

Akdeniz University  
Institute of Social Sciences

University of Hamburg  
School of Business, Economics and Social Sciences

Natalia Shulgina

**Motivations behind Aid Allocation Decisions of European Donors:  
the Role of Energy Resource Endowments in African Aid Recipient  
Countries**

Supervisors

Prof. Dr. Michael Brzoska

Prof. Dr. Esra Çayhan

Joint Master's Programme European Studies Master Thesis

Antalya / Hamburg, 2011

Akdeniz Üniversitesi  
Sosyal Bilimler Enstitüsü Müdürlüğüne,


Natalia SHULGINA'nın bu çalışması, jürimiz tarafından Uluslararası İlişkiler Ana Bilim Dalı Ortak Avrupa Çalışmaları Yüksek Lisans Programı tezi olarak kabul edilmiştir.

Diese Arbeit von Natalia SHULGINA wurde durch die Prüfungskommission als Masterarbeit des Fachbereichs Internationale Beziehungen-Europastudien angenommen.

Başkan : Prof. Dr. Esra Çayhan

Üye : Prof. Dr. Michael Brzoska

Üye : Yrd. Doç. Dr. Sanem Özer



Tez Başlığı:

Motivations behind Aid Allocation Decisions of European Donors: the Role of Energy Resource Endowments in African Aid Recipient Countries

Onay: Yukarıdaki imzaların, adı geçen öğretim üyelerine ait olduğunu onaylım.

Tez Savunma Tarihi :.../.../2011

Mezuniyet Tarihi :.../...../2011

Prof. Dr. Mehmet ŞEN  
Müdür

.....

## TABLE OF CONTENTS

LIST OF ABBREVIATIONS .....	i
SUMMARY .....	ii
ÖZET .....	iv
1. INTRODUCTION .....	1
2. Theoretical framework and methodology.....	7
2.1 Historical premises of foreign aid giving .....	7
2.2 Theoretic framework to the question of incentives for aid-giving .....	12
2.2.1 Trends in academic literature related to foreign aid .....	12
2.2.2 Purposes of foreign aid and principles of allocation .....	15
2.3 Data and methodology.....	22
2.3.1 Selection of European donor countries, African recipient countries and a period of time .....	22
2.3.2 Definition of variables .....	24
2.3.3 Data processing .....	27
3. European aid donors and African recipients – patterns of relationships .....	30
3.1 France .....	30
3.2 UK .....	33
3.3 Italy.....	36
3.4 Spain .....	38
4. Research and analysis of data.....	41
4.1 Radar charts .....	42
4.1.1 France .....	42
4.1.2 UK .....	44
4.1.3 Italy.....	46
4.1.4 Spain .....	47
4.2 Linear charts .....	48

CONCLUSION .....	51
BIBLIOGRAPHY .....	54
APPENDIX .....	59
CURRICULUM VITAE .....	72
DECLARATION OF AUTHORSHIP .....	74

**LIST OF ABBREVIATIONS**

ACP	African, Caribbean, and Pacific Countries
CPIA	Country Policy and Institutional Assessment
DAC	Development Assistance Committee
E-country	a country with oil or gas resources
EU	the European Union
FCO	British Foreign and Commonwealth Office
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNP	Gross National Product
IDA	International Development Association
LDC	the Least Developed Countries
LNG	Liquefied Natural Gas
MDG	Millennium Development Goals
MDG	Millennium Development Goals
N-country	a country without energy resources
NGO	Non-governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OPEC	Organisation of Petroleum Exporting Countries
UN	United Nations
US	the United States of America
USSR	Union of Soviet Socialist Republics

## SUMMARY

The present study deals with one of the most significant current discussions in the international academic community concerning foreign aid and the purposes that motivate donor countries to give aid to developing countries. The paper studies patterns of foreign aid allocation of selected European donors, namely France, the UK, Italy and Spain, to African countries represented by Algeria, Kenya, Morocco, Sudan and Uganda. This issue has been studied before from different standpoints, but the influence of energy resource endowments in African countries on donors' aid decisions regarding foreign aid has not attracted adequate attention in academic literature recently.

