

Understanding British Aid to Africa: A Historical Perspective*

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The purpose of this essay is to utilise historical information to throw light on the forces shaping British aid policies towards Africa. Section 1 summarises some of the key long-term developments in British aid policies towards Africa¹; Section 2 attempts to summarise the influences shaping these policies; Section 3 comments briefly, in the light of the foregoing, on the present juncture of UK policies towards aiding Africa.

1. Elements of policy

Aid volumes and concessionality

The volume of direct British aid to Africa is constrained by the substantial level of its contributions to multilateral programmes (including those of the EU). The multilateral agencies, of course, also provide large volumes of aid to Sub-Saharan Africa, of which the UK finances its share, but the following discussion is restricted to the bilateral element in British aid to Africa. The share of the multilateral element in the UK total rose strongly in the later-1970s and

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1. "Africa" is throughout used to mean Sub-Saharan Africa.

early-1980s and in recent years has fluctuated at around two-fifths of the total.

Aid to Africa, of course, is also influenced by what is happening to the UK's total aid programme. Relative to GNP, the total started at the relatively high figure of about 0.5% in the mid-1960s, then went into fairly steep decline through to the mid-1970s, rose again in the second half of that decade, declined gradually but significantly during the 1980s and much of the 1990s, and has risen sharply since the later-1990s.

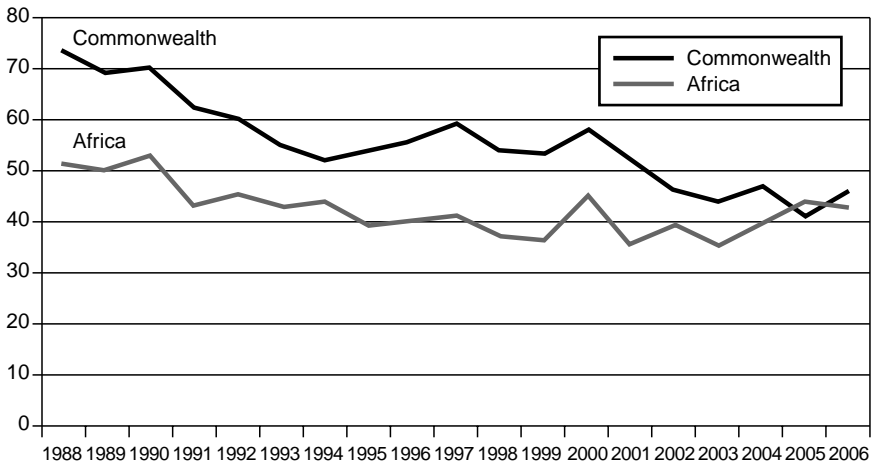
How did Africa fare in this context? In real terms, it did quite well, with only relatively modest declines during the retrenchments of the 1980s and 1990s. Figure 3-1 shows Africa's share declining gradually in the first half of the 1990s and then rising to the turn of the century, although note that this excludes humanitarian assistance. In the most recent years its share has stabilised at about two-fifths of the total. However, this was in the context of a rapidly-growing total budget so that the absolute (current price) value of UK aid to Africa more than doubled in 1995/96 to 2006/7.² Asia's share rose in the early-2000s (partly because of the emergence of Iraq as a major recipient) but has since fallen back again. The position today remains, as it has always been, that in relative terms Africa is strongly favoured over low-income Asia, as illustrated by the following statistics for UK bilateral aid per capita in 2006/07 (in £s):

Africa	1.57
South Asia	0.42

Moreover, British assistance to Africa has always been highly concessional. For the last 20 years virtually all assistance to African (and other least-developed) countries has been in the form of grants, as against loans, but even as early as the mid-1970s UK aid to the least developed is recorded as having a 99% grant element. The UK has also implemented an active programme of bilateral debt forgiveness, in effect converting past loans into grants, as well as

2. This increase excludes exceptional amounts of Export Credit Guarantee Department (ECGD) debt relief to Nigeria in 2005/06 and 2006/07.

Figure 3-1: Shares of Commonwealth and Africa
in Total Bilateral Aid (%) 1988-2006



Note: These statistics relate only to DFID bilateral aid and hence exclude non-DFID debt relief and other forms of assistance provided by other government agencies. They therefore exclude large amounts of debt relief provided to Nigeria in 2005 and 2006, of £1.135bn and £1.164bn respectively.

supporting the international HIPC scheme of debt relief, from which African countries have been among the largest beneficiaries.

Modalities and end-use composition

The dominant form of financial assistance in the earlier years of British aid was to finance discrete development projects, to which was commonly linked the provision of technical assistance. For reasons discussed in Section 2, the dominance of the project mode in Africa began to diminish during the 1980s, with the emergence of various forms of programme assistance, generally in support of the “structural adjustment” programmes of the IMF and World Bank (the International Financial Institutions [IFIs]). The structural adjustment agenda gathered force in the 1980s and continued strongly into the 1990s. However, during the latter part of the 1990s there was a growing acceptance among donors, including the UK, that in Africa conditionality-based structural adjustment was bringing few of the intended benefits.

