



**Aid and Liberty in West Africa during the Cold War and
Post-Cold War Periods, 1975-2005**

Journal:	<i>The Journal of Economic History</i>
Manuscript ID:	draft
Manuscript Type:	Original Article - Phil Hoffman
Region(s):	Africa
Era(s):	Twentieth century
Primary Topic:	Political economy
Additional Topics:	West Africa Monetary Union, Cold War, Human Capabilities

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Abstract

In this paper we analyze the historical relationships between aid and liberty in the seven West African countries which became independent from France in 1960 and who are members of the West African Monetary Union, sharing a common currency tied to and supported by the Euro. Using the Freedom House index for civil rights and political liberties, the ability to live under freely-elected leadership and a measure of human capacities (being free from unproductive public debt) as proxies for liberty we find that there are two distinct periods of historical development in West Africa, the Cold War period (1975-1989) and the Post-Cold War period (1991-2005). In the Cold War period aid monies were increasing while two of the proxies for human liberty show that liberty was decreasing. During the transition period between the Cold War and the Post-Cold War, and during the Post-Cold War period itself, we find that aid monies were decreasing while two of the proxies for liberty were showing marked improvement. It is well known that motive and causality for aid are difficult to prove or disprove, so we do not attempt to draw a conclusion on aid's effect on liberty. We do know though that more than \$11 billion in aid was spent in West Africa between 1975 and 2005, a period which resulted in negligible growth for the region.

Aid and Liberty in West Africa during the Cold War and
Post-Cold War Periods, 1975-2005

This paper presents an economic history of foreign assistance (aid) in seven West African countries for the years 1975 to 2005. We have chosen this period because it allows us to analyze the trends in aid and liberty¹ for fifteen years of aid during the Cold War (1975-1989) and fifteen years of aid in the Post-Cold War period (1991-2005)². The period of historical analysis also begins 15 years after the countries under study became independent (from France in 1960), which

¹ It should be noted that this paper is not about development. It is beyond the scope of this paper to analyze or address what is development, what should be development, nor how might development be improved. “Development” is often defined as economic growth, the development of institutions, sustainable environmental policy and/or reduction in income equality. See Bernstein (2006) for an interesting and rewarding discussion on “what is development?” The present paper is not about development broadly but about the historical relationships between aid monies and indicators which are political in nature and relate to individual liberties, not to the most traditional indicator of economic development which is economic growth.

² In fact 1975 – 2005 is 31 years not 30 years. We are including the year 1990 as a transition year between the Cold War and Post-Cold War periods.

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we are assuming is an adequate period of time for the countries to have established autonomous governance.

Our economic history of aid in West Africa is unique in that it explores the relationship between aid and human liberty. In what follows we use three proxies for liberty; the first is a measure of political rights and civil liberties, the second is the incidence of freely-elected leadership (democracy³) in a country, and the third is a measure of the fiscal responsibility (public debt levels per person) for the government of a country. We take an economic-oriented approach to the analysis of government and political processes. Only government has the power to transfer wealth from one individual to another, through its power to tax and to borrow. In a democratic system it is the political process which determines to what extent the government exercises these powers. Thus our analysis centers around the size of aid relative to a recipient nation's economy in order to observe the magnitude of aid in relationship to our proxies for liberty. The purpose of this paper then is to show the historical trends between aid and the success or failure of a recipient nation's political system in fostering human liberty.

³ We are assuming in this paper that measures of *democracy* are the standard by which we are judging the 'success' of a nation's political system. This premise is based on the notion of freedom of choice. Democracy offers the individual a choice in how their government uses its powers to tax and regulate and to establish the social and economic policies under which they are governed. We are not making a judgment on whether or not democracy is the ideal political system or actually delivers the policies and programs the majority of people want; we are taking the outcomes as given.

FOREIGN AID

Donor nations give aid for many reasons; these might be said to include historic, political, and altruistic reasons. Recipient nations accept aid for many reasons; these reasons might include the economic and the political. In the 60 years since the Marshall Plan in 1948, there have been many studies on the effectiveness of aid⁴, just as there have been many different approaches to aid⁵. Researchers have called for the abolishment of aid, for an increase in aid, and for types of aid differing from the given development orthodoxy at any given moment in time over the past 60

⁴ For recent research on the effectiveness of aid and/or making recommendations that aid monies be spent in a different manner see Bourguignon and Sunberg (2007), Chang (2005), Cornia (2006), Easterly (2007), Reddy (2006) and Weeks (2006).

