing how inherited structures—such as the institutional and administrative frameworks imposed by colonial powers—continue to shape contemporary governance and development. Bayart, (2000).

From an academic standpoint, this study lies at the intersection of the political economy of development and institutional studies. In particular, it aims to clarify the relative weight of different structural factors by demonstrating, through an empirical approach, that the colonial heritage remains a significant explanatory factor in the institutional quality of African states. This reinforces the arguments of scholars such as Mamdani (1996), Lange (2009), and Boone (2003), who have documented how colonial legacies continue to operate within power structures, the relationship between citizenship and the state, and levels of administrative centralization.

The study also contributes to a critical agenda that challenges homogeneous explanations of development, showing that institutions cannot be understood without accounting for the historical conditions in which they were forged. As Acemoglu and Robinson (2012) argue, long-term institutional trajectories are shaped not by isolated reforms but by deeply embedded structural factors—many of which originate in colonial governance models. Similarly, Bayart (2000) and Van de Walle (2001) emphasize that African institutions have developed under enduring patterns of external influence and internal fragmentation, making historical context indispensable for institutional analysis.

From a practical perspective, the findings invite us to rethink the technocratic or ahistorical approaches that dominate many institutional reform strategies. Herbst (2000) highlights how fragile state authority in many African countries is tied to historical difficulties in projecting power over territory, while Mamdani (1996) reminds us that postcolonial institutions often reproduce exclusionary structures inherited from indirect rule. Understanding that current institutions do not emerge from a blank slate, but rather from an uneven legacy in terms of state capacity, legitimacy, and control mechanisms, is essential for designing realistic and sustainable governance and cooperation policies.

Therefore, this study not only contributes empirical evidence to the debate on the roots of institutional fragility in Africa, but also highlights the need to incorporate historical analysis into contemporary development frameworks. As Carmody (2016) notes, Africa's integration into global markets remains shaped by extractive logics rooted in colonial infrastructures. Likewise, Papadavid (2016) underlines that structural dependency—manifested through debt and external influence—continues to constrain policy autonomy and institutional consolidation. At a time when the continent is gaining geopolitical relevance, acknowledging the weight of the past becomes essential for envisioning a stronger and more equitable institutional future.

Chapter 2

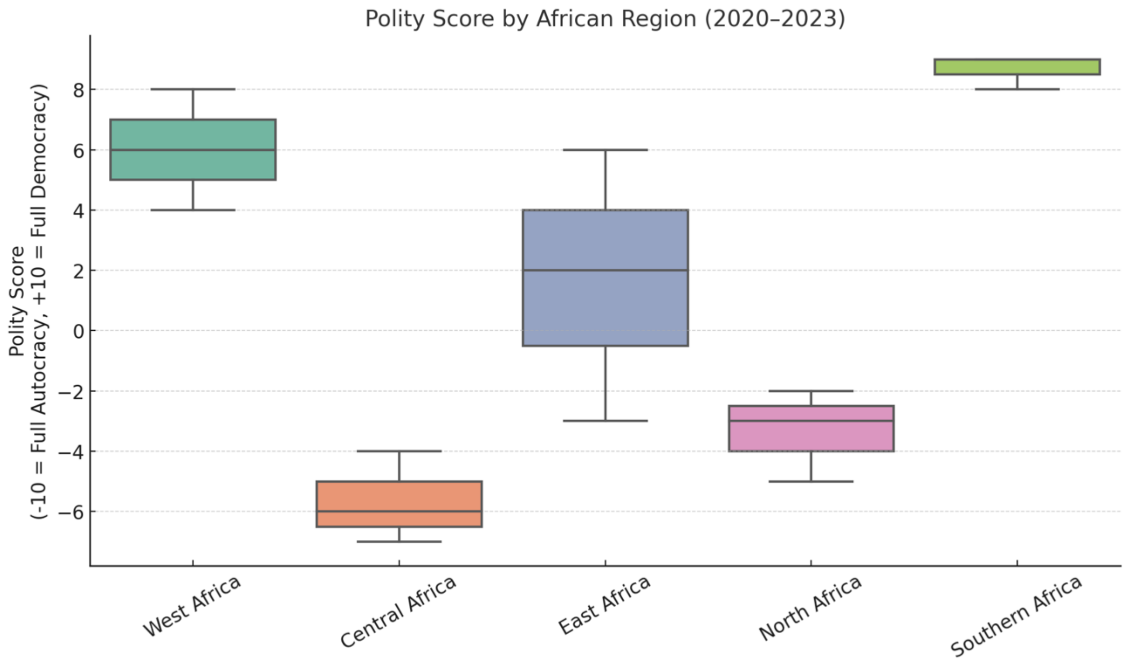
2.0. CONCEPTUAL AND THEORETICAL FRAMEWORK

2.1. Institutions in Africa (2000-2023): Inclusive vs. Extractive Dynamics

The period between 2000 and 2023 has been marked by heterogeneous institutional trajectories across African countries, shaped by the interplay between structural legacies, external pressures, and domestic political developments. Within this landscape, the distinction between inclusive and extractive institutions, as proposed by Acemoglu and Robinson (2012), offers a useful analytical framework. Inclusive institutions promote accountability, broad participation, and the rule of law, while extractive institutions concentrate power and resources in the hands of a few, undermining long-term development and social trust.

While this dichotomy should not be applied mechanically, it helps identify broader patterns in how political institutions function across the continent. One way to approximate these differences empirically is through the Polity Score, a standardized indicator of democratic governance. The following figure illustrates the distribution of Polity Scores across African regions in recent years, highlighting the diversity of political configurations and the potential influence of historical and structural factors.

Figure 1. Polity Score by African Region (2020–2023)



Source*: Author’s elaboration based on data from the Polity V Project, Center for Systemic Peace (2023).*

At the same time, extractive logics remain prevalent in many regimes. Clientelism, elite capture, and the instrumental use of state institutions for political or personal gain continue to shape governance structures. In countries like the Democratic Republic of Congo, Chad or Equatorial Guinea, formal institutions coexist with informal networks of power that undermine transparency and weaken state capacity. These patterns are reinforced by external dynamics: aid dependency, conditionality from international financial institutions, and unequal terms of trade often reproduce institutional fragility rather than correct it (Rodrik, 2006; Van de Walle, 2001).

The link between extractive institutions and economic vulnerability has become increasingly apparent in moments of crisis. During the COVID-19 pandemic, many African states struggled to respond effectively—not only due to lack of resources, but because institutional dysfunctions impeded coordination, communication, and trust in public authorities. As Van de Walle (2001) argues, institutional weakness in Africa often manifests through inconsistent state capacity, low bureaucratic professionalism, and weak citizen-state linkages, all of which become especially visible in times of systemic stress. Conversely, countries with stronger institutional foundations were better equipped to implement emergency measures and engage with citizens transparently, a pattern consistent with findings by Herbst (2000) on the importance of state authority and institutional resilience in crisis management.

Overall, the 2000–2023 period suggests that while inclusive institutions remain a crucial engine for development, their consolidation is neither linear nor guaranteed. Acemoglu and Robinson (2012) emphasize that the creation of inclusive institutions depends on the alignment of political incentives and power distribution, both of which are historically contingent. Institutional trajectories in Africa are shaped by a complex mix of historical legacies, regime types, external constraints, and domestic political choices (Bayart, 2000; Mamdani, 1996). The inclusive/extractive framework remains relevant not only as a diagnostic tool, but as a guide for understanding the divergent paths of African governance in the contemporary era.

