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After the Paris Declaration: Taking on the Issue of Power

Goran Hyden*

The new approach to assisting developing countries inspired by the Paris Declaration emphasises greater recipient control over the funds provided, thus confining donors' influence to upstream points in the policy process, where political aspects of development co-operation become more important. Understanding better the role that power plays in the aid relationship will be critical to the implementation of the Declaration. This article shows how the political science literature can inform this set of issues. It argues that an understanding of aspects of power illuminates the challenges involved in transforming relations between donors and recipient governments as well as between governments and civil society organisations.

Key words: Development, foreign aid, policy analysis, power analysis

1 Introduction

The 2005 Paris Declaration on Aid Effectiveness is recognised as a significant juncture in the history of development assistance and co-operation. It builds on the many negative lessons learnt over the years from programme and project support, and proposes a shift towards modalities of aid that give recipient-country governments more scope to make decisions based on their own priorities. The principle underlying this shift is the importance of 'national ownership' – the assumption that governments will be more interested in making good use of the foreign aid that they receive if they are allowed to decide their own priorities. However, national ownership is a goal to be striven for, not an established fact that simply needs to be recognised. It presupposes attainment of a relationship of trust between the donors and the recipient authorities, or of the mutual accountability that is one of the other objectives of the Declaration.

Are mutual trust and accountability attainable? This proposition remains largely untested, because it involves confronting issues of power in ways of which neither donors nor recipients have any experience. For example, should partner governments be allowed to exercise power in their own way even if this contradicts principles of good governance? What do donors – development partners (DPs) – do in such situations? These are not new issues but the context is new. Current understandings of development partnership assume a level of trust higher than ever before. That level of trust will be achieved only through a closer and more open dialogue. This article argues that such a

* Distinguished Professor, Department of Political Science, University of Florida, Gainesville, United States (ghyden@polisci.ufl.edu). He is grateful to the Embassy of Sweden, Dar es Salaam, Tanzania, for financing a survey of development partner institutions in Dar es Salaam.

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situation will not occur unless DPs better understand that development co-operation is no longer just about policy but also about politics.

The implications of the Paris Declaration's partnership approach take on special significance in a situation where funding to Africa is on the increase and the DPs are experiencing competition from new donors, notably China. The OECD countries are no longer the only development co-operation actors. Nor is aid the dominant economic activity that it once was, because trade and investment are growing in significance in many African countries. The DPs can no longer just sit on the sidelines assessing how partner countries are doing in relation to some 'objective' indicators. They are part of a political process in which the issues of development and politics are closely interwoven.

This article addresses these new challenges in two ways. The first half of the article argues that this is a good moment to revisit the concept of power and the discussions that have taken place around it over the past half-century, mainly within the discipline of political science. To a remarkable extent, it is possible to show that some quite elementary political science helps to illuminate the issues faced by practitioners of development co-operation in this period. The second half of the article discusses the operational implications for development partners, drawing on the findings of a study of the opinions of DP officials in Tanzania. A final section concludes.

2 The concept of power revisited

There is no general agreement about the proper definition and analysis of power. A widely held notion is that it has something to do with causing things to happen or getting people to do what they otherwise would not have done. This usage is in line with seminal contributions in the literature by scholars like Max Weber (Gerth and Wright Mills, 1958) and Bertrand Russell (1938) who equate the use of power with the production of intended effects. How power is exercised, and with what effects, is, however, a more complicated and controversial matter. Making sense of power always poses a challenge, which is both conceptual and empirical. Many in the political science community dismiss the concept altogether. However, the intention of this article is to show that the concept of power can be meaningfully applied, and be made useful not only to analysts but also to practitioners.

The context for this attempt to make power a useful tool of analysis is the current debate about development co-operation, for which the Paris Declaration is meant to be a principal guide. There are three components of the thinking surrounding the Declaration that are of particular importance for the DPs and their relationship with partner governments, i.e. recipients of their assistance. The first is the *partnership* idea which aims at giving partner governments a greater say in – or ownership of – the utilisation of the money that DPs provide. This means that the official agreements that they sign with these governments are no longer just business contracts but rather social contracts, with more at stake than simply financial accountability. Because DPs extend this kind of arrangement only to governments they believe can be trusted as 'partners', it is as much a political arrangement as anything else. The evaluation of what partner governments do cannot be carried out in relation to specific development policies only. It also calls for attention to their overall governance conduct: do they live up to commitments made in

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the contract? More specifically, do they pursue policies in ways that respect human rights, empower the poor, or meet whatever other criteria the DPs have on their agenda?

