INTRODUCTION

CHAPTER 1

THE NEW POLITICS AGENDA

INTRODUCTION

Ever since its early years, international development assistance has had an uncertain and uncomfortable relationship with politics. The emergent community of organizations that Western governments set up in the 1950s and 1960s to carry out aid programs in what was then called the Third World embraced a conception of development centered on economic well-being and defined their central mission as fostering economic growth. They initially hoped that economic growth in poor countries would produce political development, which they defined primarily as liberal democracy. That political ambition receded quickly, however, when authoritarianism spread widely in the developing world during the 1960s. To fulfill their central economic mission, aid organizations held fast to what can be called "the temptation of the technical," the belief that they could help economically transform poor countries by providing timely doses of capital and technical knowledge while maintaining a comfortably clinical distance from these countries' internal political life. These views took hold strongly in those early years, exerted a powerful influence throughout the intervening decades, and are still prevalent in the development aid community today.

This preference for an economic-centric, technocratic approach to development is understandable. While economics appears as a rational, scientific domain, politics seems to imply inevitable entanglement with the irrational

side of human affairs—with ideological fervor, nationalistic impulses, and other volatile passions. Economics emphasizes consensual ideas, like the universal appeal of prosperity and the tragedy of poverty. In contrast, politics is all about conflicting visions and objectives. Economics deals in definite goals, with easily measurable signs of improvement. Politics is about subjective values, with signs of progress hard to agree on, let alone measure. Many development aid practitioners fear that the more political assistance appears to be, the harder the time they will have building or maintaining productive relationships with governments throughout the developing world. They hope that emphasizing economic goals and technical methods will help them avoid controversy and overcome local suspicions within developing countries about what these putatively well-intentioned outsiders are really up to.

Yet the effort to keep development aid away from politics has weakened the endeavor. Aid agencies have too often failed to grapple with the political complexities of the countries where they work and of the inherently political nature of processes of developmental change. This has led to numerous problems, including:

- *Misunderstanding the causes of developmental problems*, for example, assuming that a developing country government's failure to distribute needed medical supplies to a particular region in its territory is due to a lack of transportation capacity rather than some underlying sociopolitical factor, such as animus on the part of the ruling party toward the local elites of the region in question or a desire to distribute medical benefits disproportionately to political supporters.
- *Failing to pay attention to or strengthen domestic institutional capacity to carry out development programs*, for example, implementing food projects over decades that deliver nutrition to poor people but do not address the persistent inability of the state to prevent or cope with famines.
- *Trying to insert solutions conceived from the outside that lack domestic buy-in while failing to identify and thus help facilitate local impetus for change*, for instance, setting up formal consultative mechanisms for selected government actors to discuss policy with citizens but then limiting the citizen side to elite nongovernmental organizations

(NGOs) while neglecting other forms of representation in the society and other actors—like trade unions, religious groups, or traditional leaders—who have the political strength and legitimacy to represent collective social interests.

- *Overlooking how technocratically rational institutional reforms may threaten powerful domestic political interests and thus go nowhere*, like how a plan to rationalize the personnel structures in a ministry and increase meritocratic appointments may not move forward despite the cost savings and other benefits it would bring because it would reduce the patronage opportunities for the minister in charge.
- *Not anticipating unintended harmful political consequences of socio-economic reform efforts*, such as how a hurried, large-scale privatization program in a resource-rich country with weak legal institutions may create a new class of oligopolistic, predatory elites who end up capturing the political process and blocking further reforms.
- *Ignoring the broader aspirations of citizens beyond economic success, such as popular desires for political dignity and empowerment*, leading to an aid effort that helps a country achieve certain economic changes but neglects profound underlying tensions on other, more political, matters. These tensions can keep mounting and eventually blow up and derail the economic reform process while also undermining the local reputation of the development actors that were behind it.

Warnings about these dangers of excluding politics from development aid did surface during the initial decades of the aid enterprise. Articulate early dissenters highlighted shortcomings arising from narrow technocratic approaches and called on aid providers to think and act more politically. But these voices failed to gain much traction. They ran up against a strong head of apolitical steam behind the still-expanding world of development aid as well as a frozen Cold War context that encouraged many developmentalists to try to isolate what they viewed as an idealistic endeavor from the contamination of politics of all types.

