French Bilateral Aid to Mali: Examining the Donor-Recipient Relationship’s Effect on Development

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French Bilateral Aid to Mali: Examining the Donor-Recipient Relationship’s Effect on Development

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by
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**Introduction**

Foreign aid has been a primary tool of economic development policy for years, yet its effectiveness is still highly contested. While many leading economists like Jeffrey Sachs have argued that aid on the whole has had a positive impact on poverty reduction and growth, others like William Easterly argue the opposite, citing recipient countries in Africa and South Asia as examples of aid’s failure (Radelet, 2006). This debate shows no signs of ending but has led numerous scholars to move on from the question of whether or not aid is effective to an examination of the conditions in which aid is effective. Recognizing the highly contextual nature of aid’s efficacy, an emphasis on donor-recipient relationships has emerged in the literature as a key area of analysis of foreign aid (Nissanke, 2008). This area of study focuses on how donor interests shape the effectiveness of aid and how these interests affect the implementation and allocation of aid.

The importance of the donor-recipient relationship is of particular relevance to Mali, a former French colony located in the Sahel region of West Africa. In just 2019, Mali received a total of $1.863 billion in official development assistance -- greater than any previous year (World Bank, 2019). While much of this came from multilateral or bilateral donors outside of France, France has continued to be a leading bilateral donor of aid to Mali. This is contextualized by France’s historic colonial rule of Mali and its foreign policy orientation towards the Sahel region. Today, France continues to play a strong role in Mali through economic means like trade ties and the CFA franc zone, as well as direct military intervention in the region. This paper will argue that the implementation and allocation of aid to Mali, and thus its effectiveness, is directly related to the France-Mali relationship.
In recognizing the importance of this relationship, this paper will first examine the relevant history of both Mali and France, as well as key components of their relationship today, in Chapter I. Then, keeping this context in mind, this paper will discuss the broader theoretical debate in Chapter II, by considering three main viewpoints in the economic literature and the current international policy agenda for aid. Finally, Chapter III will tie the France-Mali relationship directly to the effectiveness of foreign aid, considering whether or not French aid has conformed to the current international policy agenda for aid, and how it has impacted economic development. Through this discussion, this paper will reveal how the effectiveness of aid is deeply interlinked with the donor-recipient relationship and underlying political motivations of aid giving.
Chapter I: The France-Mali Relationship

Early History

Mali was not established as a nation-state until independence from French colonial rule in 1960. Before independence, large sections of the current geographical area of Mali were ruled by three major ancient West African empires between A.D. 700 to 1600: the Ghana empire (700 to 1078); the Mali empire (800 to 1550); and the Songhai empire (1300 to 1591). Each empire was characterized by its trade of precious commodities like salt and gold, strong matrilineal leadership, kin-based ties, dynamic geopolitical boundaries, and inclusion of numerous ethnic identities (Library of Congress, 2005). Both the Mali Empire and the city of Timbuktu experienced Golden Ages, in terms of wealth, scholarship, and culture. The Mali Empire in specific experienced a Golden Age under the rule of Mansa Musa from 1312 to 1337 based on finding significant deposits of gold and successfully expanding trade routes, while Timbuktu later experienced its golden age at the end of the 15th century, as it became a center for trade and Islamic scholarship (Boissonneault, 2015).

Historically, the Mali Empire and later Songhai Empire created a legacy of Islamic institutions, public works, and scholarship, which continues today. Perhaps the most direct connection to today was each empire’s mandate of Islam as the official religion. Today, this is seen in the vast majority of Malians who are Muslim; 2010 survey data shows that 92.4% of Malians identify as Muslim (Pew Research Center, 2011). Importantly, this period of vast Islamic empire rule came to a close with the decline of the Songhai Empire, after being disastrously defeated by the Moroccan army in 1591. With the Moroccan army unable to fully secure control, the present-day area of Mali instead became splintered into petty states, and with the rise of
European sea trade routes, the period of trade prosperity came to a close (Library of Congress, 2005).

Colonization to Independence

Mali’s colonization was part of a larger effort by France to construct a colonial empire in Africa, spanning from the Mediterranean to the Congo. While France had already begun settling forts in the early 1600s in Africa, it was only by the 1880s that France substantially increased its presence in West Africa and established colonial rule over Mali (Ali, 2018). At the time, France competed with Great Britain, as both countries were looking for both natural resources from Africa and a market for their own manufactured goods. As part of the “scramble for Africa,” European countries including France trafficked slaves from the early 1600s to the middle of the 19th century. At the 1884 Berlin Conference, France and Great Britain settled their competing claims to territory in West Africa and at the same time formalized them; as a result of this conference, Mali fell under French colonial control in 1892 and was ruled by a French governor in 1893. During this time, Mali was instead named French Sudan and was governed as part of the Federation of French West Africa (Ali, 2018). By the time France ruled Mali, many of the natural resources it previously had were depleted, so it instead mainly served as a source of labor to France’s other colonial holdings in West Africa and an important military outpost (Harris, 1911).

After World War II, France’s relationship with its colonies dramatically changed, as it became clear that the age of colonial empire-building was coming to an end. Rather than move to complete decolonization, French leaders instead envisioned that French colonies would become part of a more plural France. To replace the old colonial system, French leaders established the French Union in 1946, which consisted of a federalist structure between the metropole – European France – and its colonial and territorial holdings. At the time, many leaders in West
Africa supported participation in the French Union instead of seeking independence. West African leaders believed, or at least hoped, that they could obtain equality within the French Union and obtain much-needed resources from the metropole. However, the political structure of the French Union was extremely unbalanced in favor of France: while colonies had representation, power was centralized in the French parliament, meaning European France retained most of its authority over its colonies. Moreover, racist attitudes towards black Africans made it difficult for the French to truly consider them as equals or citizens in the sense that the European French were. By 1958, the French Union was largely seen as a failure and replaced by the French Community (Cooper, 2008).

The French Community continued the original idea of a federalist France but embraced autonomy in place of assimilation. French territories were supposed to develop their own government, while still remaining part of a broader France and having access to French citizenship, as based on the Declaration of the Rights of Man and of the Citizen. Like with the French Union, African leaders hoped that federalist membership in the Community would grant access to a broader pool of resources that would enable economic development. By contrast, French leaders hoped that by territorializing Western Africa and granting each territory its own budget authority, those governments would have to pay for spending from their own tax revenue. While the French Community more clearly established French citizenship for all its members, nationality was more complicated. As former colonies in France were now becoming more autonomous territories with their own governments, the Mali Federation emerged, linking both Senegal and French Sudan together (Cooper, 2008).

In 1960, only a year after the Federation was established, Malian leaders entered into negotiations with French officials to establish the terms of Mali’s independence. At this point,
the Mali Federation’s leadership was divided between Léopold Senghor, who hoped to retain citizenship in the community, and Modibo Keïta, who instead hoped for a more unitary state. After Mali had become independent via the bilateral treaty with France, it remained part of the Community, but this membership was considerably more limited and the Mali Federation increasingly took on the characteristics of a nation-state over time. Only two months after its independence from France, the Mali Federation was broken apart into modern-day Mali and Senegal due to political differences between Keïta and Senghor. It was at this point in September of 1960 that present-day Mali was established as an independent nation-state with Modibo Keïta as its first president (Cooper, 2008).

Because this paper is focused on the bilateral aid relationship between France and Mali, the importance of France’s attempts to include colonies, through both the French Union and the French Community, cannot be understated. Both political arrangements reveal that France saw colonies like Mali as an extension of France itself, yet at the same time unequal. This historical background continues to have relevance today, as in many ways France’s attempts to give aid are based on preserving a sphere of influence in West Africa and “giving back” to former colonies. This paper will further investigate how these motivations connect to foreign aid in Part III, but it is certainly clear that the in-between stages of colonial empire and independence show the complex historical context of Mali’s relationship with France.

Historical Overview of French Aid to Africa (1946-2000)

While French foreign assistance can be traced back to early colonial policies, and even during WWII, when the Vichy government of occupied France created plans to support the economic development of French African colonies, it was only after World War II that France began to provide substantial foreign aid. In conjunction with its creation of the French Union in
1946, France took its first major step towards a formalized aid program with the establishment of the *Fonds D'Investissement Économique et Social* (FIDES) (Cumming, 2001). This was a regional development fund that was authorized to make investment grants to France’s overseas territories; these funds mainly went into infrastructure investments in African colonies, along with some agricultural and industrial investments. France’s aid regime also began to take shape through its first Ten Year Plan, which planned the economic and social development of the French Union. Importantly, the FIDES and Ten Year Plan differed from modern aid; rather than there being a donor and recipient of aid, each program was jointly funded by colonies and European France, with France having control over investment decisions. That being said, both programs still reveal the historical beginnings of France’s aid regime in Africa, including its strong involvement in the development planning process.

Once the French Union transformed into the French Community, President Charles de Gaulle made it clear initially that continued assistance would be dependent upon membership in the Community. While de Gaulle ended economic aid to Guinea when it left the Community, by the time of Mali’s independence, de Gaulle had reversed this policy. This was a result of both France’s desire to maintain its presence in Africa and US pressure to provide aid. At this point, aid became fully institutionalized: the FIDES was eliminated and replaced by the *Fonds d’Aide et de Coopération* (FAC) that was mainly based around the cooperation agreements signed by newly independent states, like that with the Mali Federation in 1960 (Cumming, 2001). The Central Bank of Overseas France, which helped finance the FIDES, was also replaced by the Central Bank of Economic Cooperation, which provided development loans under the FAC and independently. At this point, France released the Jeanney Report to officially justify and examine its provision of aid. This report laid out that aid was not to simply be a method of short term
relief but “a new conception of the economic relations between unequally developed countries, lastingly based on contractual arrangements” (Overseas Development Institute, 1964). In many ways, this statement is highly revealing even today in imagining aid as not only a solution but a principal part of economic relations between more and less developed nations.

As former French African colonies became independent, de Gaulle pursued cooperation with former colonies that would largely set the stage for France’s modern aid regime. Cooperation, as defined by de Gaulle, meant that France would provide former colonies financial assistance for special favors and continued loyalty to France. More broadly, this served France as a means of continuing its sphere of influence in Africa and helping cement its position as a major global player (Cumming, 2001). At this point, France also provided direct military support through equipment, advice, and training, which clearly continues today in France’s military operations in Mali. France’s willingness to intervene militarily distinguishes it from other Western donors, and follows a pattern of supporting African rulers’ regimes that maintain close ties to France, rather than those who necessarily support human rights and democracy (Cumming, 1995).

