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Own Up! Does Anyone Out There Have a Decent Theory of Ownership?

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I. Introduction

"The case for ownership has a strong theoretical foundation", write Khan and Sharma (2001, 13). Yet on the same page they note that ownership of IMF programmes is elusive and hard to pin down. Many others convey this ambivalence, usually by making strong assumptions that ownership matters hugely but then observing that they do not quite know what is meant by ownership or that there are multiple, potentially conflicting interpretations of the term. As EURODAD put it (2001, 3), ownership is a "slippery" term or a "broad concept". Johnson and Wasty (1993, 2) argue that, notwithstanding the significance attached to borrower ownership by the World Bank, "the notion remains conceptually elusive…Notably, it is seldom made clear as to what constitutes adequate ownership".[1] Given the nebulous qualities of the term, it is used in different ways, and typically rather than being backed by analytical rigour it is a term invoked by association with other concepts. Or, as EURODAD again puts it, ownership is perhaps best seen as a "label". The most common associations with this label – which does indeed seem to be like a brand name for contemporary aid thinking – have to do with "taking the initiative", "being responsible for", "being accountable", "showing commitment".

[1] They do not actually develop a precise definition themselves, but identify four indicators or characteristics of borrower ownership: the locus of initiative, the level of intellectual conviction, the expression of political will, and efforts towards consensus building – all of which imply certain assumptions about ownership rather than directly building a theoretical concept.

In this short paper, I attempt to find what theoretical grounds might support the term ownership as used in aid relations and critically to discuss these grounds. Three possible sources for thinking through the concept are: property rights, relationships made or sustained through gifts, and principal-agent theory. After setting the concept of ownership in development aid within the context of its origins, the paper explores the relevance and implications of seeing ownership as the effect of a gift, and then, in more detail, explores the way in which principal-agent theory has been applied to the analysis of ownership. Where this has been done, a particular controversy emerges around the relationship between ownership and conditionality: some regard these notions as fully compatible while others highlight the tension between them.

Ownership of development, or of development reforms, has been conceived in reaction to criticisms of donor imposition of conditionality and also in response to donors' own frustrations with the failings of reform programmes. Tsikata (2001) cites the IMF's External Evaluation of its enhanced structural adjustment facility noting that "a common theme that runs through perceptions of EASAF at the country level is a feeling of loss of control over the policy content and the pace of implementation of reform programmes" (IMF, 1998, 36). The following concerns flow from these origins of the idea that ownership is one of the most powerful determinants of aid effectiveness:

(i) Ownership is a relational concept

This is not trivial: analysis of ownership must involve some discussion of the allocation of ownership, or of property rights, between relevant parties. Further, since property rights typically involve boundaries of one kind or another, where ownership is not "full" it is important to ask what kind of boundaries are involved, how porous, etc.

(ii) Given that ownership is relational, it may involve conflict

Much of the literature, as we shall see, presumes that real ownership is about consensus within a country and consensus internationally and that this harmony reflects the convergence of interests and objectives. Even were this to be the case, however, if we think of ownership in relational and property rights terms, clearly there is an underlying possibility or threat of force. In reality, interests will conflict. A further question that then arises is: what kind of institutional mechanisms exist to monitor ownership relations and property rights and to moderate conflicts over these?

(iii) *Ownership has emerged conceptually as a point of agreement among aid recipient countries, donor agencies, and international critics of policy conditionality in aid*

Emphasising ownership in aid relationships appeases critics of donors foisting their policies on developing countries. It has suited donors, including the IFIs, to raise the profile of ownership as a means of explaining the failure of conditional aid in terms of a shortfall in ownership. And ownership fits the need of governments to reinforce their own legitimacy by insisting on sovereignty. From the outset, however, it is important to distinguish between ownership and the policy content and design of reform programmes (or more broadly the object of ownership). If the policies themselves are inappropriate, it is unlikely that ownership will make much difference to their effects on growth and poverty reduction.