It was only in the 1990s that the door to politics significantly opened in the development aid world. In those years some assistance practitioners long frustrated with the persistent developmental failures of many poor countries managed to push onto the aid agenda the simple but powerful idea

that failures of governance—a term adopted as a relatively nonthreatening, apolitical way to talk about such clearly political issues as governmental incentives, structures, and actions—are the underlying cause of chronic underdevelopment and must be addressed by aid providers. Without minimally effective government institutions to support sustainable development, progress is likely to remain out of reach for many countries. This insight flourished in a new international context that was suddenly much more favorable to a political lens on development work. Thanks to the end of the Cold War, Western donors were no longer inhibited from politically criticizing many aid-receiving governments out of fear of losing their support in the anti-Soviet cause. They also no longer faced the automatic assumption that any effort to talk about politics in developing countries was just a cover for geopolitical machinations. In addition, the rapid, heartening spread of democracy in the developing world in those years undercut the old idea that authoritarian politics were normal for poor countries and revived in Western policy circles the appealing idea that liberal democracy and economic development naturally go hand in hand.

Many changes followed in the aid world. Throughout the 1990s and the first decade of the new century, most major aid organizations adopted political goals alongside their socioeconomic ones. Sometimes they formulated their goals in terms of improving governance, but often they went further and came out openly in support of democratic governance or democracy itself. They established a whole new arena of openly political aid programs aimed at reforming political institutions and processes, from parliaments and judiciaries to elections and political party development. In their socioeconomic work, they began exploring and adopting more politically informed methods. These included developing new analytic tools for understanding the political contexts where they worked as well as efforts to facilitate locally rooted processes of developmental change, such as fostering citizen demand for better public services or facilitating coalition building among reform supporters inside and outside government. As aid providers stepped up their work in conflict-afflicted and fragile states, they began trying to understand and directly address the relationship between the political underpinnings of conflict and grave socioeconomic challenges.

The development practitioners most closely involved in establishing these new ways of thinking and acting politically consider this wave of

change an overdue revolution in development aid. They see it as a chance to finally reverse the original sin of narrowly technocratic approaches to development and arrive at an integrated economic and political conception of what development is and how it can be achieved. Yet the new embrace of politics remains very much an uphill struggle. Many developmentalists continue to doubt the value of the move toward politics, viewing it as an analytically weak leap into a jungle of potential complications and distractions. They hope it is just one more fad in the long chain of transient enthusiasms that have marked the path of development aid, bound to fade away if they simply wait it out. Others see some value in a politics perspective but remain concerned about aid becoming "too political" and instinctively try to set limits on how far political thinking and action penetrate the core areas of development work. Many people in aid-receiving societies, both inside and outside of government, resist the idea that development aid should become more political, believing that donors have no right to involve themselves in domestic political issues and that political approaches are excuses for unwanted interventions rooted in ulterior motivations. Other actors in developing countries, especially civic activists trying to push their governments to reform, sometimes appreciate political frankness and engagement by outside aid groups. Yet they worry that donors may often be acting politically without a sufficiently deep understanding of the political complexities of the local scene.

As a result of these divided views, many of the new ideas about more political thinking and action have been only partially accepted within major aid organizations. Openly political aid programs such as democracy assistance efforts are usually funded with much smaller sums than more traditional areas of aid aimed at furthering economic growth or making progress in social sectors such as health. Political programs mostly operate in isolation from the still dominant socioeconomic agendas, remaining niche efforts in organizations focused primarily on other things. Attempts to introduce more political analysis into traditional areas of development work still face skepticism around the practical value of such studies. Many practitioners believe that the resources these efforts require and the hackles they sometimes raise with host country governments are not worth the benefit to aid providers. More political methods for facilitating socioeconomic change remain only tentative experiments for which broader

institutional acceptance is still far off. The growing pressure within aid circles to strictly define and measure results, as well as the long-standing bureaucratic constraints on flexible and innovative programming, cuts against more political approaches. In short, it is by no means clear whether a political revolution in development aid is really under way, or if it is, whether it will carry the day.

IT'S ALREADY POLITICAL

The unfolding wave of attention to politics in aid provokes a certain frustration or even snappishness in some observers. Development aid, they forcefully insist, *is inescapably, inevitably highly political, and always has been*. From the very beginnings of aid through to the present day, they point out, donors have regularly used foreign aid for manifestly political purposes: to shore up shaky allies, to reward friendly governments for useful cooperation on security issues, to win over unfriendly leaders, to gain access or influence in countries where they lack other ties, or just to show the flag generally. Although the end of the Cold War took away the anticommunist imperative of Western aid, geostrategic motives continue to drive much of foreign assistance. U.S. aid relationships with Afghanistan, Egypt, Iraq, Israel, and Pakistan, for example—some of the largest aid programs in the world—all aim at furthering U.S. diplomatic and security interests. And the United States is hardly the only donor to use aid for a range of purposes beyond reducing human misery. One does not have to look hard at the aid programs of France, Japan, the United Kingdom, or other major donors to see multiple motivations at work, often quite different from simply promoting socioeconomic development.

Furthermore, these observers point out, even when aid is designed and delivered primarily to foster socioeconomic development, it inevitably has political effects on recipient countries. Helping a government deliver better socioeconomic outcomes to its citizens will bolster that government's political standing. As a result, if aid is channeled to authoritarian governments, it can lend legitimacy to repressive regimes. Aid that flows directly to executive branch ministries and bypasses other parts of government, such as the legislative branch, may have the effect of increasing the centralization of the political system and weakening democratic checks and balances. Large

aid flows to weak states can undermine those governments' accountability to their citizens as senior officials worry more about pleasing donors than serving their own constituencies. If multiple donors operate in a country in an uncoordinated fashion, as they often do, they can contribute to the fragmentation of the policy process and even of the governing institutions themselves by pursuing inconsistent agendas and placing competing demands on government agencies.

Those highlighting the inevitably political nature of aid also tend to disagree with the idea that it is possible to draw a clear line between socioeconomic and political issues. Reforms to expand access to healthcare, shift resources among educational priorities, or revise the tax code are about socioeconomic goods and outcomes. Yet they also involve political choices and values. As the divisive debate over healthcare reform in the United States highlights so vividly, socioeconomic issues are often the source of fundamental political divisions and debates. Additionally, while aid providers often talk about market reforms in politically neutral terms as maximizing economic goods or rationalizing state authority, market approaches grow out of a broader ideological framework with deeply embedded political values and norms. They involve basic choices about the proper role of the state in society and the balance between individual and collective interests. When development agencies use their financial leverage to push such reforms on developing country governments, they are promoting an inherently political agenda and imposing on the sovereignty of recipient states.

Those observers who react to the new wave of interest in politics in aid by highlighting the inevitably political nature of assistance tend to do so as part of a larger negative assessment of the development aid enterprise. They criticize major donors for using aid to advance geostrategic or other national interests rather than to benefit poor people around the world. They believe that aid providers tend to ignore the political side effects of socioeconomic aid and that these effects frequently corrode local accountability or democracy generally. They disagree with the market-centric paradigm underlying so much aid of the past several decades and feel that market reforms should be treated as a contestable choice, not an objective good. Whether or not one agrees with the overall political thrust of these criticisms, the fact remains that aid is unquestionably, inevitably political in these important ways. And it is also true that mainstream aid providers have all too

often tried to deny or play down these political characteristics, insisting on technocratic neutrality even when acting in a highly political manner.

NEW WAYS OF BEING POLITICAL

But the movement since the 1990s is about making aid political in different ways than those inescapably political dimensions outlined just above. When enthusiasts of this new movement talk about the importance of aid providers "being political" or "working politically," they are not talking about prioritizing geostrategic motives or hiding political objectives under the cover of putatively neutral economic models. Rather they are referring to *efforts by development aid actors intentionally and openly to think and act politically for the purpose of making aid more effective in fostering development*. Aid providers are engaging in a diverse, growing array of efforts to work more politically. For the purposes of the analysis in this book, we divide the new politics agenda into two main halves: the pursuit of political goals and the use of politically smart methods.

