OFFICIAL DEVELOPMENT ASSISTANCE (ODA) AND ITS RELATION WITH DEMOCRACY PROMOTION AND SOVEREIGNTY

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ABSTRACT: Official Development Assistance (ODA) has become a way that states exert their influence over the other states. However, the concept of the ODA has been a point of debate, particularly in relation with democracy promotion and sovereignty. This paper tries to clarify each concept and explain their relations with each other.

Key Words: Official Development Assistance (ODA), Democracy Promotion, Sovereignty.

1. INTRODUCTION

Aid has a long history. From the early times of human kind, people, clans, empires, and nation states have supported each other materially, technically, or ideationally. For example, the Muslims of Southeast Asia provided Turkey with substantial aid during Turkey’s War of Independence. Also, Ottoman Empire sent humanitarian assistance to Ireland during the great famine when the Irish people were not even able to find a potato to eat. From this perspective, aid has always been an important part of international relations. However, official development assistance (ODA), as we know it, as a well-structured plan to support economic development and welfare in a recipient state, started in 1961 (Hynes and Scott, 2013) when the US decided to support the Latin American (LA) states so that they could respond to the need of their people in a more efficient and effective manner. Of course, the main US motivation was to keep communism out of the LA by providing economic support to them.

The DAC’s collection of statistics on resource flows to developing countries has its origins in US-inspired attempts to share the burden of development assistance. The Common Aid Effort agreed by the members of the Development Assistance Group in March 1961 set the stage by recognising the need to help the less-developed countries help themselves through increasing economic, financial and technical assistance and by adapting this assistance to the requirements of the recipient countries (OEEC, 1961).
Official development assistance is the flow of aid from official mechanisms of the states to the other official mechanisms, such as states or internationally recognized development agencies that work to reduce poverty and foster development and welfare in needy states (OECD, 2015). On the other hand, there are ongoing discussions for whether to include the CSO (Civil Society Organizations)-aid within the context of ODA. Yet, often CSOs apply for the governmental grants to carry out their humanitarian projects. Therefore, in most cases, ODA is delivered through cooperation between CSOs and governments. This cooperation is generally being coordinated by Foreign Affairs Ministries of the donors, in line with their strategic interests (Kulakhkaya and Nurdun, 2010; Çiplak and Keser, 2016).

According to OECD (Organization of Economic Cooperation of Developed Nations), ODA is “a loan or grant from an official source to a developing country or a multilateral agency for the promotion of economic development and welfare. It is reported by the members of the DAC (Development Assistance Committee) along with several other government donors and institutions according to strict criteria each year. It includes sustainable and poverty reducing development assistance for sectors such as governance and security, growth, social services, education, health, and water and sanitation” (Global Humanitarian Assistance, 2014). Nevertheless, taking these areas into consideration, it seems impossible for the political system of a recipient of ODA not to be affected. Governance, security, education, and civil society are directly related to a country’s politics.

From this perspective, “the most difficult element of the ODA definition involves the judgmental/motivational determination of the purpose of ‘economic development and welfare’” (Hynes and Scott, 2013). There have been times when the aid to the resistance groups in Angola and “pensions to former colonial officers” were included as ODA (Hynes and Scott, 2013). Consequently, the OECD needs to put further effort on how to handle the political motivations of states while providing ODA.

Regardless, development assistance is considered ODA by the OECD if three conditions are met. However, these conditions need to be looked at from a critical point of view. The first condition is that public sector should be providing ODA (TIKA 2012). This is a meaningful condition as ODA has a considerable political orientation; states often have strategic goals when they deliver ODA to a particular recipient (Schweller, 2000). Despite substantial efforts for the inclusion of INGOs (International Non-Governmental Organizations) aid as ODA, the aid from non-governmental institutions is not yet being completely recognized as ODA (OECD, 2008).