The second component is the *harmonisation* of foreign aid so that the DPs, as much as possible, speak with one voice and do not act in ways that undercut the contractual commitments made with partner governments. Although many European governments have begun to implement the Paris Declaration by providing direct budget support – the most fundamental symbol of political trust – other OECD member governments have been more cautious, if not reluctant. Japan, for instance, offers such support only on a highly selective basis and retains nearly all of its traditional project approach. The United States' aid policy also remains out of tune with the rest, because of being a captive of an intrusive and hypercritical Congress. The Millennium Challenge Corporation in the US does enjoy a definite measure of autonomy and has made some attempt to apply a mutual accountability mechanism in the spirit of the Paris Declaration. The most serious challenge to harmonisation of aid, however, comes from outside the OECD circle. With China and other Asian countries providing aid without raising the same concerns about the quality of governance, the effort in the donor community to harmonise aid and speak with one voice is virtually bound to fail. What does this difficulty of achieving harmonisation of aid do to the relations with partner governments?

The third component worth identifying is the call for a more thorough *understanding* of the cultural and political realities in which development policies are implemented in partner countries. This refers to ideas that were circulating in the DP community at the time of the Paris meeting, rather than to the agreed content of the Declaration itself. Those ideas were articulated notably in the 'Drivers of Change' studies conducted by the Department for International Development (DFID) in the United Kingdom and the various 'power analyses' that had been conducted by the Swedish International Development Co-operation Agency (Sida) in a select number of African countries. These studies highlighted the big gap that exists between policy promise and practice, and the difficulty for donor-funded policy interventions to acquire 'political traction' in partner countries. They asked: how does power operate in these countries? What are the implications for the DPs?

With this context in mind, it is possible to identify more precisely which issues of power are particularly relevant to the current development-co-operation context. If one wishes to understand the issue of power in a partnership context, it may be especially relevant to examine how far and in what ways it manifests itself in consensus or conflict. Is the concept best conceived as 'power to' or 'power over'? In the context of harmonisation it may be most rewarding to look at how far power is manifest or latent. Is it just observable in who prevails in a decision-making context, or does it exist in less observable terms as control over the political agenda? In the context of a better understanding of how power operates in partner countries, it may be most relevant to think of power as formal or informal, organisational or personal. How far is compliance feasible when power rests in relations among people as much as in the formal authority of office? The framework for the subsequent discussion is summarised in Table 1.

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Table 1: Issues of power in the context of the Paris Declaration

Component	Partnership	Harmonisation	Understanding
Issue	Consensus vs conflict	Manifest vs latent	Formal vs personal power

2.1 *Consensus vs conflict*

This refers to a classic divide in the literature between those who view power being used in a constructive fashion to achieve collective ends, on the one hand, and those who see power as manifesting itself in conflicts of interest, on the other. Both have a dual origin: the former in moral philosophy and sociological functionalism, the latter in behaviouralism and political economy.

The consensual tradition goes all the way back to Greek philosophy and has in recent times been most strongly advocated by Hannah Arendt (1970). According to this tradition, the republic is based on the rule of law which in turn rests on 'the power of the people'. The notion that power implies compliance with a command has no place in this perspective. Instead, power springs up wherever people get together to act in concert. This way power is inherent in the very existence of political communities and needs no further justification. As Arendt argues, '[power] far from being the means to an end, is actually the very condition enabling a group of people to think and act in terms of the means-end category'. Power is not the property of an individual, but belongs to the group and exists as long as it stays together. Thus, in this perspective, the statement that somebody is 'in power' is based on the assumption that this person has been empowered by a certain number of people to act in their name; once the group dissolves, the person in power automatically loses it. To translate this into real life situations: because political institutions are manifestations of living people power, they decay as soon as it ceases to uphold them. Violence is the opposite of power. It is purely instrumental and appears where power is in jeopardy.

The functionalist position is most closely associated with Talcott Parsons (1957). He ties power to authority, consensus and the pursuit of collective goals. Thus, although he comes from a very different direction, his argument is parallel to that of Arendt. Like her, he disassociates power from conflict of interest and coercion or force. Power depends, in his view, on the institutionalisation of authority, i.e. legitimate power, which is being used to mobilise commitments or obligations for effective collective action. By contrast, the threat of coercive measures or compulsion without legitimisation or justification should not be called the use of power.

The problem with the consensual approach to the study of power is that it excludes by definitional fiat the phenomena of coercion, exploitation and manipulation. It therefore provides a very one-sided version of the concept. In Arendt's interpretation, power is a residual property of community; in Parsons' view, it is a property of the system. The alternative that collective goals may be the negotiated outcome of conflicts between parties holding different degrees of power is never considered.

