

# British aid to Africa: a changing agenda?

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The fall of the Berlin Wall has ushered in a new era of global politics and led industrialised countries to re-evaluate their foreign and economic policies towards the Third World. Against this background, it is hardly surprising that analysts have looked for changes in Western aid relations with black Africa.<sup>1</sup> This article aims to contribute to research in this area by focusing specifically on British assistance to sub-Saharan Africa: its historic logic, policy and practice; the extent to which these have altered since the Cold War; the reasons for these changes; and the likelihood of further shifts in the British development programme.<sup>2</sup>

In this study, 'aid' will be taken to refer to public transfers of concessional resources with development as their main purpose.<sup>3</sup> Particular attention will be paid to bilateral assistance, which provides the clearest guide to donors' motives.<sup>4</sup> As for the term 'agenda', this will be taken to mean the sum of the forces and constraints which drive and constrain UK policy.

Given the consensus on the motives underlying the British aid agenda during the Cold War period,<sup>5</sup> it should suffice to provide here a qualitative assessment of the role of each in determining development policy. At the risk of over-simplification, a distinction will be drawn between 'contextual' and 'shaping' factors, the former setting the framework within which British policy is made and the latter having a more directly determining influence. This study will begin by analysing the two main contextual factors, namely Cold War concerns and pressures from the international donor community.

## The cold war context

It would be misguided to think that the British aid programme was primarily designed to help either superpower win the Cold War in Africa.<sup>6</sup> It was quite frankly too small ever to be considered a serious instrument in any East–West conflict. It was moreover concentrated heavily on Britain's former colonies, some of which were for a time nominally Marxist (Ghana, Zimbabwe) or socialist (Somalia, Tanzania). That said, British foreign and development policies were worked out within a Cold War framework. As such they acknowledged the reality of superpower confrontation south of the Sahara and the need to offer former anglophone dependencies a safe alternative.

In many respects, British aid tended to reflect the Soviet threat more closely, as it sought to ensure that poverty-stricken African countries were not lured into

the communist camp. The relative neutrality of the assistance programme came under threat from the mid-1970s onwards, when the Soviet Union secured a foothold in the Horn and Southern Africa, and Britain began to use aid to shore up or reward pro-Western countries on the periphery of Marxist regimes.<sup>7</sup> In the 1980s too, the programme continued to be marked by a slight anti-communist bias, as successive Thatcher governments refused to provide development assistance to liberation movements such as the African National Congress (ANC) or to Marxist governments in Ethiopia, Cambodia, Cuba, Vietnam, Nicaragua and El Salvador;<sup>8</sup> and pursued a policy of rewarding left-leaning and other regimes which signed up to World Bank and IMF economic recovery programmes.<sup>9</sup>

Turning now to pressures from the donor community, these were voiced in multilateral fora such as the OECD, the G7, the Paris Club, the regional development banks and the Bretton Woods institutions. Clearly all these agencies had some influence on British aid but, given the limited space available, this survey will focus only briefly on the key peer pressures arising out of the Development Assistance Committee (DAC), the International Monetary Fund and the World Bank.<sup>10</sup>

As a 'club' in which the world's richest nations all took part but where there was no means of forcing compliance, the influence of the DAC on UK policy should perhaps not be exaggerated. Nevertheless, the DAC did represent a regular source of pressure, particularly through its reviews of members' programmes (published in the form of annual reports on *Development Cooperation*). As one such member, Britain was required to be responsive to, if not bound by, DAC resolutions on the need to restrict the use of tying (the linking of assistance to the procurement of goods and services in the donor country) and the use of mixed credits (export credits with a 30%–35% aid subsidy).<sup>11</sup> As for the IMF, it seems fair to say that this institution, which had not been conceived as an aid-giving agency, only began to have a significant impact on the international development scene in the late 1970s, when indebted third world countries, no longer able to obtain commercial lending, applied to it for credit and accepted at the same time the stringent economic conditions attached to its stabilisation programmes. The IMF's developmental role was subsequently assured when donors such as Britain began to make their bilateral assistance conditional upon third world countries having a prior arrangement with the Fund.

The World Bank was from the start a developmental institution and a constant source of pressure on bilateral donors throughout most of the cold war period. Thus, in the 1950s and 1960s, the Bank convinced the world's richest countries to take part in donor consortia and pledge assistance to individual third world recipients.<sup>12</sup> Subsequently, the Bank chaired consultative groups at which Britain and other donors were invited to finance or co-finance recommended projects. The Bank also sought to provide intellectual leadership in aid circles and to set down, through its advocacy of various economic development strategies, the parameters within which all donors should proceed with their programmes. Given its respect for the professionalism of the World Bank and its strong representation on its Executive Board, Britain was generally responsive to these policy prescriptions. Thus in the mid-1970s, when the Bank advocated a Basic

Needs approach to development, London responded by issuing a White Paper, *Aid to the Poorest*, and by making an initial, if not a sustained, effort to focus its programme more on poverty alleviation.<sup>13</sup>

It was, however, in the early 1980s with the introduction of structural adjustment (essentially a policy to reduce third world budget deficits, remove currency overvaluations and recover lost shares in export markets) that the Bank began to exert a decisive influence over the direction of UK policy. In line with this new strategy, the Overseas Development Administration (ODA) began cutting project aid, increasing programme assistance (quick-disbursing funds best adapted to inducing market reforms)<sup>14</sup> and making the release of future balance of payments—and, occasionally, previously agreed loans—conditional upon the signature of and satisfactory progress with World Bank/IMF structural adjustment and stabilisation programmes.<sup>15</sup>

Nevertheless, although World Bank and IMF pressures were by the 1980s clearly setting the framework in which Western aid was formulated, it should not be assumed that they now exercised a determining influence over the British programme. In the early 1980s in fact the ODA was sceptical about structural adjustment and turned a blind eye to some slippage on World Bank/IMF conditions. Towards the end of the decade, as the failure of structural adjustment became increasingly evident, the government adopted a 'lighter hand approach', relaxing its stance on regimes that failed to liberalise their economies and rewarding those that had successfully adjusted.<sup>16</sup>

### Constraints on change

Having shown that cold war concerns and donor pressures served largely to set the context in which aid policy was made, our attention must now turn to those factors which had a more determining influence and which ensured that the assistance programme remained fundamentally unchanged throughout most of the Cold War.

