

African Agency and the Politics of Aid

*A case study of the donor-recipient relationship
between the EU and Ethiopia*

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Abstract

This thesis tackles the agency of African state actors and how they engage with donors. Specifically, it examines the extent to which the Government of Ethiopia has succeeded in shaping a positive narrative of the country, and how this has allowed the country to exercise agency in its negotiations with development partners. The two primary narratives the Government of Ethiopia has attempted to foster are that of the country as a developmental state, and as a guarantor of regional stability.

My research interests lie at the intersection of agency and structure, as it applies to the relationship between aid-dependent countries and their development partners. In this thesis, I have examined the structural conditions – economic, political, ideological and institutional – shaping the donor-recipient relationship between the European Union and the Government of Ethiopia. I have also analyzed how successful the Government of Ethiopia has been in maximizing its agency vis-à-vis its development partners by strategically utilizing the negotiating capital resulting from these structural conditions

Based on interviews conducted during a four-week stay in Addis Ababa, I find that the structural conditions facing the Government of Ethiopia remain favorable in the wake of the 2005 elections. The Government of Ethiopia has used the negotiating capital stemming from these favorable structural conditions to create two images of the Ethiopian state. The first is that of Ethiopia as a developmental state, the second is that of Ethiopia as a guarantor of regional stability. Both these narratives have allowed the Government of Ethiopia to exercise greater agency in aid negotiations than other recipient countries in sub-Saharan Africa.

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Oslo, May 21, 2017

Horn of Africa map



Map No. 4188 Rev. 5 UNITED NATIONS
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Acronyms

CAMM	Common Agenda on Migration and Mobility
EDF	European Development Fund
ENP	European Neighborhood Policy
EPRDF	Ethiopian People’s Revolutionary Democratic Front
EUTF for Africa	European Union Emergency Trust Fund for Africa
GoE	Government of Ethiopia
GTP	Growth and Transformation Plan
HoA	Horn of Africa
IMF	International Monetary Fund
MFA	Ethiopian Ministry of Foreign Affairs
MoFEC	Ethiopian Ministry of Finance and Economic Cooperation
ODA	Official Development Assistance
RESET II	Resilience Building and Creation of Economic Opportunities in Ethiopia
SINCE	Stemming Irregular Migration in Northern & Central Ethiopia
TPLF	Tigrayan People’s Liberation Front

Table of Contents

- 1 Introduction.....1
- 1.1 Research question, delimitations, and goals of the study.....2
 - 1.1.1 Delimitations of the study.....3
- 1.2 Introduction to the theoretical framework.....4
- 1.3 Introduction to the research design and methodology5
- 1.4 Literature Review6
- 1.5 Structure of the thesis7
- 2 Background.....9
 - 2.1 Globalization and the security-development nexus9
 - 2.2 Africa’s new donors11
 - 2.2.1 China in Africa.....12
 - 2.2.2 Indian engagement in Africa.....17
 - 2.3 Aid effectiveness and ownership.....18
 - 2.4 History of Ethiopian aid relations21
 - 2.5 EU engagement in Africa.....25
 - 2.5.1 Official Development Assistance to Ethiopia.....27
 - 2.6 Chapter summary27
- 3 Theory.....29
 - 3.1 The state of the State in Africa.....29
 - 3.1.1 Fragile states31
 - 3.2 The structural conditions shaping the strategies of African states33
 - 3.2.1 Economic conditions.....35
 - 3.2.2 Political conditions.....36
 - 3.2.3 Ideological conditions.....36
 - 3.2.4 Institutional conditions.....37
 - 3.3 African agency in international politics38
 - 3.3.1 Differing approaches to the study of African state agency.....39
 - 3.4 Defining agency: the state as agent.....40
 - 3.5 Agency-maximizing strategies.....42
 - 3.5.1 Image management.....42
 - 3.5.2 Discourse.....43

3.6	Chapter summary	44
4	Research design and methodology.....	46
4.1	Single-case research design.....	46
4.1.1	Defining the case.....	46
4.1.2	When are case study research designs appropriate?	47
4.1.3	Embedded single-case design	47
4.1.4	Case selection.....	48
4.1.5	Comparative advantages and limitations of case study methods.....	50
4.2	Data collection.....	51
4.3	Interview research methods.....	52
4.3.1	Field research	52
4.3.2	Interviewer effect	53
4.3.3	Challenges related to interview research	54
4.4	Data analysis	57
4.4.1	Data analysis guided by theoretical framework.....	57
4.5	Criteria for judging the quality of the research design.....	58
4.5.1	Construct validity.....	58
4.5.2	External validity	58
4.5.3	Reliability.....	59
4.6	Chapter summary	59
5	The structural conditions shaping the strategies of the Government of Ethiopia	61
5.1	Economic conditions	62
5.1.1	Ethiopian economic conditions in a historical perspective.....	63
5.1.2	Ethiopian economic conditions since 2005.....	65
5.1.3	Corroborating evidence from interviews	71
5.2	Political conditions	75
5.2.1	Ethiopian political conditions in a historical perspective	76
5.2.2	Ethiopian political conditions since 2005	77
5.2.3	Corroborating evidence from interviews	81
5.3	Ideological conditions	86
5.3.1	Ethiopian ideological conditions in a historical perspective.....	87
5.3.2	Ethiopian ideological conditions since 2005	88
5.3.3	Corroborating evidence from interviews	88

5.4	Institutional conditions.....	90
5.4.1	Ethiopian institutional conditions in a historical perspective	90
5.4.2	Ethiopian institutional conditions since 2005	91
5.4.3	Corroborating evidence from interviews	93
5.5	Chapter summary	99
6	The European Union’s donor support rationale.....	101
6.1	EU projects in Ethiopia	102
6.2	The European Union Trust Fund for Africa.....	105
6.2.1	Stemming Irregular Migration in Northern & Central Ethiopia	106
6.2.2	Resilience Building and Creation of Economic Opportunities in Ethiopia	108
6.3	Corroborating evidence from interviews.....	109
6.4	Chapter summary	112
7	The agency-maximizing strategies of the Ethiopian state	114
7.1	Ethiopia as a developmental state	115
7.1.1	Corroborating evidence from interviews	117
7.2	Ethiopia as a guarantor of regional stability.....	118
7.2.1	Corroborating information from interviews.....	120
7.3	Rival explanations	123
7.4	Chapter summary	125
8	Conclusion	126
8.1	Limitations of the study.....	127
8.2	Areas for further research.....	128
	Reference List	130
	Appendix 1: Interview methods table.....	141
	Appendix 2: Interview consent form	142
	Appendix 3: Interview guide	143
	Appendix 4: Letter to Ethiopian MFA.....	144
	Figure 1: Gross Annual Revenues of Chinese Companies' Construction Projects in Africa ...	14
	Figure 2: Chinese Loans to Africa by Financier, 2000-2014.....	15
	Figure 3: China-Africa Bilateral Trade Data, UNComtrade.....	16
	Figure 4: Authority Trends for Ethiopia, 1946-2013.....	24
	Figure 5: Simplified model of an aid negotiation	35
	Figure 6: Embedded single-case design.....	48

Figure 7: Spectrum of government control in the country studies.....	49
Figure 8: Net ODA received by Ethiopia (% of GNI), 1990-2015.....	66
Figure 9: Net bilateral aid flows from DAC donors to Ethiopia, European Union institutions (current US\$ millions)	67
Figure 10: EU Support to Ethiopia Snapshot, as of February 2017.....	103
Table 1: Main Types of Aid Given by China & India	18
Table 2: Democracy Index (Ethiopia).....	23
Table 3: Top bilateral and multilateral partners in Ethiopia for 2012-2013	68
Table 4: Commitments and Payments to the EUTF for Africa (in € millions).....	105

1 Introduction

The primary aim of this thesis is to shed light on the structural conditions shaping donor-recipient relationships, and how aid-dependent countries in sub-Saharan Africa attempt to strategically maximize their agency on the international stage vis-à-vis development partners. In attempting to achieve this goal, I will focus specifically on the relationship between the Government of Ethiopia (GoE) and the European Union (EU). While focusing on the Ethiopian case I will analyze how some of the most prominent development trends of the 21st century – the ongoing process of globalization and its associated focus on the link between security and development; the increasing emphasis placed on country ownership and aid effectiveness; and the rise of nontraditional donors – have impacted on the negotiating capital, and ultimately the agency of, aid-dependent states. This thesis will examine the economic, political, ideological, and institutional conditions that define the donor-recipient relationship and how the Government of Ethiopia has leveraged these structural constraints to increase their leverage over donors.

My research interests lie at the intersection of agency and structure. Throughout this thesis, I have attempted to balance these two, often competing, approaches to the study of Africa in the field of international relations. While it cannot be denied that most sub-Saharan countries are strongly constrained by the realities of the international system of states, I believe it is worthwhile to examine what Lonsdale (2000: 5) refers to as “agency in tight corners”.

This introductory chapter is subdivided into five sections. The first section introduces the reader to the research question that frames my analysis, as well as the delimitations and goals of the thesis. The second section provides a brief overview of the theoretical framework I have relied upon throughout this thesis. The third section presents an outline of the research methods and methodological challenges associated with a qualitative case-study. Both the theory and the research methods will be expanded on in subsequent chapters. The fourth section contains a short literature review. The fifth and final section outlines the structure of the remainder of this thesis.

1.1 Research question, delimitations, and goals of the study

This thesis will evaluate the agency of African state actors and how they engage with donors. Specifically, it will examine the extent to which the Government of Ethiopia (GoE) has succeeded in shaping a positive narrative of the country, and how this has allowed the GoE to exercise agency in its negotiations with development partners. The two primary narratives the GoE has attempted to foster are that of the country as a developmental state, and as a guarantor of regional stability. My research question is:

What are the structural conditions shaping the donor-recipient relationship between the European Union and the Government of Ethiopia?

And:

How successful has the Government of Ethiopia been in maximizing its agency vis-à-vis its development partners by strategically utilizing the negotiating capital resulting from these structural conditions?

This two-part research question is a reflection of my own interest in exploring the intersection of agency and structure as it applies to the relationship between aid-dependent countries and their development partners. The agency of African states has not always been given the attention it deserves, as many scholars view African politics to be of peripheral importance to international relations. My thesis will have succeeded if it manages to contribute in some small part to the work done by scholars such as Jonathan Fisher, William Brown, Lindsay Whitfield, and others in furthering our understanding of the role African states play in international politics. Dereje Feyissa notes that, “the EPRDF has managed to extract tremendous economic resources as well as much needed political recognition from the West at a time when human rights organizations criticized Ethiopia’s poor human rights record and the repression of the opposition since the contested May 2005 elections” (Feyissa 2011: 794). By the end of this thesis, I hope to have been able to shed some light on why this is the case.

1.1.1 Delimitations of the study

To complete this thesis on time, I have had to limit my analysis to a specific aspect of the donor-recipient relationship. I have decided to focus primarily on the period from 2005 to the present day for a few reasons. Firstly, a previous case study carried out by Xavier Furtado and James Smith (2007) about the ownership the GoE has in aid negotiations covers the donor-recipient relationship up to 2005. This makes the middle of the 2000s a natural point at which to start my own analysis. In addition to this, there have been several changes to development cooperation since this time that are worth exploring in more detail. Though I do not argue that the three trends I mentioned earlier started exactly in 2005, I *do* argue that they have grown in importance since then, in some cases quite dramatically. Also, as much of my empirical data comes from interviews, it is natural to limit my analysis to the time period that my respondents are most familiar with. While this thesis' object of analysis is primarily the formal channels for aid management, Furtado and Smith have argued that, "there are both parallel forces at work... as well as parallel *mechanisms*" (Furtado & Smith 2007: 16). These parallel mechanisms include the executive branch of the government as well as the EPRDF party leadership. Getting access to the inner workings of the Ethiopian People's Revolutionary Democratic Front (EPRDF) is extremely difficult, especially for a master's student. For this reason, I decided to examine the GoE primarily through the Ministry of Finance and Economic Cooperation (MoFEC).

I have chosen to approach the research question through a qualitative case study. This approach has several benefits and limitations, which will be examined in greater detail in chapter four. I would have preferred to collect data from other African countries, so as to construct a comparative research design. However, time limitations, as well as the high cost associated with such an approach made this difficult to achieve. Finally, because Furtado and James' case study does not rely on interviews, but rather reflects their experiences as employees at the World Bank in Ethiopia, I believe I can contribute something new to this field.¹ Whitfield (2007) has highlighted the importance of interviews in understanding the complexities of the donor-recipient relationship.

¹ Personal communications with Xavier Furtado (23.02.2017).

1.2 Introduction to the theoretical framework

The main theoretical framework used in this thesis has its roots in bargaining theory. The process of negotiating aid was not given much attention during the 1960s and 1970s, but this changed during the 1980s (Whitfield & Fraser 2010). Scholars such as Bates (1981), Hydén (1983), and Callaghy & Ravenhill (1993) have tackled the political economy of reform in African countries with the help of rational choice theories. Others, such as van de Walle (2001) have examined African states by adopting a neopatrimonial logic. Those academics who have researched aid negotiations have tended to draw on either game theoretic approaches (Mosely *et al.* 1991) or principal-agent models (Killick 1998; Dijkstra 2002). These approaches have served as an inspiration to academics such as Lindsay Whitfield and Alastair Fraser, and it is their framework I have adopted for my own analysis.

In *The Politics of Aid: African Strategies for Dealing with Donors*, edited by Lindsay Whitfield, a framework for understanding the recipient-donor aid relationship is laid out. Whitfield argues that the negotiating capital of an aid-dependent African country is dependent on the structural constraints they face. These conditions include political, economic, ideological, and institutional structures (Whitfield 2007). Whitfield and Fraser argue that, “the differences between the most successful, and the least successful country cases result principally from the differing structural conditions facing these countries, rather than from the differing strategic choices they have made” (Whitfield & Fraser 2010: 363). The analytical framework used by Whitfield “recognizes the aid negotiation process as including the full policy cycle: agenda setting, policy formulation, implementation, evaluation, and revision” (Whitfield & Fraser, 2010: 347). For the purposes of this thesis, the focus will be on the agenda-setting and policy formulation stages. Economic conditions might then be operationalized as a measure of the amount of Official Development Assistance received by a country as a percentage of GNI and similar forms of operationalizations can be carried out for the other structural conditions (Whitfield 2007). Whitfield and Fraser measure the degree of control, or ownership, as a function of what share of the policy agenda was “decided by the recipient government without factoring in what donor preferences might be,” as opposed to the share that was forced upon the recipient country (Whitfield & Fraser 2010: 349).

While the theoretical framework employed in *The Politics of Aid* is quite helpful – and will be used throughout the course of this study – it does not sufficiently account for the *actions* taken

by African leaders, and the strategies they pursue. I have combined the approach used by Whitfield with the contributions to agency made by the academics in *African Agency in International Politics*. In the social sciences, this sort of approach, where theoretical constructs from a range of research traditions are combined to provide answers to complex answers is often referred to as “analytic eclecticism” (Sil & Katzenstein 2010: 411). The theoretical framework will be expanded upon in the theory chapter.

1.3 Introduction to the research design and methodology

A good research design should make the link between our research question and our findings clear (Yin 2009). This research project has employed a qualitative case-study design. In order to more clearly understand the donor-recipient relationship between Ethiopia and its development partners, I have conducted field interviews with key actors from both the donor and the recipient side of this relationship in Addis Ababa. Gaining access to information from the Ethiopian point of view is doubly important because secondary sources are mainly written by western academics, and invariably reflect their own biases. I interviewed donor officials, Ethiopian ministry officials, as well as academics, and these interviews were semi-structured. It is particularly important to gather information from the field when attempting to answer the type of research question I have posed because the strategies employed by African governments when negotiating with donors are usually not written down, but rather reflect the biases and experiences of the negotiators. To get access to this information, one must conduct fieldwork (Whitfield & Fraser 2010: 347). I believe it is difficult to fully appreciate the complexities of the donor-recipient relationship without speaking to the individuals involved in the negotiation, and this is why I made it a priority to travel to Ethiopia to conduct fieldwork. Chapter four will expand on these issues, and go into more detail on the justification for picking a single-case research design, the data collection process (with special attention given to the interview data), as well as an evaluation of the criteria for judging the quality of the case study research design.

1.4 Literature Review

It would take up an inordinate amount of space if I were to go through all of the academic sources that have served as an inspiration to this thesis, however I have chosen to highlight a few of the most important articles in this section. These sources are some of the ones that have been integral to my thinking on the subject at hand.

In *Africa's Illiberal State-builders*, Will Jones, Ricardo Soares de Oliveira, and Harry Verhoeven argue that, “between the liberal convergence paradigm, the failed state narrative and neopatrimonial seamanship, important experiences that fit none of these remain unexamined” (Jones *et al.* 2013: 5). This article provides a great introduction to some of the disparate approaches to the study of the African state. It notes how many of these approaches seem to think that “African states are to be understood not in terms of what they are, but what they fail to be” (Jones *et al.* 2013: 4). A problem, according to Jones *et al.* (2013), is that many of these traditional approaches rob African statesmen of their state-building aspirations.

While increasing attention has been paid to the linkage between underdevelopment and instability in recent years, the security-development nexus is nothing new (Brown 2016). When the U.S. Agency for International Development was established in 1961, President John F. Kennedy responded to a question about why the US should provide foreign assistance to developing countries by stating that a failure to do so would be “disastrous to our national security, harmful to our comparative prosperity, and offensive to our conscience” (Adams & Williams 2010: 39) While governments may publically state that their allocation of foreign aid is based on altruistic motives, a seminal article by Alesina and Dollar (2000) showed that colonial past and trade are stronger indicators of aid disbursements than poverty rates.

This linkage between security and development has been crystalized in the wake of the 9/11 terror attacks and the politics of aid have now become securitized (and militarized) to a much greater degree than before (Fisher & Anderson 2015). Partly as a consequence of the global war on terror, underdevelopment and state failure have been elevated to the national security realm. This is reflected in the fact that an increasing share of Official Development Assistance (ODA) now goes to fragile states (Buur *et al.* 2007). States such as Sudan, Eritrea, and Somalia are perceived as posing a security threat to Western countries. Fragile states lack control over their own borders, and so-called ungoverned spaces are understood to be safe havens for everyone from Islamic terrorists to international drug smugglers (Petřík 2016;

Duffield 2001, 2007; Kaldor 2007). While the United States might be the quintessential example of security considerations impacting on aid disbursements, there are several donors whose motives are less than altruistic (Fisher & Anderson 2015). The securitization of aid has been heavily criticized, particularly by humanitarian NGOs. NGOs have argued that aid should be given altruistically with the needs of the poor superseding the security interests of the state. In addition to this, the securitization of aid has made it more dangerous for humanitarian aid workers to carry out their work, as their neutrality is increasingly called into question (Aid Worker Security Database 2016).

The connection between authoritarianism, securitization, and agency is most clearly drawn by Jonathan Fisher and David M. Anderson (2015) in their article, *Authoritarianism and the Securitization of Development in Africa*. Fisher and Anderson argue that:

Through their willingness to take ownership of the security agenda, African regimes have played a conscious role in securitizing their relationship with donors. Securitization is not something that the West has done to Africa, but rather a set of policy imperatives that some African governments have actively pursued. African governments are thus not the victims of securitization, but often its advocates and beneficiaries. (Fisher & Anderson 2015: 4)

Although I am skeptical that there is enough evidence to draw the conclusions they draw quite so forcefully, the notion that Africa's illiberal state-builders have been complicit in fostering an environment in which security and development are intrinsically linked has shaped my own thoughts on the donor-recipient relationship between the EU and the GoE. While this list of scholars is by no means exhaustive, I hope this section has clarified why I am interested in learning more about why some aid-dependent countries seem to be able to exact greater leverage over donors than others.

1.5 Structure of the thesis

This thesis is divided into eight chapters. This introduction constitutes the first chapter. The second chapter will introduce the reader to a few of the changes to the international system that have affected donor-recipient relationships over the course of the last decade. The ongoing process of globalization, the rise of nontraditional donors, and the move toward ownership and aid effectiveness, have all contributed to changing the negotiating capital of

aid-dependent countries in sub-Saharan Africa. The background chapter also briefly highlights the relevant historical background, as well as Ethiopia's relationship with donor countries. The third section consists of the theoretical framework structuring my argument. Agency is defined by briefly considering the disparate approaches to understanding the African state, and the framework for analysis relies heavily on the aid-as-negotiation paradigm introduced in Whitfield's *The Politics of Aid: African Strategies for Dealing with Donors*. The fourth chapter concerns itself with the methodology of the study and my research design. It will assess the reliability and validity of the study, and highlights some of the main concerns with respect to access to information. The fifth, sixth, and seventh chapters constitute the analysis and discussion aspects of my thesis. The fifth chapter deals with the structural conditions framing the donor-recipient relationship between the GoE and donors. The sixth chapter assesses the donor support rationale of the EU. The seventh chapter ties it all together by highlighting the two main narratives the GoE has relied on in order to maximize its agency vis-à-vis donors. Finally, the eighth chapter concludes by summarizing my findings, and points toward potential areas for further research.

2 Background

In this chapter I will outline what I consider to be the three main trends of the preceding decade that are impacting on development cooperation. These three trends have one thing in common; they have profoundly affected the negotiating capital of aid-dependent countries. The ongoing process of globalization, the rise of nontraditional development partners such as India and China, and the rising importance placed on aid effectiveness and recipient ownership² have all contributed to changing the dynamics of power shaping the donor-recipient aid relationship. This chapter is divided into two main sections. The first section deals with the trends mentioned above, while the second section contains a brief introduction to Ethiopia and its history, as well as European engagement in Africa. This chapter will supply the reader with the requisite background knowledge for understanding the theory and analysis that will be presented in subsequent chapters of this thesis. While not exhaustive, it covers the central issues upon which my argument is built. The chapter starts off broadly, and then narrows its scope to the case of Ethiopia.

2.1 Globalization and the security-development nexus

Globalization is an ongoing process whose origins can be traced back at least to the discovery of the New World by European explorers, though some scholars would argue that its roots go back even further, to the third millennium BC. Although the historical origins of globalization stretch far back, the term came into common usage during the 1980s. In 2000, the International Monetary Fund (IMF) pointed to four aspects central to the process of globalization: trade, capital movements, migration, and the spread of knowledge and technology (IMF 2000; cf. Czaika & de Haas 2014). Within the international political economy literature, globalization tends to be defined as, “the emergence and operation of a single, worldwide economy” (McGrew 2007: 3). Globalization is measured by looking at “the growing intensity, extensity and velocity of worldwide economic interactions and interconnectedness, from trade through production and finance, to migration” (McGrew 2007: 3). Financial markets, and the global economy as a whole, are more deeply integrated today than ever before and this integration has significantly benefitted the world community. The

² The Paris Declaration of Aid Effectiveness (2005) is a roadmap to improve the effectiveness and quality of aid. The Accra Agenda for Action (2008) builds on the Paris Declaration by focusing specifically on ownership, inclusive partnerships, delivering results, and capacity development.

20th century saw a five-fold increase in global per capita GDP, a level of economic growth that has never been seen before (IMF 2000). However, in the wake of the September 11 attacks, in which the Islamic terrorist group al-Qaeda carried out a coordinated attack on the United States which killed almost 3,000 people, increasing attention has been paid to the potential downsides of globalization. Academics, policymakers, and practitioners have all pointed to so-called “ungoverned spaces” as potential havens for terrorists and international crime syndicates. By doing so, they crystalized the perceived link between “developmental malaise”, and the national security of Western countries (Duffield 2001b: 311). The following paragraphs tackle some of the negative aspects of globalization, and outline how the security-development nexus has changed the donor-recipient aid relationship.

The same process that has led to increased movement of goods, services and people across borders, is also partly responsible for the rise of international terrorism and transnational crime. In my analysis I will examine to what extent these shifting structural conditions have impacted on the negotiating capital of aid-dependent countries such as Ethiopia. My initial assumption is that the ongoing process of globalization has contributed to strengthening the leverage of the Government of Ethiopia over donors because donors view instability in the Horn of Africa as a threat to their own security. Through the process of globalization, economic growth is – at least to a certain extent – shared, but so are economic shocks and depressions. Crime is no longer just a local problem; it is part of an interconnected web that crosses borders and oceans (McGrew 2007). Rebels become international terrorists and local criminals now engage in transnational drug smuggling. Through the process of globalization, local instability can have global consequences.

The heightened importance given to the security-development nexus in the wake of the 9/11 terror attacks is a reflection of life in a globalizing world (McGrew 2007). Instability and underdevelopment now represents a threat not just to the citizens of the country in which the conflict originated, but can also have a profound impact on the security of Western states. The importance of aid to foreign policy has grown as the negative effects of underdevelopment begin to threaten the national security of Western states (Fisher & Anderson 2015). A growing understanding of the potential downsides to globalization – international terrorism and crime, and mass migration, to name just a few – means that in many ways the bargaining

position of aid-dependent African states is similar to the one they enjoyed during the Cold War.³

Many scholars have pointed to the link between security and development, but the concept is perhaps most succinctly explained by Mark Duffield, who argues that “the modalities of underdevelopment have become dangerous and destabilizing” (Duffield 2001a: 16). Duffield goes on to state that:

Through a circular form of reinforcement and mutuality, achieving one is now regarded as essential for securing the other. Development is ultimately impossible without stability and, at the same time, security is not sustainable without development. (Duffield 2001a: 16)

The above quote by Duffield highlights the interconnectedness of security and development; one cannot exist without the other, and vice versa. In a globalized society, underdevelopment represents a security threat to the national interests of Western countries. Instability is associated with international terrorism and economic volatility. The security-development nexus has had a profound impact on the negotiating capital of aid-dependent countries, but as the following sections will show, it is not the only recent trend that has changed the balance of power between donor and recipient countries. African states increasingly turn toward new sources of funding for their development projects, and this is the topic of the following section.

2.2 Africa’s new donors

Since the early 2000s, nontraditional donors such as China and India have played an increasingly prominent role on the African continent. China’s renewed engagement with Africa has attracted considerable scholarly attention in recent years, but other countries, such as India, Turkey, and South Korea, have also played an important role in changing the dynamics of the traditional donor-recipient relationship. Although China is the most prominent of these actors, and therefore the primary focus of this section, Africa’s new donors jointly contribute to lessening the monopoly on aid and financial support previously held by

³ Whitfield and Fraser (2010) and Borchgrevink (2008) are some of the scholars who have argued that the negotiating capital of aid-dependent countries was at its lowest point during the 1990s, after the fall of the USSR. I will return to this point in my analysis.

the OECD-DAC⁴ group of countries. In this sense, they have opened up alternative development paths for African countries. My analysis will examine to what extent alternative sources of funding have impacted on the negotiating capital of the Government of Ethiopia (GoE), and so it is important to gain a thorough understanding of the extent to which Africa's new donors are active on the continent.

2.2.1 China in Africa

China's rapid economic development has increased the country's demand for natural resources. These demands cannot be met inside the country's borders, so China has been forced to look outwards to fill the gap between domestic production and demand. According to the United Nations Environment Programme (UNEP), "China's per capita consumption of materials grew from one third to over one and a half times the world's average levels" from 1970 to 2008, and Africa – alongside South America – provides most of this supply (West *et al.* 2013: 7).

China is now Africa's largest trading partner. In 2000 trade between Africa and China was estimated to be \$10.5 billion; five years later it had increased to \$40 billion. In 2011 this number reached \$166 billion, a staggering increase over the course of a decade (Africa Renewal Online 2013). In addition to trade and direct investment, Africa now plays host to roughly 1 million Chinese workers. Chinese engagement in Africa has played a role in fostering increased rates of economic growth in sub-Saharan countries. Economic growth has, in turn, led to a considerable fall in poverty rates. Between 1990 and 2002 the poverty rate in sub-Saharan Africa remained static at 57%, whereas the following decade saw the poverty rate drop by close to 13 percentage points (Chen *et al.* 2016). The arrival of nontraditional donors in Africa has opened up new avenues for African statesmen to fund their state-building projects.

In general, Chinese engagement in Africa has been associated with strong economic performance. However, there are some in the West who have attempted to frame the Africa-China relationship as exploitative by drawing parallels to earlier colonial ventures on the

⁴ The Organization for Economic Co-Operation and Development's (OECD) Development Assistance Committee (DAC) is a forum focusing on development assistance. Among its 30 members we find the EU and most other Western donors. Neither China, nor India are members.

continent.⁵ Occasionally, tempers have flared between Africans and Chinese businesses, but overall China seems to enjoy a rather favorable reputation among Africans. In 2015, 75% of Ethiopians surveyed by the Pew Research Center held a favorable view of China, while only 5% held an unfavorable view of the country (Spring Global Attitudes Survey 2015). Similarly, while only 11% of Americans and only 8% of EU citizens hold a favorable view of China's human rights record, the median across the sub-Saharan countries surveyed by the Pew Research Center was 60% – in Ethiopia the corresponding value was 64% (Spring Global Attitudes Survey 2015). There is little evidence to suggest that Africans view Chinese investment and involvement on the continent with as much apprehension as Western development partners do. The data from the Pew Research Center might indicate that Western donors underestimate the goodwill nontraditional donors such as China enjoy in many sub-Saharan countries. This goodwill is fostered by the lack of political conditionalities tied to their assistance, as well as the willingness of these donors to fund infrastructure projects. In the analysis part of this thesis I will examine how China's stance on these issues has affected the behavior of Western donors in Ethiopia.

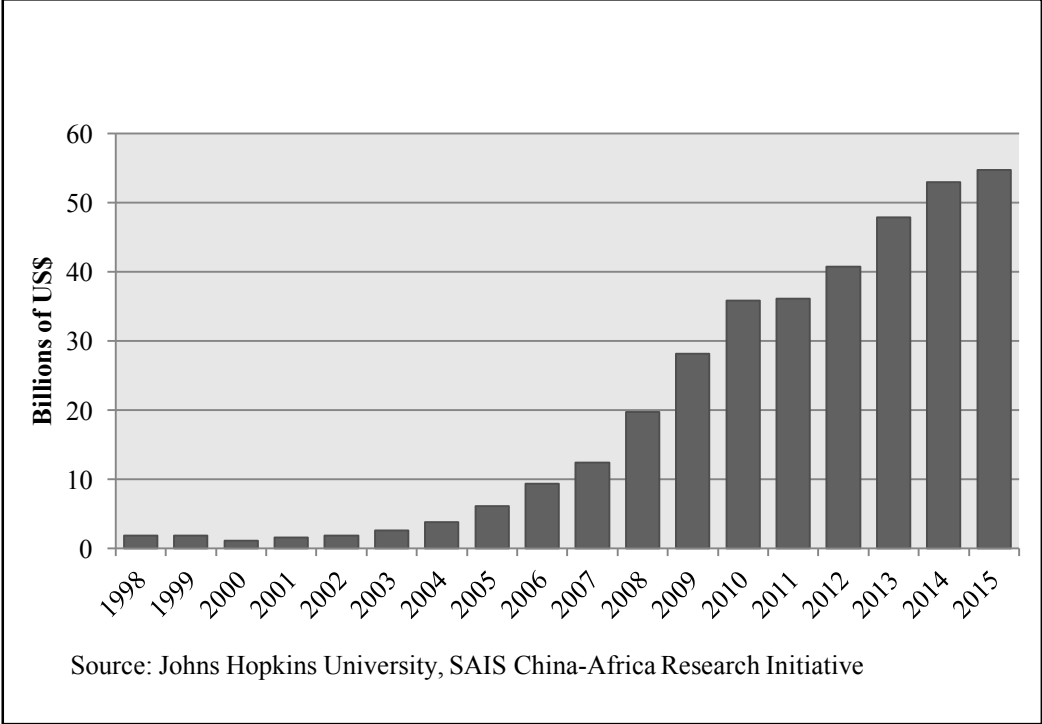
The western media also likes to focus on Chinese financing to countries with poor governance indicators, such as Sudan and Angola, as an example of the ill effect of Chinese engagement in Africa. Unlike western countries and multilateral organizations, China is indifferent to the governance conditions of a country. This means that even though Chinese investments are not concentrated in these countries, they make up a significant share of investment in these countries as western financiers refuse to invest in these countries (Chen *et al.* 2016).

As *Figure 1* on the following page indicates, the revenues of Chinese companies' construction projects in Africa have risen sharply over the course of the last 15 years. Annual revenues were negligible until the middle of the 2000s; since then, revenue growth has been exponential, rising to more than \$50 billion by 2015. These changes make it worthwhile to return to Ethiopia to examine the changes to the donor-recipient relationship that have occurred over the course of the past decade. One might expect that this development has had an impact on the leverage the GoE has over Western donors, as the country now has viable alternative sources of funding for their ambitious development projects. My analysis will also

⁵ This narrative of exploitation diminishes African agency. An excellent corrective to this line of thought is outlined by Giles Mohan and Ben Lampert (2013) in their article, *Negotiating China: Reinserting African agency into China-Africa relations*.

examine how the arrival of alternative sources of funding has impacted on the viability of donor harmonization efforts.

Figure 1: Gross Annual Revenues of Chinese Companies' Construction Projects in Africa



We see a similar trend when examining Chinese loans to Africa from 2000 to 2014. Once again there is a clear and sharp increase starting in the middle of the 2000s. The labels on *Figure 2* on the following page refer to the Export-Import Bank of China, which is a state-owned enterprise focused on the promotion of foreign trade and investment, as well as aid in the form of concessional loans⁶ (Brautigam & Hwang 2016). The China Exim Bank has traditionally been the most important player in Africa – and it is the only institution authorized to grant concessional funding. In recent years, China Development Bank (CDB) has increased in importance, and has been an important funding partner for African countries’ infrastructure projects (Brautigam & Hwang 2016).

⁶ A concessional loan, or a “soft loan”, is a loan with terms that are substantially better than would be granted on the open market.

