

*A inclusão da democracia e da governação na ajuda ao desenvolvimento veio aumentar o risco de a acção europeia ser percebida como uma intrusão nos assuntos internos dos Estados africanos e, consequentemente, como uma violação do princípio de soberania nacional. Neste contexto, torna-se necessário uma maior sensibilidade da parte dos doadores relativamente à forma como a ajuda é distribuída, estabelecendo critérios objectivos (não políticos) de atribuição e de supervisão, bem como uma perspectiva mais coerente da condicionalidade política. Esta abordagem permitiria assegurar a credibilidade junto desses países, conferindo igualmente maior responsabilidade aos países receptores na gestão dessa mesma ajuda.*

*Isto só é possível se a UE emitir sinais claros de valorização das relações com África, encarando-a como uma parceria importante entre iguais, e ultrapassando a percepção de uma relação unilateral de caridade paternalista com fortes interesses económicos subjacentes, tal como é vista por muitos africanos. No entanto, o cenário actual revela prioridades muito diferentes em relação à NEPAD e às dimensões do diálogo euro-africano tal como foram estabelecidas na Cimeira do Cairo, em 2000, já que enquanto a parte africana enfatiza a importância do comércio e do investimento, a UE centra-se essencialmente nos aspectos políticos de governação, que são responsabilidade principal dos próprios Estados africanos. Simultaneamente, a UE revela-se incapaz de alterar aspectos que são da sua principal responsabilidade, tais como os subsídios agrícolas internos, que constituem um exemplo paradigmático de entrave ao escoamento da produção africana. A autora defende, assim, que a UE deveria conferir menos importância ao papel da ajuda como factor de crescimento económico e investir primordialmente noutros vectores de promoção do desenvolvimento, como o comércio ou as questões das migrações.*

**Donors, Democracy and Sovereignty: the Politicisation of Aid and its Impact on African-EU Relations**  
Anne Hammerstad<sup>40</sup>

Sumário

Significant changes have occurred in recent years in our thinking around the purpose and impact of aid from North to South. There is still disagreement on how effective and efficient aid is, and there is an equal lack of consensus on what sort of assistance is best suited to furthering economic and political development. The African continent has been at the centre of this debate. Despite billions of dollars of aid money allocated over the past decades<sup>41</sup>, the continent has fallen behind the rest of the world in terms of economic growth, and living standards have decreased in several African countries since their independence. Some of the countries that received the most aid are still among the world's poorest today.

While the debate on the efficacy of aid is far from resolved, one clear trend in aid strategies can be discerned in the period of the last ten to fifteen years. This is the increased weight and importance placed on democracy, good political governance and human rights, both as a condition for aid and as a priority field for aid activities. In Africa, aid donors and recipients alike share this new emphasis. It can be seen in aid donors' formulation of strategies, programmes and aims, and, to a lesser degree, in the prioritisations of African countries themselves, particularly in

Introduction

their formulation and endorsement of the New Partnership for Africa's Development (NEPAD).

This paper will first take a look at the change in aid priorities that has taken place in recent years before it moves on to a discussion of the pros and cons of placing democracy and good governance prominently on the aid agenda. It will ask how democratisation and good political governance can be supported and furthered through aid. Is this an effective and efficient way of spending aid money? What are the economic and political problems with this approach? Are there better ways of supporting democratisation than through aid?

While political governance should certainly remain on the agenda of donors and – more importantly – on the agenda of the recipients of aid, the recent turn towards a more aggressive stance on this issue from donors also entails problems. It has made the provision of aid much more politically intrusive and controversial, and it has made recipient states of aid acutely aware of the sovereignty loss they may incur if they accept this aid. This is an important factor if we are to understand the current strain in African-European relations.

**A New Aid Agenda?** During the Cold War years good governance and democracy were not foremost among the concerns of Western aid givers. Good governance conditionalities were not placed on aid money, nor was aid focused on democratisation efforts. This statement warrants one big qualification. During the Cold War period there was of course one big conditionality that decided whether a developing country would be the beneficiary of the aid and cooperation of the Western world. This conditionality was anti-communism. To put it crudely, the world was divided into communist and anti-communist blocs (rather than communist and democratic), and this geo-political division – rather than any internal characteristic, such as democracy, human rights, corruption, nepotism, or political repression – would determine aid levels. Only within the logic of this Cold War overlay could a corrupt, wasteful dictator like President Mobutu Sese Seko of Zaire receive grant after grant from Western donors and loan after loan from the International Monetary Fund (IMF). Conditions concerning internal policies were not attached to this aid, at the same time as Zaire was gradually and thoroughly ground into economic and political collapse through misrule. The example of Zaire – later the Democratic Republic of Congo – shows that some form of conditionalities and demands attached to aid money is certainly a good idea.

