

Foreign Aid and Democratization: Benin and Niger Compared

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Abstract: This article compares the democratization process in Benin and Niger in the decade from 1989 to 1999 and emphasizes the influence of external donors with regard to their economic support of democratization. The task is twofold. First, I try to understand why, though these two aid-dependent countries share many initial similarities, the former received more external financial assistance than the latter. I build upon New Institutional concepts such as timing, sequence, and path dependency to demonstrate that the probability and continuity of foreign aid depend both on the timing and on sequences of the transition—a combination that may or may not produce a path-dependent phenomenon with regard to the donors. Second, I argue that the capacity of foreign aid to foster democratization depends largely on its timing, particularly in critical moments of the democratic process.

Résumé: Cet article compare le processus de démocratisation au Bénin et au Niger sur dix années, entre 1989 et 1999, et met l'accent sur l'influence des donateurs externes en terme de leur contribution économique au soutien de la démocratie. Cette comparaison est faite en deux temps. Premièrement, je tente de comprendre pourquoi, alors que ces deux pays, qui dépendent tous deux de l'aide extérieure et ont à priori beaucoup de points communs, le premier a reçu à ce jour plus d'aide financière que le deuxième. J'élabore à partir des idées du mouvement Néo Institutionnaliste, telles que la notion de "moment approprié," la notion de séquence d'évènements, le concept de "path dependency" ou "dépendance à la trajectoire choisie" pour démontrer que la probabilité et la continuité de l'aide internationale dépendent à la fois de l'à propos du moment choisi et des séquences de transition — une combinaison qui peut ou non produire un cycle de répétition de son

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schéma — du phénomène de dépendance par rapport aux donateurs. Deuxièmement, je défends la thèse que la capacité de l'aide internationale à favoriser le processus de démocratisation dépend largement du moment où elle intervient, particulièrement lors des périodes critiques de ce processus.

Introduction

Despite the diversity of recent democratic experiments throughout the world, there seems to be a consensus among scholars—influenced by the pioneering work of Guillermo O'Donnell and his colleagues (1986)—that the so-called Third Wave of democratization has been determined primarily by internal factors (see Whitehead 1986:4; Shin 1994).¹ Although most African countries by the early 1990s were bankrupt, foreign aid-driven, and affected by changes in the external environment (Wiseman 1995:461; Young 1999:21–24), the role of external factors in the transition to (and sustainability of) democracy has been largely neglected, except perhaps by two categories of scholars. Those in the first group make use of “world system” and “dependency” theories (Amin 1997, 2001) but are more interested in matters relating to underdevelopment than to democratization. The second group includes promoters of the globalization/Westernization perspective (Mappa 1995:133–34; Akindès 1996:16–19), who generally denounce what they perceive as Westerners' attempts to impose their world view.

Yet as many studies have indicated (Przeworski 1991; Haggard & Kaufmann 1995; Bratton & Van de Walle 1997; Gordon 1997; Gazibo 2002), there are at least three other heuristic levels of analysis regarding the external dimensions of democratization. First, we can focus on the external actors, identifying the prominent players, such as Western countries or international financial institutions. Second, we can analyze the concrete ways in which external factors play important roles, concentrating, for example, on institutional diffusion processes, military interventions, political conditionality, financial assistance, and so on. Third, we can examine the impact of these actors and processes either on the transition to democracy or on its survival.

Of course, many factors, both internal and external, may contribute to determining the particular course of a democratic process (see Rustow 1970; Beetham 1994). In this article, I show that external factors play a crucial role in the survival of fledgling democracies by comparing their impact in Benin and Niger in the decade from 1989 to 1999. This article focuses more precisely on the often neglected influence of foreign donors (Brown

2001) by explaining how Benin, in contrast to Niger, succeeded in securing a sustained flow of aid, and also the ways in which such unequal financial assistance affected the democratization processes in the two countries. The general argument is twofold. First, I argue that unlike Niger, Benin succeeded in securing sustained aid because of the timing of its political reforms, the sequence in which earlier economic reforms and later political reforms (the installation of an elected government) took place, and the phenomenon of path dependency, which then committed donors to continuing the flow of aid. Second, I argue that sustained aid is particularly important in a context of severe scarcity, because in situations of social unrest, it allows political elites to address the popular demands that threaten the viability of fragile democracies.

The first section of the article presents the theoretical framework, including an explanation of the data sources. In the second section, I provide a brief empirical background of the initial political and economic situations of the two countries in order to demonstrate that they initiated their democratic experiments in very similar conditions of economic bankruptcy, aid-dependency, and popular mobilizations demanding economic improvements. In such conditions of scarcity, not only are the elites sensitive to donors' pressures, but the sustainability of democracy itself is highly conditioned by the ability of each country to secure financial assistance. The third section provides a comparative overview of the evolution of foreign aid to the two countries. The objective is to assess the asymmetry of donors' support: Benin was highly supported, while Niger was not. In sections 4 and 5, I explain this asymmetry. I focus in section 4 on the issues of the timing of the transition, and the sequence between political and economic reforms in the two countries. In section 5, I introduce the phenomenon of path dependency, which explains the sustained commitment of donors in Benin and their hesitancy to commit themselves in Niger. In the last section I interpret the relationships among foreign assistance, domestic issues, and democratization by suggesting that in a context of internal financial bankruptcy, social instability, and unrest, external aid helps prevent the collapse of democratic institutions.

