



Development First, Democracy Later?

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International IDEA

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Preface

This publication forms part of International IDEA's work in support of sustainable democracy, through addressing the issue of democracy support in development aid. Democracy is a recognised international goal in its own right—in the Millennium Declaration, UN Member States commit to 'spare no effort to promote democracy and strengthen the rule of law'. Democratic political institutions and processes are also important enablers of development.

At the same time, democracy support remains a low priority within international development aid budgets. For example, legislatures and political parties receive less than 1% of total development aid, according to aid statistics from the Organization for Economic Co-operation and Development (OECD). Not only is democracy support a poor cousin in the development aid agenda, it can also be argued that development aid often undermines democracy by weakening or bypassing national political institutions in a country, such as parliaments.

International IDEA has been working on the relationship between democracy and development, as one of the Institute's key areas of expertise, since 2010. Part of this work has focused on democracy in the international aid architecture, and International IDEA has engaged in various processes with the aim of stressing the importance of democracy support within development assistance.

This publication forms part of that advocacy for democracy and gives voice to an author's view which aims to promote debate and discussion on this critical topic. In this way, the publication differs from many other International IDEA global comparative knowledge products. Linked to the nature of this publication, the book is based on the author's views and experiences which are primarily derived from work in sub-Saharan Africa and global multilateral negotiations.

Since 2005, the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action, and the Busan Partnership for Effective Development Cooperation have endeavored to change the international development architecture to emphasize the importance of national processes. However, much work remains to translate these agendas into concrete strategies which ensure that international development cooperation is more supportive of democratic political processes. International IDEA is gathering knowledge, producing concrete tools and advocating for policy change in order to strengthen the democratic dimensions of development cooperation. More specifically,

IDEA is advocating for democracy to be included in the framework of the Post-2015 UN Millennium Goals.

Although far from perfect, democracy is the system of governance which offers the best tools to fight against corruption, poverty and inequality. A shift towards more open and accountable institutions is essential for development, according to the report of the High-Level Panel on the Millennium Development Goals, issued in June 2013. And the Secretary-General of the UN, in his report on the MDGs and the way forward from July 2013, notes that transparency and accountability are powerful tools for ensuring people's involvement in policymaking and their oversight of the use of public resources, including preventing waste and corruption. It has thus been recognized in the discussions on the Post-2015 development agenda that sustained development progress will remain out of reach without governance progress. One implication of this for donors and creditors is that if they are to be more than indefinite service providers in low-income countries, they need to pay more attention to supporting effective and representative political institutions, and to do so based on solid political analyses.

Development aid is not, nor should it be, a primary driver of political change in particular countries. At best, it may provide catalytic support. Nonetheless, further debate is called for around goals pursued and methods used, and most importantly: what is possible and what is not possible in supporting democratization. 'The idea that donors can draw a sharp line between politically smart aid and the pursuit of political goals is an illusion, an updated version of technocratic temptations of decades past', according to the renowned democracy aid expert, Thomas Carothers.

Going beyond debates in the circles of donors and creditors, there is strong public demand globally for both the civil and political rights and political equality that democracy provides, and the social and economic benefits of development. This demand is witnessed by global opinion surveys. The challenge is how to achieve both. This is one of the key issues to be addressed in the new phase of development goals Post-2015.

This publication primarily covers policies and practices of so-called traditional donors and creditors, leaving non-traditional and emerging donors aside. Knowledge production around non-traditional and emerging donors would be a truly interesting field of inquiry, but goes far beyond the parameters of this publication. Also outside the parameters of this publication is the detail of the negotiations on the Post-2015 development framework, the debate on which changes incessantly. At the same time, the

publication is a contribution to the discussions, in particular on the key role of democracy support in the new development framework.

Genuinely democratic ownership of national development entails popular control over decision-making and political equality. In International IDEA's view, such democratic ownership is one of the most crucial factors in achieving people-centered sustainable development. And until international development assistance genuinely gives priority to democratic ownership, there will be no truly sustainable development.

International IDEA

Prologue

While I was working on the margins of the peace talks on the 20-year armed conflict in northern Uganda, I had one of those moments when you see the world with different eyes. It was in South Sudan in 2006. I had recently been an observer in a group that met the notorious Lord's Resistance Army (LRA) in the bush, where they remained as part of an agreement to cease hostilities.

I was travelling back from the meeting in a United Nations helicopter, together with those who were returning to Juba—high-level military personnel from the Sudanese People's Liberation Army (SPLA), the Russian pilots, a small number of UN staff, an Austrian colleague and two LRA representatives. We were a few donor countries supporting the cessation of hostilities to enable talks that might lead to some kind of peace settlement. Any agreement would also have to take into account that the LRA leader, Joseph Kony, and several of its senior personnel had been indicted by the International Criminal Court for crimes against humanity. The LRA had committed atrocious crimes but had managed to escape capture by the Ugandan Army for 20 years. Northern Uganda had been through a huge crisis due to the ravages of both the LRA and the Ugandan Army. The people had been deeply traumatized. In Kitgum and Gulu, tens of thousands of children—'the night wanderers'—had been forced to walk into the cities to seek security overnight and avoid being abducted by the LRA. Civilians lived in fear of ill-disciplined, corrupt and frightened soldiers. Nearly 2 million internally displaced people suffered in crowded camps with death rates among the highest in any armed conflict in the world. The Head of the United Nations High Commission for Refugees at the time, Jan Egeland, called it the world's most neglected conflict and pushed for international engagement.

The meeting itself had been tense but uneventful. We were there to check on some challenges in upholding the cessation of hostilities agreement. It was disheartening to see the LRA in real life—the old warriors from Idi Amin's army who were responsible for such horrors and the youngsters with Kalashnikovs who had been abducted as children. One of them was a red-eyed, 16- or 17-year-old boy with an automatic weapon and two bands of ammunition across his chest.

On our way back, flying over South Sudan, I thought about the peace talks between the LRA and the Ugandan Government that had recently been initiated by the regional government in South Sudan. I thought about the donor community in Kampala and the various rounds of discussions on budget support. The distance between the political situation in the

region and the donor language in the capital—negotiations on more or less technical problems with government officials—felt immense.

I realized: *this is it*. The political reality is nothing prettier or more sophisticated than these three parties making deals. All three have been part of more or less reputable armed groups; all have committed atrocities. The LRA is extreme by any account, but scratch the surface of the SPLA or the Ugandan National Resistance Movement and these groups are not a pretty sight either. It is not difficult to come across as a statesman once you are in power.

Perhaps more importantly, the power that an armed group has when it manages to walk into the capital and take control of the radio station, an airstrip and the president's office is paper thin. For the SPLA, gaining power through a deal brokered with a warring party and the outside world gives it legitimacy in theory—but what is the real glue between the armed groups and their societies? There is nothing to build power on. There are no movements to make deals with. There are few organized interests to work with to give state-building projects weight and stability. There is just an armed group and possibly a sentiment that the old ruler was bad. How will the new regime work with people who are unlikely to accept the power of the new leaders and fear they will be repressed?

Once the leaders have taken control of the president's office, however, they call on the International Monetary Fund (IMF) to announce they are in control of the country, have great plans and are ready to start building. The international community is impressed, celebrates that the years of atrocities are over and throws itself at the new leader—showering new grants or loans as well as many hundreds of missions of experts to tell the new government what to do. As new leaders adopt the language and theories of the donor institutions, they are labelled 'stars of Africa' and 'donor darlings'. They are rewarded with large inflows of money, but below the ministers who receive the aid missions and the experts there is little basis for functioning state institutions or an accountable government.

The story of independent Uganda is quite typical in terms of the challenges in exercising power, the ease with which it is possible to start an armed group and take power through a coup d'état and the dangers of losing power. It is also an example of the challenges, once in power, of creating trust among 'other' ethnic groups and building broad alliances that bring welfare to all the people under a newly constructed national flag. Uganda has had strong leaders with inclusive political visions: Milton Obote on independence in 1962 and Yoweri Museveni, who took power through armed struggle in 1986. Neither managed to introduce or sustain a regime of equality among ethnic groups, a peaceful transfer of power, an equal share of resources, or a neutral state.

The transfer of power in Africa was once described as one lion ruling ‘until another hungry lion comes along’. In 1971, Obote was ousted in a military coup and Uganda experienced the horrors of Idi Amin. He was in turn chased out with the help of Tanzania in 1979. Obote returned, won a rigged election and was ousted again in a coup in 1985. Yoweri Museveni took power through the armed National Resistance Movement (NRM) in 1986. He is still in place.

Despite Museveni’s inclusive aspirations, northerners felt threatened by his seizure of power. Obote and Amin both came from the north, and their armies committed atrocities on the various groups in the south. They now feared revenge and several resistance groups sprang up. There was large-scale looting of northerners’ assets as well as new atrocities as the southerners took power. Some of Amin’s old soldiers fled north and eventually came together with Joseph Kony to create the LRA. It is generally believed that at the time they had the blessing of elders and communities in the north who were later engaged in trying to stop the LRA. The LRA received military backing from Sudan for many years and used terror as its main weapon, committing atrocities against its own people. Similar groups have emerged in Sierra Leone and Liberia in which children have been kidnapped and forced to join the group. An estimated 40,000 children have been abducted by the LRA since 1987.

In the early days, Museveni impressively built and broadened his legitimacy and popularity. He had an inclusive government and promised to shelter everyone under the NRM’s umbrella. He built international confidence, was progressive on issues such as the fight against HIV/AIDS, gender concerns and macroeconomic stability, and was greatly rewarded with new grants and credits. He also turned his NRM into a bureaucracy from the national level to the villages. Museveni’s Uganda has never moved away from the military base on which his regime was built. Ten years later, when his power was firmly established and there was no organized political opposition, he started to be criticized for the level of corruption and for continuing to hold on to power. By now his rule had to be secured through overt coercion and by buying loyalty, with soaring corruption and the risk of future armed conflicts as a result—and so the circle continued.

Reflecting on the political situation in the region, I felt that the way the international community addressed the various challenges was too subdivided into separate parts. Quite honestly, our assistance sometimes served our own needs in the West rather than the needs of the people we said we wanted to help. I saw the high-end, diplomatic conflict resolution community in which Western countries competed with one other to be photographed closing a peace deal. Being a ‘peace broker’ was at the top of the list for any aspiring diplomat or country with ambitions, and there

was competition between Westerners who managed to shore up a peace process. These people would negotiate and come up with solutions for peace, which were sometimes crowned by pulling together a hasty election as the ultimate proof that the world had finally resolved the issues in that country. Mission completed, they then packed up and went home. Rushing to elections so the international community can close a difficult case for the time being, however, is not always supporting democratization or long-term dispute settlement.

Then there was the development community, which was there for the long haul. It had a perspective of 20 to 40 years. It called the government ‘a partner with shared values’. The development community negotiated agreements with Harvard-educated officials at the Ministry of Finance and found the handpicked government representatives in the capital to be competent and trustworthy. Much time was spent on government plans and in coordination meetings, and agreeing with the government how to use donors’ money to reduce poverty. The development community believed that once people started receiving services, political tensions would be resolved, but they did not examine how resources played into political tensions or who got what in reality. It was not difficult to see that only some parts of Uganda were blooming under Museveni’s regime while other regions remained neglected. This story is typical of so many countries. Donors were unable to go deeper into the political structures behind service delivery, and instead waited hopefully for the latest statistics on improved household incomes or reduced poverty levels.

Finally, the democracy community was hardly visible. It consisted of a few NGOs, a couple of projects to ‘strengthen parliament’ and money to pay for elections and election observers. Practitioners were frustrated about coming last on the list of priorities of the international community, and had a very different outlook compared to the development community. The democracy community often saw government actors as instigators of concern rather than partners.

These three distinct areas hinge on the same key issue—the structure of power and cooperation, that is, the organization of society and public affairs. It is about agreeing on bargaining processes for resource allocation, establishing political order and governments that are ultimately accountable to their people. Profoundly, it is about building democracies. It is not about adopting a French- or US-style constitution and throwing in general elections as quickly as possible, but building organized societies where power-holders are accountable to the public and can be replaced peacefully.

Uganda at this time was experiencing some deep political concerns and risked moving further towards an autocratic state rather than a

democracy. Aid, however, was being disbursed with no consideration for how it affected Uganda's political processes. The prevailing view was that aiding democracy and aiding development were two separate matters. Development assistance—with its much larger share of the aid pie—was crowding out democracy support from the thoughts and actions of donors. There was a stark contrast between the technical approaches of the development community and the political realities on the ground.

Over the years, I have continued to grapple with the place of democracy building in international development assistance. When I joined International IDEA in 2008, to manage a programme on democracy and development, I engaged in international discussions and regional forums on aid effectiveness, arguing that democratization should be considered to a larger extent in the development aid agenda. It soon became clear that many others, both aid workers and democracy practitioners in Africa, shared these concerns. Nonetheless, aid policy looks like it is going in another direction. The hope that democracy building might become an essential part of the aid agenda seems like 'a lost cause', as one of my colleagues framed it.

In 2010, International IDEA proposed cooperation with a small number of donor governments on a policy initiative to make democracy a substantive part of the aid effectiveness agenda, in time for a major aid meeting in Busan in 2011. The chances of the proposal looked promising. After some initial criticism of the agenda, there was now momentum in the international community for change. There was a recognition that aid should engage with actors beyond the executive in developing countries, and there was increasing discussion about how best to strengthen domestic accountability. The argument that democracy is not only an important aspiration in itself, but also a necessary component of making aid effective, was gaining currency.

Ultimately, however, donors rejected International IDEA's proposal. Those we approached agreed with our concern that democracy cooperation should be a component of development assistance. The proposal lost support, however, on the grounds that it would be too controversial for developing countries to endorse. One high-level donor government representative appeared puzzled by the idea, asking whether we meant that the aid agenda in Busan should incorporate a democracy agenda, as if this was obviously too sensitive to consider. Although the donor countries we approached recognized that this initiative touched on a fundamental issue, they regretted that they could not help out.

The fact that donor countries felt they could not strengthen democracy as a substantive part of development assistance, despite their own often explicit policy goals that see democracy as a fundamental value to be strengthened in the aid agenda, motivated me to write this book. I wanted

to put down in writing some of the observations I had made, to help start a discussion to try to rescue a lost cause.

Acknowledgments

In late 2011 I professed my intention to write a book about democracy and aid. Fortunately, I had no clue about the daunting challenges ahead of me. I would like to express my gratitude to the people who saw me through the writing of this book. I would specifically like to thank Vidar Helgesen for believing in my abilities and the staff at International IDEA for supporting the book and seeing it through. It is also encouraging that IDEA should take the brave step of inviting an external practitioner in as a writer. I hope this book will encourage debate and support IDEA in its new advocacy strategy.

I am deeply indebted to my former colleague, Bjarte Torå, for endless discussions about the subject matter and for his moral support. The advisers: Shailaja Chandra, Heba El-Kholy, Abdalla Hamdok, Adebayo Olukoshi and Carlos Santiso who provided excellent guidance and encouragement at the early stages.

I would like to thank the anonymous peer reviewers across the world who provided invaluable feedback and comments. The only reviewer who was not anonymous, Thomas Carothers, I would like to extend special thanks to. I discovered Thomas' work at a time when I could not piece together the disparity between what I had experienced in Uganda and the position of the aid community. Thomas' input to this book has been a privilege.

Without my editor, David Karlsson, there would be no book. David has been a therapist and a friend, and provided direction when I could not see one. I must also thank my family, as it is only due to their relentless encouragement that I persevered during the challenging times.

Over the years, I have been privileged to participate and work in the areas of international development, democracy, and peace and security. I have met some wonderful people who have inspired me and taught me a lot. I would like to take this opportunity to express my deep gratitude to all those people from the West, South, East and North struggling for human dignity, democracy and human rights across the globe.

About this book

The chapters below take a critical look at the relationship between democracy and the development aid agenda. The analysis includes the types of aid modalities that have been in focus in the period since the Paris Declaration on Aid Effectiveness of 2005, and the key ways in which donors have tried to deal with political situations in aid recipient countries during that time. However, while the analysis is focused on the Paris Agenda, the book is relevant to other aid discussions too, such as the one that will confront us when the United Nations Millennium Development Goals (MDGs) expire in 2015, and discussions on the role of Official Development Assistance (ODA) in the years ahead.

A basic premise is that major donors have policies to support democracy. Some have specific democracy goals, while others have goals formulated as improving governance. Others, which can have a deep influence on the politics and democratic institutions of aid dependent countries, such as the International Financial Institutions—the World Bank, the IMF and the regional development banks—have no mandate to support democracy, and this should therefore be examined.

Beyond the formulation of formal goals, it should be acknowledged that in everyday practice within the aid community in Africa and in multilateral forums there is an unquestionable perception that Western countries support or promote democracy.¹ Perceptions matter as these shape everyday actions in the aid community. Within aid-receiving countries there are donor groups assessing and discussing issues regarding ‘good governance’, and there are clear commitments on human rights. There are also EU observer missions during elections and a normally vivid discussion among the donor community on how they should act on such issues. This is also reflected in the clear expectation in aid recipient countries that the Western community will act to support or promote democracy. However, there is often an impression among African non-governmental entities that Western countries say that they support democracy but in practice, they do not.

Another basic premise of this book is that democracy is an inherent value in its own right, and that major donor countries should support that view in their policies and activities. This book raises a number of questions about donor assumptions and the possible impact of aid modalities on democracy, which merit further discussion and debate. Moreover, the book argues for a recognition of the links between democracy and development. It makes the case that these links should be taken seriously, and that their policy implications should be discussed and appropriate conclusions drawn.

The book is grounded in observations gathered by the author over the

past 17 years while working with international development, democracy and conflict issues. As a diplomat, the author has followed international aid from the World Bank-led structural adjustment programmes in the mid-1990s, to the introduction of the UN MDGs at the turn of the century, to the Paris Declaration on Aid Effectiveness in 2005. She participated in international negotiations on development, such as the run-up to the Monterrey Consensus in 2002, and in aid deliberations in Africa.

The book uses contemporary studies and research to substantiate the critique, but the starting points in many parts of the book are the author's own observations about the donor community. This book does not aspire to be academic in its form or to establish any new empirical truths. It hopes to start a debate not to settle one. It hopes to provide some food-for-thought for the aid and research communities, interested citizens, civil society actors and political policymakers.

The analysis is squarely focused on Western nations' use of aid resources and the diplomacy connected to those resources. In a changing world order with increasing influence of developing countries, most notably the BRIC countries, Brazil, Russia, India and China, it may seem old-fashioned to focus on traditional donor countries. There is excitement and anxiety in the aid community about the 'new donors' providing development financing, but this new situation opens new possibilities for the use of traditional aid resources. Total net ODA disbursements in 2011 amounted to USD 136 billion, about 90 per cent of which came from traditional donors—the democracies in the West. It is therefore still relevant to discuss how best to use these resources.

The book examines an aggregated, general picture of donor behaviour rather than specific donor agencies and aid programmes. One reason for this, is the lack of studies looking at specific donor agencies and aid programmes through a democracy prism.² These limitations point to a great need for studies and analysis in this area. Nevertheless, an aggregated picture of donor practice is of key relevance, not least as the Paris Declaration entails a harmonization of donor support and donors have increasingly been acting in a joined-up manner.

There is an important ongoing discussion about the concept and definition of democracy. This book uses the broad working definition by International IDEA, which states that democracy is a political system where public decision-making is subject to popular control and where all citizens have an equal right to participate in this process. To achieve this, both formal and informal institutions are necessary. This book tries to highlight those democratic political institutions which have received relatively little attention from the aid community. The term 'development aid' is used to refer to aid resources the primary purpose of which is to reduce poverty,

such as support for health, education, agricultural development, water and sanitation, and infrastructure.

The development aid community and the democracy aid community are treated as two distinct groups because their practices are different even if they often belong to the same aid agencies. Now that the development community has begun to recognize political issues as key concerns in development, and democracy practitioners have begun to see that development processes influence political institutions, these two areas of practice have started to converge at the policy level. In the field, however, these practitioners continue to live separate lives.

The book distinguishes between democracy assistance—a small component of aid that supports democracy—and democracy support or promotion. It primarily speaks of the latter—strengthening the democratic processes and the actors involved in providing development aid, that is, not specific democracy assistance projects. The book refers to specific projects, such as providing development aid to strengthen parliaments, but the key concern is whether development aid is practiced in a way that strengthens democracy—and the problems that can arise. Since the term ‘support’ may imply active financing, ‘promotion’ is used instead, despite the possible negative connotations of this term (for example, some much-debated bombings of countries in the name of democracy). Other concepts used, such as ‘building’, might assume a consensus and that everyone is moving in the same direction to build democracy, while ‘cooperation’ assumes a willingness on all sides to work together for the same goal. Everyone in the aid community wants partnerships, but this is not always a reality when it comes to strengthening democracy. Some actors will not like it as it challenges their power base. So, not to get caught up in the jungle of concepts and their meanings, the book uses a variety of phrases. The main premise here is that what is most important is not the choice of concept, but how it is practiced.

Aid-receiving countries vary greatly in their political contexts. There is a difference between countries emerging from armed conflict and those with a long history of peace. Different political contexts have their specific concerns, and it is beyond the scope of this book to try to account for all of them. It is mainly focused on the aid experiences in Africa. This is the region most often in focus in aid discussions and studies, and there is a wide range of material available. Other regions and specific countries are included at times.

There is a risk that a provocative critique might exacerbate an already gloomy view of aid effectiveness in the context of African politics. There is a fierce debate about whether aid is useful in helping to reduce poverty, whether aid supports economic transformation and growth, whether it

relieves poverty and why Africa is still poor despite 60 years of development assistance.

The proponents of aid, the ‘development optimists’—such as Jeffrey Sachs, Hans Rosling and Charles Kenny—highlight impressive global gains in economic growth and human welfare over the past 50 years. They do recognize the regional disparities between Asia and Africa, but hold the view that aid has been an important resource for development. The critics—some of the most ardent ones being William Easterly, Dambisa Moyo and George B. N. Ayittey—argue that there is no relation between aid and economic growth, that aid has been sunk into a black hole—and has even done more harm than good.

This book is not specifically an input into that debate. It discusses another topic. The critics mentioned above ask whether aid is effective in reducing poverty and spurring economic growth. This book asks whether donors consider democracy in aid and how donor practice affects democracy, and it highlights the linkages. The book does, however, relate to several of the views expressed by both aid proponents and critics. It recognizes for example that the lack of substantive progress on socio-economic development in Africa is of deep concern, and that major aid flows have not by themselves been able to help move Africa out of poverty.

Another premise of this book is that aid is a vital resource to help deal with global challenges, and it aims to support people who are struggling for civil and political rights and democracy. This discussion is most useful when looking at the challenges donors face on the ground, and how donor agencies can review their systems to avoid working at cross purposes with democracy goals.

Chapter 1, ‘Aid and democracy’, looks at public opinion on democracy, donor goals and different views on the relationship between democracy and development. Chapter 2, ‘Democratic and not-so-democratic politics’, accounts for the connections between corruption and politics, and the more or less subtle ways in which democracies are often undermined. It focuses on and describes some serious challenges, and criticizes donors for glossing over major political concerns. Chapter 3, ‘The Paris aid agenda’, examines donor behaviour and asks whether democracy has been a key concern in the Paris era. It highlights the possible negative impact of the Paris aid modalities on democratic institutions and processes. Chapter 4, ‘Aid and politics’, addresses the key ways in which donors have been trying to cope or deal with political challenges in aid processes without taking on democracy as a key issue. Chapter 5, ‘Moving forward’, looks at global changes, and provides some thoughts on strategies which could help strengthen democracy within the aid agenda.

Chapter 1

Aid and democracy

Aid and democracy

In November 2011, the dynamic port town of Busan in South Korea hosted the Fourth High-Level Forum on Aid Effectiveness. Over 3,000 delegates representing countries and organizations jetted in from around the world, checked into their hotels and readied themselves for three days of plenary sessions, negotiations and networking.

The forum takes place every three years. It is a global one-stop shop for discussion, negotiation and agreement between developed and developing nations on how to improve international aid. Countries meet to review progress on implementing the Paris Declaration on Aid Effectiveness—the only international agreement specifically concerned with making aid more effective. At the opening ceremony, delegates heard from the Secretary-General of the United Nations, Ban Ki-Moon, the Secretary-General of the Organization for Economic Co-operation and Development (OECD), Angel Gurría, and the US Secretary of State, Hillary Rodham Clinton, all of whom outlined their visions for making development aid more effective. The only aid recipient country representative invited to speak at this session was Rwanda's head of state, President Paul Kagame.

Kagame does indeed use aid effectively to develop Rwanda, both economically and socially. Donors are often excited about what they see as Rwanda's 'near-corruption-free' environment. The country has experienced good growth rates, and poverty rates have reduced. Rwanda is often held up as the latest 'donor darling' and is seen as a shining star of development in Africa.³ However it also has a lamentable civil and political rights record. Opponents of the system are jailed, persecuted or otherwise silenced, human rights observers report a consistent pattern of abuse and it has a record of regional military interference that undermines the potential for peace in the Democratic Republic of the Congo (DRC).⁴

As Kagame spoke to the aid community about successful development, pro-democracy movements in the Arab region were sending a different message about authoritarianism. Less than a year earlier, on 17 December 2010, a young fruit seller had set himself on fire in front of a local municipal office in Sidi Bouzid, Tunisia. Mohammed Bouazizi's suicide was an act of desperation at the injustice of the corruption under which he suffered, and it quickly sparked sympathetic protests that spread through the country and then throughout the Middle East. Across the region, autocrats felt the wrath of their people.

Many in the international aid community rushed to add their support to the uprisings, or even to claim that they had been on the side of the revolutionaries all along. The inconvenient truth, however, was that the aid community had been supporting the authoritarian regimes that were now losing their legitimacy.

According to the former foreign minister of Jordan, Marwan Muasher, the people of the Middle East had been told that development comes first and democracy later, but in fact this had delivered ‘neither bread nor freedom’.⁵ Kenneth Roth, executive director of Human Rights Watch, argues in the organization’s World Report 2012 that the international response to the Arab uprisings must be seen in the light of the sad truth that the dominant Western policy was one of containment: ‘Today many applaud as the people of the region take to the streets to claim their rights, but until recently Western governments frequently acted as if the Arab people were to be feared, hemmed in, controlled’.⁶ The European Commission was heavily criticized for giving aid directly to the regimes in Egypt and Tunisia. Only in May 2012 did it change its policy on budget support to include criteria for democracy and human rights.

Given that the meeting in Busan took place amid ongoing Arab uprisings and renewed criticism that development aid had propped up these regimes, democracy could have become a major topic. Discussions could have examined the impact that different forms of development aid have on democratic processes, how to design development aid to support inclusive pro-democracy reforms and how to build institutions that promote representative politics in development.

From a democracy strengthening perspective, some progress was made at Busan. The outcome document made reference to the term ‘democratic ownership’, which could be significant if there is more substantive agreement on how to interpret this concept in the future.⁷ Busan marked important progress with donors increasing the transparency of their aid flows. Hillary Clinton announced that the United States would join the International Aid Transparency Initiative. Political legitimacy was recognized as a key concern in the New Deal for Engagement in Fragile States, which was endorsed in Busan. Beyond these measures, however, there was little substantive engagement with issues related to democracy at the forum. The Arab uprisings felt far away.

The primary focus of traditional donors in Busan was to get China and other new donor countries on board as signatories of the outcome document. An agreement without the new donors would have lacked credibility, as these countries are increasingly influential in the developing world. Getting China and other countries on board was seen as the beginning of a global partnership in promoting development. After three

days of negotiations, countries signed a watered-down outcome document in which new donors promised to support the agreement ‘on a voluntary basis’.⁸

It is something of a paradox that it was so important to get new donors to sign an agreement that basically says they can do aid the way they want to. Nor is it easy to see what the partnership consists of. Also puzzling was the desire to bring new donors into an agreement in which several of the traditional donors showed only lukewarm interest. The review at Busan of the implementation of the Paris Agenda showed that only one of its 13 targets had been met. It was noted that ‘while many developing countries have met commitments to improve the way they manage public funds, many donors are still not using these systems’.⁹

Selecting an autocratic government to speak for the people of the Global South and running after China for a vague commitment rather than taking a stand for democracy amid the Arab uprisings left the impression that the Western mainstream development community is too anxious to stand up for its own beliefs, out of sync with its moral compass or caught in some confused realpolitik of the 21st century.

