Conceptualising ownership in aid relations: Japanese and Nordic assistance compared

Alf Morten Jerve
CMI

What inspired Aid relationships in Asia?

- To **challenge** assumptions in the ‘post-Washington consensus’
  - Does ownership result in more effective aid?
  - Can donors create ownership?
  - Is the “new aid architecture” really about partnership?

- To **test** how to discover ownership
  - How to recognise ownership? And degrees of ownership?
  - Whose ownership?

- To **discuss** implications for aid modalities
  - How is it perceived from the recipient side?
  - What matters in donor behaviour?
'Ownership' deconstructed

- Key elements to look for
  - **Power** (and rights): setting agenda, planning, execution
  - **Accountability**: legitimacy in eyes of key stakeholders
  - **Commitment**: will and capacity to act

Power

```
Institution
  The state
  \[\rightarrow\text{Legitimacy}\]
  \[\rightarrow\text{Commitment}\]
  \[\rightarrow\text{Client}\]
  \[\rightarrow\text{Citizen}\]
  \[\rightarrow\text{Power}\]
```

- Many can be owners
  - 'Country ownership' a misleading term
  - Power struggle – ownership at top or bottom (beneficiaries)
  - Whose ownership matters most?

- Ownership does **not** per definition yield positive outcomes
  - Capacity to deal with donors vs. Capacity to formulate vision/policy vs. Capacity to deliver on the ground
Ownership vs. Partnership

Ownership
- Power - empowerment

Partnership
- Mutual interests - equality

Dilemma
- Partnership: Donor wants a lot for little
- Ownership: Recipient wants sovereignty

OECD-DAC (1996): *Paternalistic approaches have no place*

Ownership vs. Partnership

But all three factors still matter in aid relationships:

Donor: Resources and interests

Cooperation dynamic

Recipient: Resources and interests
The Car

Who owns the car?
Who is driving?
Who made the road map?
Who decides where to go?

Nordic vs Japanese aid

<table>
<thead>
<tr>
<th></th>
<th>Nordic</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>Less</td>
<td>More</td>
</tr>
<tr>
<td>Tying of aid</td>
<td>Less</td>
<td>More</td>
</tr>
<tr>
<td>Using gov’t systems</td>
<td>More</td>
<td>Less</td>
</tr>
<tr>
<td>Relevant knowhow</td>
<td>Less</td>
<td>More</td>
</tr>
<tr>
<td>Special policy concerns</td>
<td>More</td>
<td>Less</td>
</tr>
<tr>
<td>Programme aid</td>
<td>More</td>
<td>Less</td>
</tr>
</tbody>
</table>
Findings from country case studies: aid dependent

LAOS
• Ownership by the political elite exercised to defer reforms. Bypassing arrangements by donors do no alter the situation

MONGOLIA
• High recipient ownership of outcome despite high donorship in implementation

NEPAL
• Aid dependent but donors not successful in influencing political process

SRI LANKA

Studying capacity development of institutions supported by donors

<table>
<thead>
<tr>
<th>Donor agency</th>
<th>Building a university level institution</th>
<th>Social and economic development in a rural area</th>
<th>Recipient organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 JBIC</td>
<td>Walawe Left Bank Development: irrigation scheme</td>
<td>Mahaweli Authority of Sri Lanka</td>
<td></td>
</tr>
<tr>
<td>2 JICA</td>
<td>Dental Faculty</td>
<td>University of Peradeniya</td>
<td></td>
</tr>
<tr>
<td>3 Norad</td>
<td>Moneragala Integrated Rural Development Programme</td>
<td>Changing ministries</td>
<td></td>
</tr>
<tr>
<td>4 Sida</td>
<td>Institute of Biochemistry and Molecular Biology</td>
<td>University of Colombo</td>
<td></td>
</tr>
</tbody>
</table>
SRI LANKA: Main conclusions

• Domestic factors play a more important role in explaining ownership than variation in donor practice
• Government policy mattered a lot (often a negative factor)
• Importance of leadership and entrepreneurship at recipient institution
• Importance of participatory planning
• Importance of donor flexibility

• Donors cannot buy ownership, but can facilitate

Findings from country case studies: aid is marginal

CHINA
• Treat donors differently – big (Japan) and small (Sweden)

THAILAND
• Domestic decision-making process with high degree of legitimacy led to decisions deviating from donors’ advice
• Ownership varies in stages of the project cycle
  Ownership varies among key stakeholders depending on own interests

VIETNAM
• Historical experiences and strategic considerations cause different approach to donors (Japan vs Sweden)
Conclusions on ‘ownership’

- Recipients seem not to want a uniform model for partnerships
- Historical experiences matter for aid relationships
- Donors have very limited influence when not invited
- Ownership seems not correlated with donor policy
- Ownership is complex and unpredictable
- Ownership can also result in ‘bad’ outcomes

Implications for ‘aid architecture’

- A more modest and less instrumental perspective on the role of aid
- Plurality is not bad – recipients want different kinds of donor to choose from
- Ownership cannot be created by aid – but can be facilitated
- Long term engagement is essential – relationships have to grow
- But donors need to show willingness to withdraw when ownership does not yield results