

# William Easterly

## Democratic Accountability in Development: The Double Standard

THE DEVELOPMENT ESTABLISHMENT TODAY TOLERATES A SHOCKING double standard on democracy for the rich versus democracy for the poor. Despite the both moral and pragmatic argument for democratic rights for all, development policy discussions give little emphasis to these rights for the poor.

To begin with the obvious Civics 101 view, accountability is a crucial mechanism in development to ensure that government does good and not ill to those affected by its actions. Under democracy, citizens can use many mechanisms—such as voting, popular protests, and spoken and written criticisms—to penalize governments that are harming individuals (even if it is only a minority of individuals). The same mechanisms reward political actors that do good by, for example, supplying public goods. When such mechanisms work, the government is accountable to its citizens. The opposite of accountability is impunity—the government can do whatever it wants to the citizens without consequences.

Once we focus on accountability, it is clear that “democracy” must include much more than majority voting. The government must be prevented from suppressing negative feedback by giving dissidents protection against arbitrary imprisonment, torture, “disappearances,” or assassination. The media and other forums for public debate similarly need protection against government suppression (freedom of the press, freedom of speech, freedom of assembly). Likewise, to prevent

harms against each of many different possible groups within society, rights must be guaranteed for minorities, even if a majority wants to violate those rights. Since the government also cannot be allowed to choose who are eligible to be dissidents, or who is eligible to be “media” or “public debaters,” this is yet another reason to have equality before the law for *all* individuals.

Our most soaring and famous political rhetoric is devoted to these ideas:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed.

Of course, these ideals are never perfectly realized anywhere—as most famously dramatized by the fact that the writer of these words in 1776 was a slave-owner. But recognizing them at least as ideals has made it possible for political movements to extend individual rights by exposing such hypocrisy and appealing to these ideals, as Abraham Lincoln and Martin Luther King Jr. later did explicitly for African-Americans. In rich countries today, these principles are universally accepted, even if the realization still falls short.

The tragedy of the economic development establishment is that not even the ideal of democratic accountability to the poor seems to be widely accepted. The failure is along two separate dimensions. First, official aid agencies themselves do not explicitly accept that they should be accountable to the poor intended beneficiaries whom they sometimes affect negatively (or more often fail to affect positively) by their actions. Second, the development establishment displays indifference whether governments in poor societies (including governments they finance) are democratically accountable to their citizens.

Since, as discussed above, meaningful accountability requires individual rights, these two points, as contrasted with the ideals in rich countries, imply that the development establishment has a double standard: rights for the rich, and not for the poor.

As Berhanu Nega writes in this volume:

the massive and rather effective campaign by the aid industry to “make poverty history” . . . [has] been successful in pressuring developed countries to provide more resources to support the development efforts of poor countries particularly in Africa without asking too much on the issue of democratic accountability (Nega 2010: 1408).

Sudanese entrepreneur Mo Ibrahim also complains about the current double standard:<sup>1</sup> “All Africans have a right to live in freedom and prosperity and to select their leaders through fair and democratic elections, and the time has come when Africans are no longer willing to accept lower standards of governance than those in the rest of the world” (Ibrahim 2009: 7).

This paper does not claim that it is easy to establish accountability to the poor in either sense of the two points noted earlier, and indeed the difficulty of doing so may be one of the main reasons for the persistence of the double standard. However, the failure to recognize equal rights for the poor even as an ideal arguably has caused many lost opportunities to advance accountability. The lack of accountability (in both senses of the two points) is in turn arguably one of the main causes of disappointing aid and development outcomes.

Of course, this paper recognizes that there is some recognition of democratic rights for the poor in official UN declarations and other official development discussions. The claim will be that this is very limited, because even talk about democratic rights for the poor is missing in most major public forums on development. A related claim will be that words like “accountability” in such discussions are watered down to evade the issue.

This paper first documents the above claims about the development establishment today in several different ways: analyzing aid and development documents, and looking at allocation of aid across democracies and dictatorships.

The second part of the paper looks at the history of the double standard to gain more insight into its stubborn persistence. This section finds that, although explicit racism has thankfully diminished, some important things can be found in common between the colonial era and today's development establishment. The paper concludes with some brief thoughts about why the double standard has persisted, and what hopes exist for the future.

## **THE DOUBLE STANDARD ON ACCOUNTABILITY IN TODAY'S DEVELOPMENT ESTABLISHMENT**

We can see the double standard in the language that aid and development debates use, and in the actions of aid agencies.

### **Analyzing Aid and Development Documents**

Of course, aid and development documents are unlikely to ever explicitly announce a double standard. Aid and development documents seem to follow a variety of rhetorical strategies that allow the double standard to persist while never explicitly endorsing it. Rhetorical strategies to evade issue of double standards include:

1. maintaining silence on the entire subject;
2. evading the democracy issue with euphemisms such as “governance,” “participation,” “civil society,” or “stakeholders”;
3. evading any criticism of autocrats with euphemisms such as “developmental state” or “strong leadership”;
4. claiming a non-falsifiable “transition” away from a current regime of political oppression.

Until the 1990s, silence (Rhetorical Strategy no. 1) was the default option in aid and development discussions. The surge in interest in

institutions in the 1990s, coupled with increasing activism by NGOs, made this strategy no longer viable and the other three strategies have become more popular since.