The hypothesis of the present paper suggests that African recipient countries with energy resources get more bilateral aid from the selected European donors, because European countries are interested in diversification of their energy supply and might favour them with bigger aid commitments. This assumption was made in connection to the Strategic Energy Review made by the European Commission in 2007 related to the security of energy in the EU. The main suggestion of this document was that the European Union needed an urgent action to diversify energy supplies from unstable regions (Russia and the Middle East) to Central Asia and Africa. It has been assumed that this statement, as well as the recent events related to energy issues (for instance, gas crises in 2006 and 2008 in Europe), could motivate the Member States to focus on African oil and gas producing countries as on energy suppliers for their economies. Among the incentives there should be mentioned growing prices for fossil fuels in the period between 2002 and 2007, growing demand for energy resources, as well as a forecasted decrease of oil and gas world reserves. By applying empirical research methods, various objectives underlying aid allocation are integrated in the single hybrid model which unites both developmental and non-developmental goals. However, this paper is not an exhaustive consideration of all possible purposes or every aspect influencing donors' aid allocation decisions.

The final evaluation of data is made basing on two groups of charts. The first group includes 24 radar charts, six charts for each donor. This chart type is chosen, because it allows displaying not directly comparable categories. The second group includes line charts to trace the trend over time. This group consists of four charts, each of them displaying tendencies in annual ODA commitments from one selected donor to four of the selected recipients over the nine-year period between 2000 and 2008.

Collected for the selected countries for 2000-2008 are analysed according to the principle of Just Plain Data Analysis for compilation and presentation of numerical evidence from multiple data sources to support and illustrate arguments about politics and public issues. References are made to both primary and secondary sources. Primary literature provides data on major economic, political and social data, oil and gas resources and production in African countries. The World Bank, the OECD, the CIA and World Mineral Statistics databases are utilized to achieve these data. Secondary literature creates a framework for the present research, justifying the research question of the paper.

This paper does not discuss, or touches upon only marginally, the achievements and success of foreign aid. The history of aid giving gives only a background for the recent tendencies. The scope of this paper does not include multilateral channels of foreign aid, which gradually become preferential for some donors. It does not analyse all possible determinants of aid-giving patterns and considers only limited number of recipient African countries.

Keywords: Foreign Aid, European Donors, African Recipients, Motivations of Donors, Energy Resources

## ÖZET

### AVRUPA DONÖRLERİNİN YARDIM DAĞITMA SEBEPLERİ: AFRİKA'DAKİ YARDIM ALAN ÜLKELERİN ENERJİ KAYNAKLARININ ROLÜ

Uluslararası akademik çevrede canlı tartışmalara yol açan en güncel konulardan biri, ülkelerin uluslararası kalkınma yardımı etmelerini motive eden faktörler ve amaçlardır. Bu çalışmada, Fransa, İngiltere, İtalya ve İspanya gibi donör ülkeler, Cezayir, Kenya, Fas, Sudan ve Uganda gibi ülkelere iki-terafli kalkınma yardımının dağıtım prensipleri araştırılmaktadır. Bu sorun farklı bakış açılarından incelenmiş, ancak enerji kaynaklarının donör olan ülkelerin yardım dağıtımını hakkında verilen kararlara etkileri akademik literatürde yeterince alâka uyandırmamıştır.

Bu doğrultuda mevcut çalışmanın hipotezi, enerji kaynaklarına sahip olan Afrika ülkelerine Avrupa donörleri tarafından daha çok yardım verilmektedir, çünkü Avrupa ülkelerinin enerji sevkiyatını çeşitlendirmek amacıyla daha çok yardım taahhüt ederek söz konusu Afrika ülkelerine ilgi göstermeleri ihtimali yüksektir. İşbu tahmin, 2007 yılında Avrupa Komisyon'un tarafından hazırlanan ve AB ülkelerinde enerji güvenliği ile ilgili Stratejik Enerji Raporu'na (Strategic Energy Review) dayanarak yürütülmektedir. Bu raporun temel önerilerinden birine göre, AB ülkeleri enerji sevkiyatlarını çeşitlendirme ve güvenliğini sağlama amacıyla Rusya ve Orta Doğu gibi istikrarsız bölgelerinin yerine, Orta Asya ve Afrika bölgelerine odaklanmaları gerekmektedir. Bu çalışmada yürütülen tahmine göre, bu rapor ve son zamanlarda enerji alanında olmuş olaylar (örneğin Avrupa'da 2006 ve 2008 gaz krizleri) AB ülkelerinin petrol ve gaz üreten Afrika ülkelerine odaklanmalarına neden olabilir. Sebeplerin arasında 2003–2007 döneminde fosil yakıtlarının artan fiyatları, büyüyen enerjiye yönelik talep, öngörülen petrol ve gaz rezerv miktarlarının azalması gibi nedenler de yer almaktadırlar. Donörlerin yardım dağıtımını ile ilgili alınan kararlarda birçok amaçları olmasından dolayı, enerji faktörünün dışında kalkınmaya yönelik olan ve olmayan çeşitli diğer faktörler birleşik hibrid modelinde yer almaktadırlar. Fakat bu çalışma donörlerin yardım dağıtımını ile ilgili kararlarını etkileyen bütün muhtemel faktörlerin ayrıntılı irdelenmesini içermemektedir.

