Pre-Electoral Coalitions and the Political Economy of Democratic Consolidation in Multi-Ethnic Societies: Some Critical Reflections for The Democratic Alliance (TDA)

Michael Mugisha[3], Yusuf Kiranda[4] and Nele Krueger

Abstract

The question of pre-electoral coalitions remains salient in the discussion of democracy and development, particularly so in emerging states. This paper examines why opposition coalitions succeed in some contexts and not in others. It builds on Arriola's (2013) work to reinforce the proposition that the existence of an independent business class is a critical enabler for the political opposition to access financial capital, and the building of the social networks needed to facilitate bargaining, as well as the formation and sustenance of a cohesive pre-electoral coalition. However, the paper underscores that the extent to which financial liberalisation will positively affect the development of an autonomous political-oriented business community depends on the existence of a local capitalist class prior to liberalisation. Countries that lacked a domestic capitalist class preceding financial liberalisation only enhanced the entry of typically apolitical foreign firms following liberalisation. Yet, the existence of a local capitalist class is crucial as this can be emboldened to support the opposition in mobilising financial capital and managing coordinated electoral strategies. Thus, in the absence of local business support, opposition coalitions tend to rely on largely unguaranteed and often constrained financing sources, such as support from foreign donors. The findings of this study raise important lessons for those exploring the possibilities of establishing cohesive and stable opposition coalitions in countries like Uganda.

1. Introduction

At the time of writing, a major opposition coalition was at its formative stage, and there is evidence to point to its failure, as illuminated by the inability of the coalition to choose a joint presidential candidate in preparation for Uganda's 2016 general elections. This was largely the driving force behind its formation. The Democratic Alliance (TDA) – as it has been named – attempts to unify opposition political parties, activists and pressure groups to present a joint challenge to Uganda's incumbent president, Yoweri Museveni, and his party, the National Resistance Movement (NRM) in the next polls planned for February 2016.

After a series of private meetings between aspiring presidential candidates, party leaders and the TDA summit held in September 2016, TDA failed to agree on a joint presidential candidate. Prior to that, two aspiring presidential candidates – Professor Gilbert Bukenya and Norbert Mao – who had previously expressed an interest in running as TDA flag-bearers, pulled out of the race, leaving Dr Kiiza Besigye and the Hon. Amama Mbabazi, the former Secretary General of the NRM and now leader of the Go Forward movement, in the race. Eventually, a number of private talks between the two candidates failed to yield a

3 Technical Advisor at UNIFOG and Graduate of MSc. Development Management at the London School of Economics and Political Science.
4 Director of UNIFOG and Graduate of MSc. Development Management at the London School of Economics and Political Science.

single candidate, resulting in each of the candidates running for the 2016 elections. In the context of TDA, and drawing from the Kenyan experiences, this paper attempts to examine why some coalition formations succeed and why others fail.

Extant literature has examined the drivers of pre-electoral coalitions, suggesting that institutionally related factors such as ideological compatibility and election rules, to mention only a few, are central to pre-electoral coalitions (PECs) formation.[5] However, Ghandi and Reuter (2011) examine whether these determinants have the same effect on PECs formation in both established democracies and authoritarian contexts. Their results are striking. They show that because conditions in established democracies fundamentally differ from those in authoritarian environments, institutional factors tend to have modest effects on PECs in the latter. Their analysis supports a conclusion that only party stability and election repression tend to influence parties to form pre-election coalitions in authoritarian contexts. Arriola (2013) has pushed the debate further by examining what explains PECs formation and success in multi-ethnic authoritarian environments. She underscores the importance of business financing of opposition parties and attributes this feat to financial liberalisation.

This paper supports the proposition that the existence of an independent business class is a critical enabler for the political opposition to access the financial capital and social networks needed to facilitate bargaining as well as the formation and sustenance of a cohesive pre-electoral coalition. However, we find the assumption underpinning Arriola's main argument somewhat problematic. It assumes that financial liberalisation can be expected to have the same effect on business development, political alliance and financing of PECs formation, which might not necessarily be the case. Indeed, the fact that many African countries have undergone financial liberalisation but also registered varying democratic transition outcomes certainly calls Arriola's argument into question. Our paper attempts to correct this gap.

The central argument of this paper is that the extent to which financial liberalisation fosters the emergence and growth of the business community in a way that positively contributes to effective coalition bargaining and formation, depends in large part on the nature of the capitalist class prior to liberalisation. In countries where a modicum of a capitalist class existed prior to liberalisation, deregulating the financial sector fostered the emergence of a well-diversified business community with linkages and significant 'exit options' within and outside the country, unencumbered by state control. In this context, such a financially independent and emboldened business community finds it easier to back the opposition in coalition bargaining and formation as a way of hedging their bets for acquiring favours or financial concessions, depending on whichever government might win the election. On the other hand, countries where a local capitalist class was poorly or weakly developed prior to liberalisation, financial liberalisation only facilitated the entry of foreign firms within the local economy. In the long run, the business community that emerged is one dominated by foreign corporations often concentrated in only a few specific areas, such as extraction and telecommunication services, and with special ties with the governing elites. This 'unholy' alliance between the business community and the governing

5 [3] Wahman 2011; Golder 2005.

elites hinders the latter from directly engaging in local politics. As a result, their interest in local political processes extends only as far as the processes affect their investments within the country. In this context, the opposition is significantly constrained because of its inability to mobilise the support of the most critical constituency – the business community. This often precludes opposition parties from forming cohesive coalitions with the ability to secure cross-ethnic endorsements. Thus, the propensity towards consolidating and deepening democratic transitions in such contexts is often minimal.

The rest of the paper is structured as follows: Section 2 examines why opposition parties form pre-electoral coalitions; Section 3 reviews the literature on standard explanations of coalition formation; Section 4 examines the incentives of electoral coordination in both democracies and authoritarian contexts, while Section 5 reviews Arriola's argument and advances a different theoretical approach. Sections 6 and 7 present analyses of Kenya and Cameroon PECs experiences with important lessons for TDA, which is discussed in Section 8. Section 9 concludes the paper.