Figure 2: Chinese Loans to Africa by Financier, 2000-2014

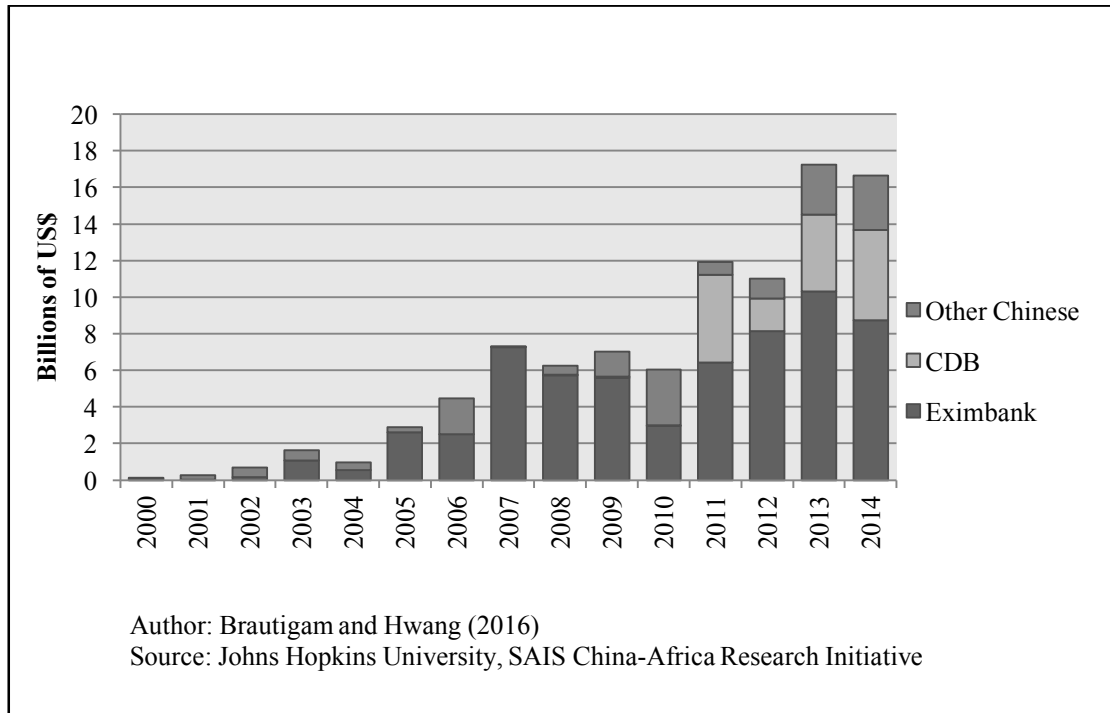


Figure 3 on the following page shows how both Chinese importing from Africa, as well as Chinese exports to Africa have increased dramatically over the past decade. Once again we see that the middle of the 2000s was a sort of watershed moment for Chinese economic engagement on the African continent. These graphs provide evidence that nontraditional donors are playing an increasingly active role in African countries. My assumption is that this development has opened up new opportunities for African statesmen to exercise agency in their interactions with donors, and my analysis will examine to what extent this assumption holds true.

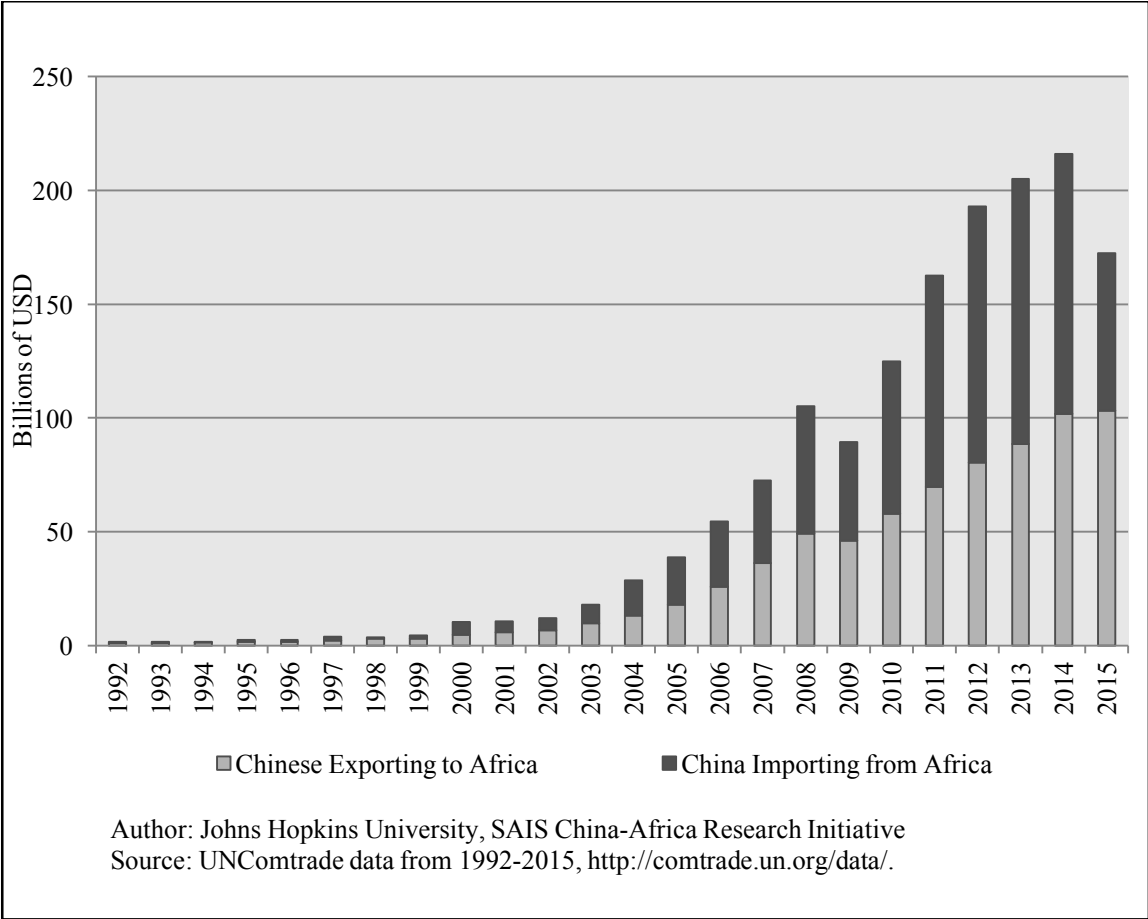
China’s engagement on the African continent has traditionally focused on financial assistance and investment, but there are signs that this might be changing (Kumar & Stanzel 2016). China is now playing a more prominent role in political and security affairs. Apart from contributing to several African Union (AU) initiatives,⁷ such as the African Standby Force (ASF), China is now also the sixth largest contributor of troops to UN peacekeeping missions.⁸ Chinese combat troops, as well as doctors and engineers have been deployed to dangerous theatres such as the United Nations Multidimensional Integrated Stabilization

⁷ Beijing provided \$200 million in funding for the construction of the new AU headquarters in Addis Ababa, Ethiopia.

⁸ China is also the largest contributor of troops among the members of the UN Security Council.

Mission in Mali (MINUSMA) and the United Nations Mission in the Republic of South Sudan (UNMISS).

Figure 3: China-Africa Bilateral Trade Data, UNComtrade



In recent years, Chinese troop contributions to UN peacekeeping operations have exceeded 3,000 military personnel (Duchâtel *et al.* 2016). While China’s role in such operations constitutes the most concrete evidence that China is pursuing an expanded role on the continent, there are other developments also worth noting. For example, China now operates a naval base in Djibouti,⁹ which represents a challenge to earlier policies of non-interference. As China attempts to establish itself as a great power, it will need to increase its security presence in regions that are of both political and economic interest to them. This expanded global role will most likely result in changes to some of Beijing’s core foreign policy tenets, such as non-interference and mutual respect for sovereignty and territorial integrity (Duchâtel *et al.* 2016). A Chinese preoccupation with the eastern parts of Africa is also partly a response to India’s own expanded ambitions in the Indian Ocean. While I am fairly confident in my

⁹ Beijing rejects claims that their presence in Djibouti resembles a military base (Duchâtel *et al.* 2016).

assumption that Chinese financial engagement in Ethiopia has impacted on the donor-recipient relationship, I am less certain about how Chinese security interests affect this relationship. I will attempt to shed some light on this in my analysis.

2.2.2 Indian engagement in Africa

Since India's current Prime Minister, Narendra Modi, came to power in 2014, the country has increasingly challenged China's position in Africa (Kumar & Stanzel 2016). Today, India is Africa's fourth largest trading partner, although its trade turnover - \$70 billion in 2014-15 is dwarfed by China's \$200 billion (Kumar & Stanzel 2016). Simply explained, India exports manufactured products to Africa, while importing commodities. In this sense, its financial relationship with Africa is similar to China's. Prime Minister Modi has proposed a "blue economy" that would combine economic and security issues within a maritime framework (Kumar & Stanzel 2016). Of particular strategic importance to India are the countries that make up the eastern coastline of sub-Saharan Africa. Both India and China are increasingly prioritizing Africa as they seek to expand their role on the global stage. There are many similarities between India's *Focus Africa Policy*, and the *Africa Policy* adopted by China in 2006, but their aid programs differ considerably (Kumar & Stanzel 2016). While India mainly focuses on non-monetary aid, such as scholarships and technical assistance, China's aid program is more diversified. Chinese support to African countries includes grants and loans in addition to other non-monetary types of aid (McCormick 2008). Chinese monetary aid is attractive to African countries because it does not come with the same conditionalities that Western donor countries impose. While Beijing's support is tied to Chinese goods and services and requires adherence to the *One China* policy, it does not come with good governance requirements (McCormick 2008). *Table 1* on the following page gives an overview of the main types of aid given by China and India. One caveat is that, especially in the case of China, the line between what is aid and what is FDI or trade is often blurred.

Table 1: Main Types of Aid Given by China & India

<i>Aid type</i>	<i>Given by</i>	
	China	India
<i>General budget support</i>		
<i>Grants/loans for infrastructure, plants & equipment</i>	X	
<i>Scholarships for academic training</i>	X	X
<i>Other types of training opportunities</i>	X	X
<i>Technical assistance</i>	X	X
<i>Tariff exemptions</i>	X	
<i>Debt relief</i>	X	

Author: McCormick (2008).

Source: China Monitor, various issues; PRC, 2006; Indian Technical and Economic Cooperation, 2006.

Africa's new donors have altered the dynamics shaping the traditional recipient-donor relationship between the OECD-DAC and aid-dependent countries in sub-Saharan Africa. It seems plausible that the existence of alternative sources of finance has strengthened the bargaining power of African countries, and allowed them to exercise greater agency in their aid negotiations vis-à-vis western donors. The extent to which this development has affected the EU-Ethiopia aid relationship more specifically will be analyzed in later chapters of this thesis.

I have devoted considerable space to Africa's new donors in this chapter. This is because these donors provide recipient countries with alternative sources of funding for their state-building projects, and I believe that the existence – or lack thereof – of viable alternatives is hugely important to negotiations of any form. Any structural changes that impact on the value of an actor's second-best option are worth covering in detail. In the face of donor attempts at greater aid coordination, the rise of nontraditional donors is a complication that potentially strengthens the bargaining position of aid-dependent countries in sub-Saharan countries.

2.3 Aid effectiveness and ownership

The third trend covered in this chapter is rooted in changing norms in the developmental discourse. The tenets of aid effectiveness and recipient ownership over the development agenda are expressed in a range of declarations drafted and agreed to during the 2000s. The Paris Declaration on Aid Effectiveness and the Accra Agenda for Change are two of the most prominent examples of the value the donor community is now placing in country ownership

over the development process (OECD 2005; OECD 2008). While the effects of large structural changes – the securitization of aid and the rise of nontraditional donors – on the negotiating capital of recipient countries is clear, it is also worth paying attention to the changing norms within the development community that are enshrined in the Paris Declaration and the Accra Agenda for Action.

Since the 1950s the development community has undergone three major paradigm shifts with respect to their approach to aid. Foreign aid, from the early 1950s to the late 1970s, was focused around providing aid-financed investment to developing countries. Aid in the form of project aid was supposed to “boost investment by reducing the savings gap or foreign exchange gap” (United Nations 2000: 172). This aid paradigm saw underdevelopment as a consequence of inadequate capital, and aid was thus focused on providing the investment support necessary for the recipient government to carry out their development projects. Partly in response to disappointing results from developing countries, the International Monetary Fund (IMF) and the World Bank began to advocate for Structural Adjustment Programs (SAPs) during the 1980s. SAPs blamed the ineffectiveness of aid on inadequate domestic economic policies in developing countries (United Nations 2000). This new approach represented a shift from aid-financed investment towards a strategy of using aid as a tool to induce neoliberal economic reforms in the recipient country. The SAPs of the 1980s introduced a framework for negotiating aid that relied heavily on policy conditionality. Toward the end of the 1990s, this approach to development cooperation came under increasing scrutiny. This third paradigm questioned the value of conditionality, and instead focused on increasing recipient ownership over the policy process.

The World Bank’s 1999 Comprehensive Development Framework, is an example of this shifting approach. The *Annual Review of Development Effectiveness* published in the following year stated that, “in the era of adjustment the Bank often ignored local knowledge and expertise and was assumed to have all the answers – its only problem was selling those answers to the clients” (World Bank 2000: 3). The report then goes on to state that the new policy of the Bank “aims to put the country in the driver’s seat in formulating and implementing development strategy which must involve also the private sector and the civil society” (World Bank 2000: 9). This new approach emphasizes mutual accountability, and policy coordination between donor institutions and recipient countries. Although the aid effectiveness and ownership movement in many ways picked up steam with the 2002

International Conference on Financing for Development, which established the Monterrey Consensus, the two primary agreements are the 2005 Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.¹⁰

The Paris Declaration on Aid Effectiveness was signed by more than 100 participants, representing regional development banks, recipient countries, as well as bilateral and multilateral donors. It put to words a growing consensus within the international community that for aid to be as effective as possible, it must reflect the needs and wishes of recipient countries and their respective national development strategies. The five pillars of the Paris Declaration are: (1) ownership; (2) alignment; (3) harmonization; (4) managing for results; and (5) mutual accountability (OECD 2005). Ownership refers to the wish that development projects should reflect locally created strategies for national development, and that these strategies should be managed by the recipients on the ground. Alignment represents the wish of the international community to support the priorities of recipient governments' development strategies. Harmonization refers to donors' commitment to reduce duplicate projects within an aid-receiving country. The remaining two pillars are self-explanatory. The subsequent Accra Agenda for Action was convened with the aim to accelerate and improve the implementation of the Paris Declaration on Aid Effectiveness. The three main takeaways of the conference were that: (1) country ownership is of central importance to development success; (2) development partnerships between the myriad of actors in the development field must become more effective and more inclusive; and finally (3) all development work must be focused on achieving results and openly accounting for them (OECD 2008). These changing norms have given recipient countries a moral claim to ownership they did not have before. My analysis will examine what role these declarations have had in changing the dynamics of the donor-recipient relationship. My assumption is that this sovereignty-based discourse has made it easier for aid-dependent countries to resist the ideological hegemony imposed on them by Western donors.

A central problem that the increasing focus on country ownership raises is that donor institutions and countries are of course held accountable to their constituents. It is difficult for donors to place too much faith in recipient governments, because donors will be held responsible for actions that reflect poorly on the donor community. In my analysis I will examine to what extent donor coordination has improved, and what some of the factors

¹⁰ Also known as the Third High Level Forum on Aid Effectiveness.

standing in the way of such harmonization might be. My analysis will also look at how nontraditional donors have impacted on donors efforts to improve aid coordination.

I will conclude by reiterating that these trends have changed the dynamics of power between Ethiopia and development partners. How, and to what extent, will be covered in more details throughout my analysis. Because the donor-recipient relationship has been so profoundly affected by these changes, it is time to return to Ethiopia in order to examine how the findings of Furtado and Smith (2007) might be updated to suit the present day situation. The following section briefly considers the historical developments that have shaped the aid relationship between Ethiopia and Western development partners.

2.4 History of Ethiopian aid relations

The Ethiopian state has a long and rich history, and is somewhat unique in the African context in that it was never successfully colonized. Much of this historical development is outside the scope of this thesis. However, one can trace the ongoing political evolution – of which the current regime is the latest incarnation – to the violent overthrow of Emperor Haile Selassie in 1974. The emperor was deposed by Colonel Mengistu Haile Mariam, whose military regime – the Derg – espoused a Leninist-Marxist ideology (Furtado & Smith 2007). During the reign of Colonel Mengistu, flows of Western aid to the country stagnated. This was partly a result of western opposition to perceived soviet influence, and partly due to the repressive nature of the regime. The Derg was subsequently overthrown in 1991, and since that time Ethiopian political life has been controlled by the Ethiopian People’s Revolutionary Democratic Front (EPRDF). The EPRDF is a political coalition consisting of several regional, ethnic-based, parties. The coalition is dominated by the Tigray People’s Liberation Front (TPLF), the group primarily responsible for the successful overthrow of the Derg (Furtado & Smith 2007). The legislature was dominated by members of the EPRDF up until the 2005 elections, when opposition parties made surprisingly large electoral gains.

After the fall of the Derg in 1991, Ethiopia has undergone a “radical policy of administrative decentralization” (Furtado & Smith 2007: 10). The current nine regional governments, as well as two additional administrative areas, have considerable autonomy when it comes to setting the policy agenda for a range of sectors. While the governance and institutional structures of the country are becoming increasingly decentralized, the EPRDF continues to exercise a great

deal of control over the direction of the country, and these policy and decision-making structures are quite centralized. The Council of Ministers is officially the highest policy-making body, but there are other institutions that are perhaps even more important in the policy-making process in Ethiopia, such as the Prime Minister's Office and the EPRDF Central Committee (Furtado & Smith 2007). The push and pull between the official policy of decentralization, and the centralized command structure of the EPRDF has had a – perhaps unintended – side effect of making the Ethiopian state rather difficult to grasp for donor institutions wishing to exert as much influence as possible over the development process.

The Ethiopian aid story from 1950 to 2005 is characterized by a large degree of variability and volatility. Aid started flowing into the country in the 1950s, and increased gradually up until the 1974 revolution. After an initial disruption, donors returned to the country again, but aid levels remained lower than before. During the 1990s, under the rule of the EPRDF, aid levels increased sharply, as donors warmed to the regime. When war broke out between Ethiopia and Eritrea in 1998, donors cut their funding. The Ethiopian government strongly disagreed with this decision as they saw themselves as the victims of Eritrean aggression. Donor response to the war raised suspicions within Ethiopia about the value of Western aid. The relatively strong position of the World Bank in Ethiopia might stem in part from their decision to maintain basic development funding levels in the country during the war, unlike bilateral donors, who limited their assistance to humanitarian aid (Furtado & Smith 2007).

Peace was established between Ethiopia and Eritrea in 2000, at which point donors returned to Ethiopia. Average aid inflows doubled from 2000 to 2004, a large portion of which consisted of budget support. This increase was caused in part by the adoption of the Millennium Development Goals, and an understanding that as a country mired in poverty, Ethiopia was deserving of greater international support. Others have argued that the increase is more directly related to Ethiopia's increasingly prevalent role in securing peace and stability in the Horn of Africa region, especially in light of the US-led global war on terror. After the 2005 elections, the government responded harshly to civil unrest, and because of this most countries withdrew budget support (Furtado & Smith 2007). The potential role of Ethiopia as a stabilizing force in the Horn of Africa – and the effect this might have on the leverage the Government of Ethiopia (GoE) enjoys over donors – will be examined in greater detail in the analysis part of this thesis.

Table 2 shows how, according to the Democracy Index¹¹ developed by the Economist Intelligence Unit (2017), Ethiopia has regressed democratically from 2006 to 2016. Countries are categorized based on their overall score across five different categories (scores above 8 are classified as full democracies, while scores below 4 are classified as authoritarian). From 2006 to 2016, Ethiopia has gone from a “hybrid regime” to an “authoritarian” one, according to the Democracy Index (The Economist Intelligence Unit 2017).

Table 2: Democracy Index (Ethiopia)

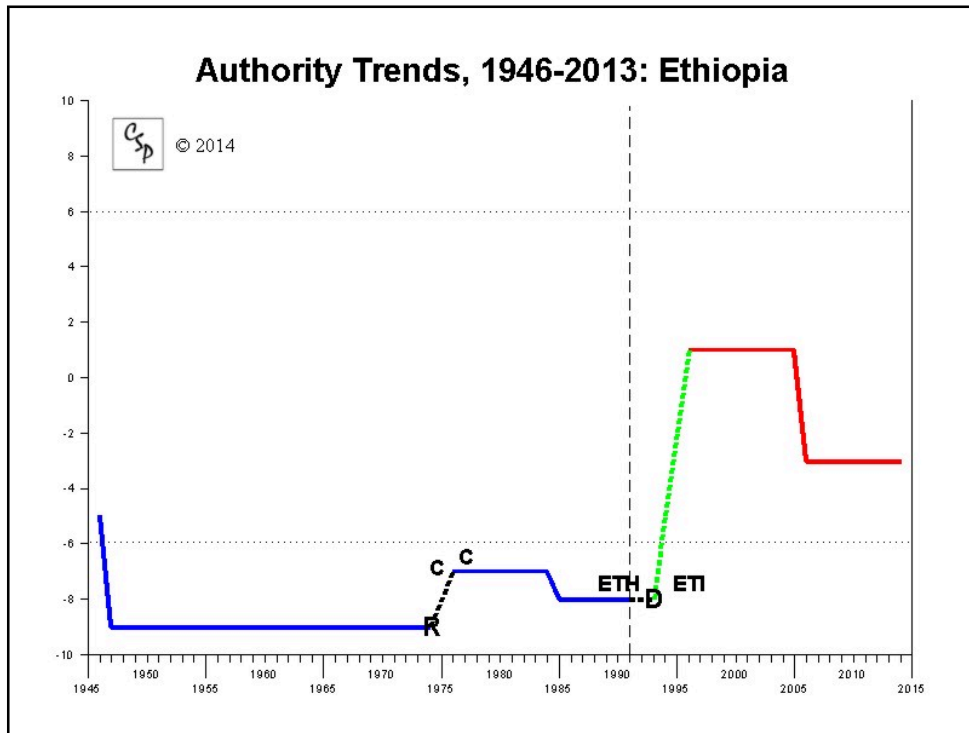
2006	2008	2010	2011	2012	2013	2014	2015	2016
4.72	4.52	3.68	3.79	3.72	3.83	3.72	3.83	3.60

Source: Economist Intelligence Unit

A similar trend can be seen in the Polity IV index, which attempts to measure the degree of democracy or autocracy in each country. However, here we can see more clearly that over a longer time perspective, an argument can be made that Ethiopia is moving in a positive direction. The Polity IV regime trend for Ethiopia clearly shows that the current regime has improved its democracy score considerably over that of Emperor Haile Selassie and the Derg’s Colonel Mengistu. The Polity IV project classifies regimes with scores ranging from -10 to -8 as autocracies, while regimes with scores ranging from -5 to 0 are viewed as a “closed anocracy”. A full democracy is given the highest score of 10 (Polity IV Country Report 2014). The political direction Ethiopia is heading in is an important issue that I will attempt to shed more light on in the analysis section of this thesis. Especially in the wake of the regime crackdowns that occurred after the 2005 elections, it would be interesting to examine how donor officials view this event; as a temporary setback, or as a sign that the GoE is fundamentally moving in a negative direction.

¹¹ The Economist Intelligence Unit describes their methodology in this way: “The Democracy Index is based on five categories: electoral process and pluralism; civil liberties; the functioning of government; political participation; and political culture. Based on their scores on a range of indicators within these categories, each country is then itself categorized as one of four types of regime: “full democracies”; “flawed democracies”; “hybrid regimes”; and “authoritarian regimes”” (The Economist Intelligence Unit 2017).

Figure 4: Authority Trends for Ethiopia, 1946-2013



Source: The Center for Systemic Peace, Polity IV Project

While the 1990s were a period of swift liberalization, the period since the start of the 21st century has been characterized by a type of democratic backsliding that one might assume would lead to a decrease in aid disbursements. To a large extent, this has not been the case. While western donors seem to publically value good governance and democracy, some states have been successful in making themselves so valuable to Western donors that they have been allowed to get away with illiberal practices. I have chosen to devote some space to the historical background that has shaped the donor-recipient relationship between the government of Ethiopia and western donors since the 1950s because I fundamentally agree with Xavier Furtado and James Smith, who argue that “understanding the historical evolution of aid in Ethiopia, especially the stop-start nature of aid flows and on-again/off-again nature of government-donor relations, is central to appreciating how aid is perceived and managed” (Furtado & Smith 2007: 4). In my analysis, I will examine how the GoE’s experiences with donors have made it reluctant to accept technical assistance from donors, which has strengthened the institutional capacity of the state and increased its negotiating capital.

In my analysis I look specifically at how the GoE has managed its aid relationship with the European Union. The following section provides a brief introduction to EU engagement in Africa. I will return to the donor support rationale of the EU in more detail in chapter six.

2.5 EU engagement in Africa

The Cotonou Agreement, signed in 2000, shapes EU relations with the African, Caribbean and Pacific Group of States (ACP). The Cotonou Agreement replaced the 1975 Lome Convention, and expanded the scope of the partnership between the EU and the ACP group. The three pillars of the Cotonou Agreement are: (1) development cooperation; (2) economic and trade cooperation; and (3) an increased emphasis on political dialogue (EU relations, n.d.). Of the 79 countries included in the ACP group, 48 are from sub-Saharan Africa. Development cooperation between the EU and the ACP group is primarily handled by the European Development Fund (EDF) (EU relations, n.d.).

The Joint Africa-EU Strategy (JAES) was adopted at the Lisbon Summit held in 2007. This strategic partnership upheld peace and security as necessary for political, social, and economic development. The 2010 EU-Africa Summit built on the achievements of the Lisbon Summit. The partnership between the EU and AU in the realm of peace and security is aimed at solving three key objectives: (1) to improve the political dialogue; (2) to support the functioning of the Africa Peace and Security Architecture (APSA); and (3) to provide predictable resources for peacekeeping missions led by African actors. EU support to African capabilities is primarily channeled through the African Peace Facility (APF) (EU support to African capabilities, n.d.). While the JAES is the overarching political framework outlining EU-Africa relations, the EU has also engaged African countries on a regional basis. For example, North African countries are part of the European Neighborhood policy (ENP). Ethiopia is a key supporter in the EU's regional strategy for the Horn of Africa. The EU has separate regional strategies for other problem areas in Africa, such as the Sahel and the Gulf of Guinea (The EU sub-regional and bilateral, n.d.). In my analysis I will argue that the increasing emphasis placed on peace and security in the Horn of Africa has strengthened the leverage the GoE has over the EU, as well as other Western donors. EU engagement in Africa is in line with what scholars have written about the increasingly prominent linkage between security and development. While securitization of development is often associated with the

US-led Global War on Terror, in the case of the EU this focus on stability comes also from a desire to stem irregular migration to Europe.

Following the 2015 Valetta Summit on Migration, the European Commission launched the *Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa* with an initial investment of €1.8 billion from the EU budget as well as the EDF, with additional funding stemming from EU member states and other donors (Factsheet Emergency Trust Fund for Africa 2015). The Emergency Trust Fund provides the EU with a mechanism for swiftly responding to emergency situations that fall within the purview of development cooperation. The main beneficiaries of the fund are countries in the Sahel region and Lake Chad area, the Horn of Africa, and North Africa. The main aim of the Trust Fund is to better manage irregular migration from Africa to EU member states. The EU hopes to achieve this goal by tackling the root causes of irregular migration: poor governance, lack of economic opportunities, weak protections for the rule of law, food insecurity, and instability (Factsheet Emergency Trust Fund for Africa 2015). The Trust Fund is also intended to streamline the return of migrants who do not qualify for protection, and to assist with their reintegration into local communities. While the EU claims to support the participation of African actors in this process, non-contributing countries and regional organizations are included strictly as observers (Factsheet Emergency Trust Fund for Africa 2015). This could be understood to mean that in cases where donors feel their security is at stake, they will forego norms on aid effectiveness and ownership.

EU funding comes from two different sources: the EDF and from the general EU budget. The EDF is the main instrument for providing assistance to ACP countries and to Overseas Countries and Territories (OCTs). For the 11th EDF, which runs from 2014-2017, the total resources available amount to €30.5 billion. The general EU budget and its geographic and thematic instruments make up an additional €51.5 billion. In total, the EU countries and European institutions have made €82 billion available for development assistance during the period 2014-2020. This amounts to more than half of all global ODA (The EU sub-regional and bilateral, n.d.).

My analysis chapters, in particular the one focused on the EU's donor support rationale, will examine the factors that influence EU engagement in Ethiopia. While anti-terror initiatives have been an important reason why the GoE has continued to receive larger aid disbursements even as the regime adopts illiberal practices, I will examine how the challenges associated

with irregular migration have impacted on the leverage the GoE has over donor officials from the EU.

2.5.1 Official Development Assistance to Ethiopia

Ethiopia's relationship with donors stretches back to the 1950s, much earlier than most other sub-Saharan countries. The country entered into these aid negotiations as a sovereign state that could trace its roots back several hundred years. This allowed Ethiopia to position itself as an equal; as a partner (Furtado & Smith 2007). Having repelled Italian attempts at colonialization during the 1930s, Ethiopia has had – and continues in some sense to this day – a somewhat isolationist stance that is skeptical of outsiders. Ethiopia's relationship with donors has been heavily influenced by this isolation. In addition to this, for most of the country's history, aid has been funneled heavily toward humanitarian and emergency relief assistance (Furtado & Smith 2007). Ethiopia's share of total ODA disbursements has historically been quite low, and there are several factors behind this. Aid disbursements tend to correlate with colonial past, by which I mean that former colonial powers favor their past colonies. Another reason for Ethiopia's low level of historical aid is that the country, under the Derg regime, was ideologically aligned with the USSR, and therefore was not favored by Western donors during the Cold War (Furtado & James 2007).

The result of this was that from 2004-2005, Ethiopia received only \$15 per capita in development assistance, a great deal lower than the average for sub-Saharan countries (\$49) (Furtado & Smith 2007: 4). Of this aid, humanitarian relief made up about a third of total assistance during this time (Furtado & Smith 2007). In 2000 the net ODA received by Ethiopia was less than \$700 million. By 2014 that number had increased to \$3.5 billion. In my analysis I will attempt to explain why aid flows to Ethiopia have increased over the course of the last decade, even as the GoE pursues a political agenda at odds with Western sensibilities.

2.6 Chapter summary

The relationship between Western donor countries and aid-dependent African states is in flux. In this chapter I have outlined three trends that have contributed to the changing nature of this relationship. Firstly, the linkage between security and development has grown stronger. Globalization, the global war on terror and a preoccupation with fragile states have

contributed to what some authors refer to as the securitization of aid. This development has allowed some African states to portray themselves as allies in the fight against international terrorism or as guarantors of regional stability. Secondly, Western donors have supported a move towards an aid paradigm that places greater emphasis on the ownership that African states play in the state-building process. The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action support a roadmap for development that gives local actors greater autonomy (OECD 2005; OECD 2008). Thirdly, western donors are increasingly being challenged by nontraditional development partners. Chief among these is a resurgent China, but countries such as India are also playing an increasingly prominent role in Africa. There are of course other developments that have changed the structures within which African states operate, but taken in combination, I believe these three trends set the stage for how recipient-donor relations have changed since the dawn of the 21st century. These three trends have impacted on the space available for African state agency, and the remainder of this thesis will focus on the strategies used by weak African states when negotiating aid.

I argue that it is worthwhile to return to Ethiopia to assess the extent to which these trends - which have become much more prominent in the decade following the case study carried out by Xavier Furtado and James Smith – have impacted on the structural conditions shaping the donor-recipient aid relationship and the ability of the Government of Ethiopia to exercise agency in their interactions with development partners.

3 Theory

This section of the thesis presents a theoretical framework for understanding the structural conditions shaping the donor-recipient aid relationship, as well as the agency-maximizing strategies used by African states. This theoretical foundation will allow us to understand more clearly why some ostensibly weak states can pursue policies at odds with the wishes of Western donors, while still retaining their economic and political support. The chapter is divided into three main sections. The first section is an introduction to the African state, as it has been portrayed at different times in the international relations literature. The second section presents the reader with a framework for assessing the negotiating capital of a recipient country. A country's given negotiating capital is understood to be a reflection of the country's political, ideological, economic, and institutional conditions. The third section deals with the concept of agency. It presents the reader with an overview of the historical role of agency in the field of international relations, and arrives at a definition of the concept suitable to this thesis. Finally, it outlines some of the agency-maximizing strategies referred to in the literature. The chapter's arrangement reflects the author's academic interest in the intersection of structure and agency as it applies to the donor-recipient aid relationship.

3.1 The state of the State in Africa

If we wish to examine the strategies used by African states in negotiating with donors, we must first understand the underlying logic characterizing the state in Africa. The modern, Western conception of the state can be traced back to the Peace of Westphalia of 1648. The Peace of Westphalia ended the European wars of religion, and solidified the state as a "sovereign, territory-based entity" (Dokken 2008: 27). The Weberian ideal-type state is a political organization with a legitimate monopoly over the use of violence within its own borders (Dokken 2008). Key to this conceptualization is the ability of the state to exercise control over its own territory and to protect it from both foreign and domestic enemies.

However, the Weberian notion of the state doesn't adequately explain the African state as it exists today, or even as it has existed in the past. Unlike European states, which developed naturally over time, most African states are vestiges of the colonial system. One key difference between European and African states is that concepts such as self-determination

and territorial sovereignty were international norms at the time the African states were created, while the European states were molded by competition for territory (Dokken 2008). The following paragraphs will outline some of the central approaches to the study of the African state. While African states are far from monolithic, there are certain characteristics that are shared among many of them.

Many of the building blocks that Max Weber considered essential to the nation-state, such as territorial control and a monopoly on the legitimate use of violence, are absent from countries in sub-Saharan Africa. If they are not states according to Weber's characterization, then what are they? A range of scholars have attempted to answer this question, often pointing to "the close relationship between personal needs and political power" (Dokken 2008: 32).