If we assume that altruistic motives were vital in protecting the aid budget from the severest cutbacks but insufficient in themselves to sustain a high-level development programme, then perhaps two of the main forces for continuity were political and strategic concerns: by underpinning Britain's influence in the newly independent states of Africa, the assistance programme helped to justify the country's permanent seat at the UN, its central role in the World Bank/IMF, standing in the Commonwealth, position within the European Community, and strategic role in NATO. Other considerations which militated against change included cultural concerns, in particular the UK's willingness to use aid to project its image and values overseas. Economic and commercial motives also underpinned the development programme, which was believed to afford British companies privileged access to African raw materials and markets and thereby to provide a net benefit to the UK economy.<sup>17</sup>

Historical and institutional constraints also worked against any measures which might disrupt Britain's relations with former African colonies and its ongoing project work in these countries. Finally, even ideological—in the sense of party political—factors did not significantly undermine the rationale for aid.

Thus, the election of Mrs Thatcher's Government in 1979, while it brought serious cuts in the development budget and a new emphasis on commercial and political objectives, did not inflict any lasting damage on the all party consensus in favour of a sizeable Africa programme.<sup>18</sup>

As a result of the above shaping and to a lesser extent contextual factors, British aid developed a number of distinctive features. It was primarily bilateral, heavily tied and, increasingly, concentrated on anglophone black Africa.<sup>19</sup> It was also highly concessional,<sup>20</sup> with a large technical cooperation element and a separate, but significant, military assistance component.<sup>21</sup> Finally, it was also characterised by its relative continuity and its general lack of political conditionality, ie it was not subject to political strings. A half-hearted attempt had been made in the mid-1970s to respond to US President Carter's initiative to link assistance to respect for human rights, and there had been isolated cases where London had cut off or not renewed aid on ostensibly human rights grounds.<sup>22</sup> On the whole, however, the British government position was summed up by former Development Minister, Chris Patten, when, in 1987, he said: 'I think it is very difficult...terribly difficult' for a donor to use aid for the 'clearly political purpose' of promoting democracy and respect for human rights.<sup>23</sup>

### What change?

There have been a number of shifts in Britain's development agenda since the fall of the Berlin Wall. These include the merging, in 1994, of the budgetary lines for aid to traditional developing countries and the new assistance programme to the former Soviet bloc; the dilution of the development programme by unprecedented levels of spending on environmental protection, gender issues and population control;<sup>24</sup> and the increasing share of the budget devoted to emergencies, peace-keeping and above all multilateral assistance.<sup>25</sup>

This realignment of aid priorities may, as will be suggested in our conclusion, have serious medium term implications for UK assistance to Africa. For the moment, however, our focus will be on the altogether more sudden shift in Britain's bilateral programme that was signalled by its decision, in 1990, to link its aid systematically to political reforms in recipient countries. Although the momentum behind this new policy appears to have slowed and the government now seems set on avoiding open confrontation with non-reformist African leaders, political conditionality did begin as a fairly radical new initiative.

Political conditionality has taken a number of forms, the most important of which being democratic or human rights conditionality.<sup>26</sup> The decision to tie assistance to democratic reform was announced by the Foreign Secretary—a signal that this was a foreign policy initiative with full government backing—in a keynote speech in June 1990:

Countries tending towards pluralism, public accountability, respect for the rule of law, human rights and market principles should be encouraged. Governments who persist with repressive policies, with corrupt management or with wasteful and discredited economic systems, should not expect us to support their folly with scarce aid resources.<sup>27</sup>

British Ministers subsequently took the lead on political conditionality arguing for its adoption in international fora such as the IMF, the European Community and the Commonwealth Heads of Government Meeting.<sup>28</sup> In line with official rhetoric, the government set up its own Human Rights Policy Unit in the Foreign Office in mid-1992 and adopted a tough stance towards African and other non-reformist governments, notably in Sri Lanka and Myanmar. London cut off development—though not humanitarian—aid to recalcitrant regimes in war-torn Somalia and the Sudan in 1991; suspended balance of payments support to Malawi (May 1992) and Kenya (November 1991 and August 1995) for their refusal to democratise or respect human rights; withheld assistance from Sierra Leone and Gambia after the military coups in May 1992 and July 1994; and, in December 1993, placed the first of a host of restrictions on military and other forms of aid to Nigeria following General Babangida's annulment of the June presidential elections.<sup>29</sup>

As well as applying overt pressure on selected African regimes, Britain has also taken positive steps to bolster commitment to democracy south of the Sahara. The ODA has increased monies for political reform from £52.3 million in 1991–92 to £130.1 million in 1993–94,<sup>30</sup> and has, together with the Foreign Office, provided logistical support in the form of ballot boxes, observers and direct financial assistance for elections (eg £3 million in South Africa and Sierra Leone).<sup>31</sup> The Government has also promoted respect for the 'rule of law' through support for the legal sector (eg Tanzania) and through police training to more than 30 countries, including Ethiopia and Malawi.<sup>32</sup> At the same time too, London has endeavoured to build 'institutional capacity' through aid for civil service restructuring (eg Ghana), assistance for local government reform (eg £5 million in central Zambia) and support for various community and interest groups (eg trades unions in South Africa).<sup>33</sup> Finally, Britain has also sought to improve financial management and combat corruption in developing countries by providing, *inter alia*, assistance for tax reforms in Uganda and for an Anti-Corruption Commission in Zambia.<sup>34</sup>

Despite these measures, however, the UK has not been unswerving in its commitment to political liberalisation.<sup>35</sup> Indeed, recent analysis suggests that the British Government has never been primarily interested in political reforms but has seen these essentially as a means of promoting economic liberalisation and growth.<sup>36</sup> Thus the Foreign Secretary, Douglas Hurd, first argued the case for political reform on the grounds that: 'Economic success depends to a large degree on effective and honest government, political pluralism and observance of the rule of law'. He seemed moreover to imply a causal relationship between the two with the statement 'Political accountability is increasingly seen as a pre-condition for economic reform'.<sup>37</sup>