⁵ Commonly accepted generalizations on the approaches to aid are that the 1960s was the decade of “capital projects” when it was thought that the developing world needed capital investment for economic growth; the 1970s was the decade of government-led growth and import substitution when it was thought the developing world needed protectionist policies to develop its industrial and manufacturing sectors; the 1980s was the decade of ‘neo-liberalism’ (privatization, trade and foreign exchange liberalization, independent central banks); the 1990s were the decade of “good institutions equals good development,” and; the current decade might be considered to be the decade of “good governance (or perhaps good culture) equals good development”.

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years. This paper does not evaluate aid's effectiveness in 'economic development', but rather explores aid's effect on individual liberty.⁶

Aid, in brief, is the giving of economic assistance and policy advice from donor nations to recipient nations. There are two categories of aid;

a) Grants and policy advice given directly from donor nations to recipient nations. This type of aid is called bilateral assistance, or, official development assistance (ODA), and

b) Concessional loans and policy advice given by international development institutions to recipient nations. These international development institutions are the International Monetary Fund, the World Bank and the African Development Bank.

For the purpose of this paper, we are adding together these two types of economic assistance - official development assistance and concessional loans – to derive our definition of and measures for aid.⁷

⁶ An example of the aid and politics nexus we are concerned with can be found in Brautigam and Knack (2004), who found that aid, by increasing access to resources not generated by a nation's citizens, may reduce the need for a government to be responsive to these citizens.

⁷ Military assistance is excluded from the definition of aid. See the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), whose conventions we follow in this paper, for the official aid categorizations. It is the OECD

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THE WEST AFRICA MONETARY UNION (WAMU)

Seven nations (Benin, Burkina Faso, Cote d'Ivoire, Mali, Niger, Senegal and Togo) make up the West African Monetary Union (WAMU).⁸ There are many reasons for our interest in these countries, not least of these are because West Africa remains one of the world's poorest regions despite having been the recipient of aid for more than 45 years. In addition, the study of the WAMU countries together allows for a reasonable comparison between and among countries because the countries share a common monetary policy, therefore differences in macroeconomic policy are less random than between nations without a common monetary policy.⁹

Benin, Burkina Faso, Cote d'Ivoire, Mali, Niger, Senegal and Togo became independent from France in 1960. As part of its post-colonial policy France created the West African Monetary

DAC conventions under which the World Bank (the source for our macroeconomic data in this paper) classifies its data.

⁸ Guinea-Bissau is also part of WAMU, however it did not become independent from Portugal until 1974 so it is excluded from our analysis as does not fit within the historical trajectory of our independent governance assumption.

⁹ Macroeconomics plays an important role in any analysis of aid in that in many cases aid makes up a significant portion of a recipient nation's economy. A common monetary policy means that there is one less macroeconomic variable to control for in analysis of trends.

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Union¹⁰, which tied the currency of these seven nations to a fixed parity with the French Franc. Since the establishment of the Euro as the common currency for the European Monetary Union and the discontinuance of the French Franc, the WAMU local currency¹¹ has been tied to the Euro since 1999.

Tables 1 and 2 show general political and economic information for the countries under study.

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¹⁰ We are using the West Africa Monetary Union (WAMU) classification in this paper for the definition of the monetary union, there is also the West Africa Economic and Monetary Union (WAEMU), which is a different grouping of countries although there is some intersection.

WAEMU is more trade and development oriented than strictly a monetary union.

¹¹ The local currency is officially called the “CFA Franc”, or, colloquially, the “ceefa” or the “franc”.

¹² All economic data in this paper taken from the World Bank (2007) unless stated differently.

TABLE 1
FORMS OF GOVERNMENT, POPULATION AND FREEDOM
INDEX FOR 1975 AND 2005

Country	Form of Government (2005)	Population (millions)		Freedom House Index (with 1 being most free) ¹³	
		1975	2005	1975	2005
Benin	Republic	3.1	8.2	6.5	2
Burkina Faso	Republic	6.2	13.2	5	4
Cote d'Ivoire	Republic (currently under international mediated power-sharing agreement)	6.8	18.2	5.5	6
Mali	Republic	5.9	13.5	7	2
Niger	Republic	4.8	14.0	6.5	3
Senegal	Republic	4.8	11.7	5	2.5
Togo	Republic	2.3	6.1	6.5	5.5
Average		4.8	12.1	6	3.6
Total		34	85		

Table 1 shows that all of the countries under study were classified as republics in 2005, and, all but Cote d'Ivoire, which is currently governed under an internationally-mediated power-sharing agreement, improved their measures of civil liberties and political rights according to Freedom House. However, only Benin, Mali and Senegal are considered "free" by Freedom House (none

¹³ Freedom House assigns a number of 1 to 7 (one through seven) to value the status of Political Rights and Civil Liberties in a country, with 7 being the least and 1 being the most free. In this paper we combine the two and take an average. In general the numbers for each classification track each other closely and are very similar if not the same. A combined average of better (lower) than 3 means according to Freedom House that a country is "Free".

