

Executive Agency and State Capacity in Development:  
Comparing Sino-African Railways in Kenya and Ethiopia<sup>1</sup>

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(Accepted version)

**Abstract**

Why do infrastructure projects that are similar in nature develop along starkly different trajectories? This question sheds light on the varying state capacity of developing countries. Divergent from structural explanations that stress external agency and institutional explanations that emphasize bureaucratic capacity, I propose a political championship theory to explain the variance in states capacity of infrastructure delivery. I argue that when a project is highly salient to leaders' survival, leaders commit to the project; leaders with strong authority build an implementation coalition, leading to higher effectiveness. I trace the process of the Standard Gauge Railway in Kenya and Addis-Djibouti Railway in Ethiopia, relying on over 180 interviews. This research highlights the individual agency within structural and institutional constraints, a previously understudied area in state capacity.

**Keywords:** state capacity, infrastructure, leadership, Kenya, Ethiopia, China in Africa, Belt and Road Initiative

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## Introduction

The provision of infrastructure projects is one of the state's crucial functions. Across the world, particularly among developing countries, states demonstrate varying effectiveness of infrastructure delivery. This variation in effectiveness is a reflection of variation in state capacity. As a result, infrastructure projects that are similar in nature may proceed along starkly different trajectories in different states, or even within the same country. The recently launched Kenyan Standard Gauge Railway (SGR) and the Addis Ababa—Djibouti Railway (ADR) in Ethiopia have both been financed through loans from the Export and Import Bank of China (EximBank), both contracted to Chinese state-owned enterprises (SOEs), and are both flagship projects for China's Belt and Road Initiative. Yet the Kenyan and Ethiopian railways have demonstrated radically different degrees of effectiveness in terms of timely completion and regular operation. Why have these projects that are similar in nature developed along different trajectories in two East African states? And more broadly, what explains developing countries' varying state capacity in delivering infrastructure projects?

Existing explanations for the varying state capacity focus on either structural or institutional factors. Some scholars emphasize the structural asymmetry of developing countries vis-à-vis international powers and how external agency determines states' capability in achieving development.<sup>3</sup> China's engagement with developing countries in Africa, Latin America, and Asia has revived a scholarly debate around dependency theory,<sup>4</sup> where developing countries have been portrayed as situated at the periphery of the global economic

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<sup>3</sup> Fernando Henrique Cardoso and Enzo Faletto, *Dependency and Development in Latin America* (London: University of California Press, 1979). Colin Leys, *Underdevelopment in Kenya: The Political Economy of Neo-colonialism* (Nairobi: East African Educational Publishers, 1975).

<sup>4</sup> Barbara Stallings, *Dependency in the Twenty-First Century?: The Political Economy of China-Latin America Relations* (Cambridge: Cambridge University Press, 2020). Ian Taylor and Tim Zajontz. "In a Fix: Africa's Place in the Belt and Road Initiative and the Reproduction of Dependency." *South African Journal of International Affairs* 27 (October 2020), 277-295.

system and as deprived of agency to foster domestic development.<sup>5</sup> Another group of scholars underscore institutional characteristics, particularly the capacity of bureaucracies as the defining feature of state capacity.<sup>6</sup> Drawing on the original insights of Weber,<sup>7</sup> researchers of developmental states argue that a professional bureaucracy is essential in facilitating capitalist growth than any other form of state organisation.<sup>8</sup>

I introduce a political championship explanation that centers on political leadership, emphasizing the role of individual agency and the influence of the executive. I argue that project salience and leaders' capacity are independently necessary and jointly sufficient for high project effectiveness. When the project is salient to the ruler's survival, the project receives strong political commitment from a political leader. When the leader has strong authority, their intervention in the project implementation generates subordinates' incentives and tempers resistance, leading to better project outcomes. This is an endeavor to "bring the individual back in" to the study of the state without discounting the role of collective entities such as the bureaucracy,<sup>9</sup> thus shedding light on a previously understudied area in state capacity — the agency of the leaders.

The political championship theory advanced by this article makes several contributions to the study of state capacity. First, this study challenges the conventional belief that electoral competition creates short-term survival incentives for the elites which are not as effective for development as the incentives created by centralized, long-term rent management in

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<sup>5</sup> Christopher Clapham, *Africa and the International System: The Politics of State Survival* (Cambridge University Press, 1996). Jean-François Bayart and Stephen Ellis, 'Africa in the World: A History of Extraversion.' *African Affairs* 99 (April 2000), 217-267.

<sup>6</sup> Peter B. Evans, *Embedded Autonomy: States and Industrial Transformation*, (Princeton University Press, 1995). Chalmers Johnson, *MITI and the Japanese Miracle: the Growth of Industrial Policy: 1925-1975* (Stanford University Press, 1982). Alice Hoffenberg Amsden, *Asia's Next Giant: South Korea and Late Industrialization* (Oxford University Press, 1992). Daniel C. Mattingly, "Responsive or Repressive? How Frontline Bureaucrats Enforce the One Child Policy in China." *Comparative Politics* 52 (January 2020), 269-288.

<sup>7</sup> Max Weber, *Economy and Society: An Outline of Interpretive Sociology* (New York: University of California Press, 1978).

<sup>8</sup> Evans.

<sup>9</sup> Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol, eds. *Bringing the State Back in* (Cambridge: Cambridge University Press, 1985).

authoritarian states. This article demonstrates that short-term electoral incentives can be as effective as the long-term centralized developmental state in terms of generating leadership commitment to and intervention in developmental projects or policies. The study also provides a detailed and comprehensive analysis of two Chinese-sponsored railway projects in two East-African states. This empirical documentation is especially important given the hard-to-access nature of Chinese actors and their projects.

The rest of this paper is organized as follows. In the next section, I introduce two alternative explanations: bureaucratic capacity and external agency, drawing on existing literature, then propose a theoretical framework of political championship. I then explain my methodology and case selection. This is followed by a detailed process-tracing exercise for the Kenyan and Ethiopian railways to test the political championship theory against competing theories. This paper concludes with a summary of the findings and a discussion of the generalizability of this theory.

## **Theoretical Framework**

This paper seeks to explain the variation in the outcomes of development projects, which reflects variation in state capacity, i.e. the ability of states to achieve official objectives.<sup>10</sup> In this section, I first operationalize the dependent variable, state capacity, through project effectiveness, and provide two measurements. Then I discuss two competing explanations: external agency and bureaucratic capacity. Finally, I introduce the political championship theory and present the two independent variables.

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<sup>10</sup> Miguel A. Centeno, Atul Kohli, and Deborah J. Yashar. "Unpacking States in the Developing World: Capacity, Performance, and Politics," in Miguel A. Centeno, Atul Kohli, Deborah J. Yashar, and Dinsha Mistree, eds., *States in the Developing World* (New York: Cambridge University Press, 2017), 1-34. Francis Fukuyama, "What is Governance?" *Governance*, 26 (July 2013), 347-368. Theda Skocpol, "Bringing the State Back In: Strategies of Analysis in Current Research," in Evans, Rueschemeyer, and Skocpol, 3-37. Tom Goodfellow, "Taming the 'Rogue' Sector: Studying State Effectiveness in Africa through Informal Transport Politics," *Comparative Politics*, 47 (January 2015), 127-47.

Building and operating a railway in a timely and regular manner exemplifies state capacity. Large infrastructure projects have both material and symbolic functions, and therefore they are frequently instrumentalized politically as state-building and power projection tools.<sup>11</sup> *Effectiveness* is defined here as the degree of achievement of the purpose that the railway was designed and expected to fulfil. This dependent variable is measured by (1) timely completion: whether the railway was completed within the contracted and politically-assigned schedule, and (2) regular operation: whether the cargo and passenger services operate regularly. Although narrowly defined, the construction and operation of railways involve a set of changes to their surrounding socioenvironmental and economic landscape, and therefore have broad political and economic implications. I focus on the short-term outcomes because an operating railway is a precondition for both loan repayment and any long-term socio-economic implications. Railway construction and operation are within the control of the state, making them a more direct proxy for state capacity than the long-term impacts of the railway, which are determined by a wide range of other factors.

The dominant explanations of state capacity and Africa's external relations emphasize either bureaucratic efficacy or external determination. Bureaucracy has been the center of discussions on the politics of public service delivery in developing countries, delineated in two main streams of literature: the Weberian bureaucracy and "pockets of efficiency" theories. Drawing on the original insights of Weber, researchers of the East-Asian developmental states argue that a professional state bureaucracy, characterized by meritocratic recruitment and long-term career rewards, is essential to explaining the economic "miracles" in these states.<sup>12</sup> In the

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<sup>11</sup> Jamie Monson, *Africa's Freedom Railway* (Bloomington: Indiana University Press, 2009). Penny Harvey and Hannah Knox, *Roads: An Anthropology of Infrastructure and Expertise* (Ithaca: Cornell University Press, 2015). Barnaby J. Dye, "Ideology Matters: Political Machinations, Modernism, and Myopia in Rwanda's Electricity Boom," *Energy Research & Social Science*, 61 (March 2020), 101358. Jeffrey Herbst, *States and Power in Africa: Comparative Lessons in Authority and Control* (Princeton: Princeton University Press, 2000). Ronald E. Robinson, Clarence B. Davis, and Kenneth E. Wilburn, eds. *Railway Imperialism* (Connecticut: Greenwood Pub Group, 1991), ch. 1.