At the same time too, the government has been unable to offer systematic or significant rewards for democratic reformers at the expense of non-democratic regimes. Thus, for example, British aid to Tanzania fell from £31.9 million in 1988–89 to £23.6 million in 1993–94, despite steady progress on democracy during these years, whereas assistance to Uganda rose over the same period from £16.7 million to £38.1 million despite repeated stalling of the electoral process.<sup>38</sup>

Britain has also at times been reluctant openly to 'support countervailing

sources of power'.<sup>39</sup> London did not issue any public rebuke when Kenyan President Moi deployed intimidation tactics against opposition parties during the December 1992 elections; when Ugandan President Museveni, in March 1990 and again in March 1993, extended the ban on all elections and party political activities; or when elections in Zimbabwe (March 1990 and 1995) and Ghana (November–December 1992) led to the creation of *de facto* single party states.<sup>40</sup> What little support has been given has come mainly through the Westminster Foundation for Democracy, an arms-length quango created in 1992 and funded by the Diplomatic Wing to bolster fledgling developing democracies in Africa and the former Soviet bloc.<sup>41</sup>

Britain has also been, at times, slow to impose and quick to lift penalties on non-reformers. Thus, for example, London took no action when in October 1990 Africa Watch issued a damning report on the lack of political representation in Malawi. The UK was also one of the last donors to suspend balance of payments support to Kenya and one of the first to restore it, despite clear evidence of continued human rights abuses. Britain has, moreover, been reluctant to suspend assistance where elections have been suspect (eg Kenya<sup>42</sup>), where ruling elites have coopted 'democratic' institutions (eg Swaziland) or where the army has taken over from an allegedly corrupt elected government (eg Gambia).<sup>43</sup>

More recently, the British Government has moved away from punitive sanctions designed to force reform on recalcitrant leaders and begun concentrating instead on behind the scenes pressures and positive measures to encourage progress towards pluralism. This is particularly clear in Britain's relations with Uganda where discrete representations successfully coaxed President Museveni into holding elections in May 1996. It may also help in part to explain Britain's stubborn refusal to back calls for an oil embargo against Nigeria after its execution of Ken Saro-Wiwa and eight other political activists.<sup>44</sup>

As for the other elements of political conditionality, these include linking aid to reduced military expenditure and, arguably, to environmental and gender issues.<sup>45</sup> John Major, as Chancellor, broached the subject of military conditionality robustly in a speech to the IMF in May 1990, in which he emphasised that 'questionable military purchases' should no longer be tolerated by donor governments.<sup>46</sup> The government has since given some kind of lead through its own defence cuts<sup>47</sup> and its efforts to reduce arms spending in countries such as Angola and Uganda, where the UK has been helping to fund demobilisation and strengthen financial management systems in the Defence Ministry.<sup>48</sup>

That said, however, the Government's commitment to military conditionality has been half-hearted. Thus, Britain has remained largely silent in the face of calls from the Scandinavian donors, Japan, the United Nations Development Programme (UNDP) and the IMF to cut assistance to developing countries which spend too much on arms. The government has, moreover, continued to offer subsidies to promote the sale of arms to the Third World and compensate for falling domestic demand.<sup>49</sup> A case in point was Britain's decision to press on with a contract to equip Nigeria's army with UK tanks despite the continuing restrictions on aid to that country.<sup>50</sup>

As for environmental conditionality, this became an explicit feature of the development programme in 1989 when the ODA undertook 'to ensure that

ODA-funded projects and programmes...respect and preserve the environment'.<sup>51</sup> All projects were to be subject to environmental impact studies, and project managers were trained to follow environmental criteria set out in ODA manuals. In practice, however, these criteria have not always been applied rigorously: a recent Committee of Public Accounts report 'noted with concern that environmental problems had been identified in seven of the 18 projects considered in the Comptroller and Auditor General's Report'.<sup>52</sup> On the whole, moreover, 'green conditionality' has remained a minor feature of British aid, with only a few projects being delayed or halted and no country programmes being stopped purely on environmental grounds.<sup>53</sup>

Turning finally to gender conditionality, the ODA has recently tightened procedures to ensure that projects are not harmful to women's rights. In 1988 it adopted a Women In Development (WID) strategy and in 1993 published a Social Development Handbook to help with staff training on gender issues. In October 1994, gender conditionality became a feature of Britain's bilateral contributions to the World Bank led Special Programme of Assistance to Africa. As yet, however, it remains a marginal feature of the programme, and there is some evidence that it is not always applied: of 12 projects evaluated by the ODA in 1992-93, five had a positive impact on women, one negative and the remaining six neutral.<sup>54</sup>

### The Post-cold war context

It would be beyond the scope of this survey to seek to show empirically any correlation between these limited changes in the British aid programme and our shaping or contextual forces. It would, however, seem logical to look for some explanation in the two factors (Cold War concerns and international donor pressures) which have been subject to the most radical transformation: the East-West conflict is now clearly at an end and structural adjustment has been joined by a new strategy known as good governance or good government.<sup>55</sup> Despite some debate as to what precisely the latter entails and why it was drawn up by the World Bank and adopted by its member governments, it seems clear that it is essentially a prescription to make economic adjustment programmes work by creating an enabling political environment. As this discussion will show, contextual factors did provide the initial impetus for change in the British assistance programme.

The end of the Cold War created an international climate in which changes in development policy were both possible and desirable. Some of these were perhaps inevitable for economic reasons, notably the failure of structural adjustment, the recession at home and in Britain's traditional markets, and the continued pressure on public expenditure by the Conservative government. Others were, however, more directly the result of the end of the old world order. Thus the robust new rhetoric on conditionality would have been hard to imagine at the time of East-West tension, given the fear that African countries would turn to the communist bloc or accuse the UK of double standards on human rights in view of its policy towards South Africa. Now, however, as one of the biggest remaining donors in a shrinking Africa assistance programme, the British

have been free to express concern about despotic regimes south of the Sahara;<sup>56</sup> to create new programmes to over 20 former communist countries in the East and Southeast Asia; to include former African Cold War trouble spots such as Ethiopia and Angola among their top recipients.<sup>57</sup> The UK has also been able, in the climate of optimism created by the revolutionary events of 1989, to adopt a radical new World Bank strategy.