2. Why do opposition parties form pre-electoral coalitions?

Theoretical literature claims that opposition parties engage in coalition formation primarily in order to get into government. Two main motivations underlie this grand objective: first, to acquire office because there are specific distributional payoffs that come with holding a cabinet position; and second, to influence the public policy decision-making process.[6] However, whichever motivation dominates coalition bargaining and formation processes has remained a matter of contested discussion. Budge and Laver (1986) find these two motivations inextricably bound. They show that office-seeking can be an 'end and a means to an end'. In the first place, office may be valued intrinsically in and for itself because of particular payoffs that come with holding office such as prestige, power, financial resources, and public limelight; and in the second place, office may be valued only 'instrumentally' for the ability it gives to influence policy outputs.[7] Specifically, membership of government provides two different methods of influencing public policy: First, cabinet portfolios offer votes in cabinet meetings and thus the opportunity to influence cabinet decisions; and second, all portfolios offer administrative control over government departments, with the wide range of opportunities to influence policy that this confers.[8]

Therefore, the extent to which coalition bargaining and the subsequent formation are shaped by policy negotiation rather than a fair distribution of office portfolios or vice versa depends to a large degree on the nature of political systems and, specifically, the power that voters have to influence the behaviour of political agents. Rational choice theories portray voters as principally interested in policy maximisation, while politicians as entrepreneurs that are primarily dealing in policies in order to win votes and attain office.[9] However, this is seldom as straightforward as often portrayed by rational choice theorists. Arriola (2013), for instance, has shown that in patronage-based political systems, the voting behaviour of voters is often swayed by politicians who are willing and able to extend specific gifts.[10] Thus, from this context, voters' interest in coalition formation may not necessarily be shaped by policy representation but perhaps by how

6 Debus 2009.

7 Budge & Laver 1986.

8 Ibid.

9 Carroll & Cox 2007.

10 Arriola 2013.

the expected coalition alliance will effectively distribute patronage to different regional voting blocs. But even where voters' behaviour has a strong inclination towards policy processes, as perhaps the case may be in most advanced industrial democracies, owing to information asymmetries between voters and politicians directly involved in coalition negotiations, Carroll and Cox (2007) show that politicians may adeptly sacrifice office portfolios in order to achieve greater policy dominance in specific areas, or may sacrifice policy influence in order to achieve more office portfolios.[11]

Therefore, the incentives that structure the behaviour of political actors in coalition bargaining and formation depend on a complex combination of many determining variables, including how voters influence politicians' behaviour, the nature of party systems and the overall structure of political competition. But are incentives for coalition formation the same as those that operate in authoritarian environments?

2.1 Incentives for coordination in an authoritarian context versus established democracies

In 2002, 72 per cent of authoritarian regimes held multiparty elections within the previous five years. Despite holding regular elections, these regimes have become skilful in tilting and winning electoral contests by relying on a 'menu of options' that facilitate the manipulation of elections[12]. These include: fraud, repression, patronage distribution, control over information and general abuse of state resources. From this context, an interesting question, therefore, would be: why do authoritarian regimes hold elections very well knowing that they are unwilling to compete with the opposition on a level playing field?

Several reasons feature in political science literature. Theorists have argued that these regimes may hold elections to enhance their legitimacy, curry favour with the international community, gather information on supporters and opponents, demonstrate their dominance, or assuage and co-opt domestic opponents.[13] In the light of these arguments, one may ask: To what extent is opposition parties' behaviour in authoritarian elections driven by institutional factors that motivate parties competing in democratic contests? What factors are unique to authoritarian elections and how do they influence the behaviour of opposition parties?

Electoral coordination among competing parties in authoritarian elections is interesting for similar but somewhat additional reasons as in democratic elections. Legislatures in non-democracies are important institutional arenas in which some groups have access to policy-making and rent-seeking opportunities.[14] Thus, we should expect that PECs, to the extent that they shape electoral results, will have important effects on who gets what. However, the authoritarian context is very different from the democratic context in so many ways, which may account for the differences in incentives faced by political actors in both contexts.

Political actors in the authoritarian context enter the electoral market facing a highly unlevelled field. Authoritarian elections involve incumbents who have fewer limits to how far they are willing to go to win elections. With the ability to create a non-level playing field, authoritarian incumbents can keep the opposition divided. The incumbent may use coercion or the power of the state

11 Carroll & Cox 2007.
12 Wahman 2011.
13 Ghandi & Reuter 2013.
14 Ibid.

to ensure that opposition forces do not coalesce. In a study by Ghandi and Reuter (2013), for example, it is reported that, in Russia, the pro-Kremlin United Russia Party survived several close calls at the hands of electoral blocs in regional elections in the 2000s. In response, the Kremlin moved to ban the formation of blocs at both the national and regional levels. Subsequent to these changes, any parties wishing to unite before an election would have to formally register a new party, a process that is subject to significant legal barriers.

At times, authoritarian leaders may resort to co-optation to divide the opposition.[15] The autocrat may proffer patronage, perks and offices to some members of the opposition while denying these benefits to others. For example, in Kyrgyzstan, prominent opposition leader Almaz Atambayev was neutralised as an opposition figure after being named prime minister by President Kurmanbek Bakiyev. Arriola has further substantiated this claim by arguing that the use of state 'carrot-and-stick' methods was more pronounced during the 1960s and 1970s when development was mainly state-driven. This gave autocratic leaders untrammelled control of financial capital that they effectively used to weaken and stifle any kind of opposition to their rule.[16] In some countries, autocracies have created state-sanctioned opposition parties in order to chip votes away from the opposition but remain under regime control. Ghandi and Reuter indicate that in Putin-era Russia, the Kremlin created a centre-left parastatal opposition party, Just Russia, which criticises the ruling party but not Putin.[17]

15 Ghandi & Reuter 2013.
16 Arriola 2013
17 Crucially, the party occupies a left-of-centre ideological position, drawing votes away from the Communist Party but always refusing to cooperate with either the communists or the non-parliamentary opposition at election time.

Another issue that is characteristic of authoritarian elections is the uncertainty about the incumbent's willingness to cede power once he loses an election. In democracies, elections are means of 'institutionalising uncertainty' in that when an incumbent loses an election he or she will step down from power.[18] However, in authoritarian elections, there are often great uncertainties about whether the incumbent would be willing to step down in the event of electoral defeat, especially because ceding involves a regime transition. Also related is the fact that an opposition coalition may result in an electoral victory which is expected to be followed by a regime transition. This implies the stakes of an election are high not only for the incumbent, but also for opposition parties. As mentioned earlier, a pre-electoral coalition for a legislative election entails an agreement about how parties are going to coordinate their electoral candidates and campaigns. It may also involve an agreement about the governing coalition should the coalition win a legislative majority, particularly, who within the coalition will receive which cabinet portfolios.[19] As electoral victory and a regime transition seem more likely, anti-regime parties may be uncertain about how much they can trust their coalition partners to honour any deal during or after an election. Ghandi and Reuter (2013:146) observe that:

> ….a coalition member may renege on the agreement by sponsoring candidates in constituencies where it had promised to withdraw in favour of a coalition partner. Alternatively, reneging may happen after an election, such as when a party within a pre-electoral coalition refuses to go into government with coalition members.