<sup>12</sup> Evans. Weber. Johnson.

study of bureaucratic capacity in developing countries, many scholars focus on a single capable bureaucratic agency within a generally ineffective state. This “pocket of efficiency” is a “public organization that is relatively effective in providing public goods and services that the organization is officially mandated to provide, despite operating in an environment in which effective public service delivery is not the norm.”<sup>13</sup>

The *bureaucratic capacity* argument is that the project outcome is determined by the capacity of the implementing bureaucracy. High bureaucratic capacity, as measured by the strength of technical capacity to overcome obstacles within its realm and the political ability to elicit executive intervention to resolve inter-ministerial obstacles, leads to elevated effectiveness. Existing research has identified that lobbying from interest groups such as private sector, civil society, and international organizations are potential sources of political leaders’ commitment to structural adjustment lending, anti-corruption, and healthcare reforms.<sup>14</sup> Bureaucratic mediation between public and private demands for government resources may also affect the effectiveness of aid projects.<sup>15</sup> African railway corporations, usually under the management of the Ministry of Transport, are the owners of the railway projects. They are the bureaucrats that engage with Chinese SOEs on a daily basis and implement the project across multiple levels of domestic politics. According to this argument, projects under the management of a strong railway corporation are therefore likely to demonstrate high effectiveness. This bureaucratic capacity argument consists of two hypotheses:

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<sup>13</sup> Michael Roll, “Pockets of Effectiveness: Review and Analytical Framework,” in Michael Roll, eds., *The Politics of Public Sector Performance: Pockets of Effectiveness in Developing Countries* (Oxford: Routledge, 2014), 24.

<sup>14</sup> Derick W. Brinkerhoff, “Assessing Political Will for Anti-corruption Efforts: An Analytic Framework,” *Public Administration and Development* 20 (September 2000), 239–52. Lori Ann Post, Amber N. W. Raile, and Eric D. Raile, “Defining Political Will,” *Politics & Policy* 38 (August 2010), 653–76. Dolf J. H. te Lintelo and Rajith W. D. Lakshman, “Equate and Conflate: Political Commitment to Hunger and Undernutrition Reduction in Five High-burden Countries,” *World Development* 76 (December 2015), 280–92.

<sup>15</sup> Deborah Bräutigam, *Chinese Aid and African Development: Exporting Green Revolution*, (London: Palgrave Macmillan, 1998), ch. 2.

- H<sub>Bureaucratic Capacity</sub>1. The railway corporation overcomes obstacles within its realm effectively, thus achieving higher project effectiveness.
- H<sub>Bureaucratic Capacity</sub>2. The railway corporation with strong political capability elicits executive intervention for cross-ministerial problems to ensure project success.

Another competing explanation for the divergent outcomes of projects is the *external agency* argument. According to this argument, it is the variation in the commitment and capacity of the external actors that determines the different project outcomes. Many scholars depict African states as weak and passive, shaped by external forces since the colonial era. In this view, Africa has never ceased to exchange goods and ideas with Europe, Asia, and later with America, and this relationship has been characterized by the unevenness and asymmetry between Africa on the one hand, and Europe and Asia on the other—the “*mise en dependence*.”<sup>16</sup> China-Africa economic relations also conform to this dependency paradigm, which is characterized by structural asymmetry, with Africa once again situated in a marginal position within the global economic system and defined by its limited value as a provider of mineral resources.<sup>17</sup> Many scholars view China’s Belt and Road Initiative from a China-centered perspective, considering China’s actions in Asia, Europe, and Africa as an extension of China’s actions as a great power.<sup>18</sup>

The “Chinese agency” version of the external agency theory argues that variation in capacity across Chinese state-owned enterprises determines the different outcomes of Chinese-sponsored projects. Existing literature has discussed the political influence of multinational corporations particularly in developing countries. Multinationals’ political influence provides fiscal and regulatory advantage; host governments also have incentives to negotiate policies

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<sup>16</sup> Bayart.

<sup>17</sup> Bayart. Clapham. Ian Taylor and Tim Zajontz. Ian Taylor, “Kenya’s New Lunatic Express: The Standard Gauge Railway,” *African Studies Quarterly*, 19 (October 2020), 29-52.

<sup>18</sup> David Dollar, “Understanding China’s Belt and Road Infrastructure Projects in Africa.” *Brookings Institute*, September 2019. Leonard K. Cheng, “Three Questions on China’s ‘Belt and Road Initiative’,” *China Economic Review*, 40 (September 2016), 309-13. Hong Yu, “Motivation behind China’s ‘One Belt, One Road’ Initiatives and Establishment of the Asian Infrastructure Investment Bank.” *Journal of Contemporary China*, 26, (November 2016), 353-68.

with multinationals.<sup>19</sup> Chinese SOEs are drivers of China's Belt and Road Initiative. This theory argues that projects contracted to strong SOEs demonstrate higher effectiveness. The external agency hypotheses are summarized as follows:

- $H_{\text{External Agency}1}$ . Chinese SOEs with high technical capability can effectively overcome obstacles during implementation; thus, the project demonstrates higher effectiveness.
- $H_{\text{External Agency}2}$ . Chinese SOEs lobby the Chinese government to increase commitment from African leaders to the project.
- $H_{\text{External Agency}3}$ . A committed Chinese government uses diplomatic or financial leverage to urge the host government's commitment to the project and ensure project success.

Building upon the political leadership literature, I introduce a theory of political championship to explain variance in railway effectiveness, emphasizing the function of leadership in state capacity. Existing studies of political leadership focus either on the psychology of leaders,<sup>20</sup> "crisis leadership,"<sup>21</sup> or the study of dictatorship and democratic transitions.<sup>22</sup> The leadership-development nexus has also received some scholarly attention, with mixed evidence for whether leadership can be an explanatory factor for economic growth.<sup>23</sup> The field of leadership study in political science has seen competition from the rise of structuralism, neo-institutionalism, and rational choice approaches.<sup>24</sup> Instead of perceiving the study of leadership as competitor of institutionalism, the political championship theory contributes to the leadership literature by recognizing the institutional incentives that determine leaders' commitment.

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<sup>19</sup> Nathan M. Jensen, *Nation-States and the Multinational Corporation: A Political Economy of Foreign Direct Investment* (Princeton: Princeton University Press, 2008), ch. 1-2. Rodolphe Desbordes and Julien Vauday, "The Political Influence of Foreign Firms in Developing Countries," *Economics & Politics*, 19 (September 2007), 421-51.

<sup>20</sup> David S. Bell, "Review: Political Leadership," *Government and Opposition*, 49 (January 2014), 139-58.

<sup>21</sup> Weber. Arjen Boin and Paul 't Hart, "Public Leadership in Times of Crisis: Mission Impossible?" *Public Administration Review*, 63 (September/October 2003), 544-53.

<sup>22</sup> Eric Beerbohm, "Is Democratic Leadership Possible?" *American Political Science Review*, 109 (November 2015), 639-52.

<sup>23</sup> Timothy Besley and Anne Case, "Does Electoral Accountability Affect Economic Policy Choices? Evidence from Gubernatorial Term Limits," *The Quarterly Journal of Economics*, 110 (August 1995), 769-98. Benjamin F. Jones and Benjamin A. Olken, "Do Leaders Matter? National Leadership and Growth since World War II," *The Quarterly Journal of Economics* 120 (August 2005), 835-64. Giovanni Carbone and Alessandro Pellegata, *Political Leadership in Africa: Leaders and Development South of Sahara* (Cambridge: Cambridge University Press, 2020), ch. 1.

<sup>24</sup> Carbone and Pellegata. John S. Ahlquist and Margaret Levi, "Leadership: What it Means, What it Does, and What We Want to Know about It," *Annual Review of Political Science* 14 (June 2011), 1-24. Joseph S. Nye Jr., *The Powers to Lead* (New York: Oxford University Press, 2008).



Individual personalities have retained the largest possible role in weakly institutionalized politics such as those found in many African countries.<sup>25</sup> The way in which Africa's core political dynamics closely revolve around national presidents has been further articulated through the notions of "personal rule"<sup>26</sup> and "big-man politics."<sup>27</sup> Political leaders in Africa are understood to be more likely to override institutional constraints and act largely autonomously.<sup>28</sup> However, "personal rule" and "big-man politics" theories emphasize how leaders pursue personal enrichment and maintenance of the patronage system to remain in power, but less, if at all, the leaders' role in achieving policy objectives. Political championship theory advances this literature by recognizing personal rule in project implementation, and emphasising the efficacy of informal politics without understating the role of bureaucracy.

*Political championship* refers to the actions of individuals in top political positions who endeavor to overcome or circumvent the obstacles that frustrate the efforts of other actors in the delivery of public goods.<sup>29</sup> Political champions are usually the executives. In some instances, advisors to the executives or ministers can also take this role.<sup>30</sup> The political championship model seeks to "bring the individual back in" to the study of the state. This emphasis on political leadership does not deny the function of various groups within the state, especially the bureaucratic machine. Rather, it brings under the spotlight a variable that accounts for the personalistic, idiosyncratic, and unpredictable character of politics, an aspect that has yet to receive due academic scrutiny.

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<sup>25</sup> Carbone and Pellegata. Robert I. Rotberg, *Transformative Political Leadership: Making a Difference in the Developing World* (Chicago: University of Chicago Press, 2012), ch. 1.

<sup>26</sup> Robert H. Jackson and Carl G. Rosberg, *Personal Rule in Black Africa: Prince, Autocrat, Prophet, Tyrant*. (Berkeley: University of California Press, 1982), ch. 1-2.

<sup>27</sup> Robert Price, "Politics and culture in contemporary Ghana: The Big-man Small-boy Syndrome," *Journal of African Studies*, 1 (Summer 1974), 173-204. Goran Hyden, *African Politics in Comparative Perspective* (New York: Cambridge University Press, 2012), ch. 1, 5.

<sup>28</sup> Rotberg.

<sup>29</sup> This definition is derived from the leadership definition in Oran R. Young, "Political Leadership and Regime Formation: On the Development of Institutions in International Society," *International Organisation*, 45, (Summer 1991), 281-308.

<sup>30</sup> For instance, Arkebe Oqubay, advisor to the Ethiopian prime minister, led the development of industrial parks. Nigeria's Abuja-Kaduna railway owed much to the close supervision of Chibuike Rotimi Amaechi, the Transport Minister.