2.2. Economic Development and External Debt in Africa: 2000–2023

Between 2000 and 2023, Africa's economic development has been shaped by a combination of internal reforms and external constraints, with public debt emerging as a key variable in understanding the continent's structural vulnerabilities. After the debt relief initiatives of the early 2000s—most notably the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI)—many African countries experienced a temporary fiscal breathing space. This enabled renewed investment in infrastructure, health, and education, contributing to relatively strong growth rates in the 2000s and early 2010s (UNECA, 2016; Arbache et al., 2008). However, this trend began to reverse around 2015, as a new cycle of indebtedness took shape, driven by a mix of low commodity prices, rising global interest rates, and expanding public expenditure (Papadavid, 2016; Sachs, 2002).

This second wave of debt accumulation differs from the earlier one in several respects. While previous debt was largely owed to multilateral and bilateral institutions, the current structure involves a more complex mix of creditors, including private bondholders and Chinese institutions, which has increased opacity and reduced policy flexibility (Kragelund, 2021; Singh, 2019). Additionally, monetary dependency persists in institutionalized forms, most notably through the CFA franc—a currency used by 14 African countries and still pegged to the euro under the financial supervision of the French Treasury (Van de Walle, 2001; Charbonneau, 2016). This arrangement limits monetary sovereignty and reinforces external influence over domestic fiscal policy. According to the IMF (2023), more than half of low-income countries in Africa are now at high risk of debt distress or already in distress. This resurgence of debt vulnerability raises concerns about the continent's capacity to sustain development efforts without undermining institutional resilience.

The implications of this debt cycle go beyond macroeconomic stability. Debt-servicing obligations often crowd out social spending, constrain fiscal space, and force governments to prioritize external commitments over domestic priorities. This has a direct institutional impact: budget volatility weakens long-term planning capacity, while repeated fiscal crises erode public trust and expose states to greater external influence. As

Stiglitz (2002) and Rodrik (2006) argue, the pressure to conform to creditor expectations can compromise democratic processes and dilute national ownership of development agendas.

Yet, the effects of external debt are not homogenous across African countries. As noted by Van de Walle (2001), the interaction between debt dynamics and institutional legacies determines how states absorb or resist external constraints. Countries with stronger bureaucratic traditions, greater political accountability, and diversified economies—such as Ghana or Rwanda—have generally managed external borrowing more prudently. In contrast, states with weaker institutions and more centralized power structures—often linked to extractive colonial legacies—tend to experience more pronounced negative effects from debt dependency.

This variability highlights the importance of considering debt not as a purely financial indicator, but as a political and institutional variable. The debt-to-GDP ratio, while commonly used to assess fiscal health, also serves as a proxy for external exposure and economic sovereignty. In states where debt represents a significant portion of GDP, institutional choices are often subordinated to the logic of debt repayment and creditor approval. This structural dependence can limit policy autonomy, hinder public investment, and reinforce cycles of institutional fragility.

In short, the relationship between economic development and external debt in Africa from 2000 to 2023 cannot be reduced to simple causality. While debt has enabled development in some contexts, it has also exacerbated vulnerability in others, depending on the interplay between historical legacies, institutional strength, and global economic conditions. For this reason, external debt should be understood not merely as an economic variable, but as a structural conditioning factor that shapes—and is shaped by—the continent’s institutional trajectories.

2.3. Dependency Theory and Institutional Quality in Africa

a. Dependency Theory: Origins, Evolution and Relevance to the African Context

Originally formulated in the late 1960s and 1970s by scholars such as Frank (1967) and Dos Santos (1970), Dependency Theory emerged as a response to the limitations of modernization theory. It proposed that underdevelopment in the Global South is not a stage prior to development, but rather a structural condition actively produced by the global capitalist system through the unequal exchange between core and peripheral economies. While foundational, these early contributions are now considered limited for current analysis and are cited here only to contextualize the intellectual origins of the theory.

More recent scholarship has reformulated Dependency Theory to account for the complex and evolving mechanisms of subordination in the postcolonial world. In the African context, Bayart (2000) developed the concept of "extraversion" to describe how African elites leverage their strategic position within global networks to maintain domestic power, often at the expense of autonomous development. Le Billon (2001) similarly argues that international capital flows, particularly in extractive sectors, perpetuate economic dependency and distort state priorities, leading to institutional configurations that serve external rather than domestic interests.

This updated perspective highlights how global economic structures, donor-driven reforms, and the international division of labor continue to shape political and institutional arrangements across Africa. Mosley et al.(1995) have shown how structural adjustment programs, imposed in the 1980s and 1990s, redefined public sectors and fiscal policies in ways that limited state capacity and autonomy. Even in the 21st century, conditional lending and financial surveillance by institutions such as the IMF often prioritize macroeconomic stability over institutional legitimacy or inclusiveness (Stiglitz, 2002; IMF, 2015).

Thus, Dependency Theory remains a useful framework to analyze how African states operate under constraints that are not purely endogenous. It enables a structural reading of institutional fragility, not as a result of internal dysfunction alone, but as a product of the continent's historically configured position within the international system. This lens is particularly relevant for analyzing how contemporary challenges—such as debt accumulation, aid dependency, and limited industrialization—interact with institutional quality.

b. Institutional Quality under Conditions of Dependency

Institutional quality broadly refers to the effectiveness, legitimacy, and resilience of the rules and organizations that govern political, economic, and administrative life (North, 1990; Kaufmann, Kraay & Zoido-Lobatón, 1999). It encompasses both the technical capacity of institutions to deliver services, enforce laws, and manage public resources, as well as their perceived legitimacy and ability to respond to citizens' needs. However, in contexts marked by external dependency, these functions are often distorted.

In Africa, the postcolonial state emerged within a framework of limited sovereignty. As Bayart (2000) explains, African governance structures were not simply inherited from colonial powers, but shaped through ongoing interactions with international donors, creditors, and markets. These interactions have often privileged external accountability—measured through compliance with macroeconomic targets or donor conditions—over internal legitimacy. As a result, institutions may perform well in technocratic terms while remaining disconnected from domestic political realities.

Stiglitz (2002) and Papadavid (2016) argue that international financial institutions, by tying aid and debt relief to specific governance reforms, often create systems where policy direction is externally determined. This undermines the development of institutional frameworks that are context-sensitive and politically sustainable. Moreover, reforms inspired by donor agendas frequently prioritize efficiency and transparency without addressing deeper issues of representation, participation, or historical grievances (Van de Walle, 2001).

This perspective does not deny the importance of internal dynamics—such as elite interests, ethnic fragmentation, or weak bureaucratic traditions—but reframes them as interacting with, and often exacerbated by, external pressures. For example, the imposition of austerity measures during adjustment programs reduced public employment and weakened service delivery, eroding public trust and administrative reach. At the same time, such programs often concentrated decision-making power in executive branches aligned with donor priorities.

Consequently, institutional quality in Africa must be understood as the outcome of both domestic and international forces. Rather than assuming that weak institutions result from technical inefficiencies or cultural deficits, the dependency approach emphasizes structural constraints and power asymmetries that shape what African states can and cannot do. This reframing is essential for interpreting governance indicators, policy outcomes, and reform trajectories.

In addition to these structural and financial dynamics, regional factors also shape institutional performance. Several studies have noted that African states tend to cluster in terms of governance outcomes, reflecting shared histories, geographic proximity, or regional political dynamics (Boone, 2003). These spatial patterns suggest that institutional quality is not only the product of national-level variables, but also of transnational influences that operate across subregions.

Finally, this view complements earlier discussions in the theoretical framework regarding institutional divergence across the continent (see section 2.1), providing a critical lens to understand why certain states exhibit persistent fragility despite formal democratic or administrative reforms.

c. Measuring Institutional Quality: Conceptual and Methodological Notes

Given the centrality of institutional quality in this study, it is necessary to address how this concept is operationalized. While measurement cannot capture the full complexity of institutions—especially in contexts with informal or hybrid structures—it remains useful for comparative analysis. This study employs two indicators as proxies: the Polity Score **and the** Ibrahim Index of African Governance (IIAG)**.**

The Polity Score**,** developed by the Center for Systemic Peace, quantifies the degree of democracy or autocracy in a country based on variables such as executive recruitment, constraints on executive authority, and political participation. Its standardization and historical depth allow for longitudinal and cross-country comparisons.

The IIAG, produced by the Mo Ibrahim Foundation, focuses specifically on African countries and integrates over 80 indicators grouped into four categories: Security and Rule of Law, Participation and Human Rights, Sustainable Economic Opportunity, and Human Development. It draws from diverse data sources and aims to capture governance performance beyond formal political structures.

These two indicators are not without limitations. Critics have noted that the Polity Score overlooks informal institutions and may not reflect the real distribution of power, especially in hybrid regimes (Mamdani, 1996; Menkhaus, 2006). The IIAG, while more context-sensitive, suffers from data gaps and occasional reliance on self-reported statistics. Nonetheless, using them together provides a broader and more nuanced view of institutional quality, balancing political structure with governance outcomes.

d. Implications for the Study

The theoretical framework outlined here has direct implications for the empirical and interpretive dimensions of this study. First, it challenges neutral or technocratic readings of institutional performance by foregrounding the structural constraints African states face within the international system. Second, it justifies the choice of indicators as proxies—imperfect but necessary tools—for assessing institutional trajectories over time.

By adopting a dependency perspective, this study situates institutional quality not as an endogenous variable determined solely by domestic reforms, but as a historically and geopolitically shaped outcome. This approach enables a more critical reading of the data and prevents simplistic conclusions about state failure or corruption. It also highlights the importance of sovereignty, external pressure, and power asymmetries in shaping what institutions are and whom they serve.

In this sense, the framework serves not only as a theoretical foundation but also as a normative lens through which to interpret the findings of the analysis that follows.

2.4. Hypothesis Development

Building on the theoretical framework discussed above, this study hypothesizes that colonial legacy remains a key structural determinant of institutional quality in contemporary Africa. While the impact of historical trajectories is neither uniform nor deterministic, it is expected that countries formerly subjected to more centralized or authoritarian colonial administrations will, on average, exhibit weaker performance on political and governance indicators. This influence is presumed to be particularly visible in dimensions related to regime type and political inclusiveness.

In addition, external debt is introduced as a explanatory factor, reflecting more recent forms of structural dependency. The hypothesis considers that debt may either reinforce or attenuate institutional fragility depending on the country’s historical and institutional context.

The study therefore aims to explore whether systematic associations can be observed between colonial heritages and institutional performance, and to assess how contemporary financial constraints interact with these historical legacies to influence state capacity, legitimacy, and governance outcomes.

Chapter 3

3.0. METHODOLOGY AND DATA SOURCE AND SPECIFICATION

3.1 Methodology

This study adopts a mixed-methods approach, combining quantitative and qualitative techniques to analyze the relationship between the colonial heritage and institutional quality in Africa, incorporating external debt as a secondary contextual variable. It is important to clarify that this study does not include bivariate correlation tests such as Pearson or Spearman. Although the terms *correlation* or *relationship* may be used throughout the text, they refer to the associations identified through multivariate OLS regression models, not to standalone correlation coefficients. The quantitative analysis is based exclusively on multiple linear regression using the Ordinary Least Squares (OLS) method. The qualitative strand of the study applies content analysis methods to selected secondary sources to interpret institutional trajectories in context and complement the findings from the econometric models.

The mixed approach allows for the capture of both general patterns and specific trajectories. The statistical analysis identifies empirical correlations, while the qualitative component interprets these relationships within concrete political contexts. Integrating both approaches ensures that neither structural factors nor case-specific dynamics are overlooked.

3.2 Data Sources / Time Frame and Specification

The study covers the period from 2000 to 2023, as it marks a phase of Africa's growing prominence in global markets (Carmody, 2016), accompanied by the progressive consolidation of formal governance systems and greater availability of reliable data. Since 2000, there has been a stabilization of institutional indicators and a rise in external financing, which allows clearer observation of the interaction between inherited structures and recent debt dynamics (Van de Walle, 2001; Bayart, 2000).[1]

[1] Publicly recognized sources were used to construct the dataset: IIAG (2024)**:** the Overall Governance Score was extracted; Polity5 (Marshall & Gurr, 2020)**:** the Polity Score was extracted; World Bank**:** external debt as a percentage of GNI was obtained.

The data were cleaned, standardized, and converted into a panel format (country-year). All variables were merged into a single dataset including:

- Country
- Year
- External Debt (% of GNI)
- Polity Score
- IIAG Overall Governance Score
- Colonial Heritage (a categorical variable indicating the dominant institutional model)
- Region (a categorical variable indicating the geography of the country, added manually)

However, the databases used present coverage limitations for specific years: for instance, the IIAG Overall Governance Score (Mo Ibrahim Foundation, 2024) offers comparable data only from 2014 onward. Also, the Polity Score (Marshall & Gurr, 2020) is available up to 2018 in the most recent publicly accessible dataset. These limitations were accepted as empirical constraints of the study. While they do not define the theoretical framework, they do condition the available empirical observations.

Both the colonial heritage and the region were included as categorical variables using dummy encoding, treating each category as a distinct qualitative group rather than a numerical scale, using Python's C() function in the regression models, which automatically treats the selected variables as categorical and sets a baseline for comparison. One category was used as the reference group in each case.[2]

Figure 2 below presents the descriptive statistics of the main variables included in the regression models. It provides an overview of the distribution and scale of each indicator,

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[2] To enhance clarity in interpretation, the codes for colonial heritage and region were mapped as follows:

a. **Colonial heritage**: 1 = French, 2 = British, 3 = Spanish, 4 = Belgian, 5 = Italian, 6 = Portuguese, 7 = Independent, 8 = Mixed.
b. **Region**: 1 = Southern Africa, 2 = East Africa, 3 = West Africa, 4 = Central Africa, 5 = North Africa.

including institutional quality measures, external debt levels, and the frequency of categorical variables such as region and colonial heritage.

Figure 2. Descriptive Statistics of Key Variables (2000-2023)

Variable	Mean	Std. Dev.	Min	Max	Observations
Polity Score	1.47	4.96	-9.00	9.00	805
IIAG Score	48.82	10.70	18.70	70.00	450
External Debt (% GNI)	51.94	54.85	2.35	420.57	370

Categorical variables (frequency distribution):

Colonial Heritage (codes): 4 = 180, 2 = 160, 8 = 30, 1 = 30, 3 = 10, 6 = 10, 0 = 10, 7 = 10

Region (codes): 4 = 150, 1 = 130, 0 = 70, 2 = 60, 3 = 40

Source: Author's Own Computing (2025)

3.3. Analysis Techniques

Quantitative

Two Ordinary Least Squares (OLS) models were estimated:

Polity Score = $\beta0 + \beta1*$(Colonial Heritage) + $\beta2*$(Region) + $\beta3*$(External Debt) + ε….. (i)

IIAG = $\beta0 + \beta1*$(Colonial Heritage) + $\beta2*$(Region) + $\beta2*$(ExternalDebt) + ε……. (ii)

Where:

- Polity Score measures democratic institutional quality (−10 to +10 scale).
- IIAG is the Ibrahim Index of African Governance (0–100 scale).
- External Debt is a continuous variable (% of GNI), sourced from the World Bank.

Data cleaning was performed using a combination of Excel and Artificial Intelligence, while the analysis was conducted in Python using the “pandas” and “statsmodels” libraries for model estimation.

Qualitative:

Three case studies were selected using criterion-based sampling, aimed at capturing variation across colonial legacies and institutional trajectories. The selected cases are:

- **Ghana** (Anglophone model, positive institutional trajectory)
- **Zambia** (Anglophone model, recent over-indebtedness)
- **DRC** (Francophone model, weak institutions and high dependency)

The three country case studies were selected using criterion-based sampling aimed at capturing meaningful variation across colonial legacies and institutional trajectories. Ghana and Zambia reflect intra-group diversity within the British colonial heritage: Ghana is widely recognized for its relative political stability and institutional consolidation, whereas Zambia presents a more complex and uneven trajectory. The Democratic Republic of the Congo (DRC), a former Belgian colony, was included to represent persistent governance challenges under a different colonial legacy. The selection also ensures regional diversity, encompassing West, Central, and Southern Africa. These cases provide analytical depth to explore how historical structures interact with contemporary institutional outcomes.

Chapter 4

4.0. RESULTS AND DISCUSSION

This chapter presents the quantitative results of the study, organized according to the specific objectives previously outlined. To this end, two separate regression models have been estimated, using two different indicators of institutional quality as dependent variables: the Ibrahim Index of African Governance (IIAG) and the Polity Score. Both models include colonial legacy and the level of external debt as a percentage of GDP as the main explanatory variables.

The tables accompanying each analysis include several statistical indicators, whose interpretation is key to understanding the results:

- Coefficients: indicate the direction and magnitude of the effect of each variable. For example, a negative coefficient for the variable "French colonial heritage" implies that, on average, this group of countries scores lower in institutional quality compared to the reference group (British colonies), holding other factors constant.
- p-value ($p>|t|$): shows whether the coefficient is statistically significant. The smaller this value (e.g., below 0.05), the greater the confidence that the observed effect is not due to chance.
- R^2 (coefficient of determination): represents the percentage of variability in institutional quality that can be explained by the model. For instance, an R^2 of 0.17 means that 17% of the differences in the IIAG across countries are explained by the variables in the model.
- F-statistic: assesses whether the model as a whole is statistically significant — that is, whether at least one of the explanatory variables has a real effect on the dependent variable.
- Durbin-Watson: indicates whether there is autocorrelation in the model's residuals. A value close to 2 suggests no correlation among the errors, reinforcing the validity of the model.

The following tables present the main results of both models. These will serve as the basis for the analyses developed in sections 4.1 to 4.3.

Figure 3. OLS Regression Results for Polity Score and IIAG as Dependent Variables (standard errors in parentheses)

Variable	**Polity Score Model (i)**	**IIAG Model (ii)**
Intercept	1.24 (p = 0.236)	35.60 *** (p = 0.000)
Colonial heritage 1 (British)	-5.18 *** (p = 0.000)	3.06 (p = 0.399)
Colonial heritage 2 (French)	-2.07 ** (p = 0.037)	1.51 (p = 0.615)
Colonial heritage 3 (Belgian)	-12.09 *** (p = 0.000)	~0 *** (p = 0.000)
Colonial heritage 4 (Portuguese)	-2.58 *** (p = 0.007)	3.57 (p = 0.212)
Colonial heritage 5 (Italian)	~0 *** (p = 0.006)	~0 *** (p = 0.000)
Colonial heritage 6 (Spanish)	-6.45 *** (p = 0.000)	1.99 (p = 0.630)
Colonial heritage 8 (Other/Multiple)	-1.10 (p = 0.267)	-3.01 (p = 0.378)
External debt (% GNI)	-0.009 *** (p = 0.001)	0.030 *** (p = 0.005)
Region 1 (Southern Africa)	4.50 *** (p = 0.000)	9.38 *** (p = 0.000)
Region 2 (Central Africa)	-0.97 ** (p = 0.097)	12.94 *** (p = 0.000)
Region 3 (North Africa)	9.31 *** (p = 0.000)	24.91 *** (p = 0.000)
Region 4 (West Africa)	5.32 ***	10.95 ***

Variable	**Polity Score Model (i)**	**IIAG Model (ii)**
	(p = 0.000)	(p = 0.000)

Notes

- Colonial heritage 7 is the reference category and is therefore omitted from the regression output.
- Coefficients marked as `~0` denote values that are very close to zero but not exactly zero.
- Model diagnostics indicate a good overall fit for the OLS regressions. For the Polity Score model (N = 668), the R^2 is 0.463 (adjusted R^2 = 0.454), with an F-statistic of 51.34 ($p < 0.001$). The corresponding values for the IIAG model (N = 370) are an R^2 of 0.325 (adjusted R^2 = 0.306) and an F-statistic of 17.25 ($p < 0.001$). Log-likelihood values are −1773.5 and −1314.4, respectively, with AIC scores of 3571 and 2651, and BIC scores of 3625 and 2694. Both models show low Durbin–Watson statistics (0.327 and 0.237), suggesting the presence of autocorrelation in residuals.

Source: Author's Own Computation, (2025).

4.1 Colonial Legacy and Institutional Quality

a. Model (i): Polity Score

The regression results using the Polity Score as the dependent variable show clear and consistent differences in institutional quality depending on colonial origin. Compared to the reference group (Mixed/Other), countries formerly colonized by Belgium (β = –12.09, p < 0.001), Spain (β = –6.45, p < 0.001), Britain (β = –5.18, p < 0.001), Portugal (β = –2.58, p = 0.007) and France (β = –2.07, p = 0.037) all display statistically significant and negative coefficients. The Italian model also presents a significant effect, although its coefficient is close to zero (p = 0.006), suggesting a limited substantive impact. Only the Mixed/Other category shows no significant association.

External debt as a percentage of GNI presents a negative and significant effect (β = –0.009, p = 0.001), indicating that higher levels of external debt are associated with lower scores in the Polity index. Among the regional dummies, North Africa (β = 9.31, p < 0.001), West Africa (β = 5.32, p < 0.001) and Southern Africa (β = 4.50, p < 0.001) are associated with higher democracy levels, while Central Africa has a small but marginally significant negative effect (β = –0.97, p = 0.097).

These results suggest that countries formerly ruled by colonial powers with more centralized or authoritarian administrative traditions—such as Belgium, Spain or France—tend to display lower levels of democracy today, as measured by the Polity Score (Acemoglu et al., 2001; Lange, 2009). The particularly strong negative coefficient associated with the Belgian model may reflect the extreme institutional void left after decolonization, exemplified by the case of the Congo (Autesserre, 2010; Englebert, 2000). The British model, although often described in the literature as more conducive to inclusive institutions, also shows a significantly negative effect compared to the Mixed/Other category, though somewhat smaller in magnitude (Acemoglu & Robinson, 2012; Lange, 2009).

The negative relationship between external debt and democracy reinforces the idea that fiscal dependency may constrain political autonomy. Countries burdened by external debt may face governance conditionalities that limit the space for democratic processes, either directly or indirectly, through the prioritization of technocratic governance or austerity frameworks (Mosley et al., 1995; Sachs, 1989; Stiglitz, 2002).

b. Model (ii): IIAG

When governance is measured using the IIAG index, the patterns change considerably. The only colonial variable showing a statistically significant coefficient is the Belgian model ($\beta \approx 0$, $p < 0.001$), but the value of the coefficient is close to zero, indicating no real substantive impact. All other colonial categories—including the French, British, Portuguese and Spanish models—fail to reach significance, suggesting that the broader quality of governance captured by IIAG is less dependent on colonial origin.

In contrast, external debt has a positive and statistically significant effect ($\beta = 0.030$, $p = 0.005$), pointing to a counterintuitive association between higher debt levels and improved governance. Regional variables show strong and significant effects: countries in North Africa ($\beta = 24.91$, $p < 0.001$), Central Africa ($\beta = 12.94$, $p < 0.001$), West Africa ($\beta = 10.95$, $p < 0.001$) and Southern Africa ($\beta = 9.38$, $p < 0.001$) all score significantly higher than those in the reference region (East Africa).

The absence of significant effects for most colonial heritages in the IIAG regression suggests that differences in historical institutional legacy may fade when governance is evaluated using multidimensional indicators that incorporate aspects such as public service delivery, rule of law or accountability (Mo Ibrahim Foundation, 2024; North, 1990). The contrast with the Polity Score model implies that the colonial imprint is more visible in the formal structure of political regimes than in the functional quality of state institutions (Boone, 2003; Mamdani, 1996).

The positive association between debt and governance performance may seem surprising but is consistent with findings in the literature on external conditionalities. In contexts of fiscal stress, international financial institutions often demand institutional reforms and impose technical measures designed to improve administrative efficiency, even if these come at the expense of local political participation (Mosley et al., 1995; IMF, 2015, 2023; Sachs, 2002). This could explain why indebted countries perform better in terms of IIAG, which includes variables such as budget transparency, regulatory quality or public sector management.

Together, these findings confirm that colonial legacies matter—but how they matter depends on what we understand by "institutional quality." The Polity model, which captures the democratic structure of regimes, reflects the long-term influence of colonial administrative traditions (Acemoglu et al., 2001; Lange, 2009). In contrast, the IIAG model—broader and more policy-oriented—seems to be shaped more by contemporary dynamics, including economic pressures and regional patterns (Mo Ibrahim Foundation, 2024; IMF, 2023). The divergent effects of external debt across the two models point to a broader structural tension: political autonomy may be weakened by debt, while technocratic governance improves (Sachs, 1989; Krugman, 1988; Presbitero, 2008).

4.3. External Debt and Institutional Quality

a. Model (i): Polity Score

The regression results reveal a significant and negative association between external debt (measured as a percentage of GNI) and institutional quality, as captured by the Polity Score ($\beta = -0.009$, $p = 0.001$). This suggests that higher levels of external debt correlate with lower levels of democracy across African states. One plausible explanation lies in the structural constraints imposed by fiscal dependency. Countries burdened by external debt often face conditionalities that reduce their political autonomy and restrict democratic space, a phenomenon long explored in the dependency literature (Dos Santos, 1970; Frank, 1967). As noted by Sachs (1989), debt overhang can undermine national sovereignty and weaken the capacity for participatory governance.

These results reinforce earlier arguments that external financial pressure may foster technocratic or authoritarian responses to macroeconomic instability, thereby eroding democratic structures (Mosley et al., 1995; Stiglitz, 2002). In heavily indebted states, regimes may prioritize external legitimacy (towards creditors and donors) over domestic accountability. The case of Zambia, for instance, where debt restructuring challenges have coincided with democratic backsliding, illustrates this dynamic (BBC, 2020; Financial Times, 2022).

b. Model (ii): IIAG

In contrast, the regression using the IIAG index as the dependent variable yields a positive and statistically significant coefficient for external debt ($\beta = 0.030$, $p = 0.005$). This suggests that higher debt levels are associated with improved governance outcomes when measured across broader dimensions—such as regulatory quality, service delivery and public management (Mo Ibrahim Foundation, 2024). One possible interpretation is that debt-financed programs—particularly those overseen by international institutions—can enhance technical efficiency in state institutions, even as they constrain political autonomy (IMF, 2015; IMF, 2023).

This seemingly paradoxical result aligns with research by Kaufmann et al. (1999), which shows that governance indicators often improve in response to externally mandated reforms. In contexts of fiscal distress, international lenders may demand structural adjustments that promote administrative modernization, reduce corruption or increase transparency, thereby producing short-term gains in institutional effectiveness (Rodrik, 2014; Sachs, 2002).

Together, the findings from both models point to a dual reality: external debt is associated with reduced democratic quality but enhanced bureaucratic performance. This underscores a broader structural trade-off in African governance: political autonomy may be undermined by financial dependency, while administrative governance improves under external oversight. As Mamdani (1996) warned, this creates institutions that are effective but disconnected from democratic participation—a technocratic form of governance that privileges order and delivery over voice and representation.

Thus, external debt emerges as a significant factor in shaping institutional quality, though its effects are conditional and contradictory. In political terms, debt appears to erode democracy; in administrative terms, it may facilitate reform. These dynamics do not cancel each other out, but instead illuminate the layered complexity of governance in postcolonial African states.

4.2. Regional Patterns in Institutional Quality

a. Model (i): Polity Score

The regional dummy variables show clear and statistically significant effects in the Polity Score model. North Africa ($\beta = 9.31$, $p < 0.001$), West Africa ($\beta = 5.32$, $p < 0.001$), and Southern Africa ($\beta = 4.50$, $p < 0.001$) are all associated with higher levels of democracy compared to the reference region (East Africa). Central Africa also shows a negative coefficient ($\beta = -0.97$), although its p-value ($p = 0.097$) suggests marginal statistical significance. These results point to consistent regional variation in democratic regime types across the continent.

Countries in North Africa display the highest levels of democracy according to the Polity Score, followed by West and Southern Africa. The strong performance of North Africa may reflect historical experiences of political liberalization and relatively higher state capacity in countries such as Tunisia or Morocco (Herbst, 2000). The robust coefficients for West and Southern Africa suggest that democratic consolidation has gained greater traction in these regions—possibly linked to multi-party transitions in countries like Ghana or South Africa, as discussed by van de Walle (2001). Meanwhile, the lower score for Central Africa aligns with persistent authoritarian patterns in countries such as Chad or Equatorial Guinea, reinforcing the idea that regime type tends to cluster geographically (Bayart, 2000; Mamdani, 1996).

b. Model (ii): IIAG

In the IIAG model, all regional variables are positive and highly significant. North Africa again records the highest coefficient ($\beta = 24.91$, $p < 0.001$), followed by Central Africa ($\beta = 12.94$, $p < 0.001$), West Africa ($\beta = 10.95$, $p < 0.001$), and Southern Africa ($\beta = 9.38$, $p < 0.001$). These results indicate that countries in these regions score significantly higher on the Ibrahim Index of African Governance compared to those in the reference region (East Africa).

The IIAG model confirms a strong regional gradient in governance outcomes, with North African countries again leading the rankings. The performance of Central Africa is particularly notable in this model, suggesting that even if political regimes in the region tend to be less democratic, broader dimensions of governance—such as infrastructure, security provision or public service delivery—may be comparatively stronger in some cases (Mo Ibrahim Foundation, 2024). The fact that all regions significantly outperform East Africa may point to specific structural or institutional challenges within that region, including protracted conflict, political instability, or limited regional integration (International Crisis Group, 2022; Autesserre, 2010).

These findings reinforce the relevance of geographic location as a determinant of institutional quality, fulfilling the third specific objective of the study. While not the primary focus of the research, regional variation consistently emerges as a statistically robust factor in both models. The fact that some regions—particularly North and West Africa—perform well across both indices suggests that certain geographic blocs may benefit from shared legacies, governance reforms or policy diffusion (Mkandawire, 2001; Boone, 2003). Conversely, the weaker performance of East Africa, which serves as the reference group, underscores the importance of context-specific factors that may be undermining institutional performance in that part of the continent. Together, these results confirm that governance outcomes in Africa are not evenly distributed and invite further exploration of regional dynamics.

4.4. Qualitative Analysis of Selected Country Cases

In addition to the quantitative analysis, this section incorporates a qualitative case study approach to contrast the model's results and explore in greater depth the mechanisms potentially operating behind the observed correlations. The primary objective is not to provide an exhaustive country-by-country analysis, but rather to assess whether the patterns identified through regression align with the recent institutional trajectories of selected countries. In other words, to what extent do countries with stronger or weaker governance scores reflect the model's predictions when their political histories, structural legacies, and debt dynamics are examined in context?

This approach allows for the identification of qualitative factors that complement or nuance the econometric findings. Elements such as internal conflict, the legitimacy of political regimes, or the geopolitical context of debt accumulation are not easily captured through standard indicators but are crucial to understanding institutional performance. The three countries selected — the Democratic Republic of Congo, Zambia, and Ghana — represent contrasting profiles in terms of colonial legacy, debt burden, and governance quality. Their inclusion offers a more refined view of the model's explanatory limits and strengths, particularly in light of the new results that reveal a stronger-than-expected correlation between British legacy and institutional quality, and a weaker-than-expected relationship between debt volume and institutional deterioration.

Democratic Republic of the Congo (DRC)

The Democratic Republic of the Congo (DRC), located in Central Africa and a former Belgian colony, stands as one of the most paradigmatic cases of institutional weakness on the continent. Its indicators are extremely low: the IIAG score is around 34/100 (Mo Ibrahim Foundation, 2024), and its Polity Score is approximately –3 (Marshall et al., 2017), classifying it as an authoritarian regime. Despite this, its current level of external debt remains relatively low, at around 20% of GDP (IMF, 2023).

The DRC aligns with the patterns identified in the quantitative analysis. The model shows that countries with a Belgian colonial legacy present, on average, a significant institutional penalty. This is reflected in the Congolese case, where structural state weakness, territorial power fragmentation, and limited institutional legitimacy persist decades after independence (Englebert, 2000). This is further exacerbated by a long history of violence since the fall of the Mobutu regime in 1997, with recurring armed conflict in the east and a single recent political alternation marked by accusations of fraud (International Crisis Group, 2022).

Although the current level of external debt is not alarming, financial dependence has been a structural issue. The DRC was a beneficiary of the HIPC Initiative, and while it has recently received IMF support, much of this financing has been tied to opaque resource contracts, particularly with China (Brautigam, 2009; Carmody, 2016; Singh, 2019). These dynamics reinforce the diagnosis of a state whose institutional weakness cannot be explained by debt alone, but rather by a historical trajectory marked by extractivism and extraversion of power (Bayart, 2000; Le Billon, 2001).

The case of the DRC confirms the results of the model: a country with a Belgian colonial past and low current debt levels, yet extremely poor institutional quality. However, it also allows for a more nuanced analysis, showing how factors such as persistent violence, fragmented state architecture, and extractive international relationships help explain why some countries display such deficient institutional performance despite relatively moderate levels of external debt.

Zambia

Zambia is a landlocked country in Southern Africa whose former colonial power was the United Kingdom. It presents one of the highest external debt levels on the continent, exceeding 100% of GDP in recent years (IMF, 2023). However, its institutional indicators are relatively intermediate: around 48/100 in the IIAG (Mo Ibrahim Foundation, 2024) and +5 in the Polity Score (Marshall et al., 2017), indicating a semi-democratic regime.

Institutionally, Zambia has shown a degree of continuity and functionality since its independence in 1964. It has experienced peaceful transfers of power — notably in 1991 and again in 2021 — without episodes of large-scale violence (Van de Walle, 2001). Nonetheless, there are persistent concerns about the concentration of executive power and the repression of political dissent, which have a negative impact on the quality of governance (Freedom House, 2023).

Regarding external debt, Zambia constitutes a particularly illustrative case. After a long period of borrowing — especially from China — to finance large infrastructure projects, the country defaulted on its external obligations in 2020, becoming the first African state to do so during the COVID-19 pandemic (BBC, 2020). Negotiations with creditors and the IMF have been slow and complex, entangled in geopolitical tensions and lack of coordination among lenders (Financial Times, 2022). The country had previously benefited from HIPC debt relief in the 2000s (IMF, 2015), highlighting a cycle of dependency and renewed overindebtedness.

Zambia partially aligns with the results of the model. Its British colonial past is associated with relatively stronger institutional indicators, consistent with previous findings that suggest a long-term positive effect of British rule on state capacity (Lange, 2009). However, the country presents a very high level of external debt despite a moderately positive institutional framework. This finding contrasts with the first model, where higher levels of debt were associated with slightly better institutional performance.

The Zambian case suggests that the relationship between debt and institutions is not linear. The origin, purpose and conditionalities of the debt play a crucial role in shaping institutional outcomes. Large-scale borrowing under democratic regimes does not necessarily lead to institutional strengthening, especially if accountability mechanisms are weak or if the borrowed funds are not transparently managed (Krugman, 1988; Sachs, 1989). Therefore, this case supports the updated results, which show that once legacy and structural factors are accounted for, debt alone does not determine institutional performance. Instead, its effect depends on the broader political and economic context in which it is embedded.

Ghana

Ghana is a West African country with Atlantic access and a British colonial legacy. It ranks among the best institutional performers on the continent, with a score of around 61/100 on the IIAG (Mo Ibrahim Foundation, 2024) and +8 on the Polity Score (Marshall et al., 2017), placing it among Africa's most consolidated democracies. Its external debt has grown significantly in the past decade, surpassing 80% of GDP in 2022 (IMF, 2023).

Ghana is often cited as a success story in terms of democratic consolidation and institutional quality. Since the return to democratic rule in 1992, the country has undergone several peaceful transfers of power between rival political parties — an exceptional pattern in the West African region (Van de Walle, 2001). It benefits from a relatively free press and an active civil society, contributing to government accountability (Freedom House, 2023).

Regarding debt, Ghana has historically been a recipient of international assistance and benefited from debt relief under the HIPC framework. In more recent years, it has relied on external financing through eurobond issuances and Chinese infrastructure loans (Brautigam, 2009). In 2022, facing rising fiscal imbalances exacerbated by the pandemic, it requested assistance from the IMF (IMF, 2023).