The second condition of ODA is that the goal of donors should be fostering economic development and welfare in the recipient. (TIKA 2012) This condition is also somehow ambiguous. As it was mentioned earlier, ODA has a substantial impact on the recipient states’ political processes and mechanisms. Even, there are special programs within the scope of ODA, called democracy assistance programs, designed to assist countries in their democratization processes. Furthermore, why a particular state is selected over another state to receive aid is a process in which the donor needs to decide. However, what are the criteria for the selection of the recipient for the donor? Why has the US traditionally put the LA in its ODA priority list? Similarly, why has Turkey put initially the Central Asian Turkik states and then the Middle Eastern Arab states in its priority ODA list? Such strategic decisions are being articulated within the respective cultural contexts of the leading executives on the basis of national interests. (Çiplak, 2014; Lobell, Ripsman and Taliaferro, 2009)

The last condition for an aid to be considered ODA is that the delivered aid should contain at least 25% of grant element, and this aid should be provided on the concessional basis (TIKA, 2012; OECD, 2015; Hynes and Scott, 2013). In 1970s, interest rates started to rise rapidly. When the long term loans were delivered to the target states with the same interest rates, the recipient states could have difficulty in

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2 Check the official websites of NDI, NED, USAID, TTKA, you will see that governments are often in cooperation with the CSOs when delivering ODA to the needy states.

3 DAC list of ODA recipients could be found from this link: http://www.oecd.org/dac/stats/documentupload/DAC%20List%20used%20for%202012%20and%202013%20flows.pdf
repayment. As a result, the OECD stipulated that for a loan to be recognized as ODA, it needed to contain at least 25% grant element and its interest rates had to be lower than the market rates. This way, the main goal, which was to promote development and welfare in the recipient state, could be served (OECD, 2008). Recently, the market interest rates have declined well below 10% and the 25% grant element goal has become easier to attain (OECD, 2008).

There are many forms that ODA takes when it is being delivered to the recipient. ODA is often delivered to the state that needs it in the form of technical/practical training, experience sharing, mentoring, advising, consultancy, monetary and humanitarian aid, peace keeping, education, water and sanitation, monitoring elections, promoting human rights, and assisting the institutionalization of democracy (OECD, 2008). However, these are only the most wide-spread forms of ODA.

There are instances when ODA is not delivered to official authorities of a state. This happens generally when the existence of a state is being severely challenged, such as during civil wars and bloody internal conflicts. A state might open its borders to people that seek refuge in that state because of violent internal conflict in the refugees’ home country. For example, Turkey considers the assistance that it delivers to the Syrian refugees that had to enter Turkey because of the ongoing conflicts in Syria as ODA. Turkey’s approach is in line with that of the OECD which recognizes the official aid to refugees as ODA (OECD, 2008).

However, the problem with considering flows for refugees as ODA is that although this aid is surely humanitarian, it does not have any direct impact on fostering development in a target state (Hynes and Scott, 2013). Also, the treatment of scholarship programs for the exchange students from developing countries is highly similar to the case of refugee costs. Until 1985, the imputed student costs had not been included in ODA on the basis of the logic that educating students of developing countries in the target state was more about politics rather than fostering development (Hynes and Scott, 2013). However, as a result of pressure from the DAC members’ costs for imputed students were included within ODA. These cases indicate that there are conceptual problems with the definition of ODA. Thus, the OECD’s definition of ODA, which is confined to the economic development and welfare, needs to be extended to represent the case in reality, by including the political orientation of ODA provision.

2. ODA AND DEMOCRACY PROMOTION

Democracy promotion as a sub-unit of ODA has almost replaced ODA in academic studies and policy circles. It is not an exaggeration to claim that ODA has increasingly been discussed within the framework of democracy promotion. Because of the increased importance of democracy promotion in academic and political circles, I would like to provide some details about democracy promotion in this section. As I argued previously, donor states have political motivations as well when assisting the needy countries. Often donor states have conditioned the provision of ODA to the countries that urgently needs it on the basis of democratic reforms in targets’ political systems. During the Cold War, the EU (European Union) and the US often stipulated democratization to countries that demanded ODA in regions as diverse as the LA, the EU, and Africa (Youngs, 2002). Supporting democratization during the Cold War was a matter of ideological battle that needed to be won for the US against the Soviet’s communist ideology (So, 1990). The increase in the number of democratic states or the increase in the motivation of the states to become democracies would automatically strengthen the US strategically against the communist Soviet Union. For the US, democracies would make better partners in trade, security, and politics due to democratic states’ shared intrinsic values (Carothers, 1999).4