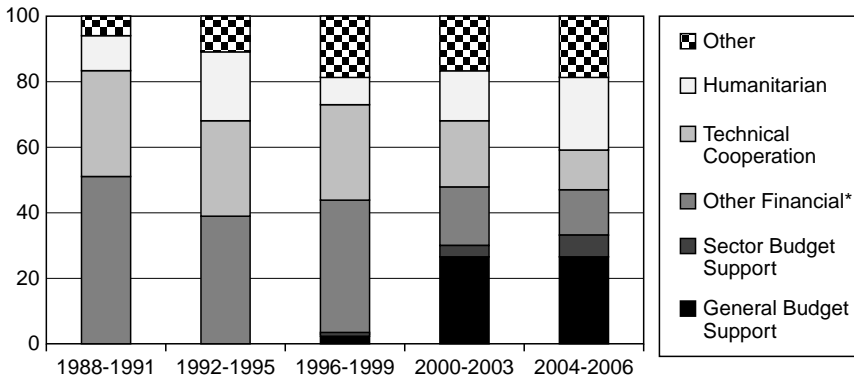
This realisation fed into a major re-think of aid priorities and modalities, in a landmark report by the Development Assistance Committee (DAC) of the OECD in 1996. Among other things, this report greatly enhanced the priority accorded to the objective of reducing poverty and related variables—a thrust which eventually evolved into today’s Millennium Development Goals (MDGs). OECD-DAC also placed issues of aid effectiveness more firmly on the agenda and this latter thrust helped to sustain the trend towards programme assistance, even though structural adjustment was running out of steam. Since the late-1990s, Department for International Development (DFID) has been among the more aggressive advocates of programme modalities, especially general budget support, as against projects.

How does the actual composition of British aid to Africa marry up with this description of global trends? We only have comparable time series from the late-1980s and these are not as helpful as they might be. See Figure 3-2.³ In line with the ministry’s stated policy preferences, we see there a sharp rise in the share of bilateral aid provided in the form of general budget support in the early-2000s, with a nearly equivalent fall in the share of “other financial” assistance. Although data are not available on this, it is likely that much of the latter decline was due to reduced amounts of project-specific aid, for the reasons just described. Notice, however, that general budget support’s share did not further increase in the last period shown, even though DFID would surely have wanted it to.

The share of technical co-operation is shown as having been in decline since the late-1990s, which is again in line with DFID preferences, although it has remained largely unchanged in absolute terms. Even in 2006/07 £138 million was spent on this. The share humanitarian assistance has become quite large and has grown rapidly in monetary terms, so that it accounted for no less than £225 million in 2006/07.

3. Figures relate to current-price data on DFID bilateral assistance to Sub-Saharan Africa. The periods shown are to be read that the years in question refer to the financial year commencing in that calendar year. For example, “1988-91” refers to 1988/89 to 1991/92.

Figure 3-2: DFID Bilateral Aid to Africa by Type



Note: * Includes DFID debt relief.

Turning now to the sectoral allocation of support, the figures in Table 3-1 show that recent trends have been strongly consistent with its chosen concentration on reducing poverty and promoting the MDGs. Even though covering only the most recent 20 years, Table 3-1 shows just how far the pendulum has swung away from assisting directly-productive sectors in favour of education, health and other social sectors (Note also the consistently very small share of environmental applications). Humanitarian assistance is excluded from the table; this is apt to fluctuate widely from year to year, but the data show an upward trend during the last decade.

An even more dramatic demonstration of change is given by the following figures, derived from Table 3-1, showing aid to Africa for what can broadly be described as investment in “directly productive” activities (economic + rural livelihoods) as a percentage of “social” spending (education + health + social + governance):

1988/89 - 1989/90	371 %
1993/94 - 1994/95	208 %
1998/99 - 1999/00	49 %
2002/03 - 2003/04	38 %
2005/06 - 2006/07	29 %

Table 3-1: DFID Aid to Africa by Sector of Application
(Percentages of total)¹

Period ²	Economic	Social Services ³	Environment	Governance	Rural Livelihoods
1988/89 - 1989/90	66	17	3	4	10
1993/94 - 1994/95	57	23	3	8	9
1998/99 - 1999/00	24	36	3	29	8
2002/03 - 2003/04	19	55	2	16	8
2005/06 - 2006/07	18	57	1	20	4

- Notes :
1. These figures exclude humanitarian assistance and aid which could not be allocated by sector.
 2. The statistics are means of 2-year periods.
 3. A combination of education, health and "social" categories.

