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Mali: Patterns and Limits of Donor-driven Ownership

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Mali: Patterns and limits of donor-driven ownership

Isaline Bergamaschi*

Mali is a landlocked country in francophone West Africa that ranked 175th (out of 177) in the United Nations Human Development Index in 2006. Its economy is mostly based on agriculture, and is marked by a high dependence on external assistance. However, the democratization process began in 1991, and the country has recently enjoyed relative social and political stability.

Some players on the ground describe Mali as an example of “donor-driven ownership”, meaning that there are few signs of genuine policy ownership and leadership in aid relationships, and that the country lacks both “capacity” and “political will” to enable it to reach its development goals. This chapter argues that as aid-donors’ influence over policy has increased, the nation’s capacity and will to take the lead in managing aid and the aid relationship have decreased. Indeed, if the current political situation seems characterized by a certain degree of inertia, a lack of development strategy, weak capacities and compliance with donors, it can only be understood as the result of the weakening of the state and donor entanglement in national institutions and politics, and several decades of aid dependence. However, negotiations over economic or political reform still occur between the government and donors, sometimes in conflicting terms. These occasions reveal that the Malian government’s room to manoeuvre and resources to oppose donor demands do exist, but they are limited.

The chapter is divided into three main parts. The first part describes the mechanisms and path of aid-dependence. The second part assesses the impact of the implementation of the ‘new’ aid paradigm on the possibility for recipient ownership. Indeed, the aid system and relationships must be considered in a dynamic manner, as Mali is now the ‘laboratory’ for the implementation of the Paris declaration in West francophone Africa. The last part of the chapter unveils the conditions and potential for recipient ownership and donor support in aid relationships by building on specific policy analysis in the sector of decentralisation and the privatization of cotton.

Symptoms and origins of weak ownership in Mali

As in many African states, the Malian state was built in an extroverted manner [Bayart, 2000, 234]¹; and since independence, development strategies that have guided Mali’s policies were largely inspired, imported, or imposed from the outside.

Development policies in Mali: A history of extraversion

Under colonial rule, Mali was clearly not the top priority of the French Empire. Aware of this fact, and dubious about the possibility of benefiting from the new French policy in Africa set up in the aftermath of independence, Mali unilaterally claimed its independence on the 22nd of September, 1960, and freed itself from all commitments to France. For example, in 1962, instead of entering the “zone franc”, Mali created the Malian franc. Moreover, with the new

national elite led by Modibo Keita, and in a context of Cold War politics, Mali set up a model of « rural socialism ».

The strategy of independence from the former colonial ruler quickly put Mali under the supervision of the USSR and China, which granted Mali economic loans. The first Republic of Mali was also marked by the modernization of the agricultural sector (through a system of cooperatives), the creation of state-owned firms, and the creation of public jobs. A highly centralized planning system and a single-party system were supposed to guarantee national unity and the success of reforms.

Although Keita was partially successful regarding the economic decolonization of the country, rural socialism was a failure. From 1960 to 1968, agricultural production decreased and exports dropped; moreover, state-owned firms proved themselves incapable of efficiently managing public commerce and generating the resources necessary to finance development. In 1967, the Malian Franc was devalued, and Mali had to resort to monetary agreements with France. This was perceived as a humiliating retreat and ensured that difficult conditions would be imposed on the country [GEMDEV 2005].

The regime quickly failed because of internal as well as exogenous reasons. Firstly, domestic resources needed to finance development plans were insufficient. Secondly, it was difficult to adapt a rigid, Soviet-style economic model to a poor and uneducated rural population. And, last but not least, France sabotaged the socialist initiative by strengthening its own position in neighbouring countries. As a result, social resistance grew in the country; which in turn triggered the emergence of a repressive regime in the country.

As Aminata Traoré put it : « *With their will to break ties with the former colonial ruler, the first Republic turned too quickly to the Soviet model without being aware that this model was as extroverted as the Western model, and even more coercive* » [Traoré, 1999, 30]. State-led planning and the independence from Western powers were duly discredited as viable options for the country.

Some leaders from the army and the radical faction of the party organized a *coup d'état* in November 1968. The new military regime focused on one objective: to liberalize the economy. They cooperated with the Western bloc and tried to attract foreign investors. However, Moussa Traoré's military regime did not manage either to put an end to the centralized system of planning, to implement a proactive policy of economic liberalization, or manage state resources effectively. Political affairs and clientelism increased, making development a low priority for an increasingly patrimonial regime. At the beginning of the 1980s, the Malian state found itself in an economic crisis that later extended to a social and political crisis. Economic and social conditions were very poor, internal and external debt increased dramatically, investments and growth were low, and state-run enterprises accumulated huge deficits.

In this context, structural adjustment programs (SAP) were imposed and perceived as an inevitable necessity. Mali re-entered the "zone franc" in 1984 and the first stabilization program was put in place in 1982. The program led to increased social discontent, to which the regime only responded with more repressive measures. The SAPs in Mali were crucial to the fall of the military regime, both because they cut the clientelist system's resources and fostered demands for democratization [Baudais, 2006]. This era marked an increase in donor

involvement in domestic policy-making, overall as well as an increase in influence of international financial institutions (IFIs) at the expense of the traditional bilateral donors.

The democratic regime, set up after a national conference² (July-August 1991) and democratic elections in 1992, was a great opportunity for civil society and political parties to open up the political debate and promote the public good after decades of exclusion. However, the newly elected government had limited leverage under the structural adjustment programs.

In the post-Cold War ideological context, pro-active state-led development policies were almost impossible to sustain for a country with few internal resources. With the increasing involvement of international financial institutions³, Mali had become increasingly dependent on aid, donors, and their prescriptive demands. The new democratic regime was very fragile, and Mali's mode of integration into the global economy called for pragmatism and humility. The 1994 devaluation of the CFA franc cut the population's incomes drastically while twenty-five state-owned firms were privatized or closed down. President Konaré, an intellectual and a historian, was committed to development but had little economic vision, while the single-party system allowed limited radical or parliamentary opposition.

The current President, General Amadou Toumani Touré, elected in 2002 and 2007, is a former military leader who has no clear vision toward development. His political logic is one of "social demand" than a supply of development strategy. His development policies consist more of punctual measures during visits in villages than a development strategy that would take into account the country's economic potential (agricultural exploitation, the export of cattle, the development of the private sector).

In order to analyse critically the current political regime (since 2002), one needs to look at the way the national political scene is organized, and the way it affects the nature and conditions of the national political debate. Democratization in Mali, and a rather permissive law on political parties, led to the rapid multiplication and fragmentation of political parties in the country. The political debate in the country does focus on poverty reduction; however, Malian political parties do not have a clear program to address poverty issues. In this context, the political system of "consensus" set up by President Touré does not favour national initiative. Based on a somewhat mystified vision of the old empires of Mali and African customs, the consensus set up in Mali since 2002 was also the result of a political strategy by the elite (old and new) at that time. Unable to rely on a clear political majority in Parliament, Touré initiated a consensual form of political rule based on an "oversized coalition"⁴ between some of its opponents, former militaries, some independent political personalities and civil society cadres. Consensus appeared as a good way to ensure stability and peace, and a national alliance to overcome the economic and social challenges of the country. President Touré claims his independence from political parties, but has in fact made alliances with almost all of them [Baudais, Chauzal, 2006]. The kind of leadership set up by Touré has ensured the monopolization of almost all resources available in the Malian political arena, and their partial redistribution via informal and personal channels of clientelism. In practice, the system of "consensus" has meant the absence of a parliamentary opposition, which blurs the frontier between "consensus" and a one-party system. No party is willing to be in opposition or to consider itself as an opponent. Instead, they all hope to share political power and are reluctant to take the risk of being marginalized from the government and the state's institutions. Most 'opponents' during the 2007 presidential elections were in fact ministers who participated in President Touré's previous governments, and did not offer real alternatives to his policy.