18 Ghand & Reuter 2013.
19 Martin & Stevenson 2001; Sened 1996; Lees 2010; Ghandi & Reuter 2013

Mistrust among opposition parties may be a product of the authoritarianism, resulting from some parties having a chequered past of cooperating with the regime; others are periodically harassed and banned from competing. Also because many authoritarian countries have no or little experience of a democratic past, opposition parties often have no experience of effectively organising and governing. As a result, many political parties in authoritarian environments are more likely to become what Ghandi and Reuter call the 'ephemeral vehicles for advancing personal ambition', leading to high party volatility.[20] Without a stable past of cooperating and with uncertainty about who their bargaining partners might be in future, parties may find it difficult to form meaningful reputations and future expectations that are conducive to coalition-building. In Putnam's (1993) terms, the social capital among political actors within the opposition rank operating in authoritarian environments is severely disfigured because of the conditions characteristic of the context in which they operate. This has made it difficult for them to maintain cohesiveness, a central element in coalition-building.

However, Arriola (2013), in her seminal work, argues that financial liberalisation holds the potential for undermining the ability of the incumbents in authoritarian regimes to monopolise financial capital, which, in the long run, allows the opposition to marshal alternative sources of finance required to facilitate campaign investments. Arriola specifically argues that financial liberalisation fosters the emergence and growth of a vibrant business community, which enables the opposition to develop linkages with the business fraternity. A financially independent business community is often more emboldened to support the opposition in mobilising financial capital and managing coordinated electoral strategies. Financial capital is not only important for financing patronage by reaching out to notables in various ethnic groups, but also allows for building broad cross-ethnic linkages that may potentially enhance social capital, galvanising into a cohesive organisational force that effectively challenges the incumbent for power.[21]

However, evidence has shown that it is not true that financial liberalisation will necessarily promote the growth of a business community that positively contributes to democratisation.[22] The fact that nearly all African countries have undergone financial liberalisation but with fundamentally diverging trajectories of opposition party coalition-building outcomes perhaps points to the need to analyse the context in which financial liberalisation is implemented; stated differently, the initial conditions prior to financial liberalisation in this case matter a lot. In what follows below, we develop a theoretical framework that builds on Arriola's work but goes further to demonstrate that initial conditions, specifically the nature of the capitalist class in different countries, may produce varying results in terms of coalition formation once financial liberalisation is undertaken.

3. The political economy of democratic consolidation in multi-ethnic societies: A theoretical framework

Electoral coalitions in multi-ethnic societies have produced varying outcomes for two main reasons. First, PECs essentially represent the coordination of electoral strategies among coalition partners, which, by definition, invokes coordination

20 Ibid.

21 Arriola 2013

22 See Mkandawire & Soludo 1999

problems largely resulting from high transaction costs of building consensus among ethnically competing groups. This scenario is particularly more problematic in ethnically diverse societies where political actors tend to exacerbate ethnic divisions as an instrumentally viable method of circumventing the high transaction costs of building cross-ethnic majorities to win and retain political power.[23] Second, elections are resource-intensive exercises, not least in patronage-based political systems. Therefore, when securing resources on the basis of ethnicity becomes the mode of structuring political life, following Daniel Posner, Arriola suggests that, in coalition bargaining and formation processes, politicians who make promises to share the spoils of power with members of other ethnic groups are not likely to be viewed as credible. Thus, a coalition candidate for national office who happens to be from one ethnic group cannot be expected to win votes from other ethnic groups through direct appeals. Cross-ethnic endorsements are costly in patronage-based polities. Incumbents in authoritarian regimes often circumvent this obstacle through untrammelled control of state resources. Hence, a candidate who seeks to be a coalition leader or formateur – the candidate of a multi-ethnic coalition –must have the financial means to purchase cross-ethnic endorsements.[24]

Prospective coalition partners expect to be compensated for delivering their co-ethnic votes because they themselves use material inducements to secure political loyalty. Oftentimes they distribute cash, food or goods to ensure continuity of that support. Incumbents in authoritarian environments have overcome this commitment problem by deploying state resources to secure cross-ethnic endorsements that constitute multi-ethnic coalitions in most of Africa's greenhorn multiparty systems. Opposition parties, however, are forced to rely on private resources to do the same. Arriola has argued that during the 1960s and 1970s, when the development paradigm was state-led, opposition parties had limited capital for financing material inducements to guarantee political loyalty. However, as the development paradigm tilted towards market-oriented approaches beginning in the 1980s, financial liberalisation specifically has enhanced the capability of opposition parties to form multi-ethnic coalitions by forcing the incumbents to relinquish the historic state control over capital. It is thus hypothesised that multi-ethnic opposition coalitions are unlikely to emerge where the state continues to serve as a 'gatekeeper' for credit and loans for the business class, principally because, as long as the incumbent exercises such control, the business community will refrain from funding the opposition. This, in turn, means that no opposition candidate can afford to secure cross-ethnic endorsements.[25]

On the other hand, multi-ethnic opposition coalitions should be more likely to form under conditions of financial liberalisation because an autonomous business class is more emboldened to extend support to the opposition without fear of reprisal. The access to campaign resources among the opposition influences the extent to which a would-be formateur can overcome the commitment problems inherent in

23 Conde (2015)'s dissertation submitted to the Department of International Development at the London School of Economics and Political Science, demonstrates how ethnic division among ethnically diverse communities has been instrumentally used in Guinea, by both democrats and autocrats, to circumvent the high transaction cost of building cross-ethnic majorities to acquire and retain power.

24 Arriola 2013.

25 Ibid.

coalition bargaining. However, if the business community refrains from funding the opposition coalition, negotiations among the opposition are limited to promises about post-electoral payoffs.[26]

The would-be formateur can offer power-sharing promises in exchange for other political endorsements, which involve standing down from election and delivering their co-ethnic votes. These promises might include the vice presidency, a number of cabinet seats, or control of specific government ministries. Thus, a financially constrained opposition formateur faces a commitment problem in this respect: her prospective coalition partner knows that the formateur has no means of enforcing those power-sharing promises once she is installed in office. A politician might find that she receives less than what was promised or nothing at all despite having rallied her co-ethnics in support of the formateur. This, therefore, poses a considerable risk for a politician whose own leadership position depends on her ability to deliver resources to her constituents. She may well prefer to withhold her endorsement and compete for office independently.[27]

On the other hand, when the opposition can secure campaign funding from the business community, a formateur can make power-sharing promises as well as promise to undertake the costs associated with mobilising their co-ethnics. Thus business is central to this rendering of opposition coalition bargaining, not because it is inherently democratic, but because it seeks to protect its own interests. Bankrolling the formation of a multi-ethnic opposition coalition enables business to demand favours or concessions from whichever side wins the next election.[28]

While we may not dispute Arriola's theory of financial liberalisation and its salient implications for coalition bargaining and formation, one central question can be asked: Why has financial liberalisation, that was foisted upon many Africans countries since 1980s, not generated similar outcomes in opposition coalition bargaining and formation as nicely illustrated in Arriola's work? That of course is not to deny the impact that the liberalisation of the financial sector can potentially have in fostering the growth and development of the business community and its attendant effects on democratisation. But rather it is to inquire why financial liberalisation facilitates the deepening of democratic governance in some contexts and not others.