As an example take the World Bank's 2007 report, "Strengthening World Bank Group Engagement on Governance and Anticorruption" (World Bank 2007), a document of over a hundred pages that is currently one of the World Bank's most important statements on desirable institutions of government. The word "governance," which has become the universal word for the whole subject of desirable institutions, is one of those nearly content-free words that takes no stand on any issue. Merriam-Webster's dictionary defines "governance" as "government." Wikipedia defines it as the "act of governing." Anti-corruption is added to the title as a signal that it will receive most of the emphasis. Corruption is an appealing focus to sidestep issues of accountability, because the World Bank apparently sees it as a problem that is treatable with technocratic fixes (such as better corruption monitoring systems), and hence does not require more fundamental checks through citizen rights. These beliefs may lack a close correspondence with reality, but at least they seem plausible to many and there is no apparent double standard on corruption for rich and poor countries.

The paper of course cannot evade altogether the issue of government's relationship to the citizens. The evasion is mostly achieved (here and in many other similar documents) through Rhetorical Strategy no. 2: the use of what are popularly known as "development buzzwords": *country ownership, civil society, stakeholders, participation, inclusiveness, mainstreaming, empowerment, partnership*. In contrast, none of the following words appear in the main text of the governance strategy paper: *human rights, democracy, liberty, freedom, or equality*.

These latter words are also sometimes manipulated for political purposes and their meanings blurred, but they still have powerful resonance because of their historical association with the battle for equal rights for all. The latter words are useful in political movements for rights because they usually allow the oppressed to identify the oppressors—just who is violating rights, liberties, or freedoms.

Yet development discourse almost entirely avoids these powerful words. To give more examples, neither the 347-page World Bank 1998 “Participation Sourcebook” nor the 372-page World Bank 2006 “Empowerment in Practice” ever mentioned the historically resonant word “liberty.”

The buzzwords, in contrast, fail to identify specific violations of rights and specific rights violators. If we do not have enough “empowerment,” *who* is not empowered, *which* empowering actions are lacking, and *who* failed to take such actions?

Interestingly, the word “accountability” itself has become a buzzword. Accountability can have the clear meaning given in the introduction to this paper, which is precise enough for scholarly use. Unfortunately, the meaning of accountability in development policy debates is anything but precise. Stripped of context—without saying who is accountable to whom for what, when, and where, accountability reverts to being an empty word, and hence is also used even by organizations that operate with impunity. The word “participation” is so popular that the World Bank has an entire manual devoted to it, as mentioned above. The “Participation” manual then invokes another popular word when it lists “the poor and disadvantaged” as one of many “stakeholders” (others are the borrower government and “World Bank management, staff, and shareholders”). The manual does not address the issue of disagreements between stakeholders—like many of the other buzzwords, the word itself seems to imply a harmony of interests, a world of only winners and no losers. If this were not the real world, then the World Bank would have to address whether “poor stakeholders” would win a clash of interests against, say, World Bank shareholders (mainly the rich countries).

The “participation” idea is so broad that it covers both types of accountability: not only whether domestic governments are accountable to their own people, but also whether donors are accountable to the poor intended beneficiaries. In the above quote, the rich country governments, the donors, the poor country governments, and the citizens of the poor countries are all participating stakeholders. Of course,

this raises more questions than it answers on both types of accountability—it leaves unclear which “stakeholders” are accountable to the others, and for which “stakes.”

Other buzzwords like “country ownership” and “partnership” blur the issue of accountability of the donors to the poor people whom they affect. Who in a poor country is the “partner” that represents the country to “own” something? The answer to the first in practice is the ruler(s) in power at the moment. If the donor is indeed accountable to the ruler(s) as an elected representative(s) accountable to the citizens, then there is some indirect accountability of donors to the poor. However, the concept of country ownership does not discriminate between democrats and autocrats, so we are back to the original evasion of discussing poor people’s rights.

If the donors and the recipient government are indeed “partners,” that still does not answer the question of how power is allocated between the partners. The World Bank and International Monetary Fund (IMF) have gotten much grief for imposing their own conditions on recipient governments through the notorious Structural Adjustment Loans of the 1980s and 1990s. The SALs were general purpose loans to governments, on the condition that governments fulfilled detailed conditions on economic reform. The IMF and World Bank staff designed the reforms according to a standard blueprint, with little awareness of country context and no mechanism for holding the staff accountable for good or bad consequences of these reforms. Since recipient countries turned to these loans in moments of acute crisis, they often perceived little choice but to accept the conditions so as to get the loans.

In response to this criticism, they have been following for the past few years a process where the “country” develops its own “Poverty Reduction Strategy Paper” (and the loans renamed Poverty Reduction and Growth Facilities). This is then reviewed by the World Bank, IMF, and other donors to produce a “Joint Assistance Strategy.”

For Ghana (an imperfectly democratic country), the Joint Assistance Strategy had the other “partners” saying to “Ghana”:

Partners emphasized the need for the investment plan to be fully consistent with macro-economic stability, debt sustainability and principles for public financial management. . . . [T]here is need to scale up investment in infrastructure support services and the promotion of public-private partnerships, especially in transportation, energy and ICT [information and communication technologies]. There is also the need to improve the business environment: ensuring an effective regulatory environment for all key sectors, particularly ICT; reducing the administrative burden on the private sector; and promoting flexible factor markets to address rigidities in the reallocation of factors of production (land, labor, capital).

