



‘Does it Work?’ – Work for Whom? Britain and Political Conditionality since the Cold War

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Summary. — Evaluations of the political conditionality (PC) phenomenon have long focused on the question of instrumental efficacy – whether PC promotes policy reform in developing states. Evidence from the UK nevertheless suggests that this emphasis is misplaced and that donor officials increasingly use PC for ‘expressive’ reasons – to signal their putative commitment to delivering ‘value for money’ in a difficult international economic climate. This shift in rationale raises important questions; not least, what do we know about the effects of PC on public perceptions of aid and to what extent, within this dispensation, can contemporary PC be viewed as a ‘success’? © 2014 The Author. Published by Elsevier Ltd. This is an open access article under the CC BY license (<http://creativecommons.org/licenses/by/4.0/>).

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1. INTRODUCTION

Analyses of ‘political conditionality’ since the early 1990s have focused heavily on identifying trends in its application and answering one central question – ‘does it work?’ A less common, but no less important, question, however, is ‘do policy-makers expect it to work?’ and, indeed, why do they use the instrument? The apparent return of political conditionality (PC) since the mid-2000s – particularly linked to the disbursement of General Budget Support (GBS) – provides a suitable opportunity to re-focus discussion of this phenomenon in a manner that addresses this analytical and empirical gap.

This article will therefore attempt to explore donor motivations for imposing PC. In doing so, two major categories of motivations for applying PC will be delineated. Developed from conceptual debates in the literature on economic sanctions these are: instrumental (where PC is applied to force aid recipients to implement political reforms) and expressive (where PC is applied to signal disapproval of the recipient’s actions – for domestic or international audiences – without the expectation that actual reforms will follow). Establishing whether a particular PC decision is based primarily on instrumental or expressive rationales has important implications for assessing the effectiveness of the instrument; if donors do not intend for a particular suspension to result in political change, should they be criticized when it does not? Moreover, how should scholars and practitioners view and approach the instrument within this dispensation?

In investigating the key rationales for PC decisions the policies and perspectives of one major donor – the United Kingdom (UK) – will be reviewed and critiqued. Though single-case-based analyses rarely provide a solid foundation for developing comprehensive general theories on issues, they nevertheless allow for a deep and nuanced consideration of a phenomenon – and how it has changed over time. Since this article aims at filling both a theoretical and empirical gap in the PC literature a single-case study therefore represents a more appealing option. Many findings associated with the British case also, naturally, have parallels elsewhere in the international aid system and some of these will be highlighted in the conclusion.

A further set of reasons for focusing on the UK relate to Britain’s particularly prominent role in promoting and employing PC in the past (particularly between c.1991–95) and in its revival since c.2004. Britain’s Department for International Development (DFID) has also – more than many other donors – consciously sought to explain and rationalize its usage of PC since 2005 with a view to influencing how other Western donors employ it, sometimes explicitly (Benn, 2005). This has been a reasonable ambition given the widespread acceptance among many in the Western development community today that DFID represents a ‘thought leader’ second only to the World Bank.¹ The UK’s position as one of the leading aid donors – particularly in Sub-Saharan Africa – and providers of GBS also provide it with a degree of influence in international development fora and within ‘in-country’ cross-donor groupings that few other donors possess.

The article ultimately argues that while expressive motivations have always played a role in the UK’s PC decisions, they have become increasingly central since the mid-2000s. Likewise, where the expressive dimensions of PC impositions in the 1990s were mainly aimed at the international level, those of today are focused far more clearly on domestic, British audiences. Finally, while instrumental rationales were highly

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influential in the PC decisions of the 1990s they have become largely irrelevant in the contemporary era. DFID officials do not believe that PC can force political change on aid recipients but continue to use it as a means of communicating with an increasingly aid-skeptical domestic audience. The final part of the article will suggest a range of factors which have led to this state of affairs and explore the implications of these findings for scholars and practitioners.

This analysis draws upon a range of semi-structured interviews carried out with current and former DFID staff – and former staff of DFID’s predecessor, the Overseas Development Administration (ODA) – during 2007–13. Interviewees included current and former staff at varying levels based in both London/East Kilbride (henceforth ‘HQ’)² and regional and country offices. Internal DFID and ODA documents released to the author under the 2000 UK Freedom of Information Act (FOI) are also analyzed together with public statements, ODA/DFID documents, and media reporting. The author also held an Honorary Research Fellowship in the Foreign and Commonwealth Office (FCO) during 2013–14. While no information or data collected during this Fellowship has been directly cited in this article the experience has nevertheless informed its analysis.

The article is structured as follows: Section 2 reviews and critiques the existing literature on PC, highlighting in particular its reluctance to explore the intentions and perspectives of donor officials involved in imposing the modality. The literature on the purpose of economic sanctions, however, does speak to this debate – albeit indirectly – and is therefore engaged with as a means to develop a set of categories for conceptualizing donor PC rationales. Section 3 introduces the British case and analyzes the UK’s employment of PC since the Cold War highlighting a significant shift in UK thinking on the modality’s efficacy from instrumental to expressive. Section 4 delineates a number of reasons for this shift in the last decade linked to the domestic and international political economy of aid management in the contemporary era before returning to the question posed in the title of this piece – does [expressive PC] “work”? The article concludes by exploring the implications of these findings for development scholars and policy-makers more broadly.