Theoretical Framework

In this article, "aid" refers to official grants or loans and technical cooperation that developed countries offer to promote economic development and welfare in developing countries like Benin and Niger. Transfers considered in this analysis are total net disbursements, which reflect the actual amount of aid available to the two recipient countries. These exclude private transfers (from corporations or individuals). Figures 1 and 2 show aid from the Development Assistance Committee (DAC) to Benin and Niger, respectively, as well as from multilateral partners. (The DAC is the com-

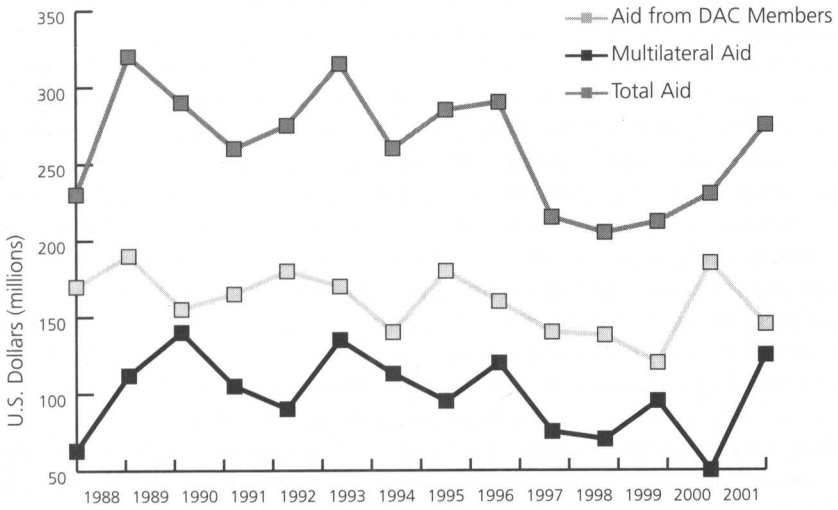
mittee of the Organization for Economic Cooperation and Development [OECD] that deals with development issues. The OECD includes all European Union members and Australia, Canada, Japan, New Zealand, Norway, Switzerland, and the United States.) Aid from DAC (and non-DAC) countries is a bilateral flow between the donor and the recipient country. For each of the years covered by this study, aid from DAC members represented at least 95 percent of total bilateral aid for Benin as well as Niger (see Tables 1 and 2, below, for aid from developed donor countries that are not members of DAC and are not taken into account here).

“Multilateral aid” refers to flows from multilateral development banks, United Nations–related agencies, and regional organizations that are pooled from member countries but managed directly by those institutions. It is important to note that I do not assume that financial support, especially the amount of aid, is the sole determinant of the countries’ trajectories. What is of greater importance is the evolution of aid, especially during so-called critical moments in the two countries—that is, the moments of possible democratic breakdown (Krasner 1984; Dobry 2000) caused, for example, by widespread social demands leading to political and economic overload (Crozier, Huntington, & Watanuki 1975). Therefore, it is more important to ask whether external aid helps calm social turmoil than solely to consider the amount of aid allocated. This also explains why methodologically I have chosen to consider donors as a group without trying to scrutinize the amount provided by—or the specific impact of—each donor.

In order to explain why the data show that there was higher, more sustained, more timely, and more helpful external financial assistance to Benin (contributing to its “success story”) than to Niger (contributing to, or not alleviating, the breakdown of its democratic process), I draw on core concepts of historical institutionalism—timing, sequence, and path dependency—which have been enunciated recently by Paul Pierson (2004). Briefly stated, “timing” refers to the particular moment when an event takes place, while “sequence” refers to the temporal order in which events unfold. These intertwined concepts are important because any event takes place in a complex environment of many interrelated events. The impact of any single event varies, depending on the moment it takes place and on its position in the chain of events. As Pierson puts it, timing means that “in a process involving positive feedback, it is not just a question of what happens, but of when it happens” (2004:19).