The evolution of policy priorities

An important feature of the administration of British aid is that, from the creation in 1964 of a Ministry of Overseas Development, execution of the great preponderance of the country's total assistance has been concentrated in a single department of government.⁴ However, this does not mean that the disinterested promotion of social and economic development has always dominated the policy priorities of successive administrations. Aid has also, of course, been used to promote Britain's national interest. One obvious issue here is the standing of developmental considerations *vis a vis* foreign policy, security, immigration and commercial objectives. An important clue is provided by the fluctuating status of the government department responsible for aid, which is summarised in Table 3-2 overleaf.

The points of substance beneath this apparent game of ping-pong were the signals sent about the relative importance attached by successive governments to developmental and foreign policy objectives. Developmental considerations

4. There were aid elements in the activities of the Export Credit Guarantee Department and the Commonwealth Development Corporation but these were always minor parts of the total, so that the policies of the aid department almost represent the totality of the picture.

Table 3-2: Four Decades of Governments,
Prime Ministers and Aid Administrations

Period	Party & Prime Minister	Aid Administration
1964-70	Labour. Harold Wilson.	Independent Ministry of Overseas Development created, with minister having a seat in the Cabinet (1964). Political status down-graded in 1967, with minister losing Cabinet status. Publication of White Paper: <i>Overseas Development: The Work in Hand</i> (1967).
1970-74	Conservative. Edward Heath.	Department re-named Overseas Development Administration (ODA) and becomes formally part of the foreign affairs ministry (FCO), represented in Cabinet by the Foreign Secretary.
1974-79	Labour. Harold Wilson (to 1976). James Callaghan (1976-79).	Reverts to the 1964 status—-independent of FCO and with Cabinet-level minister. Publication of White Paper, <i>Overseas Development, the Changing Emphasis in British Aid Policies, More Help for the Poorest</i> (1975).
1979-97	Conservative. Margaret Thatcher (to 1990). John Major (1990-97).	Reverts to the 1970-74 status.
1997 to date	(New) Labour. Tony Blair (to June 2007). Gordon Brown (June 2007 to date).	Reverts to the 1974-79 status, re-named DFID and with additional responsibilities in international economic issues which have a bearing on developing countries. Publication of three White Papers: <i>Eliminating World Poverty: A Challenge for the 21st Century</i> (1997). <i>Eliminating World Poverty: Making Globalisation Work for the Poor</i> (2000). <i>Eliminating World Poverty: Making Governance Work for the Poor</i> (2006).

were more likely to be subordinated when the department formally came under the responsibilities of the Foreign Secretary, although the contrasts between the two situations were not in practice as dramatic as might have been expected. Even when part of the Foreign and Commonwealth Office (FCO), the department had considerable latitude in pursuing developmental goals, just

as, when independent, it has been far from immune to the influence of foreign policy considerations. Party politics has been a strong influence in these matters, as is described in Section 2.

Just as the influence of foreign-policy-cum-security considerations has waxed and waned, so too has the influence of commercial motives. Whilst these had always been present, the intrusion of commercial motives was given greater formal legitimacy with the introduction in 1977 of the Aid and Trade Provision (ATP), which linked the use of aid funds with the provision of non-concessional export credits. This became an obvious target for critics, for what they saw as a mis-use of funds intended to promote development, but it should be kept in perspective, for its use was limited to a maximum of 5% of the total aid budget. Moreover, as it developed, it came to be applied largely to subsidise exports to emerging Asian countries and hence had little impact on aid to Africa. This explains the extremely high levels of concessionality in support to Africa reported earlier. The ATP scheme was formally discontinued in 2000.

Of considerably greater importance was the common practice of procurement tying. This meant that imports financed by British aid were restricted to goods and services originating in the UK, a form of protectionism which often much reduced the real value of the “assistance” provided and which effectively reduced its concessionality. In the 1980s nearly half of total UK bilateral aid (to all countries) was tied in this way, although this reduced in the 1990s and was applied to only about a seventh of total bilateral aid by 1996. It was abolished altogether in 2001.

Lessons of experience also led to changes. This was particularly the case with project-based and technical assistance modes of aid delivery, with neither of these now viewed as having been very effective, partly because of the high transactions costs which they involve. Along with other donors, the UK has therefore turned towards programmatic forms, as mentioned earlier.

British aid policies to Africa have changed in other major ways. Among the most obvious in recent years is the extent to which DFID’s agenda has shifted

from a project-led promotion of economic growth to concentration on the goal of poverty reduction and achievement of the MDGs. Indeed, DFID's mission statement is now officially summarised as to, "eliminate poverty in poorer countries, in particular through achievement by 2015 of the Millennium Development Goals" and the Public Service Agreement which it has with the Treasury defines its aims exclusively in terms of progress towards the MDGs and the reduction of poverty (DFID, 2005). The poverty goal is reflected in the shift in the end-use of aid to Africa away from directly productive economic sectors in favour of social services and "governance" noted earlier. It is true that it was the 1975 White Paper which first gave prominence to the poverty-reduction objective but this was a less dominant theme and was viewed more in terms of rural development.