Son veri değerlendirilmesi iki çeşit grafiğe dayanarak yapılmaktadır. Birinci grafik grubu, her donör ülkesi için 6 grafik olmak üzere, 24 radar grafiği içeriyor. Bu grafik çeşidinin seçilme



sebebi, birbirleriyle direkt karşılaştırılması uygunsuz olan verilerin görselleştirilebilmesidir. Enerji kaynaklarına sahip olan ve olmayan, yardım alan ülke grupları ayrı grafiklerde sunulmaktadır. İkinci grafik grubu, yardım dağıtımı ile ilgili eğilimi izlemek amacıyla çizgi grafiklerini içermektedir. İkinci grup dört grafikten oluşur. Her çizgi grafiği bir donör tarafından 2000–2008 yılları arasında dört tane seçilmiş yardım alan ülkeye, iki taraflı taahhüt edilmiş yıllık resmi kalkınma yardımında ki eğilimleri göstermektedir. İ

Bu çalışmada uygulanan araştırma yöntemleri ampiriktir. Seçilmiş ülkeler için iki taraflı kalkınma yardım miktarları hakkında 2000–2008 verileri Just Plain Data Analysis prensibi uygulanarak analiz edilmektedir. İşbu prensip politik ve sosyal konularda kanıtları desteklemek ve örneklemek amacıyla, çoklu veri kaynaklarından elde edilmiş sayısal delilin derlemek ve göstermek için uygulanmaktadır. Çalışmanın amacı, dört donör ülkesi, beş yardım alan ülke ve 2000–2008 yılları için toplanılmış verilerin grafiksel sunumu ve analizidir. Referans kaynakları olarak birincil ve ikincil literatür kaynakları kullanılmaktadır. Birincil kaynaklar genel ekonomik, siyasal ve sosyal verileri, Afrika ülkelerinde petrol ve gaz kaynaklarının miktarı ve üretimi ile ilgili bilgiyi sağlıyorlar. Dünya Bankası, Ekonomik Kalkınma ve İşbirliği Örgütü, ABD Merkezi İstihbarat Teşkilatı (CIA) ve Dünya Maden İstatistikleri (World Mineral Statistics) gibi kuruluşların veri tabanları kullanılmaktadır. İkincil kaynaklar işbu araştırma için çerçeve oluşturuyor ve araştırma konusunun önemini açıklıyor.

Bu çalışma, resmi kalkınma yardımının başarısı ve verimliliği analizini kapsamamaktadır. Kalkınma yardımının tarihi, analizin arka planı olarak bulunmaktadır. Ayrıca, çalışmanın kapsamında çok taraflı yardımın analizi yer almamaktadır.

Anahtar kelimeler: Kalkınma Yardımı, AB Donörleri, Kalkınma Yardımı Alan Afrika Ülkeleri, Donör Amaçları, Yakıt Kaynakları

## 1. Introduction

“Foreign aid might be defined as a transfer from poor people in rich countries to rich people in poor countries”

Douglas Casey

“If you control the oil you control the country; if you control food, you control the population”

Henry Kissinger

Foreign aid industry is a big business. Total global official aid flows from the Northern countries to the South exceed \$150 billion annually. About one-third of total aid goes to Africa (de Haan, 2009, p. 1). Foreign aid was first an instrument of the Cold War diplomacy, but later it became a permanent element in relations between the states. Nowadays foreign aid reflects an established norm that the rich countries should help poor states improve the well-being of their peoples.