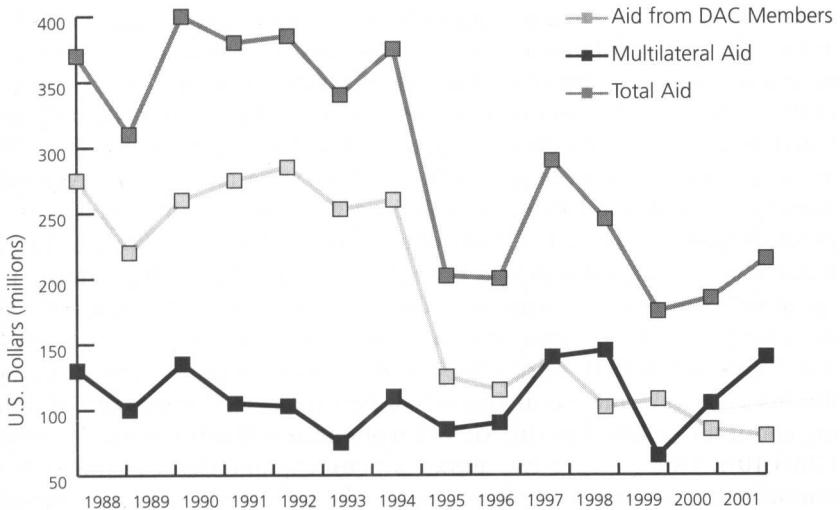
Pierson identifies three conceptions of sequencing, but the one I focus on in this study “argues that the temporal sequence of distinct processes determines outcomes because the event or process that occurs earliest will trigger positive feedback” (2004:65). For example, timing issues explain why, while military regimes were quite legitimate in the sixties, mostly due to prevailing modernization theories (and modernizing soldiers’ views), they are not considered legitimate in the post–Cold War era, which is dominated by the notion of democracy. Adam Przeworski’s well-known book on

Figure 1: Evolution of the Bilateral and Multilateral Aid Received by Benin



Source: data collected from www.oecd.org/departement/0,2688,en_2649_3236325_1_1_1_1_1,00.html

Figure 2: Evolution of the Bilateral and Multilateral Aid Received by Niger



Source: data collected from www.oecd.org/departement/0,2688,en_2649_3236325_1_1_1_1_1,00.html

this subject, *Democracy and the Market* (1991) illustrates this timing/sequence dimension well by showing the specific challenges that arise when a country tries to carry out political and economic reforms at the same time. For example, economic reforms generally provoke inflation and unemployment that may threaten the survival of democracy. Also, an elected government that is installed after difficult reforms have been implemented will generally be more popular than a government charged with initiating unpopular policies. By putting an emphasis on timing and sequence, I will demonstrate that the moment at which each country began to democratize counts, and that given the new international market-oriented paradigm promoted by Western countries and international financial institutions in the late eighties, the chronological relationship between political democratization and economic reform is important. That is, the earlier a country accepts the reform of its economy, the higher its chances of attracting external aid. But the timing issue is also useful in explaining the relationship between external support and the course of democratization. Given that Benin and Niger were trying to democratize in a context of economic bankruptcy and huge social demands, it is not surprising that foreign aid, provided at the right moment in Benin, was particularly crucial in helping to stabilize the political situation.

The concept of path dependency has been used in a variety of ways (Levi 1997; Dobry 2000; Pierson 2004). It may suggest that a country's previous policies or institutional heritage contributes to shaping current politics. Bratton and Van de Walle (1997), for example, use the concept to demonstrate that the dynamics of and prospects for democratization in Africa are affected by the continent's distinctive neopatrimonial heritage. The term "path dependency" may also describe "negative" phenomena of immobility and resistance to change generated by preexisting institutional structures and the interests that are crystallized within them. Pierson (1994), for example, uses this perspective to explain how Ronald Reagan failed to dismantle the welfare state in the United States in the 1980s because lobbies that were part of the welfare state (such as the American Association of Retired People) mobilized to protect their interests. Here, previous policies created "lock-in effects" and militated in favor of institutional continuity. In this article I use the concept of path dependency in a "positive" (but related) sense in order to focus on what Pierson calls "the dynamics of self-reinforcing or positive feedback processes in a political system." This means that "once established, patterns of political mobilization, the institutional 'rules of the game' and even citizens' basic ways of thinking about the political world, will often generate self-reinforcing dynamics" (2004:10). This perspective allows me to explain the commitment of donors to continue helping Benin versus the lack of such a commitment in Niger.

Table 1: Major Aid Donors to Benin: U.S. Dollars (in millions)

Year	Aid from DAC Members	Aid from Non- DAC Countries	Multilateral Aid	Total Aid
1988	170,90	1,02	62,77	234,69
1989	195,13	5,00	111,80	311,93
1990	151,94	-0,36	144,30	295,88
1991	161,35	-2,33	106,39	265,41
1992	180,09	0,05	97,70	277,84
1993	167,67	0,29	138,87	306,83
1994	142,05	3,82	109,24	255,11
1995	180,25	6,83	95,51	282,59
1996	162,01	5,82	117,57	285,40
1997	144,91	0,02	74,16	219,09
1998	142,59	-1,46	62,50	203,63
1999	117,59	-1,50	95,17	211,26
2000	179,57	-1,11	49,16	227,62
2001	144,02	1,43	127,57	273,02

DAC: E.U. members, Australia, Canada, Japan, New Zealand, Norway, Switzerland, United States

Source: DAC International Development Statistics - Database on Annual Aggregates

Table 2: Major Aid Donors to Niger: U.S. Dollars (in millions)

Year	Aid from DAC Members	Aid from Other Countries	Multilateral Aid	Total Aid
1988	236,10	6,29	128,78	371,17
1989	210,41	2,38	99,87	312,66
1990	261,35	3,52	136,94	401,81
1991	272,38	4,56	102,97	379,91
1992	284,28	0,09	102,96	387,33
1993	251,59	12,69	74,22	338,50
1994	261,57	5,28	107,39	374,24
1995	122,56	0,92	78,33	201,81
1996	110,59	0,67	89,52	200,78
1997	142,39	10,47	140,08	292,94
1998	101,10	1,22	145,86	248,18
1999	107,31	0,64	66,26	174,21
2000	81,52	0,03	105,12	186,67
2001	75,49	1,22	142,29	219,00