President de Gaulle favored bilateralism in both France’s approach to military involvement and aid, as he saw it as a better way to promote French influence and the French language. While his successor, President Pompidou, initially shared de Gaulle’s skepticism about multilateral channels of assistance to Africa, he eventually moved towards sharing aid provision with other European powers. The French president after Pompidou, Valéry Giscard d’Estaing, continued to expand the share of aid that went through multilateral means, although bilateral aid still played an important role (Cumming, 2001). Besides the gradual increase in multilateral aid, France’s approach to foreign aid largely remained unchanged during the Cold War period, under
governments of both the left and right. This continuity of aid during the Cold War period was largely characterized by a continued approach of cooperation with Africa, fitting with France’s overall approach to foreign policy with Africa, and a lack of political conditionality of aid. Notably, during the Cold War, France’s aid was non-aligned with the US or the Soviet Union but rather was designed to protect France’s sphere of influence. France used aid to counter both the US and the Soviet Union in different ways: it hoped that aid would prevent the US taking its place in French-speaking Africa, and that it would also prevent poor African countries from turning to communism (Cumming, 1995).

After the Cold War ended in 1989, France’s approach to aid shifted in a number of significant ways. While in the past, the World Bank and IMF only had a small influence on French aid giving, by the 1980s, French officials had accepted a Western aid architecture led by the IMF and the World Bank (Cumming, 1995). With this, the French government supported structural adjustment and stabilization programs, whereby African countries received debt relief in exchange for policies that supported liberalization and privatization. In 1993, the French government even went so far as to publicly state it would only provide balance of payments support to countries that fulfilled their obligations to the IMF and World Bank. France’s change to economic conditionality was based on enacting a policy of democratic conditionality as well. Just as aid allocation would be contingent on enacting certain economic reforms, it would also be linked to democratization and human rights as well. Countries that did not make progress in enacting democratic reforms that modeled the West – like free elections or an independent judiciary – would receive reduced support, while those that championed democracy would be rewarded with balance of payments support (Cumming, 1995).
CFA Franc Zone

A critical characteristic of France’s involvement in Mali is its implementation of the CFA (Communauté Financière Africaine) franc zone. The CFA franc zone includes 14 countries in sub-Saharan Africa, with all except two being former colonies of France. Originally, the CFA franc zone was established in 1945 as a way to prevent strong devaluation of France’s currency by facilitating imports from France to its colonies. As part of this, the CFA franc was created to have a fixed exchange rate with the French franc and now the Euro; notably, the exchange rate has only changed in 1948 and 1994. Like other countries in the CFA franc zone, Mali has utilized the currency since its inception but did attempt to gain monetary sovereignty from France in 1962 by creating the Malian franc. This, however, was short-lived as there was low confidence in the Malian franc and strong concerns from the business community, causing Mali to rejoin the CFA franc zone in 1984 (Savana, 2020).

Today, Mali’s inclusion in the CFA franc monetary union strengthens its ties with the other African countries in the CFA franc zone and France. However, the CFA Franc zone is viewed by many as controversial and a form of French neocolonialism. While there are different definitions of neocolonialism, the term may be understood based on the literature as either the continuation of colonialism or subjugation of former colonies to the West (Qiao, 2018). In this case, the CFA franc zone has been criticized as neocolonial because it acts as an extension of French “cooperation” policy, by which France would attempt to maintain influence over former French colonies and economically benefit from less expensive raw materials priced in its own currency (Sylla, 2020). Today, many argue its present makeup is still designed for the economic and political benefit of France. France is able to decide exchange-rate and monetary policy to benefit trade conditions for its companies, and because exchange reserves are centralized in the
French treasury, the French government has even been able to charge a negative real interest rate on reserves (Sylla, 2020).

In recognition of these problems and attempting to move away from France’s colonial past, French leaders in 2019 signed an agreement with members of the West African Economic and Monetary Union to rename the CFA franc as “Eco” instead (Bahgat, 2021). The new name is based on ECOWAS, the Economic Community of West African States, and is now set to launch in 2027. Reform of the CFA franc will not only involve a name change but will also change the terms of the currency, signaling a greater push from West African countries to be independent from France. France will still remain the financial guarantor of the Eco, but the Central Bank of West African states will no longer be required to deposit foreign exchange reserves in France or include French representatives in its governing bodies. While ECOWAS has aimed to issue a new currency for many years now, the launch has been postponed numerous times over the past 20 years due to challenges such as Covid-19, economic issues, and political instability (Bahgat, 2021). In fact, the recent political instability in Mali, which has caused ECOWAS to issue sanctions against it, has in part delayed the issuance of a new currency.

Trade

As part of ECOWAS, Mali is included in a West African free trade zone aimed at promoting economic cooperation and development, which also requires a common sanction against all non-members. In line with this, in 2020, 21.4% of Mali’s product imports came from Senegal, which neighbors it to its West, along with smaller shares by other ECOWAS members like Togo (3.28%) and Niger (2.8%). Following China, France is Mali’s third largest product importer with 10.4% of imports for a total of $405 million. By contrast, France is a relatively minor destination of Malian exports, making up 0.14% or $7.04 million. In part, the major trade
imbalance between France and Mali is because Mali’s export sector predominantly consists of gold (93.8%) which is heavily exported to the United Arab Emirates. Following gold, Mali’s other substantial exports include raw wood, cotton, and oily seeds, illustrating its dependence on primary commodity exports. Like other low-income countries, Mali suffers from an overall trade deficit and is more vulnerable to exchange rate and price fluctuations because of its reliance on primary commodity exports and its lack of economic diversification.

The 2012 Coup d'état and Mali War

Today, France’s involvement in Mali and the effectiveness of aid is contextualized by ongoing conflict and political instability. Before 2012, Mali was widely seen as a ‘donor darling,’ meaning that it was viewed as a shining example of democracy and aid’s success (Bergamaschi, 2014). Notably, Mali’s run as a democracy was brief at best; it was only in 1992 that the nation had its first multi-party democratic presidential elections, after years of dictatorship from 1968 to 1991 (Pringle, 2006). In 2012, Mali’s brief period of democracy and overall political stability ended with a coup d’état of President Touré by Malian soldiers. His overthrow was largely due to discontent over attacks by Tuareg rebels, as the military lost faith in his ability to deliver security against rebel violence. Because of sanctions and international pressure, the junta government agreed in a negotiation with ECOWAS to a transitional government, led by the parliament speaker at the time, Dioncounda Traoré. Still, even as a transitional government took effect, the junta was widely thought to remain in control (Alozieuwa, 2013).

The Mali War that contributed to the 2012 coup d’état still has a major impact on Mali today, resulting in political fragmentation between the country’s Northern and Southern regions. The war first started in January of 2012 when the National Movement for the Liberation of
Azawad (MNLA) declared the independence of Northern Mali as a homeland for the Tuareg people, a Berber ethnic group (Human Rights Watch, 2017). While the Malian government, pro-government groups from the North, and the Coordination of Azawad Movements (CMA) signed a peace deal in 2015 under international pressure, the deal has yet to be fully implemented (Pellerin, 2020). The signed peace agreement included provisions to decentralize the government, absorb rebel groups into a national army, and focus on economic development in the North as a way to bring national reconciliation. However, today, the Northern part of Mali largely has de-facto autonomy under the control of CMA, among other anti-government groups, and efforts to use donor funds on development in the North or to enact substantial political reform have failed. This has largely resulted in disjointed development and investment between the North and the South.

While this paper will focus on aid in the context of economic development, it is nonetheless important to understand claims that foreign aid, or rather military assistance, fuelled the Mali war and 2012 coup. One author examining the role of development aid specifically found that it was politically destabilizing and created the preconditions necessary for the coup (Bergamaschi, 2014). Overall, the author found that aid backed an increasingly discredited and unpopular government – led by President Touré – by providing budget support. Because budget support is difficult to monitor, it ultimately provided ‘strategic rent’ to elite officials and incentivized a politics of consensus, by which Touré gained support from an overly broad coalition in the parliament, without any real ideological consensus. Once donors had realized the growing unpopularity of the democratic government, they sought political reform and greater control of aid through tying it to specific conditions. However, these conditionalities were tied to
highly controversial topics within Mali – expanding women’s rights, privatizing the cotton industry, migration control – which further decreased support for the Touré government.

Additionally, the author notes that aid may have contributed to the Mali War by sponsoring the Touré government’s mismanagement of conflict of northern Mali through decentralization and militarization. In regards to decentralization, the central government attempted to co-opt the Tuareg rebellion by allowing increased autonomy, but this ultimately meant instead funding elite networks in the North that had ties to the Touré government. Moreover, the author notes donor-led aid policies fueled militarization, as development projects were linked to military expansion, in addition to increased direct military assistance from donors like France (Bergamaschi, 2014). While this paper is not focused on linking aid to conflict and democracy, the role of aid leading up to the 2012 coup and Mali War is clearly relevant as an example of how even well-intended aid giving may have unintended consequences.

**French Military Intervention**

As stated earlier, the 2015 peace agreement ending the Mali War has been implemented only nominally and the national government substantially lacks control over parts of Central and Northern Mali. In large part, this has resulted in not only the de-facto autonomy of the Coordination of Azawad Movements (CMA) but other armed groups as well – both jihadists and non-jihadist (Pellerin, 2020). Driven by resource competition, ethnic grievances, differing ideology, and numerous other factors, violence has continued to proliferate since 2015, often resulting in the killing of innocent civilians (CRS, 2021). While violence is driven by both terrorist and non-terrorist groups alike, jihadist groups are of particular concern to Western donors, like France, that are interested in protecting their own national security interests. As
such, the presence of groups, including offshoots of ISIS and al-Qaeda, have led to significant international military intervention in Mali (U.S. Department of State, 2020).

France has been at the center of these efforts. In 2013, the French government first launched Operation Serval at the request of the Malian government to prevent the advance of a coalition of Tuareg and jihadi fighters towards the capital, Bamako. This operation eventually morphed into Operation Barkhane, whereby France provided around 5,000 French forces to counter jihadi terrorism in the broader Sahel region (France 24, 2014). Today, Operation Barkhane has been widely criticized as a failure, with some even labeling it as the reason France has “lost Mali” (Munshi, 2021). The main reason Operation Barkhane has been criticized is for its lack of military success: despite extensive military presence by France, the Operation has failed to eliminate or make substantial inroads against the terrorist presence. Notably, some, such as the former Prime Minister of Mali, Moussa Mara, suggest that France is a convenient scapegoat for the Malian government’s own inability to address terrorism, but others suggest France is deserving of such criticism by claiming its very military presence is neocolonialist. Those criticizing French military intervention as neocolonialist suggest its modern-day efforts are inextricably tied to its colonial rule over Mali and are a way to further its own national interests. Importantly, incidents such as the killing of 19 civilians at a wedding party by a French air strike have given weight to such criticisms and have contributed to growing unpopularity of the French military presence (Munshi, 2021).