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of the countries were considered free in 1975). There were 85 million people in the WAMU countries in 2005.

TABLE 2
NATIONAL INCOME, INCOME PER PERSON, AID AS A PERCENTAGE OF
NATIONAL INCOME AND TOTAL AID FOR 1975 AND 2005

Country	National Income (constant \$'s, millions)		Income Per Person (constant \$'s)		Aid as Percentage of National Income (%)		Total Aid 1975-2005 (constant \$'s, billions)
	1975	2005	1975	2005	1975	2005	
Benin	889	2,727	861	1005	8	14	1.3
Burkina Faso	1,060	3,433	763	1111	9	21	1.8
Cote d'Ivoire	6,288	10,230	2,434	1,437	3	22	2.6
Mali	1,221	3,294	742	919	15	22	2.2
Niger	1,181	2,199	985	700	13	25	1.8
Senegal	2,288	5,467	1468	1584	8	12	1.3
Togo	763	1,480	1708	1319	5	5	0.1
Average¹⁴			1280	1154	9	17	
Total							11.1

Table 2 shows that over the 31-year period more than eleven billion dollars in aid was spent, yet per person income decreased in the region by approximately 10%.¹⁵ During this same period, world per person income increased around 74%, the average per person income of the Least Developed Countries (LDCs) increased around 19%, and the per person income of the Low and

¹⁴ Note that averages in the tables are calculated at the country level and not by using regional aggregates.

¹⁵ $(1280-1154)/1280 = .0984$, or, approximately 10%.

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Middle Income countries increased around 217%.¹⁶ Aid as a percentage of the economy in the WAMU countries grew from an average of 9% of the economy in 1975 to 17% of the economy in 2005, a growth in market share of 89%.¹⁷

It is not possible from looking at our end-point data to generalize a historic trend and correlation between aid and per person income and individual liberty in West Africa¹⁸. In Cote d'Ivoire aid increased from 3% of the economy to 22%, per person income *decreased* by 40% and the Freedom House composite showed the country marginally less free (moving from 5.5 to 6). In Burkina-Faso aid increased from 9% to 21%, income per person *increased* 46% over the period and the country gained marginally in civil rights and political rights (moving from 5 to 4 in the Freedom House average). Mali's Freedom House indicator improved the most over the period (from 7 to 2), income per person increased by 24% yet aid as a percentage of the economy

¹⁶ As stated in footnote 7 all data from the World Bank (2007). Author's calculations based on purchasing power parity per capita at constant 2000 international dollars for the "World" [(8508-4901)/4901 = .7359, or, approx. 74%], "Least Developed Countries" [(1291-1081)/1081 = .1942, or, approx. 19%], and "Lower and Middle Income" [(4641-1465)/1465 = 2.168, or, approx. 217%]; country classifications from the *World Development Indicators*.

¹⁷ $(17-9)/9 = 0.8888$, or, 89%.

¹⁸ Raghuram and Subramanian (2007) find a negative correlation between aid and industrial development in low-income countries for the period 1980 to 2000, so it is not surprising that in the West African WAMU countries, where aid as a percentage of the economy has increased an average of 89% from 1975 to 2005, to not see economic growth, or, in fact, to see negative growth per person in a regional with minimal industrialization relative to its trading partners.

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increased the same relative to other countries in the region. Thus an increase in aid meant a decrease in liberty in Cote d'Ivoire, and an increase in liberty in Mali (and a decrease in per person income in both countries), while an increase in aid correlated with an increase in both income and liberty in Burkina Faso.

POLITICAL RIGHTS AND CIVIL LIBERTIES

In this section we analyze the trend in political rights and civil liberties over time in the WAMU countries, dividing the trend line into Cold War and Post-Cold War periods. Figure 1 shows the region-wide Freedom House averages year-by-year. According to the Freedom House data we find that there was little improvement in political rights and civil liberties during the Cold War, and we find that most of the improvement occurred during the last years of the Cold War and the first years of the Post-Cold War period, what we can call the "transition period". In the Post-Cold War period political rights and civil liberties have improved only marginally. Figure 2 shows that the Post-Cold War period reversed the trend of an increasing growth in aid dollars to the region which occurred during the Cold War.¹⁹ We cannot generalize as to aid effects on civil rights and political liberties because the Freedom House indicators remained relatively constant both in periods of increasing aid (the Cold War) and in periods of decreasing aid (the Post-Cold War). However it is clear that aid to West Africa became less of a priority for OECD countries after the Cold War.

¹⁹ The trend in aid dollars gives credence to the theory that West Africa was a Cold War proxy for the West during the Cold War.

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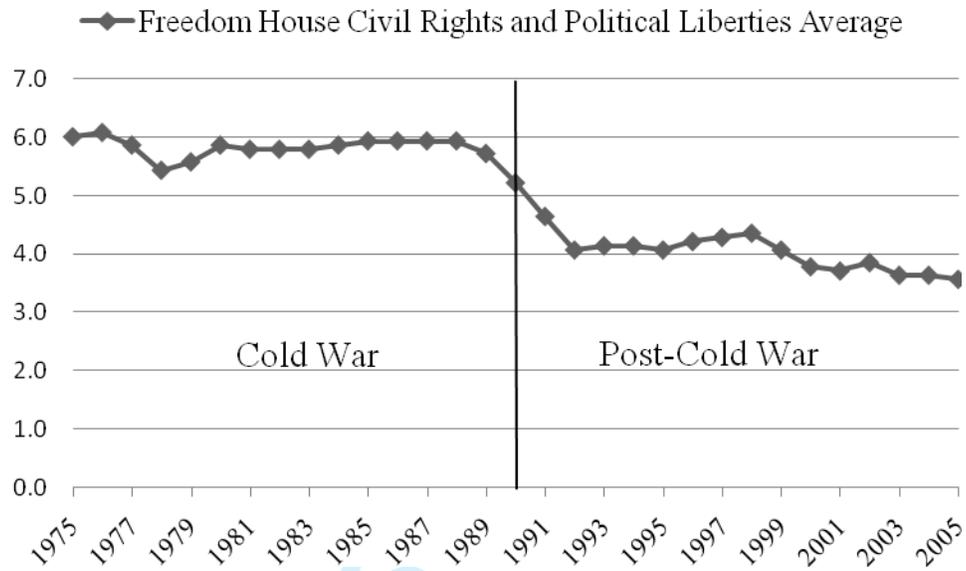


FIGURE 1
 CIVIL RIGHTS AND POLITICAL LIBERTIES,
 WAMU COUNTRY COMBINED AVERAGES, 1975-2005

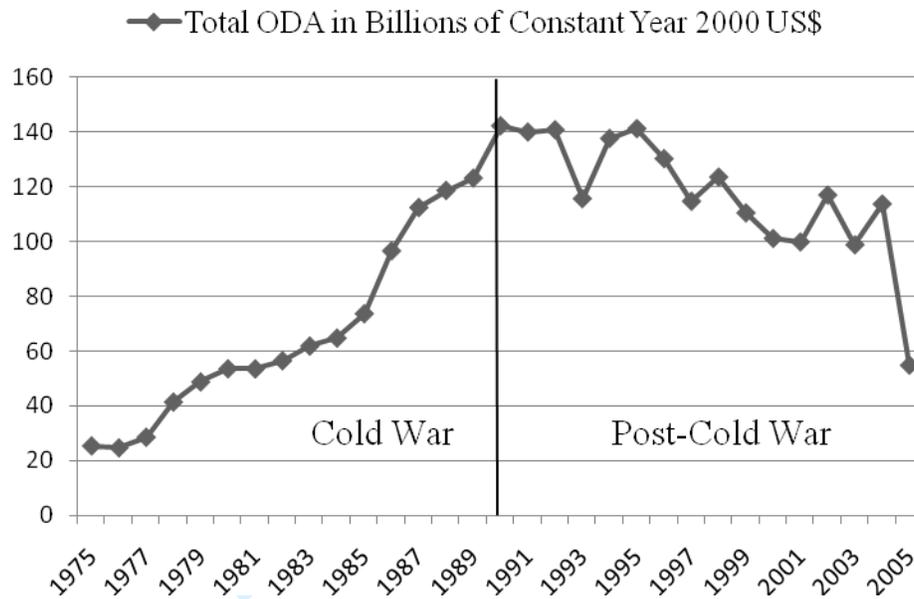


FIGURE 2
TOTAL OFFICIAL DEVELOPMENT ASSISTANT
GIVEN TO WAMU REGION, 1975-2005

FREELY-ELECTED LEADERSHIP

The next proxy we have chosen to evaluate for human liberty is whether or not a nation has a freely-elected leadership, one commonly-accepted measure of human liberty being the right to chose one's own government. Table 3 provides a brief overview of the major regimes over time in each WAMU nation.²⁰ The table lists the years of the various political regimes in each

²⁰ The data for Table Three comes from various sources, but is independently verified with the African Elections Database. The African Elections Database classifications are used as definitive for this paper for determining whether the leadership is/was freely-elected. The classifications "Emerging Democracy", "Transitional Government", "Multiparty Transition" and "Democracy"

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country and in capital letters the name of the elected President or, if not elected, the leader who assumed power under non-democratic means. Note that in the 31 years under study, the average time under freely-elected leadership in a West African WAMU nation is 12 years. Figure 3 tracks the number of countries out of our seven WAMU countries which had freely-elected leadership for a given year.

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are classified as freely-elected; “Restricted Democratic Practice”, “One Party State”, and “Military Regime” are not. Note that both the legislative bodies and the presidential leadership must be classified as freely-elected for the leadership to be classified as freely-elected.

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TABLE 3
PRESIDENTIAL ELECTORAL HISTORY AND YEARS OF
FREELY-ELCTED LEADERSHIP

Country	Presidential Electoral History	Years of Freely-Elected Leadership (1975 – 2005)
Benin	1960-1972 Military governments 1972-1991 Marxist – Leninist dictatorship 1991-2006 KEREKOU [2006-Present YAYI]	15 (1991-2005)
Burkina Faso	1960-1977 Military Coups 1977-1980 LAMIZAWA 1980-2002 Military and Transitional 2002-Present COMPAORE	4 (1977-1980) 1 (1991) 4 (2002-2005)
Cote d'Ivoire	1960-1990 HOUPHOUET-BOIGNY 1990 HOUPHOUET-BOIGNY 1990-1995 HOUPHOUET-BOIGNY 1995-1999 BEDIE 1999 - Present Coup and Instability	1 (1990)
Mali	1960-1991 Dictatorship 1991 Coup 1991-2002 KONARE 2002-Present TOURE	15 (1991-2005)
Niger	1960-1991 Military Rule 1991-1996 Transition 1996-1999 Coup 1999-Present TANDJA	6 (1991-1996) 7 (1999-2005)
Senegal	1960-1968 SENGHOR 1968-1978 SENGHOR 1978-1983 SENGHOR 1983- 2000 DIOUF 2000-Present WADE	28 (1978-2005)
Togo	1960-1963 OLYMPIO 1963- 1967 GRUNITSKY 1967-2005 EYADEMA 2005- Present GNASSINGBE	3 (1991-1993)
Average		12 years

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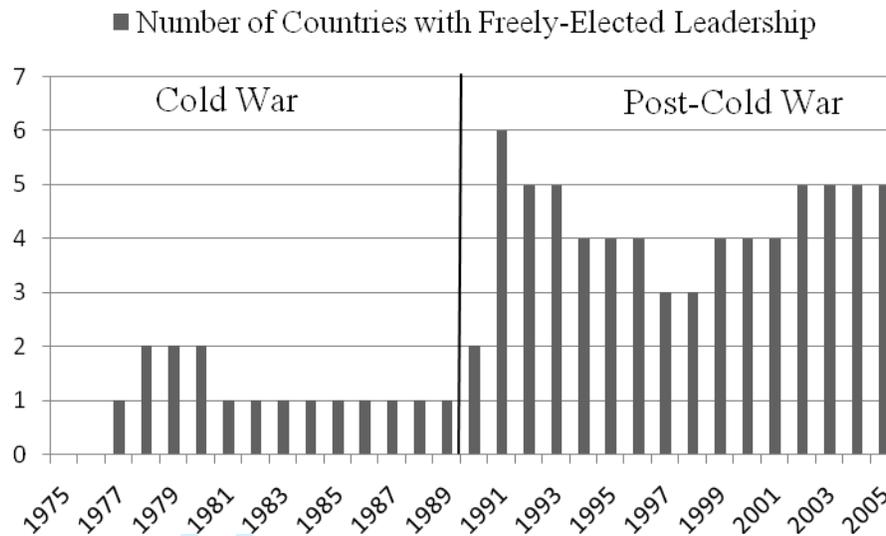


FIGURE 3
NUMBER OF WAMU COUNTRIES WITH
FREELY-ELECTED LEADERSHIP, 1975-2005

We find again that the transition period from the Cold War to the Post-Cold War eras represents a major shift in the political economy of West Africa. The number of countries with freely-elected leadership jumped from a minority to a majority just two years after the fall of the Berlin Wall. During the Cold War only Senegal remained consistently democratic while through 2005 only Cote d'Ivoire and Togo remained undemocratic. The democratic regimes remained in place after the Cold War despite (or because of) the decreasing aid levels, while with increasing aid during the Cold War the WAMU countries remained without freely-elected leadership.²¹ The

²¹ It should be noted that correlation does not necessarily mean causation where aid monies are concerned. For example, Bourguignon and Sunberg (2007) write, "The empirical literature on aid effectiveness has yielded unclear and ambiguous results. This is not surprising given the

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methodology of this paper is not to assign causality from exogenous events to events within the WAMU, but to give economic historians an analytical narrative of West Africa during and after the Cold War. However, the change in democratic status after the Cold War is remarkable. It is almost a textbook case of the Hegelian theory of historical development with the Cold War placing a fetter on the “inevitable” march towards freedom, with the removal of the fetter (the Cold War and perhaps aid to West Africa by both the Soviet Union and the West as competition for the “hearts and minds” of the people in the then “third world”) resulting in an immediate transformation of the body politic from one less free to one more free. A vast majority of West Africans who live in nations which after French colonialism became members of the West African Monetary Union had to wait until the end of the Cold War to experience democracy, much as those who lived in the Soviet Union had to wait for the same.

FISCAL ACCOUNTABILITY

One measure of the strength of a nation in giving its citizens liberty might be if that country is able to live within its budgetary means; are the fiscal policies of that country self-contained or representative of a democratic process? One view of a *decent human life*²² might be one where

heterogeneity of aid motives, the limitations of the tools of analysis, and the complex causality chain linking external aid to final outcomes,” p. 316.

²² See Buchanan 2005 on *decent human life* as one where an individual is able to exercise his or her capacities.

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you are not born into debt. A country which passes along public and publicly-guaranteed debt from year-to-year is a country that passes along debt to those not yet born. It could be argued that a country which perpetuates, and of courses increases, public debt does not have a responsible government, certainly perhaps not a government which provides a means for its people to reach their potential.²³ It has been shown that that some public debt may be economically beneficial if the borrowing allows investment into assets which pay for themselves in the future through economic growth. However this is not the case in the WAMU countries which experienced negative economic growth for the period under study. The final proxy we use in this paper evaluating the historical relationships between aid and liberty in the WAMU counties is a study of public debt. Because any debt during our period of study has not purchased economic growth during the period we can assume that there is a trade-off between debt and human capacities because the unproductive debt must be serviced by the people living in the WAMU countries.²⁴

²³ See Sen (2002) especially pp. 500 – 530 for a discussion on the economics of capabilities. Some philosophers argue for a direct transfer of wealth to those without adequate wealth to allow the individual to develop her or his capabilities enough to live a decent human life. Being born into a country with public debt would not count, at least in the present author's interpretation, as a capability-enhancing policy. In fact making a current generation pay for the debt of expenditures made in prior generations seems to be the opposite of a capability enhancement. Passing along debt to those unable to vote also seems to be a violation of a decent social contract, but, nonetheless is common practice in modern democracies.

²⁴ Note that we are not analyzing the historical movements of aid and the size of the government in an economy but rather the trends in aid and public and publically-guaranteed debt. The size of

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TABLE 4
PUBLIC AND PUBLICALLY-GUARANTEED DEBT AND AID
AS A PERCENTAGE OF THE ECONOMY, 1975-2005

Country	Public Debt % of Economy (GDP)		Increase in Debt Share of Economy (1975-2005) ²⁵	Increase of Aid Share in Economy (1975-2005) ²⁶
	1975	2005		
Benin	9	65	622%	75%
Burkina Faso	6	60	900%	133%
Cote d'Ivoire	15	88	487%	633%
Mali	28	86	207%	47%
Niger	9	80	789%	92%
Senegal	13	64	392%	50%
Togo	22	99	350%	0%
Average	15	77	535%	147%

We can see from Table 4 that average public debt for the WAMU countries as a percentage of the economy increased more than 530%, while aid's share of the economy increased more than 140%. However, Togo experienced an increase in public and publically-guaranteed debt but did not experience an increase in aid as percentage of the economy. Thus we do not generalize the trend by stating that an increase in aid leads to an increase in debt. In addition, we do not generalize the trend by stating that an increase in democracy (freely-elected leadership) leads to an increase in debt as Togo has had only had 3 years of democracy since independence.

We are most interested in the historical relationships between public debt *per person* and aid *per person* in the countries under study, as per person statistics more accurately reflect a

the government is not the focus of our paper but whether or not this government promotes liberty regardless of the size of the government.

²⁵ Calculations, e.g., for Benin $(65-9)/9 = 6.22 = 622\%$.

²⁶ Calculations from data contained in Table 2, e.g., for Benin; $(14-8)/8 = 0.75 = 75\%$.

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government's fiscal policy effect on the individual. We have seen that both aid and public debt's role in the WAMU economy, when calculated using country averages, have increased more than 140% and 530%, respectively, over the 31-year period, both of which could be proxies for government's inability (or lack of necessity due to aid programs) to provide for its citizens with current period budgetary constraints, or, in argot, a sign of local government's inability or lack of necessity to "live within its means". Table 5 disaggregates the economy-wide debt and aid data and allows us to look at trends per individual in each country.

TABLE 5
PUBLIC AND PUBLICALLY-GUARANTEED DEBT AND
AID PER PERSON, 1975 AND 2005

Country	Public Debt Per Person (Current \$)		Aid Per Person (Current \$)	
	1975	2005	1975	2005
Benin	25	209	17	41
Burkina-Faso	11	145	15	50
Cote d'Ivoire	147	495	15	7
Mali	55	210	22	51
Niger	21	126	26	37
Senegal	57	297	26	59
Togo	69	239	17	14
Average	55	246	20	37
% Change 1975-2005		347% ²⁷		85% ²⁸

Table 5 shows roughly the same trends as in Table 4 within each country for the growth of debt and aid between 1975 and 2005, however we see that per person aid in Togo and Cote d'Ivoire

²⁷ Calculation : $(246-55)/55 = 3.472$, or, 347%.

²⁸ Calculation: $(37-20)/20 = .85$, or, 85%.

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actually *decreased* between 1975 and 2005 while debt levels per person still show an increase. Region-wide per person averages show per person debt increasing 347% and per person aid increasing 85%.²⁹ The data indicates that because public debt per person increased while economic growth was negative, individual capacities, and therefore individual liberty using our debt proxy measure, decreased over the 31- year period in the WAMU countries.

In Figure 4 we find that for our historical period debt levels showed co-movement with aid levels; as aid increased so did public debt (or vice versa) and as aid decreased so did public debt. Figure 4 reiterates what we found in our analysis on aid levels after the Cold War; aid trended downward during the 15 year Post-Cold War periods, and so did the public debt levels. The decrease in public and publically-guaranteed debt indicates that liberty (capacity) increased after the Cold War during the Post-Cold War period. The fact that both multilateral and bilateral aid

²⁹ The positive historical relationship between aid and public debt can be seen as a reconfirmation of the Brautigam and Knack (2004) findings that increased aid might reduce government accountability. However of course both motivation and causality are hard to prove. Do government leaders build-up debt (debt of course helps win re-elections because of visible spending greater than visible taxes) as they believe that they can sustain greater debt because donors will continue to increase their aid levels and therefore citizens will not sense a wealth decrease? Or do increased aid levels send a signal to the recipient government that it is winning political victories and approval from abroad (and thus more aid), and therefore have earned the right to increase the debt burden of their citizens to support the government's programs which are again being supported by aid from abroad, e.g., a reinforcing cycle? The data would seem to support the second hypothesis.

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decreased during the Post –War period is consistent with the fact that the Bretton Woods agreements in 1944, which initially established the international institutions of development, excluded the Soviet Union and in fact were used as political tools to ally the “third world” with the West.

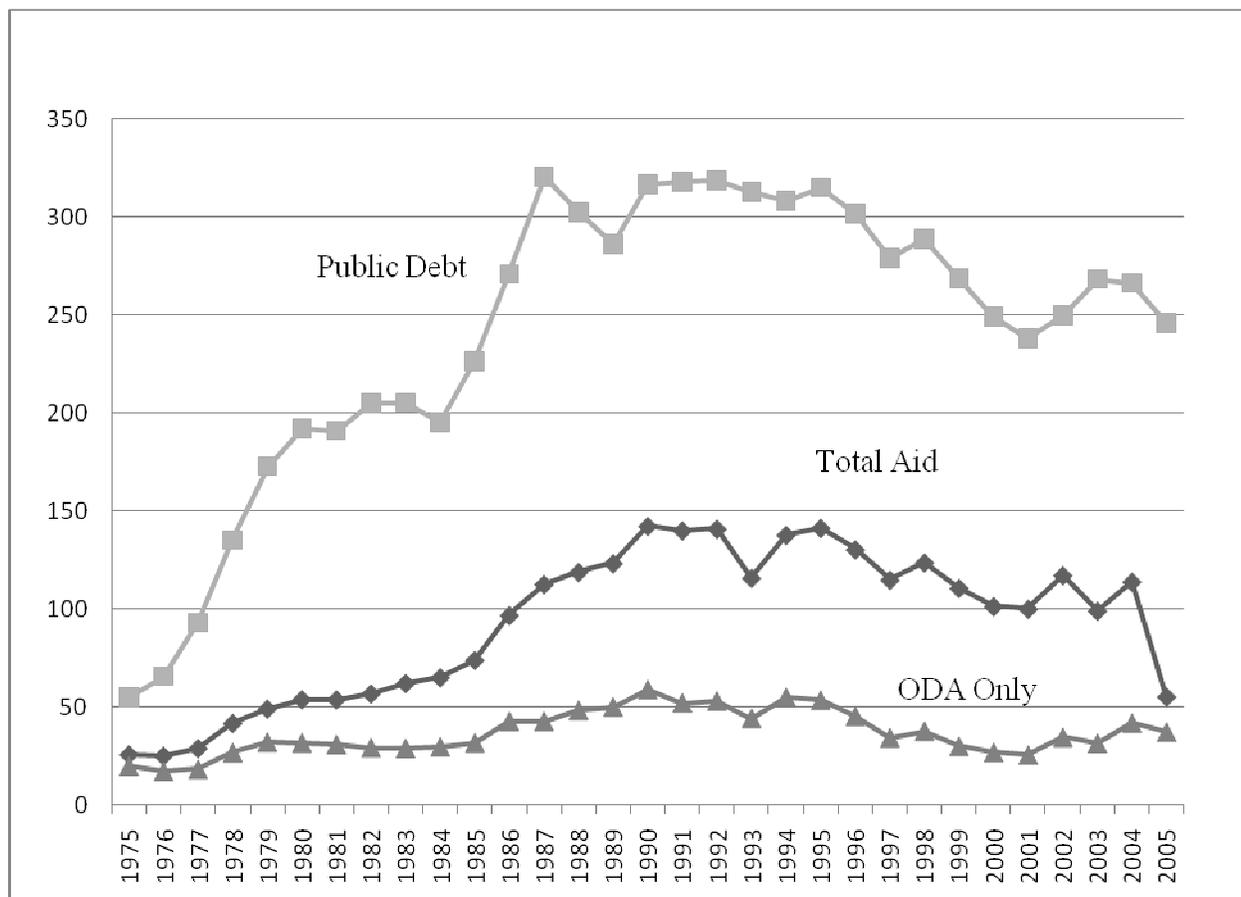


FIGURE 4
PUBLIC DEBT, TOTAL AID AND ODA PER PERSON,
CONSTANT 2000 US DOLLARS , 1975-2005

Notes: “Public Debt” includes both public and publically-guaranteed debt, “Total Aid” includes concessional World Bank, IMF and African Development Bank lending and Official Development Assistance (bilateral aid), while “ODA Only” represents only Official Development Assistance (bilateral aid).

CONCLUSION

We have shown in this paper that western foreign assistance policy towards the seven West African nations which make up the West African Monetary Union can clearly be divided into two historical periods, the Cold War and the Post-Cold War. The Cold War period (1975-1989) was one of almost constantly increasing aid levels for the WAMU countries, whereas the Post-Cold War period (1991-2005) was one of a leveling-off and a decreasing of aid. The transition between these two periods also represents a clear line of demarcation for the liberty of the West Africa peoples. Using political rights and civil liberties, the ability to live under freely-elected leadership, and a decrease in unproductive public debt as proxies for liberty we find that liberty increased during the Post-Cold War or during the transition between the Cold War and Post-Cold War periods.

Only during the Cold War, when aid levels were increasing, did we not find all three proxies for liberty improving. Given the well-recognized difficulty in assigning motives and causality for aid monies, we did not attempt to prove that aid was a fetter on the development of liberty in West Africa. However it is true that more than \$11 billion in aid was spent in West Africa during the Cold War and Post-Cold War periods, at a time when economic growth was negligible in the West African Monetary Union.

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