DAC: E.U. members, Australia, Canada, Japan, New Zealand, Norway, Switzerland, United States

Source: DAC International Development Statistics - Database on Annual Aggregates

Economic Background and Political Reform in Benin and Niger

In the early 1990s, attempts to democratize in most countries of sub-Saharan Africa, including Benin and Niger, gained momentum and were carried out under initially similar circumstances of economic bankruptcy (Médard 1992:1). Officially, Benin had a military, Marxist-oriented regime and economy, while Niger was governed by a military regime without ideological claims. But those differences were more formal than empirical. In fact, at that time the two countries shared two important features: They were both ruled under “soft authoritarianism” (Médard 1991), and they were bankrupt and dependent on aid, especially from Western donors (see Godin 1986 and Banégas 2003 regarding Benin; see Abba & Raynaud 1990:3–29 and Tinguiri 1990 regarding Niger).

It is well known that several interrelated factors determine aid disbursement, including the political and economic conditions (power structure, interest group dynamics, etc.) in recipient countries. The idea that initial conditions help explain disbursements is particularly relevant in the cases of this study, especially given that, as demonstrated below, the responses of politicians, players, and interest groups to the situation of bankruptcy were quite different in the two countries.

By the end of 1988 in Benin, a series of factors—with economic factors at the top of the list—had led to popular protests and eventually a mass uprising that resulted in the overthrow of the regime. By the beginning of 1989, the regulation mechanisms of the Kerekou regime, which had been in place for decades, were no longer sustainable (Vittin 1991, 1992; Allen 1992). The state had long relied essentially on the redistribution of resources and the co-optation of elites, combined with a bitter dose of repression in order to remain in power. As usual, students were the first major opposition group to organize against the regime, culminating on January 22, 1989, in a massive uprising demanding bursary payments that had not been received for months (Banégas 1995). Soon after, the students were joined by their professors and other important social actors, such as the Communist Party, workers, religious leaders, and intellectuals. The movement seemed unstoppable when the country’s forty-seven thousand civil servants joined the opposition to demand their salaries, which also had not been paid for months.

Symptoms of trouble were apparent long before 1989, however. The earliest indicators of such problems appeared when Benin’s government turned to the International Monetary Fund (IMF) for economic aid. As early as 1981 the Kerekou regime, burdened with a huge debt, had envisaged seeking help from international financial institutions. However, it was not until June 16, 1989, that the government signed an agreement with the IMF and the World Bank, therefore making obvious that the government’s socialist path to development, implemented from 1974 to 1989, had failed.

By then, all economic indicators showed the extent of the damage, which included the closing of most public enterprises, a growth rate of -2.7 percent, a primary deficit of more than 10 billion AFC francs (now U.S.\$18.9 million), and an overwhelming debt to the West African Central Bank of 58.8 billion AFC francs (now U.S.\$110 million) (Dagba et al. 1996:7–8). It was obvious that the government was close to bankruptcy, rendering the state's redistribution capacity minimal. With such a devastating record, it is not at all surprising that elites (both within and outside the regime), students, and workers had lost faith in the ruling class.

During the same period, Niger was experiencing similar problems. As in the case of Benin, Niger's transition away from authoritarianism was accelerated by the country's severe economic problems. Between 1976 and 1980, Niger's public spending rose 185 percent, mainly due to the discovery and exploitation of uranium, which gave the country a great potential in terms of revenue (uranium represented 75 percent of the state revenues in 1980) and therefore spending. After 1980, however, the global economic recession and sharp decline in the uranium revenues (50 billion AFC francs [now U.S.\$94.8 million] in the 1990s compared to 94 billion [now U.S. \$178.3 million] in the early 1980s) caused deficits in public financing (Gregoire & Labazée 1993:129). The public deficit reached 25.2 billion AFC francs and the balance of trade was 12 percent of the country's GDP in 1982, mainly because of unfavorable trade terms and the repayment of the nation's debt (Tinguiri 1990:76).

These economic difficulties caused the country to enter into negotiations with international financial institutions and to adopt Structural Adjustment Programs (SAPs) to reduce its budget and balance-of-payment deficits. This first initiative was followed later by four more agreements with the IMF between 1983 and 1987 (Tinguiri 1990:77). These programs, however, led to a great reduction in social services in general. In October 1989, the government decided to adopt measures aimed at balancing its budget. Bursaries and wages, which already had been reduced, were lowered even further, angering students and the unions. In December 1989, Niger's Union of Students presented the government with a list of demands requiring immediate action. Before long these demands were turned into organized opposition to the authoritarian regime and a collective struggle for democratization.

In the late eighties, then, the two countries' internal political dynamics were quite similar, with Benin providing the general pattern of change via the "national conference modality" of democratic transition (Bratton & Van de Walle 1997:120). Given the bankrupt and aid-driven situations of both countries, one would have expected external actors to play a large role in both countries' internal political dynamics. The question remains as to what distinguished their two experiences.

Assessing International Donors' Asymmetric Aid to Benin and Niger

If the Beninese democracy can be thought of as a success story, explanations are largely to be found in the country's economic performance (Magnusson 2001). This performance cannot be explained solely in terms of domestic policies. It is also related to the international support that Benin has received. During the first years of its democratic transition, Benin was treated by international donors and financial institutions in a fashion very similar to that of Poland, Egypt, and the former East Germany (fig. 1). For example, the United States went so far as to cancel all of Benin's debt. Benin, in fact, is one of the first countries to have had a substantial part of its debt canceled (Couvrat 1991:18).

Unlike Benin, Niger was deprived of strong international support (fig.2). Both actors and observers agree that in the case of Niger, the incentives promised to "democratizers" never materialized (Akindès 1996). To be sure, the usual DAC donors such as France, Italy, Germany, and the United States did not withdraw basic support, but financial assistance from these countries was decreased. "Overall, Western support for democratization contains nothing," said Nigérien Prime Minister Hama Amadou (1995–96 and 2000–present). "There are no [financial] incentives for democracy" (quoted in Gazibo 2005:160–61).

As the figures and tables show, a comparison of the two countries reveals that the negative fluctuations in the amount of bilateral aid received from DAC members (the most significant donors) have been less dramatic in Benin than in Niger, where aid decreased enormously, especially from 1992 onward. Comparatively, in the early 1990s Benin, at U.S.\$52.4 per capita, received much more aid than Niger, at U.S.\$40.5 per capita. Even in 2003, Benin's per capita aid was twice that of Niger's: U.S.\$42.8 versus U.S.\$22.3 (www.IZF.net, 2004). While in 1990 the total bilateral aid (in millions of U.S. dollars) received by Niger was twice that of Benin (261 million versus 152 million), the situation reversed in 2001. Benin received nearly 180 million, while Niger received only 75.5 million. These recent trends mean that in terms of financial support—and therefore support for democracy—the external actors still favor Benin.

A similar conclusion can be drawn from a comparative analysis of the multilateral and total aid received by the two countries. In Benin, multilateral aid tripled between 1988 and 1990. This huge and rapid evolution was a direct result of the agreement signed in 1989 between the IMF and Benin and the subsequent implementation of the SAP to ameliorate conditions after years of a command-oriented economy. The level of multilateral aid then remained high, at least between double and triple that of 1988. As a consequence of the positive evolution of both bilateral (DAC members) and multilateral aid, Benin was able to secure a relatively high level of total aid. It is only since 1996 that both the bilateral and multilateral aid have

decreased, but by then the situation of bankruptcy prevailing in the early 1990s was already over. By contrast, an analysis of Niger reveals that while reforms had begun by 1990, the amount of multilateral aid declined overall from 1991 to 1996. The amount was stable between 1991 and 1992, but even this two-year status quo can be explained by “wait and see” politics: Niger was holding its National Conference, which had the power to adopt or not to adopt the adjustment program demanded by the IMF and Western countries. Aid began to decrease again in 1992 after the National Conference rejected the adjustment policy, rising again only in 1994 after Mahamadou Issoufou’s government agreed to negotiate an adjustment program with multilateral actors.

Good Timing, Sequencing of the Transition, and Path Dependency

As I suggested in the introduction, the special status of Benin and its ability to attract external financial support can be explained by the concepts of timing, sequence, and path dependency (Gordon 1997:159–62; Pierson 2000b). During the early 1990s, two phrases entered the donors’ vocabulary simultaneously: “good governance” (World Bank 1989) and “political conditionality” (Mappa 1995). For example, in a 1989 report, the World Bank stated that the African crisis was one of governance, and it launched the idea that a solution was impossible without thorough political and economic reform. The same year, at the traditional Franco-African annual meeting held in La Baule, President Mitterrand told his African counterparts that French financial assistance would vary from then on according to the progress they made in reforming their political and economic systems (Bayart 1991). The British foreign minister, Douglas Hurd, made a similar statement, saying that British aid would be generous only for those countries that could demonstrate movement toward political democracy and a market-oriented economy (Wiseman 1995:464). This consensus among Western donors translated into pressure on African countries to enact reforms in order to attract external funds. Benin did so rapidly; Niger did not.

French diplomacy played a key role in pushing the Kerekou regime in Benin to accept political reforms. For example, the French government issued a letter calling explicitly for the organization of a “national convention, or a national forum . . . regardless of the name of such an initiative . . . regarding the constitutional reforms to be undertaken and specifying that the French authorities would particularly appreciate a clear mention of the separation between the state and the party . . .” The letter ended with a comment about the expected timing of the reforms, stating that “it would be opportune to announce that the decision of the convention will be ratified by the parliament in February 1990 . . . It is important not to wait

beyond that period. The beginning of the year is the most favourable period for the allocation of funds We are ready to help you finance the national political activities related to the implementations of those reforms, especially the national convention” (quoted in Laloupo 1993).

Benin is now regarded as a model of successful democratic transition, a “laboratory of democratization in Africa” (Laloupo 1993; Glélé 1993). Significantly, the country responded quickly and decisively to the donors’ and international financial institutions’ new paradigms of democratic conditionality and good governance (World Bank 1989; Bayart 1991). The country also embarked on a process of economic reform that included acceptance of a market-oriented economy. The success of the reforms was dramatic and encouraging to the donors. As K. Boaffo-Arthur (1999:65) explains about structural adjustment in Ghana (one of the first African countries to implement such reforms, in 1983), “Donors need a success story to advertise the potency, efficacy and the need for the continuation of adjustment policies alongside democratization.” During this period in which a new paradigm was advanced by donor institutions, successful reform demanded a rapid response from recipients and also demonstrated results that confirmed the validity of the new paradigm—thus encouraging donors to keep providing funds. In both of these areas Benin was successful. In Niger, however, the government resisted popular pressure for reform. As a result, there was nearly a two-year delay between the founding elections in Benin (March 1991) and the elections in Niger (March 1993).

Timing is not the sole explanatory variable here, however. To understand why foreign aid was more significant and sustained in Benin than in Niger, we also must pay attention to the chronological sequence in which political and economic reforms occurred in the two countries (Przeworski 1991). On the one hand, as David Gordon (1997) says, only those who act rapidly according to the democratic paradigm are rewarded. On the other hand, according to Ziegler (1997:41), the initial ideological principles guiding donors are often replaced by “realpolitik” or stability imperatives. As Pierson and Skocpol (2002:698) and others have shown, when we study political processes, it is not just what has been done that counts, or when those things were done, but also in which order events unfold.

In Benin, a consensus was easily reached in the early days of the National Conference in 1990 to turn to a market-oriented economy and to continue to negotiate an SAP with the IMF (Magnusson 1996; Banégas 2003). After liberalizing the economy, the new government was able to implement policies favored by the donors without strong domestic opposition. In turn, donors became confident and found no reason to retreat. In Niger, in contrast, the National Conference was dominated by the unions (the Nigérien Student Union and the National Union of Nigérien Workers). Strongly opposed to SAPs, the unions succeeded through legal means in preventing the prime minister from negotiating an SAP. The first democratic government, elected in 1993 and headed by the socialist leader

Mahamadou Issoufou, whose party was widely supported by the unions, also refused initially to implement an SAP and never came to an agreement with the IMF despite launching negotiations in 1994. In the end, it was the following government, elected in 1995, that implemented the first program, explaining the timid increase in multilateral aid between 1995 and 1998 (fig. 2). This delay only contributed to cutting the country off from external financial flows and to deepening its economic crisis.

Finally, the contrasting experiences of the two countries can be explained by a third phenomenon—the self-reinforcing mechanism of path dependency—by which policies adopted by donors tend to dictate the direction the processes and events take (Pierson 1994; Dobry 2000). This mechanism is sometimes expressed by the idea that “policy produces politics.”

In the case of Benin, the good timing of the transition and the good sequencing of economic and political reforms produced willingness on the part of donors to remain committed (see Couvrat 1991). Once this trend began, the donors were inclined to continue providing aid, not only because they needed a success story (Boaffo-Arthur 1999), but also because of the process of increasing returns described by Paul Pierson (2000a). That is, it was easier and less costly in both financial and political terms to continue to concentrate on Benin (which explains the relative stability of the aid in figure 1) than to stop or to shift the aid elsewhere after months and years of continued presence. The result was an astonishing economic recovery in Benin by 1993. This economic performance translated into a relatively peaceful political climate that was favorable, in turn, to democratic consolidation.

In Niger, a similar self-reinforcing process occurred, but it was a negative one: the “bad” timing of the transition to democratic governance, in combination with a four-year delay in the acceptance and implementation of an SAP during a period in which bilateral donors, especially DAC members, demanded an agreement between developing countries and the IMF before providing aid, led the donors to refrain from improving their commitment to aid, therefore deepening the crisis. The situation in Niger is well described by Barbara Grosh’s (1994:33) analysis of SAP policies in sub-Saharan Africa in general: “At some stages, the regime may try liberalizing its economy. . . . If changes are made out of order or if important steps are missed, or if the world economic climate is unfavourable, things may easily become worse.” In fact, when conditions deteriorate rather than improving, as was the case in Niger, an agreement with the IMF is even harder to reach because the conditions necessary for economic reconstruction then entail very high social and political costs. Thus the negative self-reinforcing process continues.

In sum, for these two cases, good timing in the reform process and the proper sequencing of the different types of reforms (e.g., the acceptance and implementation of economic reforms before the founding elections)

were key factors in securing foreign aid. In addition, the timing of aid (the disbursement of funds at critical moments, such as the early stages of a political transition or moments of social unrest) enhanced the chance of democratic survival by reducing potential threats.

Aid, Critical Moments, and the Course of Democratization

In the case of Benin, the ability of the transitional government of Prime Minister Nicephore Soglo (who also became president of the country in 1991) to maintain institutional stability is largely explained in terms of external support. Benin is one of the few countries to have received the financial incentives promised to countries that choose to democratize (S. Smith, quoted in Akindès 1996:60). J. F. Couvrat (1991:18) noticed that in the first two years following the launch of the process, Benin's treatment was comparable to that of Poland or East Germany; billions of AFC francs were given to the country by bilateral partners, debt reimbursement was delayed, and the International Monetary Fund was more than ready to cooperate. Most scholars agree that such support helped create the feeling in Benin that democracy goes hand in hand with improvements in daily life.

Thus the international aid helped to win social peace domestically, and the transition year became the occasion to improve sectors that been ignored by the previous government. Government employees such as civil servants, administrators, and teachers, along with the student population, witnessed a tangible improvement in the government's response to their most immediate needs. Some sectors continued to be dissatisfied with the social costs of the SAP; the unions in particular accused Soglo of docility in response to the austerity measures imposed by international financial institutions and staged a series of walkouts and strikes (Banégas 2003). Yet considering the situation of bankruptcy at the time of the National Conference, Soglo's foreign aid-driven economic plan was generally perceived as quite positive (Mayrargue 1996; Banégas 1997). Civil servants, for example, who had been denied their salaries on many occasions during the last years of the previous regime, now became accustomed to being paid regularly. And the local press credited the transitional government with having accomplished the "work of Hercules."

By the time Soglo's presidential term came to an end, the economic wealth of the country was reestablished and strikes and other social protests were rare (Magnusson 1996). In 1996 Mathieu Kerekou was voted back into office in a free and fair election. As Mayrargue (1996) and Banégas (2003) have shown, Soglo's defeat was the result not so much of his economic policy, but rather of his political style, characterized as a tendency to manage the country as if it were a "family business." Kerekou's political campaign revolved around issues relating to problems of the previous lead-

ership, but also to combating unemployment, creating a social insurance plan, and renegotiating the SAP accords and the agreements with international financial institutions signed during Soglo's presidency. Once in office, Kerekou did nothing to modify Soglo's support of the IMF because of the vital character of continual external support. Although his most ambitious antipoverty program—the policy of “Common Social Minimum”—did not achieve its objective by the time his first presidency came to an end, he was reelected in 2001. It now remains to be seen what this second presidency, which will end in 2006, will be able to achieve. Nevertheless in Benin, democracy seems to have become “the only game in town” (Przeworski 1991).

In contrast to Benin, where democratic institutions have remained in place since 1991 and are now considered by many authors as consolidated (Banégas 1998, 2003; Magnusson 2001), Niger has experienced two military coups, one in 1996 and another in 1999 (Gazibo 2003). In Niger, the retreat of democracy can be explained by the inability of different governments to complement early democratic achievements with gains in the economic sphere (Gazibo 1999). On the contrary, the absence of financial resources has amplified political unrest. Timing is an important explanatory variable here, because external aid was lacking during the critical moments of the democratic process.

First, as we have seen, the financial aid that helped Nicephore Soglo reach his goals of institutional stability in the early nineties did not materialize in Niger. This lack of real improvement in external support, compared to the previous period, worked against Soglo's Nigérien counterpart. Francis Akindès (1996:60) has described the confusion in which Prime Minister Amadou Cheiffou found himself. He was shunned by international donors and overwhelmed with problems. The chances of sustaining enthusiasm for democracy diminished, even at the beginning of the process. His two-year transitional government encountered widespread military mutinies and massive social unrest in the public sector mainly because of problems associated with state bankruptcy and irregularities in wage payments. The ever-mounting pressures went as far as forcing the prime minister to recognize Taiwan's sovereignty for the sake of financial rewards (Gregoire & Labazée 1993:130).

Second, after the founding elections in Niger, the gap between internal capacity and financial need was not filled by external funds. The first democratically elected government was headed by Mahamadou Issoufou, who characterized it as “a team of warriors, composed of people who were politically engaged, technically competent, and had a clear idea of what they wanted” (Issoufou 1993). The events, however, told a different story. A few months after the election, the newspaper *Tribune du Peuple* wrote ironically that “the combatants [the government] are still in their trenches.” By this time, a number of indicators testified to a worsening quality of daily life. There was a growing marginalization of people in rural areas, persist-

ing outstanding payment of salaries and student bursaries, a rise in unemployment among the educated young, and problems in the health services. An official document (*Ministère des Finances et du Plan* [1995]) showed that inflation went from 0.43 percent in 1993 to 40.6 percent in 1994 and also concluded that the economic crisis in general had worsened between 1989 and 1994. The favorable results expected from devaluation had never materialized. Current spending was not under control, imports had increased instead of decreasing, and the country's main export raw material, uranium, was no longer profitable because of plummeting global demand after the Chernobyl accident.