(iv) *Ownership is related to conditionality*

Is there a simple sliding scale whereby less conditionality implies greater ownership? Or, rather than a contradiction between conditionality and ownership, are the two compatible? Much of the more formal analytical work on ownership emerging from the IMF and World Bank has tried to show the case for compatibility, but, this paper argues, unconvincingly.

II. Give and Take in Ownership

Ownership most obviously implies property, and in development the property in question is presumed to be development policy. (One of the many areas of vagueness in the literature is precisely the question of what is to be owned; this is seen more clearly below, in the discussion of principal-agent theory.) In translating a term like ownership from the context of property rights to the donor-recipient aid relationship, something is left behind and something carried over. Because this imperfect translation – or, rather, this use of an imprecise metaphor – is not clearly acknowledged as such, there is room for multiple interpretations of the meaning of ownership in the aid relationship and in ‘development’ in general. Some of these meanings may contradict others. Consequently, the object of evaluation is uncertain from the outset. Unlike a market transaction involving, say, the purchase of a car, the acquisition of an enterprise, or buying title to a plot of land, there is no arm’s length market exchange in which the buyer or new owner has no obligation to the seller beyond fulfilling payment. Nonetheless, as we will see below, some have tried to treat the ownership in development notion in terms of theories originating in the analysis of arm’s length, financial market transactions.

To the extent that there is an “after sales” relationship in such market exchanges, typically this involves an obligation, written into the price, on the part of the seller to provide future service or a product guarantee. In the donor-recipient relationship, by contrast, “ownership” by the recipient typically implies an obligation not to neglect the “product” (i.e. the development programme or project). The recipient bears an obligation to the donor. Clearly, and accurately reflecting the fact that a grant (or concessional loan) is made by a donor rather than a sale made by a vendor, ownership in this relationship derives from receipt of a gift rather than a market transaction. Indeed, it is psychologically well known, and a characteristic of pre-capitalist “gift economies”, that gifts (from parents to children, from a chief to a subject, etc.) often impose a burden of responsibility and obligation on the recipient. Often, though not necessarily, this reflects an asymmetry in the relationship between the donor and recipient: the gift may reinforce that asymmetry precisely by highlighting or creating the obligation. However, in certain situations the asymmetry may be levelled by an exchange of gifts in both directions, or over time by the use of the gifts by the recipient to erode the sources of asymmetry, to free him or her from gift dependency, as it were.

“This is the key justification for ‘conditionality’; if you ask for a gift, you must listen to your patron” (Carlos Diaz-Alejandro, cited in IMF, 2001, 3).

To pursue this relationship further, it is clear that aid donors using the term “ownership” do tie it to responsibility. One common usage of the ownership concept precisely carries an obligation not to neglect that which is owned. For example, ownership would be reflected in a road project or a borehole if nationals (government or district officials or even local beneficiaries) showed commitment to maintenance activities and, further, to bearing the costs of maintenance. One of the clearest expressions of this interpretation was made by the Under-Secretary of State in the Ministry of Foreign Affairs in Sweden, Gun-Britt Andersson. She explained that the English term ownership does not have a clear equivalent meaning when translated into Swedish, thus adding to the scope for multiple, contradictory, and unclear interpretation. She suggested that two words in Swedish that captured more effectively what she thought was intended through use of “ownership” were responsibility and anchoring. Anchoring especially conveys the idea that responsibilities come with ownership and that development might entail a dynamic process through which the project or programme truly “becomes” one’s own (i.e. belonging to the developing country) and then loses the obligation inherent in an asymmetric donor-recipient relationship. This fits well with this evaluation team’s definition of ownership as dynamic, i.e. as a process of “owning up”.

At the heart of a relationship in which the donor hopes to transfer ownership, but with responsibility and obligation to sustain and maintain that which is provided, is uncertainty on the donor’s part. For to grant ownership involves the risk that the obligation is not fulfilled. Aside from simple disappointment in this case, the risk matters because the donor agency itself bears responsibilities. These responsibilities fall due in two directions: to the taxpayers and political processes within the donor country and to the ultimate constituency of development aid, i.e. (certainly at present) “the poor” in developing countries. Therefore, the tension that is inevitable in the uncertain donor-recipient relationship reflects the donor’s uneasiness over giving up control over the development activities in question. This of course mirrors the "double accountability" of recipient governments, accountable not just to donors for the use of aid funds but also to their electorates, which again "may create tensions" (UNCTAD, 2000, 198).