This sounds a lot like the old conditionality, except for the rather patronizing veneer of “partnership.” Rhetorical Strategy no. 3 is often invoked not only to evade the issue of democracy versus dictatorship, but also because there is a genuine belief that dictators may be necessary for development (perhaps only during some initial phase of development). The view of development as a technocratic problem to be solved by experts is not very compatible with messy democratic compromises. Why let the people choose the “answers” when the experts already know the answers? Hence, there is the wistful hope for a “benevolent autocrat” who will be able to implement without constraints the technocratic solution specified by the experts.

As James C. Scott said in his classic treatise against social engineering, *Seeing Like a State*, “Political interests can only frustrate the social solutions devised by specialists with scientific tools” (Scott 1999: 94). Although wishing for a “benevolent autocrat” is acceptable language in many development discussions, it is a little too strong for others. Hence, euphemisms like “developmental state” or “strong leadership” are often used instead. These latter words do not necessarily imply dictatorship—it is more that they sidestep the issue of whether the developmental leader is or is not a dictator. So, for



example, the World Bank Growth Commission in 2008 had as one of its strongest conclusions: “Growth at such a quick pace, over such a long period, requires strong political leadership” (World Bank 2008).

But what if the current autocrats are none too obviously benevolent? The donors can still invoke Rhetorical Strategy no. 4. The aid and democracy scholar Thomas Carothers noted the Transition Defense in a classic article. He quoted U.S. Agency for International Development (USAID) describing the Democratic Republic of the Congo in 2001 as a country in “transition to a democratic, free market society”(Carothers 2009: 169) (such “transition” is still not completely obvious in 2010).

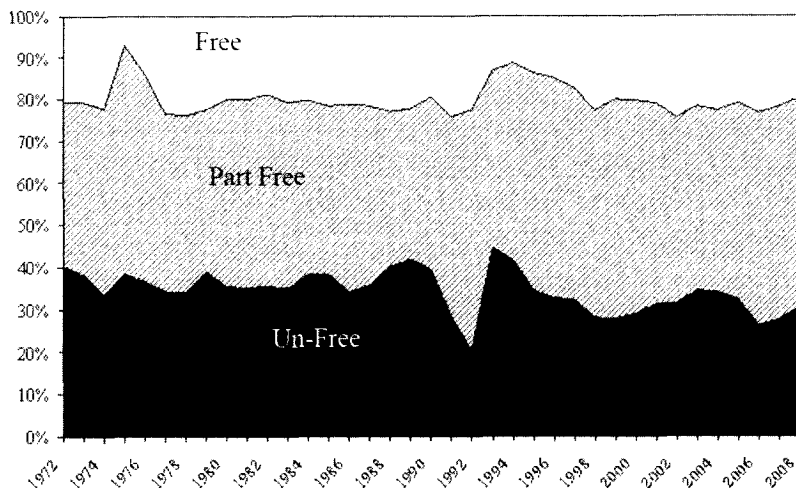
The World Bank’s response to Helen Epstein’s May 13, 2010, article in the *New York Review of Books*, in which she accused the bank of supporting Ethiopian tyranny, is a classic Transition Defense. World Bank Ethiopia country director Ken Ohashi replied in a letter date June 24, 2010:

We start . . . with a belief that in every country people want . . . to develop a transparent, accountable . . . governance system. Ethiopia is no exception. Our task . . . is to support that innate tendency. However, building institutions . . . takes a long time. . . Changes are incremental, and at times they may suffer serious setbacks (Ohashi 2010).

The Transition Defense has the attraction of being nonfalsifiable. We don’t know the future, so we don’t know whether a negative event is a “setback” to “building institutions,” or whether the “building” is a myth. We could of course observe the recent trend in “democratizing”—this has been negative in Ethiopia—but again, any negatives could be dismissed as a temporary setback.

To be fair to the donors, they *do sometimes* make overtures to democracy. The World Bank includes a measure of “voice and accountability” in its widely used “Governance Indicators” that it has produced since 1996.

Figure 1: Allocation of Foreign Aid by Classification of Recipients by Freedom House



Source: Easterly and Williamson (2010)

However, reportedly bowing to protests by China, the bank says the indicators “are not used by the World Bank Group to allocate resources [aid]” (World Bank 2009). USAID declares its aims to be “promoting sustainable democracy” and “expanding the global community of democracies.”

Donors were involved in internationally supervised elections in formerly war-torn societies like Sierra Leone, Liberia, and the Democratic Republic of the Congo. Donors also applied pressure to Kenya to conform to democratic principles after the long-time autocrat Daniel arap Moi left office, and again in 2007–2008 when there was a seriously flawed election.

However, these statements and actions are heavily qualified in practice. The World Bank announced that it will not use its own “voice and accountability” measures to influence its own aid allocation. The rhetorical and practical support for democracy is usually limited to the mechanics of majority vote elections. As noted above, majority voting is not sufficient to ensure true accountability. Moreover, elections can be manipulated by autocrats. Hence, the most important finding is the

Table 1: Top Autocratic Recipients of Aid (in billions of dollars)

Donors		Recipients	
United States	\$46	China	\$15
Japan	\$23	Vietnam	\$12
Germany	\$16	Sudan	\$10
World Bank (IDA)	\$14	Egypt	\$9
France	\$14	Cameroon	\$9
United Kingdom	\$10	Rwanda	\$5
EC	\$9	Tunisia	\$3

silence and evasion documented above on the democratic rights that are the basis of true accountability.