Political debate and decision-making are limited to a very small group of influential people, and the National Assembly plays only a minimal role [Djiré, Keita, 2004]. After five years of existence, it seems that the consensus did not promote policy objectives, but rather led to a sharing of the financial and political “national cake” alongside a state of general apathy. This explains why some Malian intellectuals, journalists, and political leaders increasingly question this political system. Overall, the system of political consensus and compromise encourages neither opposition, nor open political debate and critique, nor the promotion of alternatives and reforms, and seriously undermines the potential for national leadership, including in relations with donors.

At an initial stage, the international community strongly supported the Malian political system of consensus. It seemed to be a good compromise and guarantee stability in a country located in a troubled region, and a good basis for the implementation of economic reforms [Chauzal, 2006], as an intriguing speech given by President Chirac in 2003 shows: “*Confrontation, even at a political level, never brings progress, and in particular doesn't bring democracy (...) The consensus politics which the President is seeking to promote are without any doubt an exemplary democratic procedure*”⁵. However, donors on the ground question the regime harshly, because they see it as “corrupt” and “apathetic”. Touré’s re-election in April 2007 was highly contested, casting doubt on the government’s legitimacy. Some donor representatives also complain that the “consensual spirit” spreads throughout the administration, creating inertia and the dilution of responsibility.

According to many, the Malian government has adopted a strategy of compliance aimed at maximizing aid flows coming into the country (and hence their financial and political rent⁶), allowing the stability of the political system of consensus. The discourse over democracy is an important resource of this strategy⁷. In the short-run, this strategy seems quite efficient. Mali benefited from the Multilateral Debt Relief Initiative and from the US Millennium Challenge Account. Mali became of beneficiary from Danish aid in December 2006; Luxembourg will double its aid to Mali in the coming years. The country is also to benefit from the tenth European Development Fund. Moreover, Mali hosted the workshop on aid harmonization organized by UNDP, OECDE/DAC and the African Development Bank in March 2006. However, the sustainability of this strategy in the long term remains uncertain.

Those last comments of course, illuminate legitimate questions about the nature and trajectory of democracy and the state in African countries. But, as will be highlighted below, these cannot be separated from the dynamics brought about by donor agencies and the provision of aid more generally. Donors are part of domestic political dynamic and although they complain about the lack of national leadership, they rarely allow and support its emergence.

Aid dependency in Mali

Three dimensions of aid dependency have strongly undermined the potential for ownership in Mali: structural adjustment programs (SAPs), the limited room to manoeuvre of recent governments, and the implicit division of labour that developed over time.

Structural adjustment programmes have had strong and long-lasting negative effects on all aspects of African civil service and public goods provision, and disastrous social consequences.

In a report on the liberalization process in Mali [ESSD-Banque Mondiale/CEPIA 2006] one finds that, between 1987 and 1989, one out of five Malian civil servants (about 10 000 people) were fired or had to leave on early retirement. For many years, employment of civil servants was limited to 250 agents per year. The number of civil servants dropped to 32,219 in 1995, and then progressively rose back to 39,500 in 1999. Precarious jobs in the civil service became prevalent, and the general level and capacity of human resources decreased. Today, there are only 43,928 civil servants in Mali, most of which are ageing and weakly motivated, and the government of Mali is incapable of raising salaries in the civil service because of its agreements with the IMF which limits the part of public salaries in the total budget (to contain inflation). But, in particular, structural adjustment programs have weakened national planning capacities. As a former director at the Ministry of Planning recalls: “*Instead of being extended to all ministries, the planning units that used to exist and were very efficient in key ministries (agriculture, health, education⁸), were completely dismantled in 1989*”. There was some resistance to this measure and other aspects of structural adjustment amongst civil servants, but this resistance was not sufficiently backed up in the government, and the options for resistance too limited, and the reformers got the upper-hand. Planning was handed over by the Ministries’ administrative and financial commissioners (*Directions Administratives et Financières*) traditionally in charge of resource management and financial control, and which were not given the means to reform and adapt to their new responsibilities. Therefore, the country was left with little capacity to design and implement development policies. The persistent lack of viable statistics has led to a situation where people talk a lot about poverty, but in fact know very little about its origins and permutations. As consistent knowledge about the features and dynamics of poverty are scarce, development planning can only be subjective, and donors can impose their numerous priorities according to the timely “fashions” and fads of the new aid paradigms.

In the current situation, Mali is between a rock and a hard place, because economic dependency tends to turn into aid dependence. Structural constraints affecting Mali are very high. Difficulties posed by external shocks and the lack of a coherent development plan have constantly hampered the development process in the country. Agriculture accounts for 40% of GDP, making the country vulnerable to external shocks, climatic conditions, and international agriculture prices. Mali's economic performance is dependent on ports in neighbouring countries (mostly Dakar and Abidjan). Growth has been sustained over the past years, but with little implications in terms of poverty reduction. One major source of wealth for the country over this time has been remittances from migrants, but these are difficult to integrate into a national strategy. The newly created Ministry for “the Malians living abroad and the African union” has only partially managed to channel the incoming flow of income from migrants and to provide coherence to their initiatives.

As a consequence, Mali is very dependent on external assistance. Between 1996 and 2005, development assistance represented 9.3% of the national GDP in average, three quarters of the country’s Investment Special Budget and 27.6% of the state’s general budget. The structure of aid and donors has changed: The relative weight of bilateral donors has decreased, and multilateral donors’ increased. There are about 40 donors in Mali, and the biggest donors are the European Commission, France, the World Bank (each with an envelope above \$ 100 million), and then far behind the Netherlands, Japan, the US, the African Development Bank, Canada and Germany.

Moreover, Mali is “chronically under-aided”, as a recent study by Oxfam testifies: “*It [Mali] receives less than half the amount of aid per person than its neighbour, Senegal, which is less*

poor” [OXFAM 2006]. In a context of greater aid selectivity, Mali clearly has an interest in accepting all kinds of aid, regardless of its mode or content, and in accepting whatever reform might be promoted by its donors. The fear that aid funds might otherwise be allocated to other countries in need, and in particular Cote d’Ivoire as soon as the conflict ends up, is palpable amongst Malian civil servants today. Finally, as a donor representative recalls, the government’s budgetary leverage is very limited for national development policies outside of the donors’ multiple projects and programs: *“the budget in Mali is not a Keynesian budget, and it is almost impossible to make strategic choices: given the budget constraints and previous commitments and programs engaged, the government has discretion over only 10% of the total budget for the next 4 years, which means a possible variation of only 1% per year”*.

In addition to the objective indicators of economic dependency, a mentality and behaviour of « aid dependency » seem to have progressively developed in the country, limiting the country’s possibilities to come up with alternatives to what international financial institutions have promoted. Since independence, in a condition of extroversion, material incapacity, and the external imposition of economic remedies, Malian leaders and civil servants have lost the habit, capacity, and incentives to set up and implement their own policies. It seems that since the mid 1980s, Malian authorities have delegated the formulation of their development strategy to international financial institutions, which formulate it for them and then argue it is truly nationally owned. Indeed, over time, an implicit division of labour between donors and the government has been arranged, leaving little opportunity and space for the definition of national public policies by other domestic stakeholders: *“Bilateral donors, the World Bank and specialized UN agencies elaborate and finance projects and programmes, and the IMF controls public finances. As far as the Malians are concerned, their role is limited to trying to maximize external aid by accepting all that is being offered”* [Raffinot 2002].