It was under these desperate economic circumstances that parallel political crises erupted in 1994, 1995, and 1996. The first crisis led to the resignation of Premier Mahamadou Issoufou, the dismantling of the ruling coalition, the organization of legislative elections, and a new political configuration. The president was forced to appoint a prime minister imposed on him by a hostile parliament. The second crisis, arising from this very same situation, was characterized by a confrontation between President Mahamane Ousmane and Prime Minister Hama Amadou on one hand, and on the other hand between the government and the unions, which were no longer willing to support the disastrous economic situation. It is significant to see (fig. 2, 1994–96) that in terms of timing, this period of multifaceted crises was also the period of the most significant decline in international aid. Once again we see mutually reinforcing processes: The absence of external aid (in a context of internal financial bankruptcy) prevented the government from satisfying social demands, which developed into social unrest. When troubles became widespread, donors became even less willing to help, invest, or grant loans.

Worsening economic conditions and mutually reinforcing processes therefore led to a climate of chaos, which was finally concluded by a military coup in January 1996 (Issa Abdourhamane 1996; Decoudras & Gazibo 1997). Three years after having seized political power, General Baré suffered, in turn, from the same problems that had plagued the regime he had overthrown. A tense social climate generated by economic difficulties and lack of legitimacy led to Baré's death, and his regime was overthrown by a second military coup in 1999 (Gazibo 1999; Issa Abdourhamane 1999). Since the beginning of 2000, Niger has once more adopted a democratic regime (Davis & Kossomi 2001). The political situation has improved in the last five years, but the relative economic recovery and foreign aid necessary to sustain it will remain crucial for democratic consolidation.

Conclusion

The aim of this article has been to shed light on the importance and impact of external intervention on democratization by comparing the

cases of Benin and Niger. I emphasized the importance of external intervention by focusing on the issue of aid, identifying the main donors to Benin and Niger, especially bilateral Development Assistance Committee members and multilateral agencies, which provided nearly 95 percent of the total aid to the two countries. First, I explained the reasons the two countries were able (Benin) or not able (Niger) to secure sustainable aid. Second, I linked foreign aid to democratization by demonstrating that in the contexts of economic bankruptcy, external support played a key role, as it helped prevent domestic dissatisfaction from turning into institutional breakdown.

Because the presence or absence of aid is not a given, but must be explained, I used the New Institutional concepts of timing, sequence, and path dependency (Pierson 2004) to understand why Benin enjoyed sustained and continuous aid while Niger suffered serious setbacks in the early 1990s. The timing issue favored Benin, the laboratory of democratization and the source of the national conference model in Africa. In addition, in terms of the sequencing of reforms, Benin responded pragmatically to powerful external economic incentives and decided as early as the National Conference to accept and adopt the new terms of “good governance” and the market-oriented paradigm favored by donors. During the initial phase of reform, donors responded favorably through aid programs, and once launched, these aid policies reinforced themselves, demonstrating the phenomenon of path dependency and explaining donors’ continuing commitment. The experience of Niger, in which the above processes did not take place, suggests as well that the timing of aid with respect to particular periods of the democratization process is of great importance. It is imperative for a nation in the process of democratization to receive aid at the “critical moments”—that is, periods of possible institutional collapse—when the government needs to strengthen democracy by weakening socioeconomic threats. It appears that this positive factor also was absent in the case of Niger.

Thus the contrasting experiences of these countries reveal a correlation between external financial support and the course of democratization. Of course, it would be wrong to claim that the success or failure of democratization depends solely on external aid. One can easily introduce a number of other variables (and interactions among variables), such as the military, leadership style, institutional setting, and so on. For the sake of clarity, I needed to isolate a few variables and try to observe how they affect political processes. One should exercise caution, however, in generalizing the conclusions of this study.

The findings of this article seem particularly relevant to bankrupted and aid-driven countries and to transitions launched in response to mass mobilizations calling not only for political reforms, but also for economic improvements. In these cases, foreign aid is crucial, particularly in the early stages of democratization when the states’ internal capacities have col-

lapsed. External support has a dual effect. On one hand, it encourages and helps solidify a domestic sense of confidence in and support for the democratic process. On the other hand, it can help new regimes gain social peace, avoid instability, and prevent military coups or popular uprisings.

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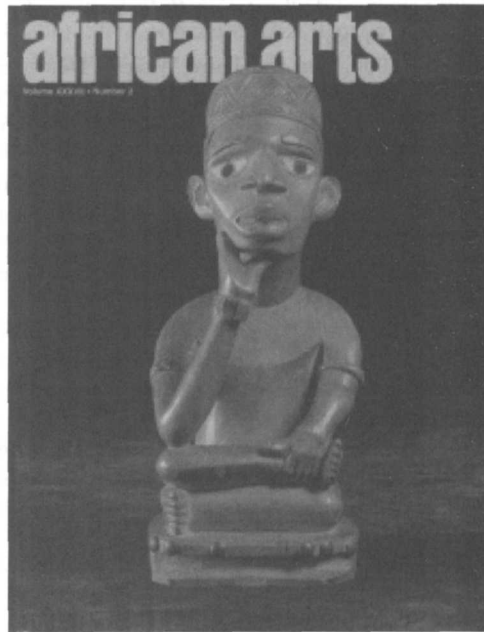
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Note

1. In this paper, I refer to democratization in a Schumpeterian procedural perspective. Therefore, I emphasize elections and do not address the deeper issue of substance, such as political accountability or economic performance.



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