#### **Allocation of Aid Across Types of Regimes**

The aid donors also show their indifference to democracy by allocating only a small share of aid funds to democracies (see figure 1), and a surprisingly large share to unambiguous dictatorships (using the definitions of “Free,” “Partly Free,” and “Not Free” of Freedom House).

Admittedly, there is a genuine dilemma for donors. They want to direct aid to the poorest countries, and since democracy and poverty are inversely related across countries, there are not that many democracies to choose from among the poor nations. Yet, as figure 2 shows, some donor agencies are able to do much better at this trade-off than others. And too much emphasis on poverty relative to democracy is likely to be counterproductive if aid to an autocratic government is not going to reach the poor anyway.

The bottom line is that many autocrats receive a considerable amount of aid. Table 1 shows the top autocratic recipients of aid, as well as which donors are most responsible for financing them.

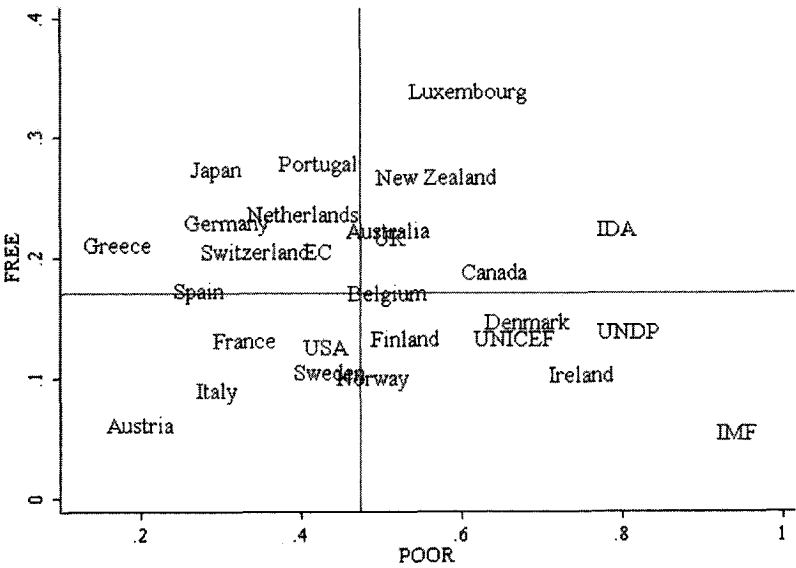


Figure 2: Donor Agencies' Shares of Democratic Recipients (vertical axis) vs. Share of Low-income Nations (horizontal axis)

Paul Biya, the dictator of Cameroon, has been in power 28 years. Throughout his tenure he has received a long series of loans from the International Monetary Fund that are now known as “Poverty Reduction Growth Facilities.” Biya, whose government also enjoys ample oil revenues, has received \$35 billion in foreign aid from all sources during his reign. Yet the average Cameroonian is poorer today than when Biya took power.

In February 2008, Biya’s security forces killed 100 people during a demonstration against food price increases and against a constitutional amendment that extended Biya’s rule to 2018. Many of the victims were “apparently shot in the head at point-blank range” (Amnesty International 2009). The IMF justification for the newest loan in June 2009 noted that these “social tensions” have not recurred and “the political situation is stable” (International Monetary Fund 2009).

Other long-serving aid-receiving autocrats are Chad's Idriss Deby, 1990–present (\$6 billion in aid); Guinea's Lansana Conté, 1984–2008 (\$11 billion); Rwanda's Paul Kagame, 1994–present (\$10 billion); Uganda's Yoweri Museveni, 1986–present (\$31 billion); and Cambodia's Hun Sen, 1985–present (\$10 billion). The autocrats of Kazakhstan, Tajikistan, and Uzbekistan have been in power since the break-up of the Soviet Union in 1991, and each has received \$3 billion.

### **Political Neutrality of Aid: The Impossible Dream**

The aid donors also defend their financing of dictators by saying they do not want to ignore poor people who are unlucky enough to be ruled by an autocrat. They claim that project aid directed at specific areas like emergency relief, health, or education will help people directly without financing autocratic governments. Unfortunately, this argument has at least two potential weaknesses. First, aid is “fungible.” Second, aid programs administered by the government may be manipulated to punish political dissidents.

Donor officials have always been aware that aid is “fungible.” As the first chief economist of the World Bank said in the early 1950s, “we may think we’re financing a power plant and actually we’re financing a brothel” (Shantayanan et al. 1999: 1).

The fungibility problem is that if the government receives aid for something good, like electric power, health, or education, it can reduce its own spending on these areas. This then allows the expansion of spending in “bad” areas, such as on the security forces. This means aid can de facto finance the “bad” area even when it is de jure targeting the good area. So, for example, “health aid” may support government repression even when it is targeted at directly helping the poor. The claim of donors to be politically neutral is not tenable if they are de facto financing an autocrat.

Fungibility is a problem for all donors. Although the IMF claims to be providing finance to facilitate fiscal and balance of payments adjustment, it too is subject to fungibility—the government with the

IMF has more funds than without the IMF and so the IMF effectively finances the marginal dollar of government spending in whatever area it happens to be.