Above all else, France’s military intervention through Operation Barkhane and Serval has contributed to the current breakdown and France and Mali’s relationship today. In part revealing this tension, French President Emmanuel Macron announced in July of 2021 the end of Operation Barkhane and the withdrawal of half of France’s forces in the Sahel region,
redesignating the other half as special regional forces or members of the EU’s Task Force Takeba (Cambell, 2021). The move comes in part from President Macron’s stated desire to break away from Françafrique, France’s sphere of influence over former colonies in Africa (Munshi, 2021). However, it is also symbolic of the worsening relationship between Mali and France, ever since there was another coup d’état in 2020. Most notably, the breakdown in relations and trust between Mali and France is signified by the current junta’s decision to hire a Russian paramilitary organization, the Wagner Group, for counter-terrorism. This move came much to the dismay of French officials, who opposed the Wagner Group based on its record of human rights violations and connection with Russia. Just recently, French officials accused the Wagner Group of trying to stage a mass-grave to frame and discredit forces, which has then led to accusation of espionage by the Malian government. This example alone reveals the current tensions involved in replacing France’s military presence with the Wagner Group, showing that the decision is anything but politically neutral (Mackinnon and Gramer, 2022). Rather, the shift in military relations reflects a broader breakdown of the France-Mali relationship, directly tied to reckoning with the relationship’s colonial origins.

Political Crisis (2020-2021)

In large part, the current breakdown of the France-Mali relationship relates to Mali’s current military junta, which was established after a political crisis from 2020 to 2021. The crisis in Mali began in the summer of 2020, as popular discontent grew over irregularities in parliamentary elections. After the constitutional court made rulings that gave the ruling party 30 contested seats and the opposition leader was kidnapped, protests began as part of the June 5 - Rally of Patriotic Forces Movement. Protesters were not only concerned with the legitimacy of the election but with government corruption and the lack of progress over security concerns.
Protests escalated and culminated with the military overthrowing the government on August 18th, 2020, thus removing the nation’s President at the time, Ibrahim Boubacar Keïta. The previous defense minister, Bah Ndaw, was made president by a small group of electors and promised a return to a democratically-elected civilian government in 18 months (Human Rights Watch, 2021).

Despite this promise, Mali has yet to return to democracy. Less than a year after Bah Ndaw was made president, another coup d’état occurred in May of 2021. This time the takeover occurred because of a breach of the transition charter’s term by President Bah Ndaw, when he announced an overwhelmingly military cabinet, without consulting Assimi Goïta, the Vice President and an important military leader of the 2020 coup. Because of this, Goïta had both President Ndaw and the Prime Minister arrested and seized power for himself (Wing, 2021). This has largely been labeled ‘a coup within a coup’ and has eliminated any facade of civilian rule. To date, Mali continues to be under military rule, led by President Goïta, despite international pressure to return to democracy.

In parallel to the 2012 political crisis, international actors including ECOWAS, the UN, and the EU have imposed economic sanctions on Mali because the current government has rejected an immediate transition to democracy (UN, 2022). Importantly, France led demands for the EU to implement sanctions, reflecting French condemnation of the military junta (France 24, 2022). While the current government in Mali has not agreed to a more immediate return to democracy, the Malian parliament has voted to enact a five-year democratic transition plan, citing security concerns as the main reason for military rule. In many ways, the coups d’état of 2020 and 2021 resemble that of 2012, given that both were based on widespread sentiment of government incompetence, whether militarily or otherwise. However, unlike in 2012, the current
government has rejected international democratic transition plans, even at the cost of worsening relations with the West and bordering West African countries.

Given the military junta’s rejection of international transition plans and replacement of French forces with the Russian Wagner Group, it is likely that the France-Mali relationship will continue to worsen. As such, it is difficult to imagine that France will provide government-to-government aid to Mali anytime soon. That being said, the current political situation does not undermine the usefulness of French bilateral aid to Mali as a matter of study, especially in regards to donor-recipient dynamics. For years, the tensions that have now manifested themselves in the breakdown of the France-Mali relationship have been present in aid negotiations. Questions over the extent to which France should play in Malian affairs, if at all, and continuing concern about French neocolonialism have been just as relevant to the current political situation as they have to years of bilateral aid negotiations. Because of this, the complexity of the relationship only makes it more compelling as a case study of aid: by discussing the theoretical debate in Chapter II, this paper will then be able to apply such theory to the unique conditions of the France-Mali relationship in Chapter III.
Chapter II: The Aid Debate

Defining Aid

In order to evaluate how effective French bilateral aid is in Mali, this chapter will discuss the recent evolution of the foreign aid debate, both at a policy and economic level. To understand the foreign aid debate, it is first necessary to define aid itself. Broadly speaking, foreign aid is a voluntary resource transfer from one agent to another. This definition is intentionally broad because of the nature of aid itself; aid can differ in actor, objective, and the form of assistance provided. In terms of actors, aid can be multilateral or bilateral, from government-to-government, or include NGOs and international organizations and governments. Aid is given for a variety of reasons, whether explicitly stated or not, and may be given as military, political, developmental, or humanitarian aid, although military assistance is often seen as an altogether separate type of foreign aid. Additionally, aid can take a wide variety of forms – grants, loans, technical advice, training – although some definitions require at least a 25% level to be in the form of grants (Raidy, 2012). This wide definition of aid may be in part why so many conflicting views appear in the literature on aid. The heterogeneity of aid makes it difficult to study in the aggregate, even with attempts to exclude certain types of aid, like humanitarian assistance. That being said, many studies focused on development examine Official Development Assistance (ODA) specifically. ODA is a category that was created by the Organisation for Economic Co-operation and Development’s Development Assistance Council in 1969, termed as the “gold standard” of foreign aid (OECD, n.d.). Unlike the broader definition of foreign aid, ODA has the express purpose of economic development and must meet a host of other standards set by the OECD.
The Foreign Aid Debate

Because foreign aid only became prominent in the 20th century, it is still a relatively new and controversial topic within economics. Three main opinions of foreign aid in relation to development, however, can be articulated, as a means of understanding the main aspects of the foreign aid debate (Edwards, 2015). The first view of aid is distinctly positive towards foreign aid. While it recognizes that the implementation and allocation of aid can be improved upon, it contends that aid can lead to the end of poverty and spur economic growth. Importantly, this approach identifies the underprovision of foreign aid as the main issue in the international community; a “big push” of aid is required to end the poverty trap of low-income countries so that they can obtain self-sustaining economic growth. A second view of aid rejects the idea that aid has or will have any meaningful effect on development or poverty reduction. Instead, this view is skeptical of the theoretical conception of poverty traps, the aid-growth relationship, and points to a number of real issues involved in aid implementation – like Dutch disease and corruption. Finally, a third view includes alternative approaches by economists like Paul Collier or Esther Duflo and Abhijit Banerjee. Instead of contending that aid is good or bad, they focus on finding in what circumstances aid does or doesn’t work. This reflects a similar shift in the policy debate away from whether aid works or doesn’t work to a contextualized approach of how to best implement aid.

This chapter will give a brief overview of each view towards foreign aid, followed by a comparison of the empirical evidence and reflection on the current international policy agenda for aid. Certainly, it is worth noting that although many studies on development and aid look at growth as a stand-in for development, growth is often a limited and misleading tool to measure economic development and, most importantly, the effect of aid on people’s lives. GDP growth
does not reflect the impact aid has on poverty or inequality, meaning that even positive growth
could result in very little improvement for the lives of a country’s poorest. Secondly, GDP
growth does not represent the environmental or social systems it takes place in (Constanza et al.,
2009). Growth, without sustainable or ‘green’ development practices, can have a long-term or
even short-term negative impact on surrounding communities. Even well-intentioned
development projects can have negative environmental externalities or disrupt communities,
which are of course not reflected in measures of GDP growth. With this in mind, this chapter will
still discuss the relationship between aid and development because of its importance to the
overall debate, but will instead focus on broader measures of human development linked to the
UN’s Human Development Goals and Sustainable Development Goals, especially in the case of
Mali in Chapter 3.

As previously mentioned, the first view of aid holds that not only is aid effective, but that
it can deliver a solution to global poverty (Sachs, 2005). Fundamentally, this approach is based
on the work of economist Jeffrey Sachs, who holds that developing countries have essentially
fallen behind the West and are stuck in poverty traps. Without outside assistance, developing
countries are unable to garner sufficient savings to finance investment and are instead stuck in a
self-reinforcing cycle of poverty (Sachs et al., 2004). Because of this, Sachs argues that a “big
push” of aid – meaning a large, immediate increase – is needed to end the poverty trap, so that
developing countries are able to achieve self-sustaining growth on their own. Theoretically,
Sachs explains this idea specifically in the context of Africa by using a standard neoclassical
growth model and attributes the poverty trap to three main factors: capital thresholds, saving
traps, and demographic traps. All three of these factors work in combination to create poverty
traps, and most importantly, are factors Sachs believes can be remedied through the use of foreign aid.

The equation below is a standard neoclassical growth model, which Sachs uses to theorize poverty traps in Africa (Sachs et al., 2004). In a neoclassical framework, the rate of capital accumulation (\( \frac{dk}{dt} \)) is modeled by

\[
\frac{dk}{dt} = (sA)f(k) - (n + d)k
\]

where \( s \) is the savings rate, \( A \) is total factor productivity, \( k \) is the capital-labor ratio, \( n \) is the rate of population growth, and \( d \) is the rate of capital depreciation.

Broadly speaking, the equation above models how the economy experiences per capita growth so long as savings per capita is higher than capital widening. The first part of the equation \( sAf(k) \) represents savings per capita, while the second part of the equation \( (n+d)k \) represents capital widening. Capital widening refers to when the capital stock grows, but at an equal rate of increase to that of labor, so that the capital-labor ratio remains unchanged. For capital widening to occur, savings per capita must be at a level by which the capital-labor ratio \( k \) is constant with population change and capital depreciation. Alternatively, an economy may instead experience capital deepening, which refers to an increase in the proportion of capital relative to labor. This is shown as the difference between savings per capita and capital widening. In this model, a country will experience growth so long as savings per capita is higher than capital widening. Conversely, if savings per capita is lower than capital widening, output per capita will decline (Sachs et al., 2004).