This issue is relevant to what is happening in the international development community. It has tended to take authority, consensus and the pursuit of collective goals

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as givens. It has acted on the premise that there is a 'negotiated order' between equal partners. The challenge, therefore, has been to mobilise commitments by cashing in on norms that every actor is seen to embrace. This is illustrated in how the DPs expect an automatically positive response to their calls for 'good governance', including fighting corruption, or adherence to the Millenium Development Goals. They rather naively or innocently hold on to the assumption that there is a global agreement about what should be done. The prevailing notion among the DPs expresses itself in the idea of 'power to'; power in their view indicates a capacity or ability, not a relationship.

The conflictual approach to power emphasises the latter. As Lasswell's notion that politics is about 'who gets what, when and how' indicates, it is easy to see why the distribution and conflict of power matters (Lasswell, 1958). The behaviourist interpretation of power tends towards a pluralist and empiricist approach, while the political-economy version privileges a more radical interpretation in which structures matter.

The best known behaviourist study of power is that of Robert Dahl (1961), the main purpose of which was to examine who, in an empirically observable decision-making context, has power to decide. Thus, his method aimed at determining for each decision which participants had initiated options that were finally adopted, had vetoed alternatives initiated by others, or had proposed alternatives that were turned down. As the author of another study in the same vein writes, 'in the pluralist approach … an attempt is made to study specific outcomes in order to determine who actually prevails in community decision-making' (Polsby, 1963: 113). Dahl and the other behaviourists agree that identifying who prevails in decision-making constitutes the best way to determine which individuals or groups have 'more' power in social life, because direct conflict between actors presents a situation most closely approximating an experimental test of their capacities to affect outcomes. These conflicts are not between 'objective' interests but between subjective preferences that are understood as also being policy preferences.

Political-economy studies accept that the distribution of power is unequal and that a power elite always prevails. They are not only interested in power as influence but also examine how intra-class disagreements and conflicts of interest cause skewed outcomes. This approach is more pronounced than the pluralist perspective in its emphasis on 'power over'. Because access to economic resources is differentiated, some have an automatic advantage when it comes to competing in the political arena. The latter is never an even playing-field, according to this more radical view (Wright Mills, 1968). This view of power is also reflected in the writings on social movements, where challenging social inequalities features quite prominently (Tarrow, 1998).

The conflict approach exposes power in a way that becomes potentially controversial in a partnership relation. It tends to threaten the relationship by suggesting that the outcome is favouring one party over the other. Whether this is seen in behaviourist or political-economy terms matters less, because both point in the same direction: the inevitability of some actors having power over others. This position is typically adopted by the weaker party to the power relation – in the case of the international development community, the partner governments in Africa. This suggests, therefore, that when it comes to interpreting the partnership relationship, there is quite a big gap between the DPs, on the one hand, and the partner governments, on

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the other. The former prefer to assume that there is consensus and that the use of power is constructive. The latter take the view that there is conflict and the use of power is potentially destructive.

2.2 Manifest vs latent

Power is manifest if it is empirically observable. As suggested above, the behaviourist approach aimed at measuring power by assessing how A might get B to do what he otherwise would not have done. Who initiates, decides or vetoes what is the focus of such studies. Because they are both laborious and time-consuming and they yield data that are confined to particular micro-contexts, they have been largely abandoned by the political science community. Yet, the idea that it is possible to see how one actor gets another to act in accordance with his own preferences is attractive, especially to those who are positivistically inclined. The latter include many analysts in the international development community who believe that power is something manifest.

Power, however, may also be latent. This issue takes on special importance in the analysis of the objective of donor harmonisation. There are two approaches to the study of latent power: one is post-modernist, the other institutionalist or structuralist. Michel Foucault (1970) is representative of the former. The notion that power is latent is particularly clear in his study of the relationship between knowledge and power. Power is latent because it works through people rather than on them. Certain ideas or belief systems gain power as they become more widely disseminated to people and get treated as common knowledge. These hegemonic systems of knowledge produce their own figures of authority, for example doctors in hospitals or priests in churches, who serve as gate-keepers in deciding what is right and wrong, normal or deviant. Within a particular belief system, certain views, thoughts or actions are ruled out by the prevailing values. Unlike other writers like Gramsci (1971) who treat power as working on people and therefore operate with an oppositional power-resistance framework of analysis, Foucault treats power in less rigid terms. His analysis assumes that other discourses can contest hegemonic belief systems. He puts less emphasis on individual agency, but in so doing his work becomes more difficult to apply to real life situations.