According to a civil representative, *“President Touré and other candidates of the presidential election focus on punctual initiatives and policies because major macro-economic indicators are between the hands of the World Bank and the IMF”*. The constraints induced by economic dependency are strong, and it is as if it had restricted “the world of the possible” for the ruling class and elites. By restricting the role of the state on technical and administrative tasks, structural adjustment programs and the following ‘good governance’ agenda have also depoliticized policy-making and policy choices in aid-dependent countries. Therefore, in Mali, aid is not a mere financial and technical tool to support national initiatives: it has replaced any national political reflection on development in the country.

Indeed, the capacities and space for true national ownership are limited by the patterns of its dependence on aid. Does the new aid agenda pave the way for greater recipient ownership?

Reforming aid: The way towards more recipient ownership?

In an assessment of the impact of the current aid reform in Mali, this part will focus on four main aspects: the reform of the institutional aid management system, the Poverty Reduction Strategic Papers (PRSPs), the introduction of new aid modalities (SWAp and General Budget Support), and capacity-building activities led by donors.

The persisting fragmentation in the aid management system

Reflection on aid effectiveness in Mali started with a critical assessment of its national aid-management institutional framework. A 1999 report notes that: “*not one of all public structures in charge of this function actually ensures the necessary coordination of all. This leads to quite a paradoxical situation where donors themselves try and ensure this mission instead of the state itself*” [PNUD, Club du Sahel/OCDE 1999]. Since then, reforms were unable to make the system stronger or more coherent. In theory, aid-management and coordination should be ensured by three different structures:

- The Ministry of Foreign Affairs and International Cooperation (MFAIC) is in charge of submitting, negotiating and approving all cooperation agreements, as well as the management of the European Development Fund. Theoretically, it is the leading institution in relations with external partners, but this is continuously challenged by the Ministry of Economy and Finance (MEF) and *ad hoc* administrative routines and procedures.
- The MEF is in charge of budget support, public spending, and public debt management. The MEF is not as powerful as in other countries, but its role is increasing in the context of aid reform.
- The Planning Ministry, which is in charge of managing the Special Investment Budget.

The actual role of each structure in relation to donors is often very different from what is described in official documents. In reality, there is a great dispersion of tasks and a vague division of labour between institutions. Line ministries (especially in health, education, or decentralization) very often negotiate projects and programs directly with donors. Inter-ministerial coordination is insufficient: some sectors or activities are over-financed at the expense of others with no overall coherence, which does not encourage sound policy prioritisation, or the ability to refuse unacceptable or unrealistic conditions [OCDE/Ambassade du Canada, 2001, 19]. Of course, the fragmentation of aid and donor interventions did nothing to make the system more coherent. Donors now push for the Ministry of Economy and Finance to become the “unique entry” point for aid in Mali, but institutional and personal rivalries, administrative routines, and political forces in favour of the *status quo* have prevented this from happening. Whether the Malians do not reform the system because they find the current system beneficial (disorganized dialogue and multiple actors might help to maximize aid volumes), or because reform is impossible at this stage, is difficult to ascertain.

A “secretariat for aid efficiency” is now being put in place. Still an informal and politically weak, it brings together civil servants from various ministries involved in aid-management. Some civil servants hope it will put an end to institutional fragmentation and strengthen the government’s position towards donors. This is very unlikely. The establishment of this secretariat is primarily supported by donors themselves. The secretariat drafted a Malian action plan for the implementation of the Paris declaration in March 2007, which was validated by the Council of Ministers, as a sign of the government’s commitment to reform. However, donor involvement in it was very strong at all stages, and the final version is very weak regarding donor commitment to harmonization and alignment⁹.

Therefore, the reform of aid takes place within a very fragmented system, and new aid instruments often add to the old ones without solving the systemic problems traditionally associated with aid dependence. The following section outlines how this happens in practice.

The PRSP: Unveiling the true meaning of “ownership”

Mali adopted its first PRSP in May 2002. Mali had previously devised a national development scheme before the Bretton Woods institutions explicitly requested it (the *Stratégie Nationale de Lutte contre la Pauvreté or SNLP*) but the IFIs did not accept it as a basis for the PRSP, arguing that it was weak in poverty and macro-economic analysis. This resulted in a conflict between the Bretton Woods institutions, the government of Mali, and UNDP, and cast a doubt on the World Bank's will to let Malian authorities have ownership of the PRSP [Dante et al., 2003]. Eventually, the government of Mali decided to use the SNLP as one of the main bases for devising the PRSP and tensions were reduced. Although a PRSP technical unit was created in June 2001, attached to the Ministry of Economy and Finance, recipient ownership of the document was limited to central levels of the administration and, mainly, to the MEF itself. The process of participation could not overcome the usual pitfalls associated with most PRSP processes, such as: problems in the legitimacy and representation of the ‘participant’ organizations (and their independence towards either the Malian government or donor agencies), their confinement to social themes, and the timing and real influence of their participation in policy outcomes [Cissoko, Touré, 2005].

The « second generation PRSP » was adopted in December 2006. The PRSP unit has benefited from increased financial, material, and human resources: it grew from a few civil servants to 30 people with better working conditions and salaries. However, the PRSP appears as a catalogue of poverty-reduction policies with no hierarchy between them which would allow crucial prioritisation. This can be traced to the intervention of line ministries, donors (who wish to see their own priorities included within the PRSP), and the massive but somewhat disorganized participation of civil society. No study of poverty in Mali was available and the first PRSP review was not completed when the second generation PRSP was drafted. However, as both donors and the President refused to allow a pause between the two documents one year before the presidential elections, the document was accepted despite its numerous weaknesses. The second generation PRSP was adopted by the Council of Ministers while the National Assembly was not consulted, and local communities were informed about the content of the PRSP after its adoption.

The PRSP was not written by the IFIs but under their close supervision, and the result is not very different from policy recommendations of previous structural adjustment programs. From an economic point of view, the state that donors want to reinforce is more of a service provider creating the condition for a free-market than a « developmental state »¹⁰ able to define priorities and to implement policies. Donor intervention in the PRSP process was very strong at all stages, and particularly felt in the areas of budgetary and macro-economic issues. Participants in the different working groups involved confess that, if they did not attend formal meetings, donors would send comments directly to the MEF, both because it is their natural counterpart on debt issues and also because, by doing so, they were sure that their voice would be heard. This reflects the limits of “ownership” as conceived by the IFIs. The second generation PRSP in Mali shifted priorities, with a focus on growth. However, this a common feature of all second generation PRSPs, which confirms that a unique model is still applied uniformly.

Particularly worrying is the fact that the PRSP did not help to overcome the Malian chronic problem of weak capacity in macro-economic and strategic development planning. Although it has been reinforced, the PRSP unit lacks the financial, technical, and human resources to ensure its mini-planning function. The PRSP unit has no macro-economist, for instance. The MEF is supposed to accomplish these planning tasks, but has no capacity to undertake such tasks.¹¹ Most of the personnel in this ministry are accountants and financial controllers with little understanding of macro-economic dynamics and models. The current minister is an accountant and a technician with a low political status who never opposes the IFIs' demands. In this context, the nation's macro-economic and budgetary frameworks are mostly inspired by models provided by international institutions. The second generation PRSP's economic growth model was elaborated by a consultant hired by the German cooperation agency, and the Malian civil servants see it as a "black box": they do not know what is in it or how it works. To a certain extent also, the mainstream macro-economic models promoted by the IFIs (privatization, the "poverty reduction" agenda that ignores the political question of inequality) are widely diffused within the Malian civil service, especially within the MEF, and are often accepted as the "common sense".

In addition to the PRSP, new aid modalities are being introduced in many recipient countries. Do they contribute to greater aid management and leverage for the recipient public institutions in Mali?