Given London's usual caution about becoming too closely identified with World Bank strategies, its leading role in advocating good government might suggest that new priorities have been shaping the British aid programme. To begin with, the new policy seemed to offer the UK the opportunity to put its relations with recalcitrant African leaders on a sounder footing and to establish links with newly elected representatives. Second, 'better government' appeared to provide reasonable grounds for concentrating increased resources on the UK's Eastern European neighbours which, although not as poor as most African nations, had nevertheless willingly democratised and continued to pose a more immediate threat to British security—through the dangers of nuclear disaster, environmental degradation, economic migration, ethnic unrest and the risks that these nations may turn to anarchy, communism or alliances that exclude the United Kingdom. Third, good government seemed to hold out the prospect of aid savings where recalcitrant regimes refused to reform. Fourth, the new approach, through its promotion of both market forces and the state sector,<sup>58</sup> was thought likely to win wide cross-party and public support and to protect against donor fatigue.<sup>59</sup> Finally, better government also appeared to lay the blame for poor economic growth on the shoulders of African governments which had failed to adjust; and insofar as it was perceived as a strategy to make structural adjustment work, it was expected to be easy to introduce within existing aid structures.

In the last analysis, however, neither the end of the old world order nor good government was enough in itself radically to transform Britain's development agenda south of the Sahara which has, in recent years, changed only slightly in terms of volume and composition. For example, Britain has over the period 1989 to 1994 maintained its development programme at around 0.31% of GNP while continuing to focus about half its bilateral assistance and 80% of its programme aid on black Africa.<sup>60</sup>

### **The same old constraints**

The above analysis would seem to confirm our earlier hypothesis that contextual factors had only a limited impact on the development programme. If they had been a more significant driving force, we might have anticipated that the changes in the UK programme would have mirrored more closely the global transformations that have occurred elsewhere in the international political economy or at least been commensurate with the more drastic shifts that have been made to other Western donor programmes.<sup>61</sup>

If on the other hand the changes in our contextual factors had been accompanied by an easing of the constraints shaping British policy, then we could reasonably have expected a more sudden and radical overhaul of the development programme together with a more even application of political conditional-

ity. Britain's inconsistency is, according to the government, an inevitable consequence of its 'pragmatic...case by case' approach which seeks to establish whether trends in African countries are towards improvement or deterioration and which takes account of local conditions where deep ethnic tensions, environmental degradation or the problem of drug trafficking might be exacerbated by too rigorous an application of good government.<sup>62</sup> It may also be a reflection of the fact that different Third World countries are at different stages of their development. Thus more might reasonably be expected of Ghana, which has had some form of plural democracy since 1992, than of Ethiopia, which is just emerging from 17 years of civil war.

That said, however, the selective implementation of good government might equally be explained in terms of Britain's pragmatic appraisal of the risks involved in applying to the letter a World Bank strategy which may fail like others before it and which may eventually be deemed by economists to have been a poor return on capital invested.<sup>63</sup> Although its significance has declined sharply over recent years, Africa has remained important to London politically as a source of prestige (as Britain's ranking in the Bretton Woods institutions is increasingly challenged) and of electoral strength (many expatriates still have the right to vote in UK elections).<sup>64</sup> The sub-Saharan region has also retained some significance in cultural terms, as a comparatively affordable repository for British values; and on strategic grounds, as a reserve of raw materials and of soldiers for UN peace-keeping operations.<sup>65</sup> For commercial reasons too, Africa has so far escaped radical cutbacks as a continent where UK companies, backed by business lobbies in London, still have substantial trade and investment<sup>66</sup> all of which could be jeopardised if Britain were, as more vociferous donors have urged, to cut off aid every time developing countries resist reform.<sup>67</sup> Indeed now that South Africa can generate growth throughout the subcontinent, African markets may even take precedence over the new markets of the former Eastern bloc, where the UK has few historical or linguistic ties and where any gains would have to be shared with established donors such as Germany.

Finally, historical and institutional constraints have also militated against a more radical overhaul of the Africa programme. Thus, Britain has come to accept that good government criteria may only be met under restricted conditions and that her ties with entrenched African leaders have helped give the latter control over state machinery, the power to rig voting and the possibility of avoiding electoral defeat.<sup>68</sup> Institutional factors may also have worked against changes to the Africa agenda in that good government is not always entirely compatible with other ODA and Foreign Office objectives;<sup>69</sup> with the need of the ODA to spend its budget quickly; or with the preference of overseas missions for behind the scenes pressures.

### Conclusion

Clearly a shift—towards political conditionality—did take place in the British development agenda in the early 1990s and this change was more than coincidentally related to the end of the Cold War and the introduction of good government. Ultimately, however, as neither of these factors were central to aid

policy formulation, they were insufficient in themselves to bring about any sudden overhaul of the programme or to overturn the forces for continuity shaping that programme since the Cold War period.

But what can we infer from this discussion about Britain's development agenda to Africa? It could perhaps be argued first that, as the Government's rhetoric has not been matched by actual practice and as sanctions were initially more visible than rewards, London's original motives for introducing political conditionality may have included a desire to cut the cost of the aid budget. Second, it might be inferred that London, having espoused 'better government' as a foreign policy initiative amidst the triumphalism that followed the rise of the Iron Curtain, was soon forced to fine-tune its policy when faced with the scale of African 'democratisation', with the expectations that this aroused (the British had promised rewards for states which democratised)<sup>70</sup> and with the instability that multiparty politics might bring to its former colonies.<sup>71</sup> Finally, it might be suggested that the UK's implementation of good government has at least partly been held back by the evasiveness of some African rulers, by the reluctance of other donors to present a united front against recalcitrant regimes and by the inherent contradictions in this latest World Bank strategy. These include the fact that better government holds African governments accountable for policies that are not of their own making;<sup>72</sup> that it promotes opposition leaders like Nigeria's Moshood Abiola who have come by their fortunes by questionable means; that it may lead to political conditions being satisfied at the expense of economic conditions; that it requires African governments to attain a level of transparency that is foreign to many Western governments;<sup>73</sup> and that it aims to promote self-reliance through an instrument, aid, which tends by its very nature to create dependency.