Sach’s first explanation of Africa’s poverty trap relates to capital thresholds. While the neoclassical growth model is often presented to show growth even if the capital-labor ratio \( k \) is low, Sachs notes that very low \( k \) translates into low marginal productivity of capital because of
capital thresholds. To have more modern, efficient production practices, investments in infrastructure and human capital are first necessary, which then offer increasing returns to scale in capital until constant or diminishing returns set in. Through this, Sachs argues that a poverty trap persists when developing countries are not able to invest sufficiently to reach a certain capital stock threshold, and thus investments have very little effect on per capita growth.

Secondly, Sachs uses the model to explain the role of savings in perpetuating a poverty trap. He notes that when $k$ is very low, the savings rate can also become very low, as poor households are unable to save when all income must be spent in just meeting basic needs. This causes a savings trap: a low capital-labor ratio causes a low or negative savings rate, which then prevents investment and perpetuates poverty. Thirdly, Sachs argues that a demographic trap contributes to the poverty trap. The rate of population growth ($n$) is a function of the capital-labor ratio ($k$), making it more likely that savings per capita is less than capita widening when $k$ is low, meaning a decline in output per capita. By this, he essentially means that low-income countries tend to have higher fertility rates for various reasons. For example, children can help provide economic security for their parents by helping with household tasks from a young age and then taking care of their parents when they are old. Moreover, higher infant mortality rates and a lack of family planning options can also result in higher fertility rates. Because of this, Sachs argues that at low levels of the capital-labor ratio, it is more likely that capital widening will exceed savings per capita, thus contributing to a decline in per capita output (Sachs et al., 2004).

In summary, capital thresholds, the savings trap, and the demographic trap, all act in conjunction with one another to cause a poverty trap. Because of this, Sachs argues that foreign aid should be directed towards raising $k$ to a level where African countries can in turn experience
self-sustaining growth. He argues that growth would be self-sustaining because an increase in $k$ would in turn increase total factor productivity ($A$) and the savings rate ($s$). Importantly, Sachs specifically articulates both the magnitude and direction of aid needed to end the poverty trap. Aid should be large enough to once and for all end the poverty trap; a one-time “big push” strategy will also enable an exit from previous high-levels of aid spending by donor countries over the year. As part of this, he suggests that most past flows of aid have simply been too small to end the poverty trap and have not achieved their ultimate goal because of this. In terms of the direction of aid, Sachs ultimately suggests that it should be seen as an external savings flow to enlarge national savings based around increasing the capital stock (Sachs et al., 2004).

As previously mentioned, advocates of foreign aid, like Jeffrey Sachs or Joseph Stiglitz, recognize the importance of the specifics of aid allocation, which goes far beyond just the idea of increasing capital stock. In fact, Sachs argues that in order to break sub-Saharan Africa’s poverty trap, attention must be given to the factors that have created the poverty trap in the first place: high transportation costs, a small market size, low-productivity in agriculture, and a high disease burden. All of these add to the already three issues (capital thresholds, savings trap, demographic trap) that Sachs raises in discussing the neoclassical growth model. In recognizing these additional factors, he argues that they must be addressed through specific policy interventions, based on investment in goods, services, and infrastructure. While addressing these, MDGs and SDGs may be addressed at the same time, and Sachs recognizes the often overlapping nature of good aid programs. For instance, investments in rural agricultural productivity could at the same time mitigate poverty and hunger (Sachs et al, 2004).

Certainly, it is a tacit assumption of these programs that aid must be directed explicitly at development, but as Stiglitz notes, development assistance is often measured against aid intended
to achieve political objectives. Instead, he argues that the effectiveness of aid should be measured by true development assistance that invests in “on the ground” programs – like irrigation programs in the Philippines or education for children of migrant workers in Columbia. This certainly adds to a conception of effective aid as focused around the needs of its recipients and development in a holistic manner especially. Moreover, in light of findings that aid increases economic growth in good policy environments, he argues that aid to countries without reliable governments and policies should not be stopped. Rather, it should be given in ways that bypass the government and work directly with NGOs and the poor. For instance, micro-credit programs that may help promote small business livelihoods require no direct government participation (Stiglitz, 2002).

A second approach to foreign aid is in direct opposition to Sach’s model; it instead holds that not only has aid failed to deliver growth to developing countries, but that it has also fostered dependency and corruption. Theoretically, economist William Easterly, among others, rejects the idea of a poverty trap based on the lack of empirical evidence supporting it. By using data from 1951-2001, he finds that it is not the poorest quintile of countries with the lowest growth, but rather the middle quintile (Easterly, 2006). This suggests that the poorest countries are able to obtain higher economic growth than others, despite their low-income status, suggesting that they are not stuck in a poverty trap. Moreover, taking into account the possibility that aid may have allowed the lowest quintile of country to escape the poverty trap, Easterly divides the poorest quintile of countries between above-median and below-median recipients of foreign aid, finding that below-median foreign aid recipients have enough growth to reject the poverty trap hypothesis.
Easterly not only criticizes Sach’s theorization of poverty traps but also the idea that aid is the solution. Fundamentally, Sach’s theory is based on a financing-gap model, by which aid fills the difference between required investment for growth and current resources. Easterly makes two main theoretical criticisms of the financing-gap model: first, it assumes the capital-output ratio and thus investment to growth relationship is linear, which does not take into account possibility of different quality of investment, and second, it assumes that aid investment will finance investment over consumption (Easterly, 2003). As he notes, aid will likely only go towards investment if there are incentives to invest and it is liquidity-constrained, meaning even in the model, aid may not encourage growth. Beyond this, Easterly criticizes the efficacy of aid using empirical evidence. Despite the prominence of the financing-gap model in institutions like the World Bank and IMF, he finds that through a regression of 88 countries, testing the relationship between investment and aid and investment and growth, only one country, Tunisia, truly showed signs of having a financing gap (Easterly, 2003). Finally, Easterly rejects Sach’s notion that a big-push aid strategy can create a ‘takeoff’ for self-sustaining growth. He defines a takeoff for economic growth as a change from zero growth (defined as -0.5% to 0.5% growth) to above 1.5% growth for a long enough period of time. Using various time intervals, he fails to find widespread empirical evidence of growth takeoffs, aside from a few rare examples in Asia (Easterly, 2006).

It is easy to get lost in the Sachs and Easterly theoretical debate, but certainly, the aid debate is not confined to two economists alone. In fact, Easterly is joined by many others in criticizing the efficacy of aid. The most common criticism, perhaps, is that aid is ineffective because of government corruption and in some cases may even cause corruption. This criticism has been especially directed at African countries, like Mali, with some writing that Africa as a
whole is characterized by corruption relating to “the supremacy of the patrimonial state over civil society” (Rimmer, 2000, p. 124). While there may be legitimate economic criticisms of aid on the basis of corruption, such criticisms must be understood as part of a broader political discourse.

As anthropologist Lucy Koelchin argues, corruption is not a neutral term but a political concept that has been at the heart of development discourse (2013). In fact, anti-corruption has been considered a top priority by development agencies and donors alike, with the World Bank president even declaring corruption as public enemy number one in the developing world (Kenny, 2017). Widespread anti-corruption discourse has manifested itself as policy, as aid has increasingly been linked to anti-corruption reform and NGOs specialized at countering corruption (Koelchin, 2013). Despite the real material consequences of the anti-corruption agenda, Koelchin argues that the term ‘corruption’ itself is an empty political signifier, which different groups can attach completely different meanings to. As such, corruption conceptually has been deeply politicized, where it is recognized in some circumstances but not in others. One such circumstance is that of discourse on Africa. Discussions of African politics are almost always concerned with the ubiquity of corruption and kleptocratic regimes, even when similar instances of corruption in Western countries might not be labeled as such. Moreover, in African development discourse, the elimination of corruption has transcended its inherent meaning, as it has quickly become synonymous with a host of other far-reaching goals, including good governance, anti-poverty, and efficiency (Koelchin, 2013). With this in mind, the economic literature on foreign aid and corruption is still a fundamental part of the aid debate but must be approached with some skepticism, especially in the context of Africa.
Although Koelchin defines corruption as an empty signifier, she notes that academically, traditional political theory has defined corruption as a “medium of political influence,” which includes actors and practices relevant to specific political systems (2013, p. 240). In relevance to foreign aid, corruption often takes place at both high and low levels of government through embezzlement or bribery (Kenny, 2017). Bribery specifically may hinder development projects, resulting in both an increased price of investment and a lower return on investment. Because bids are rigged based on bribes, contracts are often far more expensive and result in lower quality projects. Generally speaking, bribery is possible because of weak governance; lack of transparency or enforcement of the law enables officials to take bribes and may contribute to undermining faith in governance. In addition, corruption may take place through embezzlement of funds. Without proper enforcement or accountability mechanisms, elites may capture aid funds for their own personal benefit, largely due to the fungibility of aid, which will be discussed later on (Kenny, 2017). As such, corruption is traditionally of concern in development economics as it may reduce the efficiency of foreign aid, hinder funding altogether, or contribute to further eroding trust in the government.

In regards to Africa, Dambisa Moyo, a Zambian-born economist, argues that aid has not only been wasted by corruption, but that it has fuelled corrupt regimes and created a cycle of dysfunction as well. By this, she means that aid has essentially funded nationally corrupt governments that interfere with the rule of law and free, open civil society. As she argues, this creates a vicious cycle, by which foreign investments are less attractive, leading to poverty, unemployment and low growth. This in turn gives donors more cause to allocate aid, thus creating a vicious cycle of aid-dependency and corruption, without true economic development (Moyo, 2010). Importantly, Moyo’s criticisms go far beyond recognizing that corruption may
hinder the effectiveness of aid but suggest that aid itself drives corruption and hinders economic growth. While aid-giving institutions have not taken such an extreme stance as Moyo, the ‘fight against corruption’ has become a critical development priority at an international level.

As previously mentioned, anti-corruption has evolved into a critical part of development and African discourse, leading to real policy consequences for donor and recipient countries. One author, in particular, argues that the focus on anti-corruption has in fact manifested itself in a corruption-fighting industrial complex that has inadvertently led to donor corruption and undermined recipient ownership of aid (Kenny, 2017). The policy focus on anti-corruption has distracted from efforts that might encourage economic development. With the World Bank especially, spending on corruption and fraud monitoring has far outpaced spending on corruption-monitoring far outpacing results-monitoring of development projects (Kenny, 2017).