New aid modalities and aid harmonization: Sector-wide approach¹² and General Budget Support

Together with education, the health sector is considered to be the most advanced with respect to aid harmonization. The *Programme de Développement Sanitaire et Social (PRODESS)* is a sector-wide approach (SWAp) established in 1999. What has it changed in practice as far as ownership and alignment are concerned?

All donors present in the sector must integrate their action into the PRODESS framework and finance its activities through various instruments, guaranteeing the coherence and coordination of activities. PRODESS is piloted by the Ministry of Health, and has become the common reference for aid management. As a result, the dialogue in the health sector is considered to be beneficial by all stakeholders.

However, one needs to recall that the implementation of SWAp and the introduction of budget support in the health sector were clearly World Bank initiatives. Moreover, Malian public officials still find it hard to set priorities and to accept projects according to these priorities. There are thirty donors in the health sector, and they use various modalities which represents a burden for those involved with the Malian public health sector. More importantly, the normal institutional framework is sometimes bypassed by donors when their individual interests or priorities are at stake (typically, HIV/AIDS).

Progress in ownership and planning can be felt at the central and formal level, but implementation and access to health services throughout the country have not improved. Institutional and political issues remain (such as the problem of human resources, decentralization or the low quality of service provided) but are barely mentioned in the dialogue between donors and the government. There is great risk posed in technocratizing the system by focusing on the process at the expense of results, for which donors bear great responsibility [Paul and Dujardin, 2006].

Indeed, there are limits to harmonization and alignment, even in the most coordinated form of aid in the country. A Memorandum of Understanding (MoU) on the provision of common budgetary support for the implementation of the poverty reduction strategy was signed in March 2006, followed by specific agreements concerning health and education (July 2006). Eight donors now provide GBS to Mali (the World Bank, the African Development Bank, Belgium, Canada, France, the EU, the Netherlands, and Sweden). Although project and program aid still make up 83% of total aid received by Mali, budget support accounts for only about 10%. It represents 40% of the European Commission's total assistance and is likely to increase relative to the total share of aid received by the country in the coming years. What is at stake with the introduction of GBS in Mali?

In fact, the introduction of GBS requires the government to open the budget process up to donors. GBS extends the right of donors to examine the recipient's overall policy framework, while with project or program-aid, this right used to be limited to one policy or one sector. This is very problematic. Consensus between donors and the government is rarely found, even in *a priori* consensual sectors. While donors are eager to provide basic education to all, the Malian government would prefer to focus on higher education in order to be competitive on the international market of education. Security, and especially in the North of the region, is a high priority for the government, but donors refuse to finance military spending. Concerning the structure of public spending, while the government is concerned about public salary payment and the functioning of the state apparatus, donors prefer to finance big (and visible) development projects. Therefore, the burning issue within the government in Mali today is: when and how should we let donors know what our budget priorities are? In Mali, the budgetary formulation process runs from April to October. Obviously, donors would like to intervene early in the process (to control the choices made with regards to public spending), whereas the government officials express the need to define priorities before donor involvement to preserve a minimum degree of autonomy. Therefore, GBS is not simply a new aid modality: while donors see it as a great opportunity to unveil the recipient's public finance management system, for the recipient government it provokes the question of state sovereignty, and in particular budgetary sovereignty. In a country like Mali, where monetary sovereignty is delegated to a regional institution (the *Banque Centrale des Etats de l'Afrique de l'Ouest* or BCEAO), abandoning parts of budgetary sovereignty is highly controversial.

With the introduction of PRSP and GBS, donors claim that increased "policy dialogue" between donors and the recipient government is needed. What can be said about this dialogue?

First, one can observe a multiplication of forums between donors and the government, and for the moment, there is little evidence of a significant reduction in transaction costs, in particular for the recipient government. The Joint Commission (the *Commission Mixte Mali-Partenaires*) was set up in 1998 to oversee aid reform, and is co-headed by the MEF and the leading donor). Since then, it has not been able to fully play its role, because of ministerial reshuffles, the absence of ministers absorbed by other urgent issues, and institutional and political blockages. But more fundamentally, the Joint Commission and other meetings (such as the donor round table or sector wide harmonization meetings) have become mere formal meetings where real issues are avoided and decisions elaborated elsewhere are officially endorsed¹³. Problems between donors and ministries are solved on a daily basis through direct communication. Paradoxically enough, the perceived urge to increase policy dialogue and control the recipient country's budget process leads donors to place an increasing number of technical assistants in strategic positions in relation to the planning, budgeting and spending

process (in Malian ministries, for example). The PRSP unit now counts five technical assistants (French and non-Malian Africans) hired by the European Union or France, which makes the concept of “ownership” problematic. Also, when donors cannot reach an agreement with one Malian civil servant about a project or a programme, they very frequently bypass traditional channels and negotiate directly with ministers, or even the President himself, in private meetings. Eventually, whether the minister decides to back up the director or to align himself with the donors’ views depends mostly on: the circumstances, the existence of a clear national strategy or framework in the sector, the pressure exerted by the beneficiary population to receive funding, and the personality of the minister. For a former Minister of Economy and Finance, this « policed politics » was counter-productive, because civil servants are always in a situation where they deny their colleagues’ jobs, hence creating a “*balkanisation of the administration*”. Lastly, Malian civil servants complain about the limits of the policy dialogue with donors at the country level, because in most donor agencies, decision-making processes are centralized within the headquarters.

Some players also perceive risks deriving from the type of “policy dialogue” being carried out. First of all, the economic and financial approach to development and aid is predominant. As outlined above, donors tend to show a willingness to interact mostly with the MEF, which can limit the scope of the policy dialogue carried out. Secondly, there exists the risk of focusing on aid delivery processes rather than on development outcomes, thus technocratizing the system. The PRSP, because it is the expression of the current consensual political economy, risks formatting the aid relationship, since the scope for innovation and policy choices is restricted within a set of very prescriptive and normative standards. According to some practitioners in Mali, aid instruments are given too much importance, at the expense of a deep reflection on the goals of development and the role of aid in this process. Some donor representatives clearly see a risk with the introduction of budget support as they might lose track of what is occurring on the ground. Finally, the policy debate is taking place in a highly centralized way involving mainly donor agencies and ministries in the capital city. Therefore, policy dialogue about development is more than ever an exclusive donor-recipient matter, threatening the partial exclusion of civil society, the Parliament and local communities.

As argued above, the current reform of aid is not the promised panacea to overcome the traditional side-effects associated with aid and achieve recipient ownership. The next section will critically analyse another dimension of foreign aid: donor attempts at building recipient capacity.

The paradoxes of “capacity-building”: The ambivalent role of public aid

Because the recipient state is formally given a central role in the new aid paradigm through the introduction of the PRSP and GBS, ownership and capacity become two sides of the same coin, and “capacity-building” becomes a high priority and major axis for donor agency intervention.