The first independent variable is the project's *salience to a ruler's survival*. This argument starts from the premise that rulers prefer to remain in office, and political institutions determine which strategies for staying in office are likely to work and, consequently, whether a project is salient to the ruler's survival.<sup>31</sup> A salient project that is crucial to the ruler's interests is likely to generate strong executive commitment. Mega-infrastructure projects like the railway may be a visible showcase of the ruler's stewardship to the people and a demonstration of economic achievement. Many researchers have found that a ruler's actions are largely responses to the prevailing survival incentives created by existing political institutions, especially electoral institutions, and that ruler's interests significantly affect policy choices.<sup>32</sup>

Instead of undermining the role of institutions, the approach proposed by this article focuses on how political institutions shape the incentives of individuals in the government, and how, in consequence, these individuals choose policies.<sup>33</sup> Competitive elections are a frequently discussed institutional variable that incentivize rulers' decisions. Nordhaus (1975) and later researchers on "political business cycles" rightly point out that competitive elections, as well as leaders' concern for favourable public opinion in non-competitive states, provide incentives for political leaders to commit to certain projects or policies: political commitment increases prior to elections when the incumbent seeks another term, and decreases when the incumbent's priority shifts to power-consolidation.<sup>34</sup> Other incentives, such as foreign relations and crises, may also induce changes in political commitment.

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<sup>31</sup> Barbara Geddes, *Politician's Dilemma: Building State Capacity in Latin America* (Berkeley: University of California Press, 1994), 8. Bruce Bueno de Mesquita and Alastair Smith, "Political Survival and Endogenous Institutional Change," *Comparative Political Studies* 42 (October 2009), 167-97. Bruce Bueno de Mesquita, Alastair Smith, Randolph M. Siverson, and James D. Morrow, *The Logic of Political Survival* (Cambridge: MIT Press, 2005).

<sup>32</sup> Geddes. Bueno de Mesquita and Smith. Bueno de Mesquita, Smith, Siverson, and Morrow.

<sup>33</sup> Geddes:13.

<sup>34</sup> William D. Nordhaus, "The Political Business Cycle," *The Review of Economic Studies*, 42 (April 1975), 169-90. Eric DuBois, "Political Business Cycles 40 Years after Nordhaus," *Public Choice*, 166 (February 2016), 235-59. Gang Guo, "China's Local Political Budget Cycles," *American Journal of Political Science*, 53 (July 2009), 621-32.

The second independent variable is the degree of the *leader's authority*, i.e. the leader's ability to build a coalition of key actors on the project and push the delivery agenda forward. Coalition-building requires the leader's capacity to identify, mobilize, and motivate the right people.<sup>35</sup> The leader's authority is broader than the constitutional power attached to the presidency or premiership. It emphasizes the leader's ability to go beyond formal institutions and utilize informal ones to push the delivery agenda forward. Ranging from bureaucratic and legislative norms to clientelism and patrimonialism, informal institutions shape political behaviors and outcomes, in some contexts even more strongly than formal political institutions.<sup>36</sup> How politicians hold bureaucracy accountable in public service delivery has also been captured by the principal-agent model. This type of interaction can give rise to agency problems — divergence between the intended goals of the principal (the politician) and the agent (the bureaucrat). The principal may employ various stratagems to secure cooperation to guarantee project or policy delivery. Common stratagems may include: increased monitoring, offering rewards or sanctions to induce greater effort in agents,<sup>37</sup> coopting opposition leaders,<sup>38</sup> and generating a sense of mission.<sup>39</sup>

This theory generates the following hypotheses:

- H<sub>Political Championship 1</sub>. When the project is salient to ruler's survival, it generates strong political commitment from the ruler.
- H<sub>Political Championship 2</sub>. When the political champion has high personal authority, their intervention in the project implementation generates subordinates' incentives and tempers resistance, leading to higher project effectiveness.

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<sup>35</sup> Mushtaq H. Khan, "Political Settlements and the Analysis of Institutions," *African Affairs*, 117 (October 2018), 636-55. Bueno de Mesquita, Smith, Siverson, and Morrow.

<sup>36</sup> Gretchen Helmke and Steven Levitsky, "Informal Institutions and Comparative Politics: A Research Agenda," *Perspectives on Politics*, 2 (December 2004), 725-40.

<sup>37</sup> Avinash Dixit, "Incentives and Organizations in the Public Sector: An Interpretative Review." *Journal of Human Resources*, 37 (Autumn 2002), 696-727.

<sup>38</sup> Jackson and Rosberg: 25.

<sup>39</sup> Weber.

## Methodology and Case Selection

This article undertakes small-N, qualitative research, and establishes causality through within-case process tracing, complemented by cross-case comparison.<sup>40</sup> I temporally disaggregate each railway into multiple sub-cases, and this ‘before’ and ‘after’ design allows a discontinuous change in an important variable while keeping all other variables constant.<sup>41</sup> Kenyan SGR Phase 1 (completed in May 2017) and Phase 2A (commenced in September 2017) are divided by Kenyan presidential elections on August 8, 2017. After elections, the railway project’s salience to the President’s survival diminished, and I use process tracing to show that all other variables are either held constant or their changes are spurious, not causal to the change in outcome. The Ethiopian ADR is divided into three sub-cases: ADR under Meles, ADR under Hailemariam before the 2016 ethnic crisis, and ADR post-crisis. The two events that divide these three sub-cases are Meles’s sudden death in August 2012 and the ethnic crisis in November 2015. The change of political leaders changes the leadership capability variable while keeping all others constant,<sup>42</sup> and ethnic crisis changes the project salience variable with all others remaining the same. Instead of establishing causality through cross-case comparison, Kenya and Ethiopia are selected to investigate whether the theory holds for different political institutions.

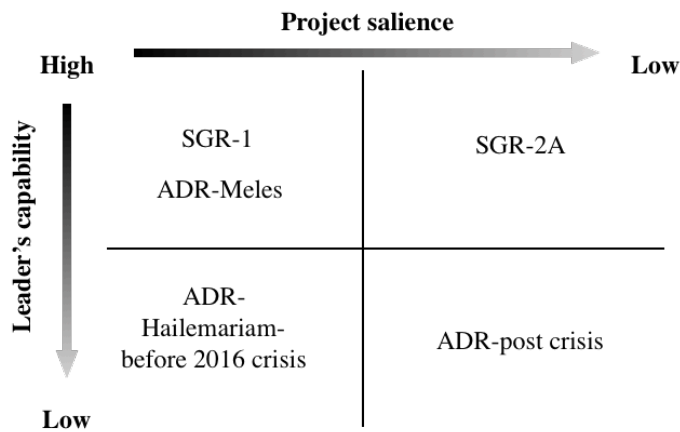
### Table 1. Case variation by independent variable

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<sup>40</sup> Gary Goertz and James Mahoney, *A Tale of Two Cultures: Qualitative and Quantitative Research in the Social Sciences* (Princeton: Princeton University Press, 2012).

<sup>41</sup> Alexander L. George and Andrew Bennett, *Case Studies and Theory Development in the Social Sciences* (Cambridge: MIT Press, 2005).

<sup>42</sup> The sudden death of political leader is used by Jones and Olken (2005) as an exogenous change to leadership that is unrelated to economic conditions or any other factors that may influence subsequent economic performance.



The cases selected for this study demonstrate stark variation in effectiveness, which is defined by (1) timely completion, and (2) regular operation. Construction of the Kenyan SGR commenced on December 12, 2014. SGR Phase 1 (SGR-1) was completed 28 months ahead of the contracted 60 month deadline and met the June 1, 2017 completion date set by the president. Passenger service commenced immediately after inauguration and freight service started on December 1, 2018. On average the SGR linking Mombasa and Nairobi operates 4 passenger trains and 10.5 freight trains per day. The SGR Phase 2A (SGR-2A) from Nairobi to Naivasha was completed in 25 months, 35 months ahead of the 60 month contracted schedule, but did not meet the timeline set by the president, which was December 2018 – the delay being due to difficulties in land acquisition. SGR-2A was finally inaugurated on October 16, 2019 and passenger service started immediately, with cargo service commencing on December 18, 2019.<sup>43</sup> The Ethiopian ADR was completed and inaugurated on October 5, 2016 in Addis Ababa but the passenger and cargo operations did not start until January 1, 2018; a delay of 14 months. On average the ADR operates one passenger train and four freight trains daily. Because I could not observe railway construction and operation results in sub-cases, I use the efficiency with which obstacles, especially land acquisition, were overcome as a proxy for the dependent variable in each Ethiopian sub-case.

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<sup>43</sup> By the time I finished fieldwork in July 2019, SGR-2A hadn't started operation, so I did not collect this data.

**Table 2. Variation in railway effectiveness**

	<b>Kenyan SGR Phase 1</b>	<b>Kenyan SGR Phase 2A</b>	<b>Ethiopian ADR</b>
<b>Timely completion</b>	Halved contract schedule Met President’s schedule	Met contract schedule Failed President’s schedule	Met contracted schedule 14-months delay in operation
<b>Regular operation</b>	4 passenger trains/day 10.5 freight trains/day	N/A <sup>44</sup>	1 passenger train/day 4 freight trains/day

To empirically test whether external intervention ( $H_{\text{External Agency}1}$ ), bureaucratic intervention ( $H_{\text{Bureaucratic Capacity}1}$ ), or executive intervention ( $H_{\text{Political Championship}2}$ ) explains the observed level of project effectiveness, I designed a series of process-tracing tests. The difficulty is that the Chinese SOEs, African railway corporations, and the executive worked jointly on the railway projects, so establishing causality among these actors was difficult. The “hoop test” was helpful here. The hoop test proposes that a given piece of evidence must be present for a hypothesis to be valid, and failing a hoop test eliminates a hypothesis.<sup>45</sup> If the absence of one intervention led to a significant delay in problem-resolution, then I could confidently eliminate existing interventions. To establish sufficiency of hypotheses, I also designed a series of “smoking gun tests,” which propose that if a given piece of evidence is present, then the hypothesis must be valid.<sup>46</sup> The Technical Appendix 1 provides a more detailed list of tests with observable implications.

Political championship can be generated endogenously or exogenously. Political commitment that is a product of the project’s salience to rulers’ survival is endogenous championship because it is based on an internal calculation on the part of the political leader or within the circle of ruling elites ( $H_{\text{Political Championship}1}$ ). In contrast, commitment to a project by African leadership driven by the diplomatic pressure by a foreign government or political

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<sup>44</sup> Africa Star Railway Operation Company Ltd. *Mombasa-Nairobi SGR Operation Monthly Performance Report*. (May 2019.)