What people want

The fact is that people across the world do want democracy. Public opinion across the world shows a clear preference for democracy as the best form of government. A global survey by Gallup International across all continents in 2005 revealed that around 80 per cent of men and women considered democracy to be the best available form of governance. Support for democracy was shared by people with different cultures and religions, including Christians, Muslims, Jews, Hindus and Buddhists. There was no difference between gender, age, education or income level.¹⁰ It was also found that 48 per cent were sceptical about whether elections in their country were held in a free and fair manner. Only 30 per cent believed that they were getting the desirable outcome from democracy: that the will of the people rules.¹¹

In 2012, Afrobarometer found that across 12 countries in sub-Saharan Africa, 79 per cent of respondents said that democracy was preferable to any other form of government. The survey also explored whether people actively rejected authoritarian alternatives. Across seven countries, 83 per cent of respondents ‘spurned military rule’ and 87 per cent did not approve of one-man rule.¹² This attitude has remained fairly constant since 2000. As to whether Africans think they are getting democracy, the same trend is notable as in the Gallup survey—42 per cent were not satisfied with the democracy they were experiencing.¹³

One year after the Arab uprisings a survey showed a continued desire for democracy in Arab and other Muslim countries. Democracy was the preferred form of government by a strong margin among the populations of Lebanon, Turkey, Egypt, Tunisia and Jordan as well as in Pakistan. It should be noted that there was support for competitive elections and free speech, as well as a large role for Islam in political life. There were different views on the degree to which the legal system should be based on Islam. The survey also showed both democracy and economic prosperity to be important goals.¹⁴

A global UN survey in 2013 confirmed that, overwhelmingly, people also see democracy as a development priority. As part of the discussion on the global development agenda once the Millennium Development Goals (MDGs) expire in 2015, the United Nations conducted a global survey of no less than 750,000 people in 194 countries. The top five priorities for citizens across the world included health, education, and honest and responsive government.¹⁵ Equally overwhelmingly—and sadly—governments do not seem to see democracy as a development priority. In a parallel survey of UN member states conducted by the United Nations Secretary-General, governments placed ‘good governance’ as priority number 24 out of 31.¹⁶ The gap between governments and the governed is striking.

Democracy goals

The United States, the European Union (EU) institutions and the World Bank account for half of all Official Development Assistance (ODA).¹⁷ They are the aid giants. Among multilaterals, the EU institutions are the largest donors, giving USD 12 billion, followed by World Bank International Development Association (IDA) which grant/loans of USD 8 billion. Other major multilaterals include the Global Fund to Fight AIDS, Tuberculosis and Malaria, and the African and Asian Development Banks. Total multilateral aid amounted to USD 35 billion in 2011.

Among the bilaterals, the United States provides resources that are far ahead of any other government, giving USD 30.4 billion in ODA in 2012. The second-largest donors in absolute terms were European countries—the United Kingdom and Germany with just over USD 13 billion. France gave USD 12 billion, Japan USD 10.5 billion, followed by Canada, the Netherlands and Australia. Luxembourg, Sweden, Norway, Denmark and the Netherlands are relative giants as these countries spend 0.7–1 per cent of their Gross Domestic Product (GDP) on development resources, thereby meeting the UN target of 0.7 per cent of GDP.¹⁸

Most of these donor agencies have specific goals to support democracy in some way that connects to their overall aid programmes. For the EU, democracy is a founding principle and one of the fundamental objectives of its foreign policy. There is a stated goal that the EU should take democracy into account in all policy areas. Under the Treaty on European Union, democracy is a general objective to be applied to both development cooperation and economic, financial and technical cooperation with third countries.¹⁹ Moreover, this policy goal also applies to individual EU member states. The European Consensus on Development was established in 2006. It is a framework of common principles which the EU and its member states must implement in their development policies with all third countries. It states that ‘democracy, good governance, human rights and the rights of children will be promoted in partnership with all countries receiving community development assistance’.²⁰

US aid programmes have clear goals to encourage democracy. The United States explicitly tied democracy and governance to the overall development mission of its bilateral aid programme in 1991.²¹ Canada’s aid organization made promises in the mid-1990s to integrate democracy, human rights and governance concerns at all levels of programme planning.²² Other countries that have clearly stated goals to support democracy include Spain, Denmark and Sweden.²³ A new donor that is strongly committed to the goal of democracy is Poland. It gives solidarity, democracy and development as the three pillars of its cooperation programme.²⁴

There are also donor countries that do not make democracy a clear key goal, but tend to focus on governance. Such countries include France, the United Kingdom and Australia.²⁵ Among these countries, democracy is often mentioned as one specific programme area among many others, such as public sector reform, the rule of law or civil society development. Japan keeps a low profile as far as democracy assistance goes.²⁶ The Netherlands has focused in recent policy pronouncements on security and the legal order, water, food security, and sexual and reproductive health and rights, seeing governance as a cross-cutting issue.²⁷ The three major non-OECD Development Assistance Committee (DAC) donors—China, Saudi Arabia and Turkey—do not seem to have any goals in this area, although Turkey sees itself as something of a democratic model for the Arab region.²⁸

Some countries have shifting priorities over time. An interesting example is Norway, which made democratization a key priority in its 1992 aid strategy. A 2011 report commissioned by its aid agency, Norad, however, stated that Norway lacked a coherent policy on democracy promotion. In 2002–2005, poverty reduction was the focus, with good governance seen as a precondition for growth. From 2008–2009, issues such as climate change, recovery from conflict and capital flows took precedence.²⁹ In

2013, however, a government White Paper again put democracy centre stage in Norwegian development policy, even suggesting that countries that regress in this area should have their aid cut.³⁰ The new government elected in September 2013 may introduce further changes in policy and practice on democracy assistance.

Country policies in this area are surprisingly difficult to nail down. Australia, for example, does not make democracy a strategic goal of its aid programme, but in repeated speeches at the Bali Democracy Forum, its then Prime Minister and Foreign Minister clearly stated that Australia is committed to the spread of democracy across the region, as well as a deep belief that democracy, human rights and development are interdependent and mutually reinforcing.³¹ The outcomes of the general elections in Australia in September 2013 may entail changes in democracy assistance policies and practices.³²

What emerges is not a uniform picture among bilateral donors. There are marked differences in their expressed positions on democracy, but under the surface an implicit will to strengthen democracy can often be discerned. This will is mirrored by a desire and expectation among citizens in developing countries that donors should contribute to supporting democracy. Moreover, the traditional donor countries in Europe and North America are themselves long-standing democracies. Why should they have different standards for other countries?

Democracy is as close to a universal value as you can get for the United Nations. It formally acknowledges democracy as the preferred form of governance. The UN Charter of 1945 states that 'the will of the people shall be the basis of the authority of government'. The International Covenant on Civil and Political Rights of 1966 lays down the conditions for individual democratic freedoms. The Vienna Declaration and Programme of Action of 1993 states that the international community is welcome to support 'the strengthening and promoting of democracy'. Nonetheless, in everyday negotiations in the United Nations, many countries try to keep democracy out of formal agreements and the work of the UN.

On the face of it, the International Financial Institutions (IFIs) constitute an exception in policy terms. The World Bank and the regional development banks are not allowed to work for democracy: their mandates are specifically non-political. In practice, however, these organizations do promote democracy and undertake extensive work on governance. The World Bank's major 2007 Governance and Anti-Corruption strategy for example notes the importance of accountability, transparency and participation.³³

In the World Bank's now classic 2000 report, *Voices of the Poor: Crying Out for Change*, poverty was defined not least as powerlessness and voicelessness.³⁴ The OECD-DAC argues that there is a fundamental connection between economic and political progress, that 'participatory development and good governance must be central concerns in the allocation and design of development assistance', and that 'there is a vital connection between open, democratic, accountable systems of governance and social development'.³⁵

Others agree. Yusuf Bangura, who led the United Nations Research Institute for Social Development (UNRISD) for many years, and steered their flagship report *Combating Poverty and Inequality* in 2010, makes a deep connection between poverty and politics.³⁶ He argues that, while the central objective of the world community in the past decade has been to reduce poverty, sustained progress depends substantially on politics. He highlights the key issues of conflict, and how to organize cooperation and negotiations which influence decisions—it is about how resources are produced, distributed and used. This in turn depends on the distribution of power and citizen–state relationships, as well as those institutions which mediate conflicts over competing interests.

The debate over democracy and development

In the academic world, the links between democracy and development have been studied and discussed for decades.³⁷ Carothers and de Gramont identify three different camps in this debate.³⁸ In a simplified form, they can be summarized as: (a) the democratic governance camp, which stresses the importance of democratic governance for development; (b) the developmental state camp, which believes that the developmental state comes first and democracy later; and (c) the multiple path camp, which emphasizes politics but also highly context-specific paths to development. The view in the developmental state camp is that the key to rapid growth and economic transformation is centralized decision-making, a commitment to development, massive investment, and an autonomous and capable bureaucracy. This view builds on the tremendous developmental successes of Asian countries, such as South Korea, Taiwan and Hong Kong. From this perspective, countries centralized power and kicked off development. Similar patterns can be found today in China, Ethiopia, Rwanda and Vietnam. In fact, the development successes of China provide a strong new argument in favour of this approach.

A well-known proponent of this approach is Mustaq Khan, Professor of Economics at the School of Oriental and African Studies (SOAS),

University of London. He emphasizes the importance of investment and new technologies to development rather than political goals. Another key actor is David Booth, Director of the Africa Power and Politics Programme and a research fellow at the Overseas Development Institute in London. He underlines the need for collective action and state efficiency rather than democracy. The barriers to growth in Africa, Booth argues, are clientilistic political systems with problems of collective action. Research on service delivery in several countries shows Rwanda to be effective with its top-down, disciplined approach. There is a reluctance towards democracy, which is seen to stand in opposition to the powerful, politically neutral state devoted to growth.³⁹

The basic approach of the multiple path camp can be described as: ‘politics is important, but must be organized according to the situation’. Carothers and de Gramont describe the camp as seeing governance as a critical factor in development, but also that no single best model exists. Development has been achieved by different governance systems, and the best one for any particular country will vary. Francis Fukuyama, for example, finds that political institutions develop in ways which are complex and often accidental. The aid community should therefore adopt a totally context-specific and dynamic approach. This camp also favours supporting local processes and domestically driven problem-solving efforts. Some other proponents in this camp are Merilee Grindle, Dani Rodrik, Brian Levy and Sue Unsworth.⁴⁰

It is useful to ask where the development aid practice community is in this discussion.⁴¹ In policy terms, most donors recognize that political goals are key to development assistance. The lessons of the multiple path camp are increasingly used in donor language. It is common to see policy statements highlighting the need to ‘take context into account’ or that ‘politics matters’. The political economy tools that stem from this camp are commonly used. According to Carothers and de Gramont, however, donors have found it difficult to draw practical conclusions from this camp, and the approach has not changed the way aid is organized or disbursed.⁴²

In practice, there seems to be a dominant view that economic growth comes first and democracy later. The developmental state camp seems to reign supreme. The perception is that only once there is a middle class—creating growth and created through growth—can a democratic transformation take place. Before that, democracy could even be harmful. Carothers and de Gramont argue that many of the economic and technical aid practitioners doubt the validity of ‘what they saw as a political fad being imposed from above’.⁴³ In practice, political goals have remained separate from socio-economic development programmes. This fundamental difference between policy and practice is explored further below.

There is a case for democracy in that citizens across the world want it. There is a case for democracy in universal, normative instruments. There is a case for democracy in multilateral and bilateral donor policies. There is a case for democracy in academic studies of aid. Nonetheless, the ‘developmental state’ camp seems to rule in practice, often underpinned by references to China, Vietnam, Ethiopia and Rwanda. This situation begs the question: Is there a case for democracy’s ability to deliver on development?

The case for democracy: it delivers

There is strong empirical evidence that counters the case for authoritarian state development. In terms of the wider concept of human welfare, there is a positive story to tell of the links between democracy and development.

Many studies show that democracy delivers economic and social benefits for citizens. This is not only true for developed economies. In fact, poor democracies often outperform poor autocracies in delivering services and human well-being. A study of data on low-income countries from 1960 to 2004 shows that poor democracies grow just as rapidly as poor autocracies.⁴⁴ Outside eastern Asia, the median per capita growth rates of poor democracies have been 50 per cent higher than those of autocracies. Moreover, the risk that poor autocracies will experience severe economic contractions is twice that of poor democracies.

The quality of life in poor democracies is significantly better than in poor autocracies. People in low-income democracies live nine years longer than their counterparts in low-income autocracies, have a 40 per cent greater chance of attending secondary school and benefit from agricultural yields that are 25 per cent higher. Poor democracies have 20 per cent lower infant mortality rates than poor autocracies.⁴⁵

Several world-renowned economists find similar evidence. A study of more than 150 countries by Daniel Kaufmann et al. finds a strong causal relationship between accountability and higher levels of income, with one standard deviation in voice and accountability giving a 2.5-fold increase in per capita income.⁴⁶ Similarly, William Easterly finds a strong correlation between accountability and service delivery.⁴⁷ Paul Collier suggests that elections induce a government to adopt beneficial policies for its citizens.⁴⁸ In *Why Nations Fail*, Daron Acemoglu and James Robinson convincingly show that the most successful and prosperous nations have developed inclusive political and economic institutions.⁴⁹

It is beyond doubt that genuine electoral accountability is associated with lower levels of government corruption. Studies show significant statistical relationships between electoral fraud and poor economic policies and poor governance.⁵⁰ In Brazil, improved elections with the participation of poor

and illiterate voters led to the election of more poor and less-educated citizens to state legislatures, and a government spending shift towards public health care and improved utilization of health services, which led to fewer low-weight births among less-educated mothers.

Democracies are also far better at avoiding catastrophes. A now classic example was put forward by Amartya Sen, who observed that no democracy with a free press has ever experienced a major famine.⁵¹ Starvation is an effect of poor politics. The United Nations Development Programme (UNDP) Africa Human Development Report 2012 confirmed this: food shortages in Africa were caused by elites ignoring these concerns.⁵² In terms of conflict, in the 20 years to 2004, the 87 largest refugee crises all originated in autocracies.⁵³ In sub-Saharan Africa, countries undergoing democratic reform are 50 per cent less likely than the norm in the region to experience armed conflict.⁵⁴

Democracies are sometimes accused of falling into populist, irresponsible spending habits, but the evidence suggests otherwise. Poor democracies performed as well as poor autocracies on budgetary balance in 1974–2004.⁵⁵ Moreover, a key difference is that you are less likely to be jailed in a democracy if you protest against high inflation.

It is also worth noting that among the top 20 countries in the UNDP's Human Development Index, all but one (Hong Kong) are full democracies. This list includes, of course, most rich Western countries, but even among the top 50 countries that achieved the highest level of human development in 2011, only four are either authoritarian or hybrid regimes. We thus find that 39 of the 50 countries with the highest human development score are considered full democracies. (Five countries are not classified and six are considered 'flawed democracies'.)⁵⁶ The Legatum Prosperity Index, which uses a wider concept of human prosperity that includes, for example, safety and security, entrepreneurship and opportunity, personal freedom, and economic and social aspects, found in 2012 that 27 of the top 30 most prosperous countries are democracies.⁵⁷

None of these studies or findings are undisputed, but they show considerable empirical support for the view that democratic politics—on top of being desirable in terms of human rights and the rule of law—are able to deliver more sustainable development than autocracy.⁵⁸ They also present a strong argument against the technocratic appeal of the developmental state paradigm of centralized power. As the African researcher Omano Edigheji puts it: 'if there were a positive correlation between undemocratic regimes and development, then African countries would have been among the most developed countries in the world'.⁵⁹

Chapter 2

Democratic and not-so-democratic politics

Democratic and not-so-democratic politics

In 2011 *The Economist* made a public apology for ‘regrettably’ calling Africa the ‘hopeless’ continent ten years before. It now called it the ‘the hopeful continent’.⁶⁰ There is indeed good news coming from Africa, which has spurred new hopes for African development.

In the past decade, six of the world’s fastest-growing economies have been in Africa. In eight of these ten years, Africa has grown faster than East Asia. Twelve countries’ economies have grown by 6 per cent per year for six or more years. Between 1999 and 2008, the proportion of Africans living below the poverty line fell from 58 per cent to 48 per cent. Social indicators have improved—more children are getting into schools and fewer children die before the age of five. School enrolment rates increased from 60 per cent in 2000 to 76 per cent in 2009.⁶¹

The commodity boom is an important driver of this growth. Africa is getting more money for its oil, minerals and other commodities. Oil prices, for example, rose from less than USD 20 a barrel in 1999 to more than USD 145 in 2008. There have also been structural changes. According to a 2010 report by the McKinsey Global Institute, *Lions on the Move: The Progress and Potential of African Economies*, the commodity boom explains only part of Africa’s Gross Domestic Product (GDP) growth. Natural resources accounted for just 24 per cent of Africa’s GDP growth between 2000 and 2008. The rest came from other sectors, such as the wholesale and retail trade, transportation, telecommunications and manufacturing.⁶² Africa also has new buyers. The increased demand for raw materials in China and India is a boost. Brazil, Russia, India and China together now make up 20 per cent of its buyers, and this percentage is expected to increase to 50 per cent by 2030.⁶³

The key reasons behind expanding growth, according to *The Economist*, are the ending of armed conflicts, improved macroeconomic conditions and a better business climate. Growth is also an effect of a growing population. Africa’s population is expected to double from 1 to 2 billion over the next 40 years.⁶⁴

Unfortunately, it is not all good news. Despite the high growth rates of the past ten years, economic and social development that could substantively reduce poverty is not being achieved. Half of Africans still live on incomes below the poverty line of USD 1.25 a day.

The 2012 report of the Africa Progress Panel shows that Africa's record on poverty does not match its economic growth. Deep and enduring inequalities are evidence of the fact that growth does not trickle down. In 1999, Africa accounted for 21 per cent of the world's poverty. By 2008 that share had reached 29 per cent. Mozambique—despite its high growth rates—showed no reduction in national poverty from 2002 to 2008. Tanzania has been a fast growing economy, but poverty only fell from 35 per cent to 33 per cent in 2000–2007. In another relative success story, Ghana, poverty levels have come down overall, but extreme poverty in the north has actually increased since the early 1990s.⁶⁵ Across Africa, in the two decades 1989–2009, the proportion of underweight children only fell from 27 per cent to 22 per cent, and 35 per cent of Africa's children still suffer from stunted growth. In Tanzania, taking the growth of the population into account, the number of poor has actually increased by one million.

School enrolment rates have soared, but many children receive an education of such 'abysmal quality' that they are learning very little, according to the Africa Progress Panel's 2012 report. Children lack basic literacy skills at the end of primary education. The report calls it nothing less than an African 'education crisis'. This is taking place despite the fact that African governments allocate over 5 per cent of GDP to education—one of the highest levels for any region in the world.⁶⁶

There is little doubt that the vast majority of Africans share little of the continent's wealth, which remains in the hands of a few elites. Africa's riches are in danger of being sold to foreigners, including through land acquisition which takes place in shady deals and secret contracts.⁶⁷ In 2009, illicit financial flows out of Africa were three times bigger than the aid flows into Africa.⁶⁸

Aid still constitutes a significant transfer of resources. Africa is the biggest recipient of aid flows, followed closely by Asia. In 2010, aid to Africa averaged USD 47 per person, while the global average for aid to developing countries was USD 24 per person.⁶⁹ In some major African nations, aid remains a bigger source of income than any of the country's vast natural resources. When citizens of African countries legitimately complain that the continent's blessings are not shared, this has little to do with aid. How growth is generated and wealth is distributed, how financial flows are managed, and public services such as health and education are provided, and how aid is used are fundamentally issues that are determined by the politics of the countries concerned.

Democracy and development are both about politics. Both work better when politics is more inclusive and less extractive, to borrow the terminology of Acemoglu and Robinson.⁷⁰ Many countries that show all the trappings of procedural democracy are still haunted by grossly

extractive politics, characterized by politicians who play every trick in the book when it comes to political manipulation of the state and society. The phenomenon is known in all regions, but in terms of how it affects aid effectiveness, the situation is particularly acute in Africa. The donor community has underestimated, or perhaps not been able to deal with, this political reality in designing aid programmes. Perhaps the most critical of these challenges is the relationship between political corruption and the state of democracy.

Corruption and the state

Political realities in Africa vary greatly between countries and over time. In African countries, as in other regions, there are positive movements for democracy, honest politicians and fair competitions for power. There are formal democratic institutions, political party systems, regular elections and politicians contesting those elections with a sincere commitment to improving the lives of the people.

There are also other incentives in play. Some seek to fast-track their way to power by using illicit resources, or the resources of the state, to obtain political support by buying loyalty. It may, for example, be in the interests of some politicians and civil servants to keep budget processes opaque or to place the control of development programmes outside the domain of formal institutions, in order to informally steer outcomes and benefits. In April 2012, five different research programmes on the political economy of development—from the Dutch ‘Tracking Development’ to the British ‘Africa Power and Politics Programme’ to the Australian ‘Development Leadership Programme’—issued a joint statement: ‘Our single most important message is that development outcomes in poor countries depend fundamentally on the political incentives facing political elites and leaders’.⁷¹

The Africa Human Development Report 2012 names sub-Saharan Africa the most food-insecure region due to poor governance and patrimonial power structures. Chronic food insecurity persists despite Africa’s economic growth in the past decade. It has persisted despite access to the knowledge and technology required to end hunger: ‘Self-serving elites, quick to profit from graft and patronage, have stood between leaders and the people, monopolized state revenues and emptied the countryside, but they have provided neither employment nor industry.’⁷²

There is no reason why people should not be able to feed themselves. Africa has 60 per cent of the world’s uncultivated arable land. It produces less agricultural output per head now than it did in 1960.⁷³ Farmers lack access to capital for fertilizer and irrigation. They lack the roads and storage

needed to get harvests to market. These are public goods that the political process should facilitate. When it does not, there is a political problem. It is often called corruption.

Corruption is a worldwide challenge and an all too well-known feature in Africa. Two classic reports are often cited. In 2004, the African Union (AU) reported that Africa loses 25 per cent of its GDP to corrupt practices every year.⁷⁴ A 2004 World Bank report on corruption noted that far more wealth flowed from poor countries to rich countries than the poor countries receive in foreign aid.⁷⁵ The volume of funds stolen from the people of Africa is staggering, and a source of considerable public anger and mistrust in political institutions.

Donors transfer resources through the partner government for the purpose of supplying public goods. The political elites in government, however, do not only have an incentive to produce health services, schools and capital investment in agriculture or roads. They may also use their government positions to sustain their own power.

Power is not a given, even if you are a head of state. This is particularly the case in countries with weak institutions. Neither a head of state nor a leader of the opposition can rely on the other to comply with the rules of the game. Power needs to be secured in other ways, rather than relying on fair elections and the rule of law. This is often done through a mix of coercion and buying loyalty. Conversely, non-corrupt leaders rarely have enough of the money needed to compete for power, and if they manage against all the odds they often lose it quickly.⁷⁶ When the government is caught in a politically perverse situation, the incentive dynamic has severe effects on development and the use of state resources.

Political corruption is a concern in many countries, and not only in Africa. According to Michael Pinto-Duschinsky's study of political finance, political corruption involves: using money that a political officeholder has obtained in a corrupt transaction for campaign or party objectives; the unauthorized use of state resources for partisan political purposes; acceptance of money in return for a favour in the event of being elected; and spending money on banned activities such as vote buying.⁷⁷ Accepting money in return for a favour in the event of an election, says Pinto-Duschinsky, is prevalent from 'Antigua and Barbuda to the United Kingdom and the United States, from Belgium and Brazil to Italy and India, and from Papua New Guinea to Cameroon'.⁷⁸

Vote buying has a long history. Today, it occurs most frequently in poor countries, but it does exist elsewhere. In Bangladesh, such bribes can include tea, cigarettes, lunch or a sheet of iron roofing. In Surinam in 1996, salt, fish and rum were handed out to obtain votes. In Thailand, the night before an election is called 'dog-barking night' because villagers are visited

by so many vote buyers that their dogs bark the whole night.⁷⁹ In Uganda, during the 2011 elections, anecdotal evidence suggests that the price of loyalty was high: National Resistance Movement (NRM) candidates for the National Assembly gave out envelopes of cash approaching USD 9,000 per person. President Museveni was photographed handing out cash at political rallies around the country. The total amount handed out by the Office of the President has been estimated at around USD 300 million.⁸⁰

To some extent, this is responding to what politicians are being asked for. The political scientist, Staffan Lindberg, asked parliamentarians in Ghana what they were held to account for in order to understand their incentives to provide public or private goods.⁸¹ Lindberg's study shows that parliamentarians were primarily held to account by citizens for personal assistance such as the payment of school fees or assistance for funerals or weddings, or for jobs in the police and fire services, the army or immigration. There were also requests for conflict resolution between families or tribes and/or help to release individuals from police custody. Lindberg noted that cash handouts to young voters in urban areas had less electoral pay-off, indicating a more savvy clientele extracting goods from all candidates while avoiding loyalty to a particular patron. The activists and executives in local political parties also demanded personal assistance from their parliamentarians in return for their continued support. At no point did the accountability relationship between parliamentarians and their local party executives seem to be a question of party policy or programmatic ideas. The norm was that since they made it possible for them to be in office, they should now be rewarded with their share.

Traditional chiefs were the only ones to hold parliamentarians to account, almost exclusively for the delivery of development projects. It was notable that civil society actors and religious leaders were not perceived as holding parliamentarians accountable to any great extent. This demonstrates the need for donors to look beyond both formal political institutions and the usual formula of civil society to the political dynamics more deeply embedded in society.

In the absence of functioning political and legal institutions capable of enforcing a set of 'rules of the game', political corruption is thriving—and it constitutes one of the biggest challenges to democracy *and* development. The extent of political corruption in many poor countries diverts incentives to produce public goods and limits private sector development. In the absence of functioning checks and balances, the state risks being 'looted' rather than becoming a vehicle for development. When the relationship between rulers and the ruled is one of patronage or clientelism, it undermines the rule of law, including the protection of rights that sustain productive private investment and risk taking. Nancy Birdsall has shown

that patrimonialism abuses the property rights of citizens and makes the survival of a business dependent on personal relationships.⁸²

Patrimonialism exists in many regions, such as Latin America, post-communist Europe, South and South East Asia, and Africa. It has also remained resilient in some advanced democracies, such as Italy, Japan, Austria and Belgium.⁸³ In a classic study, Jean-Francois Bayart argues that positions of power are positions of predation on citizens in Africa.⁸⁴

He describes patrimonial political systems as ‘power through eating’, marked by political leaders looting the public coffers by abusing their state sector jobs. Leaders at all levels use their monopoly on the legitimate use of force to demand goods or services from the people they serve. A local representative, Bayart points out, may demand that people work on his farm or do some other type of labour. As one police officer described his work, ‘You arrive with a bicycle and leave with a big motorbike’. More recently, the development practitioner and historian Roel van der Veen came to similar conclusions.⁸⁵

According to Claire Lockart and the former Minister of Finance in Afghanistan, Ashraf Ghani, in fragile states, contracts for health care and roads are dealt with under the table and the national resources that should be devoted to them end up in Swiss bank accounts. They coined the term ‘destructive politics’, which ‘lead to weaker institutions to the point where government becomes the biggest obstacle to development’. Government positions are even used to promote criminal networks in which government offices degenerate into little more than ‘a springboard for organized looting’.⁸⁶

From an aid perspective, it is crucial to understand that control of the state and its resources is used to retain power. Elections in many African nations are far too often a winner-takes-all contest. The winner gets far-reaching control of the state’s resources, jobs and security services, and ruling elites use these resources to retain power. As the researcher Peter Lewis puts it: ‘Leaders enjoy broad latitude in the use of public resources, procuring political support through ad hoc redistribution rather than by furnishing collective goods such as the rule of law, infrastructure, or social services’.⁸⁷ Rulers divert state revenues in order to maintain the support bases of their regimes, and governments serve as gatekeepers for access to resources, jobs and market opportunities. If a new government comes to power, it will be ‘their turn to eat’.⁸⁸ It works too: in electoral authoritarian regimes, leaders retained power in 93 per cent of the elections they contested.⁸⁹ An incumbent set on winning an election is difficult to beat, given his or her access to state resources, and the fact that weak democratic checks and balances and weak accountability institutions—where they are formally in place—can be manipulated and controlled.

Buying political support has been a way to secure power for many leaders throughout history. Mobutu Sese Seko of Zaire bought off large parts of the military and political elite to maintain his power.⁹⁰ Nic Cheeseman shows that the instrumental use of patronage is a way to play divide-and-rule politics, and has characterized regimes as diverse as Daniel Arap Moi in Kenya, Hastings Kamuzu Banda in Malawi, Gnassingbé Eyadema in Togo and Joseph Kabila in the Democratic Republic of the Congo.⁹¹ It is prevalent in dictatorships as well as in countries with formal but weak democratic structures. It is also a major threat to peace and security. Frustrations among excluded groups eventually build up like a pressure cooker, and people rise up in rebellion.⁹² The interdependence of politics, corruption, poverty and armed conflict should be better recognized. Armed conflict is, after all, a result of failed politics.

It is argued in the development state camp that authoritarianism can be an answer: the chaos of state institutions is given as a reason why democracy should be deferred in pursuit of development. People are simply not capable of handling elections until there has been an improvement in education and there is a stable middle class that will not be as susceptible to handouts. This argument overlooks the tendency for absolute power to lead to absolute corruption.⁹³ Better functioning democratic institutions and processes need to be at the heart of the fight against corruption.