There were some exceptions to this Cold War logic. Non-aligned and socialist, yet Western, Sweden maintained a close and strong development cooperation relationship with Vietnam throughout the Cold War and the Vietnam War, especially in fields such as healthcare and education. However, the main rule was that nominally communist developing countries (which were not necessarily communist in much more than rhetoric) received aid from the Soviet bloc and China, and non-communist (not necessarily capitalist or democratic) developing countries received aid from the West. The main condition attached was to keep rank within your geopolitical bloc (although some countries, like Ethiopia, managed successfully to change side).

In the last decade or two, after the Cold War overlay disappeared, and the dysfunctionality or outright failure of some African states was revealed, the emphasis on good governance, human rights and democratisation has been much stronger among

Western donor governments. This has taken two forms: First, good governance has been made into a conditionality of aid and loans; and second, state institutions other than governments, such as parliament and the judiciary, as well as non-governmental organisations – the amorphous “civil society” – have become an important element of Western aid strategies. I will not discuss here the type of economic and fiscal conditionalities that the IMF and World Bank introduced in the 1990s in the form of structural adjustment programmes. I will instead concentrate on the political sphere and the goals of democratisation and human rights. This sphere still only receives something like ten to 15 percent of aid money (and varies from donor to donor), but improvements in political governance are increasingly seen as crucial if the results of aid are to be sustainable and the benefits lasting.

How well has this new emphasis on governance, human rights and democracy worked? I will first look at aid projects aimed at improving political governance and strengthening democracy, then move on to discuss the benefits and problems accruing from the imposition of good political governance standards as an overall conditionality of aid.

Democracy Aid  
and its Impact

In an interview this month, professor Okey Onyejekwe from the UN Economic Commission for Africa, based in Addis Ababa, stated clearly why good – and democratic – political governance is important on the African continent:

*Aiding democratic  
governance*

*I think the consensus has emerged that when we look at the social, political and economic problems in Africa, including the issue of peace and security, the missing link is the absence of good governance. Without an environment where you have democratic governance, transparent participatory government, respect for human rights, civil liberties, you cannot crack economic policies in the absence of these constitutive elements of good governance.<sup>42</sup>*

His statement – together with those of many others – indicates that there is now a broad consensus among African and Western development experts and politicians that good governance is a necessary ingredient for African countries to achieve sustainable development and lasting growth. But there is less agreement on how Western donors can contribute to creating good governance regimes. Can donor money have an impact on the complex political processes of democratisation? Or is democracy aid so difficult that the money is better spent on more traditional goals such as education and health care?

It is hard to measure the impact of projects aimed at supporting democratic institutions and practices, particularly in the short term. These projects fit badly into the mould that donor states have created in recent years, where strong emphasis is placed on aid effectiveness and efficiency, and where specific targets and continuous evaluation is incorporated into all new development programmes. An annual review of whether, say, “the judiciary has become more independent” in Mozambique, would probably not yield much result. This is even more the case with the chunk of EU donor funds that goes to promoting governance through regional institutions on the African continent, such as the African Union or the Southern African Development Community. Regionalism is a slow and difficult process wherever you are in the world, but has been particularly slow moving in Africa (in practical terms, while there is a lot of regionalism on paper). Does

this mean that EU aid money to regional organisations is a waste because the result over the short-term is negligible?

The fact that the effect of democracy aid is difficult to assess is not an argument against providing aid to bolster democracy, but a caution that ways must be found to administer these programmes in a sensible way and that the expectations of donors must be placed at an appropriate level. Otherwise we risk that the transaction costs in the form of reporting, evaluating and attempting to measure impact, for the recipients of these funds become excessively high and the money might be better spent in other sectors such as healthcare.

*Democratisation and* Adhering to certain standards of democratic governance is increasingly becoming a good governance as a condition for developing countries if they want to receive aid from Europe.

Denmark, *condition for aid* particularly after the coming to power of the new government in 2001, is the

EU country that has gone the furthest in imposing conditionalities and – more importantly

– following them up by withdrawing aid if the conditions are not met. Thus Denmark withdrew the status of core cooperating partner not only from Zimbabwe, but also from Malawi, in 2002, and drastically revised its aid programmes across the continent. African countries still constitute nine out of the 15 so-called “programme countries” on which DANIDA focuses most of its aid activities. But the new policy is that all projects that are given aid money by Denmark must have clear and measurable targets, and DANIDA also reserves the right continuously to monitor whether the overall outlook of the programme country is to its satisfaction:

*The distribution of Danish assistance between the individual countries will be evaluated on an ongoing and consistent basis against the background of developments in the cooperation and the will and capacity of the partners to implement a sustainable, poverty-oriented development process based on good governance and respect for human rights.*<sup>43</sup> Zambia, one of the programme countries, has for instance received warning that the political situation in that country is being followed closely, after the contested 2001 election, while three other African programme countries have had their aid levels reduced due to Danish disapproval of certain policies or developments. In the case of Burkina Faso it is violations of UN sanctions that are cited; in the case of Egypt, DANIDA feels that not enough has been done by that country to reduce poverty; and for Uganda, the problem is that the country has not done enough to stop the involvement of its nationals in plundering in the Democratic Republic of Congo.<sup>44</sup> Other countries are following the Danish example. The Norwegian aid agency, NORAD, for instance, has just been through an evaluation process, where many of its programmes were criticised for a lack of monitoring of their results and impact. In the future, Norwegian aid programmes are likely to look more like the Danish ones, with result-oriented projects that are constantly controlled, evaluated and documented, and subsumed under a stated goal of strengthening civil society and democracy in recipient countries.<sup>45</sup> It is unlikely, however, due to its more discreet and cautious attitude towards the provision of aid, that Norway will take an equally hard-line stance when it comes to pulling out of “badly behaved” countries, although NORAD has withdrawn all state-to-state aid to Zimbabwe, traditionally one of Norway’s priority development cooperation partners.

While it is worthwhile to do the utmost to ensure that aid money is well spent – it is after all tax payers' money – there are problems with making political governance a conditionality of aid. I will take a look at the more practical problems first, before I move on to the political ones.

One problem is excessive rigidity when setting the standards for each development partner. Democratisation is a long and difficult process, which sometimes stops and starts and where it is possible to enjoy great progress in some areas and setbacks in others. Mozambique, for instance, is doing very well in some fields of democratisation, such as the holding of free and fair elections and the adherence to term limits for heads of state and government. But the country is struggling in fields such as corruption among state officials and organised crime. Should Denmark "punish" Mozambique for this failure or encourage it for the things that it does right? If Mozambique were to be punished, would this not weaken the democratisation process rather than strengthen it? In general, at what point should one start punishing a country by taking away aid? If aid is taken away in a time of crisis, could this not contribute to the downward spiral? If aid is seen as political leverage, the moment it is taken away completely, the leverage is gone.

A second potential problem, which is politically much more sensitive, is the danger of arbitrariness when a donor decides which countries are still "worthy" of aid and which ones are not. Too much room is allowed for political considerations – likes and dislikes – to determine the fate of a development partner. Why should Malawi be taken off the list of Denmark's "programme countries" while Bangladesh, the world's most corrupt country, according to this year's Transparency International corruption index, is not punished at all? The determination of aid policy out of political consideration has not disappeared with the Cold War. This is best seen in some of the United States' decisions after 11 September 2001. The lifting of sanctions and increase of aid to Pakistan had little to do with improvements in that country's governance standards and much more to do with its assistance in the US "War on Terror".

In general, good governance conditionality is good and necessary – not least for the credibility of the donor country itself. The European Union has strong convictions regarding the type of society it views as morally good and politically and economically sound. The credibility of these convictions would be undermined if it donates money to governments whose policies fly in the face of EU values. But good governance conditionalities must be used with discretion and political understanding. The question the donor should ask itself when determining aid levels to a particular country, is not whether points A, B and C on the list of conditions are met, according to some quantifiable measure, but whether the country is in general moving in the right direction, or, if it is struggling, that it is showing the will to keep trying. If a country is clearly and with a great sense of purpose and will, moving in the *wrong* direction, as has been the case for several years in Zimbabwe, then removing aid is the right thing to do. Monitoring a country's adherence to good governance standards should be about assessing a process rather than taking a snapshot. The drafters of the NEPAD plan were right about arguing this – although the AU has not taken the consequences of this way of thinking in practice. If it did, it would have made an effort to politically sanction the few African countries that are clearly regressing, such as Zimbabwe and, arguably, Swaziland.

The imposition of good political governance, democracy and human rights standards as conditions for aid, has had consequences for the political relations between African and

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European states. Conditionalities, especially when imposed not only on economic policies, but also on political institutions and processes, have resulted in that the giving of aid has acquired both a more normative and a more coercive nature. Receiving countries are judged on whether they deserve aid or not, depending on how free, democratic and well run they are. The people who decide whether the country is "deserving" are not nationals, but represent a foreign power (sometimes a former colonial power), and sometimes these decision makers forget their governance agenda if, as is the case of Pakistan, there are key strategic interests involved. Most governments in Africa today have had their leadership endorsed through some form of democratic election. Many of them find it problematic that they then should have to follow the standards set by outsiders rather than themselves when it comes to how they choose to run their country. Even when the standards are very similar to the ones that they endorse themselves, it is often seen as a dent in their sovereign pride to have to endure others imposing these standards in the form of demands and conditions. While it is, in principle, entirely voluntary whether to accept conditional aid or not, in reality most poor African countries are highly dependent on aid money and would find it difficult to say no. In 1996, foreign aid constituted the equivalent of 12.3 percent of GDP in Africa, if we exclude Nigeria and South Africa.<sup>46</sup> This leads us to a discussion of the political problem of sovereignty caused by the good governance agenda of donor states.