However, efforts made by the donor community are often ill-adapted and too fragmented to achieve their goals. Because of their own constraints, procedures, and objectives, donors often implement measures that have mitigating or even counter-productive results. In Mali, the multiplication of “units” in downtown Bamako and elsewhere is striking. An “accelerated growth unit” was created to support the first PRSP process with World Bank support, in order to prepare the first PRSP; but the unit disappeared when the funds were cut. Today, the PRSP

unit is responsible for the drafting and follow-up of the PRSP, and the coordination of all poverty reduction activities. The story of this unit itself is full of insight. The decision to attach it to the Ministry of Economics and Finance reflected both the unwillingness of the government to give it a truly political status (by attaching it to the Presidency or the *Primature*¹⁴), and World Bank pressures not to attach it to the Ministry of Planning (associated with the socialist era). As a result, the Ministry of Planning was marginalized at the benefit of the MEF, and the disconnection between planning and spending increased. The *Observatoire de la Lutte contre la Pauvreté et le Développement Humain Durable* is in charge of following up poverty reduction in Mali, and a project in charge of « strategic development planning » (*projet de renforcement des capacités dans la gestion stratégique du développement*) was created in conjunction with the Ministry of Planning in 2000, mostly with UNDP support. This created overlapping functions and personal rivalries between the two institutions. Often attached (more or less loosely) to a ministry, but located in different buildings, and composed mostly of civil servants, but with better working conditions, these units are *ad hoc* creations with limited life expectancy. They enable donors to choose their counterparts, to set up structures that are quickly operational without increasing the recipient's national budget, to maintain control of the operations, and to shape national institutions according to their needs. As one donor representative in Mali put it : « *what donors want is a structure that can start working quickly, someone to talk to, someone who will answer the phone, answer their questions and follow up their programs - not an administration that would be efficient for and accountable to the population* ». Indeed, donors' defiance of African states and the administrations that guided SAPs did not disappear in the "post-Washington" era: the idea that ministers are not efficient is still strong. However, the general effect of this anarchical and "cancerous" multiplication of *ad hoc* units distorts the national state apparatus, affecting its institutional coherence, strength and continuity. In fact, ministries are weakened. Differentiated working conditions and salaries between ministries and these units create feelings of jealousy and a dichotomy within the Malian civil service, therefore hampering the constitution of a corporate spirit within the civil service.

In brief, donors are trying to rebuild what they had destroyed with structural adjustment programs, illustrated by the re-creation and multiplication of units for planning and statistics (*Cellules de Planification et de Statistiques*) in ministries. However, donor intervention, characterized by rigid procedures, short-term vision and objectives, and a restrictive as well as normative conception of the state, leads to imperfect capacity-building outcomes. Technocratic aid-management competences are given more recognition than development management and the promotion of the public good, whereas responsibility for action is diluted by the multiplication of semi-institutional entities without clear status and limited periods for action.

The last part of chapter will focus on aid negotiation and policy analysis. It will look at two sets of policies that are crucial in the Malian economy and politics, where donor involvement has been important and controversial: decentralization, which is a major dimension of state reform in Mali, and cotton, the major specialization of the Malian economy. The aim here is to understand the conditions for governmental success or failure in aid negotiations with donors.

Negotiating reform

Decentralisation

Although promoted by donors in most developing countries in the 1990s, decentralization is often cited as a policy that was designed and owned by the government and the population in Mali. It is also one area where the government recently made a case against donors, forcing the World Bank to amend one of its bigger projects. What were the conditions for this successful aid negotiation?

The first condition for success was true national ownership of the project and policy. Although decentralization was promoted by the international community in most African countries as a means for ensuring good governance and controlling public spending, there is little doubt that the policy was truly owned at the national level in Mali. Decentralization existed in development plans since the Modibo Keita era and the first initiative for the implementation of a territorial administration dated back to 1977. Weakly implemented until then, democratization in the 1990s gave the project new momentum. Decentralization was re-affirmed in the 1992 democratic Constitution. At the beginning of the 1990s, the state set up by the military regime was about to collapse, and the new ruling elite had to define the new nature of the state, to bring the state and citizens together after decades of dictatorship, and to stop political tensions in the North of the country (the “Tuareg rebellion”¹⁵). Decentralization, building on an old tradition of the empires of Mali, was framed as the solution to these problems [Baudais, 2006]. The project was supported at the highest political level. The Commission for Decentralization and Institutional Reform in Mali (1993-2000) was integrated first within the *Primature* and then the presidency, and headed by a man of conviction and character, Ousmane Sy, who became Minister for Territorial Administration and Local Communities (MTALC) in 2000. Since 1999, 703 democratically elected municipalities were created. The CCN (National Unit for the Co-ordination of Local Governments) was created to provide technical assistance and the ANICT (National Agency for Investment in Local Government) aims at providing councils with financial support. Municipal Advisory Centres help the local representatives to prepare investment proposals for submission to the ANICT.

What have donors done to support this national initiative? Donors, recognizing the strong national ownership and leadership behind the initiative, supported it with an innovative system of pooling. Similar to the Malian state itself, decentralization was mostly inspired by the French model. However, the temptation of each donor involved in the process (Switzerland, Germany, the Netherlands) to impose its own vision and experience of decentralization was strong from the beginning. If a strong national political vision enabled the Malian state to resist this, the entry of the European Commission as a major donor in this sector has created a tendency to follow European, as opposed to national, methods and procedures. Traditional drawbacks of the aid process could not be avoided. Huge problems in the transfer of resources and implementation also remain, and the project lost some momentum when Ousmane Sy left the government, which is symptomatic of the great personification and low institutionalization at the policy level. The President changed, too: decentralization was a strong initiative of President Konaré’s, but President Touré was not, at least at the beginning of his mandate (2002), very eager to delegate authority and resources to the local administration.

However, national ownership remained strong: decentralization is one rare sector where Mali has a nationally documented policy vision for the next ten years, as well as an operational plan for the next three years¹⁶. However, the articulation between these documents and the PRSP is not always clear. Donor coordination is regular and of good quality in the sector. However, some donors have strong regional or line priorities (because of traditions, and the will to ensure aid visibility or to keep their ‘added-value’), or attach complicated conditions to their aid support. Donors have agreed to finance hundreds of projects over the next years, which means that the current director of the *Direction Nationale des Collectivités Territoriales* (DNCT) spends most of his time meeting donor demands in the form of missions reviews and follow-ups. As he confessed, donor procedures and demands are so high that he sometimes thinks of abandoning the project and give up the funds it could generate. However, beneficiaries in the communes and regions would not understand such a refusal, which is why, he argued, he often gives up the idea of teaching donors a lesson in this way [Mr Cissouma. Interview with the author].

Nevertheless, the DNCT did refuse a large project funded by the World Bank, forcing the organization to amend it. According to the DNCT, the “*projet d’appui aux communautés rurales*” (PACR) proposed by the World Bank risked de-structuring the Malian decentralization apparatus, because it intended to set up its own tools for financial support and a parallel implementation structure, instead of using the existing framework (the ANICT). In December 2006, after two years of harsh negotiations, the Bank finally accepted to use the national system and procedures. What accounts for the success of the government in this case?

First of all, one needs to recall that the government did not have a unified position on this issue. The ministry that was supposed to implement the project (the Ministry of Social Development, Solidarity and Senior Citizens or MDSSPA), was willing to accept the parallel implementation structure in order to keep the upper-hand on the project and get the financial and material resources and advantages related to it. The MTALC and the ANICT fought for the use of the existing national structure instead of bypassing it. Why did their position eventually prevail?

Strong policy ownership and leadership by the MTALC are decisive ingredients in successful aid negotiations with donors. Moreover, the MTALC managed to gain support from local representatives. The World Bank mission went to Mopti and Sikasso, where local representatives explained to them that their project was ill-adapted. Then, they asked for a personal meeting with the minister of MATCL, who told them that the project in its current form would not be implemented correctly and money would be squandered.

Furthermore, the MTALC gained decisive support from certain donors that had a long experience in decentralisation in Mali (such as the European Union, the Netherlands, France and UNDP). The MTALC and these donors had a strong case to make against the World Bank. The World Bank had been so focused on the drafting of the PRSP that it did not grasp the importance of the decentralization process. Therefore, in the 2000s, it was lagging behind in this sector, and it was easy for the anti-PACR coalition to underline that the Bank’s approach was outdated. In such conditions, the World Bank had no choice but to pull back.

It is regrettable that, a few months later, the MDSSPA accepted a proposal similar to the PACR from the African Development Bank that implied the creation of a parallel unit for implementation and finance. This illustrates both the damages caused by the lack of

coordination within the recipient government itself and the perverse incentives of the aid system, which push donors to create more and more projects, and recipient ministers to accept any project in exchange of certain advantages (cars, salaries, *per diem*, etc.), even if it is not coherent with the country's global strategy.