2. POLITICAL CONDITIONALITY UNDER SCRUTINY

The term ‘political conditionality’ (PC) has been defined and employed in several different ways by scholars and policy-makers since its coining in the early 1990s. In essence, it refers to the placing by donors of ‘political’ conditions upon their aid disbursements with many scholars dividing this behavior into ‘positive’ conditionality (where aid is released once conditions have been fulfilled) and ‘negative’ or ‘restrictive’ conditionality or ‘aid sanctions’ (where aid is suspended when conditions have not been, or are no longer being, fulfilled) (Crawford, 1997, pp. 69–70; Stokke, 1995, pp. 11–13; Waller, 1995, pp. 401–408). Much of the PC literature has, however, tended to focus upon the latter – as this study will also do. In so doing, the emphasis will be on exploring the reasons why ‘negative’ PC (subsequently simply PC) *has* been imposed rather than why it has also, sometimes, not.

Within this literature, however, there have been few attempts to clearly outline what makes a condition ‘political’ as opposed to purely ‘economic’ (a version of conditionality contrasted with PC by many commentators). While aid suspensions relating to democratization and civil and political liberties have invariably been included in PC analyses (Brown,

2005; Crawford, 1997, 2000; Stokke, 1995), those linked to high-level corruption and economic mismanagement have been less systematically incorporated. This division is somewhat artificial, however, since donors have frequently suspended aid based on ‘governance concerns’ which – when unpacked – clearly refer to interlinked democratization and corruption-related issues (De Felice, 2013). This article will therefore understand ‘PC’ to refer to aid suspensions linked to governance-related matters, broadly defined to include corruption as well as democratic backsliding, human rights abuses and fomenting regional insecurity.³

Though isolated instances of PC being applied in the Cold War era can be found (Bratton and van de Walle, 1997, pp. 27–30), the instrument has become a common feature of the aid landscape only since c.1990–91. Never entirely abandoned, its usage decreased significantly by the mid-1990s only to be revived – linked particularly to disbursements of GBS – in the mid-2000s (Hayman, 2011; Molenaers, 2012; Molenaers, Cepinskas, & Jacobs, 2010). Scholarly interest in PC has tended to follow the interest of donors themselves with a substantial array of studies produced during c.1990–97 and – again, linked to GBS – since c.2008. Though much of the latter body of literature has, of course, built upon the former, the two ‘generations’ can be distinguished to some extent. Early 1990s scholarship, for example, focused more on normative debates surrounding PC (‘should it be used?’) than that of today (Adam, Chambas, Guillaumont, Guillaumont Jeanneney, & Gunning, 2004, pp. 1059–1060; Barya, 1993). Likewise, contemporary PC scholarship has generally focused more on European donor behavior than that of other aid providers, particularly the United States owing to the absence of GBS in Washington’s range of aid modalities (Hayman, 2011; Molenaers, 2012; Molenaers *et al.*, 2010).

The two generations of PC commentary, however, share at least one common feature. Both focus substantially on questions of PC’s ultimate instrumentality and effectiveness; ‘does it work? That is, does the threat of, or actual withholding [of aid] sway recipient governments into a different course of action?’ (Hayman, 2011, p. 683; see also Crawford, 1997, 2000; Levitsky and Way, 2006; Molenaers *et al.*, 2010; Moore and Robinson, 1994; Smith, 1998; Stokke, 1995; Uvin, 1993). Exploring whether PC ‘works’, however, fails to investigate the extent to which donors themselves actually apply it in the hope – or belief – that it *will* work, whatever ‘work’ is understood to mean. Likewise, interpreting donor motivations for using PC only in terms of a rational state actor weighing-up its balance of interests overlooks other more arbitrary, short-term, or mundane influences on the application of PC including organizational factors, personalities of policy-makers, and domestic political pressures (Lancaster, 2007; Lindblom, 1959; Natsios, 2010).

The purpose of this article is not to reject these approaches to understanding PC but, rather to offer an alternative perspective – one which focuses on exploring and comprehending the motivations of officials within donor agencies for actually applying the instrument (Molenaers, 2012). For while development practitioners often privately acknowledge that this thinking has changed in recent decades, this has not yet been explored or established in scholarly literature. An exception to this generalization can be found in the work of Collier *et al.* where five donor objectives for imposing conditionality are delineated. These span from incentivizing recipients to undertake reforms to ‘signaling’ to ‘private agents’ that the donor perceives a recipient country’s policy and economic environment to be safe or unsafe for private investment (Collier, Guillaumont, Guillaumont, & Gunning, 1997, pp.

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