Corruption has been recognized by aid providers as one of the major impediments to effective public service delivery for many years.⁹⁴ An increasing number of assistance efforts by donor agencies have sought to counter corrupt practices, such as by supporting government anti-corruption institutions. These efforts, however, have not addressed the underlying or fundamental political causes of corruption, a point which is increasingly being heard in donor discussions. Elisabeth Hart finds that government anti-corruption agencies supported by aid funding have been undermined by political elites to such an extent that they have been rendered harmless. She argues that anti-corruption support needs to influence the political dynamics.⁹⁵ Much has been learned about what these political dynamics amount to during the processes of democratization in Africa and other regions over the past 20 years.

From bloody coups to violent elections

When Nelson Mandela was freed from Robben Island in 1990 and a few years later guided South Africa to adopt the most progressive democratic constitution in the world, and after the elections that followed, there were many in the international community who hailed Africa's renaissance. South Africa initiated the pan-African New Partnership for Africa's

Development to allow Africans themselves to deal with African problems of bad governance and corruption. This was the peak of a wave of democratization that swept across the developing world after the fall of the Berlin Wall and the end of the Cold War.

Two forces facilitated this democratization wave. First, ruling elites lacked legitimacy after decades of mismanagement. At the end of the 1980s debt crisis, authoritarian rule and economic mismanagement had hit rock bottom. Domestic pressures pushed for change. Second, international organizations (and some donors) declared that they would stop supporting authoritarian regimes. Donor pressures to democratize increased. In 1991, the European Council of Ministers declared that future disbursements of European Union (EU) aid would be cut to recipients ‘in the event of grave and persistent human rights violations or the serious interruption of democratic processes’. In 1993 it stated that ‘developing and consolidating democracy’ was to be a key aim of the EU’s future foreign policy.⁹⁶ The President of France, Francois Mitterrand, declared in his famous La Baule speech at the France–Africa Summit in 1990 that countries flouting democracy and human rights would not get any aid from France.⁹⁷ This combination of internal and external pressure was crucial to the changes that took place.

Many developing countries have made progress towards democracy since then. Over 90 countries have made transitions to democracy since 1974, and at the turn of the century over 60 per cent of the world’s independent nations were democracies.⁹⁸ In Africa, elections led to peaceful transfers of power in Cape Verde in 1991, Benin in 1991 and 2006, South Africa in 1994, Senegal in 2000, Kenya in 2002, and Ghana in 2000 and 2008.⁹⁹

In some places, institutional rules have been upheld and displaced violence seen as the way to constrain or remove entrenched rulers. Presidents respected the constitution and stepped down in Benin, Cape Verde, Ghana, Kenya, Mali, Mozambique, the Seychelles, Sierra Leone and Tanzania.¹⁰⁰ A few powerful presidents who tried to tamper with the constitution in order to abolish or suspend term limits have been thwarted. In 2006, the Nigerian Senate rejected a bill that would have enabled President Obasanjo to stand for a third term. The Malawi Parliament did not support President Muluzi’s attempt to abolish term limits in 2002, and in 2001 President Chiluba of Zambia withdrew attempts to change the constitution after opposition from within parliament and his own party.¹⁰¹

Africa has seen an opening up of democratic space with the strengthening of a free media, of civil society and the independence of the judiciary. None of these areas is without concern, but important improvements have been made. Countries such as Ghana, Kenya, Nigeria and South Africa have witnessed the emergence of a more vibrant civil society and an independent media—as well as greater freedoms. Ghana, for example, has

moved from a near-state monopoly of broadcast media in 1995 to more than 135 newspapers, four privately owned television stations and 110 FM radio stations, only 11 of which are state owned.¹⁰²

These developments are also reflected at the normative level. In 2007, the AU adopted an African Charter for Democracy, Elections and Governance.¹⁰³ This rare instrument of international law establishes that democracy and popular participation are fundamental human and people's rights, and takes account of the state of governance in Africa. There are therefore democratic constitutions in place in many countries and a high-level commitment to pursue democracy in Africa.

Nonetheless, the overall outcome of two decades of democratization processes is sobering. While some countries have made impressive democratic gains, many transitions have derailed. Despite successes, few incumbent presidents in Africa have been ousted through the ballot box in two decades of democratization. As is noted above, 93 per cent of presidents of electoral authoritarian regimes stay in power for two terms or more.

Between 1990 and 2001 there were 50 attempted coups in sub-Saharan Africa, 13 of which were successful.¹⁰⁴ Moreover, bloody coups have been replaced by violent elections. Between 1985 and 2005, nearly half of all the countries that held elections saw election-related violence at one time or another.¹⁰⁵ In Kenya, the closely contested and disputed election of 2007 prompted violence that led to 1,100 deaths in just two months. One-third of the people killed were shot by the police.¹⁰⁶ Not a single person has been charged let alone convicted in the Kenyan courts for these crimes. Uhuru Kenyatta, who was declared President of Kenya in 2013 after another highly disputed election, was indicted by the International Criminal Court on charges of crimes against humanity related to the post-election violence in 2007–2008.¹⁰⁷ In Nigeria, the elections of 1999, 2003 and 2007 became successively less fair, with higher incidences of intimidation and more deaths. They became a 'do or die affair'.¹⁰⁸ Ethiopia's disputed 2005 election resulted in demonstrations that were brutally put down by the military, leaving nearly 200 dead. Senior opposition leaders, and an estimated 30,000 students and opposition supporters were arrested.¹⁰⁹

Such negative trends do not belong only in Africa. Democracy has been overthrown or stifled in Bangladesh, Russia, Thailand and Venezuela. In 2008, the renowned democracy expert Larry Diamond described the world as having slipped into 'democratic recession'. The Arab uprisings of 2011 created new hope, but their outcomes are still far from certain.

Coups d'état and violent elections are overt attacks on democracy to which the international community normally reacts. Regional actors such as the

AU and the Economic Community of West African States (ECOWAS) in Africa, and the Organization of American States (OAS), as well as donor countries such as the United States and EU member states, respond with protests and sometimes changes in aid relations. It has been less easy for the international community, including donors, to show a unified response in the face of elites quietly and slowly undermining democratic institutions.

Many of the countries that embarked on democratization processes in the early 1990s have formal political institutions in place. Elections are held, there is a parliament and political parties exist, at least on paper. There are formal civil and political rights such as the freedom of association and freedom of speech, but these institutions are seldom respected and are too often manipulated and abused. In practice, many countries experience a political environment that lacks respect for the ‘rules of the game’ of democracy. Media freedom is curtailed and the security forces are used against political opponents. According to *The Economist*, ‘plenty of countries that make a show of giving their citizens the vote will nevertheless brazenly deprive them of civil liberties, press freedom and the rule of law’.¹¹⁰

Countries where elections are held but the vote is not free, or where multiple parties are formally allowed but the opposition is repressed, have been thoroughly studied. Researchers have competed to come up with the best concept to describe the regime type—‘semi-authoritarian’, ‘electoral authoritarianism’, ‘competitive authoritarianism’, ‘illiberal democracy’, or, more bluntly, as ‘autocrats getting away with mounting a democratic facade’, as Human Rights Watch describes it.¹¹¹ A popular general term is ‘hybrid regimes’. Many countries are in this grey zone between autocratic and democratic, and ‘move up and down the democracy continuum’.¹¹²

Hybrid regimes may be more or less democratic, but the common denominator is that formal institutions coexist with informal authoritarian powers. They limit real competition for power, but give some space for political parties and civil society organizations (CSOs) to form, an independent media to function to some extent and some political debate to take place. The formal democratic institutions are used to gain domestic and international legitimacy, but below the surface repressive methods persist to control the political opposition, the media, the judiciary and civil society.¹¹³ Hybrid regimes exist all over the world. Most of the countries in the Balkans and Central Asia; Bangladesh, Pakistan and Nepal, to name a few in Asia; and most of the countries in sub-Saharan Africa are generally referred to as hybrid regimes. In Latin America there are, for example, Nicaragua and Honduras.¹¹⁴

Authoritarian and hybrid regimes are prevalent among aid recipients. Among the top ten aid recipients in 2010, all but one were either authoritarian or hybrid regimes.¹¹⁵ Four recipients were authoritarian and

five were hybrids. The top ten Official Development Assistance (ODA) recipients in 2010 were (in order): Afghanistan, Ethiopia, the DRC, Haiti, Pakistan, Tanzania, Vietnam, India, the West Bank and Gaza Strip, and Iraq.¹¹⁶ Looking further at the top 50 aid recipients since 1970, 36 countries were either authoritarian or hybrids in 2010–2011. This breaks down as: 18 authoritarian, 18 hybrids, 13 flawed democracies and one (Somalia) not classified.

While categorization systems such as these have their flaws, they can provide a general picture of the state of affairs. The above breakdown largely reflects what the developing world looks like. Many poor countries are also poorly functioning from a democracy perspective. Some democracy proponents advocate more selectivity, meaning that more aid should be allocated to democracies than to non-democratic countries. In theory, ‘aid for democracy’ is a good incentive, but such macro-level selectivity is difficult. It would exclude many poor countries from aid resources, and it risks ‘punishing people twice’. It is also important to remember that these are aggregated aid levels that hide various types of aid—including democracy assistance.

The point still stands, however, that most aid recipient countries are either hybrid or authoritarian countries. This is the political landscape with which the development aid community interacts. Moreover, it is a landscape in which many countries face the challenge of simply establishing functioning public institutions, let alone democratic ones. This reality is seldom reflected in the various donor coordination meetings. It is sometimes discussed in the corridors between meetings, but it does not enter the official negotiating rooms. This is not because the aid community does not see the concerns. It is more likely to be a consequence of aid being part of state-to-state relations, where discussing the politics of another country is a no-go area.

The key argument, however, is not that democratization processes per se are challenged. This is beyond dispute. It is a fact. The main point is that donors have tended to underestimate the poor state of democracy and the corresponding political challenges in many countries. They need to take these realities more seriously.

Thomas Carothers notes a tendency within democratization assistance in the highly influential book *The End of the Transition Paradigm* in 2002.¹¹⁷ He highlights donor expectations that democracy will consolidate in developing countries simply with the removal of a dictator. After the introduction of elections, countries are expected to be ‘in transition towards’ democracy according to a certain sequence of events—from opening to breakthrough to consolidation. Carothers also highlights the belief among aid agencies that the underlying conditions in recipient countries—their

economic level, political history, institutional legacies and ethnic make-up—do not matter very much, and their assumption that transitions are being built on coherent and functioning states. Donors seriously underestimate the challenge of a society attempting to democratize while trying to build a state from scratch or coping with a largely non-functional state. These assumptions have led donors to superficial and sometimes seriously mistaken assessments about the state of democracy in many aid recipient countries: ‘Moldova’s democratic transition continues to progress steadily’; ‘Zambia is [...] moving steadily towards [...] the creation of a viable multiparty democracy’; ‘policy successes in Cambodia towards democracy and improved governance in the past 18 months are numerous’ and ‘Guinea has made significant strides toward building a democratic society’.¹¹⁸

In Uganda in the 1990s, development aid language and the assessments of democratization were similarly upbeat, and full of expectations of steady improvement. Great weight was put on having superficial policies in place—a seemingly free media, an independent judiciary, the existence of several anti-corruption agencies, the introduction of multiparty politics—but little on the implementation of these policies. Even after the troubled elections of 2001 and 2006 and the abolition of presidential term limits in 2005, some donor language was still positive. The future scenario for politics in Uganda was presented as ‘two steps forward and one step back’. Local analysts, however, saw a Ugandan Mugabe in the making. Political developments in Uganda since then have unfortunately—but not surprisingly—proved the local analysts to have better insight than the aid managers.

The picture is quite clear: political risk has been ‘utterly underestimated’ by donors.¹¹⁹ Political volatility or crisis is a regular pattern of hybrid regimes. It is part of the political landscape, and this should be a starting point in the aid system. Instead, there is a tendency among donors to focus on the formal aspects of democracy: whether elections are held, laws protect the media or there is a sitting parliament. There seems to be an underlying assumption that newly transformed democracies can consolidate almost by themselves, moving automatically in a positive direction. Even while such positive assessments are being made, however, the institutions and processes of democracy are being severely obstructed.

Undermining elections

Election day in hybrid regimes often passes off fairly smoothly. People line up and their votes are registered. No ballots are seen to be missing. No undue influence can be noted. The incumbent is re-elected. Nonetheless,

opposition parties or independent observers who have followed the electoral process over several years may still regard it as fraudulent.

Among elections experts there is a saying that ‘only amateurs steal elections on election day’.¹²⁰ To understand the challenges in countering electoral fraud or abuse in hybrid regimes, it is necessary to grasp the range of methods used to control the outcome of elections. The challenges that surround elections today are the political suppression of candidates, the curtailing of media freedom, and the use of state resources for campaigning and vote buying.

Elections in hybrid regimes may be controlled by stacking the electoral commission in charge of running them with supporters. Two examples in 2008 were Azerbaijan, where the ruling party named the chairperson and maintained a majority on the electoral commission; and the government-controlled commission in Cambodia, which ignored claims of violence, fraud and intimidation by independent monitors and opposition parties.¹²¹ The administration of elections can also be used to prevent opposition supporters from voting. Cumbersome registration procedures are not illegal, but they become undemocratic when they are used to keep selected citizens from voting. Seemingly legitimate methods, such as asking for a voter identity card, can exclude a significant part of the population, especially in rural areas. In Zimbabwe in 2002, the electoral law disenfranchised urban residents from voting as they needed to present proof of residence—a nearly impossible feat for the many squatters.¹²²

Citizens in neglected regions are easily bypassed in voter registration procedures because they are difficult to reach. The number of polling stations in opposition areas may be reduced, dissuading people who need to travel too far to vote. Ethnic minorities may be accused of being citizens of other states and denied identity cards. Some regimes may hold regular elections, ‘yet they violate the principles of freedom and fairness so profoundly and systematically as to render elections instruments of authoritarian rule rather than instruments of democracy. [...] Electoral contests are subject to state manipulation so severe, widespread and systematic that they do not qualify as democratic.’¹²³

The ability of incumbents to control resources, buy loyalty and use the state to reinforce their power has led to many elections without a change of government. From 1989 to 2010, only 12 countries in sub-Saharan Africa experienced opposition victories. Of those, only Benin, Ghana, Mauritius and Madagascar have met Samuel P. Huntington’s ‘two-turnover test’ for a consolidated democracy.¹²⁴

In 2012, the Global Commission on Elections, Democracy and Security found evidence from around the world to suggest that elections with integrity are important for empowering women, fighting corruption, delivering services to people who are poor, improving governance and

ending civil wars.¹²⁵ The study of over 800 elections in 97 countries showed that people use the opportunity to remove badly performing leaders when elections give them a real choice.¹²⁶ In free elections, leaders who performed poorly on economic growth and civil liberties were voted out more often. When elections lack integrity, officials are not accountable to the public, and political candidates and voters are denied an equal opportunity to participate in and influence the political process. Elections with integrity, the report concludes, help to provide concrete development benefits.

Elections must become a non-violent means of competing for political power. One important element of this is to move away from 'winner-takes-all' electoral systems, in which it is better to revert to violent struggle than to accept an electoral loss.¹²⁷

Controlling opposition

In hybrid regimes, an important way to stay in power is to control the political competition. Even if political parties are allowed by law, their actions may be systematically undermined and their leaders and members harassed. Governments limit political competition, for example, by preventing parties from holding public rallies and violating their right of association and peaceful assembly. Common methods include violently dispersing peaceful demonstrations, detaining opposition members and breaking up rallies with excessive force.

The Ethiopian authorities violently dispersed peaceful demonstrations and detained most of the opposition leadership in 2005 in reaction to unexpected opposition victories.¹²⁸ Where public rallies are allowed, ruling party representatives often use the security services or third parties to cause chaos, enabling the regime to ban public meetings in order to 'protect the safety of citizens'. Violence often results from security forces attempting to perpetuate those in power, or is sometimes caused by an overreaction by security forces or acts by agents provocateurs.¹²⁹ In Nigeria in 2007, 'gang-like cults' were used to curb opposition supporters.¹³⁰ In Kenya the police force is under presidential control and has used excessive force in response to political challenges.¹³¹

A method of limiting competition that tampers with the essence of democracy is to ban political parties and disqualify candidates. Seemingly legal methods can be used to achieve this. Citizenship laws have been used to exclude high-profile opposition candidates, such as Zambia's former president, Kenneth Kaunda, in 1996 and Côte d'Ivoire's former prime minister, Alassane Outtara, in 1995.¹³² Regimes may also play on people's fear of political instability or personal risk. Threats of violence against those who vote for the opposition can be a powerful tool. One

study highlights the fear in Ethiopia that the government can find out which way voters vote.¹³³ Other—and in this context fairly soft—measures include weakening opposition political parties by bribing or harassing the leaders of new parties until splits occur or key members defect to the ruling party.

As a last resort, regimes can trump up a legal charge and arrest the opposition candidate. A few months ahead of the 2006 elections in Uganda, the main opposition candidate, Kizza Besigye, came home after several years in exile to stand for president. A few weeks after his return, which attracted large crowds, Besigye was jailed on politically motivated charges of treason and rape. He was later released, but his detention and the court process seriously impaired his ability to campaign.¹³⁴

If the ruling elite does not manage to scare off the opposition before an election, it can punish candidates after elections to discourage future competition. In Egypt, Ayman Nour was convicted of politically motivated charges of forgery and sentenced to five years in prison after running against Hosni Mubarak in 2005.¹³⁵ Individually, such methods might be explained as ‘isolated incidents’, but when they are combined and used systematically they have widespread effects in undermining democracy.

Controlling information

Among the most important features of a functioning democracy are freedom of speech and an independent media. Arguably, freedom of speech is the most important of all political and civil rights, as other rights can be attained by enabling people to publicly expose wrongdoing and put pressure on governments, for example, to respect religious minorities or the right to education.

This is precisely why the media is a target in authoritarian or hybrid regimes. According to a global survey of media independence, only 14.5 per cent of the world’s inhabitants live in countries with a free press. Nor is the trend moving in a positive direction. The proportion of the world’s population enjoying a free media in 2011 was the lowest since 1996.¹³⁶ In hybrid regimes, the democratic space for a free media often appears larger than it is. In countries that want the legitimacy of appearing democratic, newspapers are seldom closed down. The same effects can be achieved through more subtle means of stifling criticism of the regime or favourable coverage of the opposition. In Ecuador and Bolivia, for example, the media climate is characterized by judicial harassment and repeated attacks on the press, according to the World Press Freedom Index 2011–2012.¹³⁷ Harsh control over media legislation was introduced in Malawi in 2010, and in Bangladesh private outlets are required to air selected government-produced news segments.¹³⁸ The government controls the media in

Rwanda and Equatorial Guinea, and an unprecedented crackdown on independent media was launched in the post-election period in Uganda in 2011. In Ethiopia, the government employed an anti-terrorism law in 2011 to silence dissenting voices. Many journalists have fled the country to avoid prosecution. Ethiopia is the only nation in sub-Saharan Africa with a nationwide Internet filtering system.¹³⁹

Bureaucratic foot dragging is a subtle way to control the media space and withhold licences from private outlets. In Zimbabwe, the *Daily News*, which was shut down in 2003, had to wait until 2010 to reopen despite court rulings in its favour. In Ethiopia, a 1999 Broadcasting Proclamation licensed private radio broadcasters, but in practice the licensing authority did not begin issuing licences until 2002, and by 2006 had only awarded licences to two private FM stations.¹⁴⁰

The threat of licence revocation or suspension is frequently used to harass critical media. Licence renewals have been denied for political reasons in Ecuador and Bangladesh. A radio station in Zambia, which had already been banned from hosting live phone-in programmes in 2007, was threatened with revocation of its licence in November 2010 amid rumours that it intended to interview an opposition leader about a controversial topic. The station was raided and closed down in January 2011.¹⁴¹ An outlet may lose its licence if it is deemed to have contravened vaguely written laws on content, or to have crossed unofficial red lines on acceptable coverage.

Shutdowns of media outlets may occur as a result of extra-legal decisions by the executive. In Rwanda, prior to the elections in 2010, the regulator published a list of print and broadcast outlets that would be 'recognized' by the government, making about 30 others illegal, including several leading print outlets. The banned publications and stations were then ordered to reapply for licences, and those which attempted to continue operating were seized. After years of intimidation, there are almost no independent Rwandan journalists operating in the country.¹⁴² Party members may own newspapers and broadcasting outlets. Another way to control media is through ownership. In Uganda, licensing decisions are politically biased, particularly in the countryside where a majority of the newer radio stations are owned by politicians and others close to the ruling party.¹⁴³ Control over licensing and ownership is a key method of exerting government dominance over the media in Zimbabwe. The government-controlled Zimbabwe Broadcasting Corporation runs all locally based radio and television stations, and these are subject to political interference and censorship.

Controlling information, however, is more difficult today than ever before as satellite television and mobile telephones reach more and more

people. Al Jazeera played an essential role in mobilizing protests against repression in the Arab uprisings. The newest frontier for freedom of expression is social media, which have been playing an increasingly catalytic role in building political movements, using Facebook and Twitter as communication tools. YouTube has been used to post video of military and police brutality. Social media can also be a tool for repression, however, to spy on and repress citizens.¹⁴⁴ The most recent example dominated global media coverage in early 2013. The US National Security Agency's once top-secret programme, PRISM, lets the agency track the activities of foreign nationals overseas as they use services from companies such as Google, Microsoft, Facebook and Apple.¹⁴⁵

Undermining the rule of law

The rule of law is undermined in hybrid regimes as yet another way of gaining or retaining power.¹⁴⁶ Corruption is a key method. The East Africa Bribery Index (2012) shows the police and the judiciary to be among the ten most bribery-prone public sectors in the region. In Uganda, the police and the judiciary topped the list of most bribery-prone sectors.¹⁴⁷

Changing the law is also a way to stay in power, for instance, by amending the constitution in order to abolish term limits. Most constitutions in Africa have two-term limits on the presidency, which were enthusiastically introduced during the democratization wave in the early 1990s in order to insulate countries from prolonged periods of poor leadership. Since then, many countries in Africa have had changes in government and respected their constitutions, building trust in democracy. Unfortunately, there is also a long list of governments in hybrid regimes—including Angola, Burkina Faso, Togo and Uganda—that have amended their constitutions in order to remain in office. Abolishing or manipulating term limits is a disease in many other regions as well. In Latin America take your pick from: Brazil 1997, Argentina 1994, Peru 1993, Colombia 2005, and 2013 in Bolivia; and Central Asia gives any region a run for its money: Turkmenistan 1999, Uzbekistan 1995 and 2002, and Kazakhstan 2007.

Lifting term limits is a major concern because challengers have a much lower chance of beating an incumbent. Opposition parties are almost four times more likely to win elections when the former president has had to step down and the ruling party is led by a new leader. One study shows that in hybrid regimes, when the incumbent has stepped down, their appointed successor wins on average in only 52 per cent of elections.¹⁴⁸

Tactics such as the manipulation or engineering of elections deserve scrutiny, since they indicate intentional abuse and not just transitional mistakes or a lack of resources. Such terminology, however, suggests that there is a 'master plan' for how to stay in power, and that leaders are in full

control of this plan. A more realistic assessment is that the internal political situation is much messier. There are constant internal power struggles from the military end to pro-democracy activists in a regime. The leader, however autocratic, is unable to rule completely at his own discretion, and must deal with the different strengths and aims of key actors and local centres of power. What comes out of this process is not always a clear strategy, but a continual balancing act of different forces at different times.

Abuse can also occur in a system without the complicity of a particular leader. Local leaders or local-level security agents may hinder the opposition, in the belief that this is what is expected of them. Such incidents are comfortably explained by national leaders as ‘mishaps’ or part of the transitional phase. At the same time, however, this may also be a convenient way for them to limit political competition without getting their hands dirty. Leaders may therefore silently acquiesce in, subtly encourage, and later reward such actions.

Impunity is yet another strategy for undermining equal access to justice. The Principles for the Protection and Promotion of Human Rights Through Action to Combat Impunity, submitted to the United Nations Commission on Human Rights (OHCHR) on 8 February 2005, state that impunity arises from a failure by States to meet their obligations to investigate violations; to take appropriate measures in respect of the perpetrators by ensuring that those suspected of criminal responsibility are prosecuted, tried and duly punished; to provide victims with effective remedies and to ensure that they receive reparation for the injuries suffered; to ensure the inalienable right to know the truth about violations; and to take other necessary steps to prevent a recurrence of violations.¹⁴⁹

In a number of countries, the suspected perpetrators of political corruption, and of threats against and harassment of opposition politicians and human rights defenders, as well as the instigators of election-related violence get off scot free.¹⁵⁰ A telling example is noted in the Report by the Commission of Inquiry into Post Election Violence in Kenya, which criticized ‘the lackadaisical manner in which the government dealt with the Akiwumi Report’, a report on violence related to elections since 1991, which: ‘only goes to illustrate that the state was not particularly interested in resolving once and for all the issue of ethnic violence. Those who benefited from it were secure in the knowledge that the report, notwithstanding its deficiencies, would continue to gather dust and the issue of ethnic violence would be on the back burner to be resurrected when the next election came’.¹⁵¹

Big men and ordinary people

Oda Van Cranenburgh shows in a study of 30 sub-Saharan African countries that what she calls the ‘big men’ continue to rule through extremely powerful presidencies.¹⁵² She argues that there is little difference between democracies and non-democracies in the high level of institutional power among African presidents, and that the concentration of power in the executive has a severely negative impact on the ‘extent and quality of democracy in African countries’. A study of 11 countries finds that presidentialism is being slowly restrained, but confirms that it continues to dominate.¹⁵³

There is a severe imbalance of power in many African countries between the president’s office and institutions such as the judiciary, the electoral management body, anti-corruption institutions and the security services. This imbalance is not a state of general weakness that can be mitigated through ‘capacity building’. Institutions are being wilfully undermined by the ruling elite for the purpose of remaining in power.¹⁵⁴ ‘The state decays under the stagnancy of de facto one-party rule’, and ‘their deep-seated intolerance for anything more than limited opposition and the basic political configuration over which they preside breeds the very problems they publicly commit themselves to tackling’.¹⁵⁵

Against this downbeat assessment of democracy’s performance, some may ask why it should be supported at all? Can attempting democratization ever be viable? The convincing answer is that those who are supposed to own democracy—the citizens—do not consent and are not content: they protest. There are struggles for improved representation, clean politics and human rights. In the same way that the manipulation of institutions is not overt, nor are movements for democracy always obvious.

At the Society for International Development World Congress in Washington, DC, in 2011, the Kenya-based journalist, Charles Onyango Obbo, described the many youth movements and protests across the African continent in the shadow of the Arab uprisings. In Mozambique, for example, there was unrest over high food prices. The government shut down the text messaging platform, arguing that it was being used to mobilize youth to riot. These are not new events in Africa. In Kenya, a group of young professionals used web tools after the 2007 election to protest the dominant political narrative. They set up the crowd-sourcing tool, Ushahidi, to map and verify reports of post-electoral violence in Kenya. The platform is now being used in 132 countries.¹⁵⁶

The Director of the African Institute for Economic Development and Planning, Professor Adebayo Olukoshi, argues that it is possible to identify sources of pressure for democracy even in the most authoritarian regimes. Democratic struggles to demand accountability from the authorities, and

the quest to participate and to discipline power are ever present. Sometimes these struggles recede, sometimes they flourish—but they continue.¹⁵⁷ Jean-Francois Bayart highlights non-traditional modes of political action. Public protest is dangerous in repressive countries, but this does not mean that people are compliant. Instead, they find other ways to revolt, such as reducing productivity or strikes. Migration to other countries is also a form of protest.¹⁵⁸ The positive perspective on hybrid regimes is that their prevalence stems—in large part—from political elites feeling ‘that they cannot avoid going through at least the motions of competitive elections if they want to retain a semblance of legitimacy’.¹⁵⁹ The mere fact that so many autocrats go to all the trouble of holding elections could be something to build on.

Looking deeper at the political challenges, there is always a risk of encouraging Afro-pessimism or stigmatization. Many observers describe the state of African politics today as ‘neo-patrimonial’. Thandika Mkandawire and Adebayo Olukoshi, however, are concerned about overusing this label. The African state, according to Mkandawire, has become the most demonized institution in Africa—it is the rentier, the parasite, the predator, patrimonial, kleptocratic, and so on.¹⁶⁰ Since similar forms of massive corruption also exist in the successful Asian countries, however, he finds that this cannot be the only explanation for the failures in Africa. The concept does highlight something real, but it has been made to carry more than it can bear. Olukoshi is concerned that the concept of neo-patrimonialism has gained so much influence that democratization in Africa is seen as hopeless. The framework, he argues is ‘deterministic and attempts to answer everything using the same single explanatory paradigm’.¹⁶¹ Economic crises and political instability in Africa are all seen as linked to the same neo-patrimonial pressures. This, he argues, leads to a dead end and feeds Afro-pessimism.