Pursuing political goals: This is about using aid to advance explicitly political goals—which aid organizations usually frame at a general level as better governance (though as will be discussed later on, some aid providers have tried to cling to apolitical understandings of governance), democratic governance, or democracy itself. They adopt political goals for either instrumental reasons (the belief that certain political systems will help achieve improved socioeconomic outcomes) or for intrinsic reasons (the belief that certain political values are goods in their own right and should be promoted as separate objectives or as part of a unified political-economic conception of development), or more often for both instrumental and intrinsic reasons at once.

Using politically smart methods: This is about moving away from the dream of developmental change as a mechanical process in which supplying technocratic inputs to developing country governments will produce desirable socioeconomic outcomes. It requires recognizing that developmental change is an amalgam of complex, inherently political processes in which multiple contending actors assert their interests in diverse societal arenas,

trying to reconcile them into shared positive outcomes. To be effective in helping advance development, aid actors need to operate from a genuine understanding of the political realities of the local context, engage with a diverse array of relevant actors both inside and outside the government, and insert aid strategically and subtly as a facilitating element in local processes of change.

These two dimensions of aid "being political" sometimes naturally go together and reinforce each other. For example, if aid actors take on the political goal of improving the prospects for free and fair elections in a

BOX 1.1 THE MULTIPLE MEANINGS OF "BEING POLITICAL" IN DEVELOPMENT AID

INESCAPABLE POLITICAL ELEMENTS

Aid is used to serve political purposes other than development, such as to reward friendly governments or win over new allies.

Aid has inevitable political consequences in recipient countries. Even if focused narrowly on economic goals, aid can bolster a government's standing with its citizens, skew accountability relationships, empower some sociopolitical groups over others, and much else.

Socioeconomic development goals involve contested political choices. All areas of social and economic change, whether tax policy, healthcare reform, or social safety nets, raise fundamental political issues such as the appropriate size of government, burden sharing, and fairness of distribution.

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Aid should pursue political goals, such as advancing democratic governance within recipient countries, either as a means to promote socioeconomic development or as valuable objectives in their own right.

Aid should employ politically smart methods, moving away from technocratic approaches to analyze local political contexts, engage a diverse range of actors in recipient societies, and proactively facilitate processes of change within developing countries.

country run by a semiauthoritarian regime with a history of manipulating elections, they will clearly need incisive political methods—such as supporting an emergent coalition of assertive citizen groups mobilizing against electoral fraud—if they wish to make any difference. Similarly, a development actor that starts using more political methods may find itself gravitating toward more political goals. If, for instance, an aid organization carries out a political economy analysis of the chronic underdistribution of food to a particular region within a country and it reveals that systemic political marginalization of the ethnic minority concentrated in that region is the root cause of the problem, it may conclude that the most useful aid response is to try to directly address the underlying political problem rather than simply to provide more food.

But movement toward more political methods and more political goals do not necessarily go together. Programs with clearly political goals can and often are conducted using technocratic methods that do not reflect a deep understanding of the political context or any real attempt to facilitate locally driven processes of change. An aid provider may try to strengthen a poorly functioning parliament, for example, by offering training on how to write legislation when in fact the problem has much deeper roots relating to a fragmented and unrepresentative political party system. At the same time, highly political methods, such as supporting reform coalitions that directly intervene in the design and implementation of government policies, can be applied to programs animated by apolitical goals, such as the reduction of tuberculosis.

This separability of political methods and goals is, as we will see later on, important. Many advocates of more political approaches to development aid push for the adoption of both political goals and methods, believing that the two dimensions work hand in hand. Others start with a strong focus on methods and contend that a more nuanced political understanding of how developmental change occurs in specific settings actually points to uncertainty about the value of such preset political goals as democracy or citizen participation. In other words, for some scholars and practitioners, using more political methods actually means questioning some of the most common political goals.