The privatization of cotton

Since the 1980s, Mali has engaged, under the influence of the IFIs, in rapid and major reforms of its economy. Reform was characterized by liberalization and progressive disengagement of the state (in the sector of cereals, imports and exports, the banking and communication system) soon followed by reforms in the administrative system (public finance and budget management, public spending and fiscal reform). At all stage, conflicts between the different players (donors, the government, trade unions, consumers, etc.) emerged, together with problems in implementation, as the privatization of electricity (undertaken between 1998 and 2000) recently showed. The same dynamics are currently at play in the sector of cotton.

Cotton is the main area of economic specialization in Mali: three out of eleven million Malians depend directly or not on cotton farming for subsistence and cotton creates half of the state's export revenues. The *Compagnie Malienne pour le Développement du Textile* (CMDT) is at the heart of a vertically integrated production system (one operator covers all the production stages) with monopoly purchasing power by the cotton company, which also supplies all inputs. This system guaranteed quality standards, the efficiency of the production process, and price safety for producers. The CMDT is a parastatal jointly owned by the Malian state and a French partly parastatal company (*Développement des Agro-industries du Sud*, or Dagriss¹⁷), making it a symbol of the French post-colonial policy in Africa. The culture of "the white gold" was a "success story" in Africa until 1994, when Mali was the second African producer after Egypt. However since then Malian cotton has faced several severe financial crises, mostly due to a drop in prices on the world market and to agricultural subsidies given by European and American governments to their producers. The CMDT has accumulated huge deficits and become prone to major corruption over the past few decades. These deficits led international institutions to question the ability of the civil service to efficiently manage cotton production, ignoring the fact that the CMDT had provided a certain economic safety and social services (alphabetisation, for example) to small producers.

It is in this context that the World Bank first strongly advocated a new pricing mechanism, and then advised the privatization of the production of cotton in Mali, just as it had done previously in other countries in the sub-region, with mixed results in terms of production and revenues for small producers [World Bank 2003]. The CMDT was stigmatized by the IFIs as an outdated and inefficient structure for public management as well as an obstacle to free-market and free-trade. After almost ten years of harsh negotiations between donors and the Malian government, the privatization of the cotton sector is now planned for 2008.

The government had very little leverage in determining the price mechanism and in designing the privatization of the CMDT. The decision reflected little national ownership, and there is much evidence of the pressure exercised by the World Bank in this sector. What strategy and resources, then, did the government of Mali mobilize, and what can account for its ultimate failure?

Firstly, the tools used by the World Bank to apply pressure were difficult to resist. The pressure occurred in three stages. In 1998, a condition demanded by HIPC called for the implementation of a governmental rehabilitation plan, preparing the sector for private participation. However, the plan was written in consultation with the World Bank. Later, the World Bank compelled the Malian government to adjust the producer price with artificially low prices by withholding \$50m in aid (end of year 2004 until January 2005). Today, the privatization of cotton is a condition for general budget support. President Touré, who was already running for a second mandate, could not afford strikes in the civil service in the year before the presidential election. This led Touré to question the true meaning of ‘ownership’ and ‘partnership’ between the governments of developing countries and the donor community in his inaugural speech to the Development Cooperation Forum in Washington in December 2005: *‘True partnership supposes autonomy of beneficiary countries in requesting aid and in determining its objectives... Often programmes are imposed on us, and we are told it is our programme... People who have never seen cotton come to give us lessons on cotton... No one can respect the conditions of certain donors. They are so complicated that they themselves have difficulty getting us to understand them. This is not a partnership. This is a master relating to his student’* [OXFAM 2006].

Secondly, Malians within and outside of government did not form a united front. Indeed, the interests at stake on the Malian side were very diverse, even among the “anti-privatization” group. The position of the country’s highest authorities is the most difficult to assess. The two Malian heads of state during the period of negotiations (President Konaré and then Touré) were allegedly both opposed to the privatization, but some reproach them for not being proactive enough in proposing alternatives. Two hypotheses at least can thus be drawn, which are not mutually exclusive. First, the Malian officials had no choice: in a context where the reduction of poverty requires important funding, neither of the two were ready to pay the political price for resisting the World Bank: further delay in the disbursement of budget support would possibly have generated delay in salary payment in the public sector and strikes in the civil service. The second hypothesis is that the government thought that the privatization was better than the *status quo*, which ensured some degree of safety to producers, but created a strong link between Mali and France. Also, resolving a dilemma in which neither public nor private solutions seemed to be efficient was far beyond the scope of most Malian agents involved in the negotiations, who were clearly in a position of inferiority, with fewer personnel and less potential to propose economic models. To be fair, arguing in favour of restructuring the CMDT was difficult: the worst enemy of the “anti-privatization camp” was the state-owned enterprise’s bad governance, which the World Bank continuously highlighted, considerably reducing the scope of the debate.

Small producers’ unions and the state-owned company personnel tried to resist privatization, but were not united: small producers reproached the government and the CMDT for mismanagement of public resources and cotton production. Small producers did not manage to impose themselves as a strong political voice with the ability to propose alternative policies, partly because their union representatives became embroiled with politics and progressively cut off from their base. It is only after the World Bank’s suspension of general budget support that all Malian players understood the importance of a national union, but by that time the decision was already made. The Ministry of Economy and Finance was particularly prone to condemning public mismanagement of the cotton sector. Two reasons can explain this: Ministries of Finance are the natural counterpart of international institutions (because they deal with debt issues) and they are ideologically closer to them (for example, they are traditionally in favour of privatization). The ministry grew concerned when the

World Bank threatened to suspend GBS, which is directly allocated to the MEF. Also important is the fact that the MEF has no expertise in agricultural issues, and little knowledge of small producers' constraints and working conditions. On the contrary, the Ministry of Agriculture was clearly opposed to the privatization, and had knowledge of the field. It did not have a clear alternative plan to oppose to the World Bank's models, but was never encouraged to devise one by the government or donors: studies by international consultants were commissioned, whereas the local *Institut d'Economie Rurale* (which houses many local experts on these issues) was marginalized. The Ministry of Agriculture, which initially was in charge of this issue, was also progressively marginalized from the negotiation process. Donors chose the institution they were willing to negotiate with, and the "pro-cotton commission" was placed under the tutelage of the MEF. The supremacy of the MEF was formalized in January 2005 when this minister signed the price scheme, highlighting the preference for a budgetary, technical, and economic approach to cotton production, as opposed to a focus on rural development and the productivity of Mali's cotton in world markets.

In any case, the political debate within the country was almost entirely monopolized by donors. The future of cotton was excluded from the domestic political debate, especially during the presidential election campaign. The only opportunity for local interested parties to express their critical opinion on the economic impact of privatization was when the Oxfam team issued their report. Moreover, donor-recipient negotiations were very opaque. Interestingly enough, negotiation over the privatization of cotton took place *outside* of the formal PRSP joint working group on productive sectors. Donor-government negotiations took place in a separate panel because, as some stakeholders reported, the sector is too "special" and "problematic".