Academics such as Jean-François Bayart (1993), Christopher Clapham (1998), Robert H. Jackson (1990), Juan J. Linz (1975), Jean-François Médard (1996), and William Reno (1995) are among the most well-known contributors to the scholarly literature on the state in Africa. The concept of neopatrimonialism has perhaps gained the most literary fame from among these competing approaches.

The term *neopatrimonialism* stems from the Weberian concept of "patrimonial authority" (Dokken 2008: 35). A patrimonial system is characterized by rule by an individual based on personal power. At the top of the system is the "Big Man," a person who "ensures political stability and provides a zone of security in an uncertain environment" (Dokken 2008: 35). In such a system laws are not codified; goods are distributed according to the preferences of the "Big Man." According to Weber, systems of patrimonial authority lack the separation between the public sphere and the private sphere that characterizes the rational-legal bureaucratic system (Weber 1978). The traditional definition of a patrimonial system is ill-suited to explaining the reality on the ground in Africa today. The concept of neopatrimonialism attempts to update the Weberian concept of patrimonial authority to more accurately describe the functions of the state in modern-day Africa.

A neopatrimonial system is one in which we find: "(1) presidentialism or presidential rule, (2) clientelism, and (3) lack of clear division between what is public and what is private" (Dokken 2008: 35). In a neopatrimonial system of government, there is very little distinction between public and private spheres (Dokken 2008). In such regimes, we might expect to find that it is very difficult to separate the private wealth of the ruler from the state coffers. Public office is sought not just to gain power, but also to gain personal wealth; "seeking power and

seeking wealth are two sides of the same coin” (Dokken 2008: 35). In this system of government, power is almost entirely personalized. Power is personalized by the conscious weakening of bureaucratic institutions. Connections are incredibly important, and the ruler of a neopatrimonial regime can control other elites by giving or taking away access to resources.

The weak institutions that characterize a neopatrimonial system of government are directly related to the problem with securing borders that many African states face. The transnationalism that occurs in the wake of a neopatrimonial system is linked to the idea that while the regimes themselves may be strong, the state is quite weak. Dokken argues that, “the neopatrimonial state is usually characterized by a weak state (weak institutions and lack of state control) and a strong regime (an authoritarian elite with no obligation to redistribute the wealth they possess” (Dokken 2008: 36). This seeming contradiction between state weakness and regime strength is important to our understanding of terms such as state failure and fragile states. While many African states appear weak when one examines development indicators such as GDP per capita, they are nonetheless ruled by leaders that have proved themselves capable of holding on to power for long periods of time.

Jones *et al.* (2013) provide an alternative conceptualization of the state in countries such as Ethiopia. They argue that the neopatrimonial logic undermines the state-building aspirations of leaders such as the late Meles Zenawi, former Prime Minister of Ethiopia. Their understanding of the Ethiopian state is mirrored in the findings of Furtado and Smith (2007), who find that the motivations for the EPRDF leadership are not directly linked to personal enrichment, but rather to a desire to achieve economic success and poverty reduction through a statist – fundamentally illiberal – developmental state model.

3.1.1 Fragile states

The notion of state failure began to capture the attention of academics and policymakers in the beginning of the 1990s. Several important works were published during this time, including Robert Kaplan’s *The Coming Anarchy* (1994) and I. William Zartman’s *Collapsed States* (1995). While state failure has been the subject of much scholarly literature in recent years, a single definition of the concept has remained elusive. The tendency among both academics and policymakers alike to use terms such as “fragile,” “failing,” “weak,” “failed,” and

“collapsed” somewhat interchangeably has contributed to the ambiguity of the term.¹²

Nonetheless, the definition proposed by Zartman, which sees state failure as a situation that occurs when the basic functions of the state fail to be carried out, has gained widespread acceptance (Zartman 1995).

State failure is understood to pose a danger not just to local populations, but is also a “potential source of insecurity regionally and internationally” (Dokken 2008: 45). This causal linkage between state failure and transnational threats such as terrorism and organized crime makes the topic interesting to major powers (Dokken 2008). In an increasingly globalized world, “state failure in Africa can threaten core states of the international society and hence undermine the achievement of political order globally” (Dokken 2008: 45). President Bush’s National Security Strategy, released in the wake of the 9/11 terror attacks, crystalized this link between state failure and international security threats (Carment 2003). Ethiopia’s position in the international system has been profoundly affected by the increased attention given to fragile states in the wake of the US-led global war on terror.

Ethiopia is a landlocked country bordered by six countries: Sudan, South Sudan, Kenya, Somalia, Djibouti, and Eritrea. Three of those countries – Sudan, South Sudan, and Somalia – are among the eight countries placed on the list of “very high alert” states by the Fund for Peace’s Fragile States Index (Messner 2016). The ranks given to the six countries surrounding Ethiopia are as follows: Somalia (1), South Sudan (2), Sudan (4), Eritrea (18), Kenya (20), and Djibouti (39). The index places Ethiopia among the countries categorized as “alert”, with an overall ranking of 24. Many of the countries surrounding Ethiopia – and to some extent Ethiopia as well – exhibit the sort of conflicts which are thought to contribute to regime instability. The fragility of the countries surrounding Ethiopia impacts on the negotiating capital of the GoE.

A report released in 2000 by the State Failure Task Force listed four key causal factors behind state failure (Goldstone *et al.* 2000). This U.S.-government-commissioned task force pointed to “revolutionary wars, ethnic wars, adverse regime changes, and genocides and politicides” as contributing factors (Goldstone *et al.* 2000: iv). According to these criteria Ethiopia, as well as many of its bordering countries would be considered greatly at risk of state failure. Nonetheless, Ethiopia has attempted to portray itself as a guarantor of regional stability.

¹² The nebulous nature of the state failure term makes it ideally suited to justifying a range of foreign policy initiatives.

Through active participation in peacekeeping efforts and anti-terror activities, the Ethiopian government has emerged as a key ally to the United States in the GWOT.

While the primary focus of this thesis is not the African state per se, I believe it is important to have at least a rudimentary understanding of how sub-Saharan countries have developed over time, and how they differ from the rational-bureaucratic ideal state theorized by Weber. The following sections are more explicitly aimed at framing the boundaries within which my analysis will be carried out, starting with the structural conditions which shape the negotiating strategies of aid-dependent countries.

3.2 The structural conditions shaping the strategies of African states

The framework developed by Whitfield & Fraser for analyzing aid negotiations owes much to earlier works by scholars working within rational choice theory and the political economy of reform (Bates 1981; Hydén 1983; Callaghy & Ravenhill 1993). These scholars are joined by others, such as van de Walle, who approaches the issue through a neopatrimonial lens (2001). Within the field of aid negotiations, game theoretic approaches are used in the most commonly cited texts, such as the seminal contribution of Mosley *et al.*, *Aid and Power: The World Bank and Policy-based Lending* (1991). In addition to game theory, other scholars writing about aid negotiations have relied on principal-agent models (Killick 1998; Dijkstra 2002) or institutionalist approaches (Gibson *et al.* 2005). Whitfield & Fraser's (2010) alternative approach builds on these earlier endeavors, but their goal is not to predict outcomes in the game theoretic sense. Rather, their focus is on demonstrating "how the interests and preferences of the actors are shaped by the global and national, economic, political, and ideological contexts in which each actor and the negotiations themselves are embedded" (Whitfield & Fraser 2010: 344). Whitfield & Fraser's approach is also more deeply rooted in the ideological and institutional legacies of the contemporary aid system than the distinctly ahistorical framework used in game theoretic or principal-agent models (Whitfield & Fraser 2010). Our understanding of donor-recipient relations is incomplete without a thorough understanding of the global developments since the end of the Cold War. With regards to the chosen theoretical frameworks, there are also other options that might have been chosen. For example William Habeeb's, *Power and tactics in international*

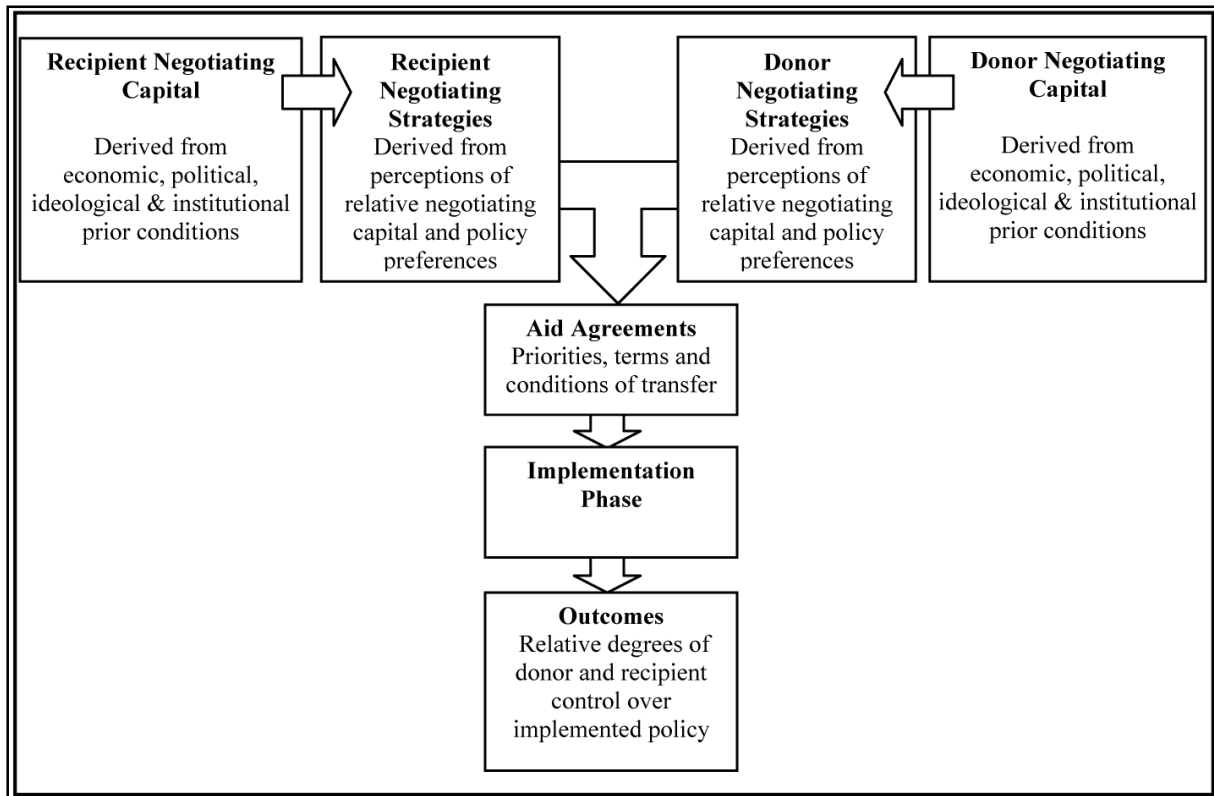
negotiation: how weak nations bargain with strong nations is helpful in analyzing relationships between asymmetrical powers. Habeeb separates power into three different constituent parts: aggregate structural power, issue-specific power, and behavioral power. Weak states can have issue-specific power, and succeed in creating negotiating capital for themselves (Habeeb 1988) Ultimately I decided to rely on a combination of Whitfield and Fraser's aid negotiation framework, in conjunction with the approach to agency found in *African Agency in International Politics*, edited by William Brown and Sophie Harman (2013). Because my thesis in many ways builds on the works of previous scholars, I felt that using Whitfield's (2009) approach enabled me to get a better sense for the historical changes that have occurred over time with respect to the donor-recipient relationship.

According to Whitfield and Fraser, one should understand the "outcome of aid negotiations as the product of an encounter between representatives of recipient and donor preferences" (Whitfield & Fraser: 345). These preferences are shaped by the ever-changing politico-economic landscape. This context is referred to by Whitfield and Fraser as the "structural conditions", and I have adopted the same term throughout this thesis (Whitfield & Fraser 2010: 346). Whitfield and Fraser go on to state that:

We use the term "negotiating capital" to refer to the leverage that a negotiator is able to derive from these structural conditions. In sum, a recipient government's negotiating strategy is chosen in the context of its given structural conditions and how it decides those conditions can be deployed in aid negotiations to meet its objectives. (Whitfield & Fraser 2010: 347)

I believe Whitfield & Fraser's emphasis on the specific context, history, and legacy of a given donor-recipient relationship clarifies the politics of aid, and my own analysis places the same emphasis on the historical relationship between the Government of Ethiopia and the European Union. The context of an aid relationship refers not only to the historical background, but also to the day-to-day management of bureaucrats and politicians of this relationship as they interact with their counterparts on the opposite side of the table. *Figure 5* on the following page is a simplified model of an aid negotiation from Whitfield and Fraser's analysis (2010). My thesis is primarily focused on examining the recipient negotiating capital and negotiating strategies, rather than the implementation phases and outcomes of specific aid agreements. In light of this, the following subsections deal with the economic, political, ideological, and institutional conditions from which negotiating capital is derived.

Figure 5: Simplified model of an aid negotiation



Source: *The Politics of Aid: African Strategies for Dealing with Donors*, edited by Lindsay Whitfield (2009: 38)

3.2.1 Economic conditions

Economic conditions contribute to the negotiating capital of both donors and recipients. A recipient country's level of aid dependence is an important factor that one should consider. In addition to this, one should study the extent to which a donor is or is not dependent on resources controlled by the recipient. Often, these resources are commodities such as oil, copper or gold (Whitfield & Fraser 2010). We might hypothesize that in situations where a donor country is reliant on access to resources controlled by the recipient country, the space available to the recipient country to exercise agency is greater than in situations where there is no such relevancy.

There are a couple caveats to the economic conditions mentioned above. Firstly, as the study carried out by Mosley *et al.* (1991) pointed out, the World Bank – and presumably other International Financial Institutions (IFIs) – suffer from a disbursement dilemma. The disbursement dilemma refers to the unwillingness of the World Bank to enact sanctions against non-performers. It is difficult for IFIs to impose negative conditionalities on recipient

countries because by doing so they risk losing their initial investment should the country default on their loans (Mosley *et al.* 1991). The second caveat is that the extent to which these economic conditions have a limiting effect on the agency of recipient states depends on the availability of alternative sources of funding (Whitfield & Fraser 2010). As I mentioned in the background chapter, nontraditional donors are increasingly providing sub-Saharan countries with alternative sources of finance such as Foreign Direct Investment (FDI). Countries such as China do not impose the same governance conditionalities as Western donors and financiers do (Jalata 2014).

3.2.2 Political conditions

Political conditions can be affected by several factors. Prevailing international norms on the concept of sovereignty mean that the ruling government will always have a stronger negotiating mandate than other sub-state actors. However, the political legitimacy of the government can vary drastically, and this in turn will affect how a recipient country is perceived by donors (Whitfield & Fraser 2010). In general, we can assume that a government supported by a strong coalition will have greater political legitimacy, and therefore also have a higher negotiating capital than governments with weak internal support. The existence or absence of potential alternatives to the regime also has an effect on negotiating capital. Donors will grant the recipient country government greater leeway if the political mandate of the government is fragile, and if other competing political actors are thought to be less amenable to donor preferences (Whitfield & Fraser 2010). Finally, security considerations are of course very important. Recipient countries that are valued by donors for their ability to preserve regional stability will be able to exercise greater agency than those countries that are unable or unwilling to fulfill this role (Whitfield & Fraser 2010). The global war on terror, and – more recently – the migration crisis in Europe have ensured that the negotiating capital of recipient countries playing an active role in stabilizing the continent will remain high.

3.2.3 Ideological conditions

The ideological resources available to recipient countries reflect the changing policy preferences of donor countries, as well as the “ability of a recipient government to express a clear vision about where the country is going and about the contribution of public policy to achieving that outcome” (Whitfield & Fraser 2010: 348). Recipient countries that can create a

coherent framework outlining the government's development vision will be more likely to retain ownership over the development process than those recipient countries that don't have this same ideological clarity (Whitfield & Fraser 2010). Donors have prejudices and preferences, and those countries that can appeal to the sensibilities of these donors will be able to attract greater amounts of development assistance. Finally, aid-dependent countries can use the language of development partners to endear themselves to donor governments.¹³

3.2.4 Institutional conditions

Finally, the institutional conditions shaping the negotiating strategies of African states refers to the capacity of the government ministries and other institutions to carry out the developmental vision of the government. An effective and professional civil service is an important factor in achieving greater leverage over donors. If the state bureaucracy is weak or ineffective, the government may be forced to accept technical assistance from donors. Over time, this will lead to institutional entanglement between donor and recipient aid management structures. This will certainly undermine the development of strong and independent state institutions (Whitfield & Fraser 2010).

Before moving to the third and final subsection of this theory chapter, I want to conclude with a quote by Whitfield & Fraser, who after claiming that certain African state actors have achieved more success with some negotiating strategies than with others, go on to state that:

To claim that differing strategies explain different outcomes, would be to assume that African negotiators have a free hand to make history, without reference to the circumstances in which they try to do so. On the other hand, to assess outcomes from circumstances would be to treat African negotiators as helpless victims of economic circumstance or of the coercive power of an international aid system. African governments have always had implicit strategies [for] negotiating aid and usually seek to maximize both funding and policy autonomy. (Whitfield & Fraser 2010: 352)

This passage highlights the difficulty in arriving at a conclusion that balances the structural limitations of the international system with the exercise of African agency. The preceding section has introduced the reader to the structural conditions shaping the donor-recipient aid

¹³ See for example Dan Banik's analysis of the use of "buzzwords" by both donors and recipient countries in *Poverty and Elusive Development* (2010).

relationship. The following section will focus on African agency more specifically, and on the strategies used by aid-dependent countries as they attempt to maximize their own agency.

3.3 African agency in international politics

The study of Africa's international relations has traditionally been occupied with explaining "how the continent has been governed, shaped and marginalized by external actors" (Brown & Harman 2013: 1). In many of these portrayals, African states are understood to be "inert victim[s] of exogenous forces bound by immovable structural constraints" (Brown & Harman 2013: 1). Such approaches rob African states, their leaders and their citizens, of their agency. While African states are still heavily constrained by the structures of the international system, I argue that within this narrow policy space African states are increasingly exercising their agency in the international system. Such a focus on agency signifies a return to the bottom-up approach to international relations championed by academics such as Christopher Clapham (1996) and Jean-François Bayart (1993) in the past.

Today African states, leaders, diplomats and policymakers engage in negotiations over issues such as climate change, trade and economic development, as well as military intervention norms (Brown & Harman 2013). African leaders make strategic choices about how to manage their relationships with traditional donors and rising powers, and they have played a central role in the implementation of policies in a range of fields (Brown & Harman 2013). These developments require us to move beyond dependency theory and its ilk if we are to truly understand the intricacies of this relationship. A theory of the African state that is rooted in themes of domination and subjugation by external actors is unable to measure the increasing exercise of African state agency in the 21st century (Brown & Harman 2013). Thus, the focus of this thesis is on interaction with – rather than one-way domination by – Western actors. An undue preoccupation with the structural constraints limiting the agency of African states makes it difficult to pinpoint the political choices made by African state actors (Brown & Harman 2013). Like William Brown and Sophie Harman, I am interested in examining "how far, and in what ways, African political actors are impacting on, and operating within, the international system" (Brown & Harman 2013: 2). Brown & Harman argue that by focusing on African agency in international politics we can account for some of the "different and alternative spaces of political engagement within the international system" (Brown & Harman

2013: 3). By concentrating on the concept of agency I hope to be able to examine those political actors and practices that are sometimes given less attention than they deserve.

3.3.1 Differing approaches to the study of African state agency

The study of African agency tends to fall into one of two categories. The first approach views agency as a “question about how much influence or power is being exerted and how much freedom of action African political actors have available to them” (Brown & Harman 2013: 3). Scholars working within this tradition are primarily interested in “where and how African agents are making an impact on international politics” (Brown & Harman 2013: 3). These scholars focus on international fora in which African state actors have attempted to exercise agency, either unilaterally or in conjunction with other developing countries.

The second approach to the study of African agency “is more concerned with explaining the kind of agency that is being enacted” (Brown & Harman 2013: 3). The primary interest of this group is answering questions about the specific actors involved and the social context. What do agents want to change, and whose interests are being pursued? This approach to the study of agency “necessitates consideration of the tools actors use to enact agency within the contexts in which they operate and in pursuit of specific goals” (Brown & Harman 2013: 3). These tools are the primary interest of the analysis chapters of this thesis, and subsequent sections will outline some of the agency-maximizing strategies that make up this toolbox.

The nature of the structural constraints that characterize virtually all African states makes African agency different from other types of agency in many ways (Brown & Harman 2013). What characterizes them is above all their shared historical reliance on foreign aid. However, there is still space for African agency within this confined space even though the tools and the sites might be different (Brown & Harman 2013). African states are valuable objects of analysis as they allow us to examine the international system without being beholden to the great powers (Brown & Harman 2013). In this sense, African states serve as interesting limit cases for exploring agency in international politics; it would be hard to argue that any other region is so strongly bound by existing power structures (Brown & Harman 2013). African agency is primarily expressed within four distinct arenas: (1) multilateral intergovernmental negotiations; (2) intra-regional cooperation; (3) sub-state or transnational political action; and (4) bilateral relations with external powers (Brown & Harman 2013). The focus of this thesis is on the final category – bilateral relations with external powers.

3.4 Defining agency: the state as agent

Arriving at a single definition of agency has proven to be a difficult task. Even within the field of IR, there exists a multitude of opinions on how best to define the concept of agency. The following paragraphs will introduce the reader to some of the competing definitions, before arriving on a definition that is suitable for this thesis.

In *African Agency in International Politics*, edited by William Brown and Sophie Harman, we find several competing and often overlapping definitions of agency and what exactly it entails. Cornelissen views agency as “actor capacities to engage in volitional and specific ways with others, with the purpose of achieving their own goals”. He goes on to state that, “such actor capacities are shaped by a wider institutional environment” such as the global political economy and its rules and regulations (Cornelissen 2013: 116-117). Zondi, on the other hand, favors a definition that emphasizes the “ability to exert influence in international negotiations” (Zondi 2013: 20), while Lee, who focuses on International Political Economy, views agency as “the ability to change the processes of global trade governance and the rules governing world trade” (Lee 2013: 34). Cargill’s definition of agency is perhaps less ambitious than Lee’s as he does not place as much emphasis on changing the structures of the entire system: “In this context, agency is defined simply as the capacity, as a matter of deliberate policy, to exert political influence externally” (Cargill 2013: 65). Finally, Grimm defines agency as “the ability to willfully determine and pursue one’s own priorities, including the ability to reject external ideas” (Grimm 2013: 81). These are just some of the various definitions of agency one finds within the IR field. Other fields, such as sociology and philosophy, have their own views on what constitutes agency. Crucially, all these definitions of agency mention the process of acting, of making a willful choice as being key to exercising agency. If there is no room to act, then there can be no agency. However, there appears to be a considerable level of disagreement about whether only actors with structural power have agency, or whether bargaining power can constitute a form of agency as well.

Defining agency is complicated for two other reasons. Firstly, some disciplines – notably philosophy – reserve agency solely for individuals.¹⁴ According to this perspective, it makes little sense to speak of corporate entities such as the state having or exercising agency (Wight

¹⁴ Kenneth Waltz is one of the few IR theorists to have tackled the problem of speaking of states as actors. States are made up of people who can in turn be said to exercise agency, but to speak of the state itself as acting is somewhat problematic, even if it can be said to be a useful shorthand.

2006: 177). Secondly, agency is often vaguely defined and it often covers the same ground as definitions of power and control. In development studies, agency sometimes overlaps with the concept of ownership (Whitfield & Fraser 2010). In their article, *Negotiating Aid: The Structural Conditions Shaping the Negotiating Strategies of African Governments*, Lindsay Whitfield and Alastair Fraser conflate ownership with control, and define ownership as “the degree of control that recipient governments are able to exercise over policy design and implementation, irrespective of the objectives they pursue” (Whitfield & Fraser 2010: 343). While I rely on the theoretical framework of Whitfield & Fraser to construct the concept of negotiating capital, I do not think their definition of ownership is broad enough to cover agency as a concept. I am more interested in how the structural conditions outlined by Whitfield (2009) allows the Government of Ethiopia (GoE) to get away with pursuing policies in opposition to the wishes of Western donors, than in examining the specific levels of control that the government has over a given policy design.

I prefer Jonathan Fisher’s (2013c) conceptualization of agency. Fisher starts by examining the concept of power as understood by Joseph Nye and Robert Dahl. Both these scholars view the exercise of power as “the ability to control others, to get other to do what they otherwise would not do” (Dahl 1957: 202-203; Nye 1991: 154). Most commonly, this feat would be achieved by means of the use – or threat of – physical force. Their conceptualization of power has by now become well-known. However, this definition is not very helpful for understanding the dynamics shaping donor-recipient aid relationships. Aid-dependent countries, who are preoccupied with maximizing funding while preserving policy space, strive to limit attachment of political conditionalities to aid disbursements. In this sense, “African governments...[are] more interested in getting donors *not* to do things that they would otherwise do, as opposed to getting them to do things they otherwise would not” (Fisher 2013c: 99). I argue that there are two main elements that make up agency. The first is the “faculty or state of acting or exerting power”, which means that within the narrow confines of the structures shaping the international system, there must be enough room for states to make choices; to act (Buzan *et al.* 1993: 103; Hill 2003: 26). The second element is the exercising of power (Hill 2003). If we are to know that a state has acted, then we “must be able to see that its actions have had an effect” (Fisher 2013c: 98). In this sense, it is very difficult to separate the concept of agency from traditional definitions of power.

3.5 Agency-maximizing strategies

The structural constraints of the international system are not set in stone. The three trends – the increasing securitization of aid, the rise of China and the “ownership” aid paradigm – have expanded the policy space in which materially weak African states can operate. It is within this limited, but not inconsequential room that we find evidence of African state agency. The distinction made by Bobrow and Chan (1988) between the power to change the underlying structures that make up the international system and what they term “bargaining power” is an important one. Bobrow and Chan argue that:

It is important to keep in mind the distinction between leverage in the form of bargaining power and that in the form of structural power. The former refers to specific advantages in influencing the outcome of a particular game or topic. The latter refers to general advantages in influencing the nature or the rules of the game to be played. Third World countries, individually or collectively, can have bargaining power in specific situations. They lack structural power. (Bobrow & Chan 1988: 51)

Bobrow and Chan wrote this passage before the Cold War had ended, so the extent to which it is transferable to the foreign policy dilemmas of African states in the 21st century is open to debate. Nonetheless, I maintain that a distinction between these two forms of power is useful.

The following sections outline some of the most prominent strategies for maximizing agency that have been identified by the literature on African state agency. In the analysis chapters, the extent to which some or all of these strategies have been actively used by the GoE in order to increase their bargaining power vis-à-vis western development partners will be examined. As these strategies are sourced from several different scholars, there will inevitably be a certain degree of overlap between the various strategies.

3.5.1 Image management

Image management strategies are quite prevalent in the field of African IR (Fisher 2013c). One example comes from Bayart, who examined the ways in which political leaders have over the years perfected the “discourse of democracy” in order to curry favor with development partners (Bayart 2000: 225-226). However, Bayart examines African agency by looking at how these governments have essentially tricked donors into supporting them by manipulating western perceptions of events such as elections and conflicts (Bayart 2000:

226). This is helpful for looking at specific events, but not so much for understanding how a government shapes its image on a more general level (Fisher 2013c). Jonathan Fisher argues that:

Through actively attempting to influence how donors see them, African governments can, to some extent, ensure that donors view them in line with “positive” narratives associated with international assistance and political support, rather than with more “negative” narratives linked to democratic back-sliding. (Fisher 2013c: 100)

While Fisher contends that image management is “both a strategy for increasing African agency in the international and, indirectly, domestic spheres” and “a form of agency itself in the sense of a dynamic mode of interaction with the international system” (Fisher 2013c: 100), I will primarily be viewing image management as a strategy for maximizing agency.

According to Fisher, there are two major components of image management strategies (Fisher 2013c). The first component refers to the specific policies enacted and the positions taken in order to further a specific narrative for the regime in question (Bayart 2000: 225-226). The second component is communication, and how the regime uses the media to sell its image to donors (Fisher 2013c). Policies and communication are combined to create a narrative of the state that gives it greater leverage over development partners. Fisher points to Uganda as a country that has been incredibly successful in managing its image vis-à-vis donors. With respect to Uganda, Fisher points to “the regime’s use of personalized informal diplomacy”, “employment of public relations or “lobbying firms” in donor capitals” and “proactive engagement with Western media organizations, universities and policy institutes” (Fisher 2013c: 112). The final analysis chapter will examine if and how the Ethiopian government has employed these same strategies, and how effective they have been in fostering an image of the Ethiopian state that is valuable to Western donors like the EU.

3.5.2 Discourse

Some African states have used discourse strategically in order to increase their agency.

Though discourse, especially in the context of global trade governance, has traditionally been viewed as a weapon of the strong (Wilkinson 2009), others have pointed to the potential for discourse to provide weak states with a way to challenge dominant powers (Lee 2013). Lee explores the role of discourse in international politics, and argues that:

Rather than seeing dominant discourses as the exclusive weapons of the strong, I highlight their potential as “weapons of the weak”. My purpose is to explore how subordinate African actors have made normative use of the discourse of the dominant states... as a means of challenging and resisting the power of the USA and other major states. (Lee 2013: 35)

Lee’s writings are based in part on the work of Sharman (2007). Writing about peripheral states, Sharman outlines how such states can use the discourse of neoliberalism to resist regulation (Sharman 2007). Sharman calls this a “mimetic challenge” (Sharman 2007: 55). A mimetic challenge refers to the ways in which states imitate the discourse of others.

According to Lee, whose object of analysis is global governance regimes:

While least developed countries may lack market power due to the small size and scale of their economies, they have opportunities to exercise discursive power and defy leading states, such as the USA, as a result of a decisive discursive turn in global economic governance at the beginning of the new century. This discursive turn placed development firmly at the top of the agenda of various global governance regimes. (Lee 2013: 40)

In the quote above, Lee emphasizes that even ostensibly weak states can exercise agency by coopting the language of development. The increasing prominence placed on aid effectiveness and ownership after the signing of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action have opened up a space for recipient countries to make the moral argument that aid should be free of all forms of conditionality. It seems plausible that aid-dependent states can increase their negotiating capital by appealing to international norms that emphasize recipient ownership and sovereignty. In my analysis I will examine to what extent this is the case for the GoE.

3.6 Chapter summary

The goal of this chapter has been to introduce the reader to the theoretical framework that shapes my understanding and analysis of the recipient-donor aid relationship between the Government of Ethiopia and the European Union. The chapter emphasizes the intersection of structural conditions and African agency. The structures of the international system, which are categorized as the political, ideological, economic, and institutional conditions shaping aid relations constituted one part of the theory chapter, while another part dealt with the concept of agency as it applies to African states. While the structural conditions limit the choices

available to African states, and the efficacy of these choices, there is nonetheless a space for these aid-dependent countries to exercise agency within tight corners through careful management of their image.

The theoretical framework will guide the analysis carried out in subsequent chapters. By grounding the analysis in existing international relations theories, the trustworthiness of our claims is strengthened. However, before moving to the analysis part of this thesis, it is necessary to introduce the research design and methodology used in the collection and analysis of my data. This part constitutes the next chapter.

4 Research design and methodology

A good research design should strive to crystalize the link between the initial set of questions, and their respective conclusions (Yin 2009). A research design is a blueprint for handling problems such as: what questions do we want to answer, how do we decide what data are relevant, and how should we collect and analyze this data (Philliber, Schwab & Samsloss, 1980). A good research design guards us from collecting evidence unrelated to our initial research questions (Yin 2009). This chapter is divided into five sections. First, the justification for choosing a single-case research design is outlined, as well as the strengths and limitations of such a research design. The second section deals with the data collection process. The third section focuses solely on the interview part of the data collection process, as information gathered from interviews have been integral to this thesis. The fourth section outlines the data analysis that was carried out. The fifth section evaluates four criteria for judging the quality of the case study research design.

4.1 Single-case research design

In recent decades, articles that rely on quantitative or formal methods have gained in prominence, while the popularity of case study research has remained fairly constant (Sprinz & Wolinsky 2004). The case study has, fairly or unfairly, become associated in some scholarly communities with nongeneralizable theories, undisciplined research designs, and subjective conclusions (Gerring 2006). The primary aim of this section is to present an approach to the single-case study research design that is more methodical in nature than the sort of “free form research where anything goes” that has sometimes characterized case study research (Gerring 2006: 20).

4.1.1 Defining the case

Case studies are often described as qualitative, as holistic, or as a form of thick description with a small-n sample (Gerring 2006). George and Bennet define a case as “an instance of a class of events” (George and Bennet 2005: 17). For the purposes of this thesis I have adopted George and Bennet’s definition. The *class of events* that George and Bennet refer to would in my case describe donor-recipient relations, while the *instance* would correspond to European

Union-Ethiopia aid relations. Temporally, the analysis is limited to the roughly ten-year period that has elapsed since the original case studies for *Politics of Aid* were carried out in the period from 2005-2007. Although case studies are often used when delineating the exact boundaries between the unit of analysis and the rest of the universe is difficult, the researcher should nonetheless strive to set concrete temporal and spatial boundaries (Yin 2009). The case should be as concrete as possible, and “not an abstraction such as a topic, an argument, or even a hypothesis” (Yin 2009: 131). Yin argues that previous literature can be helpful in defining the case; my unit of analysis was delineated with the help of Whitfield’s *Politics of Aid*, and Brown & Harman’s *African Agency in International Politics*, among others. A thorough review of the literature is also helpful in conceptualizing the theoretical framework. This framework is integral to the data collection process, as theory is what allows the researcher to *analytically generalize* beyond the results of the research project (Yin 2009).