<sup>45</sup> James Mahoney, “The Logic of Process Tracing Tests in the Social Sciences.” *Sociological Methods & Research*, 41 (March 2012), 570-97, 571.

<sup>46</sup> *Ibid*, 571-2.

lobbying by African bureaucracies would be considered exogenous championship ( $H_{\text{External Agency}}^2$  and  $H_{\text{Bureaucratic Capacity}}^2$ ). Endogenous versus exogenous political championship represents one of the essential differences between the political championship theory and the two competing theories. Empirically establishing the endogeneity of political championship is challenging. The thought processes of leaders are largely unobservable. To solve this problem, I process-traced the emergence of political championship and paid special attention to the timing of the emergence of political championship in relation to Chinese and bureaucratic leverage.

The evidence I use for process tracing was collected from primary and secondary data. I relied on over 180 open-ended interviews with relevant Ethiopian and Kenyan government officials, political opposition leaders in Kenya, journalists, African business owners and trade union leaders, local and international civil society organizations, managers of Chinese contractors, and Chinese Economic Councilor's Offices in Ethiopia and Kenya. Due to the sensitivity of these two projects, I anonymized my Chinese and some Ethiopian and Kenyan interviewees. These interviews were collected during fieldwork in Ethiopia and Kenya over a total of 21 weeks from 2015-2019. I also relied on corporate social responsibility reports from Chinese contractors, media and civil society organization reports, and policy documents.

### **Process Tracing: The Kenyan SGR**

This section presents a detailed process-tracing exercise for the SGR Phase 1 (Mombasa-Nairobi), and briefly investigates the SGR Phase 2A (Nairobi-Naivasha). Originally a private sector initiative, SGR-1 was later championed by president Kenyatta. I explain how Kenyatta's initial commitment to SGR-1 increased after the 2013 elections, and that SGR-1 served as campaign capital for Kenyatta's 2017 electoral campaign. President Kenyatta directly intervened in SGR-1 by setting timelines for the completion date, frequenting sites, issuing directives to bypass bureaucratic hurdles, and co-opting opposition leaders. Kenyatta's

commitment to the SGR diminished after 2017 elections. Lacking Kenyatta’s championship, the SGR experienced delays during phase 2A.

Alternative hypotheses cannot account for the success of SGR-1 and the delay in SGR-2A. I present evidence for the limited involvement of the Kenyan Railway Corporation (KRC) during project initiation, which runs counter to the prediction of the bureaucratic capacity argument. Moreover, from SGR-1 to SGR-2A, Kenyatta’s direct involvement diminished. Despite KRC’s increased importance and accumulated experience, similar challenges in the SGR-2A were not handled as effectively as during SGR-1. The Chinese SOE contracted for these projects was only marginally involved in finding solutions to these construction challenges during both phases, and Chinese officials’ visits to the SGR-1 came too late to be the cause of the project’s success.

### **Initiation: Election-Inspired Championship**

The Kenyan SGR was a private sector initiative that later drew presidential attention during Uhuru Kenyatta’s electoral campaign in 2013. The project was initiated under president Mwai Kibaki. In 2008, Jimmy Wanjigi, a Kenyan billionaire and an influential middleman for Chinese projects, and Du Fei, then CEO of CRBC Kenya, sought to jointly deliver a modern railway for Kenya through a public-private partnership (PPP).<sup>47</sup> After 2010, Wanjigi acted as power-broker to bring together Uhuru Kenyatta and William Ruto for the 2013 presidential election. The billionaire bankrolled the “Uhuruto” campaign. In exchange, Kenyatta made it a key campaign promise to develop a modern rail network, with an emphasis on PPP.<sup>48</sup> This commitment appeared in the Jubilee Coalition Manifesto 2013:

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<sup>47</sup> Nation Team, “Jimi Wanjigi: Kenya’s Most Feared Oligarch,” *Nation*, June 25, 2017.

<sup>48</sup> Interview with Jimmy Wanjigi, Nairobi, July 26, 2019.



“The Coalition Government will... improve the rail network to upgrade the links between major cities. This will include building a new Standard Gauge Railway from Mombasa to Malaba with a branch line to Kisumu.”<sup>49</sup>

Contrary to the predictions of the political business cycle literature, Kenyatta’s commitment to the SGR further strengthened after he took office in 2013. Upon taking office, the Kenyatta administration elevated the profile of the SGR, including it in Vision 2030, the long-term development blueprint for the country, as a key flagship project. Wanjigi said: “In 2013, Uhuru got to power, I don’t know what happened, suddenly this is what the president wants. I told him I wanted to do PPP, the president told me: ‘You must let go.’”<sup>50</sup> The SGR became a national project under the president’s leadership.

The president’s ownership of the SGR after the 2013 election was inspired by the Western denunciation of Kenyatta and Ruto during the election. Kenyatta and Ruto were prosecuted by the International Criminal Court for organizing the 2007 post-election violence. Before the 2013 Kenyan presidential election, Western leaders threatened that if Kenyatta was elected, Western countries would cut support for Kenya.<sup>51</sup> Kenyatta chose Beijing and Moscow for his first state visits outside of Africa, highlighting his “look East” policy.<sup>52</sup> Receiving this large amount of financial support from China to build a highly visible and symbolic project (a modern railway next to a dilapidated British colonial railway) was a demonstration to the West that Kenya was not dependent on Western support. Kenyatta’s commitment to the SGR stemmed from his intention to use the Chinese-sponsored SGR in retaliation to Western denunciation prior to and during 2013 elections.

Over seven years, the SGR-1 plan evolved from a private sector initiative to a Kenyan national project, or more precisely, a “Kenyatta” project. The president was well aware of the

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<sup>49</sup> Jubilee Coalition, *Transforming Kenya: Securing Kenya’s Prosperity 2013-2017* (Nairobi: Coalition party, 2013).

<sup>50</sup> Interview with Jimmy Wanjigi.

<sup>51</sup> Ibid.

<sup>52</sup> Teddy Ng, “Kenya Looks East to ‘Sincere Friend’ in China,” *South China Morning Post*, August 19, 2013.

Kenyan government's internal debate regarding the lack of tendering procedures for SGR-1 and the dear price of this Chinese "gift" (\$3.8 billion), which was likely to be inflated by corruption.<sup>53</sup> However, opposition to the project only increased Kenyatta's commitment. At first, the contention was within the government's legal department, and later there were media debates. Kenyatta reacted by clearly showing his determination to support the project, hosting a launch event in November 2013 to quieten challenges. Kenyatta's championship of the SGR was not due to exogenous pressure from China or from Kenya's bureaucracy, but rather from his own calculations based on foreign relations and electoral incentives.

During the project initiation from 2008 to 2012, the Kenyan Railway Corporation's involvement was very limited, demonstrating the relative weakness of the KRC in Kenya's bureaucratic system. In 2009, the CRBC approached the Ministry of Transport and offered to conduct a feasibility study free of charge. A Memorandum of Understanding (MOU) was signed between the Ministry and the CRBC regarding this study. The KRC's primary involvement in SGR-1 came as late as April 2011, when it was required to provide technical comments on the feasibility study. In KRC's comment, Nduva Muli, the then Managing Director expressed remorse for not being part of the MOU and for not being included in ongoing communications. Muli wrote:

"KR [Kenyan Railway] did not participate in developing the Terms of References for the study nor was it involved during the study. A study of this magnitude would require KR staff participating as counterpart personnel; KR had no access to the interim and progress reports and any comments and suggestions raised by Ministry of Transport and subsequently addressed by CRBC."<sup>54</sup>

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<sup>53</sup> On June 20, 2020, Kenya's Court of Appeal ruled that the tendering process of the SGR was illegal. The SGR's tendering process have been widely challenged within the Kenyan government, in court, and in the media since 2014. This decision from the Court of Appeal on the 2014 case was used as an instrument by the judiciary, especially the Chief Judge, to retaliate against Uhuru Kenyatta's efforts to weaken the judiciary financially and Kenyatta's refusal to appoint 41 supreme court judges. The relationship between the executive and chief judge deteriorated after the latter ruled in 2017 to nullify the August election. This controversy was another of the occasions upon which the SGR has been utilized as an instruments to oppose Uhuru Kenyatta.

<sup>54</sup> Letter from Nduva Muli, Managing Director of KRC, to Cyrus Njiru, permanent secretary of Ministry of Transport, re "CRBC Feasibility Study MSA-NRB Railway project: Comments by Kenya Railways," April 4, 2011.

This shows the KRC was excluded during the initiation of the SGR even though the SGR should have been under the KRC's mandate. The KRC was only called on when technical comments were needed for the feasibility study. Had the KRC been a strong agency, the Ministry of Transport, the CRBC, and Wanjigi would not have been able to bypass it.

### **Construction & Operation: A “Kenyatta” Railway**

Railway construction and operation generate interactions with the local communities and administration, and these interactions may impose challenges to the timely completion of the project. The most prominent obstacles during construction were land acquisition and the resistance to change within the logistics sector during operation. Successfully overcoming these potential obstacles was crucial to the delivery and operation of the project. To guarantee project success, Kenyatta directly intervened in the construction and operation of SGR-1, allowing the project to overcome these challenges efficiently. In the remainder of this section I describe these interventions and show how they contributed to the project success.

During his first visit to the SGR-1 construction site, Kenyatta set a completion timeline for SGR-1, reducing the completion time scheduled in the construction contract by half, from 60 months to 32.<sup>55</sup> Construction work for the SGR commenced on December 12, 2014.<sup>56</sup> Uhuru Kenyatta's primary site visit was on January 23, 2015 to Sections 3 and 6. After this visit, he signed KRC's visitor's book: “Keep up the good work. Let's all ensure we complete the works on time by June 2017.” The president's photo with this quote and signature were framed by the KRC outside the Managing Director's office. The project was in fact completed by May 31, 2017, and passenger service commenced the following day.

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<sup>55</sup> Duncan Miriri, “Kenya Inaugurates Chinese-built Railway Linking Port to Capital,” *Reuters*, May 31, 2017.

<sup>56</sup> China Road and Bridge Corporation, *Social Responsibility Report 2016 on Mombasa-Nairobi Standard Gauge Railway Project* (CRBC, 2016).

Kenyatta's rationale for setting the completion date to June 2017 was election-driven. This completion date was scheduled two months before the August 8, 2017 national election when Kenyatta was seeking a second term. Kenyatta wanted to deliver the largest (and most expensive) infrastructure project the country had ever undertaken, prior to the election. By launching the SGR during the peak of the electoral campaign, Kenyatta's party, the Jubilee Alliance, openly used the railway as campaign capital. The railway project was presented as an example of the stewardship of the Jubilee, a train that, according to the president, "would begin to reshape the story of Kenya for the next 100 years," in contrast to the colonial "Lunatic Express" that "kicked off to nowhere..."<sup>57</sup> The opposition leader, Raila Odinga, who ran against Kenyatta in the August election, warned: "Jubilee should not use the SGR as a campaign agenda ... This project is for Kenyans, not for Jubilee."<sup>58</sup>

To ensure the project's delivery before the election, Kenyatta visited the construction site on a quarterly basis. The president's site visits were not ceremonial. During each site visit, Kenyatta chaired the Cabinet Sub-Committee meetings with relevant ministers to listen to briefings regarding the construction progress and challenges.<sup>59</sup> The president usually started the meeting by asking CRBC: "Are we on time?" The CRBC would reply "Yes, except..."<sup>60</sup> Land acquisition was a frequently raised concern during the meetings, as Cabinet Secretary of the Ministry of Transport James Macharia recalled: "The president asked the Minister of Land to explain what had been done to clear the land... If there was a problem, the president would give a direct order to the CEO of the National Land Commission regarding the land acquisition and compensation."<sup>61</sup> During Kenyatta's site visit to Makueni County, a local land conflict that went to court was reported to the President, as Kilonzo, Senator of Makueni recalled:

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<sup>57</sup> BBC, "Kenya Opens Nairobi-Mombasa Madaraka Express Railway," *BBC*, May 31, 2017.

<sup>58</sup> Rawlings Otieno, "Raila: We will Jail those who Inflated SGR Cost," *The Standard*, May 31, 2017.

<sup>59</sup> Interview with a Chinese manager of CRBC in Nairobi, July 9, 2017, and James Macharia, Cabinet Secretary of Ministry of Transport in Nairobi, July 18, 2017.

<sup>60</sup> Interview with Atanas Maina, former managing director of KRC in Nairobi, August 13, 2019.

<sup>61</sup> Interview with Macharia.

“When he [Kenya] got off the plane, I think someone had briefed him about the court case. He was furious. People are afraid of Uhuru Kenya... the president said very angrily: ‘how can you stop a presidential project?’ So I explained the issues we were facing. Kenya said: ‘This seems to be a simple issue.’ He then called on the Minister of Land and said: ‘I need this issue solved in seven days with a report.’”<sup>62</sup>

Through these on-site working meetings, issues including power supply, environmental protection, security, etc., were brought to the concerns of the president. Duncan Hunda, Permanent Secretary of Transport, commented on the president’s site visit: “You may not have to solve problems, just your presence would make everyone alert. No one wants to be seen in front of the President not doing their best work.”<sup>63</sup> Several managers in the CRBC said to me proudly that they had never heard of the president paying such attention to a single project.

To prepare for the SGR operation, the Kenya government issued a series of directives to promote the SGR. The introduction of the railway led to a major shift in the Kenyan logistics industry: the dominant mode of cargo transport between Mombasa and Nairobi changed from road to rail, and logistics resources shifted from Mombasa to Nairobi. These changes were resisted strongly by logistics companies and opposition leaders such as Governor Joho of the coastal county Mombasa. To smooth out the operation of the SGR and to guarantee freight volume, the Kenya administration issued several directives. In a circular from the office of the President dated March 7, 2018, Head of Public Service Joseph Kinyua wrote: “All cargo imported and/or exported by government agencies, including cargo for projects undertaken by third parties, must be moved on SGR.”<sup>64</sup> In the same month, Transport Minister Macharia reshuffled 14 out of 16 heads of department at the port of Mombasa, seeking to see through Kenya’s directive for imported cargo to be ferried through the SGR.<sup>65</sup> After the expiration of the promotional tariff, the Kenya Port Authority and Kenya Revenue Authority jointly issued a public notice that “all imported cargo for delivery to Nairobi and the hinterland shall be

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<sup>62</sup> Interview with Mutula Kilonzo Junior, Senator of Makueni in Nairobi, July 30, 2019.

<sup>63</sup> Interview with Duncan Hunda, Permanent Secretary of Ministry of Transport in Nairobi, August 15, 2019.

<sup>64</sup> Martin Siele, “All Government Departments Ordered to Use SGR,” *Kenya*, March 13, 2018.

<sup>65</sup> Carolyne Tanui, “Transport CS James Macharia Reshuffles Senior Managers at Mombasa Port,” *Kenya*, March 1, 2018.

conveyed by Standard Gauge Railway and cleared at Inland Container Depot-Nairobi,”<sup>66</sup> taking effect on August 7, 2019. The top-down directives, directly or indirectly from the president’s office, sidelined the bureaucratic deadlock over the competition between road and rail modalities and central versus coast, and decisions from the top were forcefully implemented.

Kenyatta effectively co-opted the most vocal opposition to the railway, Governor Joho of Mombasa. The governor of Mombasa criticized SGR-1 from day one. The focus of his attack shifted from unfair land compensation during SGR-1 construction to the devastating effect of railway operation on transport business in Mombasa. Publicly lobbying against the Kenyan government’s control of the port and land in Mombasa had been a consistent vote-winner for Joho.<sup>67</sup> Joho’s family business, Autoport Freight Terminals Ltd., was closed by Kenyatta to streamline operations for railway operation.<sup>68</sup> Kenyatta successfully silenced this vocal opposition by offering shares in Nairobi and Naivasha Inland Container Depot to Joho’s family business.<sup>69</sup> Later, news emerged that the Autoport was reopened and given exclusive use of the Nairobi Freight Terminal without a tendering process.<sup>70</sup>

The project’s Chinese contractor was involved in problem-solving during the railway’s construction, as predicted by H<sub>External Agency I</sub>, but the level of involvement was limited. To speed up the process of land acquisition, CRBC sometimes covered payments for land compensation and later sought reimbursement from the KRC. Apart from financial support, the CRBC also directly dealt with local residents as part of its corporate social responsibility work, renovating roads, schools, health centers, churches, and mosques. Yet both the KRC and the CRBC

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<sup>66</sup> Kenya Revenue Authority and Kenya Port Authority Joint Public Notice: Improvement of Cargo Logistics at the Port of Mombasa and Inland Container Depots.

<sup>67</sup> Hugh Lamarque, “Profitable Inefficiency: The Politics of Port Infrastructure in Mombasa, Kenya,” *The Journal of Modern African Studies* 57 (March 2019), 85-109.

<sup>68</sup> Mary Kulundu, “Why Joho’s Businesses Were Closed - KRA,” *Kenyans*, January 30, 2016.

<sup>69</sup> Mohamed Ahamed, “End of Rivalry Revives Hassan Joho’s Businesses,” *Nation*, November 26, 2018.

<sup>70</sup> Edwin Okoth, “Joho Firm Set to Take Over Lucrative Cargo Terminal Deal,” *Nation*, September 1, 2019.

intended to limit the latter’s role to the technical aspects of railway construction, leaving the handling of ethnic conflict and land disputes to the relevant departments of the Kenyan government. Contrary to the predictions of H<sub>External Agency1</sub>, the key challenges faced by the project such as land acquisition were resolved through Kenyatta’s intervention, and the involvement of the Chinese contractor was limited.

In contrast to the prediction of the H<sub>External Agency2</sub> whereby Kenyatta’s championship was exogenously generated through the diplomatic intervention by Chinese government, the intervention of the Chinese government was minimal during SGR-1’s construction from 2014 to mid 2017. During interviews, officials from the Chinese economic councilor’s office in Kenya repeatedly stress that SGR-1 was “a commercial project” and that the role of their office was to support the company when needed but that ultimately the company was on the frontline.<sup>71</sup> In fact, the Chinese government’s commitment to SGR-1 intensified only after the project demonstrated success. From 2014 to 2019, as shown in Table 3, Chinese official inspection visits of the project increased in the latter stage of SGR-1’s construction and mostly occurred after mid-2017, when the project already demonstrated success. Inspection visits by Chinese officials aimed less at urging the CRBC or Kenyatta to succeed in this project and more at retrospectively claiming credit for its success.

**Table 3. Chinese political leaders’ visits to the SGR**

Leaders	Position	Time
Li Keqiang	Prime Minister	May 14, 2014
Zhang Dejiang	Chairman of the Standing Committee of the 12th National People’s Congress	May 27, 2016
Wang Yi	Foreign Minister and State Councilor	August 10, 2016
Wang Yong	Special Envoy of President Xi Jinping and State Councilor	May 31, 2017
Zhong Shan (video inspection)	Minister of Commerce	September 22, 2017

<sup>71</sup> Interview with officials from Chinese Economic Councilor’s Office in Kenya in Nairobi, July 11, 2017 and August 17, 2019.

Wang Jiarui	Special Envoy of President Xi Jinping and Vice Chairman of the Chinese People’s Political Consultative Conference	November 30, 2017
Hao Peng	Chairman and Party Committee Secretary of the State-owned Assets Supervision and Administration Commission	August 5-6, 2018
Wang Yang	Member of the Politburo Standing Committee and Chairman of the Chinese People’s Political Consultative Conference	June 17, 2018

Source: CCCC website and interviews

### **SGR-2A: Diminished championship**

After the 2017 elections, Kenyatta’s commitment to the SGR dwindled. No longer seeking re-election in 2022 elections, Kenyatta’s priority shifted to power consolidation. Politically, he shook hands with the veteran opposition leader, Raila Odinga, to address ethnic antagonism, corruption, and devolution.<sup>72</sup> Policy-wise, he proposed the Big Four Action Plan: enhancing manufacturing, food security, health coverage, and affordable housing. In the meantime, continuing the SGR to the Ugandan boarder as originally planned implied adding another \$3.68 billion to the already mounting debt to China.<sup>73</sup> Kenyatta returned from Beijing in April 2019 without securing new SGR financing; informants from EximBank shared that it was Kenya’s decision not to take out new loans given the existing debt levels and other policy priorities.<sup>74</sup>

The construction of SGR-1 and SGR-2A was undertaken and managed by the same Kenyan bureaucracies and Chinese contractors, but Kenyatta’s diminished commitment to the SGR-2A resulted in a 10-month delay during construction. The delay was due to prolonged land acquisition processes in Rongai, Ngong areas, and Nairobi National Park. Kenyatta set a

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<sup>72</sup> BBC, “Letter from Africa: Is Kenya Building Bridges to Nowhere?” *BBC*, December 2, 2019.

<sup>73</sup> Allan Olingo, “Kenya Fails to Secure \$3.6b from China for Third Phase of SGR Line to Kisumu,” *The East African*, April 27, 2019.

<sup>74</sup> Interview with an official from EximBank in Nairobi, July 23, 2019. The SGR also spurred controversies regarding Kenya’s debt sustainability and potential risks of China’s ‘asset seizure’ should this debt default. A recent policy brief by Brautigam and Kidane (2020) elaborates the legal procedures and likely scenarios if the railway loan go into default. The debt controversy, like other controversies around the SGR, was politicized as an instrument to criticize the president, who had championed the project. In other words, the politicization of SGR grievances and controversies is a result of Kenyatta’s championship. Deborah Brautigam and Won Kidane, “Policy Brief: China, Africa, and Debt Distress: Fact and Fiction about Asset Seizures,” (China-Africa Research Initiative at Johns Hopkins University’s School of Advanced International Studies, 2020).



deadline for SGR-2A to be completed by December 2018, but completion was delayed until October 2019. Apart from the launch and inauguration ceremonies of SGR-2A, president Kenyatta only visited the construction site once, at the Nairobi National Park, and the rest of the quarterly working meetings were held at the State House. Unlike SGR-1, the land acquisition of SGR-2A was left to the coordination of the KRC, the National Land Commission, and the Ministry of Transport, absent of frequent on-site interventions from the president. Lacking a political champion, similar obstacles to SGR-2A were not overcome as effectively as during SGR-1. When Kenyatta's attention to the project diminished, SGR-2A was delayed. If the bureaucratic capacity explanation is true, SGR-2A should not have experienced such delays because the relevant Kenyan bureaucracies and the Chinese contractor had accumulated experience during Phase 1 and should therefore be more proficient in Phase 2A.

### **The Ethiopian ADR**

In this section, I trace the process of the rise and fall of political championship of the Addis Djibouti Railway. I divide the ADR into three sub-cases: (1) ADR-Meles (initiation), (2) ADR-Hailemariam prior to crisis (construction), and (3) ADR-post crisis (operation). First, I describe the endogenous motivations for championship: the ADR was highly salient to EPRDF's legitimacy to rule. Prime minister Meles initiated and championed the ADR, making his tenure the "golden era of railway development." I also illustrate how exogenous pressure from bureaucratic and Chinese actors did not constitute the source of Meles's championship. During 2012-2016, under Hailemariam, the ADR was still a government priority, but as ethnic protests increased, the EPRDF's attention shifted to maintaining security. Even at the beginning of Hailemariam's tenure, he lacked the charisma and political savvy to "fill the boots" of Meles, and the development of the ADR gradually slowed down, despite efforts by the Chinese contractors and the Chinese government.

### **Initiation: Political Championship under Meles**

Since 1991, Ethiopia has been under the authoritarian rule of the Ethiopian People's Revolutionary Democratic Front (EPRDF) which, especially under the leadership of Meles Zenawi, drew on the East-Asian experience, and sought to project Ethiopia as a "developmental state."<sup>75</sup> Ethiopia had been able to maintain a double-digit growth rate since 2004, and such sustained development had been a major component of the EPRDF's legitimacy. The EPRDF's developmental policy had been facilitated by a concentration of political and economic power with limited tolerance for political dissent.<sup>76</sup> The EPRDF's Growth and Transformation Plan II focuses on industrialization, and the Addis-Djibouti Railway was conceived as an essential component of this agenda, creating a channel from the capital to the port, a crucial step in integrating the country into the global economy as a producer of export goods.

The initiation of the ADR was championed by Meles. In 2007, the Ethiopian Railway Corporation (ERC) was established with a mandate to develop a National Railway Masterplan. In 2011, Meles visited China and asked president Hu Jintao to support Ethiopian railway development. The Chinese government agreed to support the ADR and nominated some Chinese SOEs as contractors. Later that year, an engineering, procurement, and construction contract was awarded to the CREC and the CCECC. The EximBank announced financing for the ADR in a MOU with the Ethiopian government in June 2012.

The initiation of the ADR did not receive unanimous support within the Ethiopian government, yet Meles championed the project and dissuaded dissenters. During a Macroeconomic Team Meeting, a monthly meeting chaired by Meles to follow up on mega-projects, the CEO of the Ethiopian Road Authority said: "We don't need a railway because the

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<sup>75</sup> Christopher Clapham, "The Ethiopian Developmental State," *Third World Quarterly*, 39 (May 2018): 1151-65.

<sup>76</sup> Tim Kelsall, *Business, Politics, and the State in Africa: Challenging the Orthodoxies on Growth and Transformation* (London: Zed Books, 2013), 100.

volume of commodities for logistics is low, and trucks can do the work. It is better to upgrade the roads.” Meles responded: “We are not thinking railway for one or two years. We are thinking of 10 to 20 years and linking the global [market]. If we don’t prepare the infrastructure before economic development, then we might get trapped.”<sup>77</sup>

Meles’s championship of the ADR was not likely the result of bureaucratic influence. During ADR’s initiation, the Ministry of Transport was bypassed in decision-making. A senior staff member at the Ministry of Transport repeatedly expressed his grievances: “This is a political railway...Political decisions were made at the Head of State level. The Ministry of Transport was not involved. Very strange, no consultation with the Ministry of Transport.”<sup>78</sup> While the Ministry was largely absent during the ADR initiation, the ERC was receiving orders directly from the prime minister. An interviewee from the Ministry revealed: “The ERC was directly operating under Meles, with a high degree of political support, [receiving] direct orders from Meles.”<sup>79</sup> Yet as a relatively nascent agency, the ERC was less likely to be able to obtain commitment from the prime minister for its project, as would be predicted by  $H_{\text{Bureaucratic Capacity}}$ .<sup>2</sup> The ERC was established in 2007, and the ADR was one of the first mega-infrastructure projects it undertook. At the time, the corporation was understaffed and heavily reliant on foreign consultants for technical work. The more likely scenario is that Meles was committed to the project and bypassed the Ministry of Transport, which might have raised objections to the project, to instruct the ERC directly.

Chinese SOEs’ involvement in the initiation of the ADR was also minimal. Unlike in Kenya, where the CRBC was a joint initiator, Chinese SOEs were largely absent during the initiation of the ADR and their intensive participation only began in 2012, when construction commenced. The ERC’s foreign consultants on the ADR project were all European

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<sup>77</sup> Interview with an anonymous interviewee in Ministry of Transport in Addis, April 30, 2019.

<sup>78</sup> Ibid.

<sup>79</sup> Interview with an anonymous interviewee in Ministry of Transport in Addis, April 22, 2019.

companies.<sup>80</sup> Chinese SOEs became involved with the project only after Meles and Hu's meeting in Beijing, when the Chinese government proposed a list of SOEs for the Ethiopian government to choose from. In fact, before the agreement with China, Ethiopia had approached the UK, the US, Italy, and Japan, but these countries were not ready to finance a large infrastructure project such as the ADR. "It was not a problem of preference, but a problem of access."<sup>81</sup> Yet the two Chinese SOEs' intervention in the ADR significantly increased after construction had started, months before Meles's death.

### **Construction: Diminishing leader's capability**

Meles's death in August 2012 led to Hailemariam assuming the premiership. The political transition was smooth, and the new prime minister was viewed by many EPRDF cadres as a "legacy maintainer."<sup>82</sup> Even though Hailemariam continued the work of his predecessor, he lacked Meles's authority. Most of Hailemariam's authority derived not from his own resources, as it had done for Meles, but had been handed down to him by a constellation of powers characterized by diversity and rivalry between them.<sup>83</sup> The fact that he represents two historically marginalized groups — evangelical Christians and the South — made him a good compromise candidate who did not threaten existing factions within the party, and sought to govern more collectively.<sup>84</sup> The weakening of central authority released regional forces that had been stifled by Meles's iron grip. Both in central and regional government, Hailemariam's authority was ignored: officials turned their backs and mocked even the highest levels of the

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<sup>80</sup> Interview with several anonymous interviewees in ERC in Addis, April 22, 26, and 27, 2019.

<sup>81</sup> Interview with Tilahun Tadesse Haile, Director of Ethio-China Development Cooperation Directorate in Ministry of Finance and Economic Cooperation in Addis, June 29, 2017.

<sup>82</sup> Rene Lefort, "Ethiopia's Crisis. Things Fall Apart: Will the Centre Hold?" *Open democracy*, November 19, 2016.