Why rich countries provide aid to poor ones? What motivates donors? Is aid altruistic or donor-profit oriented? Is it a good or evil? How to make it more effective? Do we really need aid as a tool? All these questions are parts of a great puzzle called foreign aid. The notion of ‘foreign aid’ has been developed over years, and so the purposes which guided donor governments in their decisions, attitudes towards aid, allocation principles, etc. The debates about foreign aid issues are still lively and controversies are intense nowadays as before.

One of the most significant current discussions about foreign aid deals with purposes which motivate donor countries to provide aid. All purposes can be divided into developmental and non-developmental. A more detailed classification includes diplomatic, developmental, humanitarian relief and commercial purposes. Each subcategory can be divided into a big number of donors’ aims which they theoretically try to achieve using foreign aid as a tool. However, there is no single classification of donors’ purposes widely acknowledged in academic literature.

Basing on recent findings in academic literature regarding purposes of aid-giving, the research question of the present paper is about factors which influence donors’ decisions on allocation and volumes of foreign aid. The main objective of this research is to find out whether fossil

fuels endowment in a recipient country attracts more foreign bilateral aid from donors interested in these resources. In other words, it will be claimed that the more natural resources a particular recipient country has, the more foreign aid it gets from certain donors. This assumption is based on statements made by the European Commission in the Strategic Energy Review in 2008 related to the security of energy in the EU (European Commission, 2008, p. 3). One of the main suggestions of this document was that the EU needed an urgent action to diversify energy supplies from unstable regions, like Russia and the Middle East, to Central Asia and Africa. It has been assumed that this statement, as well as the recent events related to energy issues, namely gas crises in 2006 and 2008 in Europe, could motivate the Member States to focus on African oil and gas producing countries as more reliable or more controllable energy suppliers for their economies. Among the other incentives, there should be mentioned growing prices for fossil fuels in the period 2002-2007, growing demand for energy resources, as well as a forecasted decrease in world reserves of oil and gas (Youngs, 2009, p. 13). Subject to the above mentioned events, energy supply has become an urgent concern within the European foreign policy deliberations. Demand for energy security has been reflected recently in a number of new initiatives since 2000. However, the rejection of many proposals regarding the necessity cooperate in energy issues at the European level and less attention to the foreign policy dimensions of energy security by the Member States could be an indicator that the European countries would like to tackle energy security issues separately from each other on the bilateral level. Thus, changes in aid relations between European donors and oil and gas producing countries theoretically could indicate interest of donors in access to energy resources in aid recipient countries.

A considerable amount of literature has been published on questioning the purposes of aid-giving. In this diversity, several trends suggesting different theoretical angles can be singled out. The realistic approach suggests that the primary purpose of aid is to serve as “a tool of hard-headed diplomacy” (Lancaster, 2007, p. 3). The main idea of Marxist mainstream emphasises an exploitative purpose of aid-giving, which is justified by the practice of tying of aid and securing access to raw materials imports by donors. Liberal tradition sees foreign aid as a tool to address global problems ensuing from interdependence and globalisation. Finally, constructivist theories interpret foreign aid as a generally accepted norm that wealthy countries should support needy states with the aim of human betterment.

The debate on donors’ motivation behind the foreign aid was started in the 1970s, when McKinlay and Little established the terms ‘donor-interest’ and ‘recipient-need’ in relation to

the US aid giving (McKinlay & Little, 1976, p. 240). In recent years, there has been an increasing amount of literature on purposes of foreign aid (Riddell, 2008; Alesina & Dollar, 1998; McGillivray, 2005; Nath & Sohbee, 2007; Berthelemy, 2005; Schraeder, Hook, & Taylor, 1998). The analysis of academic literature to the question allowed distinguishing of the main factors determining aid allocation. In spite of numerous studies about factors influencing foreign aid-giving, there is still work to be done on importance of natural resources, in particular oil and gas, in the recent aid-giving patterns of the major European donors. The recent studies established that the endowment of raw materials in aid targeted countries is considered by China in its aid policy to Africa. This donor supports its diplomatic policy to the region and the foreign direct and portfolio investments of its companies going to Africa with the help of foreign aid. It is acknowledged that Chinese aid is concentrated in countries which have oil fields (Lum, Fischer, Gomez-Granger, & Leland, 2009, p. 10). However, no research has been found that surveyed the role of energy resources endowment in recipient countries and its influence on European donors' decisions concerning aid allocation. Considering the recent importance of energy security issues in the EU, some changes could theoretically be seen in bilateral aid policies towards Africa of the major European donors in the last decade.