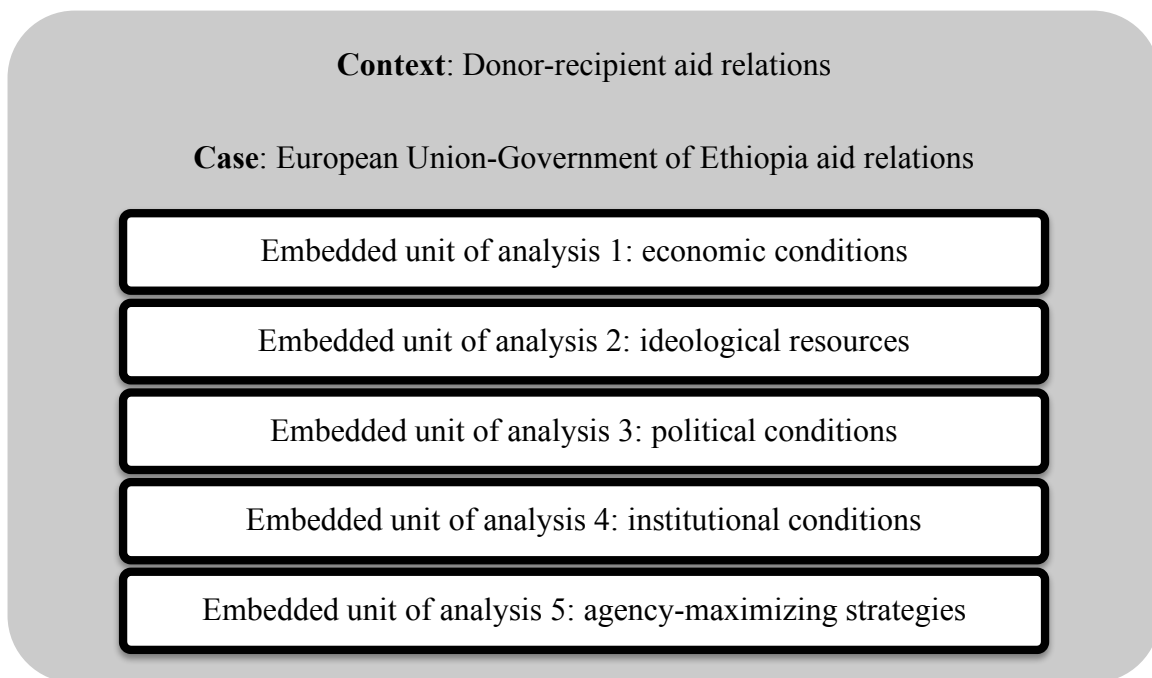
4.1.2 When are case study research designs appropriate?

Case studies are best suited to answering research questions that ask “why” or “how” (Yin 2009). Apart from answering “why” and “how”, case studies are also ideal in situations where the researcher has little or no control over the events, or the variables of interest and in situations where the focus is on contemporary experiences (Yin 2009). A case study research design is appropriate in this case, because I am primarily interested in understanding *how* the Government of Ethiopia (GoE) has strategically utilized its negotiating capital in order to maximize their agency within the structures of the international system.

4.1.3 Embedded single-case design

Case studies can utilize either a holistic or an embedded research design. Holistic designs are preferable when there are no logical subunits of analysis, but can sometimes suffer from too large a degree of abstraction (Yin 2009). When this happens, it becomes difficult to come up with sufficiently concise measure of the data (Yin 2009). Adopting a research design with embedded units of analysis can provide us with greater insight into the case. As the theoretical framework already approaches donor-recipient aid relations through four separate structural conditions – economic, ideological, political, and institutional – it seemed helpful to adopt a similar approach to my own research design. *Figure 6* on the following page outlines the embedded single-case design that serves as a foundation for my analysis.

Figure 6: Embedded single-case design



The concept of agency – which is defined in chapter four – serves as the dependent variable. Agency can be viewed as a function of structural conditions (embedded unit of analysis 1 – 4) and the agency-maximizing strategies of the state (embedded unit of analysis 5). The efficacy of agency-maximizing strategies such as image management thus in a sense depends on the value of the underlying structural conditions. The structural conditions set boundaries on the bargaining space available to African states; within this space governments may use a range of strategies to maximize their agency.

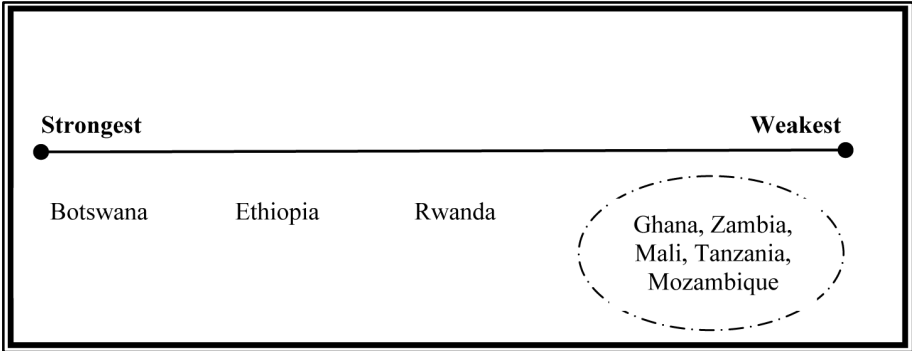
4.1.4 Case selection

Research designs that utilize quantitative methods seek a representative sample, achieved through the process of randomization (Gerring 2006). In case study research, such randomization is not just difficult to achieve, it is also problematic for methodological reasons. Instead, the preferred approach relies on purposive selection procedures. There are a variety of techniques for selecting cases: typical, diverse, extreme, influential and crucial, among others (Gerring 2006). The case, the unit of analysis, which this thesis is concerned with, has been chosen because of its extreme value on one of the variables of interest.

Gerring argues that the “defining question of all case study research” is “what is this a case of?” and that to answer this question, one must be familiar with a broader set of cases

(Gerring 2006: 27). This thesis is inspired, in part, by the scholarly work of Lindsay Whitfield. Whitfield, as the editor of *The Politics of Aid: African Strategies for Dealing with Donors* (2009) has collected case studies on donor-recipient aid relations in eight sub-Saharan countries. These countries are ranked along a continuum, based on a qualitative assessment of government control over the development process. Two countries, Botswana and Ethiopia, score highly on this measure (Whitfield 2009). Botswana is a rare African success-story that has been transitioning away from aid dependency and is therefore of lesser interest. This leaves Ethiopia, which serves as an example of an extreme case. Ethiopia is an example of a developing country – it was ranked 174 out of 187 countries in the UNDP’s latest Human Development Report – that has achieved a greater degree of ownership over the aid process than circumstances might indicate. Ethiopia and its relations with donor countries serves as an important and interesting unit of analysis that is ripe for further analysis.

Figure 7: Spectrum of government control in the country studies



Source: *The Politics of Aid: African Strategies for Dealing with Donors*, edited by Lindsay Whitfield (2009)

Ethiopia was not the only case under consideration during the early stages of the research process. I had initially settled on Sudan as the unit of analysis, as it is a country that has received relatively little attention within the international relations and development discourses. Further research made it clear that it would be exceedingly difficult to collect the data necessary for writing a successful thesis with Sudan as the focus. Experts within the field, such as Harry Verhoeven and Øystein Rolandsen, advised against attempting to analyze the shadowy realm of policy coordination between Sudan and Western development partners.¹⁵ Robert Yin argues that sufficient access to data – “whether to interview people, review documents or records, or make observations in the “field”” – is a key requisite to carrying out a successful case study (Yin 2009: 111). Sudan is a notoriously difficult state for

¹⁵ Personal communications with the author.

researchers to gain access to, and as my primary interest lies in the strategies of African governments in negotiating aid – a topic that requires close access to respondents – it seemed more prudent to focus on Ethiopia instead. Whitfield & Fraser’s discussion of the difficulties which researchers interested in African strategies for dealing with donors face further solidified my decision to shift my subject of analysis to Ethiopia-EU aid relations. The full quote is reproduced below:

Whether in an individual negotiation or in a process to establish wider aid management systems, the strategies adopted by African governments are unlikely to be explicitly stated and may well never be written down or consciously designed. They may be implicit and be the result of several actions and choices by the government. They may never be clearly articulated by those engaged in the negotiations – they may only exist as personally defined tactics or as a general approach informed by previous experiences in the minds of the negotiators. This clearly presents difficulties for any researcher and explains the heavy reliance of our country case studies on post hoc interviews with African negotiators.¹⁶
(Whitfield & Fraser 2010: 347)

Robert Yin argues that “if doing a single-case study, choose the case that is likely, all other things being equal, to yield the best data” (Yin 2009: 132). A similar sentiment is expressed by Van Evera (1997) who writes that one should select cases that are best suited to answering the research question, and that allow our theories and hypotheses to be tested. The research design clearly suffers from selection bias, but I contend that selecting the unit of analysis based on its extreme value on a variable of interest is justified.

4.1.5 Comparative advantages and limitations of case study methods

Case studies are adept at handling thick descriptions of complex phenomena (Yin 2009). They have an advantage over other research methods when it comes to identifying new or omitted variables and making inferences about causal mechanisms (Sprinz & Wolinsky 2004). Case studies can achieve a high level of construct validity when data is triangulated. In addition to this, cases studies are well-suited to tracing – in detail – an event over time (Yin 2009).

¹⁶ Although Whitfield claims that “post hoc interviews with African negotiators” were an integral source of information for the case studies detailed in *The Politics of Aid*, email correspondence with the co-author of the chapter on Ethiopia revealed that “many of the observations and analysis included in the paper are not based on interviews but rather on my work and close association with key officials during a particularly volatile time” (Personal Correspondence with Xavier Furtado). This means that interview data might potentially yield a clearer understanding of the recipient-donor aid relations of Ethiopia and its development partners.

There are several problems associated with case study research designs. Firstly, too many variables of interest can lead to an indeterminate research design, wherein it is impossible to exclude all but one explanation (Sprinz & Wolinsky 2004). Secondly, case selection bias can limit our ability to generalize beyond the specific case that has been analyzed. This is especially true for single-case studies, where it is very difficult to know how representative of the population a given case is. Thirdly, it can be difficult to determine the direction of causality. Endogeneity problems¹⁷ occur because “the values our explanatory variables take on are sometimes a consequence, rather than a cause, of our dependent variable” (King, Keohane, and Verba 1994: 185).

Some of these problems can be mitigated by a well-thought out research design, but not all of them can be eliminated completely. Triangulation of sources can reduce the harm caused by having more variables of interest than data points (Yin 2009). There is also no getting away from the fact that a multiple-case study would be more robust than the single-case study research design I have adopted. Even just moving from one case to two would greatly improve the strength of my conclusions, but unfortunately time and cost constraints make such an endeavor difficult for this class of events. With generous funding from the Centre for Development and the Environment and the Department of Political Science at the University of Oslo, I was able to conduct field research in Addis Ababa over the course of four weeks. In the time allotted to me as a master’s student it would be very difficult to conduct additional interview rounds in other countries of interest. Hopefully, my research design can serve as a foundation upon which future research can be built.

4.2 Data collection

The data collection process for case studies is often quite complex, as it relies on the careful consideration of empirical evidence from several different sources. There’s a greater need for methodological versatility than for other research methods. Evidence used in case studies tend to come from six sources: documents, archival databases, interviews, direct and participant-observation, and physical artifacts (Yin 2009). My research relies on interviews, documents, and archival records (in the form of public use files such as statistical data deriving from the state or multilateral organizations).

¹⁷ It is perhaps worth noting that among constructivist scholars endogeneity is not viewed as a problem, but rather as a reflection of the nature of the international system (Dessler 1989).

When collecting data for a case study research project, one should keep in mind the following three principles: firstly, one should aim to utilize several different sources of evidence; secondly, one should create and keep a formal case study database with all the evidence that makes its way into the final report; and thirdly, one should preserve the chain of evidence from the research question, to the data collection process, and finally to the conclusions that are drawn (Yin 2009). One of the most important sources of data for case studies is interviews, and my research relies quite heavily on information gleaned from 15 semi-structured interviews with respondents knowledgeable about the relationship between Ethiopia and development partners. Documents are used, in part, to corroborate the data collected through interviews. By triangulating data in this way, the construct validity of the research design is strengthened. I have attempted to collect enough data so that any conclusions drawn rests on confirmatory evidence from more than one source, which is an approach advocated by Robert Yin (2009) in *Case Study Research*. The collection of data from several sources is time consuming, but it is nevertheless essential when carrying out case study research.

4.3 Interview research methods

Interviews played an important role in this research project. Interviews are particularly helpful in cases where the ideas we are interested in cannot be converted into quantitative indicators easily (Mosley 2013). Interviews allow us to gain access to information outside of the public record and to gain deeper insights into the personal motivations of key respondents (Mosley 2013). As my results rely to a large extent on data collected from these interviews, I have devoted considerable space to the process of conducting interviews in the following section.

4.3.1 Field research

The interview data was collected during a four-week period of field research in Addis Ababa, Ethiopia. 15 semi-structured interviews were conducted with a total of 17 respondents, ranging in duration from 25 minutes to 1 hour and 15 minutes. All interviews were conducted in English. Factors such as how a particular respondent was contacted, the length of an interview, and whether or not the interview was recorded can have an effect on the answers

one receives (Mosley 2013).¹⁸ The questions posed to respondents were mostly open-ended, but I followed an interview guide that ensured that respondents were generally asked the same set of questions. The questions did vary somewhat across categories, as not all questions were equally relevant to all respondents. A natural evolution of one's questions during field work is to be expected, as the researcher responds to the answers he or she receives (Mosley 2013). This is particularly true for case study interviews, where fluidity is valued over rigidity (H. J. Rubin & Rubin 1995). When conducting interviews, one should do their best not to put words into the mouths of one's respondents, and I have tried to the best of my ability to follow this advice (Martin 2013). I was fortunate to be given a place to work at the Center for Human Rights at Addis Ababa University. As the Center was located within walking distance of the Ministry of Finance and Economic Cooperation, I could easily take notes after each interview.

4.3.2 Interviewer effect

Interviewer effect is a term that describes the systematic and variable measurement error attributed to the specific interviewer carrying out a given interview.¹⁹ Respondents' answers may vary depending on the age, race or gender of the researcher. These are just a few of the variables that might introduce measurement bias into a researcher's interview data. Even in situations where two researchers receive the same information from their respondents, they may interpret this information in different ways (Mosley 2013). Removing all sorts of bias from our research is difficult. A more fruitful approach might be to embrace these interviewer effects openly so that the reader is able to judge for themselves whether or not they believe the results. This is the conclusion reached by Lynch, who argues that, "giving up the assumption that a "pure" objectivity is achievable will facilitate a more nuanced and thorough subjectivity" (MacLean 2013: 68).

During my field research I strived to portray the same image of myself to all my respondents. This included dressing similarly (formally) for every interview; presenting myself as a polite and well-informed, but also somewhat uncritical student; and trying to keep my verbal and nonverbal responses to my respondents' answers constant across all my interviews. This persona granted me access to government officials in a country that is quite isolationist, but

¹⁸ Please see the appendix for complete information on interview methods and categories.

¹⁹ The term "interviewer effect" is often associated with positivistic approaches to political science, while constructivist/interpretivist scholars prefer the term "positionality". Mosely defines positionality as "the researcher's awareness of her position in the world relative to her respondents" (Mosley 2013: 12).

made it difficult to ask critical questions of my respondents. The power balance between the researcher and his or her respondents is an important issue that contributes to interviewer effects. As a student my position vis-à-vis my respondents is not the same as it would be for a professor with tenure. Nonetheless, as the researcher I had the power to decide what questions would be asked during the interview (and at a more general level: what the overall research question of my thesis would be) (Lynch 2013). In closing, it's also worth noting that Norway was involved in a diplomatic crisis with Ethiopia in 2007 over Norwegian involvement in Eritrean-Ethiopian relations. Although the crisis has been resolved, it's plausible that this event may have influenced some of the responses I received from respondents at the Ethiopian ministries.²⁰ Some of the abovementioned interviewer effects might have been limited by virtual interviews, but such forms of exchange make it very difficult to establish a rapport with the respondent (Mosley 2013). Without a good rapport, the interview data will likely be lacking in both depth and accuracy (Mosley 2013).

4.3.3 Challenges related to interview research

Researchers engaging in interview research must contend with a spate of challenges. Among these are ethical considerations, issues related to sampling, and validity and reliability tests (Mosley 2013). Despite these challenges, interviews can still be a valuable source of information for researchers. Interviews are becoming increasingly important as a focus on transparency pushes certain political processes underground (Mosley 2013). Beckmann and Hall (2013) make the same argument when they state that the increase in information availability brought about by the internet means that parts of the decision-making process has been moved out of the spotlight and can only be uncovered via interview research (Beckmann & Hall 2013).

Ethics

Before conducting interviews as part of a research project, researchers must go through the process of gaining institutional review board (IRB) approval. My project was submitted to NSD, the Data Protection Official for the University of Oslo as well as approximately 150

²⁰ Readers who desire a more thorough examination of Norwegian-Ethiopian diplomatic relations before, during, and after the crisis in 2007 might be interested in Bente Sørli's master's thesis: *Forholdet mellom Norge og Etiopia – En analyse av årsakene til krisen i 2007*.

other research and educational institutions in Norway. Approval was granted 16.01.2017,²¹ and interview data was collected from 19.01.2017 to 20.02.2017 on location in Addis Ababa, Ethiopia.

Central to the IRB approval process are the requirements for informed consent (Mosley 2013). Informed consent was sought, both oral and written, prior to every interview. The written consent form included key information about the project, about how data would be handled and about how confidentiality would be ensured. It also included an inquiry regarding the respondents' willingness to participate in the research project.²² When one is interviewing certain especially vulnerable groups – children or socioeconomically disadvantaged persons – ensuring that informed consent is actually achieved can be difficult. In my case, as I was interviewing elites, I feel confident that the requirements for informed consent have been met.

Layna Mosley writes in *Interview Research in Political Science* that “the scholar is ethically obliged to trade the protection of subjects against the transparency of the research process” and I have attempted to the best of my ability to make choices that respect this rule (Mosley 2013: 16). This means, among other things, that names and specific job positions of the respondents have been redacted. Ethiopia generally scores poorly on indices that measure freedom of speech and freedom of the press as well as other political rights – Freedom House's Freedom in the World 2016 report rated Ethiopia as Not Free, for example – and I have therefore adopted a cautious approach to questions of confidentiality and anonymity²³ (Freedom in the World 2016). This cautiousness unavoidably comes at the cost of greater transparency, which in turn affects the replicability of the study.

Sampling strategy

My research design used a non-random sampling method. Although there are benefits to randomization – it allows us to generalize and to test our theories more rigorously – budget and time constraints make this difficult to achieve (Mosley 2013). I relied on purposeful sampling, in that a sample frame of relevant actors was developed firstly and then additional respondents were recruited via the snowball method. The difficulties of gaining access to key respondents means that I often had to accept what I was offered, even though ideally, I would

²¹ A copy of the approval letter from NSD can be found in the appendix.

²² A copy of the consent form can be found in the appendix.

²³ It should be noted that at no point during the interview process did I feel that respondents were afraid to voice their own opinions, even on potentially sensitive subjects.

have wanted to proceed in a different manner. It might have been better, from a research design perspective, to speak to people in similar roles across the various bilateral and multilateral institutions. As a student with limited time, I had very little power to demand to speak only to, for example, the head of development cooperation. This is a limitation of my study, but one that I feel is difficult to eliminate without a great deal of time and significant social capital. Mosley argues that specific cases are preferable to a representative sample in cases where the researcher is trying to develop causal explanations, and as this is partly the aim of my research project, I believe that my sample frame allows me to draw valid conclusions (Mosley 2013)

It can be difficult to know how many interviews one should conduct. The general goal is to aim for saturation, which is achieved once no new information is gained from additional interviews (Seidman 2006). In addition to saturation, there should be sufficient variation across the sample. I have conducted 15 semi-structured interviews, but since I interviewed respondents from different categories (bilateral, multilateral, and think tanks to name a few), it is not clear that saturation was achieved. These and other potential issues, such as nonresponse bias, are covered in the interview methods table found in the appendix.

Interview validity

Validity is often understood to mean the extent to which our measuring instrument accurately gauges the properties that we wish to measure (Yin 2009). When the measuring instrument is an interview, concerns about validity tend to revolve around asking the right questions and in the right way (Mosley 2013). Accuracy can be reduced by poor recollection, but also by a tendency among respondents to portray themselves in the best possible light. I attempted to reduce the potential for measurement error by writing down my notes from the interviews that could not be recorded as quickly as possible after the interviews concluded. Even though the researcher attempts to reduce measurement error, interviews should be viewed as verbal reports (Yin 2009). Therefore it is unwise to rely solely on interview data for one's conclusions; with triangulation of data, the validity is improved. It can be difficult to strike a balance between internal and external validity. I interviewed five people from the Ministry of Finance and Economic Cooperation category in an attempt to maximize internal validity for that category, while the ten remaining interviews were divided into five categories. For these ten interviews, the focus was on variation, rather than depth. This approach strengthens the

external validity of the research design. An interview guide with an overview of the questions asked during my interviews can be found in the appendix.

Reliability

Reliability is a term for “the confidence we can place in a given instrument or measurement” (Mosley 2013: 17). Because interviews are interpersonal by their very nature, concerns about their capacity for objectivity are sometimes raised. Reliability is increased when the information from interviews is captured accurately, which is why I have relied on audio recordings for most of my interviews. My interviews were conducted in English, but as I interviewed government officials and other elites, I did not feel that this decision compromised the reliability of my data (MacLean 2013).

4.4 Data analysis

Data analysis consists of examining, in various ways, the empirical evidence in order to draw reasonable conclusions (Yin 2009). With respect to case studies, these techniques are not as clearly defined as they are for competing approaches within political science (Yin 2009). That being said, there are a range of techniques available to case study researchers, such as pattern matching, process-tracing, and cross-case synthesis (Yin 2009). When analyzing the data, I made sure that I didn’t leave any evidence out; that I provided readers with access to the evidence I collected without any interpretation attached; and that I identified rival explanations for my results. These three conditions are necessary for a high quality analysis (Yin 2009).

4.4.1 Data analysis guided by theoretical framework

Robert Yin argues that the best strategy for analyzing case study data is to use an existing theoretical framework (Yin 2009). Theory should guide the case study; it should serve as a blueprint for what information is relevant and what can safely be ignored (Yin 2009). The theoretical framework developed by Lindsay Whitfield (2009) has guided the data analysis carried out for this research project. The structural conditions she focuses on have guided my own analysis, and made it easier to decide which pieces of information should be a focus for my investigation. Having this theoretical framework as a guide was immensely helpful in

carrying out my field work, both with respect to formulating an interview guide, and with creating the original sample frame of potential respondents.

4.5 Criteria for judging the quality of the research design

A well-thought out case study design should seek to maximize its quality by paying particular attention to four conditions: construct validity, internal validity, external validity, and reliability (Yin 2009).

4.5.1 Construct validity

A well-developed case study can achieve a high level of construct validity, which Robert Yin defines as: “the ability to measure in a case the indicators that best represent the theoretical concept we intend to measure” (Yin 2009: 15). There are three important strategies for achieving a high level of construct validity for case studies. Firstly, the researcher should rely on multiple sources of evidence. Secondly, the researcher should establish a chain of evidence that allows other researchers to link the arguments made in your thesis to the data you collected. Thirdly, the researcher should allow his or her respondents to review the report to ensure that their views have been faithfully reproduced by the researcher (Yin 2009).

Throughout this research project I have attempted to maximize construct validity by following the aforementioned steps. Considerable space was devoted in the theory chapter to ensuring that the definition of agency which this thesis relies on is firmly rooted within the existing IR literature. Key terms and indicators have been specified, and the interview guide attempts to cover all the concepts outlined in the theoretical framework. This challenge to the internal validity of political science interview data renders the appropriate design of interview studies – asking the right questions of the right people – particularly important (Mosely 2013: 10).

4.5.2 External validity

External validity refers to our ability to generalize our findings to and across different cases. (Bryman 2012). Non-random selection greatly limits the availability of the researcher to generalize beyond the people that have been interviewed (Martin 2013). This limitation is especially severe when it comes to statistical generalizations. Our ability to generalize

beyond the case being studied depends on the use of theory (Yin 2009). We can use the case in order to shed light on the theory and its applicability to other, similar cases, in the future.

4.5.3 Reliability

A research project wherein steps have been taken to minimize the effect of potential errors or biases can be said to have high reliability. Reliability can be tested by recruiting another researcher to follow the steps laid out in one's research design. If the same conclusions are drawn, then the case study has high reliability (Yin 2009). It is worth noting that reliability as understood by scholars such as King, Keohane and Verba (1994), as well as Bergström and Boréus (2005) is a concept more applicable to quantitative studies. Qualitative studies should seek above all to maintain a high degree of transparency. By explaining the choices we make, we allow other scholars to critique our choices and our analysis (Boolsen 2005). Replicability demands careful attention to the steps taken in conducting our research; without documentation, other researchers simply cannot test the reliability of our case study. Yin (2009) recommends a case study database as a way to document the research process. This database should include information about interviews, such as the time and date they were conducted.

4.6 Chapter summary

Case studies, like competing research designs, benefit from a methodical approach to the problems related to data collection and analysis, choice of case, sampling, as well as questions about validity and reliability. In this section I have tried to present a clear outline of the steps taken during the research process. Those readers who are still unsatisfied should look to the appendix tables showing the interview methods and categories used.

A finished methods section tends to obscure some of the trials and tribulations that the researcher went through while conducting his or her research. This is certainly true in my case. The field work was at times messy, and establishing a rapport with my respondents was not always easy. However, having a well-thought-out research design guided me and helped me to at least understand what I *should* be doing. In addition to this, it was very important to me that my work in Ethiopia should not have an adverse effect on the ability of future students to conduct research in the country. This means that I accepted the views of my

respondents more easily than I might otherwise have. This goes back to the question of access, and of power, that dominates most interview-based research within the field of political science.

The following three chapters constitute the analysis part of this thesis. Chapter five tackles the structural conditions shaping the strategies of the Government of Ethiopia, while the subsequent chapter deals with the donor support rationale of the EU. Chapter seven, the final analysis chapter, examines how the Ethiopian state has sought to maximize its bargaining power by constructing an image of the state that endears it to western development partners. As I am interested in examining the intersection between structural constraints and African agency, such a division is quite helpful.

5 The structural conditions shaping the strategies of the Government of Ethiopia

This chapter outlines the economic, political, ideological and institutional conditions that shape the recipient-donor aid relationship between Ethiopia and its development partners. These structural conditions mirror the ones put forth by Whitfield and Fraser (2010) in their work on aid negotiations and country ownership over the development process. The structural conditions that Whitfield & Fraser refer to are the “ever-changing global and national economic, political, ideological, and institutional contexts within which donors and recipients define their preferences and select their strategies” (Whitfield & Fraser 2010: 346). A state’s “negotiating capital” refers to “the leverage that a negotiator is able to derive from these structural conditions” (Whitfield & Fraser 2010: 347). My analysis is therefore grounded in the theoretical framework examined in chapter three. Each condition is traced over time, but more attention is given to the changes that have occurred since the case studies of Xavier Furtado and James Smith were concluded roughly a decade ago (Furtado & Smith 2007). Each subsection includes data from secondary sources, as well as official documents deriving either from the Ethiopian state, or from multilateral organizations. This information is then corroborated with evidence from my own interviews, collected during my field research in Addis Ababa.²⁴

The debate between structure and agency is central to the study of African states within the field of IR. Viewed through a realist lens, African states play a peripheral role, and their agency is miniscule, if not nonexistent. Those who adhere to the constructivist line of thought see the international system as historically and socially constructed. Many of the scholars who write about African state agency seem to approach the issue from a constructivist standpoint. However, there is perhaps an even stronger tendency for scholars to position themselves at the center of this debate, and to label those who stray too far towards realist thought as engaging in “structural pessimism” (Brown 2012: 1903). On the other side of the spectrum are those who emphasize a “voluntaristic, Panglossian view of agency, shorn of structural constraints and historical specificity” (Brown 2012: 1890). I identify more closely with the views of

²⁴ All of the interviews I conducted have been anonymized by mutual agreement. Although I have tried to analyze these structures before and after 2005, it is intrinsic to structural conditions to remain relatively stable over time. Therefore, not all of my arguments could be easily placed into either of these sections.

Whitfield & Fraser, who argue that “the difference between the most successful, the partially successful, and the least successful country cases result principally from the differing strategic choices they have made” and that: “chosen strategies seem to have been heavily influenced by structural conditions” (Whitfield & Fraser 2010: 363), than with scholars such as Brown and Fisher, who both argue that structure and agency are: “mutually constituted with structures being malleable and open to reform or reconstitution on the basis of their interactions with key actors (Fisher 2013: 438). While the scholars I have cited throughout this thesis tend to agree that structural constraints can change over time, there is considerable disagreement on the extent to which such constraints limits the efficacy of certain strategies. With that digression out of the way, let us now move to discussing the economic, political, ideological and institutional conditions shaping the strategies of the Ethiopian state.

5.1 Economic conditions

As was outlined in the theory chapter earlier, relevant economic conditions include the level of aid dependency, as well as the recipient’s dependency on access to markets in the donor country or countries (Whitfield & Fraser 2010). In addition to this, the level of indebtedness of the recipient country certainly plays a role, as does access to alternative sources of funding. These alternative sources of funding can range from nontraditional development partners, such as China and India, to the domestic tax base as well as foreign direct investment (FDI) (Whitfield & Fraser 2010). Although economic conditions are important, there is some disagreement as to how large a role they play in structuring the donor-recipient relationship. Previous comparative studies of aid-dependent countries have not found that the degree of control a given government has over the development and implementation of aid projects is directly tied to levels of aid dependence (Whitfield and Fraser 2010). On the other hand, Axel Borchgrevink argues that one factor “that may increase the efficacy of conditionality ... [is] the degree of aid dependence of the recipient country” (Borchgrevink 2008: 199). The following sections analyze the economic conditions structuring the relationship of the Government of Ethiopia (GoE) vis-à-vis development partners. The section is organized temporally, and concludes with corroborating information gleaned from interviews conducted by the author.

5.1.1 Ethiopian economic conditions in a historical perspective

To many sub-Saharan countries, the 1980s were characterized by debt and balance of payments crises. These crises were caused by recessions in several Western countries as well as two oil shocks, one in 1973 and another in 1979 following the Iranian revolution (Whitfield & Fraser 2010). Structural Adjustment Programs (SAPs) that were implemented in the wake of these fiscal crises severely hampered the formation of capable state institutions in these countries (Whitfield & Fraser 2010). Additionally, SAPs greatly reduced the number of state employees, brought about a general liberalization of the economy, and diminished the capacity of the state to provide for its citizens' basic needs (cf. Carnoy 1993; Collier & Gunning 1998; Ponte 2002). For a number of reasons, Ethiopia was largely insulated from the fiscal crises that devastated many of its neighboring countries. Firstly, the Soviet-aligned Derg regime, which ruled Ethiopia from 1974 to 1991, was excluded from International Monetary Fund (IMF) and World Bank lending, which limited the amount of debt the country could accrue (Furtado & James 2007). Secondly, import controls implemented by the government managed to keep the balance of payments under control (Whitfield & Fraser 2010). The end result was that when the EPRDF came to power after overthrowing the Derg, it entered into negotiations with International Financial Institutions (IFIs) on a different, more even playing field, than many other African countries. Even though the GoE went through the same debt relief process as other heavily indebted countries, it “entered the process from a much stronger position” (Whitfield and Fraser 2010: 354). Donor support to Ethiopia has historically been characterized by its “stop-start nature” and this has undermined the government's confidence in donors (Furtado & Smith 2007: 4). This has led the government to be skeptical of becoming too dependent on donors for their own survival.

The efficacy of recipient countries' “strategies of evasion”, such as renegeing on prior policy commitments, was reduced after the end of the Cold War (Whitfield and Fraser 2010: 354). The decline of the USSR meant that African leaders had few viable alternative sources of funding for their state-building projects. In addition to this, Western donors increasingly sought to coordinate their aid projects during the 1990s (Whitfield and Fraser 2010). When all these factors are taken into consideration, it seems clear that this decade represented the time at which the negotiating capital of the Ethiopian state was at its lowest-most point. The Heavily Indebted Poor Country (HIPC) initiative was launched in 1996 by the IMF and the World Bank, at a time when alternative sources of funding were limited and before the global

war on terror began. The concessions made by recipient countries as part of the Poverty Reduction Strategy Paper (PRSP) are a reflection of the low negotiating capital of aid-dependent countries during this time.

During the mid-1990s, the World Bank pressured Ethiopia to embrace greater liberalization of the financial sector, but the GoE opposed such measures. This resulted in the decision of the IMF to curtail lending during this period (Stiglitz 2002). On this issue, the GoE has remained steadfast in its opposition. This is reflected in the World Bank's Interim Country Assistance Strategy report from 2006, which again pointed to lagging private sector development as a cause for concern (World Bank 2006). My own interviews indicated that donor officials at the World Bank and USAID continued to disagree with the GoE's economic policy in these areas. In particular, telecommunications is a sector where donors have attempted to push the government – unsuccessfully – to liberalize.

Aid disbursements to Ethiopia underwent a gradual decline from 1992 to 1997, as donors adjusted to the new regime. During this period, aid was cut in half. After hitting a low point in 1997, the following years saw a slight increase in aid disbursements to the country. After 2001, this growth increased exponentially, and in 2004 “the total amount received by Ethiopia was more than three times higher than was the case in 1997” (Borchgrevink 2008: 200). Since that time, Official Development Assistance (ODA) to Ethiopia has remained at a generally high level, reflecting the needs of the country and the interests of donors in supporting the GoE. If we look only at ODA to Ethiopia we might inadvertently attribute fluctuations in aid levels entirely to internal changes in Ethiopia. However, when looking at the net total ODA from DAC countries we see that the same trends we see in aid to Ethiopia is mirrored in total aid flows to all recipient countries. Between 1991 and 1995 net total ODA is stable at around \$65-67 billion, before dropping by roughly \$10 billion during the latter half of the 1990s. Since the early 2000s, net ODA has exploded, reaching a high of \$162 billion in 2014. However, even though aid to Ethiopia increased dramatically from 2000 to 2004, at \$15 per capita for the 2004-2005 period it remained below the average for sub-Saharan Africa – \$49 (Furtado & Smith 2007).