<sup>83</sup> *Ibid.*

<sup>84</sup> Lovise Aalen, "Ethiopia after Meles: Stability for How Long?." *Current History*, 113 (May 2014): 192-6. Jonathan Fisher and Meressa Tsehaye Gebrewahd, "Game Over? Abiy Ahmed, the Tigrayan People's Liberation Front, and Ethiopia's Political Crisis," *African Affairs*, 118 (January 2019), 194-206.

new government. People in the street concluded: “Mengist yelem!” – “Authority has disappeared.”<sup>85</sup>

The Addis Djibouti Railway was a governmental priority under both Meles and Hailemariam, but leadership authority was reduced in the transition. Like many projects started during the Meles era, the ADR was continued under Hailemariam, as one senior staff member from the Ministry of Transport described: “Hailemariam kept doing the same thing, to keep Meles’s Legacy.” In his speech in Tigray in 2017, Hailemariam compared the Addis Djibouti Railway to a throat, underlining its crucial function:

The capital Addis Ababa needs to be connected to the port, because all of our throats will be strangled if [our connection to] the port is strangled. Thus, let us first connect to the port so that we can open our throat.<sup>86</sup>

However, Hailemariam lacked Meles’s leadership authority to mobilise a delivery coalition for the ADR. Land acquisition, or “right-of-way,” was achieved very quickly under Meles but stagnated under Hailemariam. As a senior staff-member at the ERC, recalled:

He [Meles] gave instructions to regional government, like the Oromia government. They listened to him. They instructed local communities to focus on the work. And whenever we went to local administrations, we were well received, and the work was done smoothly. With Hailemariam, we met him... but we didn’t follow [up] after the meeting. There are legal procedures, and we just followed the legal procedures.<sup>87</sup>

Strictly working to procedure is a tactic commonly-employed by bureaucrats to subvert political decisions.<sup>88</sup> As it is in Kenya, land is historically sensitive in Ethiopia, with many land-related conflicts between regions and between the centre and regions,<sup>89</sup> making land acquisition the most common cause of delays in construction work. Land in Ethiopia is government-owned but managed by regional administrations. For construction of the ADR, the

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<sup>85</sup> Lefort.

<sup>86</sup> Fetsum Berhane, “Prime Minister Hailemariam Desalegn’s Speech at the Railway Network in Adwa,” *Horn Affairs-Amharic*, April 26, 2017. Cited in Biruk Terrefe, “The Renaissance Railway: Infrastructure and Discourse in EPRDF’s Ethiopia,” *MPhil diss.*, (University of Oxford, 2018).

<sup>87</sup> Interview with a senior staff of ERC in Addis, April 22, 2019.

<sup>88</sup> Alex de Waal, *The real politics of the Horn of Africa: Money, War and the Business of Power* (Cambridge: Polity, 2015), 254

<sup>89</sup> Interview with a senior manager of Ethiopian Road Authority in Addis, May 15, 2019

ERC made land-acquisition requests to regional administrations. Thus the degree of federal control over regional administrations is especially relevant for the efficient obtention of right-of-way. Where Meles was able to side-line problems such as the demands for political participation to focus on the development of the country's infrastructure and industrialization, Hailemariam lacked the political skills to quieten such issues.<sup>90</sup> Although Hailemariam's rule was a continuation of Meles', the Ethiopian and Chinese interviewees who participated in the ADR were nostalgic for Meles's administration. A senior member of staff at the ERC expressed it clearly: "When Meles was the prime minister, that was the golden time for railway development in Ethiopia."<sup>91</sup>

### **Ethnic Crisis and A Forgotten Railway**

Following the uprisings in Oromia and Amhara, Ethiopia declared a state of emergency, and the government's priority shifted away from growth to maintaining stability. In November 2015, Oromia, Ethiopia's most populous state counting 35% of the country's population, saw increasing unrest. This was followed by uprisings in July 2016 in parts of Amhara, the second most populace region (27%). Hailemariam declared a state of emergency in October 2016, and this political crisis ended with the resignation of Hailemariam and the then deputy president of Oromia region Abiy Ahmed claiming power in February 2018. The declaration of a state of emergency was an indication that the government was "overwhelmed."<sup>92</sup> Although the protests in Oromia and Amhara were triggered by territorial grievances and high unemployment rates, they were able to elicit such unprecedented support because of a wider range of issues, including political and economic marginalisation and the dominance of the TPLF within the EPRDF, human rights abuses, lack of democracy, and federal encroachment on regional

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<sup>90</sup> Interview with a partner of a business consulting firm in Addis, April 16, 2019.

<sup>91</sup> Interview with a senior staff of ERC, Addis, April 22, 2019.

<sup>92</sup> Lefort:12.

affairs.<sup>93</sup> Occupied with the widespread protests, the government shifted its focus from economic development to the maintenance of order. Although official government discourse still emphasized the importance of the ADR and the Renaissance Dam during my field visit to Addis in 2017, the ADR was *de facto* deprioritized. Railway construction was capital- and technology-intensive and could not absorb the unemployed youth who comprised the majority of insurgents.

Ethnic insurgencies in various regions made it even more difficult to generate cooperation with local administrations, especially regarding land acquisition. “Things moved very slowly,” the senior ERC staff frowned, “Local administrations made our lives miserable. Local administration is supposed to balance between local people and the national project, but now, they purely support local people.”<sup>94</sup> Railway land disputes sometimes escalated, leading to construction work being suspended. The local administrations feared the people. Because of the state of emergency, they needed to placate the local population and thus preferred to avoid conflict.<sup>95</sup> A Chinese manager observed: ‘it seems that the ERC lacked authority in regional government.’<sup>96</sup> Fierce local fighting, including gunfire, also frightened railway workers, who refused to go to work, causing construction delays.<sup>97</sup>

The Addis-Djibouti line was launched in Addis Ababa in October 2016. The first six years of operation management were contracted to a consortium formed by CREC and CCECC, the two constructors of this railway. Ethiopia and Djibouti also established a joint corporation, Ethio-Djibouti Railway (EDR), to manage the operation. However, trial operations for ADR’s passenger and cargo services only commenced in January 2018, 14 months after the Addis

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<sup>93</sup> Fisher and Gebrewahd. Tom Lavers, “Responding to Land-based Conflict in Ethiopia: The Land Rights of Ethnic Minorities under Federalism,” *African Affairs*, 117 (July 2018), 462-84.

<sup>94</sup> Interview with a senior staff of ERC in Addis, April 22, 2019.

<sup>95</sup> Interview with an employee of ERA in Addis, May 15, 2019.

<sup>96</sup> Interview with a Chinese manager of CREC in Addis, June 19, 2017.

<sup>97</sup> Interview with various anonymous interviews of CCECC, ERC, and CREC in 2017 and 2019.

inauguration, due to delays in securing electricity and water supplies, as well as issues around cross-country coordination between Ethiopia and Djibouti.<sup>98</sup>

The leadership transition from Hailemariam to Abiy further reduced the leader's commitment to the railway. In February 2018, Hailemariam resigned, bowing to pressure from within his own party. His successor, Abiy Ahmed Ali has, since his April 2018 inauguration, presided over a dramatic set of policy shifts. Abiy has sought to distance himself from the past 27 years of EPRDF rule, and leadership commitment to the railway declined further under Abiy. As a senior officer of the operating company EDR said frankly: "It seems that the Abiy government have forgotten the railway." He further explained: "Railways require lifetime investment, linkage to the ports, additional equipment, training for staffs, etc. But now the government has said 'it is not our priority to put money into the railway' ... the prime minister does not want to hear about this project always consuming [resources]."<sup>99</sup> A senior staff-member from the ERC also expressed nostalgia for the Meles era: "Were Meles still here, the Addis Djibouti railway would be in a different shape."<sup>100</sup>

Today, the ADR runs four freight trains and one passenger train daily, operating at a loss. Similar to the Kenyan railway, the ADR's main operational challenge was competition from road transport. Traditionally a highly lucrative sector, road logistics is controlled by a parastatal, the Ethiopian Shipping and Logistics Services Enterprise (ESLSE). Established in 1956, the parastatal acquired a truck-operating company and has since monopolized the Ethiopian logistics industry. The EDR reached an agreement with the ESLSE to handle cargo services, and the ESLSE uses the railway to transport two trains of cargo daily.<sup>101</sup> The newly established EDR and ERC were in a disadvantageous position in these negotiations relative to

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<sup>98</sup> Ibid.

<sup>99</sup> Interview with a senior staff of EDR in Addis, April 27, 2019.

<sup>100</sup> Interview with a senior staff of ERC in Addis, April 22, 2019.

<sup>101</sup> Interview with a senior staff of EDR in Addis, April 22, 2019.



the well-established ESLSE, and the ESLSE and railway corporations are housed under different ministries, but Abiy has been reluctant to intervene in the road-rail competition. As a result, the ADR freight service generated \$36 million in 2018, a mere quarter of the revenue predicted in the feasibility study.<sup>102</sup>

### **Chinese intervention**

The role of Chinese contractors in the ADR was more pronounced than in Kenya's case, where the CRBC had a relatively minor role in the SGR. Yet contrary to the expectations of H<sub>External Agency</sub>, the Chinese SOEs' financial support and diplomatic pressure were not sufficient to rescue the ADR from delay. Like their counterpart in Kenya, the CREC and the CCECC provided financial support for the ERC. When the ERC was temporarily short on funds for land compensation, the Chinese contractors paid out of their own pockets. Frequently, the ERC could not issue prompt payment to the contractors, but the latter continued construction work. A CREC manager revealed that the Chinese contractors had borne the risk to cover the Ethiopian government's \$90 million Sinasure credit premium on the ADR project:

“The Ethiopian government ... did not have enough US dollars to cover the advanced credit premium for Sinasure, so we assisted them in paying the premium. Till now [July 2017], there were still \$38 million outstanding from the ERC. It was a big risk for us.

But without the credit premium, the project would be stopped. There would be international influence, and the cost of stopping the work was very high for us. So even though we have the full right to stop according to the contract, we had to help them [Ethiopian government] solve their difficulties.”<sup>103</sup>

Chinese SOEs also leveraged their political connections in Beijing to have the Chinese government urge Ethiopian leadership to provide greater commitment to the ADR. During ADR's construction from 2012-2016, Hailemariam visited the construction site twice, as

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<sup>102</sup> Interview with a manager of EximBank in Addis, April 7, 2019.

