

ABSTRACT

WHEN GOOD PERFORMERS GO ASTRAY: BUDGET SUPPORT AND DEMOCRATIZATION IN AFRICA

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Budget support has become a core instrument of donor programmes in many African countries which have demonstrated a commitment to poverty reduction and good governance. Budget support is intended to provide predictable funds to support national development strategies, based – in theory – on a strong partnership relationship. However, over recent years there have been several incidents of budget support being frozen, cut, delayed or re-allocated. There are various reasons for this, including administrative governance and resource allocation. But another reason has been government performance with regard to elections or multiparty democracy, including repressive tactics against opposition politicians or parties and concerns about authoritarian tendencies. Within Africa, this has happened in Uganda, Ethiopia, Malawi and Rwanda. Evaluations of budget support tend to gloss over the more hidden political aspects of this instrument, including the implications for the democratic process.

This paper addresses the use of budget support to foster democracy or punish deviation from democratic principles. It considers the expectations around democracy laid out in the partnership agreements which frame budget support provision. It questions how decisions to cut or freeze budget support over democratic issues are made, and the impact of these decisions. The public response from African leaders has been to denounce the intrusiveness of donors into political affairs, and the obvious impact is sometimes limited. Again various reasons can be advanced for this, including that donors do not necessarily take a united stance on such matters and their real priorities lie elsewhere, so overall aid flows remain largely unaffected. However, there are important implications in the increased use of political conditionality around budget support. This paper assesses whether budget support can be a viable instrument for pushing governments which are committed to development but not necessarily committed to democracy in the 'right' direction.

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