Another reason why the economic conditions facing the EPRDF have seemingly had a limited impact on their ability to exercise their own agency in negotiations with donors might be that, according to Xavier Furtado and James Smith, “the ruling elite in Ethiopia is not – in our view – motivated by financial gain or personal returns, as much as by a desire to implement a given

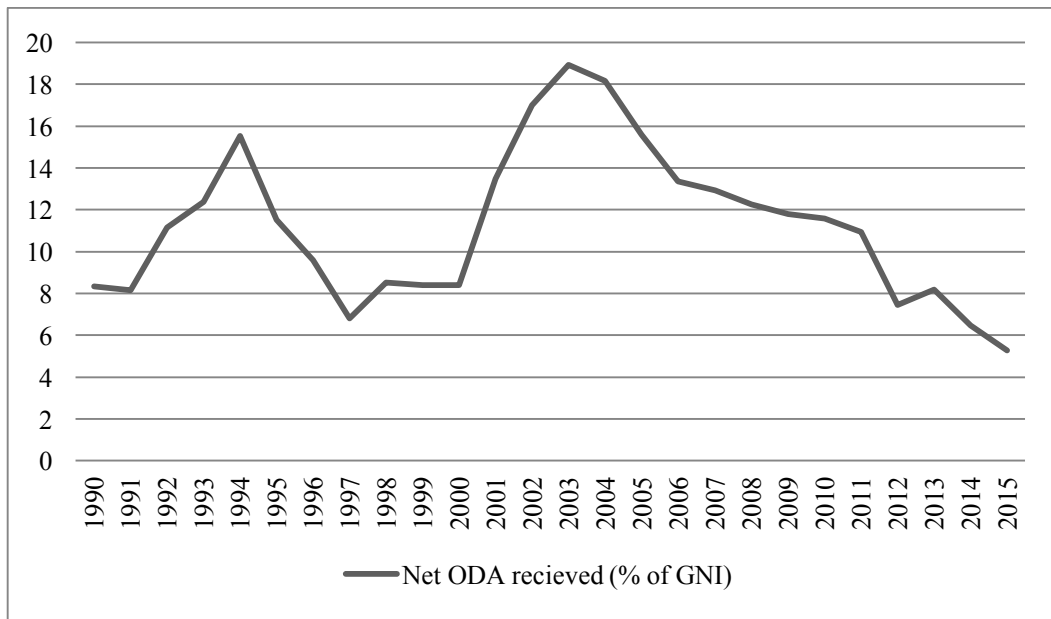
vision of development for Ethiopia, and to achieve political goals” (Furtado & Smith 2007). A recurring trend when analyzing the recipient-donor relationship between the Government of Ethiopia and the European Union, as well as other development partners, is that the existence of viable alternatives plays a key role in determining the negotiating capital of the partners involved. This applies both to the donors: is there a viable political alternative that can take over? And to recipients: can we secure funding for our developmental agenda from alternative sources? This point will be covered in more detail throughout this chapter.

5.1.2 Ethiopian economic conditions since 2005

In the wake of the 2005 elections, donors largely withdrew general budget support to the country. In lieu of this support, donors have pooled their aid disbursements into multi-donor programs such as the Promotion of Basic Services Programme (PBS) and the Productive Safety Net Programme (PSNP). In 2004, donors contributed roughly \$806 million to the five largest such programs (Annual Report of the DAG 2005). In response to the government’s violent handling of the demonstrations that took place following the 2005 election, donors decided to withdraw \$375 million in assistance earmarked for general budget support (Financial Times 2006). This amounted to more than 20% of the net total ODA to Ethiopia in 2004 (Swisspeace 2006). Even though donors reacted harshly to the 2005 election violence, the total aid flows to Ethiopia did not decrease, and Borchgrevink argues that engaging with the GoE, rather than withdrawing aid, does not seem to have had a tangible impact on donor leverage (Borchgrevink 2008).

Net ODA received by Ethiopia, as a percentage of Gross National Income (GNI), has fluctuated wildly over the years, as *Figure 8* on the following page indicates. Since 2005 Ethiopia’s aid dependence has decreased significantly according to this measure (from 15.6% in 2005 to 5.3% in 2015). This is due in part to the strong economic growth the country has experienced in the past decade. The 2015 aid dependency score was the lowest measure for Ethiopia since 1984.

Figure 8: Net ODA received by Ethiopia (% of GNI), 1990-2015

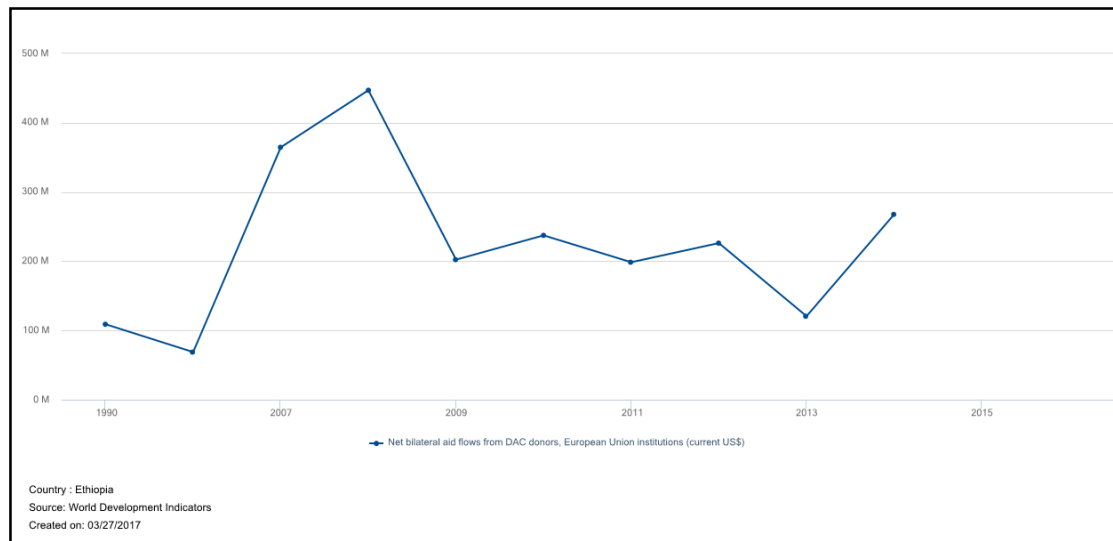


Source: World Development indicators, The World Bank

In 2015, countries surrounding Ethiopia scored both higher and lower on this measure of aid dependency. Sudan has a low level of aid dependence, estimated at just over 1 percent, while Kenya’s is a bit higher at just under 4 percent. Somalia and South Sudan’s level of aid dependency is much higher with scores of 23% and 21%, respectively (World Development indicators, The World Bank).

Figure 9 on the following page shows the net bilateral aid flows from European Union institutions from 1990-2014. We can see that there was a sharp increase in the early 2000s, followed by a gradual return to a stable level. This lower level is nonetheless significantly higher – by about \$100 million – than it was throughout the 1990s.

Figure 9: Net bilateral aid flows from DAC donors to Ethiopia, European Union institutions (current US\$ millions)



Source: World Development indicators, The World Bank

ODA to Ethiopia over the course of the past decade has been characterized by two main trends. Firstly, the share of assistance designated as humanitarian aid has decreased sharply. In 2005, humanitarian aid made up roughly 20% of total ODA to the country, and by 2013 this amount had dropped to just 10% (Development Effectiveness in Ethiopia 2016). As the share devoted to humanitarian aid decreased, so did the absolute volume; humanitarian assistance amounted to \$700 million in 2009 and only \$400 in 2013. This decrease reflects the improvements made by the GoE to the resilience of rural regions of the country through improved safety net programs (Development Effectiveness in Ethiopia 2016). Secondly, the share of development assistance given in the form of concessional loans increased compared to grants during this same period. In 2004, such loans made up 14% of total ODA. This amount increased to 25% in 2009, and by 2013 it had reached 32% (Development Effectiveness in Ethiopia 2016). As Ethiopia moves toward middle-income status and increasingly accesses international financial markets, the ratio of concessional loans to grants is predicted to increase (Development Effectiveness in Ethiopia 2016). The economic conditions facing Ethiopia since 2005 seem to be quite favorable. Strong economic growth and decreasing levels of aid dependency combine to lessen the leverage donors have over the GoE. A similar trend is seen across the three other structural conditions I have examined, as the subsequent sections will show.

In 2013 total ODA to Ethiopia was \$3.9 billion. This represents a 66% increase in aid since 2004. The table below shows the top five bilateral and multilateral development partners active in Ethiopia in 2012-2013. In addition to this, the Ethiopian Ministry of Finance and Economic Cooperation (MoFEC) reported that between July 2013 and June 2014, it received US\$ 161 million in grants and financing from China, and \$31 million from India (DAG report). Data collected by the World Bank shows that GDP growth has been fairly consistent since 2005, hovering around 10% (11.8% in 2005 and 9.6% in 2015) (World Bank national accounts data, and OECD National Accounts data files). Many Western countries, such as the US and the UK, have some of their largest aid portfolios in Ethiopia. This highlights the strategic importance of the country to Western interests in the Horn of Africa.

Table 3: Top bilateral and multilateral partners in Ethiopia for 2012-2013

Top Bilateral Partners (in US\$ millions)		Top Multilateral Partners (In US\$ millions)	
United States	610.3	World Bank (IDA)	847.6
United Kingdom	466.3	African Development Bank (AfDB)	222.0
European Union	170.8	The Global Fund	182.7
Japan	146.6	Global Alliance for Vaccines and Immunization (GAVI)	101.0
Canada	128.9	UN Funds and Programs	80.1

Source: Development Assistance Group to Ethiopia

In their paper on Africa’s illiberal state-builders, Jones *et al.* argue that regimes like the Ethiopian People’s Revolutionary Democratic Front (EPRDF) combine two economic strategies. Firstly, rent-seeking behavior, such as “limiting access, selective regulation of the economy, [and] political appointments, is key to maintaining control over the state” (Jones *et al.* 2013: 14). Secondly, these governments tend to focus on large-scale infrastructure projects. This in part explains why control over the telecommunications sector has been a perennial point of contention between the GoE and donor officials. Control over this sector is consistent with the regime maintenance logic in that it provides the government with rents, and simultaneously increases the government’s ability to censor information deemed harmful to the regime. That Ethio telecom remains the only telecommunications company active in Ethiopia is a reflection of the strong leverage the country has in its dealings with donors.

From 2002 to 2010, gross national income in Ethiopia increased from \$120 per capita to \$390 (Jones *et al.* 2013). This level of economic success, and the proven ability of the government to provide public services for its populace, has strengthened the legitimacy of the EPRDF coalition both domestically and internationally. This in turn increases the leverage the government has over its donors. Jones *et al.* (2013) have pointed to the effect strong economic growth has had on the perceived legitimacy of the GoE. They argue that this economic legitimacy “helps offset irritating Western criticisms about curtailed personal freedoms: what the people really want, it is argued, is material progress and stability” (Jones *et al.* 2013: 11). The Ethiopian economy continues to be a “labyrinth of oligopolies, subsidies and licenses in which powerful political actors collude with business interests” (Jones *et al.* 2013: 16). To an extent, the shadowy nature of the economy shields the government from both domestic and international criticism, and contributes positively to the negotiating capital of the GoE.

Chinese FDI in Ethiopia has increased dramatically over the past decade. In 2003, Chinese FDI amounted to just \$4.78 million, but such investments had increased to just under \$30 million two years later. In 2015, a decade later, Chinese FDI in Ethiopia had increased to \$1,130.13 million (Brautigam 2015). Similarly, Chinese exports to Ethiopia grew from \$284 million in 2005, to \$3,445.41 million in 2015. Between 2000 and 2014, Chinese loans to Ethiopia totaled \$12,001 million. Of this amount, US\$ 6,715 million was funneled through the China Export-Import Bank. It is difficult to get accurate data on Chinese economic assistance to African countries, but according to the China-Africa Research Institute, the same general trend – wherein 2005 marks a sort of starting point – is seen in Chinese loans to Ethiopia (Data: Chinese Loans and Aid to Africa 2016). In the background chapter, I pointed to the rising importance of nontraditional donors, such as China, to the traditional donor-recipient relationship between Western donors and African states. This trend is seen quite clearly in Ethiopia, where China’s economic engagement has skyrocketed since the mid-2000s. Non-traditional donors provide Ethiopia with alternative sources of funding for their development projects, and have significantly strengthened the negotiating capital of the GoE.

In addition to this, the number of Chinese workers in Ethiopia increased from 5632 in 2009 to a high of 14078 in 2014 (although the number decreased in the following year to 9973).²⁵

²⁵ To emphasize the degree of uncertainty attached to data on China in Africa, a 2011 article by Dereje Feyissa states that “Over a thousand Chinese companies now operate in Ethiopia with more than 20,000 Chinese workers”, so it is hard to find accurate numbers (Feyissa 2011: 808). The main point that Chinese economic

China has also become Ethiopia's largest trading partner in recent years (Feyissa 2011). Taken together, we can see clearly that Chinese economic engagement in Ethiopia has increased drastically since 2005. In a sense, this development represents a return to the Cold War era in that recipient countries have access to viable alternative sources of funding for their development projects. Chinese assistance comes without any sort of political conditionality tied to good governance and democracy (the exception being support for China's "One China" policy). China is also willing to fund infrastructure projects, such as the highway between Addis Ababa and Nazareth, as well as the government's hydroelectric dam projects (Feyissa 2011).

Donors played a marginal role in shaping the first Growth and Transformation Plan (GTP I) that was active from 2011 to 2015. According to Dereje Feyissa, development partners "regard the GTP as ambitious and have raised questions related to market signals, risk of overheating, financing gap, social welfare, private sector involvement, [and] aid effectiveness" (Feyissa 2011: 791). Even with these reservations, and the small role they played in shaping the development agenda, donors have nonetheless "pledged to scale up financial assistance during the period under question" (Feyissa 2011: 791). Feyissa also highlights an intriguing point when he mentions that the EPRDF, who have championed a developmental state model in direct opposition to neoliberal economic policies, felt vindicated after the 2009 financial crisis. Feyissa quotes the late Meles Zenawi, the former Prime Minister of Ethiopia, as saying that "We know that the neo-liberal paradigm imposed on the continent had not delivered the goods. It could not bring about economic transformation" (Feyissa 2011: 798). The EPRDF's confidence in its economic plans contributes to the high negotiating capital of the country; however the extent to which the global financial crisis of 2007-2008 has affected the negotiating capital of the GoE is perhaps a bit overstated. While both donor officials and Ethiopian ministry officials i interviewed agreed that the economic crisis could have had an impact, they did not highlight it as something that played an important role in structuring the donor-recipient relationship (USAID interview; IFI Cooperation Directorate MoFEC interview).

In closing, it would seem that the economic conditions facing the GoE since 2005 have been relatively favorable. Since it came into power in 1991, the EPRDF has sought to "adapt those

engagement in Ethiopia has drastically increased over the course of the past decade remains incontrovertible, however.

policy prescriptions of the World Bank and the International Monetary Fund (IMF) that it finds acceptable to its own development agenda and to reject others” (Whitfield & Fraser 2010: 351). In this, they have largely been successful, unlike many other aid-dependent countries in sub-Saharan Africa. Chinese engagement on the continent has opened up alternative avenues for funding. Economic growth has been quite strong, which has strengthened the legitimacy of the government internally, but also made it more difficult for donor officials to argue against the developmental state model. This has perhaps been intensified by the 2009 financial crisis in the West. The interviews I conducted in Addis Ababa largely confirmed this state of affairs. Interestingly, the extent to which China is deemed to have affected the power dynamics between Ethiopia and donors seems to vary considerably from donor to donor. Respondents working at International Financial Institutions seemed to place greater emphasis in China’s role in Ethiopia than bilateral partners.

5.1.3 Corroborating evidence from interviews

It became clear from my interviews that the recent economic success of the Government of Ethiopia (GoE) was a source of substantial leverage over donors. For example, a donor official at the EU Delegation to Ethiopia told me that the Ethiopians have:

A sense of achievement, their track record in cooperation is pretty good in terms of obtaining results, they [are] probably justified... they believe it's because of their own policies and their own way of dealing with their own problems, rightly so, so from this point of view this is a very proud people, who really knows what they want, are implementing the right policies, generally speaking, in terms of achieving the results they set for themselves, which are very acceptable and in line with what we would like to see in this country. (EU Delegation interview 1)

Donor officials I interviewed at the EU Delegation to Ethiopia admitted that many of the GoE’s policies with respect to human rights and the treatment of opposition voices was at odds with EU goals for good governance and democratization. However, the track record of the EPRDF in developing the country shielded the government from attempts to impose negative conditionalities. The relative success of Ethiopia, in terms of economic growth and development cooperation, makes donors more reluctant to pull out, lest they risk being left out of a rare success story in sub-Saharan Africa. Every single donor official I interviewed spoke highly of the recent economic achievements of the government, even though some, such as an

economist I interviewed at USAID, had doubts about whether or not GDP growth rates were actually as high as the government claimed (USAID interview).

From the Ethiopian side, there was agreement that one of the reasons why Ethiopia receives such substantial aid disbursements is its proven record of success, “The IFIs are happy with the way we are using the money, the achievement we are getting” (IFI Cooperation Directorate MoFEC). On a more historical note, it appears that there is a great deal of pride linked to the fact that Ethiopia escaped relatively unharmed from the debt and currency crises that afflicted many other sub-Saharan countries. A senior official at the International Financial Institutions Directorate at MoFEC told me that, “When somebody owes debt, generally the society expect that debt to be paid and since the government is a reflection of the society, the government also insures debt payments get priority. So we have never defaulted on a debt” (IFI Cooperation Directorate MoFEC). When I interviewed a senior official at the Ethiopian Ministry of Finance and Economic Cooperation (MoFEC) working in the Ethio-China Cooperation Directorate, there was also a strong conviction, perhaps linked to the developmental state logic, that, “we cannot simply invite private sector... without having this necessary condition for economic development” (Ethio-China Cooperation Directorate MoFEC). These conditions include the requisite infrastructure for supporting private companies, and this is one area where China has played an important role. China’s willingness to fund these types of projects, which Western donors have traditionally opposed, has strengthened the negotiating capital of the government and enabled it to exercise greater agency on the global stage.

I asked a senior official in the Ethio-China Cooperation Directorate at MoFEC why he thought China, whose motivation for engaging in Africa has often been linked to natural resource demands, was so interested in investing in Ethiopia. I was told that many western development partners come to him asking the same question, and he then stated that:

I would say they are convinced with our development plan and they are convinced with what has been done before, they provide us loan and saw it on the ground implemented. The strategic thinking they might have, what I understand from their perspective is they can easily access all African countries by being in Addis... because this is, most of them have embassies in Addis... Their long term vision of the Chinese is they have to transplant these primary level industries to other countries, because now China is getting better and better... it has become very difficult to implement those

factories in China. (Ethio-China Cooperation Directorate MoFEC interview)

Addis Ababa is the diplomatic hub of Africa, so from this perspective it does make sense that this could play a role in making Ethiopia attractive to China, but I believe the second point he made is even more important. The importance of Ethiopia to China's long-term plans to shift low-value manufacturing to countries with lower costs was also emphasized by a donor official at USAID, as well as by both Addis Ababa University professors that I spoke to (USAID interview; AAU interview 1; AAU interview 2). Jalata (2014) has argued that Chinese and Indian interest in the country also stems from the proven track record of the GoE in achieving their developmental aims, as well as the relatively low levels of corruption in Ethiopia.²⁶

Chinese assistance is attractive to Ethiopia because they are willing to support infrastructure and large energy projects, a sector that Western donors have traditionally shied away from (Ethio-China Cooperation Directorate MoFEC interview; America Cooperation Directorate MoFEC interview). Also, unlike Western donors, China does not impose political conditionality on recipients – except for adherence to the “One China” policy. However, “if you get the resources from the Chinese government, you have to use a Chinese company, that is a condition from China” (Ethio-China Cooperation Directorate MoFEC). It seemed that there was less room for discussion when it came to the business side of projects, “They have their own way of doing business; we will follow that in most cases” (Ethio-China Cooperation Directorate MoFEC). However, to the Government of Ethiopia, who has developed a strong national development plan, China's approach might in many cases be preferable. A senior official at MoFEC told me that, “When it comes to China, China asks not your level of capital, but they ask you only if you have a good national development plan, medium, long-term... what are you going to do medium-term, long-term and how, you explain to them that and then you are responsible for the development plan, [they] will not design for you a development plan” (Ethio-China Cooperation Directorate MoFEC). The rising importance of Chinese economic engagement in Ethiopia is also reflected in institutional changes at the ministry level. For example, the Ethio-China Cooperation Directorate at MoFEC was established just 4-5 years ago, according to an official working there. The China desk used to

²⁶ During the Cold War, the authoritarian leader of the Democratic Republic of Congo, Mobutu Sese Seko, managed to cling to power for three decades partly by his skillful handling of the relationship with the US and the USSR. It remains to be seen whether or not Chinese engagement in Ethiopia will present the EPRDF regime with the same opportunities to play two competing powers against each other.

be subsumed within the Bilateral Cooperation Directorate, and the expansion into its own directorate is further evidence of China's increasingly prominent role in Ethiopia (Bilateral Cooperation Directorate MoFEC interview).

As I have just detailed how China's assistance comes with the condition that one uses Chinese companies for construction, I feel it is time to clarify why I decided against using Whitfield and Fraser's definition of ownership²⁷ as a substitute for agency. With respect to Ethiopian acceptance of Chinese economic assistance, I feel the argument can be made that the GoE has lessened its ownership over specific development projects, but simultaneously increased its agency in a more general sense. While the government might have less control over the implementation of Chinese-led development projects, opening up the development agenda to alternative sources of funding has dramatically increased the agency of the Ethiopian state vis-a-vis traditional donors. Viewed in this light, Whitfield and Fraser's notion of ownership is inadequate for answering the sort of question I am interested in exploring.

There was quite a bit of disagreement among my respondents with respect to the importance of nontraditional donors in Ethiopia on the traditional donor-recipient relationship. Since donors often have their own preferred sectors, the extent to which China and other nontraditional donors are deemed to have impacted on the donor-recipient relationship likely reflect whether or not these donors are active in the same sectors. In general, there was a greater sense that China was affecting the traditional aid relationship among multilateral donor officials, such as at the World Bank and the African Development Bank (AfDB). The donor official I spoke to at the AfDB was particularly frank about how his organization was struggling to provide the Ethiopian government with financing terms that could compete with those offered by nontraditional donors (AfDB interview). A mid-level ministry official working in the Bilateral Cooperation Directorate at MoFEC argued that China's willingness to fund infrastructure projects had impacted on the projects Western donors were willing to fund as well:

Before China coming here, most of the Western countries are just putting their money for capacity building, for just the project, for consumption purpose, not coming as a big project. Now after the Chinese are coming, some of the Western countries are thinking about coming and working with

²⁷ Whitfield and Fraser write, "We adopt an understanding of ownership as the degree of control that recipient governments are able to exercise over policy design and implementation, irrespective of the objectives they pursue (Whitfield & Fraser 2010: 343).

physical activities like infrastructure... now after China has come in, because of this Chinese influence some of the countries are thinking about giving soft loans to work with the big activities, the big projects. Infrastructure activities... Even USA last time they are committed to almost 7 or 6 billion in energy sector, just the African energy... before that, the American policy was just capacity building. (Bilateral Cooperation Directorate MoFEC interview)

The investment by the US in the energy sector which the Ethiopian official alluded to is most likely a reference to USAID's Power Africa Project. The Power Africa initiative was launched by former US President Barack Obama in 2013. It pairs \$7 billion in federal funding with \$9 billion of private sector funding, and aims to increase access to electricity across Africa. Ethiopia was one of six original focus countries of the Power Africa initiative. This project is an example of traditional donors expanding their aid portfolio in order to counter Chinese influence in the energy sector.

In closing, economic conditions have historically been favorable, and have become even more so after 2005, because of lower aid dependence, high GDP growth rates, and the rise of nontraditional donors. These favorable economic conditions have strengthened the negotiating capital of the GoE vis-à-vis development partners.

5.2 Political conditions

There are a range of political conditions that affect the negotiating capital of a recipient country. The perceived political legitimacy of the government, as well as the existence of rival political groups within the country, impacts on the bargaining space available. Political actors that can portray themselves as “the only game in town” may be able to use this as a form of leverage in aid negotiations (Whitfield and Fraser 2010). In addition to this, political actors that are constrained by a weak electoral mandate can use this weakness as a form of leverage in negotiations (Beswick 2013). This is a risky tactic that presumably only works when donors view the alternative option – rule by another political actor – as having a negative impact on the overall situation in the country and the region. If donors perceive the government as weak, but nonetheless contributing to stability, I argue that they will be more forgiving toward human rights violations and other transgressions. Like the section on economic conditions, this part of my analysis starts with a long-term perspective, before

moving to the post-2005 election environment. The section ends with corroborating information from my interviews.

5.2.1 Ethiopian political conditions in a historical perspective

During the war between Ethiopia and Eritrea, donors were unable to agree on a shared approach to assistance. Some preferred to impose negative peace conditionality on the recipients, with the aim of achieving “short-term implementation of peace accords and the long-term consolidation of peace” (Boyce 2002: 9). Others feared that such an approach would harm the poorest beneficiaries and so continued to provide aid. The net effect was that overall aid levels remained relatively stable, and the lack of strong donor coordination made it difficult to alter the policies of the countries involved in the conflict (Borchgrevink 2008). Borchgrevink notes that the EU reduced its aid disbursements from 1998 to 2000, while the US adopted the opposite strategy (Borchgrevink 2008). A major aim of the 2004 Paris Declaration on Aid and the 2008 Accra Agenda for Action was precisely to foster greater coordination among donors, so as to avoid this problem (OECD 2005; OECD 2008).

Net total ODA to Ethiopia increased between 2000 and 2005. Borchgrevink points to four possible explanatory factors for this increase: “the end of the war with Eritrea, Ethiopian relief needs, the country’s strategic importance in the war on terror, and donor support for the PRSP²⁸ processes” (Borchgrevink 2008: 210). Borchgrevink is one of a range of academics who argue that US strategic concerns are the cause of the substantial increase in aid to Ethiopia in the years following the 9/11 terror attacks (Borchgrevink 2008). Aid to Africa increased under the presidency of George W. Bush, and the Horn of Africa “is a key area of concern for the US in this respect, and public documents on US aid to Ethiopia emphasize the country’s position as the linchpin for stability in the Horn of Africa and for counter-terrorism in the region” (Borchgrevink 2008: 210). The favorable political conditions facing the GoE can be seen in the decision by the US congress to withdraw a bill calling for sanctions against Ethiopia in May, 2004 (Swisspeace 2004: 6).²⁹

Relying on the earlier case study conducted by Furtado and Smith (2007), Whitfield & Fraser argue that the political conditions facing Ethiopia have been exceedingly favorable:

²⁸ Poverty Reduction Strategy Paper

²⁹ However, one should also keep in mind that the GoE has actively sought to manage its image by using lobbying firms. I will return to this point in chapter seven.

The long history of an independent Ethiopian state, the absence of extended political colonial rule, and the resulting “illegibility” of Ethiopian cultural and political life from the perspective of many outside actors lent Ethiopia negotiating capital. This capital enabled it to keep donors at arm’s length and to play off Cold War rival sponsors without allowing any too close. Upon coming to power after the end of the Cold War, the EPRDF government aligned Ethiopia as a key geo-strategic ally of the United States. The Horn of Africa has only increased in interest to the US, especially under the US administration’s War on Terror since 2001. Aware of its strategic importance, the government knows that it had and continues to have significant room to maneuver. (Whitfield & Fraser 2010: 362)

Although I agree with the arguments made by Whitfield & Fraser (2010), I believe there are other reasons for these favorable conditions that the quote above fails to mention. In particular, I believe that many of these strategies of alignment are contingent on the absence to Western powers of alternative allies in this region. It is the combination of alignment with Western geo-strategic interests, and the fragility of the surrounding states (and the lack of opposition domestically), that has allowed the Government of Ethiopia to exercise agency in its dealings with donors. There is clearly a range of factors acting in combination that have provided Ethiopia with such favorable structural conditions, and the correspondingly high levels of negotiating capital. Many of these political conditions remain relevant today, but changes have occurred that necessitate a renewed analysis.

5.2.2 Ethiopian political conditions since 2005

The post-2005 political conditions facing the Government of Ethiopia (GoE) have been influenced domestically by the aftermath of the 2005 election, and by the death of Prime Minister Meles Zenawi in 2012. Externally, donors have put increasing emphasis on Ethiopia’s role in securing stability in the region. At first this was tied clearly to the US-led War on Terror, but in later years the migrant crisis facing the EU has also played an important role in structuring the recipient-donor aid relationship.

The 2005 election was the first time in Ethiopia’s long history that an opposition party was allowed to challenge the ruling party via the ballot box (Borchgrevink 2008). The government’s response to the November demonstrations was heavily criticized by donors. 131 members of the opposition were charged with “treason, inciting violence and planning to commit genocide” (Borchgrevink 2008: 211). The donor response seemed coordinated, and

included a joint EU-US statement, as well as a statement from the DAG that they would be looking at different aid modalities in light of these events (Lyons 2006: 21-22). Even though donors appeared to strongly oppose the actions of the GoE – and budget support *was* actually phased out – overall aid levels did not decrease. The US, which was at the time Ethiopia’s largest donor responsible for nearly 30% of aid disbursements, did not make major changes to its development projects³⁰ (Borchgrevink 2008). Similarly, the UK pledged to double its aid disbursements to Ethiopia from 2004 to 2008 (DFID Ethiopia). Nonetheless, donors were concerned over what they perceived to be a negative development with respect to democratization and human rights in the wake of the 2005 elections (Borchgrevink 2008).

The narrowing of the political space that occurred in the wake of the 2005 elections, and which was highlighted by the dominant electoral victory of the EPRDF coalition in the 2010 elections, has strengthened the negotiating capital of the GoE. This is supported by Borchgrevink who has pointed to “the existence of a domestic constituency for change – one that has some clout – as one such element that improves the chances... of conditionality achieving its objectives” (Borchgrevink 2008: 199). The consolidation of power that has occurred since the 2005 elections grants the GoE greater agency to pursue its preferred policies. Carothers argues convincingly that in semi-authoritarian states, such as Ethiopia, “challenging the host government may [need to] be a major focus” of donor attempts to spur democratic and good governance reforms (Carothers 2009: 7-9). What Carothers refers to as the “political approach” must entail not just the financial support of NGOs working to foster democratic reforms in the country, but also support to opposition political groups (Carothers 2009). When there are no viable political alternatives that donors can support, which has been the case in Ethiopia at least since the 2010 elections, then the ruling party has greater leverage in aid negotiations.

The EPRDF won 499 of the 536 seats in parliament in the May 2010 elections, and the efficacy of strategies in support of opposition groups has now been severely diminished. Furtado and Smith point to the EPRDF’s violent response to the 2005 elections as an example of the government “over-estimating the strength of its position (as illustrated by the November 2005 donor decision to withdraw budget support)” (Furtado & Smith 2007: 24). Looking at these events a decade later, one might be tempted to view this as a calculated risk

³⁰ The US was not providing general budget support to Ethiopia prior to the 2005 elections.

that has paid off by eliminating any form of viable opposition coalition to the regime. The lack of such alternatives negatively impacts on the bargaining power of donor officials.

That donors have geo-strategic priorities, and often rely on African statesmen to serve as their proxies in support of these priorities, is well known. The first allusion to this partnership can be found in Teresa Hayter's 1971 book, *Aid as Imperialism* (Hayter 1971). The US's donor support rationale to Ethiopia is heavily influenced by the continuing efforts to curb international terrorism. After coming to power just after the end of the Cold War, the EPRDF was quick to position itself as a key geo-strategic ally to the US (Whitfield & Fraser 2010), and this strategy of alignment continues to play an important role in Ethiopian foreign relations to this day. By aligning itself with US interests in the region, Ethiopia was mostly able to evade criticism by the US in the wake of the 2005 elections. Ethiopia also lacks strong competition from other states in the Horn of Africa region. Surrounded by fragile states, Ethiopia alone is capable of playing the role of stability guarantor. The negotiating capital of the Ethiopian state thus stems not just from a lack of political opposition internally, but also from the fragility of the neighboring states in the Horn of Africa region.

It is worthwhile to draw a quick comparison to Uganda, a country that has been labelled a "donor darling" by Western donors, much like Ethiopia. Ethiopia shares many similarities with Uganda. For example, both countries have strengthened their leverage over donors by consciously aligning themselves with the foreign policy objectives of Western development partners. With respect to Uganda, this is seen most clearly in the regime's opposition to Omar al-Bashir, the ruler of Sudan, during the 1990s, and more recently through Kampala's military intervention in Somalia in the 2000s in support of the US-led war on terror (Hauser 1999; Fisher 2007). The continued support the Museveni regime has received from Western donors is a reflection of a symbiotic recipient-donor relationship that spans a wide range of policy areas (Harrison 2001). These same forces are clearly at work in Ethiopia, and contribute to the government's ability to exercise agency in aid negotiations.

The Ethiopian state is pulled in two competing directions. There is a federal project which seeks the devolution of power to regional administrative zones, but at the same time the developmental state model relies on a high level of state intervention, where decision-making is centralized and limited to key persons in the executive (Aalen & Asnake 2012). This structure has made it difficult for donor officials to impose their demands on the GoE, for a couple reasons. Firstly, the shadowy nature of the regime makes it hard to assess who is

actually making policy decisions. Secondly, donors deal with centralized bodies such as MoFEC, but much of the development assistance is transferred in block grants to the regional authorities. The same point is made by Furtado and Smith, who argue that “The increasingly decentralized nature of Ethiopia’s government system has presented a significant challenge and played a role in diluting donor influence” (Furtado & Smith 2007: 23). It should be noted that Ethiopia is one of the few federal republics in Africa.