Autocrats can also manipulate aid to punish the opposition. A report by Human Rights Watch (2010) documented this kind of manipulation under Ethiopia's Meles Zenawi. Based on interviews with 200 people in 53 villages and two cities throughout the country, the report concluded that the Ethiopian government uses aid as a political weapon to discriminate against nonparty members and punish dissent. For example, farmers in three different regions reported to Human Rights Watch (HRW) that village leaders withheld government-provided seeds and fertilizer, and even microloans from nonparty members.

Investigating one donor-funded program in Ethiopia that gives food and cash in exchange for work on public projects, HRW documented the cases of farmers who completed work but were never paid and entire families barred from the list because they were thought to belong to the opposition. A former coordinator of the program confirmed: "the rule was that members of the safety net should be ruling party members. . . . [T]ruly speaking the people are hungry and the safety net is full of manipulation" (HRW 2010). An opposition leader in Awassa also told HRW that "there are children who are malnourished, who are not getting assistance in my *kebele* [village] for political reasons. They are starving to death, they are so sick. There are many" (HRW 2010).

Many individual aid officials that HRW spoke to admitted that they were aware of these abuses. One Western donor official said, "Intimidation is all over, in every area. There is politicization of housing, business, education, agriculture. Many of the people are forced or compromised to join the party because of safety net and so on, many do not have a choice—it is imposed" (HRW 2010). Another senior Western donor official based in Addis Ababa said to HRW: "Every tool at their disposal—fertilizer, loans, safety net—is being used to crush the opposition. We know this" (HRW 2010).

The umbrella group representing 26 donors in Ethiopia (the Donors Assistance Group, or DAG), responded to the HRW report by acknowledging that safeguards to “provide checks on possible distortions . . . could be further strengthened.” However, their overall response was to reject HRW’s conclusions, noting that their own study “did not generate any evidence of systematic or widespread distortion” (DAG Statement 2010). It is difficult to know how widespread these abuses are when, on the one hand, the HRW report was based on small and not necessarily random or representative samples, and on the other hand the donors have the PR incentive to deny any political manipulation of their aid. The HRW report provides at least illustrative examples of the possibility of the kind of aid manipulation that many have feared could result from giving aid to autocratic regimes that wish to suppress opposition.

## **HISTORY OF THE DOUBLE STANDARD IN DEVELOPMENT**

It is instructive to trace the history of the double standard in development. We will check to see whether some of the same ideas and language surfaced during the past history of racism and colonialism as in today’s postracist and postcolonial present. The point is not to accuse anyone today of racism or neocolonialism, but it is to show that the break between history and today is not as great as usually claimed.

### **The Early Colonial Period: The Prehistory of Development**

In the old days, most economists (and everyone else) considered it easy to explain differences in development between Europe and the rest of the world. In fact, the question did not even get much discussion because they considered the explanation so obvious: Europeans were superior to non-Europeans. There was some hope for the latter if Europeans coerced them to improve.

I hardly can do justice to the long history of such attitudes. One revealing example is from one of the most famous economists of all

time, who was also a courageous early advocate for individual rights: John Stuart Mill. Mill's classic essay on *On Liberty* (1869) asserted forcefully "Over himself, over his own body and mind, the individual is sovereign." But Mill was unapologetic about the need for a double standard on individual rights:

We may leave out of consideration those backward states of society in which the race itself may be considered as in its [childhood]. Despotism is a legitimate mode of government in dealing with barbarians, provided the end be their improvement. . . . Liberty, as a principle, has no application to any [such] state of things (Mill 1957 [1869]).

Things had not changed much by the time of the articles of the Covenant of the League of Nations after World War I, which entered into force in January 1920. Article 22 reads:

To those colonies and territories which as a consequence of the late war have ceased to be under the sovereignty of the States which formerly governed them and which are inhabited by peoples not yet able to stand by themselves under the strenuous conditions of the modern world, there should be applied the principle that the well-being and development of such peoples form a sacred trust of civilisation and that securities for the performance of this trust should be embodied in this Covenant.

The best method of giving practical effect to this principle is that the tutelage of such peoples should be entrusted to advanced nations who by reason of their resources, their experience or their geographical position can best undertake this responsibility, and who are willing to accept it, and that this tutelage should be exercised by them as Mandatories on behalf of the League.



One of the key players in founding the League of Nations was Jan Smuts, the prime minister of South Africa. He was already on record with similar language but stated more explicitly in racist terms: “The white race in South Africa” should act as “trustees for the coloured races” (Mazower 2009).

Yet even at this early date, there was some discomfort about the impunity colonial powers enjoyed relative to their subjects. The discomfort was still a long way from really accepting accountability to colonial subjects, so some of the rhetorical strategies that donors use today to evade accountability were already beginning to appear, even including use of some of the same buzzwords. For example, a relatively radical British member of Parliament argued in 1929 for giving the subjects of authoritarian colonial rule “some *participation* in the shaping of their own destinies” (Cornwall 2006; emphasis added).

### **The Late Colonial Period: The Invention of “Development”**

The sudden emergence and acceptance of the concept of “development” during the 1940s had political roots that did not imply abandoning the double standard. One version of the story appears in a classic (and much underappreciated) book by Suke Wolton (2000), *Lord Hailey, the Colonial Office and the Politics of Race and Empire in the Second World War*. The British began stressing development in response to threats to their colonial empire during World War II. The British had to meet the ideological threat of the Japanese offering a non-European and nonracist alternative to their Asian colonies, which were also militarily vulnerable to the Japanese. The Japanese early in the war inflicted a catastrophic defeat on the British at Singapore, which also dented the empirical claim of European superiority. Japanese propaganda also tried to induce colonial subjects to rebel against their masters by pointing to British racism.