The many meanings of "working politically" in aid cause considerable confusion. Discussions of the topic within the development aid community

are often sidetracked by definitional chaos and an inability to agree on terms. Sometimes the observation that a development agency is "being political" is intended as a criticism, for example to highlight that aid is being used to curry favor with a diplomatically helpful but politically repugnant regime. Other times the same term is used as praise, to compliment an aid organization for intelligently navigating the complex local politics of a particular setting to win support for developmental reforms. Sometimes "being political" refers to intended actions on the part of aid providers, other times to the unintended consequences of aid. Sometimes it is about what aid is trying to accomplish, other times about how aid programs are operating.

Given this multiplicity of meanings and the surrounding confusion relating to the use of the word "political" with reference to assistance programs, it might be tempting to give up on the term altogether and find other ways to talk about changes in the goals and methods of development aid over recent decades. Yet hydra-headed as it is, the term "political" does capture crucial ideas that are worth preserving, above all a focus on contestation and cooperation among diverse societal actors with differing interests and power. Some definitions of politics take a limited view, stressing only activities within the formal domain of the state. We align with those writers and thinkers who subscribe to a broader view that encompasses the assertion of interests and the distribution of power throughout societies. Adrian Leftwich, for example, usefully reaches widely, defining politics as:

> all the processes of conflict, cooperation and negotiation in taking decisions about how resources are to be owned, used, produced and distributed. Inevitably, the contours of politics are framed by the inherited institutional environment (both formal and informal), by the political culture and by the differing degrees *and forms* of power, which participants bring to the process, and by their interests and their ideologies.[1]

Even though it is impossible to reach universal agreement on the precise meaning and limits of politics, for better or worse the word "political" is how these important challenges and changes in aid are framed and debated by development practitioners and observers.

THE AIM OF THE BOOK

This book seeks to explain and assess the unfolding movement in development aid to think and act more politically. We aim to clarify what these changes consist of, why they are occurring, and what their implications are for aid providers and recipients alike. The title gives away at least part of our conclusion—the revolution is not complete. But it leaves open many questions that we believe deserve close attention and that we try to answer, including how far mainstream aid providers have come in integrating political goals and methods into their work, why they have met with resistance, and whether this agenda is likely to continue moving forward or instead stagnate or retreat.

We believe that adopting political methods and goals aimed at making aid more effective is a valuable trend. The movement to renovate development aid by fully taking onboard political thinking and action is crucial to the future of the endeavor. A whole series of larger contextual factors—such as the relative decline of aid as a proportion of available international capital, the rise of new challengers to Western political and economic influence in the world, and ever tighter budgets in donor countries—are increasing the long-standing pressure on development aid to overcome uncertainty and outright skepticism about the overall value of the enterprise. It is therefore well past time to move past the chronic shortcomings of narrow technocratic approaches that fit poorly with local contexts or merely prolong the life of noxious regimes.

Of course, working more politically in aid is no panacea. Aid does have a crucial technical dimension, relating to both knowledge and resources—aspects that political approaches can supplement but not replace. There is little value in politically savvy approaches to implement socioeconomic programs if the programs themselves are poorly conceived and technically inappropriate. A certain degree of political awareness is important for all aid programs, but this is far from an exact science and political perspectives can certainly lead to errors alongside insights. Attempts to integrate aid programs into local political processes may run different risks than operating in more purely technocratic ways. We attempt to highlight the problems and challenges involved in more political approaches even as we identify their advantages and utility. But our aim is more than just

explanation and assessment of this trend. We wish to focus attention on why aid providers are struggling to move forward on political goals and methods and how they can make further progress.

Our account proceeds in three parts. In chapter 2, we go back to the early decades of aid to trace the origins of the apolitical cast of modern development assistance. We identify the various sources of the technocratic outlook and examine why it held up for more than thirty years despite significant changes in development theories as well as some incisive early critical voices calling attention to the serious shortcomings of apolitical approaches.