Thus, from the recognition of the responsibility content of ownership, it is obvious that there is an unspoken contest over control. The greater the genuine ownership of a set of activities by the recipient, the less the control the donor can exert over managing these activities. It might not always be the case that the recipient fully wants this kind of control. However, where control is attractive, this makes ownership what some economists call a "positional good". Pagano (1999) defines positional goods as goods whose positive consumption by one party involves, necessarily, their "negative consumption" by another party. These are obviously relational goods. For example, if we see power in these terms, one person acquiring (or consuming a positive amount of) power over another means the other person taking up a subordinate position (i.e. "consuming" a negative amount of power). This is one way of seeing the concept of ownership, clearly relating it to "partnership", stressing the inevitable relational dimension of ownership, and highlighting the probability that transferring ownership of this kind will involve varieties of tension and conflict. Indeed, if the "gift" metaphor gives us one perspective, of donors bearing gifts that nonetheless contain subtle power relations, the flip side of this perspective is that recipient countries might "take" ownership. Helleiner (2000, 2) argues explicitly that "ownership cannot be given – it has to be taken, it has to be seized, it [sic] has to be a willingness on the part of the local government to just plain 'do it', and at the appropriate points to just say 'no'".

"Ownership" in aid and development, therefore, is not identical to its meaning in property rights and is better understood from the perspective of gift-giving. However, throughout the history of thought in economics and development runs a set of implications from property rights theory that do seem to be carried over into the use of the ownership concept by aid donors. On the one hand, ownership – and particularly private ownership – has been seen to matter to enterprise performance. Principal-agent theory captures the idea that with clearly defined property rights the owner or principal has an obvious and strong incentive to oversee the behaviour of agents hired to manage and conduct business in the enterprise, with the outcome that control mechanisms in the principal-agent relationship will minimise wastage and maximise efficiency in enterprise performance. This has been used to argue that publicly owned enterprises are inevitably poorly performing chiefly because they blur the lines of principal-agent relations by failing to establish clearly defined property rights. On the other hand, similar arguments have been combined with, often, a populist ideology to make strong claims about the superiority of organising rural society and production mainly on the basis of clearly defined property rights for family farmers and, therefore, to make a strong advocacy case for land redistribution in developing countries. Thus, both from orthodox economic theory and from the tradition of populism a powerful set of expectations for the consequences of "ownership" emerges. Arguably, this ideology lies behind the claims that ownership of development programmes and projects guarantees their success (not the point of this evaluation), while it is not precisely the source of the meaning and content of ownership in donor-recipient relationships (which is the point of this evaluation).

One very clear critical point may be made here, though: in donor-recipient relationships, property rights are far from clear. In other words, there is an unresolved question of who it is that owns the project, programme, strategy, etc. This is not clear even on the donor side; however, for now it is simply worth stressing that there are, regarding recipients, relatively narrow and very broad ideas of who should have an ownership stake. Narrow views focus – chiefly for reasons of technical efficiency, on government ownership. Broader views think true ownership rests with the participation in designing strategies of representatives of wider society. One of the broadest definitions is Helleiner's (2000): "Local ownership is understood by this author to involve the widest possible participation of those who are supposed to be the beneficiaries”.[2]

III. Principal-Agent Theory and the Link Between Ownership and Conditionality

The only explicit theoretical thinking on ownership in aid relations appeals to principal-agent theory, commonly used in financial theory, in the theory of privatisation, and in other branches of economics. At the heart of principal-agent theory is the notion of asymmetric information and the way in which this can complicate market transactions and enterprise efficiency. A bank or financial intermediary making a loan to an individual or enterprise is the principal and the borrower an agent. The owner of a private manufacturing enterprise is a principal and his manager an agent. A farmer is a principal and his tenant farmers and/or workers are agents. However, a credit agency is presumed to know less about a specific borrower’s behaviour and options than that borrower; an owner of a firm does not know enough about his manager’s interests and actions; a farmer cannot guarantee the tenant or workers will act in accordance with his or her own interests and objectives. The uncertainty created by these situations of asymmetric information is a form of market imperfection. Various corrective measures may be taken to outwit uncertainty of this kind.