The old colonial ideology of white superiority was no longer tenable under such a threat. As a February 13, 1940, memo from Malcolm MacDonald, the secretary of state for the colonies on, noted: “continuance of the present state of affairs...provides our enemies and critics

with an admirable subject for propaganda in neutral countries and elsewhere” (Constantine 1984: 220).

A long-time colonial official, Lord Hailey, in 1941 redefined the empire’s mission as “promotion of native welfare.” And he argued the colonies could only develop with Britain’s help. Hailey said: “A new conception of our relationship...may emerge as part of the movement for the betterment of the backward peoples of the world, which stands in the forefront of every enlightened programme for . . . postwar conditions” (Wolton 1999: 51).

Racism was still so strong that ethnic slurs and epithets were only gradually becoming less acceptable. Responding to orders from MacDonal and Hailey, the BBC banned the N-word early in the war (the ban seems to imply that BBC announcers were previously using it and would have continued to use it without the new government orders).

Development rather than racism offered an alternative ideology of empire during World War II. Although we now know the end of the empire was only a few years away, this was not the expectation at the time. The Colonial Office still thought many colonies “little removed from their primitive state,” so “they will probably not be fit for complete independence for centuries” (Wolton 2000: 128, 129).

To repress independence movements, Hailey made a distinction between political development and economic development, using arguments that are still popular today: “Political liberties are meaningless unless they can be built on a better foundation of social and economic progress.”

Buzzwords can be found at the moment of birth of development, along with an indifference to the accountability of governments. The February 1940 British “Statement of Policy on Colonial Development and Welfare and on Colonial Research” found that the

Government would propose to invite Colonial Governments to prepare development programmes for a period of years ahead.

From London there will be assistance and guidance, but no spirit of dictation. The new policy of development will involve no derogation from the rights and privileges of local legislatures.

The whole effort will be one of co-operation between the authorities in the Colonies and those at home. . . . Colonial Governments, who best know the needs of their own territories, should enjoy a wide latitude in the initiation and execution of policies, the primary purpose of which is to promote the prosperity and happiness of the peoples of the Colonial Empire (Padmore 1941).

The “Colonial Governments” that were supposed to prepare what sounds a lot like today’s Poverty Reduction Strategy Papers, were actually made up principally of British officials unaccountable to local inhabitants, with occasional token local representation (except where there were white settlers). Not for the last time, the accountability of the government was less important than the allegedly apolitical technocratic solution to development.

### **The Birth of the International Organizations: The UN, World Bank, and IMF**

The founding of the United Nations had a lot in common with the late colonial British effort to strategically use the concept of “development” in ways that did nothing to end the double standard. This is the story told in the recent book by Mark Mazower (2009), *No Enchanted Palace: The End of Empire and the Ideological Origins of the United Nations*.

The UN Preamble (June 26, 1945) at first seems to embody a major advance in the ideals of equal rights for all:

*WE THE PEOPLES OF THE UNITED NATIONS DETERMINED*

- ▶ to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small, and

- ▶ to promote social progress and better standards of life in larger freedom,  
*AND FOR THESE ENDS*
- ▶ to employ international machinery for the promotion of the economic and social advancement of all peoples.

One realizes that all is not quite what it seems only upon learning that the author of the preamble was the same apostle of white superiority—Jan Smuts of South Africa—who had helped found the League of Nations. As Mazower tells the story, Smuts did not see the UN as a challenge to the British Empire, but an ally and defender of the empire. Smuts said in his speech to the UN founding conference in San Francisco that the United Kingdom was the “greatest colonial power” in the world, and he continued to use the old League of Nations language of “dependent peoples, still unable to look after themselves.” Indeed, the UN Charter said nothing about independence for any European colonies.

It is difficult to resist the temptation to read the history backward when it actually happened forward. As already noted, few expected in 1945 the sudden collapse of colonial empires (which would have more to do with the postwar collapse of the British and French as major military powers and the proliferation of small arms to end their monopoly of force). The anticolonial and antiracist positions for which the UN later became known emerged only after a majority of their members became non-European and postcolonial, which was not the case in 1945.

The first UN report on development in 1947 shows the same combination of technocratic mindset and indifference to accountability that we already saw in the late colonial period. In the first paragraph of the introduction, we learn of “the urgent need for some mechanism to co-ordinate various departments and agencies concerned in developmental planning” (United Nations 1947: xv). What mattered most was “the administrative structure which was created . . . for the purpose of translating government planning into economic reality.”

The report made no distinction between the types of governments doing this planning: colonial authorities planning for their colonies, self-governing colonies (by white settlers only, such as Southern Rhodesia), independent countries (including apartheid South Africa), and Soviet-style autocracies (Bulgaria, Poland, and Yugoslavia).

The language of the early UN document was also consistent with principles invoked in the founding of the World Bank and the International Monetary Fund that had already occurred a year earlier. The delegates to Bretton Woods were like the other examples here: apparently indifferent to accountability in the governments of those countries receiving their loans. They went even further and actually forbade the World Bank and the IMF to *ever* consider political institutions in deciding to whom to lend.