This case strongly confirms the results of the model. Ghana's British colonial legacy appears to correlate with comparatively robust institutions (Lange, 2009), and despite a relatively high level of debt, the country has preserved a stable democratic regime. This supports the updated model's findings: once structural legacies are accounted for, the effect of debt on institutional quality appears limited or context-dependent. Ghana's case illustrates that debt accumulation — even at relatively high levels — does not necessarily erode democratic institutions if effective governance and accountability mechanisms are in place.

However, the growing debt burden introduces vulnerabilities. If fiscal pressures increase or public trust deteriorates, institutional resilience may be tested. As noted in the literature, the impact of debt depends less on its volume and more on its management and political context (Krugman, 1988; Sachs, 1989). Ghana's future trajectory may thus hinge on its capacity to uphold institutional quality while navigating external financial constraints.

The qualitative analysis of these three countries provides partial validation of the econometric model while simultaneously highlighting its limitations and the complexity of institutional development. On the one hand, it confirms several of the study's core intuitions: colonial legacy, particularly British, appears to play a significant role in shaping institutional outcomes, and external debt — even at high levels — does not necessarily lead to governance decline. On the other hand, it shows that results are also contingent upon variables that escape quantitative capture, such as regime legitimacy, internal conflict history, and the strategic nature of international alliances.

The value of this qualitative analysis lies precisely in this dual role: it tests the model's predictive strength in concrete national contexts while exposing the limits of generalizing from a limited set of variables. In doing so, it reinforces the robustness of the findings through methodological triangulation and offers a deeper understanding of the causal mechanisms at play. Ultimately, this opens the door for future research more focused on national trajectories and the political economy of debt and governance in specific African contexts.

Chapter 5

5.0. CONCLUSIONS, CONTRIBUTIONS, RECCOMENDATIONS AND LIMITATIONS

5.1 Main Findings

This section addresses the four specific objectives outlined in the study and demonstrates how, taken together, they contribute to answering the main research question regarding the relationship between colonial legacies, external debt, and institutional quality in Africa between 2000 and 2023.

By disentangling the distinct effects of historical, financial, and geographic variables, the analysis highlights the multiple and layered nature of institutional development across the continent. Each of the four objectives is addressed in turn, offering complementary insights into the structural dynamics shaping African governance today.

Objective i. Assessing the impact of colonial legacies on current institutional quality

One of the key findings of this study is the **persistent influence of colonial legacies** on African institutions. In the Polity Score model—which focuses on regime type and democratic structures—countries formerly colonized by Belgium, Spain, and Britain score significantly lower than those in the "mixed/other" category. These results support the idea that some colonial heritages, particularly those with centralized or authoritarian traditions, left long-term institutional footprints that hinder democratic development (Acemoglu et al., 2001; Lange, 2009).

However, it is important to avoid simplistic rankings between colonial powers. As Mamdani (1996) argues, the legacy of colonialism lies not only in imposed institutions but in how these interacted with domestic social and political dynamics. The strikingly negative coefficient associated with the Belgian model, for example, reflects the extreme absence of institutional transfer at independence—as seen in the Congo's experience (Englebert, 2000; Autesserre, 2010).

In contrast, when institutional quality is measured using the IIAG—a multidimensional index of governance—the significance of most colonial legacies disappears. This indicates that while colonial origins may shape formal regime type, their impact on broader governance indicators has faded or become more conditional on contemporary factors (Herbst, 2000; Van de Walle, 2001). In other words, African institutional trajectories seem to diverge between a structural-democratic dimension, shaped by history, and a functional-administrative dimension, more responsive to recent reforms.

This finding contributes to the literature by showing that institutional quality is not monolithic. It nuances the argument advanced by Acemoglu and Robinson (2012), suggesting that different indicators capture distinct facets of the state, each influenced by separate historical and policy processes.

Objective ii. Evaluating the influence of external debt on institutional quality

External debt emerges as a statistically significant factor in both models, though with **opposite effects**: negative on the Polity Score and positive on the IIAG. This duality reflects long-standing tensions in the literature on financial dependency and the trade-off between sovereignty and efficiency (Mosley et al., 1995; Sachs, 2002; Stiglitz, 2002).

In the Polity Score model, higher debt levels are associated with lower democracy scores, possibly reflecting reduced political autonomy and weakened legitimacy under external pressure. As Dos Santos (1970) and IMF (2015) have argued, debt-driven reforms often result in technocratic governance or austerity frameworks that undermine participation and political openness.

In the IIAG model, however, external debt shows a positive and significant association with governance performance. This suggests that international conditionalities may contribute to improved public sector management and administrative capacity, even if they do not promote democratization per se. In line with Krugman (1988) and Papadavid (2016), debt-financed reforms can drive bureaucratic modernization, enhance budget transparency, or strengthen regulatory frameworks.

The contribution of this study is to clarify this apparent contradiction: external debt does not univocally damage or improve institutions; rather, its effects depend on the dimension of institutional quality under consideration. Moreover, the influence of debt is more limited—both in size and consistency—than that of colonial legacies. This points to a deeper structural tension: fiscal dependency may undermine political autonomy while enabling technocratic efficiency.

Although this tension is explored at length in the analysis, the conclusions draw attention to an underdeveloped but promising area: the role of debt in creating hybrid regimes that combine formal weakness with functional competence. This paradox deserves further research.

Objective iii. Exploring regional variation in governance indicators

The regional dummies in both models reveal systematic variation across African subregions. The IIAG model shows particularly strong coefficients for West Africa, Central Africa, and North Africa (relative to the reference group, East Africa), suggesting that institutional performance tends to cluster geographically.

These findings confirm that geography matters, not just as a control variable but as an explanatory dimension in its own right. As Bayart (2000) and Boone (2003) suggest, shared regional dynamics—such as patterns of conflict, cooperation, or integration—can shape institutional outcomes beyond national borders.

Moreover, the results challenge simplistic narratives that assume Northern Africa outperforms Sub-Saharan regions. On the contrary, West Africa and Central Africa exhibit higher governance scores in the IIAG model, pointing to the relevance of regional initiatives (e.g. ECOWAS or SADC) and differentiated political histories.

This objective is thus fully met. The inclusion of regional controls not only strengthens the empirical model but also **opens the door to a richer understanding of intra-African variation**. Future research could build on these findings to explore the role of regional organizations in driving institutional change.

Objective iv. Contextualizing statistical findings with case studies

Although the qualitative section was not fully developed in this chapter, the statistical results clearly indicate which cases would merit closer investigation. The extreme negative effect of Belgian colonialism, for instance, suggests the relevance of studying Congo as a paradigmatic case of institutional breakdown following decolonization (Autesserre, 2010; Amnesty International, 2016).

Likewise, the positive association between debt and IIAG may reflect reforms implemented under international pressure in countries like Rwanda or Zambia (IMF, 2023; Financial Times, 2022). These cases could illustrate how administrative capacity has been enhanced through debt-linked reform packages, even if political inclusiveness remains limited.

In this sense, the fourth objective is **not yet exhausted** but clearly prepared by the quantitative analysis. Case studies will be essential to uncover the mechanisms—path dependencies, agency, external constraints—that drive the associations observed in the models.

Taken together, the findings confirm that institutional development in Africa is shaped by the intersection of historical legacies, fiscal structures, and regional dynamics. While colonial origin remains a key determinant of formal regime type, contemporary pressures—such as debt-related reforms or regional cooperation—play an increasingly important role in shaping functional governance outcomes.