Secondly, anti-corruption has been used to justify donors working with preferred Western contractors, rather than the recipient governments and businesses within their countries. Certainly, this goes directly against the Paris Declaration’s focus on recipient aid ownership, as aid is instead channeled through donors with little control by recipients. Moreover, it means that donors are often engaged in corrupt or at least morally ambiguous practices themselves. As an example of this, the U.S. Agency for International Development (USAID) has notably selected contractors based on connections within D.C., creating a market for aid consulting firms within the U.S (Rashid, 2004). Like in developing countries often accused of corruption, these connections are often based on the blur between the private and public sphere, yet USAID is instead viewed as an anti-corruption body. This shows that donor corruption is often overlooked or forgotten altogether, even as a part of anti-corruption efforts.
In part, this may be due to power asymmetries between donors and recipients. Recipients themselves lack mechanisms to hold donor governments accountable, given their weak negotiating position. By contrast, donors may suspend aid to the recipient government based on corruption. In fact, as part of anti-corruption efforts, the Millenium Challenge Corporation, a US foreign aid agency, requires countries to score above the median score of their income group in control of corruption as part of the aid allocation process. With this, some argue that the policy focus on corruption as a matter of economic development has actually backfired; such policies have actually encouraged donor corruption and redirected resources away from initiatives more directly linked to developmental objectives.

Part of the reason corruption is such a concern with foreign aid is that aid is highly fungible. Fungibility of aid can occur in a number of ways, but essentially refers to how aid intended for one thing may go to another. More specifically, a government may use the physical resources for one project for a different purpose, or may move its own money from one sector to another, so that aid does not actually increase the net investment in that sector. This is of concern to critics of aid because of the possibility aid may be captured by elites and go to projects that do not actually foster development. Moreover, on a policy level, this is especially of concern for donors, who have attempted to use tied-aid to overcome this problem. Even with tied aid, aid can still be used in ways it was not intended, but the more recent push to have results-based aid may eliminate this problem. By basing the allocation of aid on results, aid is more likely to fulfill its intended purpose and affect development. While the fungibility of aid has been a main criticism of aid dating back to the 1950s, some now actually see fungibility of aid as a positive (Leiderer, 2012). One of the positive aspects of fungibility in this view is that donors often pursue their own political agendas in giving aid, so aid as allocated by the recipient country may actually be more
targeted to the people who need it. Moreover, fungibility of aid can reduce budget volatility and act as budget support, helping to fill budget shortfalls. Finally, recipients of aid can stockpile aid to lessen future aid shocks when donors lessen the amount they give significantly (Leiderer, 2012). Certainly, fungibility of aid remains an important criticism of foreign aid and how it may not go towards development, but recent studies find that in some cases fungibility may be a positive that provides recipient countries with helpful flexibility.

Another concern is that foreign aid may actually hinder economic development through Dutch disease. Dutch disease is often attributed to the discovery of a natural resource, which then leads to demand for that country’s currency and appreciation of the exchange rate. This has an adverse effect on other industries, because of the decline in price competitiveness, and it contributes to unemployment, as jobs move outside the country. While the classic example of Dutch disease is based on the discovery of a natural resource, many believe the influx of aid can cause Dutch disease as well. Though aid can contribute to Dutch disease through a variety of mechanisms, one of the most prominent explanations is through how it impacts the relative price of non-tradable goods (Ouattara and Strobl, 2003). As aid is normally directed towards investment outside of trade, the relative price and demand of non-tradable goods increases, causing the real exchange rate to appreciate. This then leads to a decline in exports followed by reduced production of tradable goods. Certainly, the harm to other industries through Dutch disease is seen as a hindrance to a country’s economic development, but the extent of that harm is largely dependent on the desirability of supporting those industries. Just as with fungibility of aid, Dutch disease and aid is highly contested within the literature. Many studies like (Ouattara and Strobl, 2003) find no evidence of aid causing Dutch disease, while others suggest that Dutch
disease may result from foreign aid but can be reduced by greater donor-recipient cooperation (Roe, 2011).

Finally, one last criticism of aid is that it may not be well-used because of limited absorptive capacity. Absorptive capacity is loosely defined as how much additional aid can be used efficiently and without causing negative effects like Dutch disease (Bourguignon and Sundberg, 2007). There are said to be absorptive capacity tipping points, where there are negative marginal net returns to aid. This is connected to other concerns of aid implementation, like poor governance or corruption, but fundamentally suggests that additional aid will have negative results, unless a country has sufficient absorptive capacity. Low-income countries are especially subject to concerns of limited absorptive capacity because of “macroeconomic, institutional, infrastructure, human capital, or sociocultural constraints” (Bourguignon and Sundberg, 2007, p. 2). Limited absorptive capacity is not necessarily an argument against foreign aid itself; aid advocates contend it is the exact reason aid is needed and that reform can ensure successful scaling-up of aid. However, limited absorptive capacity does appear at odds with the ‘big push’ aid proposal by Sachs. For countries that lack absorptive capacity, a sudden increase in aid could lead to supply bottlenecks, rising costs, and overall worse implementation of development programs. If they instead adopt a gradual increase of aid, countries could improve their absorptive capacity with development and thus the effectiveness of aid (Haider, 2018). That being said, a large increase in aid still could be a viable approach; absorptive capacity is highly dynamic and correct sequencing and timing of aid could overcome initial constraints on absorptive capacity.

A third growing view of foreign aid is that arguments as to if aid is good or bad are pointless; instead, the focus should be on in what conditions aid works and in what conditions it
doesn’t (Edwards, 2015). This camp includes Banerjee and Duflo, who argue that the study of aid should be refocused on evidence-based implementation of aid. To do this, they advocate for studying aid at the micro level through randomized controlled trials of various aid projects. Researchers conduct an RCT by randomly assigning different programs or program versions to individuals or communities. The random selection then means that any difference between them is a result of the different program or program version. To put this into practice, the Abdul Latif Jameel Poverty Lab (J-Pal), founded by Banerjee and Duflo, has put on over 1100 policy experiments in 91 countries, based on transforming evidence to policy. These experiments range from examining deworming and its effect on school attendance to delivering agricultural information through cell phones (J-Pal, n.d.). Certainly, these experiments suggest the importance of studying aid implementation, not deciding altogether if aid “works” or doesn’t “work.”

As part of their argument for evidence-based policy and “smaller” solutions to development, Banerjee and Duflo address the institutional aspects that underpin both sides of the aid debate (2012). As previously mentioned, good governance, good policy, and corruption all play a critical role in determining aid effectiveness. While some, like Stiglitz, argue that aid implementation outside of government may work, it is still widely agreed upon that the effectiveness of aid widely depends on the quality of governance. Banerjee and Duflo take a different view altogether. Although they recognize widespread problems of corruption and poor institutions, they argue that institutions should be viewed from the bottom up. This is because every major “Institution” is constituted by smaller, localized “institutions,” which determine in many ways how an institution impacts someone personally. For instance, they cite the introduction of village-level elections in rural China in the 1980s. Even though local elections
were often rigged or unfair and the country as a whole remained under one-party rule, the village chiefs were still less likely to enact unpopular policies and more likely to readjust public expenditures to be more reflective of villager needs.

This example is one of many, but it illustrates their overall argument: change can happen even through small, imperfect changes in local policy, which can gradually transform institutions for the better. As such, they argue that even within bad institutions, good policy design can work around political constraints and improve institutions at the margin. Through this, expectations, which often create self-fulfilling prophecies, can also change for the better, creating a quiet revolution. Overall, this perspective serves against sweeping views of aid’s effectiveness but suggests that aid can work with the correct implementation. While they might not propose that aid can produce an immediate end to poverty, they certainly articulate that the right policy can over time decrease poverty and promote economic development (Banerjee and Duflo, 2012).

Like Banerjee and Duflo, Paul Collier takes an alternative approach to aid, focused not only on its implementation, but its allocation as well. Collier argues that aid has promoted economic growth, but not by as much as many would argue (2006). Over the last 30 years, in fact, he suggests that foreign aid has improved growth for the poorest countries by around 1%. While this has not meant decisive economic growth, he argues that without aid, countries in Africa might have faced collapse or at least worse growth. If aid were to be increased according to existing scale-up policy, he argues that it would be subject to diminishing marginal returns and bring in little additional improvement. Because of this, Collier suggests that aid should be reformed, at least in finding opportunities that aid has not currently been put into use for.
Collier bases his suggestions of aid use on his overall theorization of the poverty trap, which is further categorized into four different kinds of traps: conflict traps, natural resources traps, governance traps, and landlocked traps (2006). While aid has limited use for the first two traps, it can greatly address the latter two through building transportation infrastructure or developing greater technical assistance. To address poor governance, Collier argues donors should switch from policy conditionality, by which aid is tied to the enactment of a certain policy, to governance conditionality instead. By this, he means that aid would instead be conditioned on measures of good governance – such as free elections or greater transparency – so that the government would be more accountable to its own citizens, rather than donors.

Beyond advocating for governance conditionality, Collier makes several other recommendations for aid implementation. He suggests that the implementation of aid could improve by reforming aid agencies to act more as development agencies instead. This would mean viewing aid as only one branch of activity, focusing in addition on ways to support development independent of aid. Secondly, Collier suggests that global funds, like the Global Fund to Fight AIDS, Tuberculosis, and Malaria, are less effective because they are disconnected from country-led strategies. Instead, he argues that such funds should play a supplemental role to national strategies that focus on maximizing the potential of aid to increase economic growth. Notably, Collier also cautions about the risks of overly focusing aid on the country-level and supporting national ownership. For landlocked countries, like Mali, they are dependent on neighboring coastal countries to invest in their transport corridor to have access to trade. Because coastal countries lack the same incentive and would instead prefer investment in other areas, he argues that emphasis on country-level ownership and decentralization has actually inadvertently limited the scope of aid (Collier, 2006). Certainly, both Collier and Banerjee and Duflo hold very
different views of aid, but it is clear that they all join a growing number of economists that focus on in what conditions aid may or may not be effective.

**Evaluating the Evidence**

As previously mentioned, economic growth is but one of many measures of economic development and should not be taken as the sole indicator of whether or not aid is effective. That being said, cross-country regression studies of aid and growth have played a pivotal role in the aid debate and are critical to understanding the evolution of approaches taken by scholars. Because of that, it is important to consider previous studies of aid and growth, as well as other existing quantitative studies that attempt to track aid’s effectiveness. One of the landmark papers in support of the view that foreign aid can positively affect economic development was written by Burnside and Dollar (2000). By using a modified neoclassical growth regression model, they found that foreign aid could have a positive effect on economic growth, so long as it was in countries with good fiscal, monetary, and trade policies. While this study has continued to be a prime source of evidence for advocates of aid, replications of it have delivered different results. More specifically, Easterly, Levine, and Roodman maintained the same methodology as the initial study but added in missing sample data and extended the timeframe from 1993 to 1997 and found there was little evidence to support the aid-policy-growth hypothesis (2004).