The second section, comprising chapters 3, 4, and 5, takes the story forward from the opening to politics in the early 1990s through the resulting changes in the rest of that decade and the next. These were complicated years for development aid. A profusion of changes rocked the enterprise—changes in the overall geostrategic context, the direction of politics in the developing world, the international consensus on what development is and how it occurs, the pace of economic life, and the degree of freedom that external actors had to work across borders on economic and political issues. We attempt to identify why the door to politics opened, how aid providers sought to pass through that door, and what happened when they did. Chapter 3 covers the 1990s. Chapters 4 and 5 examine the first decade of the millennium, with chapter 4 focusing on the evolution of goals and chapter 5 focusing on methods.

In the third section, which spans chapters 6, 7, and 8, we identify and take the measure of a renewed push on politics in aid that emerged at the end of the first decade of the 2000s and continues today, a second wind to the changes that started in the early 1990s. Chapter 6 looks at the cutting edge of efforts to make aid methods politically smart, as well as the question of why such efforts have been so slow in coming over the past fifty years. Chapter 7 assesses the relative lack of change in the place of political goals in recent years and the causes of the only partial integration of these goals into the aid enterprise, highlighting the deeply unresolved debate among development researchers over whether democratic governance generates better socioeconomic outcomes. Chapter 8 probes the ongoing efforts of some aid organizations to integrate political perspectives, actions, and goals into traditional socioeconomic areas such as health, education, and agriculture as well as the resistance and pushback they have faced.

Finally, chapter 9 reviews the overall story from the 1960s to the present. It examines how current international trends are complicating efforts to advance the politics agenda and how aid providers can nevertheless move forward.

Some Caveats

We note here several brief clarifications and caveats. First, we refer throughout the text to the "mainstream aid community," a term that is obviously difficult to delimit with precision. We are referring to those organizations that fund, oversee, and carry out the official development aid of the Organisation for Economic Co-operation and Development (OECD) donor governments. We also include in that term bilateral aid agencies and those foreign ministries that now engage in aid work (an increasing trend, as we discuss), and the main multilateral aid actors such as the World Bank, the aid institutions of the European Commission, and the United Nations Development Programme (UNDP). To avoid overly frequent repetition, we use multiple terms to refer to the organizations making up this community, including "aid providers," "aid organizations," "aid agencies," and "donors," even though these terms are not necessarily precisely interchangeable under different interpretations. In particular we use the term "donors" broadly even though some institutions in the mainstream aid community, such as the World Bank, are not technically donor organizations. In talking about the people who populate this community, we refer largely interchangeably to "aid practitioners," "developmentalists," "development practitioners," and other similar terms, though again these terms do not have precisely delimited referents.

We try to cover many parts of the mainstream aid community but inevitably our reach is only partial across what has become a vast array of organizations and is shaped to some extent by how much information is available on the practices and programming of particular donors, which varies considerably among aid actors. We draw most heavily from the work of U.S., British, Canadian, European Union, and Northern European aid organizations, and the World Bank and UNDP. We do not focus on the work of private assistance organizations, like some of the major U.S. foundations or large UK charitable groups, though we recognize they are vital aid actors

too. Despite this limited reach, we nevertheless believe that the issues we highlight are similar enough across most organizations that the overall narrative is broadly relevant to all parts of the mainstream aid community.

Second, we draw often upon official policy documents and declarations of aid organizations, but we do so with full awareness that what such organizations say on paper or in speeches by senior officials is not always an accurate guide to what they do in practice or what people at those organizations believe in private. We consider attention to such documents and declarations useful as one part of the larger effort to capture the evolution of donor orthodoxies over time. We strive as often as possible to incorporate analysis and examples of aid in practice, going behind the words to the deeds, based both on reports and evaluations of specific programmatic activities, many formal interviews and informal conversations with aid practitioners about their work, and multi-donor workshops hosted by Carnegie and other research institutions

Third, we present the evolution of thinking and action on the part of the international aid community in terms of a sequence or evolution of different stages over time. We do so despite the fact that aid actors do not move neatly in unison. An approach or outlook that becomes widespread within the community at a certain time may well have been tried earlier by one or more aid organizations. Or it may not be taken up by some actors until much later. Nevertheless, we believe that the stages we present are accurate enough to be analytically viable and that such frameworks of chronological stages are crucial to understanding the complicated evolution of the role of politics in international development aid as it has unfolded over the past fifty years.