The nature of the relationships which the UK as a donor has sought to establish with recipient governments has also undergone substantial change. This has been partly the result of the waxing and waning of non-developmental foreign policy and commercial motivations. It has also resulted from the move from project to programmatic modalities. This shift first achieved prominence in the "structural adjustment" era of the 1980s and earlier 1990s, when the IFIs were highly active in the placing of adjustment credits, especially in Africa, and when an increasing share of British aid was used in support of these. As this developed, relationships became increasingly based on donors' desire to improve economic and institutional policies within recipient countries, attempting to use financial leverage through the application of extensive policy conditionality. During the 1980s, the UK was largely content to piggy-back on the conditionality of the IFIs (especially the IMF), generally making access to its own programme assistance conditional upon a country's continued satisfactory implementation of IFI adjustment programmes (Hewitt & Killick, 1996).

An extension of conditionality-based assistance occurred in the early 1990s with a sharply increased use by the UK and other bilateral donors (and with the IFIs this time trailing behind) of political and governance-related conditionality. In the words of the then Foreign Secretary, Douglas Hurd, in 1990,

“Countries tending towards pluralism, public accountability,⁵ 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 this folly with scarce aid resources” (Cumming, 2001, p.176).

In practice, neither the IFI’s policy conditionality nor the political conditionality of the bilaterals was pursued with consistent rigour and recipient governments quickly learned how to play the conditionality game without prejudicing continued inflows of assistance (Killick, 1998). It is perhaps not surprising, therefore, that a major feature of the 1997 White Paper was an announced move away from relationships based on conditionality in favour of more even-handed “partnerships” involving mutual recipient-donor responsibilities. Policy and governance issues were still regarded as of central importance but these were henceforth to be based on local ownership, policy dialogue and mutual agreements among parties. An implication of this shift was also that the UK would henceforth be more selective in the African (and other) governments it supported, reducing its aid to those which did not meet minimum conditions of trustworthiness and desire to promote poverty reduction. However, it is not clear that there has since been any decisive move towards greater selectivity. Moreover, it has proved difficult to draw and maintain the line between a relationship based on conditionality and one rooted in ownership and partnership. It is likely that only in a few British-aided African countries has there been a clear and generally-recognised change in relationships, although DFID’s desire is undoubted.

Lastly and related to the moves towards programme aid and policy dialogue, the substantial decentralisation that has occurred in DFID’s operational structure has been another important development. In virtually all major African recipients, substantial financial and policy authority is vested in local DFID representatives, with reference back to London restricted to the most major or

5. For an attempt to strike a balance between these alternatives see the 2005 statement of policy on the use of conditionality (DFID and HM Treasury, 2005).

sensitive issues. A possible down-side of this is that DFID headquarters may now find it harder to secure uniform implementation of its policy intentions.

To sum up, it is evident from the above account that there has been quite a lot of fluidity in British aid policies towards Africa over the last four decades. Major movements have occurred in almost every dimension, although inevitably the reality of change on the ground has often been less dramatic than the observable shifts in headquarters policies. The main task of the remainder of this chapter is to try to identify the main determining influences on the evolution of policy described above.

2. Determining influences

The long-term course of the policies of any institution is the result of interplay between inertial forces, tending to perpetuate the status quo and active forces for change. Policy-makers are constrained by history, by special interests which benefit from existing policies, by settled ways of viewing problems, by the perceived dangers or uncertainties of changing course. The extent to which they are free of inertial forces—especially the restraining hands of interest groups—shows the extent of their autonomy, a concept which became popular in the literature explaining the relative success of East Asian “miracle” economies, where policy-makers were seen to have enjoyed substantial autonomy from special interest groups.⁶

In what follows, both inertial and proactive forces are described but what is already suggested by the policy fluidity described in Section 1 is that British aid administrators have enjoyed quite a high degree of autonomy, although more so at some times than others. The following account identifies three broad influences: historical; ideological and intellectual; and what is termed the global politics of aid.

6. For an exposition of the concept of autonomy and an application to the East Asian case see Wade, 1988.

The influence of history

British imperialism—and post-colonial guilt—offers an obvious starting point. A direct line can be traced back from the creation of the Overseas Development Ministry (ODM) in 1964 to grants in aid provided to colonies from the 1870s. Such assistance was more formally organised under the 1929 Colonial Development Act and the Colonial Development and Welfare Acts of 1940 and 1945 (White & Wade, 1998). The provision of this support was intended to end as colonies became independent, with what would now be called development assistance then to be restricted to the provision of some technical assistance and contributions to multilateral institutions like the World Bank. The strength of the British anti-colonial movement, adoption elsewhere of bilateral aid programmes and a change of government altered that, however, and led to the creation of ODM in 1964.