### Whither now?

As to the future of the Africa programme, this is likely to be related, though only in part, to the success or failure of good government. If successful, this new policy is likely to become more rule-bound and to be applied more consistently, especially in the area of military conditionality. If unsuccessful—and there is little concrete evidence to suggest that democratisation will enhance economic development<sup>74</sup>—then it is likely that the government will focus even more on positive measures to build institutional capacity, consolidate democratic gains and strengthen civic society in Africa as elsewhere.<sup>75</sup> It is, however, hard to see how good government could be abandoned altogether given that it contains values which British politicians have so vociferously espoused and given that there is at present no credible alternative to democratic capitalism.

Whatever happens, Britain's aid relations with Africa cannot now, after political conditionality and democratisation, return to the *status quo ante*. The policy environment has itself changed, a process carried further by the ODA's recent Fundamental Expenditure Review, and future shifts in development assistance now seem likely to satisfy a Government that is increasingly concerned with cutting public expenditure. The most serious of these may well be the squeeze on bilateral assistance that is likely to result from projected increases

in Britain's aid payments to the European Union. These contributions, which currently amount to about a quarter of the development budget, are expected to make up over 40% of the entire UK programme by 1998. Taken together with a planned cut of 18.4% (£59 million) in bilateral assistance to Africa over the next three years or so, this re-allocation of development resources represents a significant threat to Britain's agenda south of the Sahara.<sup>76</sup> The seriousness of the situation has, moreover, been highlighted by recent EU aid decisions which have tended to reflect German priorities in Eastern Europe and the former Soviet Union and French, Spanish and Italian concerns in North Africa and the Middle East.<sup>77</sup>

That said, however, the dangers of radical cutbacks in bilateral assistance, particularly aid to Africa, should perhaps not be exaggerated. To begin with, a Labour government, if elected, would be unlikely to oversee swingeing cuts in the Africa programme, especially given its commitment 'to start to reverse the decline in overseas aid expenditure', to transform the ODA into a Department of International Trade with a Secretary of State in the Cabinet, and to concentrate resources on the poorest.<sup>78</sup> At the same time too, the present government has repeatedly made clear that it will not allow the bilateral programme to be 'swallowed up' by commitments to multilateral bodies. To this end, the Government has recently negotiated a 25% reduction in its contributions to the eighth replenishment of the European Development Fund. Government Ministers have moreover accepted the recommendations of the Fundamental Expenditure Review according to which aid should be concentrated on a smaller number of recipients and the savings re-allocated to where they will have greatest impact, notably Africa.<sup>79</sup>

Clearly then the future of Britain's Africa programme is hard to predict. On the one hand, it is difficult to see how the present government can, without increasing its overall development budget (and no rise in real terms is predicted), hope to maintain aid to Africa at existing levels.<sup>80</sup> On the other hand, it is equally hard to see how any British government would be willing to jeopardise its good relations with Africa at a time when the future of the 'special relationship' remains uncertain, London's position on a multi-speed Europe is still undecided and there appears to be no real alternative to the Commonwealth as a source of world power status. It remains to be seen whether Britain will, as it approaches the next millennium, continue to regard the world's poorest continent as its highest aid priority.

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## Notes

<sup>1</sup> Most studies have sought to explain the recent phenomenon whereby Western donors have made their foreign aid conditional upon democratic reforms. See for example *IDS Bulletin*, 'Good government', 24 (1), 1993.

<sup>1</sup> There has been surprisingly little country-specific analysis of post-Cold War British aid policy. For a brief review, see A Hewitt and J Howell 'UK Aid in the 1990s' in A Hewitt, (ed), *Crisis or Transition in Foreign Aid*, London: ODI, 1994, pp 72-79. For the initial findings of a substantive research project, see G Crawford, *Promoting Democracy, Human Rights and Good Governance Through Development Aid: A*