The issue considered in the present paper has double importance. First, it inquires into concerns that foreign aid has been influenced much by non-development purposes of donors. Second, it brings up the question whether oil and gas resources motivate donors to allocate aid according to non-development patterns. In this connection, the results achieved have linkage to the Millennium Development Goals (MDG). The proved influence of energy resources endowments on donors' aid allocation decisions would bring into question the probability to attain the goals stated by the world community to the year 2015.

This paper focuses on aid flows from Europe to Africa. The research includes four European donors. Two of them are leading European donors who have long aid-giving history – the UK and France. Italy and Spain have shorter history of aid-giving and are at the bottom in the ranking list of seven major European aid donors. The donors were selected according to their annual net ODA, historically determined aid-giving practices, bilateral share of ODA and energy dependency.

As for African recipient countries, the first factor, according to which the selection was made, is population. The population of Algeria, Morocco, Kenya and Sudan is roughly estimated at the same level (30-40 million inhabitants). The exclusion of significant variations of this

parameter allows adequate analysis of aid inflows to these countries and is approved in academic literature. Among the other factors, there are geographical location (North or sub-Saharan Africa), presence of oil and gas resources, absence or limited reserves of other resources, former colonial status and income level.

The hypothesis of the present paper suggests that, under given conditions, African recipient countries with energy resources get more bilateral aid from the selected European donors, because European countries are interested in diversification of their energy supply and might favour them with bigger ODA commitments. In this connection, the following questions will be considered in the paper:

- How do the volumes and principles of aid allocation changed over time?
- What goals do the donors pursue by providing aid to African countries?
- What inner factors related to the recipient countries can be considered by donors when making decision on aid allocation?
- What is the significance of African oil and gas resources for the selected EU countries?
- Is it possible to see any changes in volumes of European aid volumes and in aid allocation patterns to the selected African countries over the past decade that could be explained by growing importance of oil and gas resources in these countries?
- Is it possible to eliminate or proof the diminished importance of other aid determinants for decisions on aid allocation made by the European donors?

Requests for these questions provide the framework for the research question and will help to find out whether foreign aid allocation patterns are determined by energy security considerations of single European countries.

The research methods employed in this paper are empirical. Bilateral aid data for the selected countries are analysed according to the principle of Just Plain Data Analysis, suggested by Klass for compilation and presentation of numerical evidence from multiple data sources to support and illustrate arguments about politics and public issues (Klass, 2008). The present research is aimed at graphical presentation of data collected for four aid donor states, five aid recipient countries and for years 2000, 2004 and 2008.

Basing on the framework provided by these questions, the final evaluation of data will be made basing on two groups of charts. The first group includes twenty four radar charts - six charts for each donor. The choice of this chart type is justified by its adaptability for

displaying not directly comparable categories. The second group includes line charts to display trend over time. This group consists of four charts, each of them displaying tendencies in annual net ODA commitments from one selected donor to four of the selected recipients over the period of nine years (2000-2008).

References are made to both primary and secondary literature sources. Primary literature provides data on major economic, political and social data, oil and gas resources and production in African countries. The World Bank, the OECD, the CIO and World Mineral Statistics databases are utilized to collect these data. Secondary literature sources establish a framework for the present research and justify the research question of the paper. Empirical research is based on the method of comparative analysis supplemented by the elements of the graphical analysis. Since it has been acknowledged in academic literature that there is a number of possible determinants which can influence donors' aid giving pattern, an attempt is made to establish correlations between changes in selected determinants and changes in volumes of aid flows during the examined period. It is not expected that all the examined donors will follow the same pattern. However, there will be made an attempt to examine the level of importance of African energy sources for separate European donors with different patterns of aid-giving.