Thus, Khan and Sharma argue that IMF conditionality does not reflect any patron-client relationship, but only the necessary counterbalance to an arms’ length financial transaction typical of all financial interactions. The IMF is the principal and the developing country the agent. Given uncertainty and asymmetric information, conditionality is a covenant that substitutes for collateral (which states cannot provide). The role of this covenant is simply to safeguard the IMF resources loaned out. Where there is ownership of a

[2] An arguably intermediate position is Summers’s critique of recent World Bank fashions: “I am deeply troubled by the distance that the Bank has gone in democratic countries toward engagement with groups other than governments in designing projects…when there is an attempt to reach within society to develop Country Assistance Strategies, there is a real possibility…of significantly weakening democratically elected governments” (cited in EURODAD, 2001, 5).

reform programme by a government, there is not even a hint of imposition of this conditionality. In other words, ownership means here that the interests and objectives of the agent are aligned with those of the principal. From this reasoning, the IFIs see ownership in terms of commitment and responsibility: both of these reflect consensus on the objectives and interests behind reform policies. And commitment shores up the safeguard on the principal's loan because it raises the likelihood of full programme implementation even in the face of some internal resistance. The World Bank seems to agree with this view of ownership reflected in convergence of interests and objectives with those of the IFIs: "Conditionality should be understood as a credible indicator of commitment by the Bank and its partners to support a mutually agreed reform process, not an attempt to force externally designed policy changes on unwilling governments. It represents a transparent and explicit understanding of sustained external support for new and ongoing program [sic], formulated by the country with wide participation…The program would be owned by the country, and conditionality would define the parameters of external support" (World Bank, 2000, 1).

Yet even in a fairly straightforward analysis of a relationship between two parties, the IMF and a government, it is not possible to exclude others. The IMF fears that moral hazard – the possibility of one party abusing a contract or loan after agreement or disbursal – is not confined to a single contracting agency. There is "moral hazard in teams" where the payoff to the principal, i.e. payments to the IMF, depends on more than one agency. Government ownership, in terms of commitment, helps to overcome the risk of this multiple-culprit moral hazard.

The subtlety of the Khan and Sharma IMF perspective lies in the recognition that there are likely to be limits to how far the interests of principals and agents can be perfectly aligned. The implication of this is that IMF conditional programmes should reduce the number of conditions involved. For where there are too many objectives involved, then there is less chance that governments will agree with all of them. Clearly, this insight also suggests that ultimate "ownership" of reform programmes remains with the

IMF. Indeed, Khan and Sharma basically acknowledge this. They note that most IMF programmes are signed in conditions of economic crisis. In such conditions and to safeguard its resources, the IMF does need conditions with "bite". These are bound to provoke tensions and disagreements. Consequently, there cannot be "full ownership". Therefore, given a principal-agent framework, the aim must be to maximise ownership while minimising conflictual conditions. Ownership, then, would be reflected in the calm of consensus, not in indicators of conflict.

Clearly, there are difficulties with this analytical framework. The main difficulty arises from the narrowly economic claims made for ownership and its relevance in development aid. Khan and Sharma's paper is intended explicitly to dispel the idea that power relations might be relevant in a discussion of conditionality and ownership. The authors distance themselves from Diaz-Alejandro's (1984) suggestion that conditionality and ownership of aid involves a patron-client relationship. Even Khan and Sharma hint at an acknowledgement that ownership is political, but only in terms of the moral hazard in teams problem, or in terms of what UNCTAD (2001) calls "internal ownership", the range of groups within a country that might have a stake in owning aid and reform. They do not accept that ownership is political in the relations of "external ownership", i.e. between the government and donors.
Yet this external relationship is not just a matter of asymmetric information but of contrasting interests, multiple interests, different institutional influences and qualities, particular histories, and so on. As Killick (1997) points out, because there will inevitably be such differences in the donor-recipient relationship, it is absurd to expect full convergence of interests and objectives. Just on the donor side, donors have their own policy preferences and agendas, which may vary over time and conflict with those of other donors; donor staff may be under pressure to disburse and to show quick results. These interests and pressures may easily undermine recipient governments efforts to seize ownership (Helleiner, 2000; Wuyts,).

Ownership is political ("external ownership") in the following ways. Donors, certainly including the IMF and World Bank, are ideological. The rhetoric of ownership emerging from the IFIs implies strongly that there is no debate about the content of policy conditionality. Yet it is obvious that the superiority of the policies common to reform programmes designed by the IFIs is very far from self-evident. All policies, including those of laissez-faire, trade and general market liberalisation and deregulation, are political and involve changes in allocation of benefit streams and claims upon resources. Further, specific interests influence the policy advice and actions of organisations such as the IMF, not least as a function of the skewed voting rights on the IMF board. The IMF is not divorced from particular political and economic interests when it intervenes in specific ways in Indonesia, Argentina, South Korea, etc. And it is also obvious that the IMF has considerable power over countries in need of its assistance. Arguably, the IMF has a kind of monopoly power, given that "bilateral donors have ceded much of their decision making power, in respect of their programme assistance to the lowest-income countries, to the IMF" (Helleiner, 2000). Although no country is without bargaining power vis-à-vis the IMF, nonetheless the IMF has a special degree of power, perhaps, over the least developed countries where enhancing ownership is meant to make the biggest difference to aid effectiveness. The naivety of the IFIs merger of conditionality and ownership in the convergence of interests seems to give the lie to the real agenda of persuasion and pushing implementation. For this stance elides ownership with its object. The two need to be treated separately, or at least more explicitly if they are only to be considered together.

"Ownership exists when they do what we want them to do but they do so voluntarily" (one of the responses when donor agency representatives were asked about their understanding of ownership issues for Helleiner et al, 1995). As Helleiner puts it, the World Bank "now wants local policy makers not simply to *do* what it recommends but also to *believe* in it" (Helleiner, 2000).

Internal ownership too is political. Any government, whether or not it is committed to a coherent set of policies, whether or not it is formally accountable through the institutions of procedural democracy, etc., is a site of competing interests. The establishment of "consensus" is itself a political process. Encouraging the mechanisms and processes of consultation, reasonable management of social conflict, accountability, etc., will help formalise the politics of government policy. But there is unlikely to be some democratic completion: there will always be uneven influence, some voices will be more or less obviously suppressed, and so on. Nor is democracy really all about social harmony, convergence of interests. Rather, as Hirschman (1995), among others, argues, social conflict provides the pillars of democracy and social conflict is constantly renewed. Along similar lines, Stewart Hampshire (2000) argues that "justice is conflict": and we may even argue that ownership is conflict. Ownership, genuine engagement, commitment, responsibility, etc., are likely to be reflected in divergence, disagreements, working through these conflicts, holding to a particular and possibly divergent policy line, etc.

There is, then, a disagreement in the literature that is clearest in treatment of the relationship between ownership and conditionality. For the IMF, as we have seen, conditionality (when its wilder offshoots have been pruned) is entirely compatible with ownership. For the World Bank, too, conditionality should be seen as a "mutual commitment mechanism" (World Bank, 2000, 3). In contrast, Killick et al (1998) see aid conditionality as coercive and therefore incompatible with genuine recipient ownership. This paper has argued that ownership and its assumed attributes – responsibility and commitment – may attach to a range of possible policies and, therefore, cannot necessarily be compatible with the model encouraged by the Bank and Fund. Hence, it is entirely possible that there could be strong ownership (let us say, at the level of government) but conflict with external donors over particular policies, policy sequences, priorities, etc. And however the matter is put, it is impossible to cut out the element of power in the "convergence of interests" or conditionality as mutual accountability position: "From the standpoint of theory, this [ownership and conditionality] is akin to a 'repeated game' that builds reputation and trust. **As long as the country remains committed to the program** through ownership, the Bank sustains its commitment to engage and lend. **And as long as the country remains**

committed to the path of policy reform, it remains in the relationship" (World Bank, 2000, 5, emphasis added).