- Comparative Study of the Policies of Four Northern Donors*, Leeds: Centre for Democratization Studies, 1995, pp 6–9 and *passim*.
- <sup>3</sup> The Organisation for Economic Cooperation and Development uses essentially this definition to measure the volume and concessionality (grants or grant equivalents of assistance given as loans) of ‘official development assistance’.
- <sup>4</sup> That bilateral aid reflects donor motivation more closely than multilateral has been shown by A Maizels & M R Nissanke, ‘Motivations for aid to developing countries’, *World Development*, 12, 1984, pp 879–900.
- <sup>5</sup> See O Morrissey *et al*, *British Aid and International Trade*, Milton Keynes: Open University Press, 1992, pp 20–44.
- <sup>6</sup> It has been shown empirically that British assistance was not motivated by Cold War concerns: see R D McKinlay and R Little, ‘A foreign policy model of the distribution of British bilateral aid 1960–70’, *British Journal of Political Science*, 8, 1978.
- <sup>7</sup> British aid to Sudan and Malawi rose from £1.1 million and £6.9 million respectively in 1973 to £13.1 million and £23.3 million in 1979. See ODA, *British Aid Statistics*, London: Government Statistical Services, various years.
- <sup>8</sup> P Byrd, ‘Foreign policy and overseas aid’ in A Bose & P Burnell (eds), *British Overseas Aid Since 1979*, Manchester: Manchester University Press, 1991, pp 68–69.
- <sup>9</sup> At the time of signing agreements with the Bank and Fund—1986 and 1987 respectively—Tanzania was receiving £335 000 and Mozambique £5.2 million in programme assistance from Britain. By 1989, these figures had risen to £13.4 million and £20.9 million respectively. See ODA, *British Aid Statistics*.
- <sup>10</sup> The Paris Club was another source of peer pressure as it sought to maintain a united front among official creditors on the terms of debt rescheduling (concessionality in which has become a form of aid). Although its agenda goes beyond developmental issues, the G7 also recommended the terms on which debts should be renegotiated—a sensitive matter for the British, whose African recipients included middle-income debtor countries such as Nigeria. The United Nations was a forum in which the Scandinavian countries and the Netherlands regularly pressed the West to achieve UN targets, and the UNDP used its chairmanship of ‘round tables’ to encourage donors to fund projects.
- <sup>11</sup> Despite the government’s ideological opposition to tying, around 70% of Britain’s bilateral effort is tied to procurement of goods and services in the UK. Between 1981 and 1992 Britain also devoted an average of 7.1% of the aid budget to mixed credits, significantly more than average DAC donor. See OECD, *Development Cooperation Review Series, United Kingdom*, Paris: OECD, pp 9–10.
- <sup>12</sup> Britain was a founder member of the aid consortia for India and Pakistan in the early 1960s: see John White, *Pledged to Development*, London: ODI, 1967.
- <sup>13</sup> Gross bilateral aid to the poorest countries rose from 59.2% of the British programme in 1974 to 67.9% in 1981: see ODA, *British Aid Statistics*. Ultimately, however, the Labour government was less concerned with Basic Needs than with Britain’s domestic economic problems; see S H Arnold, *Implementing Development Assistance: European Approaches to Basic Needs*, Boulder, CO: Westview Press, 1982.
- <sup>14</sup> By 1988–89 programme assistance constituted around 44% of bilateral aid to North and West Africa. (Morrissey *et al*, *British Aid and International Trade*, p 16.)
- <sup>15</sup> In late 1983, Britain suspended programme aid to Kenya’s government for its slow progress in meeting World Bank conditions; see J T Wimpenny, ‘Efficiency and effectiveness in the ODA’, in A Bose & P Burnell, *British Overseas Aid Since 1979*, p. 40.
- <sup>16</sup> P Mosley, ‘Britain, The World Bank and structural adjustment’, in *ibid*, pp 74–85. London always suspected that structural adjustment would bring the Bank into conflict with the IMF, undermine the former’s financial viability and slow down aid disbursement.
- <sup>17</sup> Most recent studies cast doubt on the economic return to the UK of tied bilateral assistance and mixed credits. See for example O Morrissey, ‘The impact of multilateral and tied bilateral aid on the UK Economy’, *Journal of International Development*, 2(1), 1990, pp 60–76; and O Morrissey ‘An evaluation of the economic effects of the aid and trade provision’, *Journal of Development Studies*, 28(1), 1991, pp 104–129.
- <sup>18</sup> The Conservatives downgraded the Overseas Development Ministry to the ODA, cut staff by a third between 1979 and 1987 and slashed bilateral aid by 23% between 1979 and 1987 (Morrissey *et al*, *British Aid and International Trade*, p 91). Nevertheless by the late 1980s, the most radical changes had been overturned: the ODA had come under the ministerial direction of Chris Patten, a prominent figure from the ‘wet’ wing of the party; moves to commercialise the programme had come unstuck; and both aid volumes and assistance to the poorest countries had risen.
- <sup>19</sup> With Britain’s accession to the Common Market, the focus of the programme shifted: in 1970 Africa and Asia received 32.9% and 43.7% respectively while by 1987 this balance had been virtually reversed to 48.8% and 36.3% respectively. See ODA, *British Aid Statistics*.
- <sup>20</sup> Britain has had one of the best records on concessionality: see OECD, *DAC Report 1985*, Paris: OECD, 1985, p 106.
- <sup>21</sup> See Alain Rouvez *et al*, *Disconsolate Empires: French, British and Belgian Military Involvement in Post-colonial Sub-Saharan Africa*, Lanham, MD: University Press of America, 1994.