As is noted above, corruption linked to politics exists across the world, including in European countries. It is a worldwide challenge. In Africa, moreover, it is clearly not the only political reality, and it does not explain the political landscape in full.¹⁶² In Africa, many politicians and civil servants try to serve the general public while also engaging in patronage and corruption. A study of accountability patterns in Tanzania, for example, found that most civil servants were neither wholly patrimonial nor wholly liberal, but demonstrated a mixture of behaviours and attitudes. There was corruption, nepotism and misrule, but such behaviour had a limit and the most egregious offenders were often removed. The study found that civil servants were trying most of the time, with limited resources, to do their jobs and serve the people. They were also on the lookout for their own benefit, and could bend the rules to help friends and family, but there was

little evidence to suggest that neo-patrimonialism was the dominant or real logic of local administrations.¹⁶³

Nevertheless, the risk of feeding Afro-pessimism needs to be balanced with the risk of sweeping important challenges under the carpet. Despite all the discussions about corruption and neo-patrimonialism in Africa, donor agencies have not managed to connect the political concerns they now analyse with their choice of the form of development aid and of processes. There is still a need to take political challenges more seriously and adapt aid modalities to the actual—rather than the desired—political situation. The political challenges are highlighted above to call attention to the urgent need to support substantive and inclusive democratization processes.

Chapter 3

The Paris aid agenda

The Paris aid agenda

When James Wolfensohn became President of the World Bank in 1995, a change in the aid agenda was imminent. For over two decades, debt-ridden, aid-dependent countries had seen poor levels of economic growth and suffered a string of failed poverty reduction programmes. The development strategies advocated by the World Bank and the International Monetary Fund (IMF)—and followed by many bilateral donors—were beginning to come under serious scrutiny from the aid community and beyond.

Developing country governments and African scholars were eager to claim control over domestic political choices. Shows of discontent by civil society took a dramatic turn at a series of international meetings. At the World Trade Organization (WTO) ministerial meeting in Seattle in 1999, and the World Bank and IMF annual meeting in Prague in 2000, the streets burned as violent demonstrators clashed with police.

The World Bank's credibility was at rock bottom. Structural adjustment had failed as a strategy amid increases in poverty in many of the affected countries, and critics accused the Bank of ignoring its mandate. In 2000, the Meltzer Report—a US Congressional Commission that proposed reform of multilateral institutions—revealed that 70 per cent of the World Bank's non-grant lending was concentrated in just 11 member countries. Around 80 per cent went to middle-income countries with access to the international capital markets, and thus no need to raise funds through the Bank. The failure rate of projects in poor countries stood at 65–70 per cent.¹⁶⁴ From this crisis, a new aid agenda started to take shape.

Profound as it was, however, this was not the first reorientation process seen in the aid community. There have been several substantive shifts in development aid in its 60-year history. At the end of the Second World War, an international system emerged of which peaceful cooperation among nations and a stable international financial system were the foundations. The United Nations was set up to deal with peace, security and development. The IMF was created to monitor exchange rates and be a 'lender of last resort' for countries with balance-of-payments problems. The World Bank was intended to lend capital to underdeveloped nations, while the General Agreement on Tariffs and Trade, which became the WTO in 1995, would regulate international trade.

The process of decolonization started soon after the end of the war. The world moved from 51 sovereign United Nations member states at its initiation to the 193 member states today. The first colonized country in Asia to become independent was the Philippines in 1946, followed by India, Pakistan and Sri Lanka. In 1957, Ghana became the first colonized country in sub-Saharan Africa to declare independence.

Many African countries introduced democratic constitutions at the time of independence, but these were soon superseded by coups, armed conflict and dictatorships.¹⁶⁵ In many countries liberation was achieved after a long and bloody war, which left deep scars and influenced the political landscapes in the first decades of independence. The complexity of managing diversity within African countries was often used to justify one-party or military rule.¹⁶⁶ Political pluralism was also sacrificed in the name of development. One of the titans of African nationalism and independence struggles, Joseph Ki-Zerbo, a Burkinabé politician and writer, remarked that when he visited state houses to see friends he had fought with for independence, he would be welcomed symbolically by big signs proclaiming: 'Silence! Development in Progress'. This, he felt, symbolized the period: a determination to spur development, but while undermining political pluralism on the continent.¹⁶⁷

Early types of bilateral assistance programme began at the end of the 1940s.¹⁶⁸ The United Kingdom, France and the United States were early donors, and were soon followed by every rich country in the Organization for Economic Co-operation and Development (OECD), each of which provided its own national programme for development. The major regional development banks began to emerge in 1959, eventually becoming part of the International Financial Institutions (IFIs).

Large-scale aid efforts began in earnest in the 1960s, with a host of development programmes for the newly independent 'underdeveloped' nations. At the time, there was little hesitation or doubt about what to do. The Western world had experienced incomparable economic, democratic and social development. Poor nations could adopt Western models and 'jump-start' industrialization. Poor countries took loans and aid to boost investment in infrastructure and productive sectors. Many countries pursued a socialist development model with state-owned companies that were protected from external competition, and embarked on mass education efforts. At the United Nations in 1970, it was agreed that rich countries should devote at least 0.7 per cent of their Gross Domestic Product (GDP) to official development assistance (ODA). It is likely that the term 'partnership' was never more apt than in the 1960s. In the early years, the people in power in poor countries had clear legitimacy, having won independence struggles, and were widely supported at home. There

was agreement on the modernization or industrialization projects among both internal elites and Western donors. Even the more socialist models had backing, although this often split countries' external support along the lines of the Cold War.

Then came the setbacks. Many of the industries were not profitable or suffered from inefficient planning systems. Countries were dependent on volatile prices for primary products. The oil crises hit in 1973 and 1978, when the Organization of the Petroleum Exporting Countries (OPEC) raised the price of oil by 70 per cent. The oil crises had a double effect on poor countries: increasing the price of the imports needed for industry and pushing up interest rates. Countries were stuck with huge, sometimes ineffective, public sector entities that were now expensive to run and generated little income to pay back the soaring cost of loans.

Mexico defaulted on its debt repayments in 1982, threatening the international credit system and setting off a global debt crisis. In 1970, the poorest countries owed USD 25 billion. By 2002, their outstanding loans were USD 523 billion.¹⁶⁹ President Obasanjo of Nigeria claimed that: 'All that we had borrowed up to 1985 or 1986 was around USD 5 billion and we have paid about USD 16 billion yet we are still being told that we owe about USD 28 billion'.¹⁷⁰ In order to maintain the international financial order, the IMF and the World Bank stepped in to restructure loans and provide balance-of-payments assistance, but such assistance came with harsh packages to cut the costs of the state and introduce a balanced budget. The prescriptions from the IMF and the World Bank often included efforts to open up trade and privatize state-owned companies. It was the era of the much-criticized 'structural adjustment programmes' (SAPs)—or so-called iron baths.

Countries had little choice but to adopt the measures. SAPs were criticized for not taking account of the social consequences in poor countries. Criticism came from within Africa and from international civil society. In 1987, UNICEF published *Adjustment with a Human Face*, a report that detailed the negative impact structural adjustment was having on health and education.¹⁷¹ It argued that the social costs of cutting public expenditure were huge, and that the unilateral opening up of trade barriers damaged weak industries. The privatization process entailed national treasures being sold for nothing and contracts ending up in the pockets of elites.¹⁷²

Developing countries started to make themselves heard, arguing that the inflow of development funds was far less than the outflow of debt repayments. In the West, international civil society organizations (CSOs) started to campaign for debt relief. In practice, countries seldom repaid the loans, as these were constantly restructured in new loans,¹⁷³

but the power of economic policymaking was removed from national governments to the IMF and the World Bank for almost two decades. In 1996, the Bretton Woods institutions launched the ‘Heavily Indebted Poor Countries’ initiative to reduce poor countries’ debt burdens. In 1989, in the middle of the debt crisis and structural adjustment, the Berlin Wall came down. In response to a mix of domestic and external pressures, many countries embarked on democratization processes. Democracy assistance—aid to support the transition—became a small profession on its own, separate from development aid processes. At the time, it seemed that the Bretton Woods institutions could no longer ‘take the blame’ for the failures of SAPs. Responsibility needed to be handed back to partner governments to improve their image. This is one of several important backgrounds to the Paris Agenda. Poverty Reduction Strategy Papers (PRSPs) were a successor to the structural adjustment programmes.

During this time, the OECD Development Assistance Committee (DAC) had been discussing how to improve the effectiveness of aid delivery. Increasingly, donors were coming round to the idea that aid should be channelled more through governments. The aim was to give countries control over the resources, instead of watching as donor-driven projects bypassed state institutions. In addition, thousands of aid missions and separate agreements for each donor, each with different targets and follow-up procedures, were wearing developing country administrations down. Research was highlighting the harmful effects of ill-coordinated donor-led initiatives. Aid had to be harmonized and streamlined to support the developing countries themselves.

At the same time, a series of United Nations conferences led to internationally agreed goals on improving social and environmental concerns. When the commitments were summarized in the Millennium Development Goals (MDGs), there was a global agenda to reduce poverty and meet key challenges. The United Nations took the lead on the social and environmental agenda, but did not have control over the financing of development. The most powerful actors on development finance were the IFIs.

As a delegate at the Swedish Mission to the United Nations at the time, the present author was part of a group in the UN that pushed for a global conference on financing for development,¹⁷⁴ with the aim of getting the international system to function as a whole, rather than as a set of disparate institutions. It was fascinating to see how difficult it was for the global institutions—the UN (including its funds and programmes), the World Bank, the IMF and the WTO—to cooperate, despite the fact that the institutions were owned and ruled by the same nations. They were like isolated islands, each with its own system of governance, and interpretation

of its mandate and culture. Each viewed other institutions with a great degree of scepticism. It did not help matters that the institutions were governed by different ministries within the countries, such as foreign affairs, development cooperation, trade, finance and the central banks.

Trying to convince the ambassadors to the United Nations about the merits of these ideas did not result in anything. The only way forward was to go through the group of countries' own representatives on the governing boards of the IFIs, convincing them of the benefits of cooperating with their fellow country representatives at the UN. It was the crisis of credibility in the IMF and the World Bank that ultimately made the IFIs open their doors to working with the UN. They needed some of the UN's 'moral standing' on the social agenda and the trust the UN had among developing countries and international civil society. In the end, the Monterrey Consensus was signed at the highest political level in 2002. It was the first time the UN, the IMF, the World Bank and the WTO—and the governments behind them—had agreed an economic agenda for development. It is possible that the IFI crisis was instrumental in a similar vein for agreement of the Paris Agenda. There was now a global agreement and commitments on a development agenda as well as how to achieve it financially.

How was the aid to be delivered? Wolfensohn argued in favour of educating girls, using the African proverb: 'If we educate a boy, we educate one person. If we educate a girl, we educate a family—and a whole nation'.¹⁷⁵ The World Bank promised to redirect its work towards poor countries that needed cheap loans. It commissioned huge poverty surveys to identify the constraints. The Bank would focus on strengthening the role of women, protection of the environment and social issues. It established a progressive, multidimensional approach to reducing poverty that included issues of powerlessness and lack of security in the definition of poverty. The Bank sought to lead the rest of the aid community into a new era. Wolfensohn outlined a 'Comprehensive Development Framework' to replace SAPs. With this initiative, Wolfensohn ensured a continuing lead role for the World Bank in the development aid community. The aim was to gather all aid efforts under one umbrella led by the partner country, handing back responsibility to developing countries.

The OECD discussions, boosted by the global agreements and the World Bank crisis, led in 2005 to an international agreement on principles to improve aid effectiveness: the Paris Declaration on Aid Effectiveness. The key to the new agreement was to hand back the ownership of development to recipient countries. They would define their own development path, rather than be steered by donors' pet issues or World Bank and IMF prescriptions. Donors would pool their resources and channel aid through the states to allow countries to implement their own plans. A new set

of aid modalities sprang up: PRSPs, in which governments define their priorities in terms of poverty reduction. Budget support was seen as an effective aid modality, and underlying principles would ensure partnership. Performance matrixes were developed to monitor implementation, and Joint Assistance Strategies would be developed to harmonize efforts.

The aid effectiveness agenda has primarily been concerned with aid for social and economic development. As countries introduced multiparty systems and elections after 1989, however, aid providers adopted policy goals to support democracy and good governance. Support to democracy became a new form of aid: financing elections and assisting parliaments and civil society. Nonetheless, this engagement remained a small, specific area. The much bigger resource flows for financing development remained untouched by democracy support policies. As an obvious consequence, there has been very little study or analysis of what impact large-scale development money and the choice of aid modality have had on the functioning of democracy in partner countries.

Since 1989, a large part of national policymaking in Africa has been in the hands of the Bretton Woods institutions. This may be an unfortunate situation that comes with being in debt—you lose control of your own destiny whether you are an individual or a country. However, it raises questions about the point of building political parties and electoral processes when the content of politics is decided elsewhere. What is the point of elections if there is no political choice? Taken together, it is possible to argue convincingly that political choice in Africa has been limited not only by autocratic rulers and the forces of globalization, but also by the rules of the game in the aid system.

The former director of the United Nations Research Institute for Social Development, Thandika Mkandawire, argues that the lack of political space may also be a reason for non-developmental politics.¹⁷⁶ His take is that African politics in the 1960s and 1970s were clearly developmental, at least in ideology and aspiration. The oil and debt crises and structural adjustment processes that followed left little room for national political strategies. African leaders were simply not able to steer their own development, which was in the hands of foreign institutions.

With its firm principle of national ownership, and with a broad international consensus behind it, the Paris Agenda seemed the perfect policy compact for the aid community to hand political choice back to developing countries. Hopes were high.

Space for politics

The first principle of the Paris Agenda is ‘ownership’, which signifies to donors that partner countries are able to use aid according to their own priorities to drive development. It is ultimately about a country’s sovereignty.

Wahidullah Shahrani, deputy minister of finance in Afghanistan, commented on this principle in a 2006 World Bank report.¹⁷⁷ In Afghanistan, 93 per cent of the total aid budget and half of the ordinary budget was financed by aid. This presented four major challenges for Afghanistan: control over its use of finance; the government being bypassed in the development process; the need to shift emphasis to infrastructure projects and investment plans to create positive conditions for the private sector and foreign direct investment; and the lack of government capacity if donors choose to support third-party organizations. Many aid-dependent countries would recognize these challenges. These are the challenges that the Paris Agenda is designed to deal with.

One background to the principle of ‘ownership’ was a series of studies in the 1990s which showed that development projects that were not ‘owned’ by those who were to implement them were ineffective. After two decades of failed SAPs, the fundamental conclusion was: ‘you cannot buy reform’. When a project was based on donor ideas, instead of being an integral part of a developing country’s plans, partners lacked the level of engagement to make the development project effective. The World Bank, for example, recognized in 2005 that ‘conditionality is not necessary if there is true ownership, and it is not likely to be effective in the absence of ownership’.¹⁷⁸ A reduction of policy conditions could have a positive impact by opening up political choice for democratic actors in Africa. Policy conditions make it difficult for political parties or social actors to outline domestic visions for development, ultimately making policymaking a useless exercise.

The term ‘space for politics’ builds on the obvious fact that politicians in developing countries, as in all countries, should be able to develop their own policies. Political parties need enough room to develop a range of policy choices, for example, on how to deal with land rights or what type of trade policy the country should have, or priorities in the health sector. There is a need for space for both the ruling party and the opposition. A ruling party needs the space to develop new policies as issues arise or old policies fail, and—of course—an opposition needs room to develop alternative visions and policies that they believe fit the needs of the country.

This is self-evident, but old habits die hard. Despite the Paris Agenda, many reports are finding that donors continue to drive the agenda. Years after the Paris Declaration, ‘most studies point to a continued and often overwhelming influence of donor-driven agendas on development policy

choices'.¹⁷⁹ A study by the European Network on Debt and Development shows that only 'piecemeal progress has been made'. The same study points out that efforts to reduce the number of conditions are illusory. While more general in formulation, each condition contains several policy actions: conditions are not being reduced but bundled. In Malawi, for example, there are 29 official indicators that translate into a much larger number of actions that the government must take. Nicaragua, Niger and Sierra Leone are all examples of a tendency by donors to load budget support with conditions. The conclusion of the study is that donors come together with their 'conditionality shopping list', which results in the sum of all donors' wishes rather than fewer and clearer ones.¹⁸⁰

In Ghana and Tanzania, an Irish Aid research project found that where the IFIs streamlined their conditions and made fewer attempts to make governments do things they do not want to do, the bilaterals and the European Commission stepped in.¹⁸¹ They went in the opposite direction and became increasingly involved in micro-managing country policies, using disbursement decisions as levers to obtain policy change. Andrew Mold at the OECD Development Centre finds that aid has become conditional on an even wider range of policies from economic to social and even environmental areas. His review shows that in the early 1980s the World Bank placed five conditions on its loans and the same number of benchmarks. These peaked at 45 by 1993 and by 2000 still numbered 25. While reductions have happened in countries such as Mozambique and Uganda, Rwanda had 144 conditions on its 2006 Poverty Reduction Support Grant. Senegal had as many as 99 conditions per loan. A Poverty Reduction Strategy in Ethiopia had over 200 criteria in the matrix guiding disbursement decisions.¹⁸²

The number of criteria and the range they cover put strict limits on political space. Moreover, new aid modalities have tended to come with self-censorship in terms of policy development. Partner governments and donors are in a state of 'continuous, permanent negotiation over policies, programmes and projects', according to Lindsey Whitfield at the Danish Institute for International Studies.¹⁸³ Many governments depend on aid resources to stay in power and are therefore unlikely to push their own issues. One study, for example, found that governments that depend on aid resources for their political position show weak ownership of their policy agenda vis-à-vis donors.¹⁸⁴ Partner governments learn to recognize what donors want to see in a development strategy or sector policy, and self-censor their own thinking to adapt to the donor line.

Imposing conditions on basic macroeconomic stability, control of inflation and aiming at balanced budgets is not necessarily controversial. There is no point in giving anyone a loan if it is eaten up by poor economic

management. The challenge is that donor conditions have expanded into almost every area. A study by Jeremy Gould found that these conditions covered basically all economic and social issues and deprived domestic actors of their legitimate choice of policy direction.¹⁸⁵ Conditions prevent countries from choosing how to deal with labour productivity or pricing mechanisms. They prescribe policies in terms of trade, employment and industrialization. According to the study, conditions have also strangled political choices on land reform.

There are some real dilemmas of course, but one possible reason why donors impose such wide-ranging prescriptions is that they do not trust the government to either represent or be accountable to its people. It may even be that conditions on social and environmental policies are driven by donors feeling a need to ‘represent the poor’ in aid deliberations. In relation to an International IDEA project in 2011 on the impact of aid modalities on democracy in Tanzania and Somaliland, one donor boldly claimed that donors did a much better job of representing the people than the country’s politicians. When parliamentarians in Somaliland were asked about the statement, they laughed and said—only half jokingly—that the donor was right.

This donor’s reaction may be a correct instinct, but steering policy deliberations above the heads of weak governments, parliaments and political parties may not be the best way to approach this dilemma. Even if donors prescribe better policies for people living in poverty in a developing country than domestic political actors, it means that they are willingly designing aid programmes which they know will be unsustainable—and which in the end risk doing damage. If there is only one policy option for development expressed by those who control the resources, a national politician or party will not bother to develop their own policy platforms because the World Bank and bilateral donors decide anyway. Without a policy role for political parties and parliaments, there is little left for them to do except stay in power for the sake of it and reap some benefits for themselves. The net effect is the depletion of domestic policy discourse—on labour policy, investment, financial liberalization, trade or any matter related to fundamental economics. Already weak political parties will not get any stronger. There is, as Geske Dijkstra observed, ‘a fundamental contradiction in both setting conditions and prescribing policy—while also asking for more democratization and domestic accountability’.¹⁸⁶ The more fragile and weak the state, the bigger the risks involved, since building inclusive and representative politics is essential for sustainable peace, development and democracy.

Whose ownership?

Krzysztof Stanowski, the under-secretary of state for development cooperation in Poland, said at the aid forum in Busan in 2011 that ‘ownership has to be more than the president, his wife and his cousins’.¹⁸⁷

During the short lifespan of the Paris Agenda, many questions have been raised: What is really meant by ownership? Should the government or the government’s representative own the development agenda? If money is channelled through the government, are there domestic institutions that will hold the government to account for the use of this money? What does ownership mean in an authoritarian state such as Ethiopia, a chaotic so-called fragile state such as the Democratic Republic of the Congo or in the many aid recipient hybrid countries?

From a democracy perspective, the ownership principle has important value. In theory, it is handing back responsibility for national development priorities to the countries themselves, instead of donors running the show and depleting national political processes of content and deliberation. In practice, however, it has proved challenging. At the outset of the Paris Agenda, ownership was in practice interpreted as the executive arm of government—sometimes even limited to the ministries of finance or planning.

A 2008 study by the European Think Tank, FRIDE, which examined ownership in Mali, Nicaragua, Peru and Vietnam, is illustrative.¹⁸⁸ In Mali, the study found that donors worked mostly with the executive and shied away from domestic politics ‘that go beyond Western blueprints of “civil society”’. In Nicaragua, in a challenging, clientelistic political situation, donors opted ‘almost exclusively for interaction with the strong executive’ plus some consultation with CSOs. Parliament was allowed to be active in budget processes and loan programmes, but was seen as ‘an obstacle’ to the legislative changes required by the IMF, which were a condition of other programme-based support from donors.

It is easy to understand why this is the case. A key characteristic of aid relations is that they are built on state-to-state relations: multilateral and bilateral transfers of financial resources or knowledge from one or several governments to another. Agreeing and making deals with the executive arm of government was—and still is—self-evident in international relations. It is puzzling, however, that aid ministers who are under continual scrutiny through the democratic process at home still accept that citizens of partner countries can be denied a similar process to determine how aid money is spent. It is perhaps even more curious that they have wanted to portray their relationship with these governments as a close partnership.

In Mozambique the author of this book had an illuminating experience. In 2009, the Embassy of the Netherlands invited International IDEA to assess whether the institute could be helpful in a project to strengthen democratic accountability in the Nampula region, where the Dutch were engaged. At the time, the Dutch Minister for Development Cooperation, Bert Koenders, had defined ‘accountability’ as a priority for development assistance and pushed their embassy—as well as International IDEA—to deliver.

In Nampula, the major service delivery concern was the lack of access to water. It was a priority for its people, it was high on the agenda of the government and donors were providing funding. Despite such priorities, however, water scarcity prevailed. The author and her colleagues at International IDEA explored the reasons for the lack of delivery from an accountability angle, and travelled through the various connections of the ‘accountability chain’. They met the national Ministry for Water in the capital, they went to see to the regional actors, then to the local and village levels. The key question was who was held to account (and how) for the lack of delivery of water.

The International IDEA team found that the bureaucracy and civil society actors were active at all the different levels. There was, in particular, a civil society platform at the regional level that was receiving funds from donors to play the role of ‘lobbying’ for the people. It became clear, however, that there were no actors that could hold the government to account for delivering water to its people in the rural areas. Parliamentarians did not engage with what was happening at the regional or local levels, and did not provide feedback or push the issue of water at the national level. Political parties appeared ahead of elections, but did not aggregate or collect people’s views on social issues in between. Media scrutiny did not exist at the local level. These three institutions existed to some extent at the national level, in the capital, but in the rural areas they were irrelevant.

The villagers the team met had a broken well that they had been trying to get the authorities to fix. There is sometimes a view that people who are poor passively accept whatever the authorities say, themselves remaining quiet. This was not true at least in this village. On the contrary, they were pursuing their interests by all the ways and means at their disposal. The villagers had organized themselves into various committees, including one for water. They had established an education committee and had taken matters into their own hands by building school facilities. They had a sports committee with the goal of acquiring a football for the youth. To get water, however, they needed the assistance of the authorities.

The villagers brought up the broken well and other issues wherever they could—the primary actors were of course the government representatives

at the most local level. They also brought up the issue in the religious communities and were members of farmers' associations. This was their outreach arena. In terms of politicians or media actors, these were basically non-existent or appeared to the locals to be uninterested in their issues. From the villagers' perspective, civil society organizations were no longer present—they used to provide some services to them but this had stopped.

The impression from this visit—and many field visits in other countries—was that people obviously do their best to improve their situation and to communicate their views and priorities in the various ways they can, but there is a gigantic gap between the villagers and the policy makers at the regional or national levels. There is a fundamental lack of associations, movements and political actors, as well as of analysis and the spread of information, that can synthesize and communicate people's issues to the leadership of the region—not just to air views, but to provide forums for negotiation and accountability.

At the third review of the aid effectiveness agreement, in Accra in 2008, the Paris Agenda was strongly criticized for ignoring important stakeholders in development. Primarily, parliamentarians and civil society actors argued for influence and that aid should not bypass them. The Accra Agreement took note and broadened the concept of ownership to include parliamentarians, civil society and local government. At the fourth review, in Busan in 2011, the private sector was added to the list of actors and the concept of 'democratic ownership' was included, which were important additional steps. The introduction of 'democratic ownership' is a good start, but there is a need to give the concept practical meaning. How will aid processes change? What will be done differently? There are a number of aspects to address.

First, supporting democratic ownership requires recognition that a larger range of actors and policymaking or accountability processes are important in a democracy. There are still fundamental actors and democratic institutions that are not recognized in the aid agenda. For example, political parties, including the opposition, are the only institutions that aggregate people's demands, formulate policy choices and represent people. Astonishingly, however, they are not considered actors that should support the national ownership of development priorities. Parliaments were recognized in Accra but not the parties they are comprised of. Another key actor is the media—indispensable for identifying shortcomings and the abuse of power in society, and ensuring that citizens and their representatives have a share in information flows. All these institutions—the media, political institutions and social actors—are at the core of 'democratic ownership', and where they are weak or ill-functioning, sustainable development is unlikely to be achieved.

Second, development aid practitioners need to distinguish between the roles of these various actors. One key process, elections, has been left out of the aid effectiveness discussions on how to strengthen ownership. It is striking that the most important way to channel people's views on social and economic priorities is not a fundamental concern within the development community. Yes, donors provide aid to electoral processes, but they have not been discussed as an integral part of the institutions that need to work to strengthen ownership and accountability. In countries where elections are marred by flaws and abuse, it is all the more important to put the spotlight on levelling the playing field and ensuring that elections work in their true sense.

In development assistance, however, there is little thinking about the functions of these institutions—the roles of representative institutions are blurred with the advocacy roles of CSOs. This risks having a political negative impact on democracy, as both actors are undermined in their respective missions: parliament, in its constitutional role as legislature, representative of the people, and provider of scrutiny and oversight of the government; and social actors, in their roles as interest groups, are forced into legitimizing national plans that have at best only token importance.

A synthesis study on how to strengthen ownership and accountability presented to the forum in Busan notably outlined that the key actors were the executive, parliament, local government, political parties, the media, civil society and non-state actors, and independent research.¹⁸⁹ Unfortunately, this was not taken up or recognized in the outcome document. Ownership should be interpreted as democratic decision-making processes with substantive representation and accountability. There should be an agreement that ownership begins and ends with the people.¹⁹⁰ In the practical conduct of development cooperation, it is not possible to simply continue to add to the list of actors with which to engage. Once the importance of the democratic process is accepted as a starting point, however, the next step is to identify which actors are relevant to specific development programmes and, depending on the particular issue, in which form.

Poverty reduction strategies and the consultation model

PRSPs are fundamental to the Paris aid agenda. Donors designed them so that developing countries could define their priorities for poverty reduction and devise a plan to implement them.

This plan then becomes the basis for joint donor funding. The plans are deeply political documents, and the poverty reduction strategy

should reflect the priorities of a democratically elected government. The first-generation poverty reduction strategies were criticized for being technocratic papers written by the World Bank and national or international experts. Consultants were flown in to write the strategy. The biggest challenge was that some developing countries were simply not all that interested, or at least had other priorities or lacked capacity. There were exceptions—some useful strategies and some countries that engaged in order to really reflect on their own aspirations—but many studies have noted that poverty reduction strategies were too often seen as yet another condition imposed by donors or ‘another hoop to jump through’ to get access to aid resources.¹⁹¹ PRSPs were essentially technical aid processes. They did not forge a political commitment to reducing poverty.

In response to the criticisms, PRSPs were put through a massive consultation process to achieve more broadly based legitimacy. A part of this was an ambition that consultative PRSPs would get political elites to listen to their citizens and governments to take more responsibility for poverty. Some donors may have seen consultation as a substitute for democracy or a step towards it. The reality, however, has proved more challenging. A book on the politics of poverty reduction strategies in Tanzania, Vietnam and Honduras found that while they broadened participation in public policy debates, donors tended to co-opt local ‘civil society’ as the primary means to achieve political legitimacy for the strategies.¹⁹² Consultations were limited to the ‘iron triangle’ of donors and creditors, recipient governments (primarily finance ministries) and international CSOs. Civil society thus gets to play the role of representing ‘citizens’ in this process without any mandate or any way of channelling people’s views. CSOs represent themselves and the interests and issues they work with. Despite their attempts to be inclusive, they risk being exclusionary and undemocratic.

The ‘general participation mode’ of consultations on PRSPs means that many actors—those who are arbitrarily invited and those who are able to make any sense of the process—give their views, but without any political negotiation process. The OECD-DAC found that such consultation processes have been ineffective at best and harmful at worst, as actors felt ‘coerced into consultation systems that gave them little voice’.¹⁹³

While PRSPs can open up space for civil society participation, they do not seem to allow for political deliberation. Even worse, in many cases consultations are at best ‘tokenistic’. They do not work as an instrument to produce a nationally legitimate plan supported by political actors. It is a paper written up to obtain aid, not to facilitate political choice and negotiation to find common ground, and there are strong arguments against using technical instruments such as PRSPs to resolve political problems.¹⁹⁴

Another dilemma, according to Gould, is that consultation processes encourage demands at the micro-level as villagers, councillors, district executive directors and NGOs attend consultations.¹⁹⁵ Thick technical documents are sent to various actors, asking for their views within short time frames. Many of them cannot even get through the papers. Those who have the competence to understand the documentation might give their views, but organizations are often concerned with their own specific areas of interest and of course push these particular issues. The process often ends up with a long wish list that is impossible to implement. Such consultations do not help create a shared vision or negotiated platform for reducing poverty. They give voice to specific concerns, but without the political institutions that can channel aggregate priorities and negotiate to create comprehensive platforms, PRSPs become burdensome documents that only serve to draw in aid resources.

So where are the political institutions? Parliaments and political parties have often been bypassed in aid negotiations and poverty reduction strategies. Rasheed Draman at the Parliamentary Centre noted this in his study of the role of parliamentarians in poverty reduction strategies in Ghana, Kenya, Malawi, Niger, Senegal, Tanzania and Zambia.¹⁹⁶ He found that in certain countries parliament was completely left out of the process, while in others there was a general lack of knowledge of and information on poverty reduction strategies among parliamentarians. Most parliamentarians seemed to be aware of the process but not the targets, priorities and commitments set for the country. The risk is that this aid modality moves policy formulation from a country's political arena to the aid negotiation table. That table, in any practical sense, includes only donors, the executive and select members of civil society. Policy choices affecting generations of people are removed from political parties and the ballot box to World Bank-led aid discussions.

A study on poverty reduction strategies in Latin America argues that the problem is not about 'neglecting' parliament.¹⁹⁷ PRSP processes in Bolivia and Nicaragua, for example, have avoided engaging too closely with parliamentarians, but this is mutual and reciprocal. The study finds that the challenge is for donors to stop using technical instruments like PRSPs to resolve political problems. Securing ownership is a political objective, identical to that which in more legitimate and effective states is called social citizenship. This involves political institutions and will only be achieved through domestic political processes. A consultative planning process like a PRSP has its uses, but it does not build political buy-in for poverty reduction. On the contrary, the authors argue it can be an obstacle as it overcomplicates and obscures political debate about poverty.

There are some hopeful signs of change in some places. This is thanks, not least, to the active engagement of parliamentarians in Africa. Draman notes that parliamentarians have tried to get more involved and have carved out a role for themselves by being vocal and questioning the government on key issues.¹⁹⁸ Committee leadership in Niger, for example, played a key role in getting a parliamentary voice heard in PRSPs. In Tanzania, improvements in executive–legislative relations played a key role in ensuring parliament’s participation in the second PRSP. The parliamentarians at the High-Level Forum on Aid Effectiveness in Accra in 2008 voiced their concerns and were ultimately recognized by the aid community as an important institution to development.

Since the Accra Agreement, there has been more discussion about how to involve parliaments in aid processes. How far this will be successful, however, only time will tell. It is important to recognize that parliaments vary in terms of their mandating role and what proper involvement entails. According to a study by democracy experts in 2004, in countries where they have a significant budgetary role parliaments have the potential to affect adherence to poverty reduction strategies by allocating resources to ministries.¹⁹⁹ The parliamentary committee structure, moreover, offers space in which to debate nationally comprehensive views on poverty and its impacts. Any involvement of parliaments or political parties, it noted, must be balanced by the need to identify clear roles and responsibilities for the actors. Parliament should not participate in negotiations, for example, as this might compromise its ability to hold governments to account.

The Inter-Parliamentary Union examined how to involve parliaments in development processes in Tanzania and Zambia.²⁰⁰ The study concluded that participation could take place at critical stages of the national development planning and budget cycles—by preparing a long-term national vision and five-year national development plans, determining the medium-term expenditure framework and sector allocations, participating in annual reviews of expenditure and monitoring progress on achieving development goals.

On parliamentary involvement, the OECD-DAC noted that best practice will not evolve without corresponding changes to the culture and behaviour of parliaments and their relationship with the executive, donors and international organizations.²⁰¹ Parliaments need to make an explicit commitment to improve budget oversight and scrutiny, and to acknowledge that this may involve both cultural and political changes. In Peru, for example, the study found that capacity work should focus not on the ability to engage in oversight, such as of the budget cycle, but on the conception of the role of parliamentarians in accountability. Reforms are needed to improve the ‘institutionality’ of congress, promote political party ownership of the reform process and strengthen citizen demand.

There is a fundamental dilemma in current aid modalities. Donors and African countries are far from being ‘partners’ with shared values in poverty reduction. Donors do not seem to trust the will and capacity of their partner governments, or their interest in caring for the poor, so they take on the role of pushing issues through aid negotiations and involve the civil society actors they feel comfortable with.

Given the partnership and ownership approach in the Paris Agenda, even the existence of PRSPs is somewhat paradoxical. If there were true ownership of policy deliberation and a genuine partnership between donors and partner countries, the burdensome PRSPs would not be needed. They create parallel donor-driven policy processes, undermining national politics and impeding the development of stronger national political actors.

Programme aid and budget support

Budget support has been around for some 50 years. It is not new, but was widely seen as new when it became a key element of the Paris Agenda. Budget support has grown in importance over the past decade, and now makes up a significant share of development resources.²⁰² It has also become one of the most debated forms of aid. Proponents argue that it is the best form of aid since it provides the developing country with the most ownership. Critics say it is not possible to provide in corrupt countries where there is no way to control how the money is spent. Most analysts agree that it is a risky business—the difference lies in the appetite for risk and how to measure the potential pay-offs.

In recent years, several donors, such as the United Kingdom, Germany, Sweden and the Netherlands, have become more wary of budget support.²⁰³ In the 2011 German Development Policy, the modality is only to be used on a case-by-case basis, underlining the need for the right conditions to be in place before considering budget support. The United Kingdom has added domestic accountability as a criterion for granting budget support.²⁰⁴ Nonetheless, budget support has been a key aid modality and is still an important element of the aid system.

It is easy to see how budget support can be helpful in building national political ownership but there are tensions too. The tensions between budget support and democracy strengthening can be illustrated by an example from Uganda. In December 2005, the present author participated in a donor meeting at the World Bank offices in Kampala to inform the group that her country, Sweden, had decided to freeze SEK 65 million in budget support to Uganda due to the worsening governance situation. Her colleague from Norway had a similar task.

A reaction to political concerns about Uganda was a long time coming. In 2005 President Yoweri Museveni abolished the presidential term limits which he had insisted should be put in place almost 20 years before to stop big men from overstaying in power. To soften criticism, Museveni introduced multiparty politics and became more open to peace talks to deal with the conflict in the north, but concerns remained. The main opposition leader, Kizza Besigye, was arrested three months before the presidential elections on trumped-up charges of rape, and paramilitary groups occupied the court to prevent Besigye from being released on bail. Besigye was later released, but his ability to campaign was seriously impaired. There was a vague formulation in the budget support agreement that Uganda should respect and make improvements on democracy and human rights. It was on this basis that Sweden decided to cut its support. Sweden and Norway were not the only donors to react to political concerns. In 2005–2006 five donors, including the United Kingdom and the Netherlands, suspended a total of USD 70 million for a variety of political reasons.²⁰⁵

As the announcement was made at the donor meeting in Kampala, development colleagues around the table reacted with disappointment and even disapproval. Cutting budget support was opposed to the principle of predictability and the commitments in the Paris Agenda. There was no disagreement that Uganda was experiencing political problems, but from their perspective there was no need to connect these to development aid. In their view, freezing budget support meant that donors were failing to provide long-term support to a country that had been successful at reducing poverty through an efficient and trustworthy Ministry of Finance. Leaving the meeting, one participant summarized the general feeling: ‘poor Ministry of Finance to have to put up with such erratic donors’.

A ravished country after the fall of Idi Amin, Uganda was showcased as ‘a star of Africa’ just a few years after Museveni took power in 1986.²⁰⁶ Museveni adopted the reforms suggested by the IFIs and donors responded with increased aid flows. He was hailed as a progressive leader in the fight against HIV/AIDS. He had rejected multiparty politics, as he thought it had torn the country apart, and opted for a ‘movement system’ of elections without political parties. Uganda became a donor darling and was seen as a good candidate for the new Paris Agenda model—to allow the developing country itself to decide how to use aid resources, and provide more predictable transfers of money through the government so that the country could make long-term development plans. Uganda became a pioneer for the then new aid modality of budget support in the late 1990s. During the 2000s, it regularly had 30–50 per cent of its total aid budget financed in this way.²⁰⁷

Uganda experienced real annual growth rates of 2–4 per cent (economic growth minus population growth) in the 1990s and 2000s, but growth started to stagnate in 2009.²⁰⁸ The country reached the Millennium Development Goal of halving poverty, from 56 per cent in 1992 to 24 per cent in 2009. Progress in primary education, child and maternal mortality, access to sexual and reproductive health, the incidence of malaria and other diseases, however, has been slow. Since the political space was reduced in Uganda, from the early 2000s onwards, economic and social concerns have increased as well. As this book was being written in late 2012, Sweden froze all aid to Uganda as SEK 45 million had gone missing from the fund to rebuild war-torn northern Uganda.

From the development agencies' point of view, democracy issues were seen as a 'work in progress'. The institutions of democracy were currently weak, but this was a slow process that would take time. Uganda was 'in transition' to democracy. Abuses of human rights were seen as unfortunate mishaps. The government was seen as being committed to rectifying mistakes and taking donor comments seriously. Corruption was a major concern, so aid was provided to support anti-corruption agencies to increase the capacity to deal with it.

The view that Uganda was on a path to democracy was debatable. On the surface, there was a relatively free media and the courts at times showed impressive independence. Under the surface, however, there were consistent reports of abuse of the press and the political opposition. The violent elections in 2001 marked a narrowing of the democratic space rather than a broadening. There were concerns about reports of systematic human rights abuses by the military in the conflicts in northern Uganda and Karamoja.²⁰⁹ Uganda had a policy of 'zero tolerance' of corruption, but in practice there was a strong perception of impunity. In 2003, the United Nations revealed mass looting and systematic illegal exploitation of natural resources in the Democratic Republic of the Congo (DRC) by senior officers in the Ugandan Army, involving close family members of the president. The report indicated that looting had been a major reason for Uganda's military intervention in the DRC in 1996.²¹⁰

The freezing of budget support in 2005 was anything but ideal. From the point of view of promoting democracy it came late and was arbitrarily imposed. Most importantly, it was a one-off reaction to a situation that was predictable, extensive and long term. The decision raised a number of questions. Were donors really 'partners' with this government? Was it possible to separate development aid from the political situation to the degree that the development community did? Did the aid community have a realistic understanding of the political challenges in Uganda and where they could lead in the long term? Were donors paying attention to the possible impact that aid flows might have on the domestic political

scene? Were political conditionality and policy dialogue useful tools to counter such risks?

Those were the early days of the Paris Agenda. Since then, donors and other actors have increasingly asked themselves such questions. Aid programmes have been interrupted due to the political risk in many countries. Efforts have been made to find ways to respond, but it has proved difficult. Experience with the new aid modalities and political landscapes indicates that these are challenges that donors have underestimated in shaping the aid agenda. Despite the intense study of aid, the impact or potential benefits of budget support for democracy remains under-researched. The relationship between budget support and democracy has not been explicitly studied, but some of the available research provides a basis for discussing potential pros and cons.

A few numbers reflect the importance of this type of aid. The Netherlands channels about 70 per cent of its development assistance through sectoral and general budget support. The United Kingdom disburses 50 per cent of its development assistance as budget support and 25 per cent through sector-wide approaches. In 2006, the World Bank provided 40 per cent of its new lending through budget support.²¹¹ Of the aid provided by major donors in Mozambique (the Group of 19), about 37 per cent is in the form of budget support.²¹² In Zambia, 32 per cent of all ODA is provided as general budget support, and in Tanzania it amounts to 36 per cent of all aid.²¹³ In Mali, budget support reached 42 per cent of ODA in 2009.²¹⁴ In Malawi, general budget support accounted for 30 per cent of ODA in 2009–2010 and sector support for 15 per cent.²¹⁵

Budget support is the least intrusive form of aid. It builds on the basic idea that the country is to be developed from within and not by outsiders. Compared to off-budget aid, budget support opens up more space for political actors and depends on the domestic system. It is flexible, respects ownership and is the most coordinated form of aid. It can promote democracy and support a process of political change by improving transparency and public financial management, and give supreme audit institutions a chance to monitor the use of public funds and parliaments the opportunity to hold governments accountable for delivery. For example, the Social Services Committee of the Parliament of Uganda reported that the health sector programme and forums like the National Health Assembly allowed them greater engagement in planning, budgeting for and monitoring health issues. Improvements in the Auditor General and Anti-Corruption Commission in Zambia meant that they exposed flaws in the Ministry of Health's accounting system that had led to over USD 2 million being embezzled.²¹⁶

In theory, budget support has considerable promise from a democracy point of view. At the same time, however, there are downsides. Budget support has strong symbolic and political connotations, comes with higher risks and is difficult to monitor in terms of results.²¹⁷ Aid through the budget becomes closely linked to the government in power—or, in hybrid regimes, a certain elite holding on to power. Budget support symbolizes trust in the government.²¹⁸ In a hybrid regime with little control over political corruption, channelling large-scale aid resources through the executive gives the incumbent regime a major advantage. The aid resources, and the international legitimacy connected to it, can be used to sustain the ruling elite in power and undermine actors in accountability and democracy. Phil Vernon at International Alert highlights that budget support, cheap loans and sector programmes ‘feed the actual, rather than the desired governance system, i.e., become a source of patronage and personal enrichment, and strengthen hugely the power of the incumbency’.²¹⁹ Vernon found that these aid modalities imply a level of trust that citizens of the state concerned may not yet have in their government.

In 2010 Raquel Alvarez—a development practitioner at the European Commission—found that in the absence of strong political mechanisms to ensure that African countries are accountable to their own people, large-scale aid flows that go directly to the recipient country’s coffers can widen the gulf between the state and society.²²⁰ By financing incumbent governments, donors may be preventing healthy domestic accountability mechanisms from developing, potentially propping up anti-development regimes. In hybrid developing countries where aid funds are a key source of finance, jobs and capital, there is little doubt that control over these resources gives enormous power to the incumbency. In Uganda, complete control over resources may even have allowed government actors to extend their control over the opposition and parliamentarians, as they lack access to alternative resources.

Questions are also being raised about the impact of budget support on accountability, which is a cornerstone of democracy. Some donor agencies and researchers have seen budget support as a way to strengthen domestic accountability. Others argue that directing aid through the government undermines accountability.

An OECD-DAC evaluation of budget support concluded that it was beneficial for strengthening elements of importance to accountability, such as the transparency of budget processes or improved auditing institutions.²²¹ Moreover, internal accountability between line ministries and finance ministries seems to benefit from the use of general budget support. Transparency is a vital ingredient for accountability and democracy, and it is making progress. Important efforts are being made

towards open government, making information more available. However, for these to yield results, citizens and their representatives need to be able to access and use information, and to mobilize in order to hold decision makers and implementers to account. How this process plays out will ultimately depend on the commitment and strength of political and social institutions.

Another study on foreign aid and democracy notes that general budget support marginalizes the role of parliaments and reinforces incumbents' advantages, especially in dominant party regimes.²²² Wild and Domingo show that in both Uganda and Zambia, parliaments and auditors-general remain largely untouched by the push for accountability in the health sector.²²³ This is in part due to the overall weaknesses of the institutions, limitations to formal competencies and executive-led power politics. Donors may be contributing to these weaknesses when they work outside accountability systems. A study of Tanzania in 2006 found little evidence of improvements in parliamentary scrutiny of public finances since the expansion of discretionary funding in the budget. Some technical assistance had been provided, but it was thought unlikely to have any significant impact in the absence of a 'concerted effort to improve the presentation of the budget, and until the political role of parliament is enhanced'.²²⁴

The European Think-Tanks Group found in a study on the future of European Union budget support that for donors with the goal of democracy support, 'the effectiveness of the modality has so far been low'.²²⁵ Despite some achievements, benefits have been marginal and have not so far led to substantive shifts in domestic accountability.

Genuine forms of accountability, that is—the capacity and mandate of political and social actors to hold governments to account for their commitments—may therefore be undermined in budget support operations. Budget support risks strengthening the executive at the expense of the democratic process. The vital accountability roles of opposition parties, electoral processes and the media risk being undermined.

The advantage of general budget support is that it can support accountability between ministers in a government and reduces competition among them for aid funds. Line ministries become accountable to the ministry of finance, not to donors. General budget support is also potentially more useful in supporting policy processes to shape overall development programmes and priorities, rather than individual sector themes, although this requires both commitment and more engagement. Some donors attach a high value to the policy dialogue with the government on many political issues that comes with general budget support. The sector approach only gives access to sector discussions. On the downside, budget support may give less control over funds and more discretion in their use

may be challenging to monitor. The advantage of sector support is that it gives clearer results in terms of improved services, and more control.²²⁶ However, sectoral approaches also tend to create islands of engagement with their own set of donor and government agencies, which are detached from the overall business of government, and strong incentives on the part of sector stakeholders to keep it that way. One positive element of budget support is that it has started a political discussion and raised awareness among development agencies. Channelling money through government coffers has made the need for functioning political systems and democratic processes abundantly clear.

Underlying principles and political conditionality

After years of criticism for giving aid directly to authoritarian and repressive regimes, the European Commission decided in May 2012 to introduce criteria on democracy and human rights into its budget support operations. During the Arab uprisings, it became obvious that previous general budget support to the regimes in Egypt and Tunisia had strengthened the autocrats in power.

This is certainly an important step forward, but it will not be easy. Several donors have made democracy and human rights eligibility criteria or ‘underlying principles’ of their aid agreements. Such principles usually include commitments to promote peace, free and fair electoral processes, the independence of the judiciary, respect for human rights, good governance, and the fight against corruption. The challenge is to apply the criteria in a way that truly strengthens democracy, and this has proved difficult.

Gordon Crawford conducted a thorough study in 1997 of political conditionalities that covered 29 cases in which politically motivated sanctions were applied, primarily in the first half of the 1990s.²²⁷ The countries studied ranged from classic aid recipients such as Cameroon, Liberia, Niger, Nigeria and Sudan, to the more unusual cases of Burma, Thailand, Cuba, El Salvador, Guatemala, Peru, Syria and Turkey.

Political sanctions, it was found, could be an important tool for promoting democracy. But there were two provisos: first, sanctions had to be combined with internal democracy movements; and, second, donors had to cooperate and demand change with a united voice. Sanctions were unlikely to be effective if donors did not pull together. If the United States continued with sanctions after EU programmes had been ended, or vice versa, conditions were likely to be ineffective.

In practice, donors in the cases studied tended to apply measures indecisively and inconsistently, and measures were often partial and short term. The sanctions imposed had no correlation with the degree of human rights violations. Donors also found it difficult to harmonize their approaches. The result was that political conditions improved in only 13 of the 29 countries in which sanctions on aid were applied for political reasons, and only in nine countries could the improvement be attributed to some extent to donor pressure. Donor pressure was significant in bringing about political change in only two cases: Malawi and Guatemala. Interestingly, the successful cases were not all aid dependent. Four of the more successful cases were middle-income countries: Thailand, El Salvador, Guatemala and Peru. Crawford also highlights five cases in which conditionality was not applied despite gross and persistent abuses of human rights. Aid policy vis-à-vis Indonesia during the 1990s was a compelling example of double standards. Other examples were Sri Lanka, Algeria, Egypt and Colombia, where no sanctions were imposed despite gross violations. The study finds that long-standing, close relationships between countries tend to determine the extent to which donors stand up for democracy and human rights. For example, France is less likely to impose sanctions in Francophone Africa. The same holds true for important allies of the United States, and the European Union often steps back from sanctions where its member states have special interests. Other foreign policy interests are key constraints. The greater the economic and strategic interests, the less likely it is that sanctions will be applied.

Lack of political will is a key issue. Sanctions may have been demanded by the parliaments of donor countries, but not wholeheartedly implemented by the government. There were cases in which some sanctions had been imposed due to domestic politics, but with little more than 'symbolic impact', such as US action against El Salvador and the European Parliament blocking financial packages for Syria and Turkey, or Swedish sanctions on Vietnam. These efforts were of mainly symbolic value: governments were seen to be 'doing something'.

It is obvious from Crawford's study that donor governments approach human rights and democracy in a selective manner. The post-Cold War policy shift in support of democracy was not matched by a change in practice. Have things changed since Crawford conducted his study in 1997? Newer studies show donors making a greater effort to cooperate, but also donors' reactions being arbitrarily and differentially imposed. In the past ten years, budget support has become a focus for the debate on political conditionality. Political conditionality is normally based on so-called underlying principles, which are established in a 'Memorandum of Understanding' between the donor and the developing country. The underlying principles are usually vague, and involve expectations that

the recipient government will uphold principles of good governance and democracy, human rights, the fight against corruption, and so on.²²⁸

When donor and partner countries sign up to the ‘underlying principles’ of an aid agreement, they tend to focus on the existence of formal institutions, such as whether there is an independent judiciary and whether elections are held. Donors often recognize that institutions are weak and in need of strengthening, but these are regarded as being in ‘transition’ towards democracy. There is thus an implicit assumption that there will be progress in respect for human rights and the fight against corruption, or that the remaining challenges can be fixed with capacity building. However, ‘most low income aid dependent countries are not at all upholding these principles’ and the underlying principles are ‘put bluntly, illusions’.²²⁹ This is quite evident from a closer look at the political situation in Mozambique and Zambia, for example, where the crises that caused a suspension of budget support had been regular occurrences for decades. They were not exceptional events, but quite foreseeable. This did not prevent ‘the donor community from entering into a budget support relationship, yet those same events do carry the potential to suspend budget support’.²³⁰ The more recent studies find that democratic governance is still too often dealt with in a reactive and ad hoc manner rather than in a proactive, strategic way.

Another report found that the condemnations of human rights abuses in Ethiopia and Uganda in 2005–2006 were reactions to foreseeable events. Political and historical analysis could have led to a sounder appraisal of the likelihood of such crises and informed the shape of aid agreements. The same researcher found that governance issues tend to be ‘excessively watered down’ in existing agreements.²³¹

Time and again, donors and recipient governments sign an aid agreement, commit resources and commence payments. Everything works for a while, but then come the setbacks: a major corruption scandal, a candidate barred from contesting elections.

In Chad, the World Bank suspended its operations in 2006 after parliament passed amendments to legislation on the use of oil revenues that had been upheld as a new model for managing resource rents for poverty reduction.²³² In Ethiopia, the United Kingdom announced that it would not provide budget support in 2006 after the disputed elections in 2005, when the government violently suppressed opposition attempts to question the election results. This gives an impression that corruption and electoral violence are not part of the game plan to begin with, and so often seem to come as a surprise. Donors are not prepared for it, and there is no agreement about what to do about it. Big scandals attract media attention and donors are pressured to react by their own parliaments and public

opinion. The donor may impose sanctions—but how, when and to what extent is unpredictable. Sometimes, aid is suspended until measures have been taken by the recipient government, and then aid is disbursed again until the next ‘surprise’ comes along. This has created a much-debated stop-go aid disbursement that is harmful on many levels: it creates frustration and confusion among both donors and partners, reduces predictability and does not help to alter the situation that created the problems in the first place.

In cases where donors have acted jointly, such as in Mozambique, sanctions have had an effect. The challenged elections in Mozambique in 2009, during which a third political party was removed from the voting lists, led to donor reaction. An intensified political dialogue started within the Group of 19 budget support donors, which sent a letter expressing deep concern over electoral reform, economic governance and anti-corruption measures, indicating that these issues constituted a breach of the underlying principles. Further disbursements of budget support were made contingent on the successful conclusion of political dialogue. Mozambique presented an action plan with specific timelines a few months later, and donors reported that they would disburse the funds.

Donors often see such political dialogue as a tool to strengthen democracy and human rights, and it is often held up as an argument in favour of budget support giving donors ‘a seat at the table’ to bring up issues of concern, such as human rights, conflict, democracy and corruption. It is not easy to assess whether it is a useful way to strengthen democracy, or even the quality of political dialogue. Dialogue sessions are held behind closed doors and are seldom subject to outside scrutiny. Donors see it as necessary to maintain a closed dialogue with the country, and not to disclose their concerns to anyone but senior government representatives. It would harm diplomatic relations if the executive branch of government were openly criticized by donors.

Political dialogue is not always a golden tool. When the author of this book participated in dialogue meetings in Uganda, the typical format consisted of a group of 12 to 16 ambassadors from bilateral donor countries holding regular meetings with the Vice-President or the Minister for Foreign Affairs. The group would sit down for lunch at one of the residencies surrounding the Minister for Foreign Affairs or another high-level representative. The donors’ side brought a long list of concerns to the meetings and raised them diligently: human rights abuses, new corruption scandals or impunity from old ones, electoral concerns, the conflict in northern Uganda, the Ugandan involvement in the DRC and other political issues. You name it. The concerns were listed and each item was brought up with

the government representative. The Ugandan side typically responded by noting the donors' concerns, explaining that these were unfortunate incidents and confirming the government's 'zero-tolerance' of corruption or its commitment to democracy. On occasion they would promise to look into a matter and come back with an explanation. At the next meeting, the same procedure would be repeated with a mix of old issues and new ones.

Issues were aired, but there was no agreement on what needed to be done or on follow-up. One concern was soon replaced by a new one, and then the old concern, although still relevant, was somehow forgotten. Political dialogue seemed to be a forum for continually bringing up new concerns, but they were seldom dealt with or resolved. It was not really a dialogue; it was more a listing of issues of which the senior leadership was well aware. For the partner government, the meetings served as a temperature check on donors, checking how concerned they were. A study on the lack of democratic progress in Uganda despite years of political dialogue confirms this picture.²³³

While raising concerns with a partner government is clearly an important way for donors to act on human rights abuses, it is questionable whether a general dialogue is as important as some donors seem to think. The risk is that it becomes a smokescreen—it looks important but replaces or overshadows more fundamental efforts to strengthen democracy. Furthermore, by following this path donors lose credibility regarding the seriousness of their commitment to democracy and human rights with both the partner government and their domestic audience.

Recent studies show similar experiences in other countries. Domestic political issues override donor concerns even at the risk of serious tension with donors.²³⁴ The European Commission's Article 8 dialogue under the Cotonou Agreement has been 'fiercely criticized' for being perceived as irregular and ineffective.²³⁵ The experience in Mozambique showed that the use of political dialogue per se is ineffective, while cooperating around genuine sanctions proved more effective.

In Zambia, donors reacted to concerns over good governance and public finance management in 2009.²³⁶ Corruption scandals in the health and infrastructure sectors linked to a dysfunctional system for overall control led the Netherlands and Sweden to delay their disbursements. (In this case, however, a donor-funded domestic whistle-blower discovered the embezzlement of USD 2 million in the health sector, indicating an effective aid project with just such an independent anti-corruption agency.) It was not a single event that led to the crisis, but a gradual process as donors became increasingly unhappy about slow progress in certain governance reform areas. The corruption scandal was 'the last straw'. A political dialogue was started to tackle the concerns. Monthly meetings took place

and were held in closed session between the secretary to the treasury and the ambassadors on the donor side. The process produced a roadmap agreed between donors and the government. Whether the agreed reforms will ever be successfully implemented remains to be seen. The point is that it is unlikely that the political dialogue per se was key to bringing about an action plan.

The closed format of political dialogue means that local parliamentarians, the media, social actors and political parties are not included. This was noted in Mozambique in 2009, which failed to reach out to organizations that were voicing discontent around similar issues.²³⁷ In Uganda, donors were usually seen by citizens' organizations as 'being in bed with' the government rather than supporting the actors and movements that push for democracy and human rights.

Good relations and the desire to keep development programmes going are strong incentives to keep aid flowing.²³⁸ Donors cannot stop aid programmes as soon as they become aware of a political challenge. In the experience of the author, there are even occasions when donor representatives underreport among themselves (and to their headquarters) their concerns about corruption or political developments. It is as if there is a silent agreement between the field and headquarters to be upbeat in reporting, promising that progress on democracy or fighting corruption is imminent.

Donor barriers

Being an aid manager could be described as one of the most difficult jobs in the world. An aid manager has to spend the aid funds every year, and do it effectively with measurable results, in terms of economic growth and social development, in a country with institutions that do not function very well. Aid goals overpromise on the results aid can achieve in countries where agencies control neither policies nor implementation processes.

An aid manager needs to maintain good relations with the recipient government, yet also complain when they abuse human rights or limit political competition. The long-term impact of the work will be unknown perhaps for decades, and individual contributions will remain open to question as there are so many factors that can explain progress or setbacks. Finally, there is a constantly disgruntled media or parliament in the background complaining that aid does not deliver. At home, public opinion is not always supportive of foreign aid, and where it is the public often seeks concrete, short-term results. Moreover, donors are struggling with competing foreign policy strategies, of which aid is only one.

It is not hard to understand the complexity of the challenges involved in delivering aid. Many donor countries have responded to these challenges

by producing technocratic and mechanistic procedures, often within a monstrously bureaucratic set-up.

The institutional context of aid helps to explain its failure to perceive and respond to evolving political situations in African countries. Donors tend to stay in the comfort zone of established protocols in state-to-state relations, spending considerable staff time in coordination meetings in capitals. The known systems and processes of aid would have to change drastically if donors were to start manoeuvring with agility and flexibility in challenging political landscapes.

Another key feature is the pressure to disburse money. Disbursement levels are perhaps the strongest measure by which heads of development agencies can show they have done a good job in the short term. Since results, such as reducing poverty, are difficult to measure, no matter how many logical frameworks or results-based management systems are introduced, there is a greater focus on disbursement or 'moving the money'.²³⁹

For the IFIs, disbursement is the primary goal which means institutional survival, as well as a measure of individual and institutional performance. Careers are determined by disbursement levels.²⁴⁰ Jeremy Gould finds that unless approved aid allocations are spent by bilaterals, parliaments start to complain. Furthermore, aid managers live under the constant threat of cuts to aid or operations, which provides another strong incentive to overlook political concerns in order to spend. Gould finds that 'events that would spark a major scandal in the domestic arena are quickly papered over in the domain of foreign aid' as other incentives come into play.²⁴¹

In order to show results, donors have built a system of perceived control through a plethora of technocratic management tools, instruments and formats, such as Performance Assessment Frameworks, Medium-Term Expenditure Frameworks and Joint Assistance Strategies, to name just a few. The Paris Agenda has come with a gigantic system of joint task forces, coordination groups and ad hoc committees on any issue that involves aid in each recipient country. In Mozambique, for example, there are 29 sectoral and thematic working groups, which meet regularly to accompany the formulation and implementation of government policy.²⁴² In Uganda, the present author could not describe the system of donor coordination to a newcomer. Schemes seem on paper to be clear, concrete, controllable and politically neutral, but they risk becoming quite mechanistic monitoring and reporting activities, and may say little about the real political dynamics.

Why are donors not taking political realities seriously? In 2008 Sue Unsworth identified intellectual barriers and institutional incentives within aid agencies as impediments to finding operational ways to deal with politics. She argues that the whole ethos of development agencies is one of experts bringing value-driven solutions to eliminate poverty, curtail

corruption and protect human rights. Aid ministers want to achieve these goals within short time horizons. There are strong incentives to demonstrate progress and tell an optimistic story to taxpayers.²⁴³

The single most important reason why aid processes do not, or cannot, deal with political challenges, however, is that such processes form part of diplomatic relations. There also is a hierarchy of stated and unstated goals in foreign policy, and democracy often comes far down the list after the quest for ‘political stability’, the security agenda or trade. Aid is a state-to-state affair and an element of foreign policy. Partner governments do not want international actors ‘meddling’ in internal political affairs and call for sovereignty to be respected; donor governments are uncomfortable about addressing political problems head-on since their primary aim tends to be the pursuit of good relationships. It is possible, however, that, in a new interpretation of aid relations, engaging with politics could actually be less intrusive than the technocratic approach often taken today. Donors could support and engage with constitutionally recognized democratic political institutions and processes, such as parliaments, rather than agreeing on development priorities behind closed doors with a few government ministers.

Despite the principles of ownership and accountability, democracy was not a key feature of the Paris Agenda and has not been a priority in the way development aid has been channelled. The impacts of aid modalities have not been analysed through an explicit democracy lens. Despite strong findings that a key element of poverty is the lack of access to power for people living in poverty, this has not been considered a starting point in the aid relationship. It is telling that two leading personalities in the shaping and implementation of the Paris Agenda have both advocated a much stronger focus on democracy in aid. Brian Atwood, the former chair of the OECD-DAC and a former head of USAID, says many believe that bad governance is the main cause of poor development, and on that basis he has questioned the lack of aid focus on democratization actors and processes.²⁴⁴ Richard Manning, chair of the OECD-DAC in 2003–2008, has called for empowerment and human rights to become an integral part of the post-Millennium Development Goals agenda.²⁴⁵

Chapter 4

Aid and politics

Aid and politics

Towards the end of 2011, the present author participated in a meeting in Paris of the Organization for Economic Co-operation and Development's Development Assistance Committee (OECD-DAC) focused on building institutions for development, in preparation for the aid effectiveness forum in Busan. International IDEA had engaged in aid effectiveness discussions on the role of political institutions, but it was unusual for a democracy institute to participate in a development meeting.

The discussion in the meeting centred on standard issues such as improving public financial management by strengthening budget processes and procurement systems, with one exception. A former Ministry of Finance director from Malawi took the floor and started to speak emphatically about political parties in Africa. She said that their dysfunctional nature was transmitted to the executive so that, in the end, the system got stuck. She argued that the fundamental development concern that needed to be tackled was political parties. Without them, other development efforts would be fruitless. In her experience at the ministry, aid efforts to build capacity to improve public administration were pointless when the political structures underpinning the state were so dysfunctional.

The present author had just written a critical discussion paper on the subject and was happy to provide support for the Malawian former director,²⁴⁶ underscoring that functioning political parties, parliaments and electoral processes are fundamental to effective development, a fact which had thus far been ignored by the Paris Agenda. Without space for domestic political processes in the aid agenda, there would be no policymaking and no ownership, and the Paris Agenda would fail. The aid forum in Busan had to deal with political challenges and take a serious step forward to commit to a deeper engagement in and awareness of this area.

Political institutions and processes have been difficult to handle in the development community. There have been substantive efforts to strengthen 'governance' and to 'take politics into account', but political institutions per se have not traditionally been seen as key for development. Politics is a sensitive matter in state-to-state relations and it is an awkward area for donors to engage in. Even if it were possible to overcome these challenges, political institutions—especially political parties—are extremely weak and often seen by many donors as unfit to engage with.

This highlights the fundamental dilemma of how to support development that hinges on the basic functioning of a state with political processes and the rule of law when these institutions are fundamentally dysfunctional. Do you attempt to ignore them? Or do you try to bypass them? It also raises the question of whether a foreign donor can do anything about the informal political dynamics that fundamentally affect both democracy and development—and whether the government is not part of the same political challenges.

Shelil Shetty, Secretary-General of Amnesty International, has criticized the Millennium Development Goals and the aid community for ignoring human rights—a sister to democracy. Interestingly, his take on development assistance is that human rights come into play when development moves away from simple, measurable targets to issues that require system change: ‘It is not a sausage line where you can chuck a lot of immunizations in and get improved measles vaccinations at the other end—that is easy—but anything more complex needs accountability and rule of law and if you don’t have a human rights framework there will always be exclusion and marginalisation.’²⁴⁷ He uses the example of countries such as Indonesia, which have promised to reduce high maternal mortality but continue to ignore women’s sexual and reproductive rights.

The debate at the meeting in Paris caused various reactions. Some representatives agreed that these were important points and nodded discreetly. Others agreed that the policy process mattered and that this should be recognized, but regarded engaging with political parties as a no-go area. Some participants argued, but without reflection on how, that it would be possible to do one without the other. In the end, the issues that were taken forward from the meeting were that ‘politics mattered’ and that political economy analysis is useful. This is the formula that donors have agreed to in terms of taking politics into account. It is thus important to assess what has come of this approach. The Paris Agenda—channelling more aid resources through government systems—has brought the importance of politics to the surface more than ever. Donor agencies have been talking more and more about the importance of accountable governments and legitimate public authority. This engagement has taken various forms: donors have recognized and focused on ‘good governance’ as an area of engagement; there have been ‘voice and accountability’ projects; political economy approaches have become standard practice; and political settlements and elite bargains are new areas being discussed in the aid community.

Governance or democracy

Promoting ‘good governance’ has received substantial attention from and interventions by development actors in the past decade, from the World Bank to bilateral donors. About 10 per cent of all ODA is currently devoted to this area,²⁴⁸ which ranges from public financial management to human rights.

During the 1990s, governance issues were increasingly identified as crucial to economic development outcomes. It was not enough to get macroeconomics, trade liberalization and privatization right if there were no clear rules of the game for investors. Attention turned to the function of the state and its capacity to enforce a predictable environment for business and investment in order to create growth and eventually reduce poverty. A functioning state was also seen as fundamental to delivering public goods, not least effective service delivery. To what extent has this focus on governance been centred on democracy?

The governance debate encompasses some key features of democracy, such as ownership, accountability, transparency and participation. Some donors essentially see governance as the same thing as supporting democracy. Some see any engagement in governance, such as on decentralization or public administration, as assistance to democracy due to the indirect positive effects that such support would have on the efficiency of the bureaucracy or diffusing power. There are variations between donors regarding whether they emphasize governance or democracy, or a mix of the two.

However, there are problems with putting governance on a par with democracy. First, most governance efforts relate to improving the efficiency of public administration, while there is little support for strengthening representation or participation. Second, there may be a tension between strengthening the delivery mechanisms of bureaucracies—and often insulating them from political change—and the nature of democracy bargaining processes.²⁴⁹

Governance is a key sector in ODA flows. Support to democratic actors and processes, however, represents a marginal percentage of aid flows, although there has been a steady increase in interest in this area.²⁵⁰ Of the USD 130 billion spent collectively on development, about 9 per cent is devoted to democracy/governance programmes.²⁵¹ These are primarily focused on strengthening state functions. About half of all aid to the governance sector represents support to public administration, financial management and decentralization. In contrast, key political and social actors receive marginal amounts.²⁵² Civil society, the media, electoral processes, legislatures and political parties together receive just 2 per cent of all ODA. The political institutions are at the bottom of the list. Legislatures and political parties only receive 1 per cent of the aid provided

under ‘government and civil society: general’, as the sector is called in the ODA statistics, which translates to a paltry 0.09 per cent of total ODA. Tourism policy and solar energy both receive more aid than the two key political institutions put together.

Political institutions may be involved in other aid allocations—the figures are based on what donors reported to be the fund’s primary purpose. There are other ways to support democracy, of course, and what is included differs. Danielle Resnick calculated the share of democracy assistance as a proportion of total aid to be about 3.8 per cent in 2009.²⁵³ In addition to the institutions mentioned above, she includes support for decentralization, anti-corruption, human rights and women’s equality. Whether decentralization supports democratizing institutions, however, depends on the circumstances in which it is provided. On a positive note, her study shows that aid for democracy programmes is on the increase.

Brian Atwood, in an unusual speech in September 2012, argued that these numbers do not reflect the importance of governance for development. When professionals are asked about the biggest obstacle to progress in development, he says, they usually reply ‘poor governance’. Atwood listed how the money is spent: 48 per cent goes to legal and judicial development and public sector administration; 17 per cent is spent on civil society participation; 14 per cent on decentralization and financial management; 7 per cent on human rights; 4 per cent on women’s equality; 2 per cent on media and 6 per cent on elections. Atwood asks rhetorically whether these percentages are more likely to relate to what is comfortable for the donor, rather than to actual need: ‘I will underscore that question by telling you that only 1 per cent of the whole is spent on legislatures and political parties; only 1 per cent is spent on anti-corruption organizations. We need to ask ourselves how this distribution supports the democratic accountability agenda’.²⁵⁴

It seems quite clear that while donors give the impression of ‘taking politics into account’ as well as supporting anti-corruption, there is a gap between theory and practice. Carlos Santiso (2001), researcher and development practitioner, observed this gap by noting that many donors recognize the importance of political dimensions in their policies, but fail to put this recognition into practice.²⁵⁵ The World Bank, for example, acknowledged the political dimension of governance by including in its definition the form of political regime, the process of exercising authority in the management of economic and social resources, and the capacity to design and implement policies. In practice, however, it is normally much more narrowly defined in terms of simple and safe administrative areas. Santiso’s observations echo Atwood’s suggestion in 2012 that aid to governance is being provided based on what is comfortable (or perhaps what is ‘possible’

within a given framework) for the donor, rather than what would respond to the realities on the ground.

There are, of course, significant differences between donors, in terms of amounts and what is considered democracy support. It is difficult to make direct comparisons between bilateral donors' assistance levels, as initiatives are defined in a variety of ways and democracy assistance can be combined with governance, human rights and civil society support. Richard Youngs noted in 2008 that while levels of political aid have increased, 'democracy' is rarely defined as a separate category.²⁵⁶ However, a rough indication is possible of who gives how much to democracy support, keeping in mind that the figures are not comparable.

Sweden tops the list of countries that provide the largest share of total aid flows to democracy support. In 2007–2010, Sweden allocated an average of 25 per cent of all its ODA to democracy.²⁵⁷ Danish funding of human rights and democratization increased from 6.5 per cent of total ODA in 2000 to 13 per cent in 2006. German funding for democracy, civil society and public administration stood at 9 per cent of total ODA. The United Kingdom allocated 7 per cent of total ODA to governance projects in 2005–2006. Dutch funding for democracy-related projects was about 4 per cent of total ODA in 2004, but the proportion more than tripled two years later (to over 12% of total ODA). France allocates less than 1 per cent of its total ODA to governance, and Italy does not have an aid category for democracy or governance assistance. The European Commission's aid to democracy support through the European Instrument for Democracy and Human Rights was less than 2 per cent of its total aid in 2007. In broader terms, the European Commission allocated about 18 per cent of its total aid to 'governance for economic and institutional reforms'.²⁵⁸

Resnick finds that total democracy aid is about USD 5 billion annually. The biggest providers are the United States, the European Union and the United Nations Development Programme. The US Agency for International Development's (USAID) democracy allocations accounted for almost half at USD 2.25 billion in 2008.²⁵⁹ The World Bank and the regional development banks are major aid providers with an 'apolitical' mandate, but they do engage in apolitical governance support. According to one estimate, the World Bank uses approximately 11 per cent of its lending to support government institutions and the rule of law.²⁶⁰ Governance issues are an essential concern for building a functioning state, and have indirect benefits for democracy in the same way as education and improved health, but they are not the same thing as democratization.

One important reason to avoid confusing good governance with democracy is the tension between efficient and democratic states. Governance efforts are often about concentrating power and insulating bureaucracies against political influence—not about supporting political policymaking and democratic bargaining processes. Strong bureaucracies are vital, of course, but they are not enough. They need to work in tandem with democratic bargaining processes.

Case studies on the impact of aid on democracy in Mali, Nicaragua, Vietnam and Peru have found that a narrow good governance agenda focused on state capability, such as a merit-based civil service and anti-corruption agencies, prevailed.²⁶¹ Holding those who govern to account received less attention, as good governance was interpreted as being more about ‘ring-fencing islands of efficiency’ and protecting states against politics and politicians by ‘insulating administrations from outside influence’.²⁶² The authors of the study highlight the contradiction that while democratization involves redistributing power according to the interests of citizens, building state capacity might require concentrating state power and increasing state autonomy.

Verena Fritz and Alina Rocha Menocal at the Overseas Development Institute warn that development practitioners might think they are helping to strengthen democracy through good governance programmes when in fact the opposite could be true. Making states more effective could mean centralizing rather than dispersing executive power.²⁶³ Thomas Carothers finds that the failure to recognize this tension can at best lead ‘aid providers to justify a grab bag of aid programmes—rationalizing that they all contribute to democratization—without really assessing whether the various non-assertive activities are producing larger political change’, while at worst donors can ‘claim that they are supporting democracy in a country when all they may be doing is helping to burnish the specious reformist credentials of entrenched strongmen’.²⁶⁴

While state capacity is essential for delivering public goods, political legitimacy and support underpinning policy choices are fundamental and cannot be overlooked. Donors that focus on only one of these dimensions risk doing harm. Aid providers have sometimes seen political movements as a hassle or a nuisance, and often believe that democratic bargaining processes or lobbying efforts are a hindrance rather than part of the solution.

In Benin, for example, donors encouraged 150 NGOs to lobby the government, while labour union protests were seen as intrusive and unhelpful.²⁶⁵ Another example is World Bank instructions to its staff to overcome all parliamentary opposition to privatization: ‘To achieve timely

passage of legislation on privatization, it is necessary that the government identify a key group of legislative supporters for individual transactions and that they be nurtured in a systematic and consistent manner'.²⁶⁶ The World Bank identified the top five constraints on privatization in Africa, the second of which was political uncertainty due to democratization. In Malawi in 2005, when opposition members of parliament refused to pass the budget due to a number of concerns about the behaviour of the country's president, the African Development Bank suggested that to avoid such stand-offs in future, more of its loans should be delivered as grants which do not require parliamentary approval.²⁶⁷

It may be easy to sympathize with the view that the government should be insulated from politics, as politicians in many countries are criticized for short-term, populist spending habits, but the assumption that democracies are more exposed to this risk than autocracies has been questioned.²⁶⁸ Democracies often try to find ways to balance policies that allow popular choice while protecting against irresponsible populism. One such regulation is to move control of monetary policy to independent central banks in order to avoid the temptation to print money and run up inflation. Democracies, like market economies, can experience failures so some regulation may be desirable. The important point is that in a democracy it is possible to discuss how to manage such failures, rather than completely barring politicians from performing their core role.

Since the political institutions of many aid recipient countries are weak and dysfunctional, it might be tempting to lean towards autocratic development models like Ethiopia and Rwanda. The 'Chinese development model', it seems, is the ultimate dream of efficiency. The state seems powerful and able to implement policy decisions, using its power in a productive manner to realize social and economic benefits. With such a model, donors do not need to worry about internal accountability institutions. They disburse funds and wait for the results. These same development practitioners, however, are frustrated about the shortcomings of domestic accountability and the lack of popular control over government in other countries. They complain about the lack of demand for services, and that citizens do not hold authorities accountable for their delivery of public goods.

Voice and accountability

A few years ago, the present author was working on a project at International IDEA to assess accountability in service delivery. João Pereira, Managing Director of the Mechanism for Civil Society Support in Mozambique, was invited to provide input on an assessment framework.

Discussing donors' approaches to accountability, he summarized the key issues in a story. A frustrated donor once asked him why locals were not more upset about corruption and aid money. Donors sometimes lament that people in aid-dependent countries do not complain more about corruption and demand that their governments stop stealing aid funds. João responded: 'You should be concerned, it's your money'. João—with a twinkle in his eye—put the ball back into the donors' court. He was perhaps a bit fed up with donors pushing their own Western blueprint, while complaining that people did not respond as donors expected them to. He may have thought that donors should realize that if they conduct projects based on what looks good on paper but has little connection with real change, they cannot expect more. His response can also be taken as a very simple message: aid money is a free resource, so why should people be upset when it is stolen? The response may appear provocative, but it is an honest take on a challenging reality.

Donors provide ample resources for initiatives that aim to get citizens to fight corruption and demand services from their governments. Such projects are labelled 'strengthening voice and accountability'. The idea is to give people the voice and power to demand services or other public goods and to hold governments accountable for their delivery. Both voice and accountability are clearly essential in a democratic society. In a functioning democracy, voice is often channelled through political parties that aggregate people's views and develop the policies with which they compete in elections. Media and social actors also play important roles in pushing issues or spreading people's concerns. Accountability between citizens and the state is established through elections, parliamentary oversight and opposition party scrutiny of the ruling party's actions.

In a project on strengthening democratic accountability in service delivery, International IDEA sought practical experiences and projects that would lead to improved political or social accountability and have a discernible impact on service delivery. Sixty suggestions were received from around the world, all of them social accountability projects. There were simply no projects identified to try to strengthen political accountability. The general weakness of political institutions was used to explain the lack of efforts to support them as accountability actors. The synthesis paper on the project found it 'striking how the literature on voice and accountability tends to neglect political aspects by excluding the role of political actors altogether'.²⁶⁹ It seems that social actors were seen as a more attractive alternative to donors than 'difficult' political actors.

A major multi-donor evaluation of voice and accountability confirms these findings.²⁷⁰ It found that most donor projects were directed to

supporting CSOs to be a voice for people living in poverty. Furthermore, most of this support was directed to professional NGOs as opposed to membership-based movements like trade unions, teachers' associations, labour organizations and religious groups. These projects had limited impact, which was explained in part by the need to engage more with political processes. Aid statistics also confirm that donor support to voice and accountability is primarily channelled to CSOs: of the 2 per cent of aid to democracy actors and institutions in 2009, half—1 per cent—was channelled to strengthening civil society.²⁷¹ Aid interventions once again focused on 'voice' by providing support to civil society.

A strong, pluralistic and dynamic civil society is a key democratic component, and ideally there would be much more and varied support to social actors. An exclusive focus, however, on social mechanisms is problematic. The core democratic function of political institutions is representation, and structuring political choice cannot be replaced by social actors.

A 2009 study found that, except for long-standing support to CSOs, donor aid to support domestic accountability has been 'limited, ad hoc and poorly coordinated'.²⁷² The study recognized several difficulties in using civil society to strengthen voice and accountability:

- (a) CSOs are not always pro-poor and can sometimes reproduce and reinforce unequal social relationships and patterns of discrimination and marginalization, for example, regarding gender;
- (b) donor support for CSOs can make them accountable to donors rather than to their members, and can exacerbate the tendency of CSOs to focus on elite and urban concerns;
- (c) donors supporting CSOs often find themselves in a power struggle with the government;
- (d) high levels of support for CSOs risks undermining other key accountability institutions such as parliament and formal political processes, leading to the emergence of unbalanced accountability systems; and
- (e) CSOs' engagement with the state is shaped by the interplay between formal and informal institutions, as well as the underlying power relations and dynamics, with implications that donors have struggled to take on board.

Both social and political mechanisms are essential to enhance the potential impact of democratic accountability on service provision.²⁷³ Mechanisms

for political accountability, such as elections, effective legislatures and an independent judiciary, as well as mechanisms for control and oversight give citizens a legal and formal way to sanction or reward the performance of their elected representatives, but political accountability is not sufficient on its own. Social mechanisms complement, enhance and advance the effectiveness of formal means. For example, social actors can demand the right to information and other legal rights, but without political institutions there is no formal way to ensure the government's response in the long term.

A combination of the direct and immediate capacity of social accountability to respond, and the long-term sustainability provided by political institutions is essential. The proliferation of presidential crises in Latin America since the 1990s illustrates the importance of a combined social and political approach. Social action was critical in challenging and overcoming institutional rigidities, but ultimately long-term solutions to political conflict emerged from the effective use of existing legal provisions.²⁷⁴

There is therefore substantive evidence that highlights the need to address both political and social accountability. While social mobilization can achieve results by voicing complaints, formal political institutions are needed to make accountability sustainable. One example of such combined efforts is the social actors that support political institutions' capacity to monitor governments by supplying information. However, supporting both political and social accountability is complex: it is not possible to simply push a button to obtain free and fair elections with a level playing field. In the governance and democracy aid community, there are discussions about the need to strengthen domestic accountability and involve a much wider range of actors and processes, such as parliaments, parties, other types of social actors, and the national and sub-national media. The most prominent example of these discussions about 'standard-setting' is the OECD-DAC Govnet, which recently presented a report on the issues related to aid accountability. Since 2008 it has looked in particular at domestic accountability, highlighting the political processes that need to work: political parties, parliaments and electoral processes together with social accountability and the role of the media.²⁷⁵

Govnet has been outspoken in its recognition that development aid processes can actually undermine accountability. The key concerns are that: (a) donors primarily engage with the executive branch of government; (b) aid modalities lack transparency, which makes it hard for parliaments, audit institutions and civil society to monitor how aid resources are used; and (c) over time, aid makes governments more accountable to donors than to their own citizens.²⁷⁶ These findings highlight the same

inconsistency that was noted in the relationship between budget support and democracy. On the one hand, there is a case for channelling money through the government budget while, on the other hand, there is a case against engaging primarily with the government.

Govnet shows that while support to domestic accountability has grown over the past decade, progress in achieving results on the ground has proved elusive.²⁷⁷ Capacities have been strengthened and information about government policy improved, but people have not been empowered and are not capable of acting on such information in many countries: 'transformational change remains the exception'.²⁷⁸ Evidence from Mali, Mozambique, Uganda and Peru demonstrates that donors have replicated accountability models from their own countries, which have included programming assumptions that have 'at times, been far removed from power and political realities on the ground'.²⁷⁹

There are positive examples. In Peru a fruitful approach has been to focus on health issues as an entry point for strengthening political parties. In Mali, local health clinic associations have formed a national federation representing their concerns in national policy dialogues with the government and donors. The deepening democracy programme in Uganda is taking a holistic approach. There have been innovations in support for policy dialogue, such as civil society forums or political party forums that bring together different actors, as well as peer ranking, using score cards or indices to compare performance.

However, widespread challenges remain. In Uganda, attempts to build accountability systems typically make 'overoptimistic and simplistic assumptions about the feasibility and utility of popular participation in the context of a weak state with a history of political oppression and poor service provision'.²⁸⁰ In Peru, donors focus on helping public agencies publish more information on their websites, but this has had little success in combating local-level realities. In Mali (pre-crisis), donors provided targeted support to specific institutions even though informal accountability actors and traditional norms were particularly strong and silently shaped power structures. Furthermore, aid was provided to establish an Anglo-Saxon/parliamentary model of a Supreme Audit Institution (SAI), which is intrinsically linked to that system of parliamentary accountability, despite the existence of a national accounts office with a legal mandate according to the judicial/Napoleonic model, where the SAI is an integral part of the judicial system operating independently of the executive and legislative branches.²⁸¹ Aid to parliament in Mali was about technical assistance to draft bills and expert analysis, but did little to engage with informal accountability systems. In Mozambique, the donor community's increasing role in sectoral working groups and budget

support to joint reviews is usurping the participation of parliamentarians and civil society. In Mozambique, as in many aid-dependent countries, government accountability to donors trumps its responsibility to its own people. Donors should recognize that budget support affects political power dynamics. Govnet recommends replacing the aid dialogue with a platform that brings accountability actors together.

Other studies confirm the view that donors have used technical models to resolve political problems. Govnet finds that donors have had great difficulty coming to terms with the overlay of politics, power relationships and incentive structures that affect the contexts in which their development assistance must function and achieve results. Govnet recommends that donors strengthen accountability using a system-wide and network-building approach, supporting various actors in a joined-up manner and the connections between them. It also suggests using sectors or issues as entry points, that is, ties to socio-economic issues rather than self-standing domains. Accountability should be about bad schools, lack of food or poor roads. Carothers and de Gramont (2011) highlight some useful examples to this end.²⁸² In the Philippines, the World Bank established a multi-sectoral Governance Advisory Team that reviewed projects. USAID in Guinea in 2006 established governance as its sole strategic objective in its work on health, agriculture and other socio-economic issues.

Yet, Govnet also finds that there is little evidence of ‘what works and what doesn’t’ in strengthening accountability and warns against looking for short-term results, as progress is ‘non-linear and erratic’. It encourages donors to be realistic about the available reform space and the time frame. Govnet’s suggestions are important, as they deal with both development and democracy assistance and do not shy away from what political and social accountability processes need to function. A substantial amount of evidence highlights the need to change donor behaviour, since efforts to support accountability have made inaccurate assumptions about the nature of democratic and institutional transitions. Their basic suggestion is to combine development aid with support to strengthen all the domestic accountability actors in a joined-up way, while also building connections among them and engaging with informal networks.

Political economy analyses

In 2000, when Sue Unsworth, a former Chief Governance Adviser at the Department for International Development in the United Kingdom, came up with ‘Drivers of Change Analyses’, part of a growing family of so-called political economy analyses, there was genuine excitement in parts of the aid community. It now seemed possible to deal with the political

issues that development practitioners had silently observed in their work on aid projects and talked about at the water cooler. A working group was set up as part of the OECD-DAC Governance Network, which compiled current practices and recommendations.²⁸³ Today, however, Sue Unsworth does not hide her disappointment.

Political economy analyses were designed to allow donors to understand how informal institutions and political processes play out in development processes, and how to engage with them. These studies have surged in popularity. Although they vary in type and form, they are a tool to help donors analyse politics, and to understand how politics influences development programmes and how to engage with informal institutions. The studies examine the underlying causes of weak public authority and corruption—such as history, informal power dynamics, sources of government funding—and the relationships between the state and various groups in society. Most donors have developed their own versions of political economy analysis. The Dutch had their ‘Strategic Governance and Corruption Analysis’. In Sweden, Sida continues to use ‘Power Analysis’ to better understand the informal political dynamics in partner countries and how they shape incentives and disincentives for development. The World Bank has ‘Poverty and Social Impact Analysis’.²⁸⁴ Conducting a political assessment of development processes would seem to be a golden opportunity to combine democracy support with support for socio-economic development. Have donors seized this opportunity to include the democracy angle in political economy analyses?