The articles for the World Bank were so insistent on this that they said it twice:

**SECTION 5. USE OF LOANS GUARANTEED, PARTICIPATED IN OR MADE BY THE BANK**

(b) The Bank shall make arrangements to ensure that the proceeds of any loan are used only for the purposes for which the loan was granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations.

**SECTION 10. POLITICAL ACTIVITY PROHIBITED**

The Bank and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations shall be relevant to their decisions, and these considerations shall be weighed impartially in order to achieve the purposes stated in Article I (World Bank, IBRD Article IV n.d.).

The IMF had the same restriction in its articles in the context of changes in exchange rates from their “par values”:

#### SECTION 5. CHANGES IN PAR VALUES

(f) The Fund shall concur in a proposed change which is within the terms of (c) (ii) or (c) (iii) above if it is satisfied that the change is necessary to correct a fundamental disequilibrium. In particular, provided it is so satisfied, it shall not object to a proposed change because of the domestic social or political policies of the member proposing the change (International Monetary Fund 1944).

These articles are still in force today, despite the long run trend toward ever more intrusive intervention by the fund and the bank in the sovereignty of loan recipients—from structural adjustment conditions in the 1980s to today’s postconflict reconstruction and aid to failed states.

Perhaps this restriction was double-talk from the beginning. Certainly, it never made much sense on its own. First, as noted earlier in this paper, giving a loan to an incumbent ruling party is arguably political interference already. Second, the separation between economic and political policies heroically assumed that the two could be completely independent of each other—that is, they had no effect on each other. Alternatively in the above quotes, the restriction embodied the strange idea that one could seek only “efficiency” without “regard to political . . . influences or considerations.” Like the other efforts described above, the political “prohibition” was perhaps just a way to evade the issue of accountability of donors and governments to the intended loan beneficiaries with the simplest possible device: shut up!

#### **The Cold War: Development Takes Off**

The evasion of accountability continues to show persistence across epochal changes in the global balance of power. After the end of colo-

nialism and the beginning of the Cold War, it was still convenient to ignore autocracy as an issue in development. Whether the “Free World” had a developing country on its side was much more important than if that country was, in fact, “free.” Development and foreign aid were held out as promises to neutral nations to side with the West in the Cold War, and to resist the temptation of Communist methods of achieving rapid industrialization (at the time thought to be quite successful).

This is best embodied in a best-selling book by Walt Rostow in 1960, *The Stages of Growth*, which he modestly subtitled *A Non-Communist Manifesto*. Rostow was more of a political official than an academic, a senior adviser to Presidents John F. Kennedy and Lyndon Johnson. His book promised countries could “take off” into rapid growth with foreign aid, again indifferent to whether either aid donors or domestic governments were politically accountable to the beneficiaries of the “take off.”

These views reflected the intellectual climate of the 1940s and 1950s. The fascist and Communist alternatives seemed to have outperformed the democracies in the Great Depression and its aftermath. Stalinist industrialization was then seen as a great success (a mistaken perception not to be corrected for many decades). Among the democracies such as the United States and the United Kingdom, wartime coercive planning and rationing seemed to have been at the time what got them out of the Depression. The combination of all these experiences fostered the perception that development often had to sacrifice individual rights, despite the previous long-run success of the democracies in the United States and most of Western Europe.

Development economists imbibed these values without question. As one statement of the postwar consensus put it: “Economic development was not spontaneous, as in the classical capitalist pattern, but was consciously achieved through state planning” (Jolly et al. 2004: 17). Early models of development were much closer to the Soviet economic model, although not necessarily its police state features, than

to European and American examples. Gunnar Myrdal (later a Nobel Laureate) said in a widely circulated lecture:

Super-planning has to be staged by underdeveloped countries with weak administrative apparatus and a largely illiterate and apathetic citizenry. . . . The alternative to making the heroic attempt is acquiescence in economic stagnation which is politically impossible in the world of today. . . . This is why [planning] is unanimously endorsed by experts in the advanced countries (Myrdal 1957).

Of course, the endorsement of planning was not quite as unanimous as Myrdal wanted. Ironically, his future co-winner of the Nobel Prize, Friedrich Hayek, had already published many of his criticisms of central planning and social engineering, although these had no influence on development economics. Another famous early dissident was P. T. Bauer. But other dissidents were completely ignored and then forgotten, such as the South African anti-apartheid activist and development economist S. Herbert Frankel.

#### **After the Cold War: Failed States and Buzzwords**

In the unipolar world that emerged after the Cold War ended, the idea of violating the sovereignty of the aid recipient countries suddenly went from taboo to contingent upon circumstances. The new aid industries of “fixing failed states,” “peacekeeping,” and “postconflict reconstruction” suggested that the donors could indeed get very interventionist in the political affairs of the recipient. Strangely enough, this happened while the political prohibition in the articles of the IMF and World Bank remained in effect (surely these new activities violated such a prohibition even if the original prohibition was meaningful).

One could object that the failed state contingency only applied to a small minority of extreme cases, such as Somalia or Liberia. However,



the recent “consultation draft” (November 2010) of the Quadrennial Diplomacy and Development Review of the State Department had a map in which the *entire* developing world was in the “state failure” categories of “critical,” “in danger,” or “borderline.” Such a world view can give the U.S. military justification for its intervention in Iraq and Afghanistan (or anywhere else the United States or any other great power wanted to intervene).