- <sup>22</sup> In the 1970s, the Government declined to renew development aid to Ethiopia or to start programmes in Cambodia and the Central African Republic. It maintained only token assistance to Nicaragua; refused to increase aid to Indonesia over the issue of political prisoners; and suspended support to the mining sector in Bolivia in 1977 in protest at working conditions there. Assistance was also cut off to Pinochet's Chile and to Amin's Uganda; in the latter case, however, this measure was part of the wider breakdown in Anglo-Ugandan relations.
- <sup>23</sup> Cited in 'Poverty-focused aid: the lessons of experience', *Actionaid Report*, London, 1987, p 18.
- <sup>24</sup> The government has, between 1991-92 and 1993-94, increased spending on environmental protection and WID-related activities from £116.7 million to £146.8 million and from £46.9 million to £81.8 million respectively. It has over the same period doubled expenditure on health and population. See ODA, *Progress Report on ODA's Policy Objectives 1992/93 to 1993/94*, London: ODA, 1995, pp 216, 207, 161.
- <sup>25</sup> Britain's multilateral share of aid has increased from 43.4% in 1989 to 49% in 1994-95 (OECD, *DAC Report 1993*, Paris: OECD, 1994, p 183; Foreign & Commonwealth Office, *1996 Departmental Report*, London: HMSO, p 86); its expenditure on emergencies has almost quadrupled over the last six years to reach £209 million in 1994 (*ibid*, p 95); and its peacekeeping contributions have risen eightfold between 1990-91 and 1995-96 (*ibid*, p 2).
- <sup>26</sup> Although policy makers use the terms interchangeably, democratic conditionality is of more recent origin. It is not part of an established international legal framework and is more concerned with challenging the political *status quo* in developing countries.
- <sup>27</sup> This speech was given at a meeting of the All-Party Parliamentary Group on Overseas Development (APGOOD), London, 6 June 1990.
- <sup>28</sup> John Major as Chancellor warned the IMF in May 1990 of the need to cut aid to non-reformist regimes; Douglas Hurd as Foreign Secretary strongly urged EC Foreign Ministers to adopt political conditionality (*Sunday Times*, 18 August 1991); and John Major as Prime Minister had support for conditionality written into the Harare Declaration of the 1991 Commonwealth Heads of Government Meeting.
- <sup>29</sup> These included a review of bilateral relations with Nigeria, a suspension of new military training courses in Britain, the withdrawal of a British Military advisory team and an end to special treatment for official visa applications. See *Daily Telegraph*, 25 June 1993.
- <sup>30</sup> See ODA, *Progress Report on Policy Objectives*, pp 84 & 98. These figures do not include projects below £100 000. But some assistance used in the past to promote participative development has been reclassified as aid for 'good government'. The 1993-94 statistics also include programme assistance which promotes political liberalisation.
- <sup>31</sup> ODA, *British Aid to Southern Africa*, London: ODA, 1994 and *The Economist*, 20 January 1996, p 61.
- <sup>32</sup> L Chalker, *Good Government and the Aid Programme*, London: ODA, 1991.
- <sup>33</sup> ODA, *Progress Report on Policy Objectives*, pp 86-88.
- <sup>34</sup> L Chalker, *Good Government: Putting Policy into Practice*, London: ODA, 1994.
- <sup>35</sup> Britain's continued aid to China and East Timor, despite the massacres in Tiananmen and East Timor, are perhaps the most obvious examples.
- <sup>36</sup> Crawford, *Promoting Democracy*, p 7 and *passim*.
- <sup>37</sup> D Hurd, APGOOD speech, pp 2, 7.
- <sup>38</sup> ODA, *British Aid Statistics*. Clearly the strong economic performance of the Museveni presidency and the fear of a return to the brutality of earlier regimes have weighed heavily in aid-policy makers' minds.
- <sup>39</sup> D Hurd, 'Promoting Good Government', *Crossbow*, autumn 1990.
- <sup>40</sup> In Ghana, the opposition boycotted the legislative elections in which the ruling National Convention Party and its allies won 198 of the 200 seats. In the March 1990 Zimbabwe elections, Zanu-PF won 116 of the 119 parliamentary seats and, in March-April 1995, 118 out of 120.
- <sup>41</sup> The Foundation has allotted only around £530 000 for projects in anglophone Africa as compared to some £650 000 for the former Soviet Union and £1.2 million for Central and Eastern Europe: see Westminster Foundation, *Current Projects List for 1995-96*.
- <sup>42</sup> For a critical observer report, see for example National Electoral Monitoring Unit, *The Multiparty General Elections in Kenya, December 1992*, Nairobi: NEMU, 1993.
- <sup>43</sup> The UK is to honour existing aid commitments while not making any new ones; see International Development Studies, *Briefing Paper No 2*, Sussex: IDS, 1995.
- <sup>44</sup> Proposals were instead announced for an EU arms embargo and a ban on members of the Nigerian armed forces visiting Europe. Note, however, that these measures have already been in place for two years; see *The Economist*, 18, 1995, p 17. Subsequent penalties have included expulsion from the Commonwealth, a freezing of European Union aid and a sports boycott. (*Financial Times*, 5 December 1995.)
- <sup>45</sup> Environmental and gender concerns predate and are not strictly part of the political conditionality debate: they relate more to micro-level project issues and are integrated into the ODA's four broad objectives. They are, however, relevant insofar as they represent non-economic conditions which developing countries have to meet in order to receive assistance.
- <sup>46</sup> *Guardian*, 9 May 1990.