One way of seeing this is to see ownership as related to being or becoming a "developmental state". This allows us to retain the relevance of responsibility and commitment but does not hitch those to the particular policy predilections of the IFIs. Two points are worth stressing. First, developmental states have very obviously not all succeeded by following the prescriptions of neo-classical economics that underpin current policy models of the IFIs (indeed, there has been variety in their policies and institutional set-ups).[3] Second, the process by which a state becomes a developmental state cannot be anything other than political. It may partly involve mobilising the ideology of nationalism around the project of development (and its sacrifices). It may also, indeed is very likely to, involve the rise to dominance of a highly specific set of interests, i.e. those whose survival and success depends on the firmer establishment and spread of capitalism.

One further, small point may be made about the internal/external ownership distinction. The distinction may not always be very clear. Imagine, for example, that the government engages in consultation with a civil society group and takes on board in its policies some of the suggestions made by representatives of that group. Yet the representatives may well have their recommendations written by foreigners, they may be funded by external donors, directly or indirectly governmental, and so on. Or the government itself might show strong commitment to and convergence with the interests and objectives of the IFIs, appearing to render loan conditions merely "technical safeguards"; yet the commitment may emerge in reality from a very small part of the government, itself relying on, let us say, a study unit of the Harvard Institute for International Development set up within a particular ministry.

[3] See, for example, Amsden (2001); for a historical reflection on the highly unorthodox policies and institutional developments in earlier industrialising nations see Chang

To bring the analysis back to its apparently strongest theoretical foundation, i.e. principal-agent theory, this theory might not really be appropriate to the analysis of the aid relationship. Calling the IMF the principal and the borrower country government the agent does not effectively capture this relationship. Or rather, the relationship is not a simple, arm's length market one but a profoundly political relationship in many ways. It is also a relationship in which the government might reasonably see itself as a principal, especially if it does "own" development strategy, if it does really have a sense of commitment and responsibility. A relationship between principal and agent is arguably always political, involving power relations of one kind or another. A relationship in which two parties (and more!) regard themselves as principals is bound to be even more so.

IV. Shared Values

With convergence of interests and objectives around structural adjustment reform package content, and the parallel encouragement of democracy and "good governance", there is a sleight of hand whereby clear property rights implied by ownership are washed away, leaving us with development aid, policy and politics as common property. For parallel to the economic discussion of ownership and its links to conditionality and performance outcomes, development programmes that are supposed to be locally owned typically also involve democratisation components (as well as human rights and governance projects). Their significance lies, again, in issues of dual accountability and of control. For example, SIDA regards itself as accountable to the Swedish population and to the population, particularly the poor, in a partner country such as Tanzania. Given mistrust of the state and political class in Tanzania (or Kenya, Uganda and other countries), giving up control over activities funded by Sweden makes more sense (in Sweden) if it can be guaranteed that these activities will be conducted in the interests of the Tanzanian poor. This is more likely if there is a greater degree of democratic accountability within Tanzania. Hence, if the checks and controls

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(forthcoming) who argues that the current policy framework of the IFIs amounts to "kicking away the ladder" by which the now advanced countries industrialised.

on the Tanzanian state can be located within Tanzanian government and society rather than in SIDA itself, ownership may not only exist but be granted more easily.