Other studies beyond Burnside and Dollar (2000) have found evidence for the link between aid and growth. For instance, Clemens et al. (2011) found that on average increases in aid are followed by increases in investment and growth by re-analysing data from three of the most major studies on aid and growth. In the study, researchers specifically adjusted data to account for a time-lag impact on growth. This is because many aid projects, like funding for
vaccinations, have an impact over time rather than instantaneously. With this and other statistical adjustments, the study found Granger causality of aid with growth. By this, it is meant that they found time series data of aid was able to forecast growth data, on average. However, as they noted, Granger causality, referring to the ability of one time-series to forecast another time-series, is not the same as true causality and the evidence was by no means sufficient to establish that aid “works” (Clemens, 2011).

Beyond this, there have also been numerous meta-analyses on the subject, which, much like individual studies on aid and growth, find conflicting results. One meta-analysis of 97 econometric studies by Doucouliagos and Paldam (2005) found no evidence showing a positive aid-growth relationship, instead finding a reluctance bias regarding the sharing of data showing negative effects of aid. A more recent meta-analysis by Mekasha and Tarp (2013), however, found that the relationship is positively and statistically significant, especially in consideration of longer-term time horizons. These two conflicting meta-analyses alone suggest that the relationship between aid and growth has by no means been settled by cross-country analysis, leaving some economists to call for entirely different forms of study altogether.

Reconceiving the Foreign Aid Debate

Overall, cross-country regressions have been increasingly criticized as the ideal method for studying aid effectiveness due to conflicting findings and methodological constraints. Even if studies are able to address time consistency problems, there is still the issue of including aid used for non-development objectives, aid that is lost in instability and conflict, and aid is wasted on poorly designed programs (Bourguignon and Sundberg, 2007). Moreover, as previously mentioned, these studies miss non-growth outcomes of aid, which are indisputably important in understanding aid’s effectiveness. The difficulty of studying aid effectiveness is not
confined to these studies alone. As has been shown, quantifying aid’s impact on non-growth outcomes like disease or poverty reduction provides just as many obstacles. Even at a project or case study level, it is difficult to establish causality because of the problem of attribution, making it impossible to know just how far one dollar of aid goes. Because of all of these reasons, Bourguignon and Sundberg fittingly describe aid as a ‘black box’ unable to be understood by conventional tools of analysis (2007).

While this presents a relatively grim picture of the aid debate, Bourguignon and Sundberg argue that a focus on causality links can “break open” the black box of aid. They contend that there are three main chains to aid: policies to outcomes, policymakers to policies, and external donors and financial institutions to policy makers. By focusing on each of these links, they believe that no longer will the mistake be made of trying to relate aid to development outcomes without care to the entire aid process. Instead, study of aid that is contextual in all ways – including contextual to the process of aid allocation and implementation – can help break open the ‘black box’ and determine not just if aid is good or bad, but in what circumstances aid is effective (Bourguignon and Sundberg, 2007).

A New Policy Agenda for Aid

Just as the economic debate over foreign aid has shifted, the international policy agenda for aid has shifted as well. Since the 2000 Millennium Summit and 2002 Monterrey Conference, Bourguignon and Sundberg note that the international aid architecture has shifted its orientation to country ownership and performance-based allocation of aid (2007). Both of these two principles were espoused specifically in the Paris Declaration in 2005 and then reaffirmed again in 2008 by the Accra Agenda for Action. Both forums included representatives from all OECD donors, developing countries, and multilateral institutions like the UN -- with over 100 countries
and agencies endorsing the agreement (OECD, n.d.). The Paris Declaration specifically promoted greater recipient ownership, by which recipient countries would have greater say over the development process through establishing their own poverty reduction strategies, channeling aid more through local systems, and committing to strengthening their institutions. On the donor’s end, this meant greater alignment with recipient countries, in that they would support these objectives and overall recipient-led implementation of aid. In conjunction with this, the Paris Declaration included harmonization, results, and mutual accountability to focus aid on deliverable development results.

At the Accra Agenda for Action in 2008, the countries and representatives outlined four main areas of improvement to achieve the goals of the Paris Declaration: ownership, inclusive partnerships, delivering results, and capacity development. This once again showed an emphasis on greater ownership and accountability of aid-recipients and results-based allocation of aid. Like with Paris, the focus on results also meant developing better ways to monitor the success of aid. The initial aid monitoring system from the Paris Declaration has continued to be in place, with indicators of just how much each country has made towards the goal espoused in each of the international agreements. Beyond Accra, a Fourth High Level Forum on Aid Effectiveness took place in 2011 in Busan, South Korea. The resulting Busan Partnership for Effective Development Co-operation took on relatively similar goals as Paris and Accra, but added focus to South-South and triangular cooperation. While South-South cooperation includes two members of the Global South, triangular cooperation includes a role for Northern partners, who ideally help facilitate technical assistance between two Southern countries. Mali and France is a clear example of North-South cooperation, but certainly, the principles of Paris, Accra, and
Busan, were meant to be applicable to an instance of North-South bilateral aid exchange as well (OECD, n.d.).

**Aid Ownership**

The concept of aid ownership has especially risen to prominence because of the aid dependence of numerous countries in Africa, like Mali. Weak ownership of aid means that these countries, to varying degrees, lack control over policy design and implementation (Whitfield, 2009). As recipient governments have sought to work their priorities into a donor’s agenda, they have been caught up in a permanent state of negotiation, which places stress on limited administrative resources that could otherwise be focused on policy design and implementation. Additionally, governments with already weak institutions and aid management are often in a bad negotiating position; they have a very strong incentive to go along with donor aid agendas and lack full authority over aid management. This often results in concessions in exchange for maintaining high aid, along with fragmentation of both policy and its implementation. Certainly, a large part of the incentive to garner as much aid as possible from the negotiation process is political as well as economic. Governments with already tenuous political support require aid to deliver promises and maintain political legitimacy, putting them in an especially subordinate position to donors.

Given the negative effects of weak ownership of aid, what then can be done to promote aid ownership? While the Paris Declaration and following agreements were signed by a large number of aid donors, that certainly does mean aid ownership will or has been achieved by donors, given their numerous conflicting interests. Even in recognizing aid may be more effective with greater ownership, donors are still reluctant to give up their own agendas and are eager to quickly reach targets, which can often result in interference with the public
administration of the recipient country. Still, by adopting a more hands-off approach targeted at supporting, not guiding, recipient countries, aid ownership can improve. On the recipient side, many of the actions recipient governments may take fall in line with Paris, in improving institutions and creating their own strategies towards economic development. In many cases, this may mean taking a stronger position in aid negotiations and rejecting aid not in line with their own strategies (Whitfield, 2009). Fundamentally, it is clear that better aid ownership must result from both donors and recipients and that some effort must address the root incentives underlying current donor-recipient negotiations.

**Results-Based Allocation**

In addition to promoting ownership of aid, the forums in Paris, Accra, and Busan, all included an emphasis on results. As previously mentioned, part of this meant establishing a global monitoring system, intended to track progress towards the goals of Paris and the Sustainable Development Goals. The other part of this, however, meant a greater focus on the recipient level, in linking aid allocation to performance. Just tracking performance is an issue in itself, as many development projects either lack monitoring altogether and how to measure the success of an aid project is highly contested (Bourguignon and Sundberg, 2007). The designated targets of aid are often arbitrary and not realistic. This essentially sets up projects to fail by the design of such high standards. Secondly, monitoring of aid projects often lacks the voices of those who the project is intended to benefit; this means that negative externalities not seen in the direct effects of aid are excluded. Thirdly, recipients and donors both have incentives to overreport the success of projects. While recipients hope to garner more aid or at least maintain current aid, aid donors are equally as invested in showing positive results to their political constituencies. Finally, there is also the issue in balancing good performance of aid with greatest
need. The poorest countries often have poor governance and greater risk that aid is not used for
its intended purpose, but are also usually the places aid is needed the most. To remedy this,
Bourguignon and Sundberg argue that aid could be channeled through reputable NGOs, although
this still raises the question of balancing need and performance-based allocation of aid (2007).
Chapter III: French Foreign Aid to Mali

Economic Development in Mali

Mali, by almost any definition, is widely considered to be a low-income and underdeveloped country. As previously mentioned, Mali ranks 148th out of 167 countries on the 2020 Legatum Prosperity Index, based on education, governance, economic quality, and living conditions (Legatum Institute, 2021). Mali has a poor Human Development Index ranking of 184th out of 189 countries with a score of 0.434. Like the LPI, the HDI hopes to measure economic development and ‘progress’ through a more holistic index, which takes into account “a long and healthy life, access to knowledge, and a decent standard of living” (UNDP, 2020, p. 2). In terms of data, this translates to life expectancy, mean years of schooling and expected years of schooling, and GNI per capita. While both of these indicators speak to Mali’s lack of development, especially in a comparative context, it is important to understand the specific data when it comes to measures of health, education, and poverty in Mali.

Though Mali ranks as one of the lowest 20 countries of either Index, it has made improvements in all three aforementioned areas of development. In terms of Human Development Index components, life expectancy at birth has risen from 48.1 in 2000 to 59.3 in 2019. For the same time span, expected years of schooling has risen from 4.6 to 7.6 years with mean years of schooling increasing from 1.2 years to 2.4, and GNI per capita (in 2017 Purchasing Power Parity dollars) has gone from $1,615 to $2,269 (UNDP, 2020). All three of these components of human development have shown some improvement since 2000; however, each of these figures remains low, especially in a global context. The high level of extreme poverty within Mali is indicative of this.
Poverty in Mali can be measured both by its poverty and multidimensional poverty headcount ratio. The poverty headcount ratio attempts to situate a country’s poverty level in a global comparative context by measuring the percent of population living below a set dollar amount per day, in 2011 purchasing power parity (PPP) terms. The most extreme level of poverty is indicated at the $1.90 benchmark. As of the most recent data available in 2009, 50.3% were living below this poverty level. Because poverty is not limited to deprivations based on income only, it is also useful to consider the multidimensional poverty headcount ratio, which is based on whether individuals are deprived in multiple ways, including categories like health, education, and standard of living. Only one data point is available for Mali – 39.8% in 2016 – but this shows that high levels of both extreme income and multidimensional poverty are present (World Bank, 2022).