On the donor side, the privatization of cotton is clearly a case of progressive donor harmonization: although donors used to have very different opinions on the future of the cotton sector in Mali, they eventually reached a united position. The initial "fight" (2000-2003) mainly opposed the World Bank to the French Development Agency for development (*Agence française de Développement or AFD*), which tried to advocate for the maintenance and modernization of the integrated production system. However, the French position was soon and easily weakened. First of all, as partial owner of the CMDT, France could not be considered as neutral in this debate and was soon accused of trying to protect its neo-colonial interests relating to primary goods. The absence of a governmental alternative plan reinforced the impression that France was defending its own interests more than those of Malian producers. Also, it became more and more obvious that France in the sector of cotton as in others, no longer had the ability or means to influence policy in Africa, and that supporting the African cotton production system was beyond its capacity. Or at least, with the cotton and textile industry not being an economic priority for France anymore, the price to pay was judged as being too high compared with the expected benefit. The privatization of Dagrès can be understood in this light. The French cooperation system was also discredited by the fact that, despite the presence of French technical experts in the CMDT, it was unable to predict the production figures and the CMDT's financial crisis. For other observers, the 2000s also marked the arrival in mass of former World Bank officials at the AFD, and hence a certain diffusion of World Bank frameworks and values within the institution.

More importantly, the privatization of cotton and the process of aid reform converged. In fact, the deficit undermining the CMDT was partly contracted as a result of French loans that the government must reimburse. This issue became more sensitive with the introduction of GBS

in Mali, which is, by definition, a fungible type of aid. Because donors that provide GBS feared their funds might serve to reimburse the debt the government had contracted with the French, the privatization of cotton, which ensures the absence of public funding to the CMDT, became a condition for GBS disbursements.

In brief, the government was not able to negotiate much in the case of cotton. The decision was made under the influence of the World Bank, which also designed how the sector would be privatized. The compromise between donors and the government that was made, for domestic political reasons, concerned the reform's timing: the privatization was delayed from 2005 to 2008, officially to allow small producers to prepare for it, but more likely to allow President Touré to obtain a second mandate in the 2007 presidential election. The creation of a Cotton Support Fund, meant to ensure a guaranteed minimum price for farmers and limit their exposure to price fluctuations, is currently being discussed, but faces great reluctance from the IFIs.

Renewed forms of resistance? The re-appropriation of aid politics by local actors

Our two case-studies have shown that the room for manoeuvre for the Malian government is limited mostly to the reform process rather than its policy content. If great ideological battles are often lost and sometimes not even fought, resources for recipient government exist only at the margins. Here we will mention some of these resources, which might not be new or provide more room to manoeuvre *per se*, but are constitutive of the subjective re-appropriation of aid politics by local players, and a testimony of their malleability and reactivity [Bayart 2000, 260].

First of all, recipient government officials are well aware of how donor agencies function. Donor representatives never stay more than two or three years in the same country, and often only have a very superficial knowledge of the local culture and system. Civil servants in recipient countries, on the contrary, have often been educated in Western countries and are much more familiar with the history, institutions, and set of references of donor countries or international institutions. They speak the donor language and can easily anticipate donor demands or pretend to satisfy them. Here are a few examples of how they can do this.

Mali actually does not implement everything that is agreed upon with donors: delay or poor quality of implementation are the usual techniques used to bypass donor demands and conditions. For example, although they hide behind the "lack of capacity", officials within the Malian administration meet IMF standards and could ensure transparency in the public financial management and the procurement systems. Also, in a context where conditionalities and benchmarks for disbursement are so numerous and complex, the Malian government can create confusion and blockages about the implementation and speed of reform by setting up "circular references". For example, progress in public financial management and reform (through the *Plan d'Action Gouvernemental pour l'Amélioration et la Modernisation de la Gestion des Finances Publiques* or PAGAMGFP) is a condition for budget support disbursements, but budget support is a major input in the project's finance. Therefore, in 2006, when donors judged that the implementation of this plan was not improving and aid tranches were blocked, the Malian authorities argued that implementation was slow because aid flows were not forthcoming, therefore trying to inverse the relationship between disbursement and conditionality to their advantage.

In a context of poor statistical collection and data confusion, the government can also use the data of their choice. In Mali, for simple indicators of access to school or hospitals, at least three different sets of data are available: one from the line ministry, one from the *Primature*, and one from the PRSP unit. Therefore, when Mali ranked 175th out of 177 countries in UNDP Human Development index, local authorities had no difficulty contesting the data used by the UNDP team and made new calculations that placed Mali higher in the ranking. Manipulation of data is frequent in macro-economic and budgetary discussions, where, as a Malian former civil servant put it: “*there always is one TOFE (fiscal reporting table) that is shown to the World Bank, and one ‘real TOFE’ that is circulated among the Malians*”. Reference situations are not known, and this makes progress assessment (during PRSP reviews, for example) uncertain. But because they are evaluated in terms of aid disbursement, constantly need to set up new projects or programmes, and maintain cordial relationships with their recipient “partner”, donor staff and diplomats on the ground can turn a blind eye to these practices.

Among alternative resources used by recipient governments, language can be an asset. When discussions become intense with donors, local civil servants turn to Bambara, the language of the majority in Mali. This is quite typical and happens in most developing countries. Meetings and negotiations between the Malian government and IMF or World Bank officials often take place in English. Malian civil servants’ poor English is often described as a weakness for the Malian administration; however, it can on occasion turn out to be an asset: the Malian agents agree on some measures, policies or reforms, but when the time comes to implement them, they discuss the meaning of words, their translation from English to French, and claim there was a misunderstanding during negotiations and policy agreements. Malian civil servants regularly play with words: they translate the words “master”, “limit”, or “control” (inflation, public spending, etc.) from English to French as they please, and Malian authorities are believed to prefer when the IMF representative in the country is a non-native French speaker.

The line between this re-appropriation and strategies of resistance towards donors is difficult to draw with certainty. However, the disconnection between the surface and the reality, and the duality of political life makes no doubt. “*Aid and donor chancelleries deal with institutions and nodes of power which are tantamount of a decor of trompe l’oeil, and which long ago ceased to be channels of the flows of the most substantial economic and political resources. African political societies are duplicated between one the one hand, a pays légal, a legal structure which is the focus of attention for multilateral donors and Western states, and on the other hand a pays réel where real power is wielded*” [Bayart 2000, 230]. More worryingly, this “make believe” dual strategy is not necessarily used to promote sovereign goals or the common good; it can be hidden from the citizens, which of course raises the question of political legitimacy and domestic accountability in those countries.

Conclusion

In this chapter, we have seen that aid dependency has deprived the Malian government of the will, capacity and policy space to engage in ownership and leadership. The current reform of aid will not be enough to reverse these long-term trends, and more generally, the external powers’ ability and legitimacy to (re)-build state capacities in aid-dependent countries are seriously questioned, while the current reform of aid possibly implies greater donor involvement. But in the context of aid and international relations, can we identify some factors for potential change and increased leverage for the government of Mali?

Mali between a “threat” and a “donor darling”: More room to manoeuvre?

The geostrategic importance of Mali for Western powers is, *a priori*, relatively low, but has undeniably increased in the past few years. However, the reasons for this (mostly international or domestic security in developed countries) will not necessarily provide the government of Mali with more room to manoeuvre. Although not a high-rank priority for the US administration in the global war on terror, Mali is part of the American plan called PanSahel¹⁸. However, Mali is not a high-ranked priority for the US administration in the global war on terror, and receiving foreign aid in the name of terrorism threats does not necessarily provide more leverage to recipient governments. Mali is a country of relative priority for France, which develops a great amount of “*co-développement*” projects with the country aimed at limiting the number of migrants from specific areas coming to France and other European countries. If it does shape the type of aid delivered to Mali, it does not seem to give the country additional resources in negotiating aid. The donor community is also currently investing a lot of time, energy and hope in Mali, because they think that the transition to democracy, the consensual political system, the country’s social and political stability, and the compliance of the government with external actors provide it with potential for aid reform and improving effectiveness. However, becoming a “donor darling” does not necessarily provide the government with more leverage in its management of aid and relations with donors, as the experience of Uganda and Tanzania shows [Harrison 2004].