Today the aid community has a fairly standardized, positive view of political economy analyses. They have become a way of ‘dealing with politics’ in development. If politics was hardly talked about ten years ago, it is now openly discussed. In her 2008 paper, *Is Political Analysis Changing Donor Behaviour?*, Unsworth, takes a critical look at the experience. Political analysis often shows that political context and political processes are central to shaping the incentives of politicians and policymakers to support or work against change. Unsworth notes that this centrality directly challenges traditional donor assumptions that development problems are financial or technical, or that the ‘political behaviour of their “partners” can be influenced by “dialogue” and conditionality’.²⁸⁵

Unsworth finds promising examples of cases in which donors have taken the political challenges on board and where change has occurred. A DFID assessment of Nepal in 2002 raised some fundamental questions about the underlying premise for aid. The study identified the actions and behaviour of the elite-dominated government bureaucracy and aid donors as intrinsically part of the problem, and a significant change in

strategy directly addressed the causes of conflict. Political analyses have also reduced aid managers' expectations and led them to review priorities.

In Bangladesh, political economy analyses contributed to several donors and creditors changing their programmes. Sida decided to opt out of a local democracy programme as the agency's power analysis indicated that local power dynamics would block its implementation. The World Bank was encouraged by its analyses to focus more attention on corruption and institutional reform in its sector programmes.²⁸⁶ In 2003, a DFID Drivers of Change study of Nigeria resulted in a more realistic take on DFID's ability to influence local dynamics, and stimulated new ideas on how to support democratic change in the face of entrenched structural challenges in the country.²⁸⁷ One Netherlands embassy concluded that its previous country strategy had been too ambitious and recognized its limited influence. Moreover, donor work on fragile states has moved beyond superficial thinking about the links between security and development. Increased attention is now paid to basic elements of state building, such as the formation of elite pacts and the political processes involved in negotiating and sustaining a social contract. Perhaps the most important contribution of these tools is that they have improved donors' understanding of politics and the complexity of the challenges, in particular in Africa.²⁸⁸

Political economy analyses emphasize the challenges, but there are severe limits to donors' ability to address them in practice. A 2005 review by the OECD-DAC concluded that political economy analyses directly challenge the assumptions in the Paris Declaration, as they highlight patron–client structures and question the assumption that aid will be more effective with greater government ownership.²⁸⁹ The tools have been moved to the technocratic work of aid agencies, and have not had much impact in terms of changing the way aid is organized and disbursed in response to the political situation.

This has been confirmed by many other reviews. The Dutch concluded in 2010 that their political analysis tool was not of practical use and should not be repeated.²⁹⁰ A 2011 World Bank review saw the operational benefits of political economy analysis as limited, but urged better instead of less analysis.²⁹¹ Political economy analyses obscure as much as facilitate a more political approach to economic growth, according to a United Nations University-WIDER study: 'Often it seems to mean no more than an attempt to recognize that the linkage of politics and power cannot be separated from economic policy or asset distribution'.²⁹² The authors argue that the real challenge in understanding the political and economic spheres in development is not being addressed by development agencies. They find that political analysis explains 'past history and current trajectories', but gives little (if any) guidance on how to create the common interest between

elites and the population needed to replicate development successes. The study finds a disconnect between acknowledging the primacy of domestic politics and actually engaging with it.²⁹³ Knowing what to do with these findings and how to do it is easier said than done.

No wonder Sue Unsworth is disappointed. Despite some positive examples, she finds that the insights provided by political economy approaches seem to be having little or no impact at the corporate level of donor agencies. The analyses are still ‘optional add-ons’ as opposed to starting points for the whole aid endeavour.²⁹⁴ She finds many other interests are at stake, as in Afghanistan, and that the temptation to revert to technocratic approaches seems overwhelming. She finds a striking illustration of how superficial the impact of political analysis has been in a 2006 British government White Paper, which opens with the bold claim that ‘politics determines how resources are used and policies are made’, but then advances a technocratic agenda for growth and service delivery with barely a mention of politics.²⁹⁵

There have been several attempts to work in more depth and to find ways to operationalize political economy analysis. DFID, for example, has moved more into using sector levels as entry points, bringing the analysis closer to operations. Sida is moving in the same direction, as witnessed by its new guide on how to do power analyses. The World Bank has problem-driven political economy analysis, which has highlighted the informal political constraints on implementing the desired reform agenda.²⁹⁶ Another way of ‘dealing with politics’ more directly was suggested by the World Bank’s Communication for Governance and Accountability Programme, which ended in 2011.²⁹⁷ The programme advocated the use of political communication approaches in the sector-level work of specific projects in order to proactively expand the reform space. Aid managers and governments in donor countries were advised to persuade the public of the merits of aid reforms. Aid managers needed to understand political attitudes and how behaviours change public opinion.

It seemed a bold, exciting and at the same time slightly bizarre programme. It offered some great advice: ‘measure public opinion and take results seriously’ and ‘connect with public sentiment and acknowledge criticism’. Some of the advice sounded like it came out of a public relations guide for political parties: ‘If you don’t act proactively to engage the stakeholders you need, opponents have a good chance of turning them away from you’, for example, or ‘a clear, unifying message that has been pre-tested with stakeholders is crucial’, or ‘the idea is not to do a “selling job” but to treat citizens as adults’ because ‘you win more trust and credibility that way’.²⁹⁸

Possibly, these suggestions are misunderstood, but it seems that the idea was to fund programmes to teach aid managers and governments how to sell

reforms to the public. It is difficult to find a more politically interventionist approach, not to mention undermining of the role of political parties. It gives the impression that while helping political representatives to strengthen their own voices and capabilities is considered too sensitive and interventionist, the World Bank's 'apolitical mandate' does not prevent it from persuading the public in recipient countries to agree with the reforms it believes should be carried through.

How has political economy analysis fared at supporting democratic processes? In some cases political economy analysis has led donors to reconsider their technical approach and look more into building political institutions over the long term, making governance a central feature of development. Implicitly, at least in some cases, the tools have pushed donors into democracy building, even though democracy support is not directly addressed in the political economy analyses.

The neglect of democracy as a goal on its own merits seems to be a rule rather than an exception. An International IDEA project in the Andean region examined the possibility of designing a political economy approach to aid projects. It looked into creating a tool that focused not only on development but would also help make progress on democracy building. The project reviewed existing tools, and found that democracy as a goal per se had not been a key concern. This finding was confirmed in a 2010 review of five approaches to political economy analysis. Only one method—Sida's power analysis—makes a specific link between human rights, democracy and poverty reduction.²⁹⁹ Nor has the building of long-term democratic politics been an explicit concern in the studies of political economy analysis referred to above.

It is remarkable that such purely political studies are not designed to provide advice on how to build a functioning political system in parallel with development.

As donors get into the politics of development, where is their compass? What is alright or not alright in terms of 'fixing' political obstacles? Since most bilateral donors make claims about promoting democracy, it is puzzling that democracy support is not an explicit concern in efforts to analyse the politics of development programmes. Such a perspective could help donors influence politics in a transparent and neutral manner—focusing on the democratic process, not deciding on its content.

It is striking that while supporting political parties that make their own development choices is seen as 'too interventionist', helping champions of reform push through change is not. It is also surprising that the development community can be explicit in its efforts to 'get a project through' in a developing country. They analyse how to overcome the political obstacles

and find champions of reform while maintaining the jargon of partnership and ownership. The new donor interest in elite bargains is an interesting example.

Political settlement and elite bargains

In the aid community's quest to deal with the politics of development, political settlement and elite bargains are gaining traction as an increasingly attractive approach. The idea is that donors should do more to change the political situation in a recipient country. This is a bold and difficult process, but where does it leave democracy?

The term political settlement usually refers to the arrangements that follow after a war or internal conflict. It is a deal between powerful elites about how to share power, divide up resources or resolve the question of who governs the country. Examples of political settlements include: the peace agreement in the Democratic Republic of the Congo in 2003, in which the warring factions agreed to stop fighting and organized the division of power; the power-sharing agreement after the post-election violence in Kenya in 2008, which forced the parties to govern the country together while designing a new constitution;³⁰⁰ and the 2005 separation of Sudan in a political agreement that designed a process for separation and divided the oil resources between north and south.

Most states are built on some kind of 'elite bargain', which involves the allocation of rents, the ownership of land, extracting natural resources and protecting privileges.³⁰¹ Powerful elites agree how to divide the available resources among themselves or to respect each others' property, instead of fighting or undermining each other. Such agreements can also be a bargain to collectively act to increase the state's resources through productive investment or to invest in rural areas to improve the standard of living for people who are poor.

A lack of a political settlement can often explain state collapse, renewed conflict and the lack of development results. Development practitioners therefore understand that political settlements have a concrete impact on the prospects for economic growth and poverty reduction. This is not least a useful response to the many political economy analyses that accuse elites of undermining development projects.

One study finds, however, that in engaging in elite bargaining, development assistance has reinforced unhealthy political settlements by strengthening the powers that be. Thomas Parks and William Cole of the Asia Foundation show that donor assistance has a significant impact on these political settlements, sometimes reinforcing agreements that are exclusionary and

not conducive to development.³⁰² In fragile states, political settlements are directly sustained by international aid resources. Parks and Cole argue that power, and the interests of key economic and security actors, should be placed at the centre of the development process: ‘Despite a near universal commitment to support the interests of the poor and marginalized, we contend that development assistance too often unintentionally strengthens the status quo political settlement’.³⁰³ They suggest that the aid community should focus on supporting alliances between and among like-minded elites (and non-elites), and help realign the interests of powerful actors to increase support for development, stability and reform in powerful circles. From this perspective, according to Parks and Cole, informal power is not a problem to be overcome but part of the solution.

How are political settlements achieved? Parks and Cole list the basic methods.³⁰⁴ Powerful elites can create coalitions through coercion—they simply need enough military power to defeat any opposition. This, however, is usually a highly unstable solution, as force usually fuels rather than defeats the opposition. In a co-optation scenario, powerful elites are invited to join a coalition government, for example, the 2003 settlement in the DRC, which has been highly unstable. Another method is to confer legitimacy on a ruling coalition, for example, through an electoral mandate. Legitimacy can be based on the capacity to deliver services and economic opportunities, as in China and many other countries in Asia. Legitimacy can also derive from tradition or the ability to maintain peace.

The political settlement approach can encourage elite bargains that reduce predation, maximize economic growth and help a wider segment of the population. It also involves analysing institutions from a more historical perspective—as results of conflicts, social structures and negotiations—rather than as Western blueprints.

One key challenge is that elite interests are often not aligned, and powerful coalitions cannot cooperate. It is a ‘collective action problem’ to use the words of the well-known aid analyst, David Booth, of the African Power and Politics Programme at the Overseas Development Institute.³⁰⁵ This five-year research programme came to the conclusion in 2012 that development is best pursued in circumstances in which the elite agrees to use public resources for the common good. This approach is termed ‘developmental patrimonialism’, and numbers Ethiopia and Rwanda as key examples. The programme suggests that the aid community should relax its governance focus and instead support such elite pacts in the name of development.

Booth argues that democratic politics, at least as it is currently practiced with ‘highly competitive clientelism’, is a hindrance to reaching such pacts. He recognizes that opinion surveys show that Africans like to vote, that

they appreciate their political freedoms and want to keep their democratic constitutions. Given Africans' appreciation for democracy, Booth calls for ways to build elite bargains within democratic constitutions—such as power-sharing agreements and the ring-fencing of policy fields—as possible solutions, isolating projects from political decisions as is often done for monetary policy.

Booth's call to find ways to strengthen state-led development while respecting Africans' wish for democracy is important. What is missing, however, is a recognition that it is exactly because democracy functions badly that it needs conscious efforts to strengthen it—rather than avoidance. What is also puzzling is that asking donors to support 'developmental patrimonialism' seems to be asking them to do what they are already doing. Ethiopia is the second biggest aid recipient in the world, and Rwanda is frequently showcased as a success.

The political settlement or elite bargain approach recognizes that donor policies and actions do affect how power is being played out and by whom. Advocates of this approach believe donors should take responsibility and influence the process in a productive direction, rather than just reinforce dysfunctional systems. The promising part here is that there is discussion in the development community about politics in poor countries for the first time, and an effort to start addressing the structural challenges. Although this type of approach is extremely challenging for any donor and the aid system as such, starting to look at political processes and the role of the international community in dealing with them is an important step. It is key for the whole circle of peace–democracy–development—which are all dependent on and based on the same political dynamics.

Another important aspect is that the political settlement approach builds on a deep understanding of the historical development of countries' power dynamics. It abandons assumptions about how states should ideally work and looks beneath the surface at the political landscape in a realistic, 'matter-of-fact' manner. From a democracy angle, however, there are strong concerns. Like other development tools, the political settlement approach ignores democracy as a goal on its own merits. Moreover, there is a temptation to reinforce small deals among elites, and pose this agenda in opposition to democratic policy goals. There is also a risk that the approach will employ an anti-democratic lens and legitimize autocratic rule.

Omano Edigheji is critical of the state development and elite bargain strand because it is not concerned about democracy. He explains that 'this is because some scholars regarded the repressive nature of the state as one of the factors that enhanced its developmental capacity'.³⁰⁶ Edigheji argues that insulation is a danger as the capacity to implement policies in the long term requires relations with wider civil society. The question of a

democratic developmental state, he argues, is not sufficiently on the agenda in Africa, and it has received little attention in the scholarly debate.

An illustration of the risk of ignoring democracy goals is provided by a conflict assessment of Mozambique in 2006.³⁰⁷ The assessment found that clientelism and patronage were on the rise, and that the checks and balances in the political system were weakening as demands for patronage increased. The justice system had been politicized. The political opposition was ineffective, partly due to its own failures and partly because it had been deliberately and systematically undermined by the ruling party. Civil society had not managed to be a restraining influence and was being drawn into the same circuit of patronage: ‘Despite the appearance of a multi-party state, in practice Mozambique is controlled by an oligarchy within the ruling party which purchases support through patronage, much of which derives from aid’. Aid was found to be a major element in the patronage system, not necessarily meaning that it was ineffective, but that it had ‘profound political impacts’.

The assessment argued that when democracy is eroded, the pressure for patronage within the elite can take precedence over development. The study found that democracy currently provides the best incentive for development and stated that maintaining the flow of aid uncritically would compound the underlying governance problems: ‘an argument increasingly heard, even among donors, is that authoritarianism might be the answer [...] but there is a tendency for absolute power to lead to absolute corruption’.³⁰⁸ It finds that if corruption in the form of clientelism is already endemic and there is no clear ideological commitment to the development of the poorest, authoritarianism is a very risky proposition. The authors argue that donors should vigorously oppose authoritarianism in the interests of people who are poor.

The elite bargain line of argument has serious flaws. Even if you are willing to accept repression in the name of development—such as in Ethiopia and Rwanda—the international community is taking a huge risk. Putting a lid on opposition forces and increasing internal resentment through repression does not create a long-term stable environment. Some countries have managed to move peacefully from autocracy to democracy, such as post-Pinochet Chile, but many more countries have the opposite experience, from the Balkans in the 1990s to the fall of Mobutu in Zaire in 1996, which resulted in the havoc that is still ravishing the DRC.

Even if you do find a ‘good’ autocrat, s/he usually does not stay that way. Donor enthusiasm for Zimbabwe and Uganda has long faded after their one-party systems or leaders became entrenched in abuses of power and corruption, and developed into a liability to their countries. This ‘donor darling syndrome’ is a common problem. Mozambique is another

example. It made all the ‘right’ moves after its civil war and received more and more support from donors, reinforcing the political status quo, but when political challenges surfaced, donors became increasingly critical and disappointed. Malawi has been another rollercoaster story.

Many African countries face major challenges in state- and nation-building. States were formed by colonialists drawing borders that had little historical, social or cultural relevance to the people living inside them. The violence many countries in Africa have experienced since independence reflects this challenge. Some countries have managed relatively well, while others have been caught in spirals of violence, exploitation and abuse of power.

Insulating weak states against accountability, however, is not the answer. Once power-holders control the state apparatus, they have little incentive to let go of it. The result is clinging on to power through corruption and coercion, and power-holders that become a liability to their country. When they are removed, often through a coup or a civil war, little progress is made with establishing political order. A state cannot be built as a technical exercise or be neutral from its people’s different wills, interests and power. Cooperation around a set of rules on how to organize power, respect for these rules, and the inclusion of key actors in that society are fundamental. It is a deeply democratic concern. Building state capability and democratic political structures must go hand in hand. As a minimum, aid should not undermine democratic political institutions and processes.

Ken Wollack and Scott Hubli at the National Democratic Institute provide an apt summary of the key issues:

*“Sustaining socioeconomic development over the long term requires a political system whose incentive structures make it more likely that responsive, reform-minded, accountable politicians will become ministers in the first place. It requires governments that have popular support and legitimacy to sustain development policies over the long term. It also requires mechanisms for orderly alternation of power in order to reduce the incentives for corruption that inevitably affect governments with no fear of losing office. It requires strengthened policy-development and evaluation capacity within political parties and intermediary political institutions in order to help raise the level of political discourse. It requires effective legislatures – with significant roles of opposition voices and the means to build broader consensus on development policy – in order to avoid policy reversals if governments turn over. It requires greater voice and power for citizens, including women, young people and historically marginalized communities, in order to complement increased economic empowerment with increased political participation”.*³⁰⁹

Chapter 5

Moving forward

Moving forward

There is a raging democracy deficit across the world. Across all continents, cultures and religions, by gender, age, education or income level, 80 per cent of men and women worldwide believe that democracy is the best available form of governance. Only 30 per cent, however, are satisfied with the democracy that they are experiencing, and 85.5 per cent of the world's population lives in countries where media freedom is obstructed. Many countries hold elections, but these are often manipulated or abused. State institutions are used to curb the political opposition, and political loyalty is bought. In Africa, few incumbent presidents have been ousted through the ballot box. Since 2000, only 14 of 51 states in sub-Saharan Africa have seen power transferred between political parties.³¹⁰ 'Big men' continue to rule through overpowered presidencies. Democratic transitions that were promising 20 years ago have in many cases regressed. Citizens are deprived of civil and political rights, including freedom of speech.

Aid fails to address the democratic deficit

During the past 60 years of development assistance, democracy has been dealt with half-heartedly at best. Among important objectives such as reducing poverty and promoting peace, democracy still comes last in line. Many donors adopted key policy goals to support democracy—or pro-democracy goals—after the wave of democratization that took place in the early 1990s. Supporting key processes and institutions—elections, parliamentary strengthening, civil society—became a new, niche area of aid, amounting to about 2 per cent of all development assistance. The much larger aid flows delivered to reduce poverty, however, also affect democratic processes—sometimes in a profoundly negative way. These impacts have not been sufficiently understood or addressed by the aid community.

In spite of all the discussions about politics and corruption in development aid, donor agencies have still not made the link with democratic institutions and processes. It is true that donors have increasingly focused on 'governance' in aid, channelling a substantive 10 per cent of total aid flows to this area, but this focus has primarily been a means to achieve development goals, not to promote democracy per se. As a consequence, governance support has often been about insulating state bureaucracies

rather than promoting representation and political choice. Supporting governance, therefore, does not necessarily mean supporting democracy. On the contrary, the conventional approach to 'good governance' may even undermine democracy.

Many aid-recipient countries are ruled by either authoritarian or hybrid regimes. Among the ten countries that received most aid in 2010, all but one were either authoritarian or hybrid regimes. Channelling money in such an environment requires analysis and consideration of the effects on the political landscape. Sending large-scale aid resources to such countries risks sustaining a dysfunctional system and reinforcing repressive behaviour, but the connections between development aid resources and the space for democracy are seldom explicitly analysed.

This lack of concern for democracy in aid resources becomes clear when looking back at the aid modalities that have been in focus for the past ten years. Despite the rhetoric of political economy analysis, donors keep focusing on the executive branch of government, largely avoiding parliaments and political parties. They talk warmly of partnerships with governments that obstruct political representation, impede free speech, manipulate elections and compromise the rule of law. Despite the rhetoric of accountability, aid money is effectively helping to sustain the hold on power of already overpowered executive heads of government. Despite the rhetoric of country ownership, donors continue to prescribe policy priorities in budget reviews and effectively to move policy formulation from domestic political processes to development aid negotiations. National politicians become almost redundant in the process. Donors contribute further to undermining representative politics by giving civil society more space and voice than political society in discussions on development strategies.

If donors eventually speak up for democracy and cleaner politics, it is often because things have got so badly wrong that they have to react. Often dubbed 'political crises', these are situations which could have been foreseen and addressed in the choice of aid modalities. Instead, aid may have contributed to rather than prevented the problems.

Thus, not only has democracy not been a key goal on the aid agenda, but the way in which aid is organized has had challenging consequences for democracy. The development community acknowledges many of these concerns. The Accra Agenda for Action recognized the need for inclusive ownership and the importance of involving actors such as parliaments, local government and civil society in development. In Busan, the private sector was added as a stakeholder and the term 'democratic ownership' was used. These are positive steps at the level of international policy deliberations, but they have not yet been translated into the national politics of partner countries.

Continual soul-searching in development aid

The international aid landscape is constantly changing. The ink was hardly dry on the Paris Declaration on Aid Effectiveness in 2005 before the aid community began taking new turns. There is a wariness among donors of budget support as an aid modality, and a disappointment with the lack of quick results.

Meanwhile, traditional donor countries suffer economic hardship and uncertainty over their role in the new world order. The eurozone crisis has weakened confidence and led to economic austerity in Europe. The United States is struggling with huge deficits and recovery from the financial crisis. Despite these crises, donor countries are still committed to dealing with global challenges.³¹¹ The global aid budget is still about USD 130 billion each year.

What should donors do with this substantial budget in this new world? Within many donor countries there is disappointment with the lack of success in reducing poverty. This has led to ongoing debate and much soul-searching. Countries such as the United Kingdom, Ireland, the Netherlands, Sweden and Denmark have had deep discussions about the role of aid and delivery methods in recent years.

Among analysts such as Jeffrey Sachs, William Easterly and George Ayittey, there is a fierce debate about whether aid is effective at alleviating poverty. What is notable about this debate, however, is that when it comes to what type of aid is being recommended, the positions do not seem that far apart. It is also notable that these analysts are quite distant from the debates among donor countries.

Sachs highlights concrete, aid-supported innovations such as the green revolution and reductions in the burden of disease as successful projects.³¹² He lists success stories such as smallpox eradication, better family planning and treatments for AIDS, tuberculosis and Malaria. He finds that aid is effective when it is based on powerful, low-cost technologies that are easy to deliver (such as vaccinations), applied on a large scale and reliably funded. Projects should also have specific inputs and goals to be able to measure success.

Charles Kenny argues that aid should be provided to small, local communities and specific projects, rather than national governments.³¹³ William Easterly observes that aid has been able to raise levels of health and education, but argues that it has not reduced poverty or led to economic growth.³¹⁴ He primarily criticizes big, bureaucratic aid forms directed through national governments, and calls for aid to support 'searchers' instead.

Not far apart, Ayittey finds that that: ‘Naive EU officials think handing aid money to governments in Africa necessarily helps the people – a model they did not follow when dealing with the former Soviet Union. There the West did not hand over money to communist regimes, nor simply cajole them to reform’.³¹⁵ Assistance was given to groups such as Solidarity in Poland and Radio Free Europe, both of which accelerated the demise of the former Soviet Union.

The bottom-up approaches that some academics advocate reflect another major change in development financing. The level of private donations to developing countries today is almost as large as official development aid flows. It is estimated that USD 56–75 billion is donated privately to international development each year. This figure has been growing at double-digit rates. International NGOs today raise 70 per cent of their budget from private resources. Twenty years ago they were receiving this level of resources from official aid. Private companies are becoming increasingly involved in international development through corporate social responsibility programmes.³¹⁶

New development resources are changing the aid landscape. Innovations in Internet- and mobile telephone-based payment systems make it possible to reach people directly. Small, individual contributions through sites such as kiva.org, givedirectly.org and globalgiving.org avoid large administrative costs and provide direct support to people. The MasterCard Mobile Money Partnership aims to provide financial services to 2.5 billion underserved people. As is noted in a new report by the Overseas Development Institute, the benefits of such programmes in terms of low overheads, bypassing corrupt governments and immediate impact could bring into question the state’s role in delivering aid.³¹⁷

While aid changes from below, a major debate about the future direction of international aid is taking place at the global level, as United Nations member states debate how to shape the post-2015 Millennium Development Goals. To restate Shalil Shetty’s message: the Millennium Development Goals are not a sausage factory, but require complex systemic change. There is a discussion about including political goals as part of the future agenda. Among 12 suggested goals in the report by the UN Panel on the Post-2015 Development Agenda, one states that people everywhere should be able to participate in decision-making and holding officials accountable.³¹⁸ The report shies away from using the term democracy, however, and UN member states are decidedly cautious about the issue.

This is the time for democracy

While the global development agenda is up for debate, several major trends make a strong case that this is the time for democracy.

The single most important global trend today is the empowerment of the individual. As more citizens in more countries join the middle class, they become more demanding of their governments. Overwhelmingly, they want democracy but, more than that, they want democracy that is meaningful and that delivers. Making the link between democracy and development in the global aid agenda is an obvious response to this reality. This is confirmed by an ongoing online survey of more than 700,000 citizens' views on the post-2015 development agenda. Honest and responsive government made the top five list after education and health.³¹⁹

Second, the shift in global power to the East and parts of the South, and the increasing influence of fast-growing developing countries are changing ideas around development aid. Their success stories were not the results of aid. Trade, foreign direct investment and remittances from abroad have been far more important for economic and social development than donor aid, leading to an increased emphasis on growth and investment in infrastructure. Trade and investment between emerging economies are also increasing.

Third, this globalized, more open economy places higher demands on home-grown politics and policymaking. For a country to take advantage of trade and investment—and to avoid huge illicit flows of money out of the country—the quality of domestic political institutions and processes matters greatly. Inclusive, democratic politics make for inclusive, dynamic economies which bring benefits to the entire population and not only to powerful elites.

Some highlight China's economic success thus far as a sign that authoritarian rule is better suited than democracy to delivering on development, if development is defined in a narrow sense. As much as China has impressed with its economic achievements, however, other successes have often been overlooked. India, Brazil, Indonesia and Botswana are countries with positive development records and a commitment to democratic politics. They represent counter-arguments to the fascination with authoritarian developmentalism.

Interestingly, in many ways both authoritarian countries and democracies share the same challenge: increasingly empowered citizens who have higher expectations of their politicians to deliver political freedom, and economic and social gains. Citizen unrest is seen from China to Chile, from Bahrain to Brazil, and from Venezuela to South Africa. There are profound differences in the sources of unrest, as well as in government

responses to them, but citizen empowerment is a trend that crosses political systems and—to put it mildly—there is much to suggest that inclusive democratic politics can be more resilient and sustainable in meeting the growing demands of citizens. That is why democratic political processes—and the actors who drive those processes—should be at the heart of the global development agenda.

Ways forward

In the coming years, the ambiguity and lack of real agreement in the Busan partnership is likely to provide room for new initiatives. Clusters of countries are already gathering around key issues, such as the International Aid Transparency Initiative. Important donors are pursuing a progressive change in policy. The EU adopted a new Strategic Framework and Action Plan for Democracy and Human Rights in 2012.³²⁰ In adopting a new agenda for change in 2011, Development Commissioner Andris Piebalgs promised to put a far greater focus on democracy, human rights and governance in EU aid programmes.³²¹ In the 2010 Presidential Policy Directive on Global Development, the United States included democratic governance as one of the central elements of obtaining sustainable development outcomes.³²² USAID Administrator, Dr. Rajiv Shah, has highlighted the connection between democracy and development, and the aid agency is exploring ways to integrate democracy into socio-economic areas such as health care, agriculture and education.³²³ Denmark embarked on a promising new aid policy in 2012 with its strategy, *The Right to a Better Life*, which departs from a human rights-based approach and includes key democracy issues.³²⁴ Sweden drew up a new strategy for democracy and human rights in development cooperation, *Change for Freedom*, in 2010, reconfirming that democracy is an essential element of reducing poverty.³²⁵ Finland's 2012 development policy programme has a strong emphasis on democracy and human rights.³²⁶ A recent Norwegian White Paper places democracy at the heart of development policy³²⁷ and the new Norwegian Government has made democratization the first of three objectives of its development policy.³²⁸ Within the OECD-DAC, the governance network is calling for processes of political representation and accountability to be taken seriously in the aid agenda. These are all efforts to build on.

The IMF and the World Bank are not mandated by their shareholders to work politically. At the same time, the actions of these institutions have a significant impact on pro-democracy actors and democratic processes. Major donor countries are the major shareholders in these institutions. They could initiate an in-depth discussion about the political impacts these institutions have, which in and by themselves are incompatible with

an apolitical mandate. This is a grey zone that needs to be dealt with.

It is not easy to make democracy a key issue in the development aid agenda and there are some true dilemmas, but in the new world and aid order there will be opportunities to put both poverty and power at the centre of aid efforts. At a time when development financing is perhaps neither the biggest obstacle to improving human welfare, nor an utterly scarce resource, there is a need to bring to greater prominence the equal exercise of power.