Poverty in Mali must be understood as interrelated to gender inequality and a high fertility rate. Although fertility rates have declined somewhat over time, the latest estimate in 2019 remained high, at an average of 5.785 births per woman (World Bank, 2022). This has resulted in high population growth, which as previously mentioned in Sachs’ explanation of poverty traps, is seen as a critical barrier to economic development. High population growth generally creates unsustainable demand for public services, results in lower educational or health investment per child, and hinders a country’s national savings rate (UN DESA Population Division, 2010). Beyond this, of course, the high fertility rate has a profoundly negative impact on women’s health: in just 2017, the maternal mortality rate of 562 deaths per 100,000 live births. The high fertility rate, in addition to gender discrimination, has considerably impacted women’s ability to obtain an education or employment. Female-headed households tend to be
poorer, and the literacy rate for adult females in 2020 (22.078%) was considerably lower than that for males (40.343%) (World Bank, 2022).

Economic development and the continued persistence of severe poverty in Mali must additionally be understood in the context of both the climate crisis and Mali’s continued struggle with both political instability and conflict. Mali is located in the Sahel region, which is a belt that stretches East to West from the Atlantic Ocean to the Red Sea in Africa (NUPI and SIPRI, 2021). The belt can be understood as a semi-arid climatic zone, which is widely believed to be extremely vulnerable to climate change. The climate crisis is likely to bring hotter temperatures and sporadic rainfall that will increase the risk of both flooding and droughts. In fact, temperatures in Mali have already increased since the 1960s, and are likely to rise by 1.2 degrees celsius to 3.6 degrees celsius by 2060. Economically, the effects of climate change are most likely to affect herders and farmers within Mali, who currently make up an estimated 80% of livelihoods within the country. This will both have profound economic consequences, as Mali’s economy is dependent on agricultural output, and may result in a food crisis. Certainly, worsening climate conditions will likely exacerbate Mali’s existing struggles with violent conflict, as they exacerbate the underlying political, social, and economic conditions, and increase resource competition (NUPI and SIPRI, 2021).

**French Foreign Aid Allocation and Strategy**

In 2019, Mali received its largest amount of official development assistance ever, at a total of $1.863 billion (World Bank, 2022). Of this figure, Mali received roughly $157.83 million from France (€145 million) (Ministère de l'Europe et des Affaires étrangères, 2021). While other donors have given greater amounts of aid to Mali, France remained Mali’s leading donor of
bilateral assistance, as of 2019. This is a direct reflection of French policy. France's development policy has been oriented around developing partnerships in sub-Saharan Africa, especially with francophone countries, as part of promoting international solidarity. As such, Mali has been considered as 1 of 19 priority countries for France and has been a major recipient of bilateral aid (Ministère de l'Europe et des Affaires étrangères, 2021).

As previously mentioned, aid is loosely defined to include various types of assistance. For French official development assistance to Mali, however, aid has primarily consisted of grants, either to civil society organizations or to the government, because of its low-income status. France has also given a significant amount of security assistance, which this paper will also discuss. For priority countries such as Mali, aid is aimed at 5 main priorities, as set out by the Interministerial Committee on International Cooperation and Development (CICID), which is the main coordinator of French ODA (Focus 2030, 2021). These priorities largely correspond to the UN’s Sustainable Development Goals and include health, education, gender equality, climate and the environment, and fragilities (promoting peace and stability). In Mali, French ODA has targeted these priorities for the most part with a specific focus on water and energy infrastructure, agriculture development, basic services, and promoting good governance (Ministère de l'Europe et des Affaires étrangères, 2021).

French foreign aid to Mali must be viewed in the context of France’s broader aid policy. In recent years, France has committed to increases in foreign aid allocation in hopes of meeting the internationally-agreed upon 1970 benchmark of 0.7% ODA/GNI. In more recent years, this has meant large increases to foreign aid, by which priority countries have received additional funding, to meet the 1970 target by 2025 (Focus 2030, 2021). Besides this, France has also more broadly shifted its policy to prioritize direct bilateral giving through the form of grants to
low-income developing countries (LDCs). Accordingly, the percentage of aid in grants increased from 77% in 2017 to 81% in 2018, and the share of bilateral ODA has increased in the same timespan from 65% to 69% (Ministère de l'Europe et des Affaires étrangères, 2021). These recent efforts take place in a broader reframing of aid as globalized solidarity policy. For example, one aid report in 2018 was entitled “A common world, a common future for all,” suggesting the internationalist conceptualization of modern French aid policy (Donor Tracker, 2018).

French aid in Mali has increasingly taken the form of bilateral grants, but it has not consistently increased in the past 20 years. In fact, French bilateral ODA to Mali actually peaked in 2007 at $214 million, in comparison to $101.5 million in 2019. Since then, French aid has actually decreased significantly, following the 2020 coup d’état and current military junta’s refusal to agree to international democratic transition plans. Although France is still contributing aid to non-governmental organizations through the French Development Agency (AFD), the government itself is still under international sanctions from France and others. This reflects the importance of the French-Mali relationship. French aid may continue to be reframed as part of a globalized solidarity policy, but is still directly tied to the French-Mali relationship and underlying French motives for aid. While France has identified development as mutually beneficial and has publicly focused on the development objectives of aid, underlying security, economic, and political motives greatly shape the allocation process and are critical to understanding the donor-recipient relationship.

Motives for Foreign Aid

France’s publicly stated aid strategy, by which it emphasizes solidarity with developing countries and humanitarian giving, is by no means atypical. As exhibited by the 0.7% of GNI aid
target for richer countries, aid is often regarded as a charitable mechanism by which richer countries can “selflessly” promote the global cause of development and “give back” to poorer countries (Heinrich, 2013). That being said, while donor countries may truly intend to provide selfless assistance in certain instances, the literature on donor motivations widely recognizes that aid allocation is also often underpinned by realist, donor self-interest (Gulrajani and Calleja, 2019). As one paper puts it, donor motivations generally fall somewhere on a spectrum, including a mix of “clergyman idealism” and “merchant pragmatism” (van Dam and van Dis, 2014). In terms of “merchant pragmatism,” donors often act to pursue economic, political, or security national interests by giving aid. In many cases, this may be achieved through aid conditionality, by which aid is tied to set conditions that often benefit the donor. Certainly, donors’ self-interests may also be compatible with those of the recipients: a focus on economic development, for instance, could be considered beneficial for both countries.

Although France publicly frames its aid strategy as fulfilling a moral obligation to counter global inequality, there is no doubt that aid-giving in the past has been shaped by its national interests. In Mali specifically, France has multiple national interests related to the provision of aid. For example, France is interested in preserving its sphere of influence, especially in former French-speaking colonies, as a tool to promote other national interests (Diakite and Phillips, 2019). To this end, France specifically promotes its influence through assistance designed to spread French culture – “Cultural Diplomacy” – including efforts to promote the French language in government and schools. The desire to spread influence is closely linked to France’s historical relationships with past French colonies. Since the creation of the French Community, France has sought out close political relationships, and in certain cases, control of past colonies. This is clearly seen in the 2018 French list of priority countries that Mali
is included in. Of 19 countries, only three were not former French colonies (Ministère de l'Europe et des Affaires étrangères, 2021). The desire to spread influence is also closely linked to competition with other donors. In recent years, France has been increasingly concerned by China’s increased provision of aid and investment in African countries. Economically, it means competition with China because of its lower prices, and politically, France has been concerned it will threaten its voting block of around 15 to 20 countries that vote with France in the UN. Because of this competition, France has focused its strategy especially on former French colonies and may feel increased pressure to commit aid (Diakite and Phillips, 2019).

As previously mentioned, France has an explicit economic interest in providing aid to Mali, not just for the sake of Mali’s own economy. As of 2020, France was the third largest source of imports, right after Senegal and China, at a total of $405 million. In contrast, Malian exports to France only totaled $7.04 million, representing 0.14% of Mali’s total exports (OEC, 2020). The high level of French exports to Mali means that France has a direct national interest in promoting economic development, as it ensures a more favorable market for French goods. Because of Mali’s shared interest in its own economic development, France’s economic interest is often framed as a win-win for both parties. However, the achievement of France’s economic interests has historically been done in ways that do not necessarily benefit Mali, including tied aid, natural resource extraction, and scholarship programs that have led to a brain drain. Since 2001, France has made large strides to untie aid to fit international standards but still seeks out its economic interests in providing aid. In fact, as of a 2010 French Development Agency report, over 25% of AFD aid was implemented by French companies, showing the direct economic benefit of aid to France (Diakite and Phillips, 2019).
Finally, beyond its economic interest and desire to spread influence, France has a direct national interest in Mali relating to security concerns and migration. As has been mentioned numerous times, the presence of active terrorist groups, including offshoots of Al-Qaeda and ISIL, has attracted international attention from Western countries seeking to preventing terrorist attacks in their own countries. This has led France to provide security assistance and a direct military intervention through Operation Barkhane but even development aid has been affected by this purpose as well. Efforts to strengthen Mali’s government and economic development directly correspond with France’s hope to promote peace in stability. This is in large part because at the root of the issue economic and political grievances have increased fragility and contributed to the ability of terrorist groups to proliferate across Mali.

Because of political instability, terrorism, and poor economic conditions, a considerable portion of the population in Mali migrates out of the country each year. In fact, as of 2017, an estimated 200,000 Malians left the country. While the vast majority of Malians flee to neighboring countries, including Senegal and Côte D’Ivoire, a UN DESA report shows that around 10% of all migration was aimed towards Europe (Collett and Ahad, 2017). France has a large population of Malian immigrants but at the same time has deported many back to Mali. Like other European countries, France has shown hesitancy at accepting migrants or refugees from African countries, largely due to anti-immigrant sentiment and related calls to “protect” French identity. As such, France’s aid policy in Mali has been tied to interest to curtail migration. This has meant that aid supporting the political stability, security, and economic situation of Mali has been seen as in some ways addressing the root cause of migration. Beyond this, the French government also has aimed to develop a “migration partnership” with Mali through the EU. Though not bilateral aid, France played a pivotal role in the EU’s 2016 money-for-migration
deal, by which the EU offered Mali aid and development support, in exchange for strengthening border security and biometric passports (Baczynska and Korkemeir, 2016). Certainly, more recent French bilateral aid agreements may not have such an explicit suggestion of migration quid pro quos like that of the EU’s past deal, but the deal clearly reveals France’s motive to curtail migration from Mali, as both an origin and transit state for migrants.