Forty years later the influence of the UK's colonial history is still evident, even if it is gradually being eroded. The persistently large share of Commonwealth country recipients is illustrated in Figure 3-1 (page 65). As recently as 2000 well over half of DFID's total bilateral aid went to Commonwealth countries, about the same as ten years earlier. This share has since diminished but was still as high as 46% in 2006/07, when 10 of the top 15 recipients were Commonwealth countries. Former British colonies in Africa have benefited from this bias. Ten of the top 15 recipients were African countries, of whom all but three (Ethiopia, DR Congo and Sudan) were the Commonwealth members.⁷

The lingering influence of British imperialism, then, has acted as an inertial force. A more recent historical development, however, served as a spur to change. This was the end of the Cold War at the beginning of the 1990s. This undermined the *raison d'être* for supporting certain corrupt and anti-developmental regimes which, however, had enjoyed geopolitical importance during

7. The picture is made a little more complicated, however, by the fact that one of these Commonwealth recipients was Mozambique, a former Portuguese colony which, uniquely, opted to join the Commonwealth.

the period of East-West standoff (although this factor had not much influenced the distribution of British aid to Africa).

More widely, the end of the Cold War reduced the weight attached to foreign policy considerations in British aid allocations. It was not a coincidence that the political conditionality referred to earlier did not begin to assume prominence until the 1990s (Cumming, 1996, 2001). In principle, the collapse of communism as a possible threat could have brought a “peace dividend” to the aid budget but the priorities of the government of the time did not favour that. Indeed, the decision of the incoming Labour government of 1997 to stick with the announced spending plans of its predecessor for two years meant that it was not until the end of the 1990s that the aid budget could begin a period of real growth—a rapid expansion which, however, was planned to continue at least until 2010.

History enters the story in another way too, through its influence on the course of British domestic macroeconomic policies. There were long periods during the post-World War II period when, from today’s perspective, successive administrations pursued inappropriate macro policies which, in turn, impacted on the scale of the country’s aid budget. Thus, throughout much of the 1960s and 1970s governments sought to maintain relatively fixed (“adjustable peg”) exchange rates which were inconsistent with governments’ fiscal stances and the relative inflexibility of the economy. This led to sometimes acute balance of payments difficulties (“sterling crises”), which governments sought to resolve through imperfectly executed policies of financial stringency. As an economic advisor in the then Ministry of Overseas Development in the late-1960s, the present writer well remembers the balance of payments justifications offered for the squeeze on the aid budget of that time. The huge macro pressures that were generated during the first years of the 1990s by Britain’s attempts to sustain a stable exchange rate at an inappropriately high rate through membership of the EU’s Exchange Rate Mechanism are a more recent memory, as is the financial stringency which followed its collapse. Interestingly, the move since to a policy of market-determined exchange rate flexibility has assisted the aid programme, not only eliminating the foreign exchange

constraint but also, via a competitive exchange rate, removing the last rationale for protecting British exporters through aid tying and the ATP.

Of course, Britain's aid budget is a small part of total state spending (under 1.5% in 2006/07), so it has always been possible to argue that it would not matter in macroeconomic terms if the government of the day chose to give priority to maintaining the aid budget even during periods of general financial stringency. It is certainly the case that the administrations in power in the periods when aid was in decline—the second half of the 1960s, the 1980s and much of the 1990s—demonstrated a relatively low regard for aid (Mrs. Thatcher, who was premier for much of the latter period famously dismissed it as “hand-outs”) but even with good will it could be electorally difficult to justify such special treatment when the domestic provision of state services was being squeezed. As it is, although the existence of an aid budget enjoys considerable public support, questions about the level and composition of aid have had little influence on general election results.

Ideological and intellectual influences

The last paragraph brings us naturally to consideration of ideology and party politics. The design of aid strategies and the specifics of policy have, by and large, not been the subject of any deep disagreement between the two main political parties, although differences have arisen in the past on the extent to which aid should be used explicitly to promote British interests and on the desirable scale of the aid budget.

As regards the pursuit of British interests, the main contrast that is often drawn is between the view of successive Conservative administrations during 1979-97 and its Labour predecessors and successors. Although the Conservative administrations chose not to fully articulate an aid policy, it was significant that early on, in 1980, the then Minister announced the intention to “give greater weight in the allocation of our aid to political, industrial and commercial considerations, alongside our basic development objectives.” Although developmental concerns throughout were still accorded considerable weight

and most Conservative ministers responsible for aid were generally held in good regard within development circles, there was a real shift of emphasis, a greater willingness to use aid to protect commercial and investment interests and to promote such foreign policy objectives as maintaining the UK's leadership role in the Commonwealth and its permanent seat on the UN Security Council. Conservative ministers of development shied away from giving more prominence to the goal of poverty reduction for fear of an adverse reaction within their party.