During the Cold War, the role models of states trying to become liberal democracies were either liberal democracies of Europe or the US. This meant that the West would win over the hearts and minds of nations that demanded democratization in their own country. This would automatically weaken the Soviet role in these countries. (So, 1990) Therefore, democratization would create allies for the Western world, at the expanse of the Soviet Union. While, by ODA, the US supported economic development and welfare in the target countries, within the Cold War political atmosphere, the US supported democratization in the target states to gain allies as well. From this perspective, keeping the motivation for democratization high seemed to be more important than a successful case of democratization in those years. High motivation for democratization would indicate the admiration of the people towards the West. On the contrary, the high motivation to become democracies (or to become like the West) would indicate the powerlessness of the Soviets and their communist ideology in those states.

The original rationale behind ODA was the modernization theory of Lipset (Packenham, 1973; Carothers, 2010). Lipset treated urbanization, economic development, and improving literacy rates as the indicators of modernization. In Lipset’s mindset, democratization was the natural result of modernization. In the modernization process, industrialization would foster economic development, resulting in the expansion of the middle class. The growing middle class, recognized for their habits of consumerism, would demand freedoms to live their preferred lifestyles. This requires minimum government intervention in civic life. Therefore, in Lipset’s viewpoint, the growing demands of the middle class would finally foster democratization. This happened in the West, and there was no reason why it would not happen elsewhere (Lipset, 1959).

American policy circles held modernization theory as a reference point for the US foreign policy for a long period of time (Carothers, 2010). According to Americans, if democracy could settle in the LA, the threat of communism in the region could be eliminated and the American economic and political interest could be saved from the potential radical movements (Aviles, 2012; Robinson, 1996). Development aid, in this regard, would strengthen the capacity of the states in the LA. In turn, these states would be able to respond to the most urgent needs of their people, such as food, security, and education. The relative efficiency and effectiveness of the state in bringing services to their people would prevent the spread of communism, an ideology that increasingly talked to people’s senses of social justice (Aviles, 2012; Robinson, 1996).

However, when in the LA, democratization was interrupted by military coup d’états and creeping authoritarianism in 1960s and 70s, both in political and academic circles, modernization theory of Lipset was being seriously challenged (Carothers, 1999). Huntington (1968) developed a new argument about why the American ODA to the LA did not result in democratization in the region. According to Huntington, in a country where socioeconomic standards of people rapidly grow, the process could actually result in de-modernization, if the process is not rightly managed by the political apparatus. The government in such cases should positively respond to the growing demand of people for equality, justice, rights and freedoms. Huntington’s de-modernization thesis would create vivid debates among the American policy makers and scholars over the utility of ODA for the US interests and over the strategies to promote development and democracy (Carothers, 1999).

The process in which the theory of modernization was being challenged would result in the creation of specific programs, called democracy assistance (Carothers, 1999). The US foreign policy circles understood that strengthening the capacity of the states through ODA is not sufficient for these states’ democratic development, which was crucial for the prevention of the spread of communism in the target states. Therefore, democracy assistance programs, as a sub-unit of ODA, were designed with a clear focus on the elections, political parties, civil society, business associations or trade unions, rule of law, media, and the parliament in the target states (Carothers, 1996). They would be carried out by state organizations, such as the USAID and CSOs in coordination with the USAID, such as NDI (National Democratic Institute) (Carothers, 1999).

Despite the rhetoric of democratization, the motivation for the promotion of democracy as a sub-unit of ODA or as an increasingly separate enterprise has led to serious debates among policy-makers and scholars of democracy promotion. In this regard, several opinions gained prominence. The first opinion is
that states promote democracy to serve their security and economic interest. This opinion, which treated democracy promotion as a tool to advance self-interests (Schweller, 2000; Moravcsik, 1997), originated mostly from the realist school of international relations theory. The second opinion is that democracy promotion is a result of the projection of states’ democratic identity in the international arena. According to this constructivist opinion, in the international arena, states act as who they are. Also, states teach the other states what they are good at. If they have strong democracies, they teach other states how to be successful in that realm (Çiplak, 2014). Therefore, the promotion of democracy often happens automatically.

The third opinion embraced both explanations and developed an inclusive approach to why states promote democracy outside. According to them, states promote democracy for a combination of strategic and normative reasons. In this regard, they argue that well-established democracies have both a normative claim to and a genuine strategic interest in promoting democracy. To comprehend this point better, advanced democracies initially promote democracy to serve their own security and economic interests, then to serve the collective interest of the international society by paving the way for mutually beneficial economic and security cooperation, and then to serve the interests of the recipient societies, such as the protection of human rights, fostering social development, economic growth, and domestic political stability (Czempiel 1996). These could be conceptualized as optimistic views of democracy promotion.


6 For more information about the relationship between states’ commercial interests and democracy and their foreign policies see Andrew Moravcsik, Taking Preferences Seriously: A Liberal Theory of International Politics, in International Organization, 51: 4, 513-553, 1997; Robert Gilpin, (War and Change in the World Politics, Cambridge University Press, New York, 1998) as a realist from the political economy field assigns a greater importance to economic power than the traditional realists, such as Hans J. Morgenthau (Politics among Nations, Alfred A. Knop, New York, 1962).


8 States’ norms are considered as a part of their identity.


10 According to democratic peace theory, which is rooted in Kant’s republican thesis, liberal democratic states do not go war against each other because of the intrinsic democratic values they embody. According to this theory, democratic states are peaceful, and they value human rights and private property. Democratic states find wars irrational as wars only brings destruction and death. Therefore, democratic states finds inter-dependence via trade and security relations more beneficial. This democratic peace logic automatically encourages the states to become democracies and to promote democracy.

11 For more information also see Peter J. Schraeder. The State of the art in International Democracy Promotion: Results of a Joint European– North American Research Network. Democratization 20(2): 21-44, 2003; Kant, Perpetual Peace, 1795; Wolff and Wurm, Towards a Theory of External Democracy Promotion, 2011. The third opinion does not reject the notion that states act as who they are in the international relations (identity factor). However, the third logic also suggests an intentionality in the promotion of democracy by attracting attention to the positif outcomes of increasing numbers of democracy in the international arena, such as peaceful cooperation in the realm of security and trade as well as improving records of human rights, economic development, and welfare in democratizing states.
On the other hand, the perspectives towards the promotion of democracy have not always been positive. Some critical and realist scholars powerfully attracted attention to the role of interests in the realm of international relations for which even the goal of democracy could be sacrificed. Critical scholars argued that states promote democracy in other countries to liberalize their markets, install rule of law and elections. Liberal market rules would open the markets of those states to the capital and products of a transnationalized socioeconomic elite group. Rule of law would protect business interests of this trans-nationalized group of socioeconomic elites. Elections would provide ordinary people with a mechanism to channel their grievances so that the emergence of potential radical movements that could harm the interests of these elites could be prevented. Transitions in Colombia, Honduras, Venezuela, and many other places in the LA are perfect examples for this (Aviles, 2012).

Realists argue that the principle concerns of states in their relations with other states are their strategic interests. When states’ substantial interests are threatened, their concerns for their strategic interests naturally prevail over their ideals (Carothers, 1999; McFaul, 2007; Dalacoura, 2010; Karakas, 2010). Some critical scholars went one step further and argued that the donors have many times hindered democratization in recipient countries as democratization of that country could risk their strategic interests. Some other scholars defined ODA as no more than bribing the officials of another country to serve the donors’ strategic interests (Morgenthau, 1962). For example, the US has provided the Egyptian military with an annual amount of USD 1.3 billion. In return, the US has managed to ensure its strategic interests in Egypt and a friendly atmosphere towards Israel within the Egyptian bureaucratic and political circles (Çıplak, 2014). Also, the US turned a blind eye to the anti-democratic and authoritarian practices of the Egyptian government (Stanly, 2013). This is a great example of how states could utilize ODA to serve their strategic interests.

Similarly, “whenever the ideal of democracy clashed with the US national security objective of containing communism during the Cold War, for example, both Democratic and Republican administrations were willing to downplay the authoritarian shortcomings of a variety of US allies, such as Ferdinand Marcos of the Philippines, Haile Selassie of Ethiopia, and Shah Mohammad Reza Pahlavi of Iran, in favor of their strong support for US anticommunist policies” (Schraeder 2003). This foreign policy act is quite in line with the international relations approaches that give priority to interests in foreign policy, such as realists and critical approaches.

3. ODA AND SOVEREIGNTY

As it could clearly be seen, ODA is delivered to other states to create desired changes in the recipient states’ political, administrative, civil, health, and educational sectors. Often, there has been a strong political motivation, such as strengthening the allies or decreasing the influence of the enemy in states target for ODA. Also, ODA has often been conditioned on the basis of democratic openings in the country that demands it. For example, the EU stipulates democratization to the countries that demands ODA. The US has had a similar approach as well. From perspective of the nation states, the conditionality of ODA as such weakens some norms of the post-Westphalian international order, such as sovereignty.

Sovereignty emerged as a significant norm in the post-Westphalian international order after 1648 (McFaul, 2004-2005) Although powerful states often disrupted this norm by conquering other states, it nevertheless remained as an important norm between them until the First World War. At the beginning of the 20th century, when the big empires were being destroyed, this norm lost some of its value. Nevertheless, after the Second World War, in the process of decolonization, this norm gained global attention again. In the last several decades, an interesting development took place: some other significant

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12 The previously mentioned critical scholars such as Aviles (2012) and Robinson (1996) as well as most of the rationalist (liberal and realist) scholars are in this group.

13 According to critical scholars, such as Robinson and Cox “transnationalized socioeconomic elite group” is a group of powerful people from diverse realms, such as business and politics. This group of influential elites works for the world domination.
norms have become accepted by the international society. These are the norms of human rights, democracy, and open market economy (McFaul, 2004-2005).

McFaul (2004-2005) argues that “norms protecting the sovereignty of states still trump norms protecting the rights of individuals, but the balance is shifting. Currently, global organizations, such as the UN and World Bank, the CSOs, and a significant number of democratic states, mainly in the West, promote human rights and democracy. Increasingly states abusing human rights at home need to give an account for their violations to the international society of their conducts. However, states might take advantage of the human rights abuses in another country to intervene in that state’s domestic affairs for their strategic concerns. In other words, they disguise their strategic concerns and try to make their intervention appear as if they were acting for the benefit of that state.

4. CONCLUSION

Official Development Assistance has been a highly debated concept among the members of DAC as well as the recipient states of ODA. The amount of grants, the motivational component, the interest rates for the concessional loans, and the detrimental impact of ODA on states’ sovereignty are some of the most important discussion points done within the framework of ODA. Particularly the political motivation for delivering ODA has been a highly debated issue. States have selected the target of ODA on the basis of their strategic interests, and this has often put the people of the states that need ODA the most in a disadvantaged situation.

Although a crucial component of ODA has been supporting democratic development in the target states, the historical experience indicates that ODA has sometimes been used to hinder democratic development. The US aid to Egypt in 2013 one month before the military coup d’etat was being read in these terms. Thus, despite the cited goal of ODA, which is fostering development and welfare, such controversial policies create substantial doubts about the real motivation of donors for delivering ODA. Such interest-based behaviors in powerful democratic states’ foreign policies also decreased the credibility of democracy promotion and democracy in the eyes of people that demand democratization in their own countries.

In terms of ODA, there are some success cases that need to be underlined. The EU has effectively fostered economic growth, good governance, literacy and better access to health services in the candidate countries through stipulation of Copenhagen criteria, required for the EU membership and economic aid. Despite some economic problems, the EU countries demonstrated a great example of economic and political success. The EU case, at least hitherto, has presented the world with a great example of how to be successful through creation of common norms and institutions and development networks and programs within a regional framework. Moreover, the EU case, at least within the EU, has successfully handled the political motivation issue as the EU clearly highlights the EU membership as a robust political motivation.

There is a positive global trend in economic development. Statistics indicate that global poverty rates have been declining in a progressive fashion. While 43% of people globally consumed less than USD 1.25 on daily basis in 1990, this rate was 52% back in 1981. In 2011, the rate of people that consumed less than USD 1.25 was counted as only 17% (World Bank, 2014). This is a great development. However, it would be a big mistake to explain the decreasing rates of poverty solely on the basis of ODA delivery to the poor states. Although, ODA might have contributed to the rising GDP levels of the developing and underdeveloped states, the empowerment of sectors, such as industry and tourism are the main vehicles of economic development and the declining poverty rates in these countries.
REFERENCES


Citation: