The Incongruence Of Development Assistance: An overview of World Bank Policies

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The Incongruence
Of
Development Assistance

An overview of World Bank Policies

Elizabeth Garcia-Polanco

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Master’s Thesis
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Abstract

In post-conflict countries were instability has intensifies, it becomes apparent how inadequate development assistance can be and why even after large sum of investments development assistance has not been able to completely alleviate poverty. For agencies like the World Bank that provide first hand assistance, we question whether there are prerequisites needed in order for their policies to be effective and whether these policies are targeting the core reasons for the countries’ poverty dilemma.

African countries continue to hold intricate predicaments that may at times be too complicated to be analyzed without sufficient resources provided by the international community. While looking at Cote d’Ivoire and Central African Republic we notice the difference in impact that the recommended policies have had on the countries. Cote d’Ivoire may be the success story to development assistance or may just be proof of the necessary components needed for successful policies, in contract to, Central African Republic being the mere example of how African countries that continue to hold convoluted conflicts affect and are result of poverty.

Through process tracing I analyze the historical background of these post-conflict countries and draw out the similarities that they hold. This most similar design helps to distinguish the necessary stability within the country’s infrastructure needed in order to acquire policies recommended by the World Bank as well as the benefits that the international community has of the prosperity from certain countries more than others.

By analyzing World Bank policies I was able to draw out the importance of institutional stability as well as shared fundamentals in governance, corruption, and economic policies in order to be suitable recipients to recommended policies to subsequently become active participants in the international market.
Introduction

The World Bank has targeted poverty with policies that have at times driven some African countries into economic stability and other times into worse conditions where poverty isn’t alleviated. The World Bank’s policies have been modified over the years to adhere to the changing international system. Due to a more integrated international system, policies are now reflecting general solutions that deprive countries from receiving appropriate direction that consider the local politics, economy, and culture. These changing dynamics questions whether the local conditions of countries are taken into account when policies are recommended. Development assistance cannot be approached with a standard model applied for all developing countries, especially in the African continent where violence, turmoil, and instability have overwhelmed the continent for decades. Development assistance may affect some countries positively and help in combatting poverty levels and reduce mortality while in other cases may cause even more distress through increased corruption and unresolved needs. Therefore my research will focus on the conditions in which the World Bank recommends policies and the results are successful, in contrast with the miscalculated factors of the country’s policies that result negatively.

This thesis will argue that considering the variation in political and economic status among African countries in the past 10 to 15 years, the African countries’ unique political and social circumstances should be recognized by development agencies, such as the World Bank, when intervening on the continent.

I hypothesize that certain African countries are doing better than others under World Bank assistance when there is a critical analysis of the current situation and an
opportunity to benefit from the stability of the country. By this I mean that if a country has potential extractive resources available and a promising political landscape, meaning stabilized functioning institutions and systems, the World Bank is more likely to provide programs that can maximize their profit in the long term and therefore benefit the local community. I will be able to analyze this, not by looking at the amount of money invested in these policies through programs or their longevity, but by the types of projects recommended, the type of systems recommended for checks and balances, the World Bank’s strategies to follow up with the systems in place, and the overall results. As a result of the inappropriate policies there exists the unresolved severity of the impoverished countries and even worst, the misallocation of resources that do not benefit the actual population.

I will be looking at two countries to help distinguish why they have had different outcomes when it comes to development assistance. The first, Cote d’Ivoire, has been relatively effective in taking advantage of development assistance since emerging from a decade of conflict in 2011. Cote d’Ivoire is located facing the Atlantic coast. It gained independence in 1960 and currently has a strong executive power which is their President. Its comparative advantage is cocoa and coffee through its dominant cash-crop production. The country currently holds six ethnic groups. Core d’Ivoire has developed social safety nets which have focused on building human capital through cash transfers. Through their safety nets there has been an accurate mechanism that targets and identifies the poor by providing nutrition support, social services or productive and revenue generating activities. The Ivorians basic needs of nutrition are being addressed while also their civil and social rights are being acknowledged through the provided tools;
education, medical care and housing. With the ability to produce income, the people of Cote d’Ivoire can feel motivated and have the ability to contribute to the growing economy. Cote d’Ivoire has been ranked among top 10 reformers by the World Bank in 2014. They produce light manufacturing, services, and agriculture. Cote d’Ivoire is ranked 24 out of 54 countries in Sustainable Economic Opportunity in the Ibrahim Index of African Governance. In the Human Development Index, considering welfare, education, health, it ranked 40. For Safety and Rule of Law, considering accountability, personal security, national security, it ranked 37. For the participation in human rights, it ranked 25. In terms of transparency international index it ranked 107. According to the World Bank data Cote d’Ivoire is considered a low mid income country with a population of 22.16 million. Their poverty rate is 46.3% and as of 2013 the life expectancy has been 51 years of age. In sum, despite ongoing high rates of poverty, Cote d’Ivoire has made rapid economic progress and has had an increase in political stability while taking advantage of World Bank loans since the end of a protracted internal conflict.

Central African Republic, on the other hand, differs in certain ways from Cote d’Ivoire. Central African Republic is a landlocked country. Central African Republic also obtained independence in 1960 from France. It experienced various factions leading ethnic and religious cleansing and displacing many people during 2013 and 2014. The comparative advantage is uranium reserves, crude oil, gold, diamonds, cobalt, lumber, and hydropower, as well as arable land. It currently has alarming indicators of poverty, sustainable economy, safety and Rule of Law, corruption and in their participation in

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1 World Bank Group Most improved in Doing Business 2015
2 Mo Ibrahim Foundation Ibrahim Index of African Governance (IIAG)
3 Transparency International
4 The World Bank
human rights. Central African Republic ranks low in all aspects. For sustainable economic opportunity it ranked 50 making it a 26 place difference in comparison to Cote d’Ivoire’s numbers. In human development it ranked 53, a 13 place difference to Cote d’Ivoire. In safety and rule of law it ranked 53, a 28 place difference. Their human rights rank was 46, a 21 place difference to Cote d’Ivoire. And as for their transparency it ranked 150, a 35 place difference to Cote d’Ivoire. The largest rank difference turns out to be the transparency international index and safety and rule of law followed by sustainable economic opportunity being the third worst ranking indicator. This indicates that in order to address the poverty issue in Central African Republic the issue of corruption needs to be first addressed.

Thus the question remains: why, despite their similarities, has World Bank assistance had different effects in Cote d’Ivoire and in the Central African Republic? What do the different levels of effectiveness that each country has had in utilizing World Bank aid reveal about the conditions under which aid can be effective more generally?

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5 Ibid
6 Ibid
Literature Review

The World Bank has been previously critiqued for its imperialistic methods when pursuing neoliberal approaches in all developing countries without considering the different factors of the countries. Their once common but not so popular Structural Adjustment Programs were said to only focus on surface problems, address problems that create more challenges and not impact progress despite its large sum of investment.7

The World Bank consists of four financing arms; the International Bank for Reconstruction and Development, International Development Association, International Finance Corporation and the Multilateral Investment Guarantee Agency in which provide diverse financing programs, lasting markets, and institutions. In terms of development, the Bank assists investors from abroad or companies at home in the private sector. Their focus is on market economies that can participate in an open international system by providing diverse financing opportunities. The Bank has currently modified its approach through providing more focused projects and better monitoring strategies.8 Due to the World Bank’s initial purpose to improve economies, a more business approach has been established when assisting developing countries instead of reinforcing the immediate need to attend to the social and political problem poverty creates. This approach demonstrates that the World Bank is interested in first hand business partnerships with developing countries and secondly they’re interested in building partnerships that can be

7 John Pender  From 'Structural Adjustment' to 'Comprehensive Development Framework': Conditionality Transformed?  Third World Quarterly Vol. 22, No. 3 (Jun., 2001), pp. 397-411 Published by: Taylor & Francis, Ltd.
8 Robert B. Zoellick  Why We Still Need the World Bank: Looking Beyond Aid  Foreign Affairs Vol. 91, No. 2 (MARCH/APRIL 2012), pp. 66-78 Published by: Council on Foreign Relations
systematically compatible to the way international institutions work. If these partnerships happen to contribute in diminishing the causes of poverty then that’s a bonus.

Winters states that the World Bank has a criterion for the type of projects countries receive that depend on the quality of their economic policies and the quality of their governing institutions. There is a preference over countries that have rule-of law institutions, governance, and democracy. For countries that have bad governance characteristics, they receive project aid consisting of specific investment loans. The better governed countries receive programmatic aid, which involves budgetary support or structural adjustment lending. The funding packages are meant to create responsible stakeholders. The World Bank aims to contribute to long term investments by investing in infrastructure in order to create jobs, increase productivity for the future, and raise demand for machinery and services that foster safety nets. The World Bank denies clients that don’t meet standards and safeguards; corruption, the environment, and governance.

The developing countries are the World Bank’s clients and the Bank relies on them as subjects to apply its economic ideas, development models, investment and foreign aid. Developing countries have supported the existence of the World Bank and its functions as they provide two thirds of all economic growth of the last five years. Being that these countries lack the first world institutions, systems, technology etc., they provide a platform for innovation without the constraints that established countries may enforce. Developing countries may be more flexible in terms of acquiring suggested projects and policies because of their need of assistance. Considering that development is not just economic but also political and cultural, there is an issue with the way that the knowledge of Africa is produced. This affects how development policy and practice is
influenced. There has been evidence that when the World Bank analysts didn’t have background knowledge of African countries or there was a lack of understanding of the developing countries’ dilemmas the program’s effectiveness suffered. However, in recent years there has been a push to improve the Bank’s diversity where now 50% of the executive directors of the organization come from developing countries, and its employees come from 167 different countries.  

The World Bank is known to be a macrocosm agency, multifaceted with many responsibilities that can overlap from being a financial agency to a development benefactor. For that reason its politics reinforces compliance, mainstreaming, and dissemination of norms being constructed to guide the developing countries towards stabilization. Through the process of developing countries adapting the norms it conceptualizes a cohesive perception of what poverty, corruption, inequality etc. is. These international norms are penetrated through domestic legal systems and therefore internalized. While the World Bank has difficulty consolidating core sustainable norms that can be effective across diverse cultures and political systems, its operational policies are becoming global standards among development agencies. In spite of its internal systematic inconsistencies, the World Bank provides indicators in practice for global governance and rule of law which displays a paradox of governance where political systems and institutions would be legitimate under a particular prototype. It is evident that the production of the statistical measures they produce has embedded theories and values that influence decisions. The data collection that is gathered and used as methods

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9 MATTHEW S. WINTERS  CHOOSING TO TARGET: What Types of Countries Get Different Types of World Bank Projects  World Politics Vol. 62, No. 3 (July 2010), pp. 422-458 Published by: Cambridge University Press
of analysis in the international community comes from developmental countries and only contains the narratives that pertain to the developing countries. For that reason, there is a red flag towards the concept of development assistance. It does not help to recognize the World Bank’s history on reporting skewed data in order to reinforce what was the dominant policy agenda, neoliberalism.\footnote{Research, Knowledge, and the Art of ‘Paradigm Maintenance’: The World Bank’s Development Economics Vice-Presidency (DEC) Robin Broad Source: Review of International Political Economy, Vol. 13, No. 3 (Aug., 2006), pp. 387-419}

Building on this point and through considering James Ferguson’s \textit{The Anti-Politics Machine}, we can integrate the idea that the World Bank constructs what we have been told is a ‘developing’ country and in so that the very problems they identify can be solved by them. The World Bank needs to find problems that they can solve and the case of Lesotho serves as an example. Lesotho’s problems were framed to be within its borders. The language used in the World Bank report to describe Lesotho such as “less developed”, would indicate the appropriate solutions. Poverty within less developed countries indicated that the necessary solution would be the participation in the modern economy, capitalism. But Ferguson argued that capitalism doesn’t alleviate poverty instead it creates a greater inequality between the wealthy and the poor.\footnote{James Ferguson \textit{The Anti-Politics Machine “Development,” Depoliticization, and Bureaucratic Power in Lesotho} University of Minnesota Press Minneapolis London} Ferguson’s arguments are still relevant in today’s World Bank approaches. The World Bank’s ‘less developed’ label created indicators that are still used today to specify who is considered a developing country. Most importantly, I think the same mistakes may be currently occurring when the Bank reports on a country’s developmental status without conducting a full analysis of the country.
As a result of the existing literature, I am interested in elaborating on how the World Bank’s strategy in providing particular projects according to economic policy and governing institutions systematically produces policies bound for failure. The prerequisite of having rule of law institutions, good governance, and democracy in order to receive programmatic aid assumes a more advanced consideration of the recipient country as opposed to project aid that is more narrow in its goal. Perhaps, it is legitimate to state that providing programmatic aid to countries with large amount of resources and similar preferences to the donor proves that the World Bank’s effectiveness may only be accomplished in countries that have compatible structures thus the other countries are mere test samples of policies that aren’t expected to succeed.
Argument

This thesis will argue that poverty has been difficult to address because what has been proposed as solutions do not consider the different components; culture, economy and political system, that each country may have. Poverty has been used as a political tool by development agencies, such as the World Bank, to drive in institutions and systems through their recommendations that require compatible systems for them to succeed which creates a standard functionality in the international community. This is why in order to actually reduce poverty, the perspective and approach to development assistance needs to be reformed. In looking at the local circumstances we can better understand the political, cultural, and economic differences that can attribute to finding suitable solutions for the specific country.

Poverty has become an international dilemma which has caused the dynamics of the nation-state to change. Particularly, because of the instability of post-conflict countries, the severity of poverty becomes part of the international agenda. A country’s instability caused by conflict can produce a collapse in existing institutions or deallocate resources needed to create institutions. Walt states that institutions can be a source of cooperation and interdependence where countries willing to dismiss their own interests are able to participate and reap the benefits of international cooperation by accepting international organizations and nongovernmental actors in helping to shape state preferences and policy choices. He first explains that institutions don’t undermine the nation-state system;

Liberal institutions likewise have continued to adapt their own theories. On the one hand, the core claims of institutionalist theory have become more modest
over time. Institutions are now said to facilitate cooperation when it is in each state’s interest to do so, but it is widely agreed that they cannot force states to behave in ways that are contrary to the states’ own selfish interests.\textsuperscript{12}

Walt goes on stating that the latter is what was understood the role of institutions to be in the international community but the growing interdependence with the globalization of the market, transnational networks, nongovernmental organizations, communications etc. has shifted the global attention from security awareness to economic and social welfare. Sharing fundamental beliefs helps organizations like the World Bank be able to impact developing countries through their development programs. The example that Barnett and Duvall give is how multinational corporations can use their control over capital to shape the foreign economic policies of developing states, as well as global economic policies.\textsuperscript{13} Liberalism contributors state that the power dynamics within non-state actors and nation states do not level out and countries or actors in power become more powerful as weak states remain weak. The liberalism school of thought helps us understand why the rhetoric of institutions (the importance of strengthening them) can create cooperation with non-state actors and so are willing to become interdependent with international institutions such as the World Bank. For countries that don’t obtain these connections, they can have difficulty complying with the recommended policies and can appear not interested in participating in international relations.

\textsuperscript{12} Stephen M. Walt \textit{International Relations: One World, Many Theories} Foreign Policy No. 110, Special Edition: Frontiers of Knowledge (Spring, 1998), pp. 29-32+34-46
\textsuperscript{13} Michael Barnett and Raymond Duvall \textit{Power in International Politics} George Washington University 2005
Institutions shape the social and political world by shaping the choices available. They provide incentives for people to act (or not) in a given matter. Institutions have the power to shape the way society evolves, hence, can be used to understand historical change. Acemoglu, Johnson, and Robinson state that a country’s institutions are the product of the colonial institutions. Settlers were more likely to establish constructive institutions, likely to lead to ongoing investment over time because of secure property rights and non-extortionate policies, where there were low mortality rates. Consequently the type of institution may have an impact on the country’s income per capita. The quality of institutions can be determined by the colonizers and whether they established extractive or constructive institutions.\footnote{Daron Acemoglu, Simon Johnson, James A. Robinson \textit{The Colonial Origins of Comparative Development: An Empirical Investigation} June 2000}

Institutions can serve as a form of hegemony despite a country’s political system, economy, and culture. They provide structures that can monitor, set norms, and reinforce compliance. By controlling the power structure of a country through institutions, the World Bank, can have a direct effect on the relationships and behaviors that are the result of those power interactions, whether they are indirect or direct. Institutions that can be used as puppets allow the World Bank to be the puppeteers. If current institutions are flexible but still formulated they can serve as a tool for proposed goals based on frameworks that narrow their approach in order to achieve those goals, as opposed to not having any institutions that would serve as transfer points of power. Institutions frame targets and shape them in a way that can consolidate a goal. By consolidating goals, the possibility of any other factors that can cause them to stray away from their goal will be eliminated. Autesserre refers to this as narratives that are constructed to engage external
actors to simple and easy solutions. Simplifying the violence in Congo to just one conflict involving illegal resource exploitation, that resulted in sexual violence against women and girls, promoted the idea of the need to reconstruct state authority but didn’t solve the core reasons for the conflict. Through targeting warlords and identifying them as perpetrators made the narrative concrete but resulted with rebel groups using sexual violence as leverage to obtain attention from the international community.\textsuperscript{15} Framing a problem can allow an institution to be able to focus all its resources and educate itself into finding a solution for it. It eliminates factors that if were considered would make it harder to find solutions to. Also, it allows for investors to be more convinced on how their contributions can make a difference and the public will know exactly the problem and the necessary solution, thus a larger supportive network would be available. The issue with creating simplified narratives is that many African dilemmas have been addressed with this very mentality. Too many factors have been set aside and ignored when analyzing these countries like the origin of the conflicts, culture of decolonization, unstable economy or the informal economies along with informal institutions that have been built as a result of the instability and the systematic reliance on the international economy. Political systems are different in developing countries therefore adhering to a democratic political party may be irrelevant to them if it is not pertinent to the country’s power structure. If critical apparatuses are not acknowledged, policies can be lost in translation. The local circumstances should be accounted for when assisting post-conflict countries because many times these countries hold a history that can explain their current

\textsuperscript{15} Severine Autesserre \textit{Dangerous Tales: Dominant Narratives on the Congo and their Unintended Consequences} \textit{African Affairs} 00/00, 1-21 Published by Oxford University Press on behalf of Royal Affairs Society.
economic and political circumstances. International organizations like the World Bank may continue to work at the international or national level without having to necessarily invest too much into the micro dynamics of a country but the transformative progress can only be made with a new approach and mindset. Once we begin to question the current approaches to development, systematic, and political assistance we may find better appropriate solutions.

Understanding that institutions can provide cooperation, flexibility, and adherence to the norms within the international community makes is plausible for organizations like the World Bank to form partnerships with countries that may have a stable system in place. Institutional stability can facilitate compatible recommendations. Stability doesn’t just allow for the World Bank to better assess the situation but can also translate into shared fundamentals between the World Bank and the recipient country. Institutions may be structures with historical background, nonetheless, the country’s present leaders are held accountable for the country’s current dynamics. So Central African Republic’s partial democratic political system is a choice that the elites have continued to enforce, consequently, transpires as being an uncooperative in international politics. A country’s incongruent institutions from the World Bank’s functions may result in policies that would be ineffective, as well, not providing systems for checks and balances. Needless to say, it would not be worth for the World Bank to invest its progressive recommendations on Central African Republic because of their continuous conflicts within its borders and its peripheral boundaries unless the Central African Republic is willing to appear to be interested in participating in the international community by obtaining a democratic system. On the other hand, Cote d’Ivoire has shown their
cooperative ways; adapting to a democratic presidential system, which has subsequently welcomed increased relations leading to their growing economy.
Research Design

To understand development assistance we must first have a clear understanding of the dynamics of the developing countries. Once we can differentiate between the dynamics we are able to take a closer look at the role development organizations play when providing assistance. The results of the World Bank’s policies have made me question why particular policies, although applied to similar countries, have different outcomes. I argue that when developing countries have strong existing institutions, World Bank policies are more likely to be effective. These developing countries have stable institutions and share the Bank’s preferences within democracy, extractive economy, and profitable resources thus motivates them to take a better account of local situations that will ultimately address the core problems of poverty in the country.

Cote d’Ivoire and Central African Republic have had opposite experience in putting World Bank aid to use, despite having key similarities that might explain those differences, including shared histories of being French colonies, shared histories of authoritarianism with fragile democratic interludes, and having each emerged from recent conflict. These similarities make it easier to analyze why the World Bank policies recommended to Cote d’Ivoire have resulted in relative success (defined as rapid growth) as opposed to Central African Republic which continues to be overcome by poverty and instability. By understanding the discrepancy in the outcomes of development assistance we can better understand how to systemically target poverty in post-conflict African countries. We can have a better idea of what should be kept into consideration when creating recommendations to countries that don’t seem to be responding to past suggestions and assistance.
In order to better understand why particular World Bank policies impact both these countries differently, despite their similarities, I will deploy a “Most Similar Systems” research design in order to anticipate possible alternative explanations for the effectiveness of World Bank policies in post-conflict countries. A Most Similar Design acknowledges the importance of similarities between systems but also recognizes that differences explain the outcome of interest. As Przeworski and Teune argue, “intersystemic similarities and intersystemic differences are the focus of the “most similar systems” design. Systems constitute the original level of analysis, and within-system variations are explained in terms of systemic factors.”\textsuperscript{16} Such a design, therefore, will allow me to isolate causal processes that lead countries to developmental success or failure.

It is important to acknowledge Cote d’Ivoire’s current political framework of presidential representative democratic republic and Central African Republic’s semi presidential republic with a split power system between the president and the prime minister. The representative democracy is a known western political system and holds theoretical evidence that supports the idea of states becoming accountable for conflicts and are prone to public wealth through building and fostering relationships with non-state actors.\textsuperscript{17} These intersystem differences can perhaps say something about the way the local politics is handled in both of these countries which can determine whether local politics are a critical factor when recommending policies. Another difference that should be noted is the geographical location of these countries. Central African Republic is a

\textsuperscript{16} Adam Przeworski/ Henry Teune \textit{The Logic of Comparative Social Inquiry} Wiley-Interscience
landlocked country, whereas, Cote d'Ivoire is located in the coast of the Atlantic Ocean. The increased prosperity could perhaps be attributed to this factor because of the facilitation of the exporting of goods, even though, their different geographies is not sufficient to explain the differences in each country’s performance. By looking at recommended post conflict programs for the countries, while observing the sector the programs aim to affect, can help determine if the World Bank approach is pursuing the appropriate sectors that would alleviate poverty. The particular policies recommended, in relation to the local events occurring in the country, can be indication of how vigilant the World Bank’s analysis was in producing their suggestions. I think it would be beneficial to compare the results of the program to how effective it was to the country’s current status.

In addition to conducting comparative research via a Most Similar Systems design, I will utilize process-tracing to investigate the underlying mechanisms leading to a more effective development aid in some circumstances and less effective development aid in others. We can get a better understanding of why the policies best suit Cote d’Ivoire and not CAR by understanding the process instead of merely analyzing the outcome. In doing so, we can better understand development assistance. Particularly in process-tracing there is a dual importance of historical events and case studies. Therefore historical events are not isolated and can be used as applied knowledge to the case studies. It would be informative to also research what related events, policies, took place in the international community to perhaps find commonalities.

By using the method of Process tracing I'll be able to observe linkages within the case studies that can support or dispute my hypotheses on World Bank policies being
more effective when local politics are considered and how the stability of the country is beneficial to the international community. As mentioned before, the political systems and current institutions may be a point of analysis that may hold weight on whether or not a country benefits from these policies. As George and Bennett argue,

“Process-tracing can identify single or different paths to an outcome, point out variables that was otherwise left out in the initial comparison of cases, check for spuriousness and permit causal inference on the basis of a few cases or even a single case.”

Through process-training I intend in using the narrative to develop hypotheses that would either support existing theories of development assistance or demonstrate the need for the consideration to develop a more cohesive theory to explain the process of development assistance. The current existing literature on development assistance has either depicted recipient countries as helpless dependent beggars or con artists in the aid game. There is a lack of literature that speaks about the World Bank system in relation to the recipient country’s system and whether or not these systems are able to successfully acquire the assistance where they can get maximized outcomes in, exactly why I am interested in observing both these countries process before and during the World Bank’s assistance to better comprehend the assistance process.

18 Alexander L. George and Andrew Bennett, *Case Studies and Theory Development in the Social Sciences*, MIT Press Cambridge, Massachusetts
**The story of Cote d’Ivoire**

Cote d’Ivoire has become the Cinderella story of African countries. This once unstable country has shaped the way many now view the potential of developing countries to be. Its multifaceted story is not one of happy endings that were accomplished without a fight. It consists of the fight for prosperity, ethnic leverage, and nationalism against one’s fear of the international community undermining the country’s ability to stand on its own feet. What many can describe as the “Big Brother”, the presence of France along with the International community, has demonstrated the intricateness of the Franco-African or the Franco-Ivorian relationship which has been more dynamically intertwined with third party actors then many have admitted. Cote d’Ivoire’s story consists of a country whose post-independence prosperity is set by its well established institutions under French colonialism and as a result has been able to adhere to the World Bank’s policies.

Cote d’Ivoire consists of different ethnic groups within its Muslim and Christian population. Even though the country has more than sixty ethnic groups, they have over time, consolidated to five major groups; Akan (east and center, including Lagoon peoples of the southeast), Krou (southwest), Southern Mandé (west), Northern Mandé (northwest), Sénoufo/Lobi (north center and northeast) but can be identified predominately within the Islamic or Christian religion. The north consists of mainly the Muslims and Christians are in the southern areas of the country.19 The institution of religion allows for a condensation of the different ethnic groups, making them easy to be differentiated especially in politics.

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19 Robert John Mundt Britannica
Many of these ethnic dynamics first emerged under the rule of Felix Houphouet-Boigny. Houphouet-Boigny was the first president of Cote d’Ivoire following its independence from France in 1960. His presidency ended with his death after thirty-three years of authoritarian rule. During the ‘70s and ‘80s, Houphouet-Boigny developed a policy that promoted ethnic unity and political stability through the migration of northern laborers, as a means to keep up with the growing production of cocoa in the west that stirred tensions between the ethnic groups. The growing production of cocoa and Houphouet-Boigny’s political stance to expand on it demonstrates that Cote d’Ivoire in its earliest years has been exploiting its resources. It also displays Houphouet-Boigny’s ability to leverage the international market by creating a market that would benefit both the Ivorian’s and its consumers. Houphouet-Boigny’s political move was intended to enhance his popularity within the northern part of Cote d’Ivoire but instead the surge of migrants infuriated many Ivorian’s producing feelings of marginalization and an anti-immigration sentiment. This division has haunted Cote d’Ivoire and has caused political turmoil. Boone explains the politics of Houphouet-Boigny rule as follows,

state-builders in Cote d’Ivoire institutionalized regional divisions and ethnicized regional constituencies as building blocks of the national polity. Within political spaces so structured, the regime used administrative controls over resources, resource flows, and market access to enforce the political coherence of regions and regional alliance defined by the center, and to manage local and interregional tensions.20

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Boone pointed out how Houphouet-Boigny used territorial politics to its advantage for the economic liberalization and the shift to an open economy in Cote d’Ivoire. When global cocoa prices declined in the 90s, the hostility among the Ivorian’s became even more apparent with the increase of unemployment. Regardless of Houphouet-Boigny authoritarian one-party system, farmers in the north responded to the economic crisis by forming small farmer’s unions which then led transporters and taxi drivers to go on strike because of the road blocks instituted by policemen and the members of the military. This effective strike fused an upheaval from student protests against austerity programs on students caused by the inability to hold the government accountable, to police and firefighters joining the protest against their low wages during the economic crisis, subsequently all leading to Houphouet-Boigny ushering a multiparty system.21

As a result of the turmoil, multiparty elections were organized in 1990. The fact that Cote d’Ivoire was able to host multi-party elections, during its early stages as an independent nation, indicates that there were relatively strong institutions in place even during the authoritarian rule of Felix Houphouet-Boigny. Multi-party elections consisted of Houphouet-Boigny running against his opponent Laurent Gbagbo with the Ivoirian Popular Front (FPI) party. Houphouet-Boigny won the elections and continued his presidency until his death when Henri Konan Bedie, the president of the National Assembly, was elected transitional president in 1993 until the next election, as indicated in the constitution.

Houphouet-Boigny and Bedie shared the same ethnic group, Akan. Contrast to Houphouet-Boigny politics that focused on the unification of all ethnic groups, Bedie’s

21 Tarit Rao-Chakravorti *Ivorians demand switch to multiparty democracy, 1989-1990*
rule consisted of the discrimination against the northerners to gain political support from the southerners, the ethnic group he belonged to, and who opposed the northerners. Elected presidents are known to support the ethnic group they belong to hence why backlash may occur when an opposing candidate is elected. With the knowledge of African politics, it’s comprehensible that African leaders hold on to their ethnic identity and use it as a political tool to either pool in supporters or create a focus of the population they’ll be representing. Bedie strategically used this as leverage to exclude Alassane Outarra from running against him in the 1995 elections by identifying Outarra as a foreigner, he had previously worked for the IMF and held a Burkinabe passport. President Alassane Ouattara had a pre-established relationship with the international community and France, who supported him in becoming president by internationally recognizing him as president and supporting his attempt to overthrow Laurent Gbagbo. Ouattara was considered to be the accredited president in the eyes of the international community contrary to who the Ivorian’s acknowledged as president, Gbagbo.\textsuperscript{22}

There was an attempted coup in 2002 led by northern army officers in response to Gbagbo’s exclusion of northerners in the government and military. The division of power and ethnic groups had unfolded yet again. Guillaume Soro led the New Forces (NF) into gaining control of the northern part of the country, which resulted into a civil war. The conflict was said to consist of ethnic, religious, and regional tensions where the Christian southern government fought the Muslim northern rebels.

International investors can become reluctant to continue doing business with countries like Cote d’Ivoire due to its violent turmoil. To investors, those types of

\textsuperscript{22} Peace Direct
circumstances may seem too dire to invest in, more is at stake than to profit from. It is important to keep in mind that the drop of cocoa prizes was global, which might have served as an incentive to pull investments out of Cote d’Ivoire. For Cote d’Ivoire there weren’t many more options of what to economically rely on so the dependency on their export economy, without it producing much profit, rightfully caused economic and social distress. Many workers were forced to relocate, not just from one part of the country to another, but also change the industry they worked in to keep up with the changing market.

This drastic change demonstrates the unreliability of the international market for those economies that depend mostly on their export economy. Economies like that of Cote d’Ivoire rely on agriculture because they don’t have the industrial commerce that developed countries may have, in which may give them a variety of incomes to depend on. Collier suggests that economies that are diverse and dependent on more than one source of income are prone to be more stable and less likely to experience civil war. He also states that the greater the diversity within a population the higher chance of conflict.23 His implications can be applied to Cote d’Ivoire’s initial struggles that were stirred up with the economic instability that began with the production of cocoa. Cocoa had paved the way of wealth for Cote d’Ivoire in in the years of Felix Houphouet-Boigny. Up until the global drop of the cocoa prices many lived off of this popular commodity. From the years 2000-2001 Cote d’Ivoire was recorded to have a lower GDP per Capita in comparison to the other African countries, similar to its GDP per capita recordings of 1994.

23 Paul Collier  *Economic Causes of Civil Conflict and their Implications for Policy*  Department of Economics, Oxford University  April, 2006
During the crisis in 2002 that affected Cote d’Ivoire, there was a halt in the production of tobacco, cotton, sugar and cashew nuts which were being produced in the areas occupied by the rebels. Cocoa as well as coffee were produced outside conflict zones but still affected the marketing problems that the conflict caused. The firms that were inside the conflict zones were located in the center or north of the country. They processed mostly agricultural products such as cotton, tobacco and sugar or worked on the packaging of the products. For the companies located outside of the conflict zones, they weren’t able to receive the raw material thus had lower consumer demand.

Agriculture being the primary sector employed 60 per cent of the male and 75 per cent of the female working population.

The frustration that emerged followed a demand for the government to provide solutions to both the urban and rural populations. Liberia, who was also having a civil war at the same time that the Ivorian crisis was becoming heightened, allegedly provided mercenaries to both the Ivorian government and rebel groups. Killings, mutilation, sexual violence against women and girls, and forced labour was said to have taken place during this time. According to the UN between 1,500 and 2,500 Liberians were involved in fighting against the Ivorian government and 1,000 were involved in the fights against the rebels. Both are said, to have recruited children to fight. 24

Pro-Gbagbo sentiments lingered after the violence receded by militia groups that described themselves as “self-defense units”. While attacks on UN personnel took place by angered youths from the town of Guiglo, there was also anti-UN rioting occurring in Abidjan. UN Security Council deployed 200 peacekeeping troops for two months. FN

24 Ibid
and the government were held responsible for using militias that were accused of acts of
violence. The pro-government militias held significant capacity to create unrest and
insecurity. They were financed by the presidential camp. Gbagbo’s presidency was called
a “constitutional dictatorship” as the author goes on to explain;

The government-held zone, cocoa, oil, timber, and coffee account for a significant
proportion of the government’s budget. The Ivorian economy and national
finances have always suffered from a lack of transparency, but the current crisis
has further facilitated corruption and lack of accountability in the exploitation of
natural resources.25

By 2004 the violence had calmed down partly because of the creation of the UN
Operation in Cote d’Ivoire (UNOCI) and the intervention of French troops. The French
presence had caused insecurity, mainly for Gbagbo’s presidency as he felt the need to
fight for Cote d’Ivoire’s second independence. Various events took place that would be
evidence for Gbagbo of the French overstepping the sovereign rights of Cote d’Ivoire.
The visit to the rebel territory of Bouake by the French Foreign Affairs Minister
Dominique de Villepin attracted a lot of attention from the international media as well as
the Linas-Marcoussis and Kleber negotiations that legitimized and internationally
recognized the rebellion, resulted with the nomination of a transitional Prime Minister
that would reduce the Gbagbo’s political power.

The fact that France intervened into the Ivorian crisis demonstrates that it had
much to loose from the instability in Cote d’Ivoire. France’s presence in rebel territory

25 HOT CHOCOLATE: HOW COCOA FUELLED THE CONFLICT IN CÔTE D’IVOIRE  A REPORT
BY GLOBAL WITNESS, JUNE 2007
portrayed an manipulative concern towards the rebels and the corruption that loiter Cote d’Ivoire since it’s evident that the country’s economy was on the line and Gbagbo was not in support of affiliations with France or the international community. Civil wars can destroy physical and human capital, disrupt trade, divert inflow of foreign direct investment, redirect government expenditures, cause homes to be repossessed by rebel control, breakdown the health infrastructure, decrease accessibility to medical care, scarce the clean water supply, delay sanitation infrastructure etc. So finding ways to overthrow Gbagbo and assuring that he would be convicted for the crimes he was accused of committing would allow him to be replaced by someone who already had a good relationship with the international community and France, Alassane Ouattara.

The Ouagadougou Agreement signed by Gbagbo and Soro, split the power between the two where Soro was named the Prime Minister. Later on in the elections between Gbagbo and Ouattara in 2010, Ouattara was announced the winner by the Independent Electoral Commission (CEI). Conflicted by those results, the Constitutional Council (CC) declared them invalid and instead named Gbagbo the president. There was a violent response to the news and the split of power once again torn the country. The international community, in hopes of mediating the dispute, supported Ouattara but that didn’t encourage Gbagbo to step down from his position as president. Inconclusively, the violence was reignited between Gbagbo loyalists and Ouattara’s Republican Forces of

the Ivory Coast (FRCI) with the support of the French and UN troops, which eventually led to the defeat of Gbagbo’s forces in April 2011.27

France’s role in the mediation of the conflict in Cote d’Ivoire is essential. Whether France genuinely assisted in providing peace efforts to dissipate the political tensions that kept reoccurring in Cote d’Ivoire because of their concern of the future of Cote d’Ivoire or their interventions were just mere examples of post-colonialism interventions, would depend on whether one sees colonialism as an evaporation of cultural diversity or a systematic mentorship. Either way, because of France’s political power and international role they were able to maneuver the necessary actions to respond to the violence.

Certain countries and international institutions were depicted as proxies or instruments in France’s hands, devoid of any autonomy. The role of France at the Security Council, as permanent member, lead country on the Ivoirian dossier and author of the first draft of the resolutions taken by the UN on Cote d’Ivoire, provided the means for presenting the UN as substantially an appendix of France or a Western imperialism-dominated institution.28

The Lina-Marcoussis agreement for the 2010 election had three approaches that were used by the international community; to acknowledge Gbagbo’s concern of the international community’s intervention in Ivorian’s conflict and allow African regional and sub-regional organizations to take initiative and equating the power that was distributed between the President and the prime minister, the second was to use sanctions


27 Ibid
28 Giulia Piccolino  David against Goliath in Cote D’Ivoire? Laurent Gbagbo’s War against Global Governance  African Affairs, 111/442,1-23  Published by Oxford University Press on behalf of Royal African Society 2011
that granted Gbagbo an additional year of presidency but as Head of State, the third involved enforcing Resolutions 1633\textsuperscript{29} and 1721\textsuperscript{30} which held weak mechanisms for punishing non-compliance. These efforts were created as incentive for Gbagbo’s cooperation in the peace process. The elections of 2010 were foreseen by OPA and resulted with recognizing Ouatarra’s government as the legal (within Ivorian constitutional restraints) and legitimate (within the international community) in Cote d’Ivoire.\textsuperscript{31}

**World Bank Policies for Cote d’Ivoire**

The World Bank has been able to assist in the reconstruction of Cote d’Ivoire despite the instability that was caused by the civil war. Essentially, the World Bank policies have assisted Cote d’Ivoire through their focus on Cote d’Ivoire’s comparative advantage and through focusing on fortifying its institutions. By looking at World Bank project reports we can distinguish the types of World Bank policies recommended to Cote d’Ivoire with focus on the agricultural sector and on institutional development. Looking at the agricultural sector is relevant since Cote d’Ivoire’s history of gaining wealth has been from their cocoa exports. In analyzing the recommended policies for Cote d’Ivoire would indicate if they were merely recommendations based off of strategies to exploit the natural resources or they were well thought out proposals that consisted of a concrete analysis of the Ivorian dynamics. The World Bank’s focus on policy

\textsuperscript{29} UN Security Council Distr.: General Resolution 1633 (2005) Adopted by the Security Council at its 5288th meeting, on 21 October 2005

\textsuperscript{30} UN Security Council Resolution 1721 (2006) Adopted by the Security Council at its 5561st meeting, on 1 November 2006

\textsuperscript{31} Ibid
recommendations for institution development demonstrates the aim to provide the
necessary maintenance for their established institutions in order for them to better acquire
the elaborate propositions to expand them. We can depict the indications of the World
Bank’s projects based upon existing services, industries, and institutions within these
reports. Lastly, I will like to analyze the end results of the policies implemented to
understand if there were any systems of checks and balances that were established after
the project came to an end.

The World Bank’s Implementation Completion Report for an Economic Recovery
Credit of 2004 consisted of regulation and competition policy in rural policies and
institutions, public expenditure, financial management and procurement, education for
all, health system performance. The project was to focus on the rural economy and
private sector and to create conditions for renewed broad-based growth, involving local
communities to improve public sector, and to better manage public resources. Within
three months of the project’s initiative the impact of civil war began to affect the
progression of the project. The project aimed to improve the technologies for farmers for
the continual expansion of the agricultural sector. The project was implemented after a
pilot operation. Its pilot execution validates the World Bank’s checks and balance system
before implementation in order to have a concrete analysis of the effectiveness of the
project which would be more likely to be successful. A pilot execution also demonstrates
a deeper commitment and investment to the project since additional or flexible funding
would be required as a result of any change that might emerge prospective expenses.
Existing extension agencies would generate and disseminate the technologies and then
monitor and evaluate the project. The report indicates that there was a modest
institutional impact and at the project’s services peak 64% of the farmers were reached. This extension project was for established institutions. There was a follow-on project that was then approved in order to support institutional development once the project was completed. An audit was also planned.\(^{32}\) A project like this is more than likely to be effective. Being that a pilot was conducted demonstrates that there was a critical analysis of the local conditions that were considered prior to the implementation of it. Also because the project aimed to provide technologies for the farmers working in the agriculture sector, which is one of the main sources of revenue for Cote d’Ivoire, displays a clear consideration of targeting the source of production and invigorating it so that the sector may continue to produce more revenue. The usage of technologies may cause a learning curve within farmers that would either slow down production or not be completely supported by them. But with a 64 percent reach we can consider that farmers were extensively trained and educated on how to use these technologies and why obtaining these technologies would be beneficial to them.

Another World Bank project worth looking at is the Implementation Completion and Results Report for Economic and Recovery Grant in 2009 that was to implement the Ministry of Economy and Finance to Cote d’Ivoire’s existing institutions. The performance ratings for the operation were satisfactory for risks to development outcome, Bank performance, and Borrower performance. The project aimed to assist Cote d’Ivoire in clearing the debt it had for IBRD and IDA in order for the restoration of relations to resume so that post-conflict economic and social recovery support could be granted to Cote d’Ivoire. Restoring relationships between Cote d’Ivoire and the World Bank allude
to the close knit relations they had before the civil war that was of interest of both parties. The policy areas that the program supported were public expenditure management, energy sector, cocoa sector, and financial sector. Prior to the grant, Cote d’Ivoire was set to complete seven actions that would facilitate the successful implementation of the program intended to improve governance and economic growth. Without the existence of institutions the completion of the actions required would have been unsuccessful and thus the grant would’ve not been granted. The program has reduced poverty through the increase in the pro-poor spending budget of 2007-2009. This is evidence that Cote d’Ivoire has been able to use its institutions and acquire the necessary recommendations that would put them in good standing. Through the reengagement of the international community Cote d’Ivoire was to receive more support in improving the security situation, of which the unification of Cote d’Ivoire and the World Bank relations has resulted in the country’s peacefulness. As for the cocoa sector, the operation helped in recognizing the governance weakness in the sector which resulted in the dismissal of all senior management of the institutions in the cocoa sector in 2008. To replace the management, a committee was created to become responsible for reviewing the development strategy and to reform the institutional set-up for efficacy and accountability. Cote d’Ivoire’s previously established institutions have served as a framework that allowed for the World Bank’s recommendations to serve as a guide into alleviating poverty. If Cote d’Ivoire didn’t previously have institutions, the stable institutions prior to the conflict, the recommendations to reform the spending budget and the reconfiguration of the cocoa sector would have not been possible.

33 Document of The World Bank Implementation Completion and Results Report for Economic Governance and Recovery Grant June 25, 2009
Lastly the Proposed Additional Credit for the Governance and Institutional Development Project in 2014 consisted of policy reforms and institutional development also focused on the public financial management particularly in the cocoa sector. The progression of Cote d’Ivoire’s political stability, displayed with the three functioning branches of government and the administration process that was spread through the country, eased the facilitation of this project. Notwithstanding the civil war that affected the economy, the government was able to sustain its political system and keep a sense of structure. For this reason and because of the support of the government the National Development Plan was set to be effective. The National Development Plan was established to promote efficiency and effectiveness for the public financial management systems to prosper in sectors like the cocoa industry. The country’s economy was able to recover from a decline in their GDP. Despite the political turmoil that affected governance, the project’s focused on the transparency and flexibility in public funds, that would allow the World Bank to get a better analysis of the necessary policies, achieve an improved budget preparation and monitoring of debt, improve the public information on budgetary allocations and execution, and timely adopt the budget execution review laws.

The government had developed the National Development Plan from 2012-2015 to which intends to lead the country to reach a prosperous economic status by 2020. A plan with a timespan of four years confirms not just accountability on the country’s behalf to meet the necessary indications to reach the goal but also displays a commitment on behalf of the World Bank to follow through this plan until completion. The project has been recognized as successful and is rated moderate for risks. The results highlight the
effectiveness of the mitigation measures used to contain things like corruption, governance and capacity.\textsuperscript{34}
The continuous tragedy in Central African Republic

Similar to Cote d’Ivoire, CAR’s neighboring countries, although CAR is landlocked with continuous violence, has contributed to the ongoing conflicts that emerge from migration where the history of the effects of identity politics lingers and fuses political participation. What begins to differentiate the two countries is their apparatus post-independence. Central African Republic’s transition into independence foreshadowed an unprogressive future due to its lack of institutions; scarce hospitals, limited education system, and the political systems led by French ‘technical advisers’. Also its history of being an extractive state explains their current political economy that consists of illicit markets, violence, and exploitation. Central African Republic demonstrates the horror stories of intervention by non-state actors attributing to the existing atrocities taking place. What should have been the assistance from external actors towards building stability and the guidance towards the alleviation of poverty becomes the violation of power in the name of assistance. CAR has been the epitome of international assistance gone wrong. It is a country full of richness and potential prosperity with the inability to distribute the wealth of its soil to its inhabitants. Those who profit most from the country’s volatility are disguised behind what you would call wolves in sheep clothing.

Central African Republic’s ethnic groups consisted of the “river people” along the Oubangui, the pygmies in the equatorial rain forest, the Gbaya in the West, the Mandja in the centre, and the Gbanda in the east. Commerce and long distance trade – in addition to slave trade was common along the Oubangui River. The Oubangui River facilitated trade and commerce. It played an important part in the slave economy which affected the
Central African population between the years 1890-1940 leaving only 750,000 inhabitants. The population later tripled after the country’s independence. The Wadai Sultanate was an empire in present day Chad that conquered territories north of the Oubangui River. Central African Republic was coined the ‘Cinderella’ of the French Empire, by Jean-Noël Brégeon in 1998, but its non-fairytale endless events clearly reveals its continuous triumph to become more than insignificant and (if possible) reach the recognition that Cote d’Ivoire has accomplished within the international community. Relevantly to the Cinderella story, CAR remains as the benefactor that sits by the fireplace waiting for its combustible matter to receive the necessary strike so that spark of fire can be ignited. In other words, CAR has the ability to be transformed into royalty with the same attention and assistance that Cote d’Ivoire has received.

The Central African Republic political system’s inconsistency has caused a fundamental unpredictability within the political agendas. CAR has a history of various political parties where we can begin to unravel the essential reasons why development assistance has not been successful. After the independence in 1960, David Dacko was elected provisional Chief of the Republic. Two years later his political party Movement for the Social Evolution of Black Africa (MESAN) is proclaimed the sole political party which facilitated the transition from a constitutional to presidential regime in 1964. But a year later a coup emerged led by Jean-Bedel who was Chief of Staff of the Central African Army. Jean Bedel Bokassa was proclaimed president for life in 1972 after defending the control of the capital Bangui against Jean Izamo who he had killed. In 1976 there was an establishment of a new constitution that would declare Central African
Republic a parliamentary-monarch system but the legislature was never assembled and Jean Bedel Bokassa became the emperor a year later. In attempt to overthrow Bokassa, while he was away from the country, Operation Barrucuda took place; a plan to gain control over the capital Bangui by a group of paratroopers in 1979. This resulted in Dacko taking office. After a coup successfully took control over the government a new constitution referendum emerged that would grant the coup leader General Andre Kolinga a new single party called Rassemblement Democratique Centrafricain (RDC) and a six year term. His six year rule resulted with uprisings and demand for a multiparty system where the elections would be observed by the French. So in 1993 Ange-Felix Patasse of the Mouvement pour la Liberation du Peuple Centrafricain (MLPC), who also ran for president against David Dacko in 1997, was elected president. It was not until 1997 that France decided that regional leaders and peacekeepers would have to intervene in order to stabilize the continuous rebellions that kept uprising in the capital.\textsuperscript{36}

Central African Republic’s instability has occurred also because of its fundamental roots dated back to its colonization by France. Upon the creation of the Central African state, concessionary companies relied on its resources but did not invest in Central African Republic’s institutions. They utilized its coffee, cocoa, cotton, ivory and rubber to profit elsewhere. Consequently, CAR hasn’t been able to create institutions that would regulate their resources so that the Central African’s may benefit from them; instead it has remained as a country filled with poverty, corruption, and unmanageable economy.

Regardless of CAR’s failure to profit from its land, external factors have found ways to benefit from its stagnancy. Ferguson, in *Governing Extraction*, states that badly governed African states still attract private investments, disputing what the World Bank and the IMF doctrines assume. Depending on what the country has to capitalize on would determine the capacity of the investment flows. Ferguson uses Angola and the extraction of oil to demonstrate the facilitation of investments in places with the least property rights and the choice to invest in oil instead of copper because of the extraction of cooper resulting more costly and dangerous. As for CAR, because of its unstable institutions and inability to enforce strict property rights the extractive economy on diamonds has been exploited by non-state actors. Unestablished property rights can create an unstable society causing displacements of populations, possibility for environmental degradation, and the attraction of corruption. Although unsecure property rights can harm local communities, they can also profit from the extractive economy that is supported by the insecurity through capitalizing on illicit markets. But it is non-state actors that can mostly benefit from an extractive economy. Ferguson explains that a country’s insecurity can actually benefit investors:

Rather, it is the ability to provide contractual legal authority that can legitimate the extractive work of transnational firms. Neither political instability nor even civil war threatens such sovereignty (as long as the government sustains international recognition-normally the more or less automatic reward for holding the capital city). Nor need they threaten the actual work of extraction (at least of
concentrated, high-value minerals, thanks to the private-patchwork model of security that in increasingly dominant.\textsuperscript{37}

To reiterate, he states that as long as the government can prove legitimacy of being a nation-state in the international community, there can be an establishment of business. In fact, because of the module used in the international market for private investments, it is beneficial to have decentralized governments where businesses can be established without the legal intricacies of regulations.

By having institutions with extractive nature allows for the government’s to become involved in private market arrangements that benefit from insecure property rights. These types of institutions lack a concrete system that can make governments accountable for their spending, willing to be transparent when it comes to policy-making, and by imposing limitations on government’s participating in desirable markets without checks and balances. The economic growth produced through extractive economies doesn’t trickle down to the people and therefore can cause uprisings due to its condensed wealth that doesn’t alleviate the country’s poverty.

Networks built from extractive relations are cultivated through private markets. A patron-clientalism relationship is built between politicians and bureaucrats whom jointly enjoy the profitability of these connections. CAR’s extractive nature distinguishes the disparity between the elite’s relationships with regional counterparts from the Ivorian elites that keep the political power within the ethnic groups they identify themselves with. These differences are worth noting because it may indicate how these relationships dictate whether the wealth of a country circulates within its citizens or ends up boosting

other economies. CAR’s extractive economy is reliant on foreign money and external conditionality, very much like when they were colonized by France. For instance, during the time CAR was known as Oubangui-Chari, private companies claimed land in CAR from France notwithstanding the fact that France had just recently conquered CAR and wasn’t yet administered as a possession. France’s decision to use the land of CAR for concessions seemed like the best way to profit from it. So its concessionary nature determined the fate of CAR to which their interest did not involve building roads, schools, bridges, and hospitals and for that reason many well-structured institutions do not exist in Central African Republic.

A well-structured government should be able to help a country prosper by using its political power to provide the necessary systems to exploit the nation’s resources for the better of the people. When a government is unable to administer a market the possibility for insurgencies arises. Insurgencies create a system that does not consist of bureaucratic institutions, which is what we believe is needed to be a player in the international market. They create their own rules to play the same game legitimate players participate in, stable countries with functioning institutions, which is made possible because of sovereignty. When it comes to sovereignty a nation state has to be recognized sovereign to reap the benefits of having that status. The ability to take part in the market by shifting who has monopoly over the resources demonstrates that not only are the states deemed weak (incapable to control the power dynamics) but that there are informal avenues that can be used to exploit the market. This allows both leaders and insurgencies to be possible reapers of profit, consequently, and to partake in corrupted actions. An opportunity to partake in this kind of open market without any accountability.
can allow for these reapers to be more prone to expand their power and pocket the profit, while not providing for the development or the livelihood of the nation. If we can better understand the informal markets used by these known to be “weak states”, we can provide an efficient module of development assistance that can support the nation’s market functions instead of assisting with institutions that are nonexistent or unproductive.

CAR’s diamond economy has been exploited through extractive avenues and has been the source of the illicit markets that have emerged the ignition of conflicts. Timber is also a valuable natural resource that can be used for building and construction materials but within the diamond market the opportunity for profit is scattered among the population. The incompetence to have monopoly over force in this sector makes it less manageable for the government thus there is a need for better policies to administrate the exportation of diamonds. Diamonds is the natural resource that allows the population of CAR to have a chance at wealth, if they’re lucky. The low skill labor of artisanal mining, where no machinery is needed, makes the excavation technique cost effective. It is the most prominent technique used due to the opportunity of hiring workers in different sites. It is a good investment with low economical risk for the investors because there is not much investment needed since its labor doesn’t consist of machines and the most you need is people willing to work, in impoverish countries people are more than happy to be employed even if it’s for a low pay. But for those who work in artisanal mining, there is a health risk from the digging soil, sluicing, water siltation, erosion and soil degradation, along with the amalgamation process that is done to recover the metals from ore and combining them with mercury. Mercury in itself is a toxic metal that can lead to an attack
on the central nervous system and may cause disability, including brain damage and death. Furthermore respiratory diseases can be acquired through crushing ore. All these risks can be seen as worth taking when they’re isn’t many other choices and the possibility of finding a diamond can socially and economically help you prosper.38

There have been regulatory failures in the mining sector where the sector has become dependent on the investors. Through the promoted expansion of the legal diamond trade the Kimberly Process Certification has emerged and has helped in regulating the diamond mining industry. Still significant amounts of diamonds have been transmitted through illicit markets managed by rebels and non-state actors. Hereafter not regulating the redistribution of mining concessions and profits, failure to administer and fund accountability mechanisms to prevent graft, corruption, smuggling and embezzlement, failure of deep bargaining inequities among industry actors or to remedy deplorable working conditions in mining continues to make diamond mining a lucrative line of work. The diamond revenues continue to fund the patronage system that funnels profits to groups of elites because of its lack of oversight and accountability. For Central African Republic the north-eastern location of the diamond fields play a geopolitical role as they stem away from the centralized state power located in Bangui.

The role of intervention has played a critical part in the instability of Central African Republic. Before a country is thought to need intervention, there is a collective agreement in identifying the country as unable to control its politics and economy. The country has to be understood to be a “failed” state. Rotberg states the following on failed states,

38 Ken Matthysen & Iain Clarkson  Gold and diamonds in the Central African Republic The country’s mining sector, and related social, economic and environmental issues  Antwerp, February 2013
Nation-states fail because they are convulsed by internal violence and can no longer deliver positive political goods to other inhabitants. Their governments lose legitimacy, and the very nature of the particular nation-state itself becomes illegitimate in the eyes and in the hearts of a growing plurality of its citizens.  

As previously noted, when a government collapses the citizens, in turn, rely on other means to provide security and a living for themselves. Human ability to turn to intuition to fend is admirable because we hold the ability to find ways to support our livelihood, even if the state can no longer protect us. Whether it means finding ways to make money or taking up arms, when the leaders are no longer the people’s representatives, we can either unite as civilians or turn against each other. Other leaders may arise under these circumstances and can exploit the situation and the other citizens dealing with it as well. This abuse fumes chaos that can begin to denote a state as a “failed state”. Due to the interconnectedness of today’s world this type of violence can threaten the security of surrounding countries and non-state parties that may be indirectly involved. To avoid the progression of violence that may lead to a regional collapse, intervention has been supported and so forth aims to reconfigure the dynamics of the failed state as a response to the moral obligation of the international community.

Responsibility to Protect is the international law that was developed after many atrocities occurred and went unpunished. Responsibility to protect consists of:

a) individual states commitment to protect its population
b) assisting under stress before conflict raises
c) member states under charter V11. This law pursues a constructive
approach in action that prioritizes non-combative, preventive approach first.\textsuperscript{40} By executing a plan through member expertise and resources, the international community multilaterally promotes efficiency and coherence. This law allows for the international community to interfere in conflicts and hold the perpetrators accountable. As previously witnessed in the Rwanda genocide, the recognition of an act determined to be genocide or any other atrocity would imply a response by the international community that may not be of interest to them. The negligence of not intervening to cease the genocide henceforth has served as an exemplar of why prevention of similar situations is needed.

The international community’s desire to stabilize Central African Republic involves the benefit that the international community can exploit the natural resources to contribute to the international market. No one can benefit from a stagnant economy therefore it is in the interests of all parties to build economies through institutions that work for the people, who are the producers.\textsuperscript{41} As for CAR, with chaos and instability the absences of fundamentals needed to build economies that can profit the international market are nonexistent.

CAR has received a large amount of deployments of peace keepers and peace agreements. In 2014 the UN commission reported that everyone involved in the conflict that consisted of war crimes and crimes against humanity and also the ethnic cleansing against the CAR’s Muslim community by the anti-balaka groups. These crimes affected 207,700 nationals who fled the country and also 369,000 that were internally displaced. Among the various resolutions there is the UN Security Council Resolution 2134 that

\textsuperscript{40} United Nations General Assembly  Implementing the responsibility to protect  12 January 2009
was implemented to prosecute CAR for violating the arms embargo, acts that violate
international human rights law or international humanitarian law, using children soldiers,
supporting armed criminal groups through the illicit exploitation of natural resources,
obstructing humanitarian aid, and attacking UN missions or international troops.\(^{42}\) A UN
peacekeeping operation called MINUSCA to replace and continue the efforts of MISCA
that was led by the African Union The Security Council Resolution 2217 created in 2015
authorizes MINUSCA through 2016 to protect civilians by supporting the political
transition, extension of the state authority, facilitate humanitarian aid delivery, and serve
as back up support in urgent temporary measures.

MINUSCA peacekeepers have been accused of sexual abuse. French, African
Union, and U.N. troops have been suspects of sexual abuse and the exploitation of boys
as young as nine. Some peacekeepers from Chad, Sudan, and Cameroon have been said
to be involved in Seleka abuses. Abuses committed by the presence of international
community whether it be regional partners or foreigners suited as peacekeepers
undermines the possibility of CAR to be looked at as more than a victim of predation or a
source of corruption. Places like Central African Republic would benefit from
collaborative efforts with local authorities and governmental institutions to create
partnerships and strengthen political order but CAR’s lack of concrete and reliant
institutions decapitates its possibility for stability.\(^{43}\)

The World Bank policies for Central African Republic

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\(^{43}\) Alexis Arieff & Tomas F. Husted *Crisis in the Central African Republic* Congressional Research Service August 17, 2015
The Economic Management and Governance Reform Grant of 2009 was rated satisfactory in outcome, bank performance and borrower performance but rated substantial for risk to development outcome. It was created to support the implementation of CAR’s Poverty Reduction Strategy Paper through strengthening public finance management and improving public sector and economic governance. The project was aimed to target the poverty that was affected in outskirts of the capital because it held the highest poverty rates. The country’s political stability and economic growth remained modest after the security situation and received assistance from the Bank and the IMF through a Reengagement and Institution-Building Support Program (RIBSUP) and a three year arrangement under the Poverty Reduction and Growth Facility (PRGF). RIBSUP’s facilitated clearance of CAR’s debt to the Bank. A focus in the forestry and oil sector allowed the ability to strengthen the legal and regulatory framework so that a strong basis for economic growth and poverty reduction can receive increased foreign direct investment, export earnings, fiscal revenue, and a supply of petroleum products to industries and the population at competitive market prices.

The public financial management sector was affected by the political instability and the continuous conflicts that lingered in Central African Republic. Through the RIBSUP the government was assisted in creating a modern legal framework that would budget and minimize alternative procedures. The Country Financial Accountability Assessment (CFAA), the Public Expenditure and Financial Accountability (PEFA), and the audit of the Treasury displayed shortcomings in the PFM sector thus were considered reform priorities. Being that CAR institutions weren’t stable, the focus became to find ways to adjust their policies in order to move forward to recommending appropriate
policies. CAR’s debt within public utilities such as electricity, water supply, and telecommunication was delaying the ability for businesses and populations to properly function. Not having access to electricity, water supply, and telecommunication can hamper the productivity have a country because it can delays the services the businesses provide, day to day activities of the population, and the possibility of investments for the country. This lack of infrastructure can depict CAR’s inability to acquire policies that would benefit the economy and reduce poverty. The Economic Management and Governance Reform Grant was able to assist in creating a preparation and budget action plan that would address the chronic government debt and ensure the payment of those essential utilities are paid on time.

The EMGRG has contributed to a modest result in alleviating poverty and improving social outcomes by assisting the government in creating budget allocations in priority sectors. There has been an increase of 38 percent in the total expenditures in the 2008 budget and an increase in the allocation of resources to health and education has been observed. The report includes the possibility of a new government as a result of the 2010 elections that may not continue the proposed PFM system. With the possibility of a new government changing the current dynamics of the recommended policies would be such a policy ineffective. Better analysis of CAR’s unstable political system would need to be considered in order to prevent or workaround a government’s ability to shuffle around policies they may feel are not a priority or inadequate to their political system. Recommended policies should be based off of politician’s goals and concerns for their country. This program focuses on the expansion of oil and forestry but doesn’t regard the profit that CAR can obtain from the diamond sector. The report claims that the
government administration for natural resource management remains weak. I am curious to understand why oil, forestry I understand can have many uses on everyday materials, was a focus instead of diamond in this program. CAR still has a security risk that impedes the government from mobilizing the resources that would accelerate the DDR program for the peace process. Therefore the lack of attention to providing policies to manage the natural resource, diamond, may continue to keep CAR at risk of instability. It does not suffice promoting good governance and the rule of law and rebuilding and diversifying the economy, as this program aimed to do, without considering the violence that may be still occurring.44

The Emergency Project Paper for the Emergency Urban Infrastructure Rehabilitation and Maintenance Project in 2010 was intended to assist in rapidly rehabilitating, restoring, improving and expanding sustainable access to basic infrastructure services to the population of the most deprived in Bangui. Since I noted in my previous analysis of the 2009 project that the highest level of poverty in CAR was outside the capital Bangui, it is relevant to highlight this project’s aim, a year later, to assist the ‘most deprived districts’ in Bangui. Actually, this project would support the previous emphasized argument that the World Bank aims to target problems they can solve. This project aimed to provide urban services; water supply and energy services along with sewerage networks, waste collection. The project was a response to the recurrent floods that were taking place in CAR and destroyed homes and damaged infrastructures in Bangui. Natural disasters can damage any country but a country’s inability to provide safety nets to recuperate from those disasters demonstrates that the

44 Document of The World Bank Implementation Completion and Results Report Economic Management and Governance Reform Grant November 30, 2009
country still lacks fundamental structures. The operation was to implement works to improve services and reduce flooding in slums of Bangui, generate employment for unskilled labor for the poorest population, and improve the governance of water and urban infrastructure sectors to improve budget execution. Development objective of the project was indicated to make satisfactory progress. Ten boreholes were drilled; water towers and kiosks were being awaited to provide access to the water supply. Immediate results can be seen from this project. Under the circumstances that this project emerged says something about the kind of policies recommended by the World Bank that can be most effective. The project aimed to respond to an external shock to the country. The recommendations for the country did not consist of heavy political entanglements or unresolvable violence; it was merely a response to a dire situation. Perhaps recalling the World Bank’s functions upon creation would help us understand that their policies are most effective when it comes to immediate autonomous responses to catastrophes.

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45 Document of The World Bank  EMERGENCY PROJECT PAPER ON A PROPOSED ADDITIONAL FINANCING (GRANT AND CREDIT) FOR THE EMERGENCY URBAN INFRASTRUCTURE REHABILITATION AND MAINTENANCE PROJECT September 9, 2010
Conclusion

Post-conflict countries struggle to rebuild economies after their tumultuous events. Conflict usually emerge and continue because of the intricacies of the local politics. Usually these conflicts are reported to be receded but the continual uprisings delay the country from moving past conflict and into well-functioning. Post-conflict countries were not in the best condition prior to the conflict and face even more difficulties in targeting poverty and economic growth. Hence the post-conflict narrative many times conceptualizes countries to be the same even if their civil war may have different politics, history, and dynamics involved. When it comes to development assistance, post-conflict countries with a history with stable institutions seem to best acquire policy recommendations. From my research I have gathered that one of the things that would make the World Bank more inclined to produce effective policies is if the recipient country has stable institutions and systems that allows for the country’s potential extractive resources and promising political landscape to be exploited. The World Bank’s way of functioning transmits through the type of policies that they recommend. Their overview of a country would facilitate macroeconomic policies that would work best if there are current institutions in place to execute those policies. The focus to target the economy as a whole by looking at the performance, decision making, and structure instead of critically analyzing the individual markets of a country demonstrates the Bank’s inadequacy to provide assistance to countries dealing with complicated dynamics. For this reason I argue that World Bank programs are meant to assist countries who they can maximize profit from in the long run. By looking into the programs recommended to both Cote d’Ivoire and Central African Republic I was able to
get a better analysis on which sectors they targeted post conflict and what kind of systems they established, if applicable.

What I been able to draw from the programs suggested for Cote d’Ivoire is that the policies had an underlined reliance on institutions that were established prior to the conflict. For example the first report focused on rural policies to would facilitate the technologies used by farmers. Although the pilot of the program was affected by the emergence of the civil war, the institutional impact was recorded to be modest. The enhancement of the agricultural sector by technologies demonstrates the country’s ability to continue to expand on agricultural production in order to increase their comparative advantage. The second project involved an economic recovery grant in which resulted with a satisfactory rating. The grant’s ability to reinstate relations between Cote d’Ivoire and the World Bank resumed the Bank’s carefully constructed recommendations. This project, although rated satisfactory, demonstrates a huge impact on Cote d’Ivoire’s economy as poverty was reduced through the pro-poor spending budget and demonstrates how having good standing with the World Bank may benefit the countries.

After reading through the different programs that were recommended to CAR I realized the World Bank’s ability to provide immediate isolated assistance. The World Bank effectively provided the support needed due the flood that caused more distress in CAR and ended up damaging there not so solid institutions. What made the World Bank’s response to the crisis effective was the elaborate response and assistance they provided. This indicates that my hypothesis of the African countries doing better when a critical analysis of the current situation and an opportunity to benefit from the stability of the country is partially true. Central African Republic may hold an extractive economy of
timber, which I have emphasized in through analyzing one of the World Bank’s reports, but their instable institutions don’t make them an investable country thus it receives policies that may attempt to trigger economic movement but not necessarily improve it. Central African Republic’s politics remain to be much more complicated than the politics in Cote d’Ivoire. Cote d’Ivoire’s political stability has allowed for the restructuring of their current institutions, as per World Bank recommendations, to better generate income into the economy by attracting investors. For Cote d’Ivoire, their Cinderella fairy tale has been fulfilled with its granted wishes; not to be looked as an incompetent country in the eyes of the international community but more of a partner invested in the international market.
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