<sup>103</sup> Interview with a manager of CREC in Addis, June 20, 2017.

recalled by a Chinese manager from the CREC.<sup>104</sup> Both visits were ceremonial for launch events. According to CREC's observation, the prime minister's commitment increased immediately after his visit to the Belt and Road Forum in May 2017 in Beijing where he was seeking new project opportunities in China. Receiving progress reports from the headquarters of the Chinese contractors, the Chinese Ministry of Finance expressed concerns to Hailemariam about delays to the ADR operation. Hailemariam then provided a joint announcement by the ERC and the Chinese SOEs stating that the Ethiopian government was seeking to address the challenges faced.<sup>105</sup> However, beyond this joint statement, the obstacles endured. This commitment generated by diplomatic pressure was not strong enough to resolve the challenges facing the railway project. The Kenyan and Ethiopian railways, like other Belt and Road projects, are essentially driven by host-countries. Indeed, this is one of the reasons why these projects are welcomed by developing countries.<sup>106</sup> Despite their financial and technical strength, Chinese SOEs largely operate within the contractual framework and even the Chinese government's diplomatic pressure can only function through the host government.

## **Conclusion**

This article seeks to explain why two projects similar in nature demonstrate sharply contrasting effectiveness in two African states. The effectiveness of these infrastructure projects is a proxy for state capacity. I argue that if the project is highly salient to the ruler's electoral survival or legitimacy, it generates strong political championship. When a political champion has a high degree of authority, their intervention in the project generates bureaucratic incentives and tempers resistance, leading to greater project effectiveness.

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<sup>104</sup> Recalled by a manager of CREC in Addis, July 1, 2017.

<sup>105</sup> Interview with a manager of CREC in Addis, June 26, 2017.

<sup>106</sup> Dollar.

I provide evidence for this argument by process-tracing two Chinese-sponsored railways in two East-African countries. The Kenyan SGR-1 and the Ethiopian ADR-Meles demonstrate that political championship is crucial for resolving major obstacles during project implementation. This empirical analysis also allows for the identification of three main stratagems adopted by political leaders: bypassing the bureaucracy, co-opting the opposition, and generating a sense of mission attached to the project. The SGR-2A, and the ADR construction and operation after the ethnic crisis of 2016 show that absence of championship results in less efficiency, despite high bureaucratic capacity and strong Chinese intervention. The leadership transition from Meles to Hailemariam shows that leader authority is another factor that is necessary for successful project implementation. Despite his commitment to the ADR, Hailemariam lacked Meles's astuteness in navigating factional interests or leading the coalition of actors for ADR implementation that had been established by Meles. Central control over regional states gradually weakened, and obstacles were not resolved in a timely manner as they had been during Meles' tenure.

These two East-African states were selected because they exhibit significant variation in both of the independent variables and in the dependent variable, and thus provide a useful venue for testing the hypotheses. The theory advanced by this paper can be applied on a broader scale. Researchers have identified that "lack of political will" explains insufficient progress in many policies, projects, and reforms by international organizations like the World Bank.<sup>107</sup> Researchers also acknowledge the critical role of political champions in building consensus and driving projects forward in developed countries. Sustained political support and the patronage of a political champion was apparent in the cases of the Meteor project in Paris, Oedo Line in Tokyo, CTRL in UK, Big Dig project in Boston, and Perth–Mandurah Railway

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<sup>107</sup> Richard Heaver, *Strengthening Country Commitment to Human Development: Lessons from Nutrition* (Washington, DC: World Bank, 2005). FAO, "Reviewed Strategic Framework and Outline of the Medium Term Plan 2014–17," (Rome: FAO, 2013).

in Australia.<sup>108</sup> In these strongly institutionalised countries, the supremacy of the political champion is more limited than in states with weak institutions. The political championship theory applies to our understanding of state capacity variation across developing countries with relatively weak institutionalized politics, including most African and Latin American, as well as some Asian states.<sup>109</sup> It is in weak institutional settings that personalism, characterized by the volatility and idiosyncrasy of policy and project delivery, becomes prominent.

### **Technical Appendix 1. Process Tracing Tests and Observable Implications**

In this technical appendix, I present a series of process-tracing tests to empirically examine the three competing theories: political championship, bureaucratic capacity, and external agency. The first subsection investigates the *exercise of interventions*: whether it is executive intervention, external intervention, or bureaucratic intervention that leads to superior project outcomes. However, even if it is executive intervention that leads to better results, this executive commitment can be derived from within or from political leverage. If it is the latter case, then political championship only served as an intermediary variable to external or bureaucratic agency. Therefore it is important to explore the *origin of political championship*: whether it is endogenous (i.e. derived from a careful calculation of the ruling elites) or exogenous (i.e. generated from political leverage of external or bureaucratic actors). This is discussed in detail in the second subsection. A summary of the seven hypotheses from the three competing explanations are listed in the table at the end of this section, with their respective observable implications.

### **Executive, External, or Bureaucratic Intervention**

To empirically test whether it was external agency ( $H_{\text{External Agency}1}$ ), bureaucratic capacity ( $H_{\text{Bureaucratic Capacity}1}$ ), or executive intervention ( $H_{\text{Political Championship}2}$ ) that caused project effectiveness, I designed a series of process tracing tests. The political championship theory posits that effective executive intervention in the project leads to higher project effectiveness. For this explanation to be true, I should be able to observe the political leadership of the host country devoting extraordinary commitment and unprecedented intervention to this project compared to other projects. I should also be able to observe the executive intervention shaping

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<sup>108</sup> Harry T. Dimitriou, John Ward, and Philip G. Wright, *Mega Projects Executive Summary: Lessons for Decision-maker: An Analysis of Selected International Large-Scale Transport Infrastructure Project* (London: OMEGA Centre, 2012).

<sup>109</sup> The Chinese high-speed railway system, for instance, benefited from the championship of Liu Zhijun, the former railway minister.

project outcome, that the executive achieved successful project through generating a sense of mission, bypassing bureaucracy, and/or co-opting opposition leaders. Moreover, I should observe that for the same project, when executive intervention reduced from extensive to ceremonial, the efficiency of the proposed solutions declined.

The external agency theory argues that the Chinese SOEs with high technical capability are more likely to effectively solve obstacles during implementation, thus the project demonstrates higher effectiveness. For this theory to be true, I should be able to observe that Chinese SOEs stepped out of their obligation required by the contract to help their African counterparts solve problems during construction and operation. Chinese SOEs' interventions are sometimes highly risky and against commercial sense. Moreover, I should observe that even with less intensive executive intervention and no change in the railway corporation's intervention, the project proceeded normally without delay.

The bureaucratic capacity theory is that the effective railway corporation can resolve obstacles under its realm effectively, thus achieving higher project effectiveness. For this argument to be true, first I need to show that the obstacles under the realm of the railway corporation, including labour disputes and community relations, can be effectively solved. I should also observe that even with less intensive executive intervention and no change in Chinese SOEs' support, the project proceeded normally without delay.

### **Endogenous and Exogenous Political Championship**

Political championship can be generated endogenously or exogenously. Executive commitment enabled by the project/policy's salience to the elites' survival is endogenous championship, because this is a thought process of the political leaders themselves or within the intimate circle of the ruling elites ( $H_{\text{Political Championship}1}$ ). Whereas African leadership commitment caused by the diplomatic leverage of foreign government or political lobbying of African bureaucracy represents exogenous championship (see  $H_{\text{External Agency}2\&3}$  and  $H_{\text{Bureaucratic Capacity}2}$ ). Endogenous versus exogenous political championship is one of the essential differences between the political championship theory and the two competing theories.

To establish whether the origin of political championship is endogenous rather than imposed by China or the bureaucracy, I should observe that African political leaders showed strong ownership to the project prior to the Chinese government's and railway corporation's involvement in the project. I should also find evidence that the political commitment to the railway is caused by the executive's perceived salience of the project rather than exogenous leverages. Moreover, negative cases contribute to the solution to this puzzle: if I can observe leverage by China or by capable bureaucracy but low project effectiveness, then I can confidently conclude that the Chinese agency argument and bureaucratic efficiency argument cannot account for project effectiveness. Table 1 below demonstrates the hypotheses of three theories and their respective observable implications.

**Table 1. Competing hypotheses and observable implications**

Hypotheses	Observable Implications
$H_{\text{Political Championship}1}$ . Endogenous political championship	○ African political leaders showed strong ownership to the project prior to the Chinese government's and railway corporation's involvement in the project.

	<ul style="list-style-type: none"> <li>○ The political commitment to the railway is caused by the executive's perceived salience of the project rather than exogenous leverages.</li> </ul>
HPolitical Championship2. Executive intervention	<ul style="list-style-type: none"> <li>○ Top political leadership of the host country devoted extraordinary commitment and unprecedented intervention to this project compared to other projects during his rulership.</li> <li>○ The executive achieved project effectiveness through generating mission, bypassing bureaucracy, and/or co-opting opposition leaders.</li> <li>○ For the same project, when executive intervention declined from extensive to ceremonial, the efficiency of the solutions proposed also diminished.</li> </ul>
HExternal Agency1. Chinese SOE's intervention	<ul style="list-style-type: none"> <li>○ The SOEs stepped out of their obligation required by the contract to help African counterparts to solve problems during construction and operation, sometimes bearing high risk and against commercial sense.</li> <li>○ Even with less intensive executive intervention and no change in the railway corporation's intervention, the project proceeded normally without delay.</li> </ul>
HExternal Agency2 & 3. China-leveraged political championship	<ul style="list-style-type: none"> <li>○ SOEs engage in public campaigns in China to raise Chinese public awareness of the project.</li> <li>○ SOEs lobby to Chinese government to heighten the political significance of the project in China.</li> <li>○ The Chinese government urges African leaders to commit to the project during bilateral meetings or multilateral platforms. After visiting China or receiving state visits from Chinese officials, the African leaders' commitment to the project significantly increased.</li> </ul>
HBureaucratic Capacity1. Bureaucratic intervention	<ul style="list-style-type: none"> <li>○ Obstacles under the realm of the railway corporation, including labour disputes and community relations, can be effectively solved.</li> <li>○ Even with less intensive executive intervention and no change in Chinese SOEs' support, the project proceeded normally without delay.</li> </ul>
HBureaucratic Capacity2. Bureaucracy-leveraged political championship	<ul style="list-style-type: none"> <li>○ The railway corporation involved in the project prior to the executive.</li> <li>○ The railway corporation lobbied to the executive to increase the political importance of this project.</li> <li>○ The executive's intervention in resolving inter-ministerial deadlocks, especially in land acquisition was due to the lobby of the railway corporation.</li> </ul>