A conscious shift is needed to make democracy a key concern in aid. To achieve this, two fundamental efforts are required. First, to scale up international engagement in support of democracy. Democracy should be one of three key pillars in improving human welfare, together with development and conflict resolution. Second, development efforts should be scrutinized from a democracy angle. Paths should be identified by which democracy and development reinforce each other, and the paths by which development aid undermines democracy must be reformed. How to go about this should be analysed and debated.

When discussing the challenges of aid in relation to democracy with various actors in Africa, there is often a wish to put people on top, build citizenship, and spread knowledge and information—to support the grassroots, give small pots of money to small organizations, engage with local, bottom-up approaches, and open up aid processes to a wider range of political actors and—not least—the public. Honouring these views and all the people engaged in promoting democracy in Africa, a few specific thoughts are set out below.

From reinforcing autocrats to spreading knowledge

If aid resources can do only one thing to promote the equal sharing of power, it should be to spread knowledge and information. These are powerful tools that can change mindsets, raise awareness, and inspire political and social movements. More support could be provided to professional journalism, think tanks and research bodies, and to building cross-border networks between political actors and social movements. There are vast new opportunities for using new technologies and social media to provide information and knowledge within and between nations.

From single power to collective action

The aid agenda could engage more vigorously at the local level, in particular in supporting social movements and grassroots organizations. There could be increased support to organized interest groups, such as women's

movements, parents' associations or farmers' groups. Helping people to organize and promote their own interests is an important element of engagement. There is a risk that aid drowns initially good initiatives if they become infused with too much money. It could be better to provide a lot of small pots of money to a large number of small organizations. This would be a massive administrative challenge for the major donors, but it is probably a necessary shift

From closed doors to open dialogue

Donors could explore ways to communicate with the general public about aid programmes. They could support domestic channels and increase the availability of information on development projects. There are important initiatives to increase transparency in the use of aid resources, such as the International Aid Transparency Initiative. Engaging the public will require not only more and better information, but also support for people to use it.

The aid community could also reduce the importance it attaches to the closed-door political dialogue between an aid-recipient government and uneasy ambassadors. Other ways could be explored to open up communication on aid programmes with a wider group of political actors. Political coordination councils could be a way to structure a dialogue between donors and political parties. Such a council could be used to inform political actors of development programmes and plans, involve politicians more in aid deliberations and open up a discussion with the opposition. The council could be used to discuss aid modalities and efforts around them to support the reform and consolidation of democracy. Speaking to political parties in government and opposition would provide a wider perspective on transferring resources to the country, and doing so in such a way that supports a level playing field among political actors. A political coordination council could discuss criteria for democracy and how to deal with the challenges that arise.

From prescribing policy to prescribing policymaking

In state-to-state programmes, donors could relax their specific policy prescriptions and focus instead on facilitating a fair democratic process. It seems more intrusive to prescribe the types of policies a country should pursue than to insist that the policy choices they make reflect the will of the people. In accordance with the mandates of the different institutions, aid processes could be opened up to wider political involvement in policy development.

Donors could do more to inform major political parties about aid programmes and to find ways to open up space for the opposition in aid deliberations. Aid providers could promote parliamentary debates on large-scale aid programmes rather than hold general consultations, and assist political parties with research capacity ahead of such debates. This could include working with the media to analyse aid programmes and inform the general public. Aid programmes could also be better aligned with political cycles in development processes. The point at which aid agreements are signed can make a significant difference to the two policy cycles.

From silent consent to raising the cost of abuse

International watchdog organizations are hopelessly unfashionable within the aid community. Although it is true that organizations such as Human Rights Watch are widely supported and generally acclaimed, their way of working does not fit well with the government-to-government partnership approach. These types of watchdogs are, however, essential in an increasingly globalized world.

International organizations such as Transparency International, International Crisis Group, Amnesty International, Avaaz and Human Rights Watch exist within the spheres of peace and security, human rights and anti-corruption. These organizations play essential roles in exposing malpractice and building campaigns in the areas in which they are active. In a world in which only 14 per cent of citizens have access to a free media, international actors can fill the gap to support local actors in investigating and exposing key concerns. They publish credible reports and promote movements for change. Several support local actors and protect them through international exposure. Such organizations can establish a connection between the national and the international levels, which enables them to nudge both local and international governments towards 'better behaviour'. They have the potential to address concerns within countries, but also at the level of global governance. There is, however, currently no such organization in the area of democracy promotion.

A new international NGO would be useful with an explicit mandate to promote democracy by investigating and exposing abuse at the local and international levels. Such an organization would be needed specifically in the area of electoral processes. In 2007, the author of this book looked into the possibility of establishing such an organization with a colleague, which was informally called 'Vote Watch'.³²⁹ It was therefore encouraging when in 2012 the Global Commission for Elections, Security and Development suggested the establishment of an 'Elections Integrity International'.³³⁰ Such an organization would be more relevant today than ever.

From state aid to people aid

Rather than waiting for economic growth to ‘trickle down’ or hoping for services to be delivered, people living in poverty should be given direct support. There is evidence to suggest that transferring money directly to people who are poor provides concrete results in terms of poverty reduction. In Brazil, 74 million people benefit from cash transfers. South Africa’s ‘social pension’ reaches 85 per cent of the elderly, and child nutrition has improved significantly in Mexico as a result of the USD 40 that families with low income receive each month. Most people living in poverty use the cash wisely, by sending children to school, starting a business or plugging gaps in the family’s food supply or health care.³³¹ Other social security programmes or financial services targeted at the people living in poverty have similar effects. Could such programmes both support poverty reduction and empower people? If they increase the use of social services and strengthen people’s demand for useful representation, recipients might become less tempted to take handouts from politicians in exchange for political loyalty. These possible connections should be explored further.³³²

From half to all of the population

Democratic development processes mean not excluding half the population. This is obvious, but a reminder is necessary. At the policy level, donors promote strengthening the role of women in development, but when it comes to political processes in practice this is not always achieved. Real empowerment of women means strengthening women’s movements and women’s positions in political parties, power arrangements, peace settlements and development aid processes.

From local to global incentives

Another way to change domestic political incentives is to work from the global level. This book has not reviewed the impact on political incentives in poor countries of the international private sector, criminal networks or other cross-border issues. Supporting global efforts to reduce corruption in payments by transnational companies for natural resources—such as the Kimberley process and the Extractive Industries Transparency Initiative—could be an important contribution to altering elite incentives. These issues and concerns are likely to grow in importance in the future.

The case for democracy

Key donors such as the United States and the European Union have clear goals on promoting democracy. These goals have not trickled down to changes in practice within the aid community. There are many reasons for this. Other foreign policy goals are prioritized, such as harmonious diplomatic relations, trade or security concerns. There are disbursement pressures and practical issues in the way aid is organized. There is also a more ideological or theoretical reason. Among many aid managers and technocrats, there is a view that development comes first and that democracy will hopefully come later. The success stories in Asia, and of China in particular, have reinforced this view, even to the extent of seeing democracy as an obstacle that must be overcome by insulating the state from public concerns. The chaos of political institutions is a reason some call for more authoritarianism or elite bargains, but there is a tendency for absolute power to lead to absolute corruption—and absolute repression. Even if it is possible to find a ‘good autocrat’, he or she usually does not stay that way for long. Democracy is a fundamental requirement for replacing leaders peacefully when needed. This should not be forgotten.

Moreover, despite some authoritarian successes, there is substantive empirical evidence that democracy delivers on development, even in poor countries. Among the top 50 countries that achieved the highest levels of human development in 2011, only four are either authoritarian or hybrid regimes. The rest are democracies. Statistics show that low-income democracies grow just as rapidly as low-income autocracies. People in poor democracies live nine years longer than people in poor autocracies, have a 40 per cent greater chance of attending secondary school and benefit from agricultural yields that are 25 per cent higher. Poor democracies suffer 20 per cent fewer infant deaths than poor autocracies. Democracies fare better at avoiding political conflict and dealing with natural disasters.

There are even more reasons why the development agenda should not ignore democracy. Over the past decade, the role of politics has come increasingly to the fore in explaining development failures. In Africa, success in terms of economic growth has not trickled down to reduce poverty. There is little doubt that the vast majority of men, women, boys and girls in Africa do not get their share of the continent’s huge wealth, which remains in the hands of a few elites. Africa has 60 per cent of the world’s uncultivated arable land. It produces less agricultural output per person today than it did in 1960. Farmers lack access to capital for fertilizer and irrigation. They lack the roads and storage needed to get harvests to market. These are public goods that their governments should be facilitating. The economic resources exist and the solutions are not rocket science.

The binding constraint on development is not primarily money or knowledge. It is politics. Citizens across the world know this, and therefore call for democratic and accountable politics. Development experts too are finding that dysfunctional political institutions and processes are hindering development. Donor agencies are realizing the same, which explains their interest in political economy analysis. They are not, however, making the move from analysis to explicit, proactive engagement to improve the quality of political institutions and processes. The temptation of the technical, as Thomas Carothers puts it, prevails.³³³ Until this changes, too many aid programmes will continue to undermine democratic institutions and processes.

Acronyms

AU	African Union
BRIC	Brazil, Russia, India, China
CSO	Civil Society Organization
DAC	Development Assistance Committee (OECD)
DFID	Department for International Development (United Kingdom)
DRC	Democratic Republic of the Congo
ECOWAS	Economic Community of West African States
EU	European Union
GDP	Gross Domestic Product
IDA	International Development Association
IMF	International Monetary Fund
IFI	International Financial Institutions
LRA	Lord's Resistance Army
NRM	National Resistance Movement
NGO	Non-Governmental Organization
MDG	Millennium Development Goal
ODA	Official Development Assistance
ODI	Overseas Development Institute (United Kingdom)
OECD	Organization for Economic Co-operation and Development
PRSP	Poverty Reduction Strategy Papers
SAP	Structural Adjustment Programmes
SOAS	School of Oriental and African Studies (University of London)
SPLA	Sudan People's Liberation Army

Acronyms

SAI	Supreme Audit Institution
UN	United Nations
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
UNU- WIDER	United Nations University-World Institute for Development Economics Research
WTO	World Trade Organization

Annex 1

Timeline

- 1944 Bretton Woods Conference leads to the establishment of the World Bank and the International Monetary Fund (IMF).
- 1945 The United Nations Charter is drawn up by 50 nations. The United Kingdom organizes its development assistance through the 'Colonial Development and Welfare Act'.
- 1946 The process of decolonization begins with the independence of the Philippines, followed by India, Pakistan, Sri Lanka and Indonesia in the years that follow. France establishes the 'fonds d'investissement économique et Social des Territoires d'Outre-mer'.
- 1947 The Marshall Plan to rebuild Europe is launched.
- 1948 Universal Declaration of Human Rights is proclaimed by the United Nations. The General Agreement on Tariffs and Trade (GATT) is signed.
- 1949 US President Truman introduces a programme for development assistance.
- 1957 Ghana declares independence, which sets off a wave of independence in Africa in the 1960s. The European Development Fund for Overseas Countries and Territories is set up as part of the Rome Treaty establishing the European Economic Community.
- 1960 The World Bank sets up the International Development Association (IDA) to provide very soft loans to poorer developing countries.
- 1960–61 Canada, the United States, Germany, Japan, Sweden and Switzerland set up development aid agencies.
- 1961 The OECD is formed and establishes a Development Department.
- 1970 The United Nations adopts a target that at least 0.7 per cent of Gross National Product should go to Official Development Assistance; Sweden reaches the target in 1974, the Netherlands in 1975, Norway in 1976 and Denmark in 1978.
- 1973 Oil Price Shock. The Organization for the Petroleum Exporting Countries (OPEC) raises the price of oil by 70 per cent from USD 3 per barrel to USD 12 per barrel.
- 1974 The IMF establishes the Extended Facility, a medium-term programme to overcome structural balance-of-payments problems.

- 1975 The First Lomé Convention is signed between the European Economic Community and the African, Caribbean and Pacific States, providing for the Fourth European Development Fund.
- 1977 OECD-DAC members adopt a statement emphasizing the use of development cooperation in meeting basic human needs in addition to economic growth.
- 1978–80 A second oil crisis leads to a doubling of prices.
- 1980 The World Bank initiates Structural Adjustment Lending to support major changes in policy and the institutions of developing countries.
- 1982 Mexico's default on its debt payment marks the beginning of the debt crisis and a process of policy reform and structural adjustment efforts by developing countries.
- 1984 The Ethiopian drought and conflict cause a famine that kills more than 1 million. In October, BBC reporting shocks the world. Live Aid becomes a major non-governmental fundraising effort, marking the start of a new Western perception of poverty and increasing non-governmental efforts in Africa.
- 1986 The DAC adopts principles for improved aid coordination, including that the main responsibility for coordination lies with each recipient government. Developing countries should prepare effective strategies and programmes that can serve as a basis for aid coordination.
The IMF establishes a concessional Structural Adjustment Facility to support programmes for macroeconomic and structural adjustment reforms.
- 1987 UNICEF launches Adjustment with a Human Face.
- 1988 The IMF introduces a new concessional lending facility, the Enhanced Structural Adjustment Facility, to help the poorest countries undertake macroeconomic and structural programmes.
The World Bank coordinates a 'Special Programme for Africa', a three-year effort for debt relief and growth-oriented import financing.
- 1989 The fall of the Berlin Wall sets off a wave of democratic transitions in developing countries.
The DAC emphasizes the 'vital connection between open, democratic and accountable political systems, individual rights and the effective and equitable operation of economic systems'.³³⁴
Major policy statements on human rights, democracy and

- development follow in 1990–91 by the European Community, the Nordic countries, Canada, France, Germany, Japan, the United Kingdom and the United States. Firm positions are taken by donors on democratization and human rights in most consultative group meetings with recipient countries.
- 1990–95 Key United Nations global conferences: Children (New York 1990), the Environment (Rio 1992), Population (Cairo 1994) and Women (Beijing 1995).
- 1992 DAC members address the taboo subject of corruption at a high-level meeting.
- 1995 James Wolfensohn becomes President of the World Bank.
- 1996 The IMF and the World Bank launch the Heavily Indebted Poor Countries initiative, following lobbying by NGOs, to cancel or reduce poor countries' debts to sustainable levels.
- 1997–98 World Bank publishes studies that are key to changing aid policy: the Burnside and Dollar paper Aid, Policies and Growth (1997) and Assessing Aid; What Works, What Doesn't and Why (1998).
- 1999 Poverty Reduction Strategy Papers succeed Structural Adjustment Programmes.
- 1999–2000 Violent demonstrations at the WTO ministerial meeting in Seattle in 1999 and the World Bank and IMF annual meeting in Prague in 2000.
- 2000 The United Nations adopts the Millennium Development Goals.
- 2002 The United Nations International Conference on Financing for Development adopts the Monterrey Consensus in Mexico.
- 2005 The Paris Declaration for Aid Effectiveness is launched.
- 2008 Third High Level Forum on Aid Effectiveness in Accra, Ghana, resulting in the Accra Agenda for Action.
- 2010 Arab uprisings start in Tunisia, then spread to Egypt and across the Middle East.
- 2011 Fourth High Level forum for Aid Effectiveness in Busan, South Korea, resulting in the Busan Partnership for Effective Development Cooperation.

About the author

Anna Lekvall has worked in the field of democracy, development and security for over 15 years. She joined the Swedish Ministry for Foreign Affairs in 1996. She has extensive experience from working in Africa and through various multilateral institutions such as the UN, Unicef and the IMF. In 2007 she was granted the Jonas Weiss Memorial Award for her persistent pursuit of conflict resolution in one of the world's most neglected crisis areas. Between 2008–2011 Anna was the programme manager for democracy and development at International IDEA. Anna holds a Masters in Democratic Development from the University of Uppsala and a BA in International Economics from Gothenburg School of Business, Economics and Law.

About International IDEA

What is International IDEA?

The International Institute for Democracy and Electoral Assistance (International IDEA) is an intergovernmental organization with a mission to support sustainable democracy worldwide. The objectives of the Institute are to support stronger democratic institutions and processes, and more sustainable, effective and legitimate democracy.

What does International IDEA do?

The Institute's work is organized at the global, regional and country levels, focusing on the citizen as the driver of change.

International IDEA produces comparative knowledge in its key areas of expertise: electoral processes, constitution building, political participation and representation, and democracy and development, as well as democracy as it relates to gender, diversity, and conflict and security.

International IDEA brings this knowledge to national and local actors who are working for democratic reform, and facilitates dialogue in support of democratic change.

In its work, International IDEA aims for:

- increased capacity, legitimacy and credibility of democracy;
- more inclusive participation and accountable representation; and
- more effective and legitimate democracy cooperation.

Where does International IDEA work?

International IDEA works worldwide. Based in Stockholm, Sweden, the Institute has offices in Africa, Asia and the Pacific, Latin America and the Caribbean, and West Asia and North Africa regions.

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- ¹⁵⁹ Lynch and Crawford (2011) with reference to Bratton (1998).
- ¹⁶⁰ Mkandawire (2001).
- ¹⁶¹ Olukoshi (2011).
- ¹⁶² Sardan (2008).
- ¹⁶³ Lawson and Rakner (2005).
- ¹⁶⁴ Bello and Guttal (2005).
- ¹⁶⁵ Olukoshi (2011).
- ¹⁶⁶ Ibid.
- ¹⁶⁷ Olukoshi (2011).
- ¹⁶⁸ Fuhrer (1996). See also the timeline in the appendix for concrete programmes.
- ¹⁶⁹ Shah (2005).
- ¹⁷⁰ From Jubilee 2000 news update in Shah (2005).
- ¹⁷¹ Cornia, Jolly and Stewart (1987).
- ¹⁷² There are of course different views on whether SAPs were failures. What is referred to here is the discussions held within the donor community at the time. There was a perception that the aid community should move away from SAPs and this probably influenced the birth of the Paris aid agenda.
- ¹⁷³ Collier (2012).
- ¹⁷⁴ The author was part of the Swedish Mission to the United Nations at this time.
- ¹⁷⁵ Knowles, Lorgelly and Owen (2002), p. 1.
- ¹⁷⁶ Mkandawire (2001).
- ¹⁷⁷ World Bank Practitioners' Forum on Budget Support (2006), p. 375.
- ¹⁷⁸ World Bank (2005), p. 9.
- ¹⁷⁹ OECD-DAC (2011d), p. 8.
- ¹⁸⁰ European Network on Debt and Development (2008), p. 20.
- ¹⁸¹ Advisory Board for Irish Aid (2008).
- ¹⁸² Mold (2011).
- ¹⁸³ Whitfield (2009).
- ¹⁸⁴ Fraser and Whitfield (2008).
- ¹⁸⁵ Gould (2005).
- ¹⁸⁶ Djikstra (2002).
- ¹⁸⁷ Krzyststof Stanowski, seminar attended by the author, Busan, 2011.
- ¹⁸⁸ Meyer and Schultz (2008).
- ¹⁸⁹ OECD-DAC (2011d).
- ¹⁹⁰ I owe this formulation (and much more) to my former IDEA colleague, Bjarte Torå, now at the Oslo Centre for Peace and Human Rights.
- ¹⁹¹ Gould (2005).
- ¹⁹² Gould (2005).
- ¹⁹³ OECD-DAC, 'Ownership and Accountability: Summary of Recommendations and Terrain for Debate', p. 1.
- ¹⁹⁴ Booth, Grigsby and Toranzo (2005), p. vii.
- ¹⁹⁵ Gould (2005).

- ¹⁹⁶ Draman (2007).
- ¹⁹⁷ Booth, Grigsby and Toranzo (2005).
- ¹⁹⁸ Draman (2007).
- ¹⁹⁹ Hubli and Mandaville (2004).
- ²⁰⁰ Inter-Parliamentary Union (2009).
- ²⁰¹ OECD-DAC (2011).
- ²⁰² Tavakoli and Hedger (2011).
- ²⁰³ Tavakoli (2012).
- ²⁰⁴ Maxwell (2011).
- ²⁰⁵ Fisher (2011a).
- ²⁰⁶ Ibid.
- ²⁰⁷ Ibid.
- ²⁰⁸ <<http://www.worldbank.org/en/country/uganda/overview>>.
- ²⁰⁹ Human Rights Watch (2005) and Human Rights Watch (2007).
- ²¹⁰ United Nations (2001).
- ²¹¹ Mold (2011).
- ²¹² Odén and Wohlgemuth (2011).
- ²¹³ Inter-Parliamentary Union (2009).
- ²¹⁴ OECD-DAC (2011b), p. 10.
- ²¹⁵ Loquai and Klavert (2011).
- ²¹⁶ Wild and Domingo (2010).
- ²¹⁷ Molenaers, Cepinskas and Jacobs (2010).
- ²¹⁸ Ibid.
- ²¹⁹ Vernon (2009), p. 3.
- ²²⁰ Alvarez (2010).
- ²²¹ OECD-DAC (2011c).
- ²²² Resnick (2012).
- ²²³ Wild and Domingo (2010).
- ²²⁴ World Bank Practitioners' Forum on Budget Support (2006).
- ²²⁵ European Think-Tanks Group (2012), p. 3.
- ²²⁶ OECD-DAC (2011c).
- ²²⁷ Crawford (1997).
- ²²⁸ Molenaers, Cepinskas and Jacobs (2010).
- ²²⁹ Ibid., p. 16.
- ²³⁰ Ibid., p. 16.
- ²³¹ de Renzio (2006).
- ²³² Ibid.
- ²³³ Fisher, Jonathan (2011a).
- ²³⁴ de Renzio (2006).
- ²³⁵ Molenaers, Cepinskas and Jacobs (2010).

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- ²³⁶ Ibid.
- ²³⁷ Ibid.
- ²³⁸ Mold (2011), Meyer and Schultz (2008).
- ²³⁹ Gould (2005).
- ²⁴⁰ Ibid.
- ²⁴¹ Ibid., p. 22.
- ²⁴² Whitfield (2009).
- ²⁴³ Unsworth (2008).
- ²⁴⁴ Atwood, B. (2012).
- ²⁴⁵ OECD (2011).
- ²⁴⁶ Lekvall (2011).
- ²⁴⁷ The Guardian (2011a).
- ²⁴⁸ The ODA aid statistics category 'government and civil society: general', are from 2011. Source: <<http://stats.oecd.org/Index.aspx?datasetcode=TABLE5>>.
- ²⁴⁹ It should be noted in this context that critics of democracy assistance argue that these actors also neglect fundamental aspects of governance, such as a functioning state.
- ²⁵⁰ One indication of the increased attention is that since 2009 donors have reported specifically to the OECD-DAC on how much support they provide to political parties and legislatures. Before 2009, it was not possible to identify aid in this area.
- ²⁵¹ Atwood, B. (2012).
- ²⁵² Calculated using data from the OECD Creditor Reporting Database, disbursements 2009.
- ²⁵³ Resnick (2012).
- ²⁵⁴ Atwood, B. (2012), p. 3.
- ²⁵⁵ Santiso (2001).
- ²⁵⁶ Youngs (2008).
- ²⁵⁷ Government of Sweden (2012). It should be noted that what is included in democracy support is not specified.
- ²⁵⁸ Youngs (2008).
- ²⁵⁹ Resnick (2012).
- ²⁶⁰ Carothers and de Gramont (2011), note 6, p. 4.
- ²⁶¹ Meyer and Schultz (2008).
- ²⁶² Ibid., p. 8.
- ²⁶³ Fritz and Menocal (2007).
- ²⁶⁴ Carothers (2009), pp. 10, 11.
- ²⁶⁵ Resnick (2012).
- ²⁶⁶ Action Aid (2004), p. 13.
- ²⁶⁷ Resnick (2012).
- ²⁶⁸ Siegle, Weinstein and Halperin (2004).
- ²⁶⁹ Jelmin (2011).
- ²⁷⁰ Fritz and Menocal (2007).
- ²⁷¹ Data calculated using OECD Creditor Reporting Database.
- ²⁷² Hudson (2009: 18)

- ²⁷³ Acosta (2010).
- ²⁷⁴ Ibid.
- ²⁷⁵ OECD-DAC (2012b)
- ²⁷⁶ Hudson (2009).
- ²⁷⁷ OECD-DAC (2012b).
- ²⁷⁸ Ibid., p. 5.
- ²⁷⁹ Ibid., p. 6.
- ²⁸⁰ Golooba-Mutebi 2005, in OECD-DAC (2012b).
- ²⁸¹ For more on different models for Supreme Audit Institutions see <http://grc-exchange.org/info_data/record.cfm?id=996>
- ²⁸² Carothers and de Gramont (2011).
- ²⁸³ See OECD/DAC mapping, available at <<http://www.oecd.org/dac/governance-development/politiceconomyanalysis.htm>> and <http://www.oecd.org/development/governance-development/42338036.pdf>>
- ²⁸⁴ See the material on political economy analyses in the applied knowledge network GSDRC, available at <<http://www.gsdr.org/go/topic-guides/political-economy-analysis/political-economy-analysis-in-fragile-and-conflict-affected-states>>. The OECD/DAC mapping is also a useful source. Additional resources in publications by the Institute of Development Studies at Sussex University, UK, available at <<http://www.ids.ac.uk/publication/finding-the-spaces-for-change-a-power-analysis-in-power-exploring-power-for-change>>; <<http://www.ids.ac.uk/idspublication/what-next-for-power-analysis-a-review-of-recent-experience-with-the-powercube-and-related-frameworks>>; and <<http://www.ids.ac.uk/publication/practice-guide-a-combined-approach-to-political-economy-and-power-analysis>>.
- ²⁸⁵ Unsworth (2008), p. 1.
- ²⁸⁶ Dahl-Östergaard (2005), quoted in Carothers and de Gramont (2013: 149).
- ²⁸⁷ Hemyans and Pycroft (2003) and DFID (2009) quoted in Carothers and de Gramont (2013: 149).
- ²⁸⁸ For example OECD-DAC (2012b).
- ²⁸⁹ OECD-DAC (2008).
- ²⁹⁰ Carothers and de Gramont (2013), p. 149.
- ²⁹¹ Ibid.
- ²⁹² De Haan and Everest-Phillips (2007).
- ²⁹³ Ibid.
- ²⁹⁴ Unsworth (2008).
- ²⁹⁵ Ibid.
- ²⁹⁶ Sida (2013).
- ²⁹⁷ World Bank (2009).
- ²⁹⁸ Ibid., pp. 4-11.
- ²⁹⁹ Haider and Rao (2010).
- ³⁰⁰ The rollercoaster dialogue and reconciliation process was chaired by the former UN Secretary-General, Kofi Annan, supported by a Panel of Eminent African Personalities, and monitored and documented at <<http://www.dialoguekenya.org/>>. See also Kanyinga and Walker (2013).
- ³⁰¹ Di John and Putzel (2009).
- ³⁰² Parks and Cole (2010).

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- ³⁰³ Ibid, p. 26.
- ³⁰⁴ Parks and Cole (2010).
- ³⁰⁵ Booth (2012).
- ³⁰⁶ Edigheji (2005).
- ³⁰⁷ Vaux, Mavela, Pereira and Stuttle (2006).
- ³⁰⁸ Ibid., p. 3.
- ³⁰⁹ Wollack and Hubli (2010).
- ³¹⁰ Atwood (2012) quoted in Rocha (2013).
- ³¹¹ On democracy specifically see Youngs (2013).
- ³¹² Sachs (2005, 2009).
- ³¹³ Kenny (2012).
- ³¹⁴ Easterly (2006).
- ³¹⁵ Ayttey (2009: 98).
- ³¹⁶ Youngs (2013).
- ³¹⁷ Ibid.
- ³¹⁸ United Nations (2013). The report specifically highlights the importance of freedom of speech and the media, open political choice, access to justice, and accountable government and public institutions. It also calls for a transparency revolution, so that citizens can see exactly where and how taxes, aid and revenues from extractive industries are spent. Another relevant goal is that the USD 30 trillion spent by governments worldwide should be accounted for transparently.
- ³¹⁹ See, as merely one example, National Intelligence Council (2012).
- ³²⁰ Council of the European Union (2012).
- ³²¹ The Guardian, 13 October 2011.
- ³²² The White House (2010).
- ³²³ Carothers (2012).
- ³²⁴ Government of Denmark (2012).
- ³²⁵ Government of Sweden (2010).
- ³²⁶ Government of Finland (2012).
- ³²⁷ Norwegian Ministry of Foreign Affairs (2013).
- ³²⁸ The objectives of the government's development policy are to contribute to increased democratization and the achievement of human rights, and to enable people to work their way out of poverty, see <<http://www.hoyre.no>>
- ³²⁹ Informal presentation material from 2007 on a prospective new NGO is available from the author. There is a needs assessment in Lekvall (2008).
- ³³⁰ International IDEA and Kofi Annan Foundation (2012).
- ³³¹ The Guardian, 11 September (2010). Care needs to be taken, however, that such programmes are not used for repression, such as punishing people who support the political opposition. Human Rights Watch reports on the misuse of such programmes in Ethiopia, where people who are poor did not receive benefits unless they joined the ruling party.
- ³³² For background material see Fuhrer (1996), p. 59.
- ³³³ Carothers (2012).