That these were real differences has been demonstrated by the changes introduced by Labour since 1997. As we have already noted, tying and the mixed-credit ATP scheme have been ended. The status of DFID—and its ability to resist pressures from the ministries responsible for foreign affairs and trade—has been enhanced. In fact, one of the ways in which party politics has played out over the years has been over the status enjoyed by the aid administration. The history of this was set out earlier (Table 3-2), one of the main points at issue being the extent of independence which the department should enjoy from the foreign policy establishment. Historically, Labour stood for a relatively strong and independent aid ministry, the Conservatives for a weaker department formally located within the FCO, although that is not the Conservatives' position today.

Another important change, already noted, was that aid tying and the mixed-credit ATP scheme were ended—perhaps the clearest indication of the degree of autonomy of aid policy-makers which is the theme of this essay. It is worth speculating on why it proved possible to make these changes without any large public controversy. A number of factors came together to produce this result. First, the British political culture gives rise to an executive power which is large *vis a vis* special interest groups. Such groups have influence, of course, and some in earlier periods have had major power (e.g., the trade unions in the 1960s and 1970s) but governments are usually able to implement policy changes which they regard as important even in the face of interest-group opposition. Second, by no means all British industry is protectionist (tying, of course, is just a form of protectionism) and protectionist lobbying had to be

set against the anti-tying propaganda of campaigning NGOs. Third, as evidence accumulated on the high costs of tying to recipients, the British experience was that only a relatively few firms, mainly in the construction and power equipment industries, actually benefited much from it, so the base of their support within industry was not broad.

Fourth, the credibility of the old defence of tying—that it should be retained as a bargaining weapon in efforts to induce other donor governments to reduce their tying—became seriously eroded over time, as other donors continued to drag their feet. Fifth, as noted earlier, the change to a competitive, market-determined exchange further eroded the intellectual case for protection. Sixth, the shift away from project-based aid in favour of more programmatic forms meant that, in any case, there were fewer opportunities for tying. Finally, there was the sheer inefficiency of using an aid programme as a way of supporting domestic industry. If the government wished to engage in protectionism, it was seen as more efficient (to the extent that protectionism can ever be described as efficient) and equitable to do so through the normal instruments of unfree trade, rather than using a spending programme ostensibly intended for quite different purposes.

In any case, within the UK, since 1997 the primacy of developmental considerations has been powerfully reasserted, not least through publication of three White Papers and supporting legislation. In fact, the 2002 International Development Act made it unlawful for British aid to be used for any purpose other than the furtherance of sustainable development or improving the welfare of the populations of assisted territories. Interestingly, these changes were not the subject of much party-political controversy. The Conservative response to the seminal 1997 White Paper was muted but essentially supportive. More recently, the Conservative Party has formally pledged to match Labour's commitment to achieving the UN target of an aid programme equivalent to 0.7% of GDP by 2013 (although with more of it going through bilateral programmes). Indeed, in the specifics of aid policy, there has throughout been a degree of consensus between most interested members of both parties.

We should also not neglect the changes that can be brought about by Ministers with political standing and strong personalities. The first candidate here was Barbara Castle, appointed Minister when ODM was created in 1964. Lynda (now Baroness) Chalker proved a good friend of Africa during her years as Minister, 1989-97. A more recent example is Clare Short, Secretary of State from 1997 to 2003. Without question, her political strength and willingness to fight her Department's corner within government had a great deal to do with the changes that occurred in British development policy under the Blair administration, albeit with the strong support of the Prime Minister and Chancellor of the Exchequer, and subsequently Prime Minister, Gordon Brown. As her former Permanent Secretary has written, the incumbency of Clare Short meant a change "from Administration to Delivery", to a far stronger focus on getting developmental results (Vereker, 2002).

What have these political-cum-ideological influences meant specifically for aid to Africa? Obviously, as discussed earlier, what happens to the total aid budget has a strong bearing on how much can be provided for Africa. Beyond that, a more aggressive use of aid to promote British interests, under Conservative administrations, might have favoured economically and politically more important countries in Asia but the sheer number of African countries meant they were bound to carry weight when Britain looked for support at the UN or in the Commonwealth. In the design of aid policies towards Africa, it is not clear that inter-party differences have made much difference.

Changes in the intellectual climate have had more impact. Evolving perceptions of the meaning and nature of "development", and of how aid can best contribute to this, have certainly fed into the redesign of aid policies. In the 1960s and beyond, an economic view dominated, in which development was largely seen in terms of economic growth, with the pace of growth largely viewed as a function of the rate of investment. Poor countries were seen as having limited saving capacities, resulting in major gaps between domestic investible resources and the volume of investment required to raise per capita incomes at an acceptable pace. Aid, then, was to help fill this financing gap (and also a foreign exchange gap). One way of ensuring that aid was indeed

used for investment (it was then believed, before the subversive notion of fungibility took hold) was to devote it to the financing of development projects, hence the dominance in this earlier period of the project mode in aid delivery.

In this period the UK, like others, was concerned to get out of budgetary aid and to use projects to boost official development expenditure—on education and agriculture as well as infrastructure. There was heavy emphasis on technical and administrative assistance, to build up African cadres to replace British technical assistance personnel. Faithfully reflecting the dominant view of the time, aid administrators believed in the efficacy of a state-led “big push.”

Thinking about development has since moved on in many ways that have had a bearing on aid policies. A more multi-dimensional view is now taken, with social, quality-of-life and “governance” variables now also seen as central, alongside economic ones. While poverty has always been a concern of development economists, there is now much less willingness to take for granted that economic growth will provide a sufficient solution, not least because poverty is now viewed as involving more than material deprivation, with important non-economic dimensions. Even in the economic sphere, experience has taught that there is more to achieving growth than simply maximising the rate of investment: the quality of investment decisions, the productivity of past investment and associated rates of technological progress are all important. In turn, these variables came to be seen as crucially determined by the policy environment, and a more sceptical view was taken of the efficacy of the state as an economic agent.

Amongst students and some practitioners of development, there has also been a growing awareness of the limitations of what can be achieved by external assistance, and of the centrality of domestic sources of change within poor countries (although the most recent developments imply a return to the aid-optimism of an earlier time—see Section 3). It is this realisation, partly fuelled by the perceived ineffectiveness of conditionality and financial leverage, which lies behind the present-day emphasis on the salience of domestic ownership of policies and institutional development. Thus, a DFID policy

document states explicitly, “The UK Government accepts the evidence that conditionality cannot ‘buy’ policy change...” (DFID, 2005, para 5, p.13).

Mention should also be made of the existence within the UK of a strong and increasingly sophisticated group of civil society organisations which have been supportive by raising public awareness of the problems of Africa (e.g., by mobilising the public during the Ethiopian famine of 1984) and other poor countries. Although these bodies have not always enjoyed the influence to which they aspired, they have undoubtedly had a strong bearing on specific UK policies relating to the quality of aid (for which the Independent Group on British Aid was an effective lobby during the 1980s and into the 1990s). The umbrella NGO group Jubilee 2000 was highly effective in campaigning for debt forgiveness at the turn of the millennium, while well resourced and organised NGOs like Oxfam and Christian Aid exert an on-going influence through research-based campaigning.

The global politics of aid

It is sufficiently well-known to need no elaboration here that, by comparison with other developing regions, Africa has emerged as the most problematical and the biggest challenge to all who aspire to end poverty in the world (although this is subject to the usual caution against over-generalising about a continent that actually contains a wide range of experiences). The long-term lagging pace of growth and development in much of Africa, the tendency for poverty to increase overall, rather than decline, its record of failed states, of international and internal conflicts and associated mass movements of refugees, is well known. It is this which explains the extent to which international aid efforts became especially concentrated on Africa during around the turn of the century. The UK, as shown earlier, shared in this concentration.

Conditions in many African countries also help explain other aspects of the changing policies recorded above. These include the extremely high levels of concessionality and provision of debt relief, the retreat from project assistance, the intense focus on structural adjustment in the 1980s and beyond, the

growing interest in issues of “governance” and institution-building, and the rise in the scale of humanitarian assistance. To a substantial extent UK policy changes have been a response to conditions in Africa, its limited access to global capital markets and the slow progress of much of the continent.

British policies have also been shaped by other agencies working in the aid field. The IFIs have been particularly important, not least through their influence on the changes in attitudes towards development sketched earlier. The direct influence of the IFIs on British policy during the structural adjustment phase of the 1980s-1990s has already been noted, formalised by cross-conditionality between country execution of IFI (especially IMF) adjustment conditionality and access to British programme aid. It is similarly said that the theme of the 1975 White Paper on the need to meet basic needs was a result of work by the Bank’s staff. More generally, the Fund has been important in changing developing-country attitudes towards the importance of sound macroeconomic management, while the Bank’s research and publications have influenced thinking about many aspects of development. The IFIs have exerted influence in more personal ways too. It is likely that Clare Short was influenced by her good relationship with the Bank’s President, James Wolfensohn. And both IFIs have provided key individuals to work within DFID in recent years.

In parallel with this, the DAC of the OECD has been working quietly, trying to induce bilateral donors to co-ordinate better and to reform practices, like tying, which reduce the value and effectiveness of aid. For long an ineffectual talking shop, the DAC has become somewhat more influential over the past decade, as concerns with aid effectiveness and transactions costs have grown. A process was initiated which culminated in the formulation of the MDGs and then adoption of the 2005 *Paris Declaration* on Aid Effectiveness. The work of the DAC and the views of other members of that Committee have undoubtedly fed into the evolution of British policies, which are nowadays focussed around achievement of the MDGs and are strong on the desirability of donors working collectively to harmonise their efforts and to become more cost-effective. There have been other external influences too: various United Nations

conferences (e.g., the 2002 Monterrey conference on financing for development), the work of the UNDP on country-level aid co-ordination and other UN agencies, the Development Committee, the Strategic Partnership for Africa, and others. “Like-minded” aid ministers and their agencies—a shifting body of alliances—have also been influential at different times.