There are two versions of institutional and structural interpretations of power that are relevant here. The first is the institutionalist critique of the behaviourist approach made by Bachrach and Baratz (1962). Power, according to them, has two faces in the sense that, in addition to being embodied and reflected in concrete decisions – the behaviourist position – it is evident in the 'mobilisation of bias'. The latter implies that some issues are organised into politics, while others are left out. More specifically, a set of predominant values, beliefs, rituals and institutional procedures that may be called 'rules of the game' operate systematically and consistently to the benefit of certain persons and groups at the expense of others. There is always a group – often an elite minority – that sets the agenda. In order to understand how power operates, therefore, it is necessary to study both decisions and *non-decisions*. This analysis is not altogether different from the behaviourist approach, in that Bachrach and Baratz assume that power is manifested in conflict, the difference being that they accept that conflict is not only overt but also covert. In their own empiricist way, they maintain that if there is no conflict – manifest or latent – there is no way to assess whether the thrust of a particular

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decision thwarts or prevents serious consideration of a change that may be unfavourable or threatening to the decision-maker.

The second position, represented by Lukes (1974), is more structuralist, in that potential issues are kept out of politics not only because of decisions by particular individuals or institutional practices but also because the real interests of those who are excluded from power may never be articulated in the first place. Social forces or structures prevent some from being able to express their own views to challenge the status quo. As Lukes writes, 'Is it not the supreme and most insidious exercise of power to prevent people, to whatever degree, from having grievances by shaping their perceptions, cognitions and preferences in such a way that they accept their role in the existing order of things, either because they can see or imagine no alternative to it, or because they see it as natural and unchangeable, or because they value it as divinely ordained and beneficial?'(Lukes, 1974: 24)

The perception of power as manifest or latent is highly relevant to what the DPs are trying to achieve in the context of the harmonisation of aid. Power is not only manifest in decision-making situations where they meet with representatives of partner governments. It is also evident in the way the DPs stick to their global agenda, which has the effect of prioritising certain issues at the expense of others. This agenda also includes certain behavioural norms, for example respect for human rights, which, if violated, involves political costs for the partner government. Harmonising aid, therefore, is not just an administrative matter. It is highly political in the sense that the more harmonisation there is, the more limited the scope for alternatives. The fact that the DPs have been less than unanimous with regard to how to dispense aid in the post-Paris Declaration period means that partner governments can find space for their own initiatives, many of which differ from the goals of the global agenda, whether with regard to good governance or poverty reduction.

What often happens is that partner governments find ways of making and implementing policies that do not in any way empower the poor but reinforce already existing structural patterns, for example patriarchy and clientelism, leaving the DPs with little opportunity to correct the policy course until it is time to do an audit. There is a definite conflict between the partnership and the harmonisation goals. The former encourages local control over policy initiatives; the latter makes any such initiative conditional on adherence to an agenda that the DPs find hard to agree upon. How much the DPs should insist that partner governments adhere to their global agenda becomes especially contested when it comes to the goal of deepening understanding of the political realities in recipient countries, especially in Africa.

2.3 Formal vs personal

The bulk of the political-science literature on politics in the OECD countries focuses on formal institutions because they are stable, predictable and offer possibilities for comparison. Whether it is the executive or various aspects of political society such as political parties, elections or the legislature, the scholarly assumption is that they matter. Much of this is reflected also in official declarations about the constitution and other features of politics in these countries. For instance, on the official website for Sweden, the Instrument of Government, the most important component of the country's

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constitution, is prominently featured with the following statement: 'All public power in Sweden proceeds from the people. Swedish democracy is founded on the free formation of opinion and on universal and equal suffrage. It shall be realised through a representative and parliamentary polity and through local self-government' (www.swe3den.se/facts).

It is no surprise, therefore, that the DPs tend to perceive power as being defined by formal institutions. Power is delineated and circumscribed by rules that limit the extent to which a particular person can use his position. Formal organisations operate with an objective, and roles and rules are designed accordingly. There is little scope for the discretionary use of power. In DP circles, it is natural to assume that an individual in his/her role as servant of the public – elected or appointed – is expected to take responsibility for a particular task or mandate and as such be accountable for his/her decisions and actions.

The assumption that formal institutions are decisive is also reflected in much of the diplomatic or political reporting from countries in Africa. This orientation is reinforced by the fact that diplomats and other officials from the DP embassies tend to interact exclusively with representatives of the formal structures of government, be they ministers, permanent secretaries or Members of Parliament. Political dispatches from these embassies have tended to draw on these interactions, in particular. By calling for a fuller understanding of the cultural and political realities in these countries, the Paris Declaration commitments intensify the demands on those who do the reporting; hence the search for drivers of change and similar initiatives to fill the gaps. Critical to the success of these and future measures is the ability to better understand the role that informal institutions play in shaping the exercise of power.

The prevalence of informal institutions is one of the more dominant themes in the literature on African politics. Informal institutions are exemplified in different ways as clientelism, self-help, kinship and other customary norms that have their roots in African society (see, for example, Lemarchand, 1972; Chabal and Daloz, 1999; Trager, 2001; Sangmpam, 2007). They have in common such features as involving face-to-face interaction, being unwritten and being typically self-enforcing; i.e. no third party is called upon to resolve a dispute (Hyden, 2006). Informal institutions do not operate in a vacuum. Their locus is often public agencies where they compete with formal institutions. Because they are discretionary, they typically have an unexpected effect on performance; resources assigned to policies are diverted to other uses, promotions are based on favours, performance is slack, and so on.

Informal institutions, however, are not necessarily chaotic or malign. They certainly contain their own norms that individuals adhere to. For instance, clientelism may at first glance look malignant. After all, it is personalised power over others; it is not transparent; it lacks a public rationale. For these and other reasons, clientelism and its hybrids (neo-patrimonialism) are generally brushed aside as incompatible with good governance. However, such dismissal may be too simplistic. Clientelist relations are based on a principle of reciprocity. As a result, there is an element of accountability built into the institution. There is a cost attached to both parties if they do not live up to the original promise of the exchange. Informal institutions in Africa are not primarily the creations of evil or autocratic minds. They are more often the natural product of the fragmentary nature of the prevailing economic system and the absence of the social

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differentiation – and stratification – that has given rise to formal institutions in other regions of the world.

The challenge for the DPs is to learn to live with these institutions and not dismiss them as irrelevant or backward. They constitute the 'grain' with which they have to work if they take the spirit of the Paris Declaration to heart. Far too many attempts have been made to transplant institutional forms from the outside without success. The time has come to give more attention to what can be grown from the inside. What are the institutional forms that lend themselves best to developmental objectives? There is plenty to consider and draw from: hometown associations, community governance, and public agencies that may not follow the latest New Public Management philosophy but still work well enough to make a positive difference.

There are significant differences across the board between the DPs and partner governments in Africa. They approach the issues of power differently. Each has some distance to go in order to appreciate the other. The differences are summarised in Table 2.

Table 2: Differences in conceptions of power between DPs and partner governments

	Partnership	Harmonisation	Understanding
Development partners	Power is constructive (Power to)	Power is used to prioritise some issues over others	Power stems from formal institutions
Partner governments	Power is controlling (Power over)	Power is seen as limiting national initiatives	Power is vested in relations among persons

These differences are important for understanding how far the principles of the Paris Declaration can be taken. They constitute the distance that the DPs and their partner governments in Africa must move in order to reach a better understanding. Until recently, the call for changing position has always been made to the latter. The Paris Declaration is calling on the former to change too. So what are the operational implications for donors of taking on the issue of power?

3 What are the operational implications?

When the DPs provided programme and project support, there was little or no operational linkage between foreign aid for development and governance concerns. The latter were a separate activity used not in relation to the specific projects or programmes that development partners supported but applied at a different level to penalise governments for violating human rights or resisting democratisation. This situation is changing with the Paris Declaration. For instance, by channelling direct budget support to partner governments the DPs are forced to think about governance as an integral part of their *modus operandi*. By reducing project support, they move from downstream to upstream in the policy process. In so doing, they become increasingly concerned with broader systems issues. At the same time, they withdraw explicit conditionalities prior

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to giving their aid and instead fall back on *post hoc* monitoring of performance criteria and renewable annual agreements. The mutual accountability mechanism seals this involvement and lays bare the political nature of the aid relationship.

Many DPs have been quite enthusiastic about the new modality for dispensing aid. They have tried to put it in place in those countries where there is a perceived commitment to poverty reduction and the governance record is good enough not to be immediately called into question. In Africa, Mozambique and Tanzania are two countries where the DPs have gone quite far in moving from project or programme aid to direct budget support. To be sure, the degree to which this is taking place varies from one donor to another, but it is surprising how fast this move has been, given the reputation that African governments, including those in Mozambique and Tanzania, have as being corrupt.

The following discussion of the operational implications of taking issues of power seriously draws on a recent study of opinions among DP officials in Tanzania (Hyden, 2007). Like Section 2, it focuses on the three components of the Paris Declaration approach that are deemed particularly relevant to this article.

3.1 Partnership

The partnership idea is meant to facilitate the mobilisation of a commitment to global goals that the DPs share with partner governments. In the DP perspective, the power they have is meant to serve an enabling objective for partner-government institutions. This is especially evident in regard to direct budget support. By giving these governments more say over how donor funds are spent, the straitjacket that foreign aid has often been for recipients is removed. They are now expected to be able to make long-term policy commitments and thus become more effective in pursuing development goals. This growing control over foreign aid resources by partner governments has implications for power relations within the state as well as between state and civil society.

DP officials in Dar es Salaam were broadly agreed that direct budget support, as the most prominent aspect of the new partnership, strengthens the influence of the Ministry of Finance and the Office of the President as well as the Prime Minister's Office. The Treasury increases its power vis-à-vis the line ministries whose votes and allocations are further at risk because of the push to move government funds to the districts and beyond. Because they are less able to mobilise support on their own in the form of projects than before, there is frustration in the line ministries and a readiness to fight back. How far this power struggle will call into question an ongoing fiscal decentralisation process is too early to say, but there is evidence that it will be a tricky issue to resolve.

The Prime Minister's Office benefits immensely because the budget support is tied to decentralisation, and implemented by that office. Whether what is going on in Tanzania today really amounts to decentralisation or is increasingly a central command structure pushing issues and accompanying funds to the local government authorities is subject to different interpretations among the DPs. Given the lack of transparency on how and how much money is being transferred, there are definite doubts about the extent to which this process really fosters sustainable governance at the local level.

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Strengthening the demand structure of accountability in these circumstances will not be easy.

Civil society tends to be weak across Africa. Tanzania is no exception. It was seriously weakened by the socialist strategy of development that was pursued until the beginning of the 1980s. Civil society has yet to recover fully from its near total demise. Viable civil society organisations are few and far apart (except for the fact that almost all of them are located in one geographic place – Dar es Salaam). The DPs have tried to involve civil society more in the policy process, but the government has been reluctant to extend consultation to such organisations, often with no other excuse than that they have nothing to offer. Direct budget support has not made the government any more interested in consultation with other constituencies in Tanzanian society and the partners have accordingly decided that a separate strategy aimed at strengthening civil society is necessary. How much such a strategy will achieve is not clear, but caution is needed in its pursuit since direct budget support loads the scale in favour of the government rather than civil society. Such concerns are warranted, especially in the light of the organisational weakness of the latter.

These emerging scenarios in Tanzania do not call into question the objectives of the Paris Declaration, but they do serve as a reminder that the mutual accountability mechanism which exists in theory is not very effective, because the DPs either choose to ignore the power factor or fail to recognise that their African partners have a very different notion of how power operates. Some DP officials acknowledge this to be a problem, especially since the dialogue tends to be between development-co-operation officials and senior civil servants rather than between senior diplomats and government ministers.

On the Tanzanian side there is general satisfaction with the dialogue between 'technocrats'. Officials there interpret anything requiring the attention of a government minister as an indication that all is not well. Apart from courtesy visits, ambassadors typically see senior political leaders only if they have an issue with the way government works. The new partnership relations are meant to improve the climate for dialogue, which is expected to pave the way for more exchange of information. Tanzanians and DPs alike are still finding this somewhat difficult, but it is fairly clear, according to several DP voices, that by involving cabinet ministers on a more regular basis in the dialogue, the assumption that ministers and ambassadors only talk business when there is a 'crisis' can be eliminated. More frank exchanges on a regular basis may also help pre-empt instances where talks will be only about 'failures', 'deviations' or some other controversial topic.

3.2 Harmonisation

Harmonising the global agenda that the donors adhere to is not easy because it is so wide and diverse. It has a 'development' dimension which at present manifests itself in commitments to poverty reduction strategies. It also has a governance dimension which emphasises the importance of how development (or poverty reduction) is achieved. The fact that the agenda is at least two-dimensional means that the DPs are not always in agreement when they communicate with partner governments.

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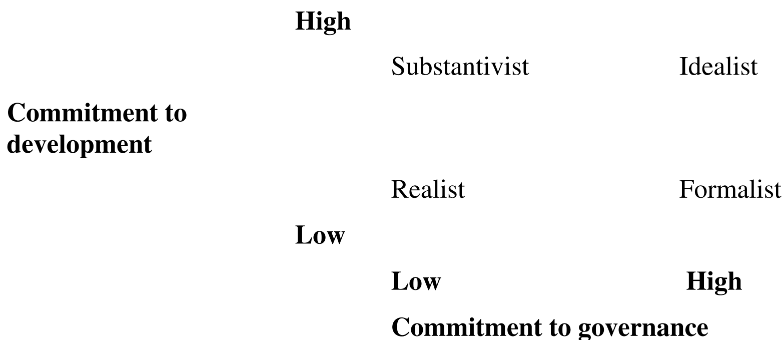
This was evident in interviews in Dar es Salaam. Many DP officials complained about their lack of influence and how easily the global agenda that they take for granted is undermined by their own lack of unanimity. The fact that China is entering Tanzania in a big way without placing any particular conditions on its aid makes things even more frustrating in the DP community. The donors also differ in terms of their performance assessment. Donors that operate under particularly heavy disbursement pressure, notably the World Bank, the European Union and, at least in Tanzania, the United Kingdom, tend to lay emphasis on disbursing money for development. They also tend to be relatively positive about the performance of the government. For them, the glass is half full and filling up. The majority of bilateral donors, however, take a more cautious, if not critical, view. For them, the glass is half empty and without any indication of whether it is emptying or filling up. They emphasise the overall lack of progress towards reducing poverty – conceding that the education sector is improving, at least in terms of increased access – and are deeply concerned about corruption at the higher levels of government.

Because the global agenda is so diverse, there is room for different views and reactions to what the government is doing. The Embassy of Denmark, for instance, made quite a political splash in 2006 when it went public with its decision to withdraw US$ 4 million from its aid programme – a relatively small percentage of the total – because the government had not been as swift as expected in passing an anti-corruption law. This unilateral action by one development partner had its intended effect, although it also angered the government because it was announced in the media. This suggests that singing in unison may not always be necessary, especially if one or a few development partners act strategically at the right moment in political deadlock. Such unilateral action, however, can also be detrimental to achieving the governance and development goals. For instance, if a major donor like the World Bank talks directly to the government without first consulting other DPs – which apparently happens, according to our interviews – this may undermine the broader agenda to which all DPs subscribe.

Figure 1 illustrates the different positions that exist among the DPs in Tanzania (and probably in other aid-dependent countries).

Figure 1: Different positions among DPs in Tanzania



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The *substantivists* are focused on the development part of the global agenda and believe that it takes precedence over everything else. Thus, for instance, poverty reduction overshadows all other goals. This is the position taken especially by the agencies that have a lot of funds and need to disburse their funds within a particular budget period. The *formalists* are insistent on how government behaves. They prioritise the governance issues. A good number of the smaller European donors fall into this category, even though they are also under pressure to disburse their funds, given political commitments to raise their foreign aid to 0.7% of GDP. The *realists* are those that maintain doubts about how far the government can be trusted in using direct budget support. They adopt a cautious attitude and demonstrate a low commitment not only to the development but also to the governance part of the global agenda. Finally, the *idealists* – of whom there were really none among the DPs that were interviewed – are ready to accept that the government is itself working hard to achieve both the development and the governance agenda as outlined, for example, in the Millennium Development Goals.

These various positions are not necessarily permanent. They may change as a result of particular incidents, for example reports on corruption that every now and then circulate in partner countries. One implication of the differences in opinion that do exist is that the Government of Tanzania finds it easier to get around pressures that the development partners as agenda-setters try to exercise within the mutual accountability mechanism. There is enough political room to put a positive spin on performances that may in many respects be unsatisfactory. For instance, on a continent where Tanzania is viewed as an 'island' of peace and stability, the country seems to get away with a mediocre performance when it comes to halting corruption or implementing poverty reduction policies because other concerns matter too. If the donors do not use their soft power to speak out in unison on controversial issues, there is no incentive for or pressure on government to change ongoing practices that may be detrimental to good governance or accelerated development.

3.3 Understanding

One of the most frustrating issues for DP representatives in the missions in Dar es Salaam is their lack of understanding of how the system operates. They are beginning to see the importance of informal institutions and to realise that interpreting policy-making in Tanzania merely through the lens of official or formal channels is insufficient. Finding the time to really get to know the 'system', however, is not easy for staff whose assignment rarely lasts more than three years. The result is that there is little institutional knowledge of how politics operates. Each newly arrived diplomat or development-co-operation official begins more or less from scratch. This means that, when it comes to monitoring what is going on, the DPs are at a great disadvantage. Expenditure tracking and other audit mechanisms tell something about performance or outcomes, but provide little information about where and how things 'go wrong'.