This paper does not discuss, or it touches upon only marginally, the achievements and success of foreign aid, generally, and of European foreign aid to Africa, particularly. The history of aid giving will give only a background for the recent tendencies. The scope of this paper does not include multilateral channels of foreign aid which become in some cases preferential for certain donors, because bilateral aid still dominates in the aid industry and gives a better understanding of donors' motivations in political sense.

Limitation is also applied to the number of determinants having potential influence on volumes and allocation of foreign aid. Only ten variables suggested by secondary literature sources will be considered in this paper. Among them: democracy, ODA commitments, political stability, aggregate governance, income level, control of corruption, oil and gas, colonial ties, trade openness and UN voting. The scope of the paper does not allow examining all the possible determinants suggested by studies of different years. However, variables most frequently used in literature are taken into consideration.

While a variety of terms similar to 'foreign aid' have been suggested, in this paper two of them are used. Terms 'foreign aid' and 'development assistance' are applied in cases when more general reference of the notion is required meaning flows which qualify as Official

Development Assistance (ODA) or Official Aid (OA). Since the paper examined the volumes of aid commitments, the term ‘ODA commitments’ is used in the main part of the research as a “firm obligation, expressed in writing and backed by the necessary funds, undertaken by an official donor to provide specified assistance to a recipient country or a multilateral organisation” (OECD, 2010a).

This paper is divided into four main parts. The first part deals with the theoretical framework and methodology applied. It gives a brief overview of how foreign aid has been developed over time and describes the main theoretical approaches to the issue of aid. The last subchapter of this part gives information about the principles, according to which donor and recipient countries, as well as the time period, were selected.

The second part deals with patterns of aid giving practiced by the selected donors. Here, a short analysis of bilateral relations between donor and recipient countries is made. The next part focuses on analysis of collected data organized in a new way in order to elicit the real motivations of donors behind aid allocation with the special focus on energy factor. In this chapter, data graphically represented in radar charts is analysed according to the deductive method. The same chapter contains comparison of aid-giving practices and their changes over time, based on the linear charts which demonstrate aid commitments to two groups of African states. The findings are compared to those of previous studies and then summed up in the conclusion. The last section contains tables and charts.

## **2. Theoretical framework and methodology**

### **2.1 Historical premises of foreign aid giving**

Hans Morgenthau, one of the leading academics in the study of international politics in 20<sup>th</sup> century, considered aid being among “the real innovations which the modern age has introduced in the practice of foreign policy” (Morgenthau, 1962, p. 301). Aid is an integral part of relations between states nowadays. It is expected to be given by prosperous developed countries to the needy developing states. However, it is a relatively recent invention. Except for disaster relief programmes in the 19<sup>th</sup> and the beginning of the 20<sup>th</sup> centuries, the regular giving of public resources from one state to another with the aim to reduce poverty and promote economic development, welfare and human betterment in aid-receiving countries was not known. However, France and the UK provided small amounts of aid to their colonies in Africa, thus establishing foundation of the relations which took place, after the independence of the colonies had been proclaimed. But the majority of studies suggest considering the end of the World War II as the starting point when the notion of foreign aid began to evolve.

The last six decades of aid-giving can be divided into several periods. Whitfield suggests considering five artificially neat time-periods based on: 1) the impacts of developments in global geo-strategic, economic, ideological and political systems, 2) the changing policies promoted by donors, and 3) the individual and collective responses of an aid-receiving countries to these conditions (Whitfield, 2009, p. 45). Each period is characterised by international trends and regional events which gradually emphasized more and more the development purpose of aid. Besides the above mentioned factors, according to which the dividing into periods was made, each period examined below includes information on the balance of multilateral and bilateral aid, tendencies in volumes of aid worldwide, as well as development of the principle of conditionality. While this periodisation provides good overview of the main aid issues and their evolving over time, one should remember implied simplifications. This historic framework is an important premise to understand why aid has been given and why each donor has their own purposes, different from other donors and differing over time. Another objective of this chapter is to justify why an energy factor has been chosen for analysis in the present paper.

The first period covers the years after the World War II. This was the time of the colonial world-order collapse, when a set of newly independent and extremely poor states emerged.



The international context was determined by the Cold War contradiction. In this connection, foreign aid was often considered as an instrument of the Cold War diplomacy and leverage to secure sphere of influence used by the former colonial powers. Both former colonies and colonial powers had