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**Institutions and Instability in Africa:
Nigeria, Sudan, and Reflections from Mises's
Nation, State and Economy**

ABSTRACT: In recent years as part of development economics discourse a new emphasis has emerged dealing with institutions and economic development. One path of the institutional analysis has drawn on historical evidence in order to explain the root causes of the welfare differences between low-income and high-income countries. As a result, increasing evidence has surfaced linking implementation and persistence of types of institutions to retardation of economic growth and accumulation in many of the former colonies. This paper argues that in Nigeria and Sudan extractive colonial institutions were imposed and their legacy endured to the period of independence. By creating poverty and inequality as control mechanisms in favor of the colonizer, these institutions led to political and socio-economic marginalization of large segments of population and therefore weak, politically unstable, and conflict torn post-colonial states.