The Paris Declaration and France

Although France may have both public and private motivations for aid that differ from those of Malian officials, it has publicly committed to the Paris Declaration on Aid Effectiveness and the idea of greater recipient-ownership. Importantly, the Paris Declaration is non-binding, and lacks equal accountability measures for donors (Bissio, 2013). Independent of Paris, asymmetry exists as donors do not face the same risk of losing aid if they don’t comply with agreements. Moreover, the political process initiated by the Paris Declaration furthered asymmetry. The supranational governing body designed as a forum to promote aid efficiency, the OECD Development Assistance Committee (DAC), is notably composed and funded by donors, creating an imbalance between donor and recipient voices (Bissio, 2013) With this in mind, the enactment of the Paris Declaration is largely up to the discretion of donor countries.

France, in particular, has at least attempted incorporating the main principles of Paris into its aid strategy, including harmonization, alignment, results-based management and mutual accountability. After the Declaration was signed, the French Development Agency released an action plan in 2008 listing 12 different steps it could take to incorporate the main principles of Paris into its aid strategies (Ministère de l’Europe et des Affaires étrangères, 2008). These steps notably focused on strengthening “partner” or recipient country participation, whether through further control of funding, greater input in the aid process, or integration of aid projects into the
partner’s pre-existing national systems and infrastructure. Besides this, these steps included measures to enhance the predictability of aid flows, at both a sector and country level, and finally, efforts to improve monitoring and results-based allocation of aid. Importantly, the action plan emphasized the role of Partnership Framework Papers, as a means to coordinate and harmonize efforts around aid (Ministère de l'Europe et des Affaires étrangères, 2008).

Broadly speaking, France has been able to make substantial changes after the enactment of the Paris Declaration and the subsequent Accra Agenda for Action. The most visible achievement may be seen in the untying of aid: France has been at the center of efforts to decrease the proportion of conditional aid, which often ties aid provision to contracts for donor-country companies. Beyond this, France has also worked towards greater transparency and results-based monitoring. The AFD now publically releases aid allocation figures for each development project, as well as evaluation reports, although this does not include all of the aid allocated by France, especially through multilateral means.

Overall, an independent OECD evaluation of the implementation of the Paris Declaration by France found that France had considerable room for improvement in enacting the Paris Declaration (Wood et al., 2008). It found that while France had made significant efforts to increase the amount of aid booked in partner governments, it still failed to consult recipient countries in its first Partnership Framework Documents. Moreover, due to the nature of its own budgetary process, it was unable to provide aid predictability in the medium-term; it released 5-year plans but was unable to commit to fully guaranteeing the aid. Finally, the report found that little progress had been made towards mutual accountability or results-based monitoring. The latter had more success, but as the author of the report put it, monitoring considered output more than actual outcomes. In its evaluation of France, the report did note that the Paris Declaration in
practice must be applied heterogeneously, in recognition of the differing circumstances of each country. Still, as with other countries, the report ultimately concluded that France had not fully politically bought into the Paris Declaration (Wood et al., 2008).

**Malian Ownership of Aid**

Much work has been done already to examine how successfully Western donors like France have put the principles of the Paris Declaration into practice in Mali. Stephen Brown, for instance, argues that Paris has changed the form but not the substance of aid to Mali (2016). By this, it is meant that after the Paris Declaration, Mali began authoring and releasing its own development plans. However, as Brown notes, this has given Mali ownership only in a formal sense; in practice, various difficulties have prevented Mali from ownership in terms of implementation. More specifically, Brown lists these difficulties as largely issues with the Malian government, rather than donors – overlapping plans, lack of prioritization, and lack of follow-up to projects (2016). This suggests that many of the problems of the implementation of aid can be directly tied to poor governance, coordination, and lack of absorptive capacity, even when given, at least formally, control over aid. That being said, while these issues may initially appear independent from a donor like France, they are not.

The lack of political will and capacity to manage aid is inherently linked to decades of aid dependency and donor-driven ownership in Mali. One author, Isaline Bergamaschi, who focuses extensively on aid management in Mali, links the inability of Malian officials to have true ownership of aid to structural adjustment programs (SAPs) enacted by the IMF beginning in the 1980s (2007). As a reminder, France was at first hesitant to support structural adjustment programs, but by 1993, made balance of payment support conditional on adherence to IMF and World Bank reforms (Cumming, 1995). Through SAPs, the IMF aimed to promote economic
stability by providing loans to countries experiencing economic crises on the condition that they enacted certain major economic reforms, based around liberalization and privatization. In Mali, the SAP resulted in a major overhaul of the government, with one out of every five civil servants leaving between 1987 and 1989 and elimination of key planning units in agriculture, health, and education (Bergamaschi, 2007). As a result, the Malian government has been permanently weakened with reduced administrative capacity to handle development planning and implementation, thus undermining national ownership.

Reduced administrative capacity has led to reliance on donor governments, which has perpetuated a self-reinforcing cycle of insufficient staffing and experience. In the past, donor governments have taken the lead on aid management, even integrating their own officials into the Malian government, which has reduced Mali’s technical capacity (Bergamaschi, 2011). This means that even with formal ownership, Mali has weak ownership in practice that creates an opportunity for continued heavy donor involvement. In fact, its Poverty Reduction Strategy Papers (PRSPs), which were supposed to have originated from the Malian government, involved strong donor involvement and supervision by the IMF and World Bank. As part of this, non-Malian technical assistants were hired by France and the EU to serve on PRSP units in Mali’s government, making even the ownership of the PRSPs questionable (Bergamaschi, 2007). Beyond this, decades of donor-led ownership have led to a fragmented aid system of the Malian government, by which donors can go to various different ministries to push their interests.

While ownership assumes reorienting aid to focus on recipient interests, as Bergamaschi notes, the interests of varying ministries within Mali differ significantly (2007). This means that when donors cannot reach an agreement with one minister or civil servant, they can easily go instead to a different ministry to pursue their policy goal. Because of this, the lack of one
governmental body to handle aid has often led different ministries to compete for aid, thus resulting in greater prioritization of donor interests. Additionally, Malian civil servants generally prioritize maximizing aid inflows, rather than certain priorities for aid, due to budget constraints. Even as a major recipient of aid, Mali is thought to be underfunded in aid and has little budget flexibility, especially for projects outside of donor priorities. Faced with competition from neighboring aid-recipients, like Senegal, Malian civil servants then prioritize maximizing aid, rather than ensuring aid conforms to their own interests (Bergamaschi, 2007). Finally, even the literal translation of ‘ownership’ has proved difficult to French and Bambara-speaking Malian officials. In both languages, there is no true equivalent of the word, with Bergamaschi noting that Bambara translations of “‘tigiya tali,’ which means ‘to get hold of’ and ‘ka ki yèrè tayé,’ which means ‘taking something as if it belongs to you’” raise immediate questions of sovereignty (2011). Through this then, it is clear that in practice, the principles of the Paris Declaration in regards to national ownership remain unaccomplished in Mali, largely due to a history of strong donor involvement.
Conclusion

This paper has sought to examine the effectiveness of French bilateral aid to Mali in achieving economic development by linking aid implementation and allocation to the donor-recipient relationship. In doing so, this paper has focused extensively on the colonial and modern relationship between France and Mali. Through aid giving, France has not sought a neutral policy of development promotion but has rather aimed to preserve a French sphere of influence, promote its economic interests, curtail migration, and prevent the spread of terrorism. In doing so, French interests have largely overridden Malian interests in enacting development policy, even with the adoption of the Paris Declaration in 2005.

Although the Paris Declaration included principles of ownership and mutual accountability, as a matter of policy, it did little to correct power asymmetries present between donors and recipients, like Mali and France. While France made steps towards its stated international obligations, like increasing public transparency of AFD projects, years of donor-led development have made Mali at best have nominal ownership over aid. Facing competition for aid and budgetary constraints, Malian ministries have been institutionally geared towards maximizing aid inflows, rather than pursuing their own interests. For development policy, this has meant that aid is often geared towards French interests, which may or may not correspond to Malian interests and development needs. Even more importantly, the maximization of aid inflows has undermined Malian governance and capability to oversee aid projects.

Malian civil servants are focused more on satisfying donors like France and competing for aid allocation than the actual oversight and implementation of aid. This is compounded by the lasting effect of structural adjustment programs, which France supported in the 1990s, that have greatly reduced the experience, wages, and total workforce of Mali’s civil service. Since
structural reforms, France has aimed to fill the lack of technical capacity through the involvement of its own officials, such as in the Poverty Reduction Strategy Papers. However, this has further served to weaken Malian governance, creating a dependency over time on French technical support.

While the foreign aid debate remains unresolved, it is clear that all three perspectives of aid note at least on some level the importance of good governance. In fact, the landmark paper, Burnside and Dollar (2000) supporting the connection between aid and growth only found it with countries that had good governance and sound policies. As such, it is not surprising that the role of donor-led development in Mali in weakening governance has had a direct effect on the effectiveness of development aid. Resources that would otherwise go towards aid management are instead redirected towards satisfying donor interests, whether in enacting policies that benefit donors like France more than the development objectives of Mali, or focusing on maximizing aid allocation, rather than overseeing development projects. This has had a direct effect in undermining economic development in Mali, as it relates to foreign aid.

The connection between foreign aid and economic development remains a highly contested topic within economic literature. However, as this paper has revealed, there has been increasing focus on examining in what circumstances aid is most effective, rather than whether or not aid ‘works.’ In line with this approach, this paper has focused on the causal link between donors and policymakers, in examining the effectiveness of French bilateral aid in Mali. By examining the historical and modern relationship of the two countries, along with the existing literature on aid, this paper has found that the donor-recipient relationship between Mali and France has played a pivotal role in aid effectiveness through both allocation and implementation. Even as France has sought to satisfy a new international policy agenda based around recipient
ownership, the past history of donor-led development in Mali has presented lasting challenges by undermining government capacity and hence modern national ownership of aid.

As a result, even if individual French aid projects may have been successful, the donor-recipient relationship between France and Mali has at least on some level undermined the effectiveness of aid. While France has willingly signed on to the Paris Declaration and pledged to support Malian ownership, the legacy of years of heavy donor involvement has proven difficult to undo, especially in the absence of any major corrective action. Although government-to-government aid allocation between France and Mali remains unlikely in the short term, given the current breakdown of diplomatic relations, the past relationship between the two countries is deeply revealing as a case study of aid’s effectiveness. Through analyzing French bilateral aid to Mali, this paper has found that the donor-recipient relationship plays an important and undeniable role in shaping aid effectiveness.
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