- <sup>47</sup> The Ministry of Defence had to find cuts of £750 million in 1994–95 to meet the expenditure targets set out in the budget: see *Financial Times*, 30 June 1994.
- <sup>48</sup> L Chalker, *Governance, Business and Aid*, London: ODA, 1993.
- <sup>49</sup> See in this context N Ball, *Pressing for Peace: Can Aid Induce Reform?*, Washington, DC: Overseas Development Council, 1992, pp 22, 67. Labour in its 1992 Manifesto (*A World of Difference*, p 14) accused the DTI of giving licences for military exports to Saddam's Iraq and the MOD of providing training to factions fighting alongside Pol Pot's Khmer Rouge in Cambodia. The Conservative government also overrode ODA advice and gave £234 million in aid to build the uneconomic Pergau dam; in linking this to the sale of over £1 billion of military equipment to Malaysia, Britain contravened her own and OECD guidelines.
- <sup>50</sup> *Financial Times*, 22 September 1994. Such exports sit uncomfortably with government guidelines whereby 'every proposed sale of defence or internal security equipment is subject to strict vetting procedures...in particular, an assessment of the human rights of the country concerned'. See *Human Rights in Foreign Policy*, London: FCO, para 28.
- <sup>51</sup> ODA, *British Overseas Aid: Anniversary Review*, London: ODA, 1989, p 79.
- <sup>52</sup> See House of Commons Session 1992–93, Committee of Public Accounts, 23rd Report: *Overseas Aid and the Environment*, 27 January 1993, p v.
- <sup>53</sup> The ODA withdrew a £12 million grant for a forestry conservation programme in Kenya because of green concerns (*Financial Times*, 1 February 1994).
- <sup>54</sup> ODA, *Progress Report*, p 186.
- <sup>55</sup> This new agenda arose out of a 1989 World Bank strategy paper, *Sub-Saharan Africa: From Crisis to Sustainable Growth*. According to the ODA, which has adopted good government as one of its four main objectives, it 'involves a democratic political process, accountability... a capacity for effective decision-making... respect for human rights and the rule of law'; see FCO, *1996 Departmental Report*, p 87.
- <sup>56</sup> Total overseas developmental aid to sub-Saharan Africa rose from \$17.4 billion in 1993 to \$18.1 billion in 1994 but is still less than the \$18.4 billion given by the donor community in 1992; see OECD, *The DAC Report 1995*, Paris: OECD, 1995, table 37, p A64.
- <sup>57</sup> British aid to Ethiopia and Angola increased from £12.2 and £1.3 million respectively in 1989 to £20.1 million and £13.6 million in 1994–95. See FCO, *1996 Departmental Report*, p 140.
- <sup>58</sup> Good government is thought by some to have restored the state to the centre of the development process: see Robert Archer, *Markets and Good Government: The Way Forward for Economic and Social Development*, London: NGLS, 1994. For others, the state's role remains confined to creating an enabling environment for the private sector: see Crawford, *Promoting Democracy*, pp 89–90.
- <sup>59</sup> For an account of the similar positions of the Conservatives and Labour on good government, see L Chalker, 'Aid and poverty', *Journal on International Development*, 4(1), 1992, pp 87–93; and A Clwyd, 'The Labour Party policy on overseas development', *ibid*, pp 94–102. Labour's main criticism has been that good government has not been applied consistently enough.
- <sup>60</sup> Cited in OECD, *The DAC Report 1995*, note 56, pp A8, A64; and L Chalker, Speech to Prince of Wales Business Leaders' Forum, 12 December 1995, p 2.
- <sup>61</sup> The USA, Italy and Belgium are among the donors believed to have openly diverted monies to more commercially viable countries. In particular, the USA has drastically scaled down its Africa programme, closing nine missions and placing others on a watch list, redirecting aid personnel to new priority assignments in the former Eastern bloc and cutting assistance from 0.20% to 0.15% of GNP from 1992 to 1994. See OECD, *The DAC Report 1995*, note 56, p A36; and M Bratton, 'International versus domestic pressures for democratization', School of Oriental and African Studies conference, 21–22 October 1994, pp 5–6.
- <sup>62</sup> L Chalker, *Good Government and the Aid Programme*, p 5. Britain does not insist upon multiparty democracy where this is 'impractical or unsustainable' and seeks instead to encourage 'legitimate' government. The adequacy of these terms as substitutes for democracy is challenged by Crawford, *Promoting Democracy*, pp 65–66.
- <sup>63</sup> See P Burnell, *Good Government and Foreign Aid*, Coventry: Warwick University, 1993, pp 33–34.
- <sup>64</sup> There are 40 000 British passport holders in Kenya alone: see *Guardian*, 24 July 1995, p 8.
- <sup>65</sup> Zimbabwe contributed troops to UN peacekeeping operations in Mozambique, Rwanda and Somalia. Nigeria also took part in the Congo, Somalia and the former Yugoslavia.
- <sup>66</sup> UK economic interests are particularly strong in Kenya, where it has £1 billion of investments and exports worth £250 million per annum (*The Times*, 12 September 1991). Also in Nigeria where it has exports worth on average £1.4 billion (*Financial Times*, 19 July 1995) and South Africa where trade totalled over £1 billion in 1993 and investments amounted to some £12 billion. (*Guardian*, 12 July 1994).
- <sup>67</sup> Note that when the Netherlands cut off assistance to Indonesia over its massacres in East Timor in November 1991, it found its Dutch-led consortium replaced by a World Bank-organised forum which increased aid to Indonesia in 1993.
- <sup>68</sup> Ruling elites have even sought to enshrine constitutional dispensations to protect themselves from the sort of retribution that looked like being meted out to Malawi's President Banda: the transitional provisions of Ghana's 1992 constitution are a case in point.

- <sup>69</sup> Good government, if rigorously applied, may conflict with wider Foreign Office aims, such as 'to promote and protect British interests and influence overseas, enhance the...prosperity of the United Kingdom'; see FCO, *1996 Departmental Report*, p 1.
- <sup>70</sup> Crawford, *Promoting Democracy*, p viii.
- <sup>71</sup> Between 1990 and September 1994, 41 of the 47 sub-Saharan states underwent a measure of political liberalisation (although only 14 achieved transition to a minimally 'democratic' regime). Now, however, 'Westerners and Africans alike are turning their attention from regime transition to regime consolidation'. See Bratton, (International versus domestic pressure for democratization), pp 1, 10.
- <sup>72</sup> M Moore & M Robinson, 'Can aid be used to promote good government in developing countries?', *Ethics and International Affairs*, 8, 1994, p 143.
- <sup>73</sup> Britain's Official Secrets Act and lack of freedom of information legislation are a case in point.
- <sup>74</sup> The evidence suggests there is no guaranteed link between political liberalisation and faster economic growth. See J M Healey & M Robinson, *Governance and Economic Policy, Sub-Saharan Africa in Comparative Perspective*, London: ODI, 1992.
- <sup>75</sup> See M Robinson 'Strengthening civil society in Africa : the role of foreign political aid', *IDS Bulletin*, 26(2), 1995, pp 70–80.
- <sup>76</sup> Figures drawn from FCO, *1996 Departmental Report*, p 83; and ODA, *Fundamental Expenditure Review*, London: ODA, 1995, p 99. According to a Commons Foreign Affairs Select Committee report, Britain's agreement at the 1992 Edinburgh Summit to a 60% increase in its aid contributions to the EC may mean that it has to divert over £160 million of assistance from Africa to the former Soviet Bloc. (*Guardian*, 19 July 1994).
- <sup>77</sup> The EU agreed to spend at least £2.8 billion over the next five years in the Mediterranean area and a minimum of £5.2 billion in Central and Eastern Europe; see *The Times*, 21 June 1995, p 12. Britain, while not oblivious to threats to the East or the growing problems of migration, drugs and terrorism around the Mediterranean, had argued unsuccessfully that the problems of these middle income countries should be tackled through trade and not aid.
- <sup>78</sup> See House of Commons Debate, 30 January 1996, cols 838–883. Note, however, that Labour's pledge in its 1992 Manifesto and at its 1993 party conference that it would seek to achieve the UN 0.7% target in its first term of office has been toned down in favour of 'steady and measurable progress' towards that target.
- <sup>79</sup> Government statistics for 1994–95 to 1997–98 suggest that bilateral aid will be cut across the board and that 85% of assistance will be focused on only 20 priority recipients; see ODA, *Fundamental Expenditure Review*, pp 99, 113.
- <sup>80</sup> The *Fundamental Expenditure Review*, written before the 5.4% (£124 million) cut in November 1995, predicted that aid would fall to its lowest ever level, 0.26%, in 1997–98; see ODA, *Fundamental Expenditure Review*, p 22.