However, this shift toward even the most extreme political interference in aid-receiving countries did not translate into any real support for democratic rights for the poor. Relative to the past, there was a positive change toward discussing democracy and accountability compared to previous silence. However, as we have seen, this discussion quickly deteriorated into ineffective buzzwords and a focus only on the mechanics of elections.

#### **Why Does the Double Standard Persist?**

There are two obvious reasons why the double standard is so persistent. First, rights and accountability are about power. Accountability of X to Y means that Y has the power to make X face some consequences if X’s actions affect Y. Nobody is ever accountable to powerless people, and the poorest people are likely to be the most powerless.

Rights expanded historically as mass movements campaigned for them, forcing greater democratic accountability on the ruling elite. The power of mass movements grows in response to long-run factors like the spread of education, which are obviously too complicated to analyze here. It is likely the poorest peoples today still have too little power as mass movements to end the double standard. But even here there is hope for the future as democracy continues spreading thanks to the courageous efforts of many individuals in poor societies (see figure 3). No causality is implied between the long-run trends in poverty reduction and democracy, but the hopeful trends are very real.

The second reason for persistence is that the aid status quo finds it convenient to continue a double standard. As many aid analysts have

### Global poverty rate and democracy

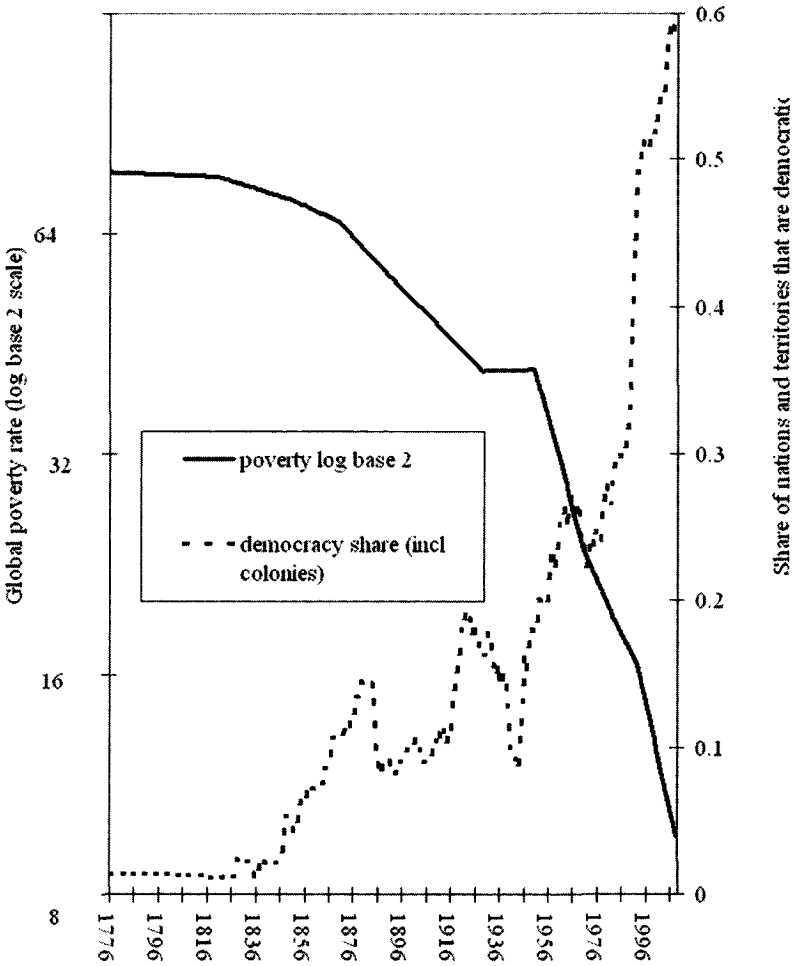


Figure 3: Long-Run Trends on Poverty and Democracy

pointed out, the aid agencies are rewarded most of all for speedily disbursing aid money. How complicated, tedious, and slow it would be to disburse aid in a way that respected the rights of the intended recipients and continually change in response to democratic feedback from those same recipients? One almost feels sorry for the autocratic unaccountable donors.

## CONCLUSION

The history of democracy is that of a fight against double standards, of recognizing equal rights for black men and white men, Jews and Gentiles, Protestants and Catholics, women and men, Muslims and Hindus, the rich and the poor.

The tragedy of the development establishment is that it has never recognized the equal democratic rights necessary for the accountability of governmental bodies (both donors and domestic governments) to the peoples being “developed.” These principles of individual rights and liberties have always taken a back seat to the hypocrisy of the great powers and of the development agencies, which find it more convenient to speak of development as an apolitical and technocratic problem. So continues the long history of double standards of accountability and individual rights for rich (mostly European) and poor (mostly non-European) countries.

Yet, again looking at figure 3, peoples around the world have been campaigning for greater rights and accountability on their own, with gradual but persistent success. Autocratic donors and governments have mostly failed to coercively “develop” the subjects of their efforts. Rather, development successes occurred where peoples largely developed themselves. It is to them rather than the development establishment that the greatest hope for the twenty-first century belongs.

## NOTES

1. See the special issue of the journal *Development in Practice* (14:7, 2007) devoted to “buzzwords and fuzzwords.”
2. However, reportedly bowing to protests by China, the World Bank says the indicators “are not used by the World Bank Group to allocate resources.”

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