We build on Arriola's work, but at the same time subtly depart from it by arguing that the extent to which financial liberalisation fosters the emergence and growth of the business community in a way that positively contributes to effective coalition bargaining and formation, depends in large part on the nature of the capitalist class prior to liberalisation. In countries where a modicum of a capitalist class existed prior to liberalisation, deregulating the financial sector frees up the economic space, thus enhancing the growth and expansion of the local capitalist class. In the long run, the emergence of a well-diversified business community with linkages and significant 'exit options' within and outside the country tends to break the dependence of the business community on the state for business contracts etc. Thus, in this context, a financially independent and emboldened business community, as Arriola suggests, will find it easier to back the opposition in coalition bargaining and formation as a way of hedging their bets for acquiring favours or financial concessions, depending on whichever government

26 Ibid.
27 Ibid.
28 Ibid.

might win the election. Therefore, the inclusion of the business community in opposition coalition bargaining processes significantly reduces the commitment problem involved in the distribution of patronage to key notables of various ethnic groups, in the end increasing the chances of garnering cross-ethnic endorsements.

On the other hand, for countries where a local capitalist class was poorly or weakly developed prior to liberalisation, financial liberalisation only facilitates the entry of foreign firms within the local economy. In the long run, the business community that emerges is one that is dominated by foreign corporations often concentrated in only a few specific areas, such as extraction and telecommunication services, and with special ties with the governing elites. This 'unholy' alliance between the foreign-dominated business community and the governing elites hinders the latter from directly engaging in local politics. As a result, their interest in local political processes extends only as far as the processes affect their investments within the country. In this context, the opposition is significantly constrained because of its inability to mobilise the support of the most critical constituency – the business community. This often precludes opposition parties from forming cohesive coalitions with the ability to secure cross-ethnic endorsements. Thus, the propensity towards consolidating and deepening democratic transitions in such contexts is often minimal.

4. Case study: Opposition coalition formation in Kenya, 1991-2002

Kenyan politicians had considered the possibility of forming a multi-ethnic coalition in the run-up to the 1992 and 1997 presidential elections but they often disagreed on who would become the coalition candidate. However, in the 2002 general election, the National Rainbow Alliance (NARC) – an opposition coalition – was formed and defeated, the Kenyan African National Union (KANU) and won 133 parliamentary seats out of 222, becoming the nation's ruling party.[29] At the same time, Uhuru Kenyatta, KANU's candidate for the presidential election who had been named to succeed then president Daniel Arap Moi (Kenya's second president), lost to NARC's candidate, Mwai Kibaki.

4.1 The origins of opposition coalition politics in Kenya

Following the restoration of the multiparty system in the 1990s, Forum for Restoration of Democracy (FORD) – a cradle of Kenya's democracy – was formed and provided the basis for the emergence of the first opposition party. FORD enjoyed widespread support across the nation except only in Moi's home district and the region surrounding that district.[30] However, within a short time following its formation, FORD failed to agree on a candidate to nominate for the presidential election. This forced it to splinter into two parties: FORD-Kenya and FORD-Asili. Most of the executive members of FORD-Kenya were ethnic Luos and Luhyas from Nyanza and western provinces. By contrast the executives of FORD-Asili were predominantly ethnic Kikuyus, mainly from the southern part of central province. At the same time, Kibaki, a former vice president and finance minister in the KANU government, quit government and formed the Democratic Party of Kenya (DP), drawing the core support of wealthy businesspersons and well-off farmers, mainly from Nairobi and the northern part of central province. Including Kibaki, who was

29 Tsuda 2010
30 Ibid

the chairperson of the DP, the party executives consisted of Kikuyus, Embus, and the Merus from the northern part of central province and the neighbouring districts of eastern province. This gave the DP an identity as a regional party.[31]

In the seventh general election held in 1992, three regional parties (FORD-Kenya, FORD-Asili and DP) that had split from the main parties (FORD and KANU) ended up contesting against KANU as opposition parties. The views of the opposition parties were united in that all of them demanded democratisation. However, since the opposition was divided into several parties, the vote in the elections was split. As a result, Moi was re-elected as president albeit receiving only 40 per cent of the vote. A similar event would be repeated in the eighth general elections as the fragmentation of the opposition parties further deepened. In the parliamentary elections of 1997, the DP, FORD-Kenya and other small opposition parties each won from one to 41 seats respectively – which constituted 40 per cent of the 210 seats). They again failed to bring to an end the KANU-Moi regime; KANU won 113 seats of the 210 seats or slightly over 50 per cent of the total. Receiving less than 40 per cent of the presidential vote, Moi was again re-elected into office. In fact, Tsuda (2010) suggests that had the opposition parties united, they would have won.

Lessons of the experience of two general elections had been properly taken by the opposition parties. In October 2002, NARC was formed. It started as an umbrella organisation bringing together most of the then major opposition parties, including mainly the DP, FORD-Kenya and a large proportion of ex-KANU MPs. Forming a coalition for the ninth general elections, NARC not only agreed to nominate Kibaki as its sole candidate in the presidential elections, but also eventually succeeded in nominating parliamentary candidates of affiliated parties as NARC candidates in most of the constituencies.[32] The result was a massive victory won by NARC and by Kibaki as the new president of Kenya, bringing an end to the Moi era and ushering in a new dawn of peaceful democratic transitions. So, why did the NARC coalition succeed and yet earlier attempts had failed?

4.2 Going deeper to understand the structural explanations of NARC's success

NARC owes its success in large part to the emergence of a strong local business community that resulted from the a combination of policies undertaken by the earlier post-independence government,[33] and later financial liberalisation reforms foisted upon Moi's government in the 1990s by the international financial institutions (IFIs).[34] Kenya's colonial government had established a settler economy by forcefully expropriating over three million hectares of land from Kikuyus, more than half of which was arable land sustainable for cash crop farming.[35] In the run-up to independence, the outbreak of the Mau Mau rebellion in the late 1940s and the subsequent state of emergency in 1952 clearly illuminated the centrality of the land question, causing panic among white settlers. The economic decline that had begun to take effect forced the colonial government to concede to African demands and begin implementing land resettlement programmes. Although the general mood among the some post-independence elites was in favour of reinstating the land system prior to colonisation, unlike many other African governments, the Kenyan post-independence

31 Ibid.

32 Elischer 2008.
33 Karuti 2009.
34 Arriola 2013.
35 Karuti 2009; Swainson 1980.

government chose to prioritise maintaining a stable economy and fostering a unitary government. Consequently, the government undertook land settlement measures that particularly involved moving Kikuyus off European farms. Though this move was very unpopular, it laid the foundation for the preservation of the local bourgeoisie that built in the resilience mechanisms for Kenya's economy throughout the 1970s and 1980s.[36]

However, a series of international shocks pummelled Kenya's economy, including falling commodity prices for coffee and tea exports, that by the 1990s Moi's regime had grown to depend on external support for 45 per cent of its operating budget.[37] But with priorities shifting at the end of the Cold War, Kenya's donors chose to suspend their aid in 1991, when Moi slowed down progress on political and economic reforms. Moi was eventually compelled by the IFIs to pursue financial liberalisation, although he resisted efforts to dismantle the instruments that sustained his patronage-based regime.