However, while these various donor-based activities have doubtless fed into UK policies, it is probably accurate to say that DFID and its predecessors, as among the most professional of the bilateral aid agencies, have been more leader than follower. From as far back as the 1970s successive Chancellors of the Exchequer (from both parties) took the lead in pressing for debt relief for poor countries. However, UK leadership has been at its strongest more recently, when, working with other “like-minded” donors, DFID rather self-consciously sought a leadership role, in advocacy of harmonisation around the MDGs, in favour of direct budget support and other measures to lower aid’s transactions costs, and working towards collective donor decisions to increase their aid budgets. In other words, participation in the various collective forums was more often seen as a platform than a source of external inputs into UK policies.

3. Conclusion and implications for the future

We have shown that there have been many influences on British aid policies, both generally and towards Africa. There have been some important forces making for continuity: the influence of the country’s imperial past; the influence of commercial interests intent upon preserving trading and investment advantages; delays in turnaround leading to discrepancies between what headquarters says its policies are and what actually happens in the field.

Overall, however, it is change, not inertia, which marks the record of British aid policies towards Africa. On election to power, political parties have been relatively unconstrained in pursuing desired policies in a top-down manner—what we earlier called policy autonomy. What governments have wanted to do

has, in turn, been influenced by the evolving intellectual climate, by what the IFIs and other bilateral donors are doing, and by the campaigns of civil society organisations. Parliament has rarely been much of an influence, because of the degree of cross-party agreement, because of the general weakness of Parliamentary scrutiny in the UK, and because the specifics of aid policies have largely been seen as technocratic matters in which Parliament has little expertise or interest. On the face of it, the relatively recent introduction of a Public Service Agreement between DFID and the Treasury could be seen as constraining the freedom of DFID's policy-makers but, at present at least, the goals written into this are highly congruent with the Department's own priorities (and were probably drafted by it), so it operates more as a constraint on any who would wish to dilute DFID's development priorities than it does on the department itself.

It is possible to go further, to say that, by and large, policy autonomy has been used for the pursuit of long-term development goals, as against the promotion of the UK's national interest. There are specific exceptions to this but it would be difficult to interpret the history of UK aid to Africa as a cynical and exploitative promotion of national commercial or foreign policy objectives. Development goals have been particularly dominant in the most recent years.

This policy autonomy is important in understanding the present juncture of British policy towards Africa, for the government elected in May 2005 has consistently pushed for massive increases in assistance to reduce poverty in Africa. It used its 2005 Chairmanship of the G8 and Presidency of the EU to push for a doubling of aid to Africa. The then Prime Minister, Tony Blair, initiated and chaired a Commission for Africa which backed calls for a doubling of aid to achieve the MDGs when it reported in the spring of 2005. Both he and his successor, Gordon Brown, have continued to promote this agenda. Moreover, the government has demonstrated its commitment in its own expenditures, with DFID aid to Africa increasing two-and-a-half-fold between 1998/99 and 2006/07. No less notably, announced expenditure plans for 2007/08 to 2010/11 envisage total aid to rise by nearly 17% annually in real terms, in the context of a generally rather stringent fiscal settlement for most

other aspects of state spending. Africa is expected to receive a full share of these increases.

To those who are sceptical about such a shift, it represents a reversal of the greater realism that emerged during the previous two decades about what can be achieved by external assistance and an implicit rejection of the primacy of domestic ownership. The intended scale of the operation and the enormous pressures to spend which it will create would, the critics argue, undermine the efforts of the recent past to enter into partnership-based relationships. On this view, by going beyond countries' absorptive capacities, it would also undermine efforts to improve the cost-effectiveness of aid.

Whether or not these fears are justified, the changes now planned by the government represent a prime example of the top-down policy autonomy which has been the theme of this chapter. Of course, the change would not be unconstrained. Above all, the government wants to carry other donors with it and a good few of them are reluctant. Indeed, at the time of writing only Japan and the UK appeared to be meeting the commitments entered into at the 2005 G8 summit. However, it is clear that the government will go ahead unilaterally if necessary. The lead time between announcement of a major change and its implementation is bound to be substantial, just as DFID has found it difficult to shift further towards direct budgetary support as fast as it wishes. Moreover, there is likely to remain a strong Anglophone bias in DFID's aid programmes in Africa, although this is being diminished by the emergence as substantial recipients of such countries as Ethiopia and Mozambique.

There will be constraints, then, but nothing powerful enough to frustrate a governmental exercise of political free-will in favour of much more aid to Africa.

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