If material conditions and opportunities given by donors are unlikely to improve the country’s leverage, some other factors may provide opportunities in this area. First, the possibility to rely more on the country’s internal resources could be developed further. Tax reform is currently being undertaken in Mali, and although there are some important challenges in pursuing it, the level of taxation is not particularly low when compared to other countries in the region¹⁹. If it is confirmed that oil can be extracted from the North of the country in the next few years, and if the government manages to negotiate advantageous conventions with multinational firms²⁰, then additional national resources and negotiating strength could be generated. Secondly, the Multilateral Debt Relief Initiative generates additional resources for the Government of Mali (about 30 and 40 billion per year that do not need to be paid back) to possibly be put more sovereign objectives forward. The government has discretionary power over the way the money is used, even if the resources are theoretically meant to be used strictly within the PRSP framework. Thirdly, the emergence or re-emergence of certain donors (Libya, Cuba, Russia, China, Japan²¹) who are only loosely if at all integrated within the system set up by more traditional donors is certainly perceived as a new asset and opportunity by Malian officials. They see those donors as having a more “pragmatic” and “concrete” approach to aid as an investment for development, with little moral considerations and conditions. Chinese loans come with special conditions in terms of amount, timing, and interest rates. These loans escape the IMF’s vigilance and provide the government more flexibility and discretionary power.

Conditions for genuine ownership and more balanced relationships with donors

The case studies have helped us understand the conditions under which recipient leverage and leadership in negotiating aid is present. The example of decentralization in Mali has shown that a national vision and framework is the first key to successful aid negotiations, together with the constitution of a united front. This case study shows that the support from some “like-minded” donors was decisive. But it has also shown that even when a ministry or

government has a strong political vision, donors still have difficulties supporting it because of challenges resulting from their own procedures, interests, or constraints. It is all the more difficult to understand given that decentralization is a relatively consensual policy, supported by the international community in most developing countries; it is a non-productive sector, with little economic interest, that is (often wrongly) perceived by donors as a mere technical and administrative reform [Ferguson 1990]. The case of cotton has revealed a very different scenario. In this productive sector essential to the Malian economy, the World Bank was determined and resorted to strong arm tactics in a sensitive political context. Poor governance of the CMDT made a case for privatization while Malian actors were divided, and the position of the highest authorities in their attempts was not clear. Players coming up with alternatives were not supported or even marginalized.

Overall, it seems that the leverage for recipient ownership and successful aid negotiations exist, but only at the margins: recipient governments cannot, and sometimes are not willing to, discuss policy content, since the donor agenda for economic reform is presented as the new consensus, but can argue for change in policy implementation modalities or timing.

As a result, if shifts in international relations undeniably structure the country's position and resources, at least two conditions need to be met for there to be leverage for recipient governments to negotiate aid. First, no change in the aid relationship and development ownership is possible unless donors amend their interventions' objectives, modalities, and content. But more fundamentally, restricting the extent and normative character of their actions seems necessary in order to let recipient governments find the necessary space, time and incentives. Secondly, truly national strategies can only emerge from national players (civil servants, political organizations, but also intellectuals and researchers) with alternative views based on a more assertive claim over their own sovereignty, and a greater sense of accountability towards citizens. Challenging the symbolic power²² contained in the aid discourse (and its vaguely defined and misleading concepts of "ownership" and "partnership"), and systematically highlighting the gap between donor discourse and practice may be key elements in this quest.

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Endnotes

* This paper is based on previous work in this area and on field research carried out in Mali between February and April 2007. The author thanks Alassane Diabaté, Elisabeth Paul and Kako Nubukpo for their invaluable help, and Hunter Vaughan and Sara Fyson for their assistance with the translation.

² The national conference is a mode of democratic transition specific to Africa, and in particular francophone countries, see Clark (1998).

³ The Bretton Woods institutions's aid represented 3 % of total aid in Mali between 1964-67, and 22 % thirty years later (World Bank 2001: 238).

⁴ An “oversized coalition can be defined as: « A large coalition in which the main political parties and civil society representatives share the executive power » (Lijphart 1984: 46).

⁵ Jacques Chirac, Joint press conference with President Touré, Bamako, 25th of October, 2003. For an English version, see: <http://www.ambafrance-uk.org/Mali-visit-Statements-by-M-Chirac.html>

⁶ The notion of « politics of the belly », developed by Bayart, describes these ancient trends (Bayart 1993).

⁷ “*Democracy, or more precisely the discourse of democracy, is no more than yet another source of economic rents (...) It is, as it were, a form of pidgin language that various native princes use in their communication with Western sovereigns and financiers. Senegal, one of the main recipients of public development aid in sub-Saharan Africa, is a past master in this game of make-believe*”, (Bayart 2000: 226).

⁸ In Mali prior to 1989, planning was ensured by planning departments within the Ministry of Health and Education and a planning division within the state-led Rural Economy Institute (*Institut d’Economie Rurale* or IER). Other ministries were provided with Ministry of Planning correspondents.

⁹ See République du Mali, Ministère de l’Economie et des Finances, *Plan national d’actions sur l’efficacité de l’aide au développement (2007 – 2009)*, March 2007. The document’s part concerning donor commitments towards greater harmonization and alignment was the one the secretariat had the least prepared. Paradoxically enough, some donor representatives (World Bank, the Dutch cooperation) blamed the Malian civil servants for not being demanding enough towards donors at a meeting at the PRSP unit in March 2007. In response, the secretariat asked them to draft this part. As a logical result, the final draft was not very constraining for donors.

¹⁰ Based on the successful experience of some Asian countries, the “developmental state” literature highlights the role of state’s investments and policies in fostering economic development (Leftwich 2000).

¹¹ For example, a 1994 law meant to rationalize public spending and public employment policy limited the number of technical advisors to the Minister of Finance to five, and the number of heads of mission to three, which is very little considering this ministry’s workload.

¹² A Sector Wide Approach is usually defined as a *process* in which funding to a sector supports a single policy and expenditure programme, under government leadership and using common financial management procedures. SWAs arose in the early 1990s as a response to the perceived failure of existing aid practices and delivery mechanisms.

¹³ This was reported by players who participate in the Joint Commission or are involved in the sectors of decentralization and health. Some said that it was “frustrating” and even “boring” to participate in those meetings because “real problems are solved beforehand and are not discussed”.

¹⁴ The *Primature* is the set of governmental services working with the Prime Minister.

¹⁵ The Tuaregs’ integration in the Malian nation has been problematic, and the socio-economic development of the Northern region neglected, leading to Tuareg rebellions in the 1990s.

¹⁶ These documents are the *Document Cadre de Politique Nationale de Décentralisation* (2006) and the *Plan d’Action DNCT (2006-2008)*

¹⁷ The *Compagnie française des textiles* was created by De Gaulle in 1949 and survived even after the collapse of the French Empire. The parastatal was present in many francophone African regions in order to provide the French textile industry with cotton. The company is currently being privatized.

¹⁸ The Pan Sahel Initiative is a U.S. funded program initiated in November 2002 designed to assist Mali, Niger, Chad, and Mauritania in detecting and responding to suspicious movement of people and goods across and within their borders through training, equipment and cooperation.

¹⁹ With a fiscal pressure rate of about 15%, Mali ranked number 3 out of 8 countries in the *Union Economique et Monétaire Ouest-Africaine*.

²⁰ Gold is a sector where rising world prices does generates limited government resources or regional development. But the *Société Nationale de Recherche et d'Exploitation Minière* was privatized under structural adjustment programme in 2000, and gold is extracted by international firms.

²¹ Little data about aid funds given by these donors is available, making it difficult to assess its opportunity for the government of Mali. According to OECD data, Japan cooperation amounts about \$55 million, Arab agencies \$ 24 million.

²² The symbolic power of language at play in social and political relations was highlighted by Bourdieu and Thompson (2001).



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