Yet there are counter-pressures that weaken the purity of this position. For it is well known though often unspoken that donor agencies are institutionally compelled to disburse. Given the fragility of democratic governance and, more generally, of the "shared values" invoked as the foundation of all aid these days, disbursement tends often to take place in imperfect (from the perspective of the donor) conditions.[4] If there is an impatience to disburse, there is also an impatience to deliver ownership. For the rhetoric of ownership has been raised to such a resounding pitch in recent years that giving ownership is a priority even where mistrust and uncertainty on the donor's part endure. In other words, although aid is supposed increasingly to flow only where there are "partnerships" with "like-minded" countries based on "shared values", inevitably in many cases aid is disbursed and ownership encouraged even where there is obviously a very incomplete set of shared values and considerable doubts over how like minded the development partner really is. The joke goes that if Sweden were really to disburse aid and allow ownership only to those fully sharing Swedish social and political values, all Swedish aid would go to Norway alone. In reality, aid continues to be given to Kenya, Vietnam, and other countries far from sharing all agreed and stated Swedish (or British, etc.) values.[5] And here too, despite

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[4] By contrast with the diversity of interpretation of "ownership" and its merits and distinctiveness in relation to "partnership" and "participation", there was extraordinary convergence among SIDA informants on the significance of the idea of "shared values" as a foundation for workable aid and almost universal, unsolicited use of the term too. Given the equally pervasive use of this concept in British politics and aid agencies recently (not just since September 11th but even more intensely since then), there might be some substance to Mark Duffield's argument that while we are not in a new imperialist phase we are in an era of the "liberal peace". Relations between rich and poor nations in the liberal peace are characterised by where developing countries are located in relation to the liberal value set of the rich countries. If you share our values, we will give you aid and policy advice and you will grow rich. Better still, we will not really need to give you policy advice or attach conditions to our support because your policies will reflect our shared values. See Mark Duffield, *Global Governance and the New Wars*, Zed Books, 2001, chiefly the first couple of chapters.

[5] Stated criteria for aid rarely correlate closely with actual disbursements. Therefore, there are clearly always other determinants of the allocation of aid to particular countries. Overall, international aid is hugely over-concentrated in Egypt and Israel, for example, given that neither country contains a proportionate concentration of the world's poor. And in the case of Swedish international aid, it seems that institutionalised aid relationships, locking mechanisms

the wish for shared values, the reality will always be full of tension. Again, the tension will be both “external” and “internal”. Internally, democracy, good governance, etc., historically do not emerge other than through political struggle.

In terms of ownership, there are no easy criteria for choosing who should have what kind of ownership stake in the project of development and democratisation. One of the most significant features of any serious discussion of development and ownership must involve the role of capitalists and not just “the poor” or “civil society”. For all aid nowadays is given in support of capitalist development and yet this involves something donors are often more coy about, i.e. the development of capitalism. Not to get too bogged down in this, aid will only really be “sustainable”, in the sense of helping to wean countries off aid, if that aid contributes to improving the conditions within which vigorous capitalists can emerge and help to exert influences over the state at the same time as being subject to state policy. Therefore, to the extent that “ownership” entails “anchoring” development activities, the interests of the poor need to be combined with the interests of capitalists prepared to undertake long-term, risky investments. Increases in “ownership”, therefore, are likely to involve, as a minimum, improvements in state capacity, a proliferation and hardening of the mechanisms by which that capacity can be harnessed to the interests of the poor, and the development of a body of national capitalists and of a set of mechanisms by which they can mediate their interests through a state also pressed by the claims of wider society. In this nexus of changes will lie, perhaps, that elusive thing commonly referred to as “political will”.

The rhetoric of shared values may well be a political necessity in contemporary advanced countries but it is a diversion when trying to evaluate the content of ownership in development activities. Again, we may want to recommend retreating from this grand rhetoric (as from that of ownership) to

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that make it hard to withdraw aid, and a political and historical mentality of long-term commitment in such relationships seem at times to dominate disbursement decisions more than commitment to robust evidence of shared values as a precondition for aid allocation.

focus on more modest and more precise mechanisms and processes that capture the objectives of development aid, one of which is presumably to lessen aid dependency over time, another of which is to shift the locus of checks and balances on politicians (or, put differently, the mechanisms through which social interests groups can make claims upon a state that mobilises them, draws revenue from them, and acts in their name).