Beginning in 1993 and continuing over the next several years, a number of reforms progressively diminished Moi's government influence over capital: interest rates were deregulated; foreign exchange controls were eliminated; a flexible exchange rate was adopted; and credit controls were removed. The government also began to divest itself of equity holdings in two of the country's largest commercial banks.[38]

Financial reforms created the environment that unleashed the growth of the local business community and eventually changed the relationship between the business community and Moi's regime. In the immediate years following liberalisation, Moi sought to retain the support of Kikuyu entrepreneurs because they were the most likely financiers of his strongest rival, Mwai Kibaki, an ethnic Kikuyu and a former vice president and minister of finance. It is reported that Moi personally contacted entrepreneurs he suspected of providing funds to the opposition and persuaded them to make contributions to his campaign fund instead. Moi did not have to issue direct threats since these entrepreneurs assumed their businesses would suffer reprisals once they were found to be contributors to the opposition. This fear explains why several Kikuyu entrepreneurs chose to participate in the Central Province Development Support Group (CPDSG), which coordinated Kikuyu elites on behalf of Moi's re-election campaign in the 1997 presidential election.[39]

However, with time, several entrepreneurs became willing to publicly defect from the ruling party in support of the opposition. Important multiple trends such as the continuous growth of privately owned banks, the increasing liberalisation of capital and credit, and the privatisation of the country's largest bank in 1998, were a reflection of Moi's diminished capacity to exact financial reprisals. It was in this context that Kibaki, who would become the coalition candidate, expanded his pool of donors. A decade of financial liberalisation had sufficiently emboldened business entrepreneurs to publicly support Kibaki's bid for president. Particularly, a Council of Elders, as Kibaki's close circle of donors was named, included some 20 prominent businessmen.[40]

This group was chaired by Joseph Wanjui, who had been a member

36 Ibid.
37 Arriola 2013
38 O'Brien & Ryan 2000; World Bank 2003.
39 Arriola 2013.
40 Ibid.

of the CPSDG when it supported Moi in 1997, and included other former CPDSG members such as Macharia and Kirubi.[41] These entrepreneurs did not simply raise funds for Kibaki's campaign within the broader business community; they also acted as de facto campaign advisors who developed the financial strategy required to reach out to politicians from other ethnic groups. They also directly participated in publicly brokering endorsements for Kibaki's candidacy, crisscrossing the country to secure the support of local notables as well as rival candidates from other ethnic groups.[42]

4.3 *Opposition bargaining: Overcoming the commitment problem*

Negotiations for the formation of a multi-ethnic coalition started shortly before the 2002 general elections involving mainly Kibaki, Michael Kijana Wamalwa and Charity Ngilu, all actors that had competed separately in the 1997 presidential elections against Moi. The multi-ethnic opposition coalition that was built around Kibaki's candidacy was announced a month before a faction known as the Rainbow Alliance defected from the ruling party on 18 October 2002. The members of the Rainbow Alliance were later joined by Kibaki to form an expanded coalition known as the NARC.[43]

The financing provided by the Kenyan business community during the 2002 election campaign enabled Kibaki to secure cross-ethnic endorsements. For example, Kibaki's negotiations with Wamalwa, an ethnic Luhya who eventually became his vice-presidential nominee, illustrates the importance of such payments. In the months leading to the formation of a multi-ethnic opposition coalition around Kibaki's candidacy, Wamalwa had sought to capitalise on latent anti-Kikuyu sentiments by threatening to pull out of any coalition if Kibaki were selected as its candidate. Wamalwa's support for Kibaki's candidacy was secured only after he was compensated upfront. In fact, individuals who represented both sides in the coalition negotiations confirmed that, though the promise of vice presidency had already been extended, the bargain was sealed only once a monetary payment was used to supplement the power-sharing promise. Wamalwa eventually agreed to Kibaki's presidency in exchange for the vice presidency and payment of a large enough sum of money to settle outstanding debts associated with his previous presidential bid.[44]

What is important to note is that Kibaki did not merely seek Wamalwa's withdrawal from the presidential race; rather he also needed Wamalwa to actively participate in the coalition and convince his co-ethnic Luhya, one of Kenya's largest constituencies (see Table 1), to support Kibaki's candidacy. And Wamalwa did so. At a mass rally in Kakamega, the largest city in Luhyaland, Wamalwa symbolically recognised Kibaki as an elder of the Luhya community and endorsed him as the best candidate for advancing their community interests. As a result, three-quarters of the votes cast by Wamalwa's co-ethnics would subsequently go to Kibaki, enabling Kibaki, in 2002, to bring about Kenya's first democratic transition.[45]

41 Samuel Macharia was the owner of the country's largest private radio network and Kirubi is a prominent businessman.
42 Arriola 2013.
43 Ibid.
44 Ibid.
45 Ibid.

Table 1: Ethnic composition of Kenya

Ethnic group	Percentage share of total population
Kikuyu	21
Luhya	14
Luo	12
Kalenjin	12
Kamba	11
Kisii	6
Meru	5
Mijikenda	5
Maasai	2
Other/small communities	12

Source: Elischer 2008:10

5. Case study: Opposition coalition formation in Cameroon, 1991-2004

In the 1990s, an economic crisis, particularly the pummelling of credit provision in Cameroon, led to the implementation of structural adjustment programmes prescribed by the IFIs, which also coincided with the country's transition to multiparty politics.[46] President Paul Biya had ruled the country since 1984 when the first post-independence president, Ahmadou Ahidjo willingly stepped down from power. He had ruled the country as a single-party state that significantly stifled any opposition to his reign. In the 1990s, the transition to multiparty politics encouraged the formation of an opposition coalition intended to dislodge Biya's unyielding hold onto to power. Specifically, the formation of the Coalition pour la Reconciliation et la Reconstruction Nationale (CRRN) in the run-up to the 2004 general elections was seen as a progressive step towards embracing democratic rule in Cameroon.[47] CRRN was a proto-coalition between John Fru Ndi and Adamou Ndam Njoya, both opposition politicians who represented different constituencies. However, CRRN failed to agree on the selection of its coalition candidate owing to severe disagreements between Fru Ndi and Ndam Njoya over the leadership of the coalition.[48] Subsequently Fru Ndi withdrew from the coalition, causing fragmentation of the coalition, which largely accounted for their defeat by president Biya. So, why was there disagreement between Fru Ndi and Ndam Njoya over the choice of the coalition candidate and the eventual collapse of the coalition?

5.1 Accounting for CRRN failure

The opposition parties failed to effectively mobilise the business community to back their campaign. This is because the business community was weak and fragmented, and largely dependent on the state for its access to finance and trade.[49] This structure of Cameroon's business had its roots in the colonial establishment of her economy and the subsequent policies implemented by the post-independence government. Cameroon had been created as a plantation economy by the French and the British, who controlled the north and south respectively. Parastatals

46 Konings 1996.
47 Arriola 2013.
48 Ibid.
49 Ibid.

and plantations were established to facilitate the production and export of the then Cameroonian lucrative agricultural commodities, mainly cocoa, tea, coffee, bananas and palm oil.[50] The predominant French role in the national economy was clearly indicated by the import-export statistics; in 1961, France accounted for 59 per cent of Cameroon's exports and 55 per cent of its imports, all under state control.[51] The post-independence Cameroon government maintained control over this lucrative international trade and resources in order to generate revenues to finance its expanded bureaucracy. Moreover, the agreement of cooperation signed between France and Cameroon before independence ensured the extension of France's dominance in the domestic and foreign policies of Cameroon. The control over the bulk of oil revenue further enhanced the capacity of the government to undermine the emergence of an autonomous capitalist class.[52]

In the 1990s, after experiencing a series of economic crises, Biya's regime agreed to implement structural adjustment programmes involving the removal of controls over financial capital and exchange rates, as well as divesting of the country's inefficient parastatals. However, oil rents, coupled with French support, enabled Biya's regime to maintain control over capital and effectively stave off liberalising reforms despite mounting pressure from external and domestic sources.[53] For instance, four agreements negotiated with the IMF between 1988 and 1996 were never implemented despite deteriorating economic conditions. Biya's regime refused to yield even in 1991 when the business community joined the pro-democracy forces in a national economic boycott to demand political and economic reforms. But soon, the business community abandoned the opposition once Biya's regime proved capable of withstanding several months of revenue losses.[54]

Biya's regime continued to act as a financial gatekeeper vis-à-vis business throughout the 1990s. A former resident representative of the IMF would note that by the mid-decade Cameroon's finance minister still exercised 'effective and real authority' in the allocation of credit. Any representative seeking a commercial loan would have to interact with a financial institution directly or indirectly controlled by the regime.[55]

5.2 Opposition and possible business alliance: Their Achilles heel

The unyielding government control over finance, coupled with historical weaknesses of the business class, ensured that the business community was strongly allied to Biya. Entrepreneurs from the Bamileke ethnic group, those who dominated commerce in Cameroon, understood that they could not remain in business without reaching an understanding with the regime, especially as their financing options narrowed in the 1990s. The business community's alliance with Biya was reflected in the number of Bamileke entrepreneurs serving as ruling party candidates. It represented a departure for a business community that long eschewed electoral politics.[56] In fact, with the return to multipartism, prominent business entrepreneurs entered politics as ruling party candidates in constituencies that had become opposition bastions. For example Defosso, who had been previously punished; Andre Sohaing, president of the Groupement des Importateurs

50 Konings 1996.
51 Ibid.
52 Atangana 1997.
53 Arriola 2013.
54 Ibid.
55 Ibid.
56 Ngayap 1983; Arriola 2013.

Camerounais; Pierre Tchanque, a long-time president of the national chamber of commerce, all became ruling party mayors.[57]

Thus, the constraints on the local business community, particularly the politicisation of finance, contributed to the failure to organise a cohesive multi-ethnic opposition coalition in the run-up to Cameroon's 2004 presidential election. Although two prominent opposition leaders, Fru Ndi and Ndam Njoya, managed to forge an opposition coalition that would present a viable electoral strategy to challenge Biya, these politicians could not afford to secure cross-ethnic endorsements without the support of the business community. According to the representatives who participated in the CRRN negotiations, neither of the opposition candidates had sufficient resources to impose himself as a coalition candidate. Fru Ndi, who some analysts believe defeated Biya in the possibly rigged 1992 election, could find no prominent business supporters for his candidacy. As a result, he not only had a difficult time holding his own party together, but also could not afford the payments necessary to secure the endorsements of others, which were expected in the course of negotiations.[58]

Consequently, opposition leaders agreed to leave the selection of a coalition candidate to a committee of CRRN members, since none had the resources to act as a coalition candidate. But in this context, Fru Ndi, the once presumed leader of the opposition, failed to become the coalition flag-bearer, in part because his partners concluded he could not raise the funds needed to sustain a national campaign. The CRRB instead chose Ndam Njoya, a member of an ethnic minority, because he could raise funds among the Cameroonian diaspora. He left for France to meet with diaspora representatives almost immediately after being revealed as the CRRN candidate. The CRRN, which potentially would have become Cameroon's first multi-ethnic opposition coalition, ultimately fragmented when Fru Ndi chose to withdraw rather than endorse Ndam Njoya, even after being promised a cabinet position of his choice. Fru Ndi's departure was followed by others who claimed that Ndam Njoya lacked the resources to compensate for their support.[59]

6. Lessons from Cameroon and Kenya and their implications for The Democratic Alliance (TDA)

6.1 Origin and structure of TDA

On 10 June 2015, a coalition was announced by opposition parties, pressure groups and political activists to build a united front against the NRM under president Museveni in the run-up to the 2016 general elections. The Democratic Alliance (TDA) tries to unify pro-democratic forces in Uganda under one organisation to achieve political change.

The main agreement about coalition-building was made in April 2015. Two months later, leaders of opposition parties – the Forum for Democratic Change (FDC), the Democratic Party (DP), the Conservative Party (CP), the Justice Forum (Jeema), the Uganda Federal Alliance (UFA), the People's Progressive Party (PPP) and former vice-president, Professor Gilbert Bukenya – officially signed the Protocol of The Democratic Alliance.[60] They agreed on the goal 'to win power and form government

57 Arriola 2013.
58 Ibid.
59 Ibid.
60 Online available: http://de.scribd.com/doc/275299631/The-Democratic-Alliance-Protocol.

in order to build a Uganda where there is equal opportunity and shared prosperity for all citizens.'[61] To achieve this goal, TDA is willing to mobilise its capacities among all members, to design a mutual policy agenda, to field candidates for all electoral positions and the electoral offices and to promote electoral reforms.[62]

The main governance organs which rule TDA are the Summit, the National Candidates Committee (NCC) and the Secretariat. The Summit is the highest decision-making organ and, therefore, responsible for policy agenda-setting, the financial resources of TDA, admitting new members, settling conflicts between TDA members, and facilitating and coordinating processes for selecting a joint presidential candidate. In order to ensure efficient realisation of its tasks, the Summit established a Campaign Strategy and Coordination Committee, a Finance and Fundraising Committee, a Legal Affairs Committee and a Dispute Resolution Committee. The Summit comprises representatives of the political parties and the pressure groups and eminent Ugandan men and women. Two co-chairpersons are elected by the Summit by consensus.[63]The NCC is responsible for coordinating the identification of joint candidates at all levels. Members of the NCC are the Secretaries of Mobilisation of the parties. Five experts, six eminent Ugandan men and women and six youth representatives approved by the Summit are part of the committee as well.[64]

All administrative and coordination tasks fall under the responsibility of the National Secretariat. It organises meetings, plans events, prepares documentation and the annual budget, promotes the ideas of TDA and do research on relevant fields. The head of the Secretariat is the Chief Executive Officer.[65]One of the most important organs that are anticipated to be established after winning power is the Transitional Government of National Unity (TGNU). During the transition period, the TGNU will implement electoral, political and economic reforms and fight corruption. The president under the TGNU will be limited to serve in this position for only five years.[66]

6.2 Policies of TDA

There are no clear policies TDA members have agreed on yet, except the electoral reform proposals which are laid down in Annexes 1 and 2 of the Protocol of The Democratic Alliance and the will to overcome the old government. But even on the issue of electoral reforms the members did not find a final solution. The majority of the members believe that they should participate in the 2016 elections even though they are unable to enforce electoral reforms. Others, especially the FDC flag-bearer in the 2016 presidential elections, Dr Kiiza Besigye, are of the opinion that elections without reforms are worthless. Their thinking advances the view that attaining joint candidates for the upcoming elections contradicts the agreement to enforce electoral reforms.[67] Thus, it is likely to be difficult to build a strong policy agenda when there is disagreement on the main strategy of TDA.

6.3 Internal problems and selection of joint candidates

TDA, in its formation, confronted a serious challenge of internal fragmentation stemming partly from

61 Ibid.
62 Ibid.
63 Ibid.
64 Ibid.
65 Ibid.
66 Ibid.
67 Online available: http://www.observer.ug/news-headlines/38309-will-opposition-coalition-deliver.

ideological differences, and at times on a number of personal issues. For instance, many TDA member representatives could not reach a consensus on electoral reforms. One group, led by Dr Kiiza Besigye argued that without electoral reforms, it would be useless to participate in elections and thus they should be boycotted; others insisted that participation in elections was the citizen's constitutional right and, therefore, argued that they should not be seen to be dissuading citizens from participating in elections. Other problems that erupted pertained to the admission of Elias Lukwago, leader of the DP's splinter group, to the membership of TDA. Particularly, DP president Norbert Mao was not willing to accept the membership of Lukwago's group and threatened to walk out of TDA if the Summit decided to accept Lukwago's request. The conflict between Mao and Lukwago has had a direct impact on the internal condition of TDA. On the one hand, TDA needs the support of the DP while, on the other hand, the alliance is open to all parties and pressure groups promoting democracy and good governance. Owing to more urgent problems, such as agreeing on a joint presidential candidate (JPC) and finding ways out of the crisis, the membership of Lukwago's group was not the subject of further discussions anymore. Nevertheless, this showed how the instabilities within the member parties have severely affected the unity of the whole alliance.68 In Robert Putnam's terms, this reflected the weak social capital of various opposition members within TDA.

The problem of weak social capital was most clearly reflected in the failure of TDA to agree on the joint presidential candidate. The selection criteria for a joint candidate are laid out in Article X of the Protocol of The Democratic Alliance. The NCC is responsible for ensuring a fair and transparent selection process. All parties and individuals should be given the same chance to be recognised as a joint candidate.[69] The selection of a JPC is coordinated by the NCC. In the TDA road map for the selection of joint candidates, the nomination phase should have been ended on 5 September, but the nomination deadline was extended several times.

One of the reasons for extending the nomination deadline could have been that there was only Professor Gilbert Bukenya, who had been nominated.[70] Another reason might be that the former prime minister, Amama Mbabazi – not a member of TDA at that time – asked the Summit for more time to deploy his supporters before joining TDA. One day after the deadline, Mbabazi was finally nominated to contest the JPC under TDA, which many claimed contradicted the rules. Besides, Professor Bukenya (independent) and the Hon. Amama Mababazi (Go Forward pressure group representative), Nobert Mao (DP president) and Dr Kiiza Besigye (FDC presidential flag-bearer) had ambitions to be the JPC for TDA.[71] After long discussions within the Summit, the members failed to agree on one JPC. Earlier on, Mao and Bukenya had withdrawn from the race for the JPC. Neither of the main candidates, Mbabazi and Besigye, agreed to step down for the other, and since the Protocol provided strict guidelines for agreeing on

68 http://www.monitor.co.ug/News/National/Lukwago-group-cannot-join-TDA---Mao/-/688334/2829372/-/11fu7nsz/-/index.html.

69 The Democratic Alliance Protocol Article X.

70 http://www.observer.ug/news-headlines/39740-mbabazi-besigye-divide-alliance.

71 http://observer.ug/news-headlines/39842-mbabazi-nominated-for-tda-joint-presidential-candidate.

a candidate by consensus, the Summit was unable to choose a single candidate.

During the process, two factions around Mbabazi and Besigye were formed. While the CP and the FDC supported Besigye, the DP, Go Forward, the PPP, UFA and the UPC preferred Mbabazi as their presidential candidate. Bukenya decided to run for president independently and quit his support of TDA.[72] Later on, he announced that he was going back to NRM to support President Museveni's bid for re-election – as NRM party flag-bearer – since he was the best candidate in the 2016 elections.[73] Bukenya's U-turn clearly shows how unstable the cohesion of the coalition is and that its members are ready to pull out as soon as difficulties arise.

Once they failed to agree on a joint presidential candidate for the 2016 elections, members of TDA went to Kenya to meet the Coalition for Reforms and Democracy (CORD) leader, Raila Odinga, and other politicians. Mbabazi, Mao, former UPC leader Olara Otunnu and Besigye flew to Kenya with the aim of finding a way to agree on one joint candidate; or rather to run with two presidential candidates and learn from the Kenyan example how to unite opposition parties and pressure groups under one umbrella.[74] Although CORD failed to take power, which NRM members consistently emphasised when publicly discussing the value of that meeting, Kenya's opposition coalition,[75] the National Rainbow Alliance (NARC), accomplished taking power in the past. The historical experience of Kenyan's opposition parties can be useful in avoiding the same mistakes and learning from its success story. Although there is almost nothing known about the content of the meeting, some sources reported that Odinga advised Mbabazi and Besigye to put the common TDA mission above their individual interests.[76]

In another meeting held by both presidential aspirants (Mbabazi and Besigye) and representatives of TDA in London under the auspices of the Kofi Annan Foundation, the outcomes of the meeting were quite surprising and raised the question of whether the agreement, signed by Mbabazi and Besigye, will contribute to settlement of the power play between the two candidates. The document commits the opposing parties to agreeing on only one presidential candidate, which was the initial controversial issue. Just signing such an agreement does not help when neither candidate is willing to step down and support the other one in order to win power and form a transition government.[77] In fact, as recent developments show, both presidential aspirants have been officially nominated by the Uganda Electoral Commission and are actively campaigning across the country for president. Despite the current London agreement, it seems like TDA is following a strategy of allowing two candidates to run for president. Under the slogan 'One Campaign, One Message, One Winning Team',[78] TDA has tried to unite both factions within the alliance, which might endanger

72 http://www.elections.co.ug/new-vision/election/1000779/analysis-political-parties-plan-post-tda.
73 http://www.newvision.co.ug/news/674310-bukenya-makes-u-turn-supports-museveni.html.
74 http://www.observer.ug/news-headlines/40269-tda-seeks-lessons-from-kenyan-alliances.
75 http://www.observer.ug/news-headlines/40336-officials-lash-out-at-odinga-after-nairobi-tda-meeting.
76 Ibid.
77 https://minbane.wordpress.com/2015/10/30/uganda-statement-of-principles-of-ugandans-committed-to-democratic-change-29-10-2015/.
78 https://www.facebook.com/TDAOfficial1/.

TDA's mission to challenge the NRM government for power.

6.4 Why did TDA fail to agree on a joint presidential candidate

The analysis of Kenya and Cameroon has highlighted the centrality of securing cross-ethnic endorsements, particularly so in patronage-based politics. These endorsements, as indicated, are obtained not by selling the party ideology, though this is important, but by the ability of the coalition candidate to use financial resources to enhance the commitment of his potential contenders to the coalition as well as be able to reach out to known notables of various ethnic groups that are likely to swing the vote in his or her favour. This thus underscores the importance of mobilising the business community to contribute financial resources to the campaign, and also to participate in identifying, negotiating and securing cross-ethnic endorsements. Judging by the current precedent, TDA does not appear to have the backing of any section of Uganda's business community and neither does it have a strategy for mobilising business entrepreneurs.

Perhaps part of the reason lies in the fact that the business community has historically eschewed direct engagement in politics, albeit it being suggested that certain sections of the business community are in cahoots with the state. Since Uganda's business community is comprised of mainly Asians of Ugandan origin, their forceful expulsion in 1971 under then president Idi Amin appears to have left a sharp reminder of why business must never embitter the state agents. It is also possible that opposition political parties have not vigorously reached out to the business community – which partly explains their non-involvement in politics. Whatever the explanation may be, what is critical to note is that TDA without the backing of Uganda's business community would not have much mileage, especially when financial resources are required to fund campaign investments and to persuade some cantankerous coalition partners to back the coalition with greater commitment.

7. Conclusion

The literature on PECS has demonstrated that politics in developing states need not be a zero-sum game. On the contrary, the paper has highlighted the possibilities of achieving democratic transition without necessarily triggering political instability. The paper contributes to the current literature by showing how financial liberalisation can produce varying outcomes in business development depending on the initial conditions that precede liberalisation. Financial liberalisation underpinned by the prior existence of a local capitalist class tends to enhance business development that, in the long run, creates a critical mass of autonomous entrepreneurs that may contribute positively to coalition-formation and a stable and sustainable democratic transition. On the other hand, financial liberalisation that is unsupported by the existence of a local capitalist class often reinforces an 'unholy alliance' between a poorly developed and weakly connected business community with the governing elites. This tends to impede the ability of the opposition to mobilise the business community, undermining the possibility of coalition-formation and democratic transition. These findings have important implications for the opposition political parties in Uganda that are currently involved in negotiations of forming a coalition to challenge the incumbent president in the upcoming 2016 general elections.

Significant attention might have to be paid to overcoming the constraints on mobilising the business class if a cohesive coalition and effective coordination of campaign strategies are to be achieved.

References

Arriola, L. R. (2013). Capital and opposition in Africa: Coalition building in multiethnic societies. *World Politics*, *65*(02), 233-272.

Atangana, M. R. (1997). French capitalism and nationalism in Cameroon. *African Studies Review*, *40*(01), 83-111.

Bowler, S., Karp, J. A., & Donovan, T. (2010). Strategic coalition voting: Evidence from New Zealand. *Electoral Studies*, *29*(3), 350-357.

Brown, S. (2004). Theorising Kenya's protracted transition to democracy. *Journal of Contemporary African Studies*, *22*(3), 325-342.

Budge, I., & Laver, M. (1986). Office seeking and policy pursuit in coalition theory. *Legislative Studies Quarterly*, 485-506.

Carroll, R., & Cox, G. W. (2007). The logic of Gamson's law: Pre‐election coalitions and portfolio allocations. *American Journal of Political Science*, *51*(2), 300-313.

Debus, M. (2009). Pre-electoral commitments and government formation. *Public Choice*, *138*(1-2), 45-64.

Druckman, J. N., & Roberts, A. (2007). Communist successor parties and coalition formation in Eastern Europe. *Legislative Studies Quarterly*, *32*(1), 5-31.

Elischer, S. (2008). Ethnic coalitions of convenience and commitment: Political parties and party systems in Kenya.

Gandhi, J., & Reuter, O. J. (2013). The incentives for pre-electoral coalitions in non-democratic elections. *Democratization, 20*(1), 137-159.

Gschwend, T., & Hooghe, M. (2008). Should I stay or should I go? An experimental study on voter responses to pre‐electoral coalitions. *European Journal of Political Research*, *47*(5), 556-577.

Howard, M.M., & Roessler, P.G. (2006). Liberalizing electoral outcomes in competitive authoritarian regimes. *American Journal of Political Science*, *50*(2), 365-381.

Kanyinga, K. (2009). The legacy of the white highlands: Land rights, ethnicity and the post-2007 election violence in Kenya. *Journal of Contemporary African Studies*, *27*(3), 325-344.

Konings, P. (1996). *The post-colonial state and economic and political reforms in Cameroon.*Routledge.

Konings, P. (1996). *The post-colonial state and economic and political reforms in Cameroon.*Routledge.

Laver, M., & Shepsle, K. A. (1990). Coalitions and cabinet government. *American Political Science Review*, *84*(03), 873-890.

Lees, C. (2010). The grand coalition and the party system. *German Politics*, *19*(3-4), 312-331.

Martin, L. W., & Stevenson, R. T. (2001). Government formation in parliamentary democracies. *American Journal of Political Science*, 33-50.

Martin, L.W., & Vanberg, G.(2008). Coalition government and political communication. *Political Research Quarterly*, *61*(3), 502-516.

Mkandawire, P. T., & Soludo, C. C.(1999). *Our continent, our future: African perspectives on structural adjustment*.drc.

Sened, I. (1996). A model of coalition formation: Theory and evidence. *The Journal of Politics*, *58*(02), 350-372.

Swainson, N. (1980). *The development of corporate capitalism in Kenya, 1918-77*. University of California Press.

Tsuda, M. (2010). The experience of the national rainbow coalition (NARC): political parties in Kenya from 1991 to 2007.

Wahman, M. (2011). Offices and policies – Why do oppositional parties form pre-electoral coalitions in competitive authoritarian regimes? *Electoral Studies*, *30*(4), 642-657.