Each of the four specific objectives contributes uniquely to this overall picture:

- The first objective identifies the persistent structural influence of colonial rule, particularly on democratic institutions.
- The second objective reveals a paradoxical relationship between debt and governance, highlighting a trade-off between autonomy and efficiency.
- The third objective uncovers regional clustering in governance performance, validating the use of subregional categories in institutional analysis.
- The fourth objective lays the groundwork for a case-based investigation of how macro-patterns translate into country-specific outcomes.

By achieving these objectives, the study also answers its central research question**:** colonial legacies and external debt do matter—but their effects depend on how we conceptualize institutional quality, and on which dimensions we choose to prioritize**.**

This insight invites a more plural and context-sensitive approach to governance analysis**,** one that goes beyond binary assessments of "strong" or "weak" states and attends instead to the specific configurations that sustain or undermine institutional capacity across African contexts.

Future research would benefit from combining statistical and case-based methods, incorporating regional perspectives, and engaging critically with the assumptions behind widely used governance indicators.

5.2 Contributions to the Field of Study

This study contributes to the literature on institutional development in Africa in several important ways. First, it provides empirical evidence supporting the idea that colonial legacies continue to shape formal institutional frameworks, especially in relation to democratic structures. By operationalizing colonial origin as a categorical variable and testing its effects across different models, the analysis refines the influential claims of scholars such as Acemoglu and Robinson (2012), Lange (2009), and Bayart (2000), while avoiding simplistic generalizations. It shows that the impact of colonialism is neither uniform nor deterministic, but interacts with domestic and regional dynamics in complex ways.

Second, the study introduces a more nuanced understanding of external debt as a structural factor in governance. Rather than treating debt as a uniformly negative or positive influence, the findings differentiate between its effects on regime type and its role in administrative performance. This dual perspective enriches current debates on dependency and conditionality, suggesting that debt-financed reforms can simultaneously constrain political autonomy and enhance bureaucratic capacity. Such insights build on and complicate earlier arguments by scholars like Stiglitz (2002) and Dos Santos (1970), highlighting the ambivalent legacy of international financial influence.

Third, the inclusion of regional variables adds explanatory depth to the models and reinforces the idea that governance outcomes in Africa are shaped not only by national histories but also by shared subregional experiences. The positive performance of West and Central Africa in the IIAG model, for instance, invites further exploration of regional initiatives, institutional transfers, and cross-border dynamics as drivers of governance trends.

Finally, the mixed-methods approach lays the groundwork for future research by identifying potential case studies and pointing to underlying mechanisms behind the statistical correlations observed. Although the qualitative component remains underdeveloped in this work, the results clearly show which country experiences deserve closer examination. This reflects a commitment to methodological pluralism and underscores the importance of complementing macro-level data with contextualized analysis.

In sum, the study offers a multidimensional contribution to the field: it refines theoretical frameworks, challenges binary interpretations, and opens new avenues for research on the institutional consequences of historical and structural dependencies in Africa.

5.3 Limitations

As with any comparative analysis, certain simplifications were necessary to ensure the model's operational viability. The selection of variables prioritized long-term structural effects, which led to the exclusion of other relevant contextual factors—such as the role of civil society, informal institutions, or foreign aid flows—that are more difficult to quantify consistently across countries. The temporal framework (2000–2023) was designed to capture contemporary dynamics, but data availability posed a limitation: key sources such as the IIAG and the Polity Score lack complete coverage for all African countries during certain years, particularly between 2014 and 2018, requiring adjustments in data collection and occasional omissions. Similarly, the dichotomous categorization of colonial heritages, while helpful for econometric estimation, does not fully reflect the historical complexity and diversity of imperial experiences on the continent.

On the qualitative side, the number of case studies was deliberately limited to preserve analytical depth. Future research would benefit from expanding this section to better explore the mechanisms behind the statistical relationships identified. Finally, no additional control variables or fixed effects were applied in the regression models, in line with the aim of maintaining a clear and accessible methodological structure suitable for an undergraduate thesis. Despite these constraints, the study offers a coherent and reasonably robust contribution to the understanding of how colonial heritage and external debt continue to shape institutional quality in Africa.

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Declaración de Uso de Herramientas de Inteligencia Artificial Generativa en Trabajos Fin de Grado

ADVERTENCIA: Desde la Universidad consideramos que ChatGPT u otras herramientas similares son herramientas muy útiles en la vida académica, aunque su uso queda siempre bajo la responsabilidad del alumno, puesto que las respuestas que proporciona pueden no ser veraces. En este sentido, NO está permitido su uso en la elaboración del Trabajo fin de Grado para generar código porque estas herramientas no son fiables en esa tarea. Aunque el código funcione, no hay garantías de que metodológicamente sea correcto, y es altamente probable que no lo sea.

Por la presente, yo, [Nombre completo del estudiante], estudiante de [nombre del título] de la Universidad Pontificia Comillas al presentar mi Trabajo Fin de Grado titulado "[Título del trabajo]", declaro que he utilizado la herramienta de Inteligencia Artificial Generativa ChatGPT u otras similares de IAG de código sólo en el contexto de las actividades descritas a continuación [el alumno debe mantener solo aquellas en las que se ha usado ChatGPT o similares y borrar el resto. Si no se ha usado ninguna, borrar todas y escribir "no he usado ninguna"]:

1. **Brainstorming de ideas de investigación:** Utilizado para idear y esbozar posibles áreas de investigación.
2. **Crítico:** Para encontrar contra-argumentos a una tesis específica que pretendo defender.
3. **Referencias:** Usado conjuntamente con otras herramientas, como Science, para identificar referencias preliminares que luego he contrastado y validado.
4. **Metodólogo:** Para descubrir métodos aplicables a problemas específicos de investigación.
5. **Interpretador de código:** Para realizar análisis de datos preliminares.
6. **Estudios multidisciplinares:** Para comprender perspectivas de otras comunidades sobre temas de naturaleza multidisciplinar.
7. **Constructor de plantillas:** Para diseñar formatos específicos para secciones del trabajo.
8. **Corrector de estilo literario y de lenguaje:** Para mejorar la calidad lingüística y estilística del texto.
9. **Generador previo de diagramas de flujo y contenido:** Para esbozar diagramas iniciales.
10. **Sintetizador y divulgador de libros complicados:** Para resumir y comprender literatura compleja.
11. **Generador de datos sintéticos de prueba:** Para la creación de conjuntos de datos ficticios.
12. **Generador de problemas de ejemplo:** Para ilustrar conceptos y técnicas.
13. **Revisor:** Para recibir sugerencias sobre cómo mejorar y perfeccionar el trabajo con diferentes niveles de exigencia.
14. **Generador de encuestas:** Para diseñar cuestionarios preliminares.
15. **Traductor:** Para traducir textos de un lenguaje a otro.

Afirmo que toda la información y contenido presentados en este trabajo son producto de mi investigación y esfuerzo individual, excepto donde se ha indicado lo contrario y se han dado los créditos correspondientes (he incluido las referencias adecuadas en el TFG y he explicitado para que se ha usado ChatGPT u otras herramientas similares). Soy consciente de las implicaciones académicas y éticas de presentar un trabajo no original y acepto las consecuencias de cualquier violación a esta declaración.
Fecha: 16/06/2025
Firma: Pascual Benito Ndongo-Bidyogo Avomo