The DPs, therefore, are faced with a serious principal-agent problem. Such a problem typically arises under conditions of incomplete or asymmetric information. The situation created by the Paris Declaration is such that, by delegating more authority to

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partner governments to decide policy priorities and manage resources, the DPs find themselves with less opportunity to know exactly what is going on. Their understanding of the process by which policies are made and implemented looks even more confusing than it did when aid was dispensed in the form of projects and programmes. The latter, after all, involved hiring people to work in the field, and these people provided an insight and a feedback that was valuable for DP administrators. After the Paris Declaration, the DPs are further removed from the action and possess less information about what is really happening on the ground in partner countries.

This was mentioned as a serious challenge by several interviewees in Dar es Salaam. The wall around the ruling party – the CCM – is especially difficult to penetrate, but even information about what is happening in particular ministries is hard to obtain. The supervision that the DPs are able to exercise is, therefore, largely dependent on the willingness of Tanzanian politicians and other officials to share information. This happens even on such controversial matters as corruption among high-level officials, but as principals the DPs are still hesitant about how to use the information. It tends to remain as 'gossip' among the diplomats rather than being brought directly to public attention. Whether this is because of the political sensitivity of the matter or because the DPs, in the spirit of the Paris Declaration, want the Tanzanians to sort out such controversial issues on their own is not clear.

What is clear, however, is that the DPs not only have an information disadvantage, but they also find it hard to motivate the government to take corrective action on such issues as corruption. They are faced with a true moral hazard; i.e. they are ready to give the government the benefit of the doubt, hoping that it will take corrective action on its own.

If this does not happen within a reasonable time after information has begun circulating about such an issue, there is a tendency for disgruntlement, and even cynicism, to arise. The more superficial the understanding is among the DPs about what drives decisions in partner governments, the more likely it is that they will be impatient. The idea of a longer-term aid commitment to the partner country is called into question and the architecture of the new aid modality is in danger of crumbling.

There was a ready admission among DP representatives in Tanzania that they are not particularly well prepared for tackling the political issues that the Paris Declaration raises. The interviews brought out two points of particular relevance. The first is that, with the growing focus on macroeconomic and political issues, missions need fewer project staff and more politically informed advisers. The political and development co-operation issues come together in ways that, according to many, make this distinction increasingly relevant. Development co-operation is political and staff need to both understand and act on it.

The second issue concerns the technical staff who no doubt will be retained in many embassies even if there is a decline in project aid. Even this cadre can no longer escape the political dimension of their work. They have to understand the culture and politics in which activities that they monitor are being implemented. Some are already becoming better informed and increasingly interested in issues of power and how they apply to their work. However, because of the continuous turnover affecting most missions, there is a need to think about how issues of power can be brought into staff training and preparation for overseas assignments.

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An additional point to which these interviews gave rise is whether or not to keep the political officers in the embassy separate from the development co-operation staff. The political and development co-operation functions are integrated at headquarters in countries like Denmark and the Netherlands. This integration is also present at the diplomatic level. Other countries, for example the UK, keep the two separate both at home and at embassy level (even if they happen to be housed in the same building in Dar es Salaam). It is clear that the political officers have an important role to play in helping development co-operation staff to gain confidence in dealing with the issue of power, especially since it affects their relations with personnel in partner country organisations.

4 Conclusion

This article has pointed to the many challenges that are associated with implementing the Paris Declaration in a situation where aid from OECD countries is losing its relative exclusivity in Africa, yet is targeted for increase. Because the goals of harmonising aid and encouraging greater ownership of the foreign aid enterprise by partner governments are not always compatible and understanding the political realities in partner countries takes time, there is plenty of room for conflict. How power is applied in these situations has implications for relations not only between DPs and partner governments but also between government and civil society in these countries. The mutual accountability mechanism will be subject to many, often hard, tests where the difference in outlook on power between the DPs and partner governments will feature prominently. Development partners are no longer the ‘solution’ but also part of the problem: how they use their weight as global agenda-setters has important ramifications for how partner countries will fare with regard to such concerns as good governance and reduction of poverty.

Failure to face up to these issues of power may undermine the credibility of the commitments in the Paris Declaration. At best, these pose a challenge, given that such measures as direct budget support do not necessarily have wide political support in many donor countries. In the African context, the full implementation of the Paris Declaration is up against a widespread perception of governments as corrupt and thus unworthy of unqualified budget support. Self-censorship among the partner representatives for the purpose of concealing problems in the implementation of the Declaration could easily create a political backlash. With the issue of power hanging over their heads, the development partners are really caught between a hard rock and the deep blue sea.

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