Jones *et al.* argue that “the key political challenge for the new authoritarians is the management of secession³¹” (Jones *et al.* 2013: 10). The EPRDF seems to have been able to handle the death of Zenawi in August 2012 without fracturing the coalition. There was a peaceful transfer of power to Hailemariam Desalegn, who had been the previous Prime Minister’s deputy (Jones *et al.* 2013). Behind Prime Minister Desalegn there remains a core group of Tigrayan People’s Liberation Front (TPLF) members with considerable control over the political machinations of the state. The orderly transfer of power following the death of Meles Zenawi meant that there was limited opportunity for donors to support alternative political actors. In 2016, protests erupted in the Oromia region and the government responded by implementing a State of Emergency. It remains to be seen what effect, if any, this will have on the negotiating capital of the Government of Ethiopia.

In conclusion, the GoE has faced favorable conditions both before and after 2005. By aligning themselves with Western geo-strategic interests, the government has strengthened its bargaining position vis-à-vis donors. Ethiopia played an integral role in combating the al-Ingaz regime in Sudan during the 1990s, and following the 9/11 terror attacks, it once again supported Western anti-terror initiatives. Since 2005, the connection between security and development has become even more pronounced to Western donors, and Ethiopia’s ability to provide stability to the Horn of Africa is greatly appreciated. After 2005, the EPRDF have consolidated their grip over the political apparatus of the Ethiopian state, and alternative voices have been uprooted. While there was a potential for the coalition to fracture following Meles Zenawi’s death, it appears the regime has been able to oversee a successful succession to a new leader. Thus, the political conditions structuring the donor-recipient relationship remain highly favorable to Ethiopia.

³¹ Given the context of this paragraph, I think it is likely Jones *et al.* meant to write “succession” here.

5.2.3 Corroborating evidence from interviews

From the development partners I interviewed there was a general consensus that while the 2005 elections represented a setback for Ethiopia from a governance standpoint, the overall trend was positive. Cutting aid at this point would leave the country worse off, and reverse the significant gains that have been made. According to the USAID strategic document for Ethiopia, the “policy environment in Ethiopia is notoriously difficult” (Country Development Cooperation Strategy 2012: 21). During interviews with development partners, this seemed to be a notion shared by most donors. Especially within the field of democracy and good governance – which many Western donors emphasize heavily when arguing for continued high levels of aid – it was clear that there was a distinction between a political and a technical approach to democracy assistance. My experience in Ethiopia mirrors that of Jonathan Fisher (2013), who has written extensively about another semi-authoritarian regime in sub-Saharan Africa, namely Uganda. In both countries the political approach is largely absent, at least among the respondents I had access to. This is another example of the strong position the GoE finds itself in; it is able to resist donor demands for further democratization, and has forced donors to play by the government’s rules on this issue.

When I asked a donor official working at the EU Delegation to Ethiopia why he thought EU aid to Ethiopia had not been negatively affected by the EPRDF’s response to the 2005 elections, he told me that:

I think, my answer to that question would be, there was a negative event in 2005, but if you look at all aspects of democracy, democratic governance, democratic institutions... in Ethiopia and ask yourself is Ethiopia moving forwards or backwards. It's not moving backwards, it's moving forwards. Therefore why would you restrict the European assistance to it moving forwards, if that's what you say your development purpose is, to help people democratize themselves? Why would you say, "ok, you're trying to democratize yourself, but I'm not going to give you any money" that would be a strange response, so I think 2005 was a sort of jump too far into the future, too quickly, which inevitably fell over. So, it was, if you imagine a sort of graph of progression of this country moving from being a feudal country and then a country run by a bunch of communists to being something that's more akin to a place where people make a choice about how their country works. There has been a series of jumps in that process. That 2005 jump resulted in a drop after it, but the graph has continued to go up. (EU Delegation to Ethiopia interview 2)

The Polity IV index, and well as The Economist Intelligence Unit's Democracy Index that I presented in the background chapter do not entirely back up the claims of the donor official quoted above. The evidence that "the graph has continued to go up" is inconclusive at best, however this notion - that Ethiopia is on an upwards trend - was quite common among the donor officials I interviewed.

There is a strong conviction that the country is moving in the right direction, and that what occurred in 2005 was a temporary setback. I encountered the same criticism of the concept of negative political conditionality from the two senior diplomats I spoke to at the Norwegian Embassy in Addis Ababa (Norwegian Embassy in Addis Ababa interview). It was also brought up that by remaining active as donors in Ethiopia, the lines of communication can remain open, "So by engaging with the government we are able to leave an open door to precisely raise these issues which otherwise you know you will be criticizing from outside as without having any possibility to break a little bit this hard core of Ethiopia" (EU Delegation to Ethiopia interview 1). Ending these lines of communication would be regarded as a professional failure by donor officials working in the country, and so they have incentives to keep these channels open even if the Government of Ethiopia acts in an illiberal manner. Also, while Ethiopia might be less fragile than surrounding countries, I was told by a donor official at the World Bank that, "you have to realize that, you know, the government is, they're in a precarious situation, and sometimes having control of certain commodities helps strengthen their position" (World Bank interview). So, even though the World Bank would prefer to see certain sectors such as telecommunications liberalized, the fragility of the Horn of Africa region makes donors reluctant to push the government too far, lest they lose their grip on power.

It was also brought up on several occasions that the process of democratization takes time. This was mentioned by donor officials, "one of the mistakes we make in the West... they have this idea of democracy they try to impose that on developing countries and they don't realize that the infrastructure and the history just isn't there yet. To all of a sudden impose a finished model of democracy on the rest of the world and expect it to work" (World Bank interview), but also by officials working at the Ethiopian Ministry of Foreign Affairs, who argued that democracy was "not a luxury" to Ethiopians, but that the process of building a democratic state takes time (MFA interview). The favorable political conditions facing the

GoE enables it to pursue democratization at its own pace without suffering the rebuke of Western donors.

After the 2005 election, donors – to varying degrees – criticized the GoE for its handling of the demonstrations that occurred in its wake. One of those who criticized the elections was Anna Gomez, who is a member of the European Parliament and was at the time the Head of the EU Election Observation Mission to Ethiopia. Her criticism must have made an impact, because when I asked an official at the Ethiopian Ministry of Foreign Affairs (MFA) about the legitimacy of such criticism, he launched into a tirade³² about how:

From European Observatory side, and there was, the leader was a politician which is antagonist to Ethiopia, that's why EU was misled, by the chairman of the Election Observatory, and that's what we are facing today as well, she's anti-Ethiopian, she walks hand-in-hand with opposition, not opposition actually, with terrorist groups, with Ethiopian terrorist groups. (MFA interview)

It was not made explicit which Ethiopian terrorist groups he might be referring to, but most likely he was thinking of Ginbot 7³³, which is an opposition political organization founded by professor Berhanu Nega. This response is an interesting example of Ethiopian officials appropriating the language of the US-led war on terror. In the wake of the 2005 election, the GoE passed a slew of laws aimed at narrowing the political space, such as the Civil Society Organization law, and an anti-terror law. While such anti-terror laws have attracted criticism from Western donors, I believe the strength of their opposition is diminished by their passing similar laws. For example, the USA PATRIOT Act, signed in the wake of the 9/11 terror attacks attracted widespread criticism for its impact on civil liberties. This law, and others like it, seems to have served as inspiration to authoritarian leaders across the world who have found that co-opting anti-terror discourses allows them to cut down on opposition voices.

The officials at MoFEC continuously referred to the donor-recipient relationship as a partnership, which indicates that they view themselves as equals in their dealings with donor officials (Bilateral Cooperation Directorate MoFEC interview). While they acknowledged that sometimes donors come to the country with their own interests in mind, they nonetheless considered their relationship as a “friendly relationship” and emphasized their interest in

³² My interview at the Ethiopian Ministry of Foreign Affairs included two people. I had directed my question toward the junior-most official, but she hesitated and looked toward the other official, who took over and gave me the response quoted above.

³³ Ginbot 7 means 15. May, the date of the Ethiopian general election in 2005.

“win-win solutions” ((Bilateral Cooperation Directorate MoFEC interview). When I asked whether International Financial Institutions sometimes try to make political demands of the Ethiopian government I was told by a senior ministry official that “Even if they try to do, we tell them, that is not your business, so that is how it is... The IFIs are here to support us, if that support is acceptable, we’ll take it. If it’s not acceptable we will reject it. We are not going to allow them to do something that we don’t want... We are the ones who should shape the strategy and policy” (IFI Cooperation Directorate MoFEC). When the IMF wanted to impose economic reforms on the EPRDF regime during the 1990s, the regime fought against this, which resulted in a decrease in aid disbursements from the IMF. The GoE has showed before that they are willing to forgo aid if they feel their autonomy would be harmed. The ability to tell donors “no” is a reflection of the strong negotiating capital of the Ethiopian state.

When asked if there were specific areas where the GoE disagreed with the donors on development policies, a MoFEC official began by stating that “most of the development partners agree in the Paris Declaration, to align their relationship, to harmonize... accountability” before also acknowledging that donors often come with a desire to use their position to further their own ends (Bilateral MoFEC interview). So it would appear that the declarations of the mid-2000s on aid effectiveness and ownership have, if nothing else, given recipients a moral claim to choose their own development priorities. In a relatively rare example of the GoE having a weaker bargaining position than other aid-dependent countries in sub-Saharan Africa, I was told by a mid-level ministry official at MoFEC that in other sub-Saharan countries, the colonial past has given recipients a moral claim to development assistance (Bilateral Cooperation Directorate MoFEC interview). Ethiopia cannot make the same argument in their dealings with donors, as they have never been colonized.

One purported aim of the Paris Declaration and the Accra Agenda for Action has been to increase donor harmonization (OECD 2005; OECD 2008). I originally thought that the rise of nontraditional donors might have negatively impacted on the ability of donors to coordinate aid projects, and there is some evidence to support this claim. However, what I didn’t realize at the outset was that there are very strong incentives against donor coordination, even within the Western donor community. According to Axel Borchgrevink, the inability of donors to coordinate amongst themselves is an important reason why conditionality has not been effective, and “To a great extent, donors make decisions on aid and conditionality on the basis

of their own interests” (Borchgrevink 2008: 217). While the effect China and other nontraditional donors have had on reducing donor harmonization is significant, one should not diminish the very real differences, with respect to development priorities, that exists even within the traditional Western donor community. The quote below by a donor official at the World Bank highlights one reason why threats to cut aid have traditionally not been effective. There are incentives for donors to continue to provide aid, both at an individual donor official level and as a foreign policy goal:

I remember a couple of years ago we were having an issue with the government, and you know, I work with all these development partners, institutions, and this one person stood up and said “well, if they don’t cooperate we’ll just turn off the taps”. Meaning, the funding, I said, you know are you going to go back to Washington or Paris, Helsinki or Ottawa and say “we want to turn of the taps because of this little issue you have a problem with?” it’s not going to happen, right? (World Bank interview)

A senior diplomat at the Norwegian Embassy in Addis Ababa told me that the Ethiopians have never “put all their eggs in the same basket”³⁴ and that if they feel that a single donor begins to dominate, they will try to balance this out (Norwegian Embassy in Addis Ababa interview). The GoE is adept at playing donors off each other, and seeks to have a range of viable sources of funding for their development projects. It is also important to note that the strategies employed by Ethiopian officials seem to vary depending on which donor they are interacting with. For example, Scandinavian donors respond favorably to moral arguments, while more powerful countries like France or the US might be swayed more easily by security concerns (Bilateral Cooperation Directorate MoFEC interview). However the same ministry official noted that “as a global country also, some of the security issues... for example the refugee issues, the migration issues is also a problem to Norway and Scandinavian countries because they are small countries with a small population. If they have a lot of people come from other culture, from other community to that country it will be a negative fact for that... country” (Bilateral MoFEC interview). So, even though there seems to be some truth to the claim made by a senior Norwegian diplomat that Norway is often thought of as not having an agenda, Ethiopians are cognizant of the fact that even a small country like Norway is affected by irregular migration to Europe (Norwegian Embassy in Addis Ababa interview). MoFEC officials tended to view aid as an “instrument of... foreign policy” intended either to give

³⁴ Translated from Norwegian into English by the author.

donors political support, for example in the UN General Assembly, or to protect their national interests (Bilateral Cooperation Directorate MoFEC interview).

My interviews corroborated earlier findings that the political conditions facing the GoE have been quite favorable since 2005. While donors were unhappy with the government's handling of the 2005 elections and its aftermath, they have continued to provide assistance to the country. Donor officials tended to view the 2005 event as a temporary setback, and justified continued assistance by pointing to the success they have achieved in a range of areas. The GoE is not afraid to let their opposition to donors be known, when donor's demands would constrain their autonomy. They try, to the best of their ability, to not rely on any single donor. Taken in combination, these factors contribute to strengthening the negotiating capital of the GoE vis-a-vis development partners.

5.3 Ideological conditions

Donor policy preferences change over time. These preferences reflect larger geopolitical trends and the prevailing norms and agendas of the international community. Aid recipients can make themselves attractive to donors by presenting themselves as allies in the global fight against terror, as economic success stories, or in a multitude of other ways, all with the goal of cementing the recipient country as a “donor darling” in the minds of Western donors. When ideological differences exist between recipient and donor countries, it becomes exceedingly important for the recipient country to develop a clear vision about where the country is headed. This concept is described by Whitfield and Fraser, who argue that:

Whether or not a recipient's ideological proclivities agree with those of donors, the ability of a recipient government to express a clear vision about where the country is going and about the contribution of public policy to achieving that outcome affects their ability to defend individual policies within a negotiation. Donors typically find it hard to challenge a recipient's priorities that are constructed within a coherent framework, particularly one that draws strength from links to a wider international discourse that might contradict donor preferences. (Whitfield & Fraser 2010: 348)

The Government of Ethiopia has been successful in creating a coherent framework for development that allows them a great deal of agency in their dealings with donors. This is particularly impressive as the official ideology of the EPRDF has frequently been at odds with the neoliberal wishes of Western donors. In addition to this, having this clear vision about

where the country is headed – which Whitfield & Fraser refer to in the quotation above – helps a recipient country resist efforts by donors to impose a sort of ideological hegemony over institutions such as finance and foreign affairs ministries in recipient countries. This concept, which Graham Harrison refers to as post-conditionality, refers also to the process by which elites and bureaucrats in recipient countries become ideologically aligned with donors (Harrison 2001). A strong developmental vision acts as an antidote to such ideological hegemony. This section is somewhat shorter than the two previous sections. This is because enclosing the ideology of the Ethiopian state in a structural condition does not allow us to pay sufficient attention to the *actions* of the EPRDF. The vision of Ethiopia as a developmental state has been constructed over time by the regime, and in chapter seven I will highlight the extent to which this represents a conscious strategy to maximize the country’s agency in its dealings with donors.

5.3.1 Ethiopian ideological conditions in a historical perspective

The ideology of the EPRDF has frequently been at odds with Western donors. The EPRDF is avowedly socialist, and has at times been openly hostile to the tenets of neoliberalism (Borchgrevink 2008). The EPRDF has looked toward developmental states such as Taiwan and South Korea – and more recently, China – for inspiration. It is important to our understanding of the Ethiopian state to realize that these countries did not achieve their great economic success through political pluralism (Feyissa 2011). Dereje Feyissa argues that EPRDF should be understood to be operating according to a transformational statist model, “within which absolute power is not perceived as “corrupting absolutely” as in the perspective of the donors but an absolute power which is desired to transform the country absolutely” (Feyissa 2011: 804). The state-building aspirations of the GoE are contingent on a strong, centralized executive that can decide on the future direction of the country.

Jones *et al.* argue that the “TPLF’s claim to put an end to Ethiopia’s famines of the 1980s and to bring social services to the countryside is critical to its self-image and to its outside brand of a governing elite that “gets” development” (Jones *et al.* 2013: 11). Since it came to power following the overthrow of the Derg, the EPRDF has made development a priority. It is also clear from speaking to both donor officials and Ethiopian ministry officials that Ethiopians in general have a strong sense of pride in their country. Some of this pride stems from the unusual history of Ethiopia; by the end of my four weeks in Ethiopia I had lost count of the

amount of times I had been told that Ethiopia had never been colonized. By creating a strong national development plan, the GoE has made it difficult for donors to interject their own policy preferences into aid negotiations.

5.3.2 Ethiopian ideological conditions since 2005

The developmental vision of the Ethiopian state is enshrined in the Growth and Transformation Plan (GTP) – the first of which ran from 2011 to 2015 (Growth and Transformation Plan I 2010). The GTP is the overarching document outlining the national development plan of the country. It presents a strategic framework for achieving growth in sectors such as agriculture, infrastructure, and industry (Growth and Transformation Plan I 2010). The vision of Ethiopia as a developmental state is clearly formulated, and this clarity allows the government to pursue a socialist policy at odds with neoliberal economic policies. In the past decade the core ideology of the EPRDF has shifted from being rooted in liberation struggles and ethnicity, to being about the regime’s continued ability to bring about strong economic growth (Feyissa 2011). Whitfield & Fraser argue that the “governments of Botswana, Ethiopia, and Rwanda have also all expressed a clear vision about where their countries are going and about the contribution of public policies to achieving that outcome” (Whitfield & Fraser 2010: 363). The notion of Ethiopia as a country that “knows where it is going” was extremely prevalent among the donor officials I interviewed.

The favorable ideological conditions facing Ethiopia has enabled the Government to “take a tough stance and tell donors that they’d rather forego aid than accept interference” when such interference would unduly constrict the agency of the state (Borchgrevink 2008: 216). An example of this is seen in Meles’ response to a critical DAG report published in the wake of the post-2005 election violence, where the then Prime Minister bluntly told donors to stop their criticism – which the donors largely accepted (Borchgrevink 2008).

5.3.3 Corroborating evidence from interviews

In addition to the economic, and the geopolitical reasons I was given for continued high levels of Western development assistance to Ethiopia, I was also frequently told that the developmental ideology of the state played an important role in securing aid. For example, a ministry official at the MFA stated that, “we know where... I mean, what we are going to

achieve. We do have a vision, and we know where to arrive I can say, right? I mean, we do have a clear plan and a clear vision... and we know where to be in 2025” (MFA interview). There was also a clear sense of urgency, which is part of the justification for why the developmental state model is right for Ethiopia. Poverty is seen as a threat to the stability of the country and “You have to eradicate poverty as much as possible within a short period of time” (Bilateral Cooperation Directorate MoFEC interview) according to an Ethiopian ministry official.

The ministry officials I interviewed were very clear on this point, that they have a vision for where they want to be in the future and that they have the correct strategy for getting to that point. In general, the donor officials I interviewed parroted this point. For example, the two senior diplomats I spoke to at the Norwegian Embassy in Addis Ababa pointed to the singular historical background of Ethiopia in the African context as a reason why they have been able to exercise greater agency than other sub-Saharan countries in negotiations with donors. They told me that “Ethiopia... is a country with a state culture that goes 2000 years back in time. So you have institutions, you have a political apparatus that knows how they wish to run their country. If you don’t fit in, then it’s straight out. So they have ownership, and they know what they want”³⁵ (Norwegian Embassy in Addis Ababa interview). During the same interview I was also told that the EPRDF “have a great deal of ownership [over the development process]. This is a country that knows where they want to go”³⁶ (Norwegian Embassy in Addis Ababa interview). However, an alternative view was given by a donor official at USAID, who pointed to the GoE’s ideology as a source of power, but argued that the statist model of development is used by the government to justify their rent-seeking behavior, as these rents are necessary for their continued support. I don’t think the GoE would have agreed with his characterization, and the EPRDF has repeatedly railed against the corrupting influence of “rent-seekers” on the developmental state model.

To conclude, my interviews revealed that the GoE has a strong development vision, and this vision gives the government the strength to oppose donor demands. Donor officials also seemed to respect the GoE’s developmental policies, perhaps because of the relatively strong economic track record of the country over the course of the past decade.

³⁵ Translated from Norwegian into English by the author.

³⁶ Translated from Norwegian into English by the author.

5.4 Institutional conditions

A recipient country can gain leverage in aid negotiations by developing strong institutions. States with strong institutional capacity can devise independent development priorities without relying on outside technical assistance. The creation of a strong civil service shields the state from institutional entanglement with donor officials, and contributes to increasing donor trust in the capability of the government to carry out their developmental vision (Whitfield & Fraser 2010). This section will show that the Government of Ethiopia scores highly on all these measures. This is the last of the four structural conditions shaping the donor-recipient relationship that I have analyzed. Like the previous sections, I have organized the information temporally, and concluded with information gathered from my own interviews in Addis Ababa.

5.4.1 Ethiopian institutional conditions in a historical perspective

Institutions are not created overnight, and a thorough understanding of the institutional capacity of the Ethiopian state is contingent on an equally thorough understanding of the history that has shaped the country. The country of Ethiopia can trace its roots back 2000 years to the Aksumite Empire. And while the country has undergone war and revolutions in the latter half of the 20th century, the civil service as an institution has survived (Furtado & Smith 2007). Ethiopian nationalism is partly founded on them being the only African country to escape colonization. There is pride and a sense of ownership in the nation-building process, which seems to have fueled the creation of a competent civil service. Development partners struggle to exert influence over the government in part due to this institutional capacity and the correspondingly strong developmental vision of the EPRDF. One strategy employed by the Ethiopian state is to “insist on the sovereignty of pre-existing political and administrative systems, particularly regional and local government structures” (Whitfield and Fraser 2010: 351-352). This appeal to the sovereignty of the Ethiopian state is made more powerful by the unusual history of Ethiopia.

In an earlier case study, Xavier Furtado and James Smith pointed to the importance of Ethiopia’s history in shaping the strong civil service that exists today. The lack of a colonial past has played a key role in creating a structure of effective public order that has survived to this day (Furtado & James 2007). The modern bureaucracy was introduced during the rule of

Haile Selassie, who ruled Ethiopia from 1941-74. The civil service suffered under the Derg's subsequent military rule, but nonetheless survived (Furtado & James 2007). For donors, it is difficult to question the development policies of the GoE because the civil service ensures that services are delivered quickly and with minimal levels of corruption (Furtado & James 2007). The same respect for Ethiopia's institutional capacity also informs the Chinese and Indian export-import banks' approach to the country (Jalata 2014). Furtado and Smith argue that "a culture of discipline and performance pervades government and the civil service... As a consequence, corruption and leakage are generally low" (Furtado & Smith 2007: 4). The relatively high institutional capacity of the Ethiopian state apparatus has led to high levels of donor trust in the ability of the government to manage aid disbursements effectively.

Although the institutional capacity of the Ethiopian state is high as compared to many other sub-Saharan countries, especially those as poor as Ethiopia, there are nonetheless severe constraints on this capacity (Furtado & Smith 2007). These constraints are exacerbated by a strongly hierarchical system, wherein very few ministry officials have the requisite seniority to interact directly with donors (Furtado & Smith 2007). Finally, the GoE has attempted to limit donor coordination by picking and choosing donors to participate in certain development forums. For example, before general budget support was cut off in the wake of the 2005 elections, the government made it a point to limit access to certain forums to those donors providing this type of support (Furtado & Smith 2007). The favorable institutional conditions facing Ethiopia has strengthened its negotiating capital and enabled it to exercise greater agency in its interactions with donors.

5.4.2 Ethiopian institutional conditions since 2005

One problem with accepting technical assistance from donors is that it allows donors to place their own officials *inside* the recipient government's ministries. This leads to a sort of institutional entanglement wherein the aid-dependent country cannot develop their own policies independent of donors. When aid negotiations become permanent, it is difficult for recipient governments to achieve a decisive victory (Whitfield & Fraser 2010). The Ethiopian government has attempted to keep donors at bay, and have largely been successful in doing so. Ethiopia's history is so unique in the African context that I would argue civil service bureaucrats feel a sense of ownership of their country that is rarely seen in other sub-Saharan

countries. When the bureaucracy takes part in a nation-building project that they themselves feel a strong attachment to, then the quality of the civil service seems to increase.

Jonathan Fisher (2013a) has argued that here are bureaucratic incentives at work that make it difficult for donor officials to reduce aid disbursements to countries, even when these countries act in opposition to donor wishes. Borchgrevink makes much the same argument when he writes that, “The bureaucratic logic of development assistance created pressure for disbursement among donors, who thereby in a sense become dependent on their recipients” (Borchgrevink 2008: 218). The institutional conditions shaping the donor-recipient relationship refers not just to the institutional capacity of aid-dependent states, but also to the basic public service structure that Western donor officials are a part of. Within this structure success is rewarded (by promotion or other means) and failure is punished by means such as early retirement, or being passed over for promotion (Fisher 2013: 483). In extreme cases failure can even lead to dismissal. If we assume that donor officials, like other career professionals, are ambitious and desire success, then unraveling what success means in the donor community is of some importance to understanding the limits to donor influence over the policies of recipient governments. It would be helpful if donor agencies operated with formal guidelines about what failure or success as a donor official entails, but such guidelines do not exist, of course (Fisher 2013: 483).

Fisher’s interviews with donor officials, primarily from the UK’s Department for International Development (DFID), seem to indicate that within the donor community “bringing about the reduction or closure of an aid programme in a recipient country” is considered to be anathema to success (Fisher 2013: 483). For diplomats, the central measure of success is not as closely connected with keeping the aid flowing, but rather is a reflection of the diplomats ability to “[maintain] “good lines of communication” with the foreign government in question and thus securing continued “access” to senior officials is paramount” (Fisher 2013: 483). Pursuing a political approach impinges on the “regime maintenance logic” of the recipient country and therefore has a much higher chance of leading donor officials to career failure (Fisher 2013: 484). This helps explain why the notion of negative political conditionality is more often brought up by politicians in donor countries, than by the donor officials responsible for maintaining aid relations on the ground. Threatening to cut aid leads to either a reduced aid portfolio for the in-country development team in the event the government does not change their behavior, or a straining of the bilateral relations between

the two countries in the event that it does (Fisher 2013). My experience speaking to donor officials as well as Ethiopian ministry officials mirrors that of Fisher closely, in that there is little willingness to entertain the notion of cutting aid.

These bureaucratic incentives are not exclusive to donor officials operating in Ethiopia; they affect donor officials in all recipient countries. However, it is an important factor that strengthens the negotiating capital of aid-dependent countries. Donor officials are reluctant to reduce aid disbursements, as this would constitute professional failure. This gives the GoE great leverage over donor officials; threats to impose negative conditionality are seldom credible.

Unlike economic conditions, where we see a clear change over the course of the past decade, the institutional conditions facing the GoE have remained fairly constant over time. Attempts at donor coordination have improved, perhaps as a result of the Paris Declaration on Aid and other agreements between donors; however the negotiating capital available to the government appears to be similar to what it was prior to 2005.

5.4.3 Corroborating evidence from interviews

Development partners agree that the GoE has greater ownership over the development process than most other sub-Saharan countries. A recurring theme was the notion that the GoE “knows what they want” and “know where they’re going”³⁷ (Norwegian Embassy in Addis Ababa interview). The general trend of my interviews was that the favorable institutional conditions in Ethiopia have contributed to creating a space for agency in the country’s interactions with development partners. Interestingly, the Western development partners I interviewed often held a more favorable view of the institutional capacity of the GoE than bureaucrats at MoFEC and MFA. This is not to say that government officials disagree with the assessment of the donors, but rather that their inside view exposes them to some of the deficiencies that donors are not privy to.

Harry Verhoeven (2015: 175) argues that a hallmark of “high-modernist ideology” is a strong belief in the effectiveness of “bureaucratic enclaves of excellence” in fostering the developmental visions of the state. Bureaucrats working at MoFEC have often attended universities abroad, either in Europe or in the US, and this is especially common among high-

³⁷ Translated from Norwegian into English by the author.

level officials. An official at USAID similarly commented on the high institutional capacity of the Ethiopian Agricultural Transformation Agency (ATA), stating that most of his colleagues at the ATA were members of the diaspora that had been educated abroad (USAID interview). Being educated abroad is of course not synonymous with greater technical expertise or capacity, but it does speak to the high regard Ethiopian university graduates have for the civil service, when some of the best students chose to return to Ethiopia and work for the state bureaucracy. The ATA is an example of the “bureaucratic enclaves of excellence” that Verhoeven mentions (Verhoeven 2015). Casual conversations with MoFEC officials revealed that among government institutions, MFA and MoFEC attract the highest caliber of graduates. Therefore, it seems probable that the level of institutional capacity I witnessed at MoFEC is not generalizable to other government ministries in Ethiopia.

The GoE has shied away from accepting technical assistance from donor countries. The government has been able to resist such advances in part because of their stronger bargaining position vis-à-vis International Financial Institutions (IFIs) than sub-Saharan countries embroiled in debt and balance of payments crises (Whitfield & Fraser 2010). Interestingly, when it comes to Chinese engagement in Ethiopia, it seems that the government is willing to forego ownership to a certain extent. China requires that Chinese companies and Chinese workers carry out the work connected to a given Chinese-funded project (Ethio-China Directorate MoFEC interview). This may seem to decrease the ownership that the government has over the development process, but on the other hand it has a positive effect on their agency by granting them greater leverage in aid negotiations with Western development partners.

A recurring thread throughout most of my interviews was a respect for the civil service in Ethiopia. Western development partners, as well as the export-import banks of China and India appreciate the level of institutional capacity they find in Ethiopia. A high level of institutional capacity has benefitted the GoE in their aid negotiations in several ways. Firstly, strong institutions enable the GoE to create their own framework for development, without relying on the technical capacity of donors. Secondly, development partners are reluctant to challenge the development priorities of the GoE because the government has a clear developmental vision, a vision that is strengthened by high growth rates and other successes within the development field. It seems that development partners are less willing to impose negative conditionality on a recipient country in cases where that country is delivering

tangible results. Donor officials want to be associated with success stories, and countries that can point to economic success have a higher negotiating capital than those countries without the same record of success. Development partners may be afraid of being left out in the cold if they voice their concerns about human rights transgressions or democratic back-sliding.

The respondents I interviewed tended to agree that the ownership the GoE has over the development process was quite high. This conviction was especially strong among the development partners, perhaps because donor officials usually only spend 3-4 years in a given country before moving on, and therefore are in a better position to judge several countries up against each other. Bureaucrats at the Ethiopian ministries do not have the same ability to compare themselves with other countries. I believe the lack of communication with government ministries in other sub-Saharan countries impacts negatively on the negotiating capital of the Ethiopian state. By this I mean that Ethiopian ministry officials might in some cases fail to accurately judge the bargaining space available, and therefore pursue suboptimal policies. Greater knowledge of how donor officials operate in other recipient countries could improve the GoE's ability to leverage its negotiating capital in its dealings with donors.

Ownership does not necessarily mean the same to recipient as it does to donors, a point that was brought up on a few different occasions, both at the EU Delegation to Ethiopia and at the World Bank. This is perhaps a criticism of Whitfield & Fraser's (2010) definition of ownership, namely that it is a reflection of what Western academics think ownership should be, rather than what recipient countries actually understand it to be. For example, a donor official at the EU Delegation to Ethiopia has this to say about ownership:

Ownership if I define it from my European point of view, would be to... direct the cooperation resources to support the national strategic development strategies... to appropriate the results in the sense that whatever is therefore obtained with this cooperation policies can be attributed to the implementation of the national development strategy... So it has a component of alignment, it has a component of results, owned results, it has component of intervening, decision-making, where the money goes. (EU Delegation interview 1)

This conception of ownership is similar to the one I received from a donor official at the World Bank who argued that, "To me, ownership implies accompanying responsibilities... responsibilities that may take your time, and your input. So it's one thing to say "I own this", but are you prepared to make the investment of your time, your responsibilities toward

ownership? Sometimes I don't think that always happens" (World Bank interview). The Ethiopian conception of ownership does of course include many of the same ideas that these two Western donor officials brought up, but it is also linked to the notion of having control over the aid disbursements coming into the country. The donor official I spoke to at the EU Delegation to Ethiopia mentioned that:

However I would say for an Ethiopian, apart from those elements, which may also be there, to a certain extent, ownership means mostly manage the cash. So, keeping in bank account the control over the funds, to decide to whom we contract, to whom we delegate... It's also used by directors and mid-level authorities as a power tool, in a way, as "I control this project, I'm powerful, I can manage so many million, I have more power than others". You see there is a connotation which is completely different. (EU Delegation interview 1)

Although there is a fairly robust civil service tradition in Ethiopia, I would be remiss if I did not mention some of the criticisms that came from Western donors toward the institutional capacity of some of the Ethiopian ministries. For example, during my interview at the World Bank I was told that, "I think one of the big challenges in Ethiopia, in the government, is the lack of capacity... they want to own these things, but do they have the capacity to actually own it?" (World Bank interview). This notion was mirrored by a donor official at the EU Delegation to Ethiopia, who stated that, "capacity is also an issue, capacity is very low, it is also provoked by a regime of public service, which is really not sufficiently paid to put it mildly... [and] huge rotation of staff... [and] hierarchical decision-making" (EU Delegation to Ethiopia interview 1). That being said, there were several occasions on which the Ethiopian officials I interviewed admitted to this limitation. For example, when speaking to a senior official at the Ministry of Finance and Economic Cooperation, I was told that one reason why the country agrees to allow Chinese assistance to rely on Chinese companies is because "there is a capacity limitation from the Ethiopian side to even take over and implement that project. So that is why you have to use a Chinese company" (Ethio-China Cooperation Directorate MoFEC). While the institutional capacity of the Ethiopian state might be higher than similar aid-dependent countries, there are obviously still severe limitations on this capacity. This is a very real structural constraint on the negotiating capital of the GoE, which should not be underestimated.

Even though the capacity of the Ethiopian state to carry out these development projects might in some cases be lacking, the demand for ownership is always there. For example, a mid-level ministry official at MoFEC told me that:

We say that for every developmental activities, you have to be a leader, because it is our issue, it is our internal issues, our country issues. This country is our country, my country. I have to lead the activity in the country. It is not Western country, they cannot lead us or can lead me. I have to lead the organization, I have to lead the development. This is the basic principle.
(Bilateral Cooperation Directorate MoFEC interview)

This basic principle, that the Ethiopian government should play the lead role in the development process, is supported by the donors: “If we’re developing a national agricultural investment framework, any type of strategic policy document, it’s owned by the government and the development partners support that, and they are very emphatic on that” (World Bank interview). The strength to pursue this basic principle comes in part from a relatively capable civil service, but also from having a strong, and committed, leadership. The benefits of having strong leadership were brought up on separate occasions by Ethiopian ministry officials. One official at the EU desk in the MFA told me that “the leadership is very committed, right? We do have highly committed, you know, leadership and since the commitment is there, we can say... we can bring any plan that can be achievable” (MFA interview). The same idea was echoed by a senior official in the American and Africa Cooperation Directorate at MoFEC, who told me that institutions matter and commitment comes from strong leadership (America Africa Cooperation Directorate MoFEC interview). The commitment of the leaders is important, and has a positive impact on the negotiating capital of the GoE as it interacts with donors.

While one of the goals of the Paris Declaration and the Accra Agenda for Change has been to increase donor harmonization, it became clear from my interviews that there are obstacles to coordination, even between Western donors. A donor official at the World Bank, whose role was in part to make sure donors coordinated their development projects, referred to the Development Assistance Group (DAG) secretariat as the “sheepdog of the operation... [that] makes sure that people are doing what they should be doing”. I was also warned that I should not think of donor harmonization as being close to perfect, stating that “I mean, it looks good on paper and an organizational chart and everything, but it takes a lot of work to keep it going. Coordination and engagement like this take time... takes the time of the government

and the development partners” (World Bank interview). The same donor official went on to state that, “you know, when Paris came out, the declaration, everybody is saying, “what a great thing, we need this coordination, we need resource efficiencies”. But when in the reality of it, in reality of aid there’s a lot of reasons, or some reasons, why both sides, government and donors, don’t really have a lot of appetite for a coordinated approach” (World Bank Interview). While the multilateral organizations would like the majority of aid disbursements to be channeled through their pooled funds, I was told that, “you can’t go to USAID and say “listen I want you to change the way you’re doing things”, because there’s other motivations for doing that, there’s always political lobbies. There’s headquarters to deal with” (World Bank interview). When I asked him to go into more detail about what some of these forces working in opposition to greater coordination might be, the World Bank respondent stated that:

There are a lot of forces at work that prefer a more bilateral approach to development... and not only between the government and the development community you know a lot of people have reasons why they would rather work unilaterally, or bilaterally, just with the government, rather than working with other development partners. Here again, might mean compromise, it might mean loss of promotion, loss of face, you know, and you know, sometimes they just are under pressure from home headquarters who don’t really understand what’s going on on the ground. (World Bank interview)

It would appear from the above quote that there are larger foreign policy considerations at play, such as how channeling aid through institutions like the World Bank reduces the visibility of national projects (and the ability of aid to “win hearts and minds”). However, there are also professional incentives for individual donor officials to pursue bilateral development projects, as working with other donors could lead to “loss of promotion, loss of face” according to the donor official I spoke to at the World Bank.

From my interviews it became clear that a clear difference between donor officials and Ethiopian ministry officials was the knowledge they had of the donor-recipient relationship in other countries. Donor officials usually spend 3-4 years working in a country before moving on, and therefore were much more confident in stating that the GoE has a greater degree of ownership over the development process than most other sub-Saharan countries. The effect of this is that in some situations, the GoE might not fully realize the leverage they have.

While aid coordination is ostensibly supported by donors, and has been continuously highlighted in proclamations such as the Paris Declaration and the Accra Agenda for Change, obstacles to development harmonization remain. While some of the problems related to donor coordination surely stem from the rise of nontraditional donors operating outside the framework of the Development Assistance Group (DAG),³⁸ these coordination problems exist between Western donors as well. A donor official at the World Bank mentioned the complicated process of ensuring donors agree on policy priorities (World Bank Interview). If we consider foreign aid to be an extension of a country's foreign policy, then we can see how funneling aid disbursements through multilateral organizations such as the World Bank, and pooled funds like the Protection of Basic Services (PBS) project, might impinge on a donor country's ability to "win hearts and minds" in the recipient country. It is also difficult for politicians in donor countries to justify spending tax-payer money on development assistance, when the results are not easily linked to specific projects managed by national donor agencies.

In conclusion, the majority of my respondents highlighted the relatively high institutional capacity of the Ethiopian state. These favorable institutional conditions have strengthened the negotiating capital of the GoE, and enabled Ethiopian ministries to retain control over the development agenda. Attempts at donor coordination are hampered not just by the rise of nontraditional donors, but also by powerful forces at work within the traditional donor community that favor bilateral arrangements.

5.5 Chapter summary

Ethiopia has historically faced favorable structural conditions that have allowed the country to exercise greater agency in its negotiations with donors than most other aid-dependent countries in sub-Saharan Africa. These economic, political, ideological, and institutional conditions remain favorable to Ethiopia after 2005 as well. In many cases they have remained fairly stable, but the increased role of nontraditional donors and the lack of viable alternatives for Western donors have seemingly further bolstered the negotiating capital of the GoE in recent years. The economic conditions facing the Government of Ethiopia (GoE) were favorable prior to 2005, and the country managed to escape the SAPs that devastated state

³⁸ The Development Assistance Group (DAG) was established in 2001 and consists of 30 bilateral and multilateral development partners. It aims to improve donor coordination, and to foster greater dialogue between the Government of Ethiopia and donors (DAG Annual Report 2015-2016). China is not a member.

institutions in many other sub-Saharan countries. After 2005, China and other nontraditional donors have begun to play an increasingly important role. This has strengthened the negotiating capital of the GoE drastically, as it now has access to alternative sources of funding for their development projects. In addition to this, the past decade has been characterized by high GDP growth rates, and steadily falling aid dependency. Taken together, it seems clear that the economic conditions facing the GoE have become even more favorable over the course of the previous decade.

The political conditions have in recent years been affected by the growing importance of regional stability in the Horn of Africa to Western donors. The GoE has benefitted from the fragility of surrounding countries, as well as the lack of viable alternative domestic political coalitions. This means that the EPRDF regime is “the only game in town” for Western donors. Thus, the political conditions facing the GoE have been, and continue to be quite favorable. Similarly, the ideological conditions facing the GoE have been favorable. The strong developmental vision of the government, supported by strong and committed leadership, has made it difficult for donors to impose their will on the development agenda. Ethiopians are proud of their country, and have a proven track record in development that gives them the confidence to pursue their developmental state model without kowtowing to neoliberal reforms. Finally, the institutional conditions facing the GoE are also quite favorable, at least as compared to other aid-dependent countries. The relatively high institutional capacity of the Ethiopian state has also strengthened the negotiating capital of the GoE and the leverage it has over donors. All told, the structural conditions facing the GoE have allowed it to exercise greater agency in aid negotiations than one might expect, and these conditions have - if anything - increased in favorability since 2005.

The following chapter will focus specifically on the European Union’s rationale for providing high levels of development assistance to Ethiopia, even as the political situation in the country remains less than ideal.

6 The European Union's donor support rationale

The European Union (EU) and the Government of Ethiopia (GoE) have been engaged in bilateral cooperation for over 40 years, in areas such as development assistance, regional security, and trade. Today Ethiopia is one of the EU's most important partners in sub-Saharan Africa, owing in part to its active role in securing peace and stability in the Horn of Africa (HoA) region. The importance of Ethiopia to the EU is reflected in the high levels of Official Development Assistance (ODA) to the country in recent years. The EU+ group – which is constituted of the 21 EU Member States currently active in Ethiopia, as well as EU institutions, Norway, and Switzerland – has disbursed roughly €1 billion of ODA annually in recent years. The EU+ group is responsible for around 25% of total ODA to Ethiopia, which amounts to almost 10% of the country's annual budget. (Ethiopia and the EU, n.d.).

This chapter describes the relationship between the EU and Ethiopia. It highlights the key EU projects in the country, as well as regional peace and security initiatives, and their relation to migration. The analysis is based partly on official EU and GoE documents, and partly on interviews carried out with representatives from the EU Delegation to Ethiopia and other donor agencies, as well as senior and mid-level ministry officials at the European Affairs Directorate of the Ethiopian Ministry of Foreign Affairs (MFA) as well as the Ethiopian Ministry of Finance and Economic Cooperation (MoFEC). The chief aim of this chapter is to analyze the EU's strategic interests in the HoA region, and the role Ethiopia plays in furthering these objectives. This can be construed as the *donor support rationale* of the EU. The chapter begins with an overview of EU engagement in Ethiopia. Towards the end of the chapter, I outline the EU Emergency Trust Fund for Africa (EUTF for Africa), and some of the key projects initiated in Ethiopia as part of this process. Finally, I add to this by drawing on my own interview experiences in Ethiopia. Much of my inspiration for this chapter comes from the work of Jonathan Fisher (2013a) who has written extensively on structure, agency, and African politics. Fisher argues that, “What distinguishes many African states from others in the international system, though, is not so much their dependent relationship upon and within it but, rather, their governments' direct dependence upon aid to fund domestic spending and the state-building project more generally” (Fisher 2013a: 538). He then goes on to state that, “An underexplored “structure” determining, in part, many African states' place

in the international system, therefore, is the “donor support rationale”: the fundamental reason – or reasons – why donors chose to support some African states so enthusiastically and directly but not others” (Fisher 2013a: 538). The chief aim of this chapter is to examine the donor support rationale for EU engagement in Ethiopia.

6.1 EU projects in Ethiopia

The EU provides financial and technical assistance to Ethiopia in support of the country’s development plans. Development assistance focuses on providing support to infrastructure improvements, food security, and good governance, among others. For the period 2015-2020, EU support to Ethiopia is projected to exceed €2 billion. The EU’s development assistance to Ethiopia for this period can be subdivided into one of the following five pillars: (1) Programmable development aid from the European Development Fund (EDF) – totaling more than €1 billion in programs, the largest EDF envelope among ACP countries; (2) non-programmable aid from EU thematic instruments (focusing on, among other things, civil society, local authorities, democracy & human rights); (3) EUTF for Africa aimed at reducing irregular migration (part of the HoA window); (4) Humanitarian assistance (managed by the European Humanitarian Office (ECHO), which covers emergency aid, resilience building and support to refugees; and (5) European Investment Bank (EIB) concessional loans, which are focused on water, energy, and credit line facilities (EU delegation to Ethiopia interview 1). The five pillars of EU assistance to Ethiopia are shown in *Figure 10* on the following page. The EU is heavily invested in Ethiopia, like most other Western donors, and their aid portfolio is quite diversified.

Figure 10: EU Support to Ethiopia Snapshot, as of February 2017



Source: EU Delegation to Ethiopia

For the 11th EDF funding round, Ethiopia receives the largest share of the aid envelope in the ACP group, which is an indicator of the country's strategic importance to the EU and its member countries. *Figure 10* on the previous page also brings up an important point about ownership, and how the degree of ownership that a recipient country has over the development process can vary from project to project. For example, the GoE has a high degree of ownership over the programmable aid envelope, but development projects that are funded through the EUTF for Africa are more reflective of the security considerations of the EU, and the government's ownership over these projects is therefore limited. This was something that was mentioned on several occasions during my interviews, and has been a source of contention between the EU delegation to Ethiopia and the GoE. When a development goal is important to the national interests of the donor country, then the degree to which they are willing to hand over control to recipient governments appears to be quite limited.

That being said, the EU is devoted to increasing the effectiveness of its aid commitments to Ethiopia, in part through budget support to the government. The EU ostensibly does not provide budget support to countries unless they adhere to certain human rights and good governance conditions (Budget support Annual Report 2016), and it is questionable whether Ethiopia fulfills these prerequisites. While Ethiopia does not receive General Budget Support (GBS), it does receive substantial sectoral budget support, and I maintain that this is an indicator of the strong leverage that Ethiopia has over its development partners. A senior ministry official in the EU National Authorizing Directorate at MOFEC pointed to the fact that Ethiopia receives the largest share of the 11th EDF aid envelope as proof that the EU was happy with the activities of the GoE (EU National Authorizing Directorate MOFEC interview). This was in response to a question about whether Western concerns around human rights and good governance had negatively impacted on the working relationship between these two partners (EU National Authorizing Directorate MOFEC interview).

While a full account of the entire EU development portfolio in Ethiopia is outside the scope of this thesis, I want to end this section by briefly outlining some of the key issues related to migration and the EUTF for Africa. The EU has a comprehensive approach to migration that includes agreements such as the Common Agenda on Migration and Mobility (CAMM), which was signed by the EU and Ethiopia in November 2015. On 20 October 2015, the EU's High Representative / Vice President (HRVP) Federica Mogherini and Ethiopian Minister for

Foreign Affairs Dr. Tedros Adhanom declared in a Joint Declaration their shared intention to "start a regular dialogue at foreign minister level, steering political dialogues that will include new areas of common interest and more regular meetings at ministerial level" (Joint Declaration EU-Ethiopia 2015). This strategic engagement reflects the increasing importance of Ethiopia to the EU’s strategic interests in the region.

6.2 The European Union Trust Fund for Africa

The EUTF for Africa was launched following the November 12th 2015 Valletta Summit on Migration. It was signed by the President of the European Commission, Jean Claude Juncker, as well as 25 EU member countries plus Norway and Switzerland. Trust Funds are a development tool that aims to provide a quick and flexible response to emergencies. The EUTF for Africa is a response to high levels of irregular migration to Europe. Its aim is to foster stability in fragile states in Africa. The goal is to “help address the root causes of destabilization, displacement and irregular migration, by promoting economic and equal opportunities, security and development” (EUTF for Africa Annual Report 2016). Two of these projects – RESET and SINCE – that are specific to Ethiopia and were mentioned in *Figure 10* will be covered in more detail later in this chapter. The previous quote is a very clear example of how the security-development nexus has affected the priorities of Western donors.

The EUTF for Africa is focused on three separate regions in Africa: the Sahel belt and the Lake Chad area, the Horn of Africa, and Northern Africa. The EU member states, in addition to Norway and Switzerland have pledged more than €2.5 billion to the EUTF for Africa as of March 2017. The Table below shows the current, as of 1 March 2017, commitments and payments to EUTF for Africa projects. The 106 projects that have been approved as of today are worth roughly €1.5 billion (EUTF for Africa Annual Report 2016).

Table 4: Commitments and Payments to the EUTF for Africa (in € millions)

Window	Committed	Contracted	Disbursed
Sahel and Lake Chad	918.5	399.4	132.3
Horn of Africa	606	250.4	91.8
North of Africa	64.5	6	2.6
Total	1589	640.8	217.2

Source: EUTF for Africa Annual Report 2016

Disbursements to the Sahel belt and the Lake Chad region constitute the majority of EUTF for Africa payments. However, the HoA region also makes up a sizeable portion of the total amount. The North of Africa region makes up a much smaller amount, perhaps in part because these countries are covered by another EU instrument, the European Neighborhood Policy (ENP).

The following two sub-sections highlight two recent initiatives in Ethiopia funded by the EUTF for Africa. They are examples of the strategic importance of Ethiopia to the EU. The demographics of the country – Ethiopia is the second-most populous country in Africa – means that destabilization of the country could have an extreme impact on irregular migration. To put this into perspective, instability in Eritrea and Somalia has caused a fairly large number of persons from these countries to migrate to European countries. The population of Eritrea was 4.79 million in 2011, while the population of Somalia was 10.79 million in 2015 (World Bank indicators). What would the effect be on Europe if a country in the same region as Somalia and Eritrea, but with a population of roughly 100 million suffered a catastrophic destabilizing event?

6.2.1 Stemming Irregular Migration in Northern & Central Ethiopia

Stemming Irregular Migration in Northern & Central Ethiopia, or SINCE, is a recently implemented EUTF for Africa project with a total estimated cost of €19,845,000 (SINCE Action Document 2016). The goal of SINCE is to further the first objective outlined in the EUTF for Africa, namely improved economic opportunities for young people and women. This will be achieved through a strong focus on vocational training and small businesses. SINCE contributes to two of the priority domains outlined in the Valletta Action Plan: (1) “Development benefits of migration and addressing root causes of irregular migration and forced displacement;” and (5) “Return, readmission and reintegration” (Valletta Action Plan 2016). The geostrategic situation Ethiopia finds itself in means that it is both a source of, a destination for, as well as a transit region for migration and refugee flows. Ethiopia plays host to about 730,000 refugees, the largest refugee population in Africa. Transnational challenges such as irregular migration, internal migration, human trafficking and smuggling strongly affect the stability of the country. And as Ethiopia goes, so goes the Horn of Africa (HoA) region. Therefore, it is incumbent on the EU to support stability in Ethiopia, and to build resilience among potential migrant communities.

As Ethiopia handles much of the migrant and refugee pressure caused by the fragility of surrounding nations, they have a moral claim to assistance from Western donors to tackle this challenge. This strengthens their bargaining position vis-a-vis donors considerably. In addition to this, the threat irregular migration represents to the EU community similarly strengthens the position of the Government of Ethiopia (GoE). As a weakening of the current EPRDF regime could have potentially devastating effects on Europe, the EU has little leverage to impose political conditionalities on their aid disbursements to Ethiopia.

Ethiopia's population is estimated to have recently passed the 100 million mark, making it the second-most populous country in Africa. Demographic projections indicate that roughly 2 million Ethiopians will enter the labor market every year from this point forward. Providing these young people with adequate economic opportunities in their local communities is integral to stemming the flow of irregular migration to Europe. A young, disenfranchised and unemployed population also represents a grave threat to the stability of the GoE. For these reasons, projects such as SINCE have become a priority for the EUTF for Africa. Although resilience building will contribute to lessening irregular migration to Europe, the EU also acknowledges that a "culture of migration, amplifying the success stories of those making a good living abroad, spreads throughout the Ethiopian society and constitutes a strong pull factor" (SINCE Action Document 2016: 4). The ongoing process of globalization, which was outlined in the background chapter, has contributed to increased migration of people for another reason, which the previous quote alludes to. With easy access to cellphones and the internet, stories about life in the West can travel instantly to even the most remote regions of African countries.

Ethiopia has been a valued partner in the EU's work on migration. Recently, the two partners signed the Common Agenda on Migration and Mobility (CAMM). This agreement serves as the framework for future projects and interventions in the migration sector. SINCE is aligned with the GoE's Growth and Transformation Plan II (GTP II), which prioritizes improving youth employment rates. SINCE acts as a complement to the EU RESET II project, another EUTF for Africa initiative. Both attempt to solve challenges in migrant-prone regions, but SINCE focuses on urban areas and rural towns, while RESET II works mainly with drought-affected regions and remote areas of the country. SINCE works on improving livelihoods, while RESET II aims to improve access to basic services and build resilience to crisis situations (SINCE Action Document 2016).

6.2.2 Resilience Building and Creation of Economic Opportunities in Ethiopia

Resilience Building and Creation of Economic Opportunities in Ethiopia (RESET II) is another EUTF for Africa initiative in Ethiopia with a total estimated cost of €47,000,000 (RESET II Action Document 2016). RESET II is aimed at achieving three of the objectives outlined within the EUTF for Africa; to provide beneficiaries with greater economic and employment opportunities, to strengthen the resilience of vulnerable groups within Ethiopia, and finally to support good governance and promote stability. Like SINCE, the RESET II project is rooted in the Valetta Action Plan, in that it seeks to tackle the root causes of migration, and support the successful return and reintegration of migrants to Ethiopian society. Tackling issues such as internal migration is important to the EU because this sort of migration can often be an intermediary step leading to further migration north and eventually into Europe.

The intervention logic of RESET II is to improve the economic productivity, the access to basic services, and the food security of the most vulnerable populations in Ethiopia. Successfully doing so will address the root causes of instability and migration, both within the country and outside Ethiopia's borders. RESET II is aligned with the 11th EDF for Ethiopia (RESET II Action Document 2016). Specifically, it supports the aims of promoting “sustainable agriculture and food security” and more specifically to “improve resilience and long-term nutrition, including through LRRD³⁹ and safety net/social protection approaches” (RESET II Action Document 2016: 12). The RESET II project is included in the National Indicative Programme for Ethiopia, but the Government of Ethiopia has accepted that this allocation of funds be channeled through the EUTF for Africa. This is an example of how once an issue becomes a matter of extreme importance to donors, lofty ideals such as recipient ownership often takes a back seat.

³⁹ LRRD stands for Linking Relief, Rehabilitation and Development. It is a catch-all term for the EU's joint humanitarian-development approaches.

6.3 Corroborating evidence from interviews

The evidence presented in previous sections of this chapter has been collected from official documents deriving from the European Commission, and the GoE, as well as newspaper articles. The data is supported by my findings from interviews carried out in Addis Ababa. Both the EU delegation to Ethiopia and the Norwegian Embassy in Addis Ababa emphasized the important role Ethiopia plays in securing stability in the region. In both cases, the issue of stability was directly linked to the challenges associated with irregular migration.

While Norway is not a member of the EU, its migration policy is closely aligned with that of the EU. Key to Norwegian engagement in Ethiopia is a desire to support the country's role in securing stability in the region: "the starting point for our engagement here is a strategic wish on the part of Norway to contribute to stability in the Horn of Africa" (Norwegian Embassy in Addis Ababa interview⁴⁰). When asked about the role that challenges tied to irregular migration plays in Norway's engagement in Ethiopia, a senior diplomat at the Royal Norwegian Embassy in Addis Ababa opined that:

It plays a very large role. It is the fastest growing field [at the embassy]. The starting point is that Ethiopia's location in the Horn of Africa, gives it a strategic placement with regard to migration movements. All the routes, whether it is the southern route down toward South Africa, or the eastern route over toward Yemen and in toward the Arabian Gulf, or the northern route via Egypt or Libya and the Mediterranean Sea... in all these connections, Ethiopia is central. They are both a transit country, an origin country, and they are a recipient for refugees. (Norwegian Embassy in Addis Ababa interview⁴¹)

Apart from the migrant influx from Syria because of the civil war, Somalis, Ethiopians, and Eritreans make up the largest group arriving in Norway. Part of the justification for high levels of aid to Ethiopia is that the country is shouldering much of the refugee burden that the fragility of the surrounding countries has caused. The importance of Ethiopia to European initiatives to tackle the root causes of migration was also brought up by donor officials working at the EU Delegation to Ethiopia. While Ethiopia has been a key US ally in the war against terror, much of their current leverage over the EU stems from their role in tackling irregular migration. Of course, both the security aims of the US as well as the EU necessitate a stable Ethiopia that can prop up surrounding fragile states. The Ethiopian civil service

⁴⁰ Translated from Norwegian into English by the author.

⁴¹ Translated from Norwegian into English by the author.

seems to be well aware of the motivations for donor engagement in the country, as my interviews at the Ethiopian Ministry of Foreign Affairs (MFA), and the Ministry of Finance and Economic Cooperation (MoFEC) showed.

A mid-level official at the MFA pointed to “security, terrorism, and migration” as the main issues – together with the economic relationship – that serve as the basis for cooperation with the EU and its member states (MFA interview). Although they⁴² would not say that the increased focus of the EU on migration had harmed other development initiatives in the country, there was some unease about the EUTF for Africa receiving a greater share of development funds. As I mentioned earlier, the degree of ownership that the GoE has over the emergency trust fund is limited, and this was echoed by the ministry officials I spoke to at the MFA who said that, “in the European Trust Fund we have something which is not clarified, because they pledged it, but we are not sure where they are putting it and we didn’t see the actual projects... we don’t actually get the projects on hand. So I don’t think they compromise with each other, but the European Trust Fund is more, not active... the EDF is more active” (MFA interview). In general, Ethiopian officials I interviewed tended to argue in favor of more direct control over donor aid disbursements. I was told that, “mostly we recommend to give a direct support instead of channeling to multilateral organizations like the UN organizations” (MFA interview). The argument for giving budget support is predicated on the notion that Ethiopians “know where the gap is and we know where we have to put that fund, then if we get the direct support we can put where it can be more effective” (MFA interview).

Officials working on EU relations at both MoFEC and MFA emphasized that Ethiopia is the recipient of the greatest share of the 11th EDF aid portfolio. When I asked them why they thought that was the case, I was told that “Ethiopia is getting a... [strong] transformation while we are going fast, and we have a cooperation in peace and security with European Union, we are been working in... regional issues. We have been good cooperators in migration issues because we are also the victim of migration so that, I think this is the reason that we are getting more benefit from the European Union” (MFA interview). Another official at the MFA then went on to add that “we are getting more benefit from the European Union because we use the fund effectively, right? ...when it is given to Ethiopia the fund is successful so they value the efficiency of the fund... you get the result, so that’s why. Since we use it, I mean the fund, effectively we get more” (MFA interview). Ethiopian officials can make a

⁴² My interview at the Ethiopian MFA included two ministry officials.

moral argument for why they should receive assistance by emphasizing that they are a victim of migration – I was told on several occasions that Ethiopia plays host to 800,000 refugees from neighboring countries – and they can also point to strong economic growth and high levels of progress towards the Sustainable Development Goals. These conditions grant the GoE greater agency in aid negotiations than most other aid-dependent countries.

The Ethiopian ministry officials I interviewed made the case that their leverage over representatives from the EU stems primarily from two sources. Firstly, Ethiopia continues to play an integral role in fostering peace and stability in the Horn of Africa. In addition to the role Ethiopia plays as a guarantor of regional stability, the respondents also pointed to the economic success that Ethiopia has seen in recent years as another reason why donors might favor Ethiopia when deciding which countries to focus on.

Ethiopia has made tremendous progress over the course of the last 15 years, and this makes it difficult for donors to reduce development assistance, even in cases where they may strongly disagree with the policies of the government. Donors fear missing out on a – relatively rare – economic success story in sub-Saharan Africa. Finally, Ethiopia has a clear developmental vision, which makes it attractive for donors to support the government. The ministry officials I spoke to at the MFA argued that, “because we know... what we are going to achieve. We do have a vision, and we know where to arrive... I mean, we do have a clear plan and a clear vision... we do have a clear vision and with clear objective and we know where to be in 2025” (MFA interview). These factors acting in combination help strengthen the bargaining position of the GoE when engaging with donors, and they have allowed the country to exercise greater agency than many other aid-dependent countries in sub-Saharan Africa.

Migration is an important area of cooperation between the GoE and the EU. For example, I was told by a EU donor official that “irregular migration is a source of complications for, in the first place for Ethiopia and for Ethiopians who suffer the plague of smugglers and traffickers and these organizations that transport people illegally, and also for European who wanted to stem this practice and regulate...the flow of migrants” (EU Delegation to Ethiopia interview 1). The impression I got from speaking to a donor official at the EU Delegation to Ethiopia was similar to that of other development practitioners I interviewed, in that it was sometimes difficult to balance the authoritarian nature of the government, with the very real developmental success of the regime (EU Delegation to Ethiopia interview 1).

Today there is a wave of right-wing (and in some cases left-wing) nationalism sweeping across Europe. This nationalism is in part fueled by high levels of migration to Europe. Those on the left oppose migration on the grounds that it depresses wages for local laborers. Those on the right oppose migration often on cultural or ethnic grounds. If the European Union is to survive in its present form, it seems clear that irregular migration must be dealt with. The four freedoms that undergird the European project only work if external borders are closely guarded. In this sense, the EU's attempts to stem irregular migration through instruments such as the EU Emergency Trust Fund for Africa are an example of the EU attempting to deal with an almost existential threat. It is not migration per se that threatens the EU, but the effect unfettered immigration has on the electorate of the EU member countries. A failure to control migration might lead to the citizens of the EU member countries deciding that they do not want to be a part of the European community anymore. A country that creates a narrative wherein they play a key role in stemming irregular migration to Europe will have a large amount of leverage when entering into aid negotiations with the EU. This is the case for Ethiopia today.

6.4 Chapter summary

Analyses of the donor support rationale of western development partners with regards to Ethiopia have centered on the country's role in securing stability in the region. This is understood to be important to the West as a part of the fight against international terrorism. This chapter has attempted to shed light on the strategic interests of the EU and its member states in the Horn of Africa region. While stability is indeed an important factor in this relationship, this stability is sought primarily to tackle irregular migration, not to fight terrorism. There is evidence to suggest there has been a strategic reorganization away from pro-poor projects, and toward resilience building, which prioritizes resistance to shocks. Resilient communities are less likely to undergo catastrophic failure, and are therefore less likely to lead to irregular migration to Europe.

The literature on fragile states has been instrumental in linking peace and security to development issues. The connection between instability and terrorism has been made by both policy practitioners and academics. Scholars such as Jonathan Fisher have written extensively about the image management strategies African states have used in order to portray

themselves as allies in the global war on terror.⁴³ Data from my interviews seems to suggest that while the EU shares the conviction that underdevelopment, through the process of globalization, can have profound effect on the national security of the EU Member States, these security threats have little to do with international terrorism (EU delegation to Ethiopia interview 2). The EU pursues stability in the Horn of Africa primarily to stem the tide of irregular migration to Europe. Instability also has the potential to destabilize the global economy, and this represents another threat to national security. Fisher's analysis of the situation is likely accurate for the donor support rationale of the United States (which is his object of analysis), but the EU does not share this rationale completely. Both donors see instability as a security threat, but the instrument is quite different: one is preoccupied with international terrorism, while the other worries more about irregular migration.

⁴³ See for example "*Some more reliable than others*": *Image management, donor perceptions and the global war on terror in East African diplomacy* and *Managing Donor Perceptions: Contextualizing Uganda's 2007 Intervention in Somalia*.

7 The agency-maximizing strategies of the Ethiopian state

From the aforementioned structures, the Government of Ethiopia (GoE) has created a narrative of the state that has allowed it to exercise greater agency in its dealings with Western development partners. There are primarily two images the GoE has presented to the West. The first is the vision of Ethiopia as a developmental state. This narrative is constructed from the careful combination of the specific ideological, economic, and institutional conditions that characterize the country, into one coherent message. The second narrative concerns Ethiopia's role in maintaining peace and stability in the Horn of Africa (HoA). Ethiopian state agency is sometimes thought to stem largely from their position as an ally in the global war on terror, but my interviews provide evidence that the GoE's relationship with the EU is also strongly influenced by challenges linked to irregular migration.

The previous chapters have pointed to several maneuvers used by the GoE to maximize its agency vis-à-vis development partners. The GoE has obscured the actual decision-making processes of the state, it has attempted to divide donors into different dialogue forums, and it has sought to counterbalance traditional and nontraditional donors, so that no single donor dominates proceedings. This chapter deals with some of the overarching themes that are partly a consequence of the previously outlined structural conditions, but also constructed by the state with the goal to maximize its agency in its interactions with donors on the global stage. The primary objective of these strategies is to allow the government to implement as much of its agenda as possible. In this sense, I agree with Furtado & Smith, who argue that, "This means maximizing the inflow of resources (so it [the GoE] can finance as much as possible), while giving up as little sovereignty (in terms over the policy agenda) as possible" (Furtado & Smith 2007: 15).

This final analysis chapter is broadly divided into three parts. The first part deals with the narrative of Ethiopia as a developmental state, while the second part tackles the narrative of Ethiopia as a guarantor of regional stability. Both sections conclude with information gathered from my own interviews in Addis Ababa. The third section briefly tackles the debate between agency and structure that colors much academic thinking on the topic of Africa in world politics. While I believe the approach I have adopted is best suited to answering my

particular research question, it is important to take a moment to consider possible rival explanations.

7.1 Ethiopia as a developmental state

Much of the strength of the developmental state ideology is predicated on the economic success of the GoE in recent years, in particular their impressive progress toward reducing poverty rates. For example, the Canadian International Development Agency (CIDA) has noted that, “with its improving financial management, relatively low level of corruption and impressive progress towards the MDGs there is a general consensus that Ethiopia is a country of considerable potential” (Ethiopia Country Programme Evaluation 2010: vii). Similarly, the Development Assistance Group to Ethiopia (DAG) stated in a report that “Ethiopia has made impressive development progress in recent years. Since 2000, Ethiopia has recorded the fastest improvement in human development in the world. Economic growth has accelerated on a sustained basis from around 2003, despite the global economic crises” (Annual Report of the DAG Pooled Fund 2004: 5). While these favorable economic conditions certainly play a role in determining the efficacy of Ethiopia’s developmental state discourse, it is important to understand that this narrative has been constructed by the EPRDF. It has been molded over time, partly to further legitimize the regime domestically, but also to grant it greater leverage over donors. While the socialist nature of the EPRDF has been toned down in recent years, it still subscribes to an ideology of revolutionary democracy that is in many ways inspired by Marxist-Leninist thought (Feyissa 2011).

Since it came to power in 1991, the EPRDF has resisted calls by the Bretton Woods institutions to undergo neoliberal reforms. However, it was not until the end of the 1990s that the ruling party developed an “alternative development paradigm... [called] democratic developmentalism” (Feyissa 2011: 796). This development paradigm is further developed in *Revolutionary Democracy: Development Routes and Strategies*, a booklet published by the party organ of the EPRDF, and in *African Development: Dead Ends and New Beginnings* by Meles Zenawi. The developmental state model was only clearly formulated after the 2001 split between two competing factions of the Tigrayan People’s Liberation Front (TPLF), the dominant group within the Ethiopian People’s Revolutionary Democratic Front (EPRDF) coalition (Feyissa 2011). Clapham (2013) and Vaughan (2011) similarly trace the origin of the Ethiopian developmental state project to the 2001 split in the TPLF. The *Tehadso*

(Renewal) campaign led by Meles Zenawi made “eradication of poverty... the paramount challenge of the EPRDF and the state” (Gebresenbet 2014: 66).

The ideology of the EPRDF has allowed it to effectively combat the neoliberalism of Western donors. For example, in July 2011 the then current Prime Minister, Meles Zenawi, stated that, “the country’s economic performance is being called into question by the two groups [the Bretton Woods institutions] because Ethiopia refuses to let outsiders dictate to them what economic policies should be put in place” during an address to the Ethiopian parliament (Feyissa 2011: 795). The strength needed to resist the ideological hegemony of the neoliberal West comes in part from the strong developmental vision of the GoE – a concept referred to as post-conditionality by Harrison (2001). To the developmental state ideology, poverty represents an existential threat and development is seen as “a means to ensuring the continued survival of the Ethiopian state and its people” (FDRE 2002). A similar notion was espoused by Meles Zenawi when he told Alex de Waal (2012: 7) that, “I am convinced that we will cease to exist as a nation unless we grow fast and share our growth.”

Ethiopia’s developmental state ideology borrows heavily from military terminology, which is perhaps a reflection of the EPRDF’s historical background of armed struggle for power. Words such as *lemat serawit* (development army), *tsere-dehenet tegel* (anti-poverty struggle), and *lemat arbegna* (development patriots) are examples of this trend (Gebresenbet 2014). Alex de Waal is one of the few academics who were able to gain access to the highest levels of the EPRDF party apparatus. His interviews with then Prime Minister Meles Zenawi are revealing of the state that Meles envisioned, “You cannot change a rent-seeking political economy just by reducing the size and role of the state. The neo-liberal paradigm does not allow for technological capacity accumulation, which lies at the heart of development. For that, an activist state is needed, that will allocate state rents in a productive manner” (de Waal 2013: 149).

The clearly formulated developmental vision of the EPRDF has made it difficult for Western donors to challenge the development priorities of the Ethiopian state. By constructing this image of Ethiopia as a developmental state, the GoE is able to exercise greater agency in aid negotiations than other aid-dependent countries.

7.1.1 Corroborating evidence from interviews

The developmental vision of the GoE – that of a country that knows where they want to be and how to get there – was a recurring theme throughout my interviews. Central to the developmental state ideology is the notion that time is of the essence, and that certain sacrifices must be made in the short term to secure long term security and prosperity.

I was told on numerous occasions by Ethiopian ministry officials that the “Developmental state is different from the Western neoliberal state” (Bilateral Cooperation Directorate MoFEC interview). The success of the Ethiopian development project over the course of the last decade has given the GoE the confidence it needs to resist the impositions of donors, a point that was made to me by a senior official at the International Financial Institutions (IFIs) Cooperation Directorate at the Ministry of Finance and Economic Cooperation (MoFEC):

Fast growth gives us another reason to be confident, but the confidence comes from the knowledge that our vision and strategies are working. So, if somebody has a vision or strategy which is working, another person comes and tells them to change, they are likely to resist [these demands] because it's working. (IFI Cooperation Directorate MoFEC)

The relative success of the developmental state model in Ethiopia gives the GoE the ideological strength to insist on its own policies. This strength can also be seen when donor official as well as Ethiopian ministry officials discuss democratization. There is a consensus that democratization should proceed at a pace that is agreeable to the government. The GoE does not openly oppose democracy; in fact I was told that “democracy for Ethiopians is not a luxury... [It is] alpha and omega, as life and death... We can't live without democracy” (MFA interview). However, at the same time, Ethiopians I spoke to argued that “you can't build it [democracy] within a night... Democracies have a process” (MFA interview). There was overwhelming agreement from the donor officials I interviewed that it take time to implement democratic reforms, and that as long as the long-term trend is positive, then they can justify continued assistance to the EPRDF regime. The ideology of the EPRDF has given it the strength needed to resist the neoliberalism of Western donors to a greater degree than many other aid-dependent countries. This ideology is built around a developmental state model that looks to China, Taiwan, and South Korea for inspiration (Gebresenbet 2014). It has been forged over time by the EPRDF, and has allowed the state to exercise greater agency in its interactions with donors.

7.2 Ethiopia as a guarantor of regional stability

Since the EPRDF came to power following the overthrow of the Derg regime in 1991, it has consistently aligned itself with Western strategic interests. The GoE supported the US in their opposition to Sudan's Omar al-Bashir during the 1990s, and after the end of the war against Eritrea the GoE continued to support the US in their anti-terror efforts. The EU also appreciates the role Ethiopia plays in providing the region with a modicum of stability. In recent years, irregular migration to Europe has further highlighted the importance of stability in the HoA to European security interests.

Ethiopia was an important ally in the US' Frontline States policy that aimed to encircle Sudan during the 1990s (Feyissa 2011). The Ethiopian state relied on a discourse forged in opposition to Islamic terrorism during this period, as part of their fight against insurgent groups like al-Ittihad in the Somali regional state (Feyissa 2011). This narrative became much more pronounced in the wake of the 9/11 terror attacks. After the war between Ethiopia and Eritrea ended, the EPRDF sought to convince donors that the war had been instigated by Eritrea and that Ethiopia was the only country in the HoA capable of fostering stability in the region (Fisher 2013a). The GoE has also attempted to shape Western conceptions of the country by hiring lobbying firms who have been tasked with "explain[ing] the Ethiopian position in its dispute with Eritrea ... and develop[ing] articles in the press which we hope will influence the [US] administration" (Fisher 2013a: 105). Ethiopia has been a staunch supporter of Western military actions, and the country was one of five African states to join the US-led coalition against Saddam Hussein's Iraq (Fisher 2013a).

The evidence conclusively linking Islamic insurgents operating in Somalia to international terror organizations such as al-Qaeda has perhaps been overstated. Nonetheless, the GoE has actively tried to link Ethiopian military activity in Somalia to the fight against global terrorism, and has justified their intervention in Somalia as a fight against Islamic terrorism, jihad, and a Taliban-like group (Fisher 2013a). After the onset of the GWOT, the EPRDF has cooperated closely with the US on anti-terror initiatives. In addition to gathering intelligence on al-Qaeda cells, the government has also allowed the US to use Ethiopia as a base to interrogate enemy combatants in secret (Feyissa 2011). Even in cases where Western donors disagree with the GoE so strongly that they feel compelled to impose negative conditionalities, Fisher (2013a) notes that while general budget support to Ethiopia was

withdrawn after the regime responded harshly to demonstrations that followed the 2005 elections, “donor military assistance – particularly from the US, UK and EU – has not succumbed to a similar dynamic ...and Addis Ababa... enjoyed increasing levels of support in this area from donors during this time” (Fisher 2013a: 545). The link between fragile states and religious radicalization is perhaps most clearly seen in the US’ approach to development, but most donors operating in Ethiopia have added fairly substantial state-building components to their aid package (Feyissa 2011). The security-development nexus has been a focus of much academic interest after the GWOT began, and it has clearly had a positive impact on the leverage the Government of Ethiopia enjoys in its interactions with Western donors.

Ethiopian security interests have for a long time been challenged by armed insurgencies in the Somali region holding secessionist views. So, when the Council of Islamic Courts (CSIC) began to challenge the Somali Transitional Federal Government (TFG) starting in 2006, this represented a security threat both to Ethiopia and to Western interests (Borchgrevink 2008). The Government of Ethiopia (GoE) has continuously argued that the Islamist forces at work in Somalia have a close connection to international terrorism. Ethiopia intervened in Somalia in late 2006, with very little Western criticism. Axel Borchgrevink draws a possible connection here to Frerks’ notion of “peace enforcement”, arguing that, “the condition attached to sustained high levels of American aid may relate primarily to Ethiopia’s continued role as the key regional ally in the global war on terror” (Borchgrevink 2008: 215). This is a rather transactional view of the donor-recipient relationship that does not pay sufficient attention to the attempts by the GoE to draw a link between what could easily be construed as a regional security concern and the fight against international terrorist organizations willing and capable of executing attacks on American or European soil. The role authoritarian leaders in Africa have played in actively securitizing the relationship between development and Western national security interests is highlighted by Jonathan Fisher and David Anderson (2015) in their article, *Authoritarianism and the securitization of development in Africa*. While much of the literature on this topic has emphasized Ethiopia’s role as an ally in US-led anti-terror initiatives, my interviews revealed a more general focus on stability. Instability could potentially lead to radicalization, but it was more often linked to challenges such as irregular migration. The important role Ethiopia plays as a guarantor of regional stability – and the fact that the fragility of the surrounding states means there are few other regional actors capable of taking on this responsibility - means that donors are reluctant to impose

negative conditionalities on the GoE, even when it pursues fundamentally illiberal political goals.

7.2.1 Corroborating information from interviews

The Ethiopian ministry officials I interviewed brought up the Western desire for stability in the HoA as a potential reason as to why Ethiopia receives such substantial assistance from donors. The link between security and development was made clear, and I was told that underdevelopment and instability in Ethiopia represented a threat to donor countries both in terms of terrorism and migration. While speaking to ministry officials at the Ethiopian Ministry of Foreign Affairs (MFA) I was told that, “the EU knows the region that we are, right? We are in the Horn of Africa, you know what the Horn of Africa is, it is not necessary to talk about the Horn of Africa, and we are one of the most peaceful country in the Horn of Africa, and... the EU’s funds are efficiently used in Ethiopia” (MFA interview). The GoE presents itself as a peaceful country and a force for good in the region.

In addition to this, the refugee challenge was a recurring issue, brought up on several occasions. I was informed that “[Ethiopia is] hosting more than 800,000 refugees, more than 800,000 refugees! And it is more than one nation, right? ... So, the EU has to cooperate and EU member countries have to cooperate. That’s the only way that we can minimize the challenge” (MFA interview). Since Ethiopia is handling much of the refugee influx from surrounding countries, it can – and seemingly does – make a moral claim to increased development assistance from donors. If donors fail to support Ethiopian efforts to help refugees and internally displaced persons (IDPs), then these people are more likely to continue onwards to Europe.

A mid-level ministry official at the Ethiopian Ministry of Finance and Economic Cooperation made several references to the security-development nexus during my interview. He made it clear that as a byproduct of globalization, instability in Ethiopia would have global ramifications, “now the globe is one. The globe is now a village. There is poor here, there is a rich one. For the security of the rich, the poor should have some amount” (Bilateral Cooperation Directorate MoFEC interview). On the topic of stability, he noted that, “If there is no stability in this country, it is not a bad thing for the country only. It is all the region, even out of the region, just in the least Europe will be in a bad condition” (Bilateral Cooperation

Directorate MoFEC interview). I was somewhat struck by the ease with which this ministry official could describe the reasons why aid is becoming increasingly securitized. There were references to the threat to donors caused by international terrorism – and how terrorism was linked to underdevelopment – such as in the passage below:

The other one is a global issue... the world is divided into rich and poor countries. The problems in these poor countries in now pressing... Terrorism, or any other cause, is coming from... this economic backwardness. If this economic backwardness is continued in the long term, maybe comes to your country, to European countries. (Bilateral Cooperation Directorate MoFEC interview)

However, most of the emphasis was placed on the threat irregular migration posed to the European community of states. The same ministry official told me, during our interview, about the potential negative impact of irregular migration to the EU member countries, “Refugees... from economic issues, they come here, you will see this in the European countries. There is a lot of migration, people are coming there. So this migration has its own negative impact on the countries’ economic level, societal level, even cultural atmosphere of that country” (Bilateral Cooperation Directorate MoFEC interview). The ministry official went on to state that by giving assistance to Ethiopia, the irregular migration to Europe would be reduced. By creating economic opportunities and building resilience in Ethiopia, Western countries will not have to face further migrant crises in the future (Bilateral Cooperation Directorate MoFEC interview).

An argument was also made that the demographics of the country – Ethiopia is the second most populous country in Africa – meant that the failure of the Ethiopian state would have much greater, and wide-ranging negative effects than would be the case in other sub-Saharan countries. There are a multitude of different ethnics groups vying for position in Ethiopia, as well as a growing Muslim minority. While Ethiopia is relatively stable at the moment, a reduction in aid could have catastrophic effects:

Ethiopia is a stable country. This stability has supported the country to get more assistance. Maybe if this country is fragile, if this country is failed like Somalia or Sudan or other countries, the damage will be very high. Because as I said, almost 100 million people with different culture, with different religion, it will be pressed to the whole world. (Bilateral Cooperation Directorate MoFEC interview)

The importance of Ethiopia as a guarantor of regional stability was brought up repeatedly by the donor officials I interviewed. Although much of the literature has highlighted the alignment of Ethiopia with the US-led global war on terror as a key source of Ethiopian leverage, my respondents emphasized stability as a goal for somewhat different reasons. The collapse of the Ethiopian state would have global consequences. I asked a donor official at the EU Delegation to Ethiopia about his thoughts on the link between Ethiopia and the US-led GWOT and was told that:

I think I would ask the question, what's the connection between the global war on terror and regional stability? I think we... it's unclear to everybody, including the Ethiopians, including the, all the players in the global war on terror, all of it, if there is such a thing... I don't think there is actually. Ethiopia has its own terrorist issues, which only overlap by a very small amount with Western concerns about global terrorism. Are we interested in the Ethiopians doing a good job in stopping the people who might come to us coming through Ethiopia? Yes. Do the people who might come to us come through Ethiopia? Really not very much. So, is there a great deal that they're [the Ethiopian government] actually offering? No, very little. (EU Delegation to Ethiopia interview 2)

This donor official, who had worked with the Ethiopian military and also worked specifically on the GWOT in the US previously as a member of the military, went on to argue that:

People are mistaking the notion that there is support to Ethiopia, meaning that must be because of the global war on terror, why else would we do it? And the answer is stability... Instability in the horn of Africa, if this 100,000,000 person country went unstable it would have lots of effects outside the Horn of Africa, including in Europe, including in America, but they wouldn't be directly related to terrorism. (EU Delegation to Ethiopia interview 2)

I then immediately inquired if it would instead be related to migration, and was told that:

Yeah, exactly, yeah, migration or the failure of economies, or mass asylum claims, or the very real likelihood if that happened of genocide here. Very large number of people being killed. Like, Rwanda would look like a picnic. So we're very much interested in the stability of Ethiopia, because all of the countries around it are leaning on this rock which is called Ethiopia. They're all dodgy in their own way, and they are all leaning on this one piece in the middle. Take away that piece and they all fall over. (EU Delegation to Ethiopia interview 2)

My interviews confirm that the EU has a strategic interest in fostering stability in the region. This strategic interest, which is fueled by the lack of viable alternatives in the region – “all of the countries around it are leaning on this rock which is called Ethiopia. They’re all dodgy in their own way” (EU Delegation to Ethiopia interview 2) – grants the GoE enormous leverage over donors such as the EU. This leverage, or negotiating capital, allows the GoE to act independently of Western wishes or demands; to exercise agency.

Finally, while another senior donor official I spoke to at the EU Delegation to Ethiopia somewhat discounted the impact the migrant crisis has had on the negotiating capital of the GoE, he did acknowledge that it “probably is giving Ethiopia something to talk about with us, they didn’t have to talk about with us before, and something which gives them access to support that wasn’t coming otherwise. Better migration management, resilience, jobs... So, it’s enabling them to not demand, because that’s the wrong word, but to discuss with us some of their issues...about their migration” (EU Delegation to Ethiopia interview 2). My overarching impression, from the 17 respondents I interviewed was that the GoE supplies Western donors, such as the EU, with a good (stability) that is in increasingly high demand (because of globalization and the securitization of aid). The leverage Ethiopia has over donors is further increased by the fragility of the surrounding countries. The combined effect of these factors is that to a much greater extent than other aid-dependent countries, Ethiopia can pursue illiberal policies without incurring the wrath of donors.

7.3 Rival explanations

The international system has undergone dramatic changes over the course of the past decade. As we move towards a multipolar system, the notion of African agency has attracted increased attention. Throughout this thesis I have on several occasions made references to the struggle between those academics who argue that structural conditions still severely constrain the agency of African states and their inhabitants, and those who adhere to an almost voluntarist philosophy. On a more general level, these disagreements might be linked to the competing approaches of realism and constructivism to the study of international relations. Robert Yin (2008) makes the claim that one should endeavor to include rival explanations in one’s analysis; therefore I have added this short concluding section looking at how others have approached the concept of African agency and structural conditions.

On the one hand, we find those whose response to these changes to the international system is “a voluntaristic celebration of such agency as if all structural constraints had fallen away” (Brown 2012: 1903). On the other, we find those who insist that, “nothing has changed, that the “big structures” of global inequality remain unaltered” (Brown 2012: 1903). Callaghy & Ravenhill (1993) wrote about how African states were still “hemmed in” after the fall of the USSR. And at the turn of the 21st century, Africa was referred to as “The hopeless continent” by the Economist (The Economist 2000). These accounts, rooted as they are in a sort of structural pessimism, run the risk of missing out on what John Lonsdale calls “agency in tight corners” (Lonsdale 2000: 5). On the other hand, the World Bank asked in 2000 if Africa might claim the 21st century, and an article in the Economist – published a decade after the previously mentioned article on “hopeless Africa” made the case that Africa now has a real chance to follow in the footsteps of Asia (World Bank 2000; The Economist 2011).

Neither overly hopeful accounts, nor pessimistic ones sufficiently account for the “structurally – and temporally embedded nature of agency” (Brown 2012: 1903). The importance of history to understanding agency is something that others have pointed to in the past. For example, Mamdani argues that, “it is only when abstracted from structural constraint that agency appears as lacking in historical specificity” (Mamdani 1996: 10-11). A similar point is made by Marx about the relationship of the past to the present, “Men make their own history, but not of their own free will; not under circumstances they themselves have chosen but under the given and inherited circumstances with which they are directly confronted. The tradition of all dead generations weighs like a nightmare on the brains of the living” (Marx 2005: 146). When we research African agency, we should pay particular attention to the intricacies and peculiarities of the specific case we are studying. These geopolitical contexts vary considerably from country to country. William Brown (2012: 1903) refers to these contexts as the “conditions of possibility”; a turn of phrase I feel conveys this point quite clearly.⁴⁴

This section is short, but I hope it has succeeded in introducing the reader to some of the disagreements that are present within the field. My goal has been to give a nuanced analysis of the intersection between structure and agency as it applies to the donor-recipient relationship; I leave it to the reader to decide to what extent I have succeeded in doing so.

⁴⁴ Which he, in turn, has borrowed from (Wight 2006: 23).

7.4 Chapter summary

With the structural conditions shaping the donor-recipient relationship as a starting point, I argue that the GoE has consciously sought to construct a narrative of the Ethiopian state that enables it to exercise greater agency on the global stage than many other aid-dependent countries in sub-Saharan Africa. The two most prominent images the GoE have presented to Western donors are that of Ethiopia as a developmental state, and Ethiopia as a guarantor of regional stability. The developmental state logic is predicated on the strong economic progress the country has made over the past decade. This strong ideological vision has made it easier for the EPRDF to resist calls by Western donors to undergo neoliberal economic reforms. The strong vision of where Ethiopia wants to be in the future has made it difficult for donors to meddle in the policies of the GoE. Because the GoE is able to provide results that show they are making significant progress, donors feel compelled to continue their developmental assistance, even if they have strong reservations about the political direction in which the country is heading.

The narrative that presents Ethiopia as a key guarantor of regional stability has grown in importance as the ongoing process of globalization has ensured that once local security challenges now have a global dimension. This is seen quite clearly in the leverage the GoE has gained over donors by aligning themselves with Western geostrategic interests linked to the global war on terror. More recently, the threat of instability in Ethiopia has been linked to irregular migration to Europe. This is clear from the EU's attempts to solve the root causes of migration by providing jobs in local communities and building resilience in at-risk regions. The best example of this is the EU Trust Fund for Africa, which is aimed specially at tackling this threat.

8 Conclusion

This thesis has examined the donor-recipient relationship between the EU and Ethiopia. It has built on previous works by looking at how some of the changes that have occurred within the area of development cooperation over the past decade – the rise of nontraditional donors, the ongoing process of globalization and the security-development nexus, and the increasing emphasis placed on recipient ownership and aid coordination – have impacted on this relationship. In order to achieve my original goals for this project, my thesis has been structured around a two-part research question, which is reproduced below:

What are the structural conditions shaping the donor-recipient relationship between the European Union and the Government of Ethiopia?

And:

How successful has the Government of Ethiopia been in maximizing its agency vis-à-vis its development partners by strategically utilizing the negotiating capital resulting from these structural conditions?

The main findings of this study are as follows: The negotiating capital – comprised of the political, ideological, economic, and institutional conditions – of the Ethiopian state is high as compared to other sub-Saharan countries. The Government of Ethiopia (GoE) has successfully shaped these structural conditions into a set of narratives that allow them to exercise considerable agency in their dealings with donors. The first narrative portrays Ethiopia as a model developmental state with a clear vision for the future and the economic results to match. The second narrative revolves around Ethiopia's role in securing peace and stability in the Horn of Africa region. Beset on all sides by countries struggling with various degrees of state fragility, Ethiopia successfully plays the role of guarantor of regional stability to Western donors. Ethiopia's security role in the region has often been viewed through the lens of the global war on terror. The fight against international terrorism certainly plays a role in this relationship, but I have argued that for the European Union, the challenges resulting from irregular migration have in recent years profoundly impacted the donor support rationale of the EU. These structural conditions, and the accompanying narratives, have allowed the

GoE to pursue political aims at odds with donor wishes, without the imposition of negative conditionality.

In the background chapter I pointed toward three trends that have become increasingly pronounced over the course of the last decade. The ongoing process of globalization has contributed to the securitization of aid. This trend became much clearer after the 9/11 terror attacks. The security-development nexus gives aid-dependent countries greater leverage over donors, because developmental malaise now represents a threat to the national security interests of Western countries. With respect to the EU-Ethiopia relationship, it is primarily the challenge of stemming the tide of irregular migration that grants the GoE such substantial leverage over the EU. The rising importance of nontraditional donors such as China have similarly had a great impact on the dynamics of power between traditional donors and aid-dependent countries. When recipient countries have access to alternative sources of funding, then their bargaining power is strengthened considerably. My thesis has shown that Chinese economic engagement in Ethiopia has increased exponentially since the mid-2000s. Finally, the 2000s were characterized by a desire among Western donors to work toward greater coordination of aid, greater effectiveness, and more recipient ownership over the development process. My initial assumption was that nontraditional donors would have a negative effect on attempts at donor harmonization. The evidence supports this assumption, however my interviews also revealed that there are forces at work within the Western donor community that push donors toward bilateral agreements.

8.1 Limitations of the study

As a qualitative case study, the extent to which my findings can be generalized to a wider population is limited. This is exacerbated by my reliance on interview data. However, when taking into consideration the difficulty of getting information about recipient countries' strategies for dealing with donors, I believe my choice to construct a case study research design is justified. While I was able to speak to 17 respondents, in a total of 15 separate interviews, my findings would be strengthened by further interviews. In particular, it would have been beneficial to speak to donor officials from China or other nontraditional donors directly, as well as member of the EPRDF's executive committee. While the external validity of my findings is limited, a qualitative case study can achieve a high level of construct validity when data is triangulated. Throughout the course of this thesis, I have attempted to

corroborate my findings with secondary sources as well as official documents deriving from the Government of Ethiopia or donors.

The inability to generalize beyond the specific case I analyzed is just one of the limitations intrinsic to case studies. Case studies often suffer from an indeterminate research design, and my own project is no exception. It is very difficult to say, for example, which structural conditions play the greatest role in strengthening the negotiating capital of the GoE. With only one case, I cannot be certain about which variables caused the outcome I have observed.

8.2 Areas for further research

The move towards a multipolar world has profoundly altered the dynamics of power shaping the donor-recipient relationship. However, while we should recognize the impact nontraditional donors have had on the leverage of aid-dependent countries, it is important to note that even without such alternative sources of funding, there are forces at work within the homogenous OECD-DAC community that make donor coordination difficult. At a larger scale these problems stem from opposing policy priorities and a desire to “win hearts and minds” on the ground. At the bureaucratic level, there are incentives for donor officials to manage their own projects rather than funneling it through pooled funds managed by the Bretton Woods institutions or the UN organizations. The effect these professional incentives, which spur donor officials to keep aid flowing, have on the negotiating capital of aid-dependent countries is ripe for further analysis.

My findings highlight the important role that the existence of alternative options plays in shaping the donor-recipient relationship. I argue that Ethiopian agency stems in large part from the fact that donors have few options except to support the GoE. The fragility of the surrounding countries in the Horn of Africa means that Ethiopia alone can provide stability to the region. Similarly, the lack of domestic opposition strengthens the position of the EPRDF vis-à-vis donors. While donors lack alternatives, the rise of nontraditional donors means that the situation is quite different for the GoE. The importance of alternatives, of second-best options, is an issue that warrants further analysis. A comparative study could potentially answer questions about the importance of alternatives to the donor-recipient relationship, and to the ability of aid-dependent countries to exercise agency in aid negotiations.

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Appendix 1: Interview methods table

RESPONDENT	STATUS	SOURCE	SATURATION	FORMAT	LENGTH	RECORDING	TRANSCRIPT
Category 1: Ethiopian Ministry of Finance and Economic Cooperation			YES				
<i>Mid-level official, Bilateral Cooperation Directorate, MoFEC</i>	Conducted in person (23.01.17)	Sample frame		Semi-structured	1 hr	Audio recording	Confidentiality required
<i>Senior official, Ethio-China Cooperation Directorate, MoFEC</i>	Conducted in person (08.02.17)	Referred by <i>Bilateral Cooperation Directorate official</i>		Semi-structured	45 mins	Audio recording	Confidentiality required
<i>Senior official, EU National Authorizing Office, MoFEC</i>	Conducted in person (09.02.17)	Referred by <i>Bilateral Cooperation Directorate official</i>		Semi-structured	45 mins	Concurrent notes and supplementary notes w/ 1 hr	Confidentiality required
<i>Senior official, International Financial Institutions Cooperation Directorate, MoFEC</i>	Conducted in person (09.02.17)	Referred by <i>Bilateral Cooperation Directorate official</i>		Semi-structured	45 mins	Audio recording	Confidentiality required
<i>Senior official, Africa and America Cooperation Directorate, MoFEC</i>	Conducted in person (14.02.17)	Referred by <i>Bilateral Cooperation Directorate official</i>		Semi-structured	45 mins	Concurrent notes and supplementary notes w/ 1 hr	Confidentiality required
Category 2: Ethiopian Ministry of Foreign Affairs			NO				
<i>Mid-level officials, European Affairs Directorate, MFA (2 persons)</i>	Conducted in person (13.02.17)	Substitute in sample frame		Semi-structured	45 mins	Audio recording	Confidentiality required
<i>Senior official, European Affairs Directorate, MFA</i>	Declined to be interviewed	Sample frame					
Category 3: Bilateral development partners			NO				
<i>Mid-level official, USAID</i>	Conducted in person (08.02.17)	Sample frame		Semi-structured	45 mins	Concurrent notes and supplementary notes w/ 1 hr	Confidentiality required
<i>Senior and mid-level officials, Norwegian Embassy in Addis Ababa (2 persons)</i>	Conducted in person (16.02.17)	Sample frame		Semi-structured	1 hr	Audio recording	Confidentiality required
<i>DFID</i>	Declined to be interviewed	Sample frame					
<i>GIZ</i>	No response	Sample frame					
<i>China Export-Import Bank</i>	No response	Sample frame					
Category 4: Multilateral development partners			YES				
<i>Mid-level official, African Development Bank</i>	Conducted in person (03.02.17)	Sample frame		Semi-structured	1 hr	Audio recording	Confidentiality required
<i>Mid-level official, World Bank Group</i>	Conducted in person (23.01.17)	Sample frame		Semi-structured	1 hr	Audio recording	Confidentiality required
<i>Mid-level official, EU Delegation to Ethiopia 1</i>	Conducted in person (31.01.17)	Sample frame		Semi-structured	45 mins	Audio recording	Confidentiality required
<i>Mid-level official, EU Delegation to Ethiopia 2</i>	Conducted in person (31.01.17)	Referred by <i>EU Delegation to Ethiopia 1</i>		Semi-structured	30 mins	Audio recording	Confidentiality required
Category 5: Think tanks & universities			YES				
<i>Professor, Addis Ababa University 1</i>	Conducted in person (24.01.17)	Sample frame		Semi-structured	1 hr	Audio recording	Confidentiality required
<i>Professor, Addis Ababa University 2</i>	Conducted in person (26.01.17)	Referred by AAU 1		Semi-structured	1 hr	Audio recording	Confidentiality required
<i>Researcher, Ethiopian Strategy and Security Institute</i>	Conducted in person (27.01.17)	Sample frame		Semi-structured	1 hr	Audio recording	Confidentiality required

Appendix 2: Interview consent form

Consent Form for Research Project

African Agency and the Politics of Aid

Please consider this information carefully before deciding whether to participate in this research.

Purpose of the research: To better understand the relationship between aid-receiving countries and donors, and how this relationship has been affected by structural shifts in the international system since the turn of the 21st century. The research is carried out in partial fulfillment of the requirements for a master's degree in political science at the University of Oslo, Norway.

What you will do in this research: If you decide to volunteer, you will be asked to participate in one interview. You will be asked several questions. Some of them will be about your role at the Ministry of Finance and Economic Development. Others will be about your interactions with representatives from donor countries. With your permission, I will tape record the interviews so I don't have to make so many notes. You will not be asked to state your name on the recording.

Time required: The interview will take approximately 1 to 1 ½ hours.

Risks: No risks are anticipated.

Confidentiality: Your responses to interview questions will be kept confidential. At no time will your actual identity be revealed. You will be assigned a random numerical code. No one else will help me transcribe responses. The recording will be erased as soon as it has been transcribed. The transcript, without your name, will be kept until the research is complete.

The key code linking your name with your number will be kept on my personal office computer in a locked office, and no one else will have access to it. It will be destroyed when the research project ends in June, 2017. The data you give me will be used for my master's thesis and may be used as the basis for articles or presentations in the future. I won't use your name or information that would identify you in any publications or presentations.

Participation and withdrawal: Your participation in this study is completely voluntary, and you may refuse to participate or withdraw from the study without penalty. You may withdraw by informing the experimenter that you no longer wish to participate (no questions will be asked). You may skip any question during the interview, but continue to participate in the rest of the study.

To Contact the Researcher: If you have questions or concerns about this research, please contact: Henrik Dale, +47 95168661, henrd@student.sv.uio.no. You may also contact the faculty member supervising this work: Karen Dokken, Associate Professor, +47 22858792, karin.dokken@stv.uio.no.

Agreement:

The nature and purpose of this research have been sufficiently explained and I agree to participate in this study. I understand that I am free to withdraw at any time without incurring any penalty.

Signature: _____ Date: _____

Name (print): _____

12-7-2016

Appendix 3: Interview guide

African Agency and the Politics of Aid (Interview guide)

Introduction of the interviewer:

Hello, my name is _____, and I'm a student at the University of Oslo. This interview is being carried out in connection with my master's thesis project. Thank you for taking the time to speak with me today.

The goal of this research project is to examine the changing relationship between Ethiopia and donor countries. I'm interested in learning more about how structural shifts in the international system since the turn of the 21st century has affected the Ethiopian government's relationship with Western donors. I'm also interested in learning more about the Ethiopian state-building project, and how development aid contributes toward state-building and good governance in Ethiopia. If it's ok with you, I'd like to record this interview.

Introduction of the interviewee:

- What is your name and your position?
- When did you join _____? Why? Where did you work before you started working at _____?

Main interview section

- How closely does your department work with western donors?
- How would you describe your department's working relationship with western donors?
- What are the main goals of MoFEC?
- Do you feel that western donors share the same goals with respect to Ethiopia's future?
- What are your thoughts on aid in the form of budget support?
- What are some of the differences across Western donors? Are there different approaches?
- How would you describe your department's working relationship with Chinese development practitioners?
- Do you think the Chinese model is better suited to Ethiopian development than the Western model? Why? In what ways?
- Have you participated in aid negotiations with officials from donor countries? Can you describe this process?
- What key points do you want donors to understand about development in Ethiopia?
- Why do you think donors should give aid to Ethiopia?
- How would you describe Ethiopia's role in creating stability in the region?
- What are the main issues that donors talk about when meeting with officials from MoFEC?

Closing

- Is there anything else you want to tell me?
- Can you recommend anyone else that I should talk to?
- Thank you for your time...

Appendix 4: Letter to Ethiopian MFA

Henrik Wesenberg Dale
Jon P. Erliens Street 14, H0202
Oslo, 0858
Norway

December 21, 2016

Embassy of Ethiopia
Birger Jarlsgatan 39
Stockholm, 111 45
Sweden

Dear Sir or Madam,

I'm a student at the University of Oslo, currently writing my master's thesis in political science. The focus of my research is Ethiopia's relationship with donor countries, particularly Norway and the United States. It would be of great help to me if I would be able to interview employees at the Ministry of Finance and Economic Development (MOFED) and the Ministry of Foreign Affairs (MFA). I'm primarily interested in talking to persons that work directly with foreign donor countries and that are involved in bilateral aid negotiations. I would like to interview as many people as possible at these two ministries. I will be in Addis Ababa in late January/early February 2017. In addition to this, if it's possible to interview any politicians who are knowledgeable about Ethiopia's foreign affairs, that would be of great interest to me.

Unlike many other aid dependent countries, Ethiopia has been able to retain its sovereignty when dealing with Western donors. This seems to be in part due to Ethiopia's proud history as one of the few African countries that was never colonized. The Ethiopian government's bureaucracy is much more efficient and well-functioning than neighboring countries and I'd like to learn more about how MOFED and MFA negotiate with its bilateral partners. How do they use aid to develop the state while still remaining independent? Too much research is focused on the choices Western countries take; my research is interested in the *agency* of African states and how the choices they make affects their relationship with donor countries.

I realize that as a student I'm perhaps not the most important person, but I really would love to learn more about how the Ethiopian state negotiates aid, and I really appreciate any help you can give me. I have been awarded a scholarship by my university to carry out fieldwork in Ethiopia and it would be very helpful for my research if I could interview persons working with bilateral aid at MOFED and MFA. If you have any further questions I can be contacted by email: henrd@student.sv.uio.no, or by mobile phone: +47 95168661.

Sincerely,
Henrik Wesenberg Dale