V. Implications for Evaluation

I believe that this discussion can help to clarify what exactly the CDPR team will be looking for, and how to think about the methodology of the evaluation and the types of “indicator” or evidence of ownership for which we need to look. The discussion may also provide a basis, ultimately, for arguing that the language of ownership would best be refined by SIDA, and its content unbundled into a set of distinct concepts for which more clear evidence of existence and change may be available and on the basis of which more clear policy statements may be developed.

The analysis above suggests that we need to break down the concept of ownership to allow for different kinds of ownership and less slippery components of what might or might not add up to “ownership”. It confirms that we will not be able to find quantitative indicators of degrees of ownership, but rather that we need to look for verifiable indicators of substantive content through a variety of mechanisms, use of these mechanisms, combinations of mechanisms and accumulation of sets of mechanisms into processes. Above all, having identified what we are looking for, we will find it in evidence of change, change in patterns of behaviour (financial reporting, allocation of personnel and other resources to maintenance, policy change in response to the exercise of influence by social actors through mechanisms of democracy, increased production of policy relevant research and also evidence in increased use of that locally produced research and analysis, etc.). An example might include SAREC support for socio-economic research in Tanzania. One informant expressed the view that SAREC projects had had very little emphasis on “ownership” in the past, being driven largely by

Swedish interest and activity. However, this informant conceded that in spite of this, over time, the mechanisms employed by SAREC did gradually help to change things in that there emerged a larger and more able body of local economists. There is plenty of evidence, furthermore, that through other mechanisms these economists have had significant influence on policy debates within Tanzania and, indeed, beyond (through publications, participation in research networks, occupation of positions, etc.).
If we identify such mechanisms and processes, and evidence of how they have worked in practice, we then need to ask what constraints hold back the diffusion, accumulation, and/or propagation of such mechanisms and what factors appear to promote their diffusion, etc.

Further, we need to look for possible externalities in mechanisms of and evidence of local ownership. For example, if a cultural activity trust fund is set up with SIDA aid and if this clearly “works” – because the locally staffed board of the trust makes effective decisions on grant allocation, which either avoid excessive “opportunity hoarding” or whose opportunity concentration seems genuinely to be building local cultural capacity, managerial expertise, etc. – then is this just a self-contained example or is there a spillover into other areas of society, economy, and political activity?

The implication is that we need to look for a variety of types of evidence, which need further elaboration before field trips are undertaken. Each team needs to have a specified list of types of evidence to guide it, but this list should not be exhaustive – because the conditions and types of ownership may vary between the case study countries. I suspect that these indicators can only really become clear when working through specific examples. Hence, methodologically, we may need to select a few examples for early examination by desk study to give some idea of how to proceed. But it will be clear that further indicators and sources of evidence on such indicators will reveal themselves only during preparatory country study desk reviews and the field trips themselves.

VI. Conclusion

Very little formal theory underpins the concept of ownership in development aid. what theoretical treatment there has been is in terms of principal-agent theory. There are various ways in which principal-agent theory is inappropriate. Above all, though, its application reveals the force of ideology behind the usage of ownership, insofar as principal-agent theory sets up the idea of an LDC doing a job for the IMF and other donors. It therefore shows the strong bond between ownership and conditionality in donor usage. It may be fair for donors to expect recipient governments to act as their agents, given the fiscal accountability of donor agencies. However, this is not the same as ownership. For rather than being reflected in a harmony over conditionality, a convergence of interests and objectives around the reform agenda, ownership may bring forth conflicts, disagreements, wilful commitment to decidedly non-orthodox policies. The clearest implication of this paper is that ownership must be kept distinct from conditionality and from particular reform content. There is a case for retreating from theory in this case, instead stressing the commonplace associations with ownership more directly, i.e. responsibility and commitment and exploring the diverse mechanisms and processes whereby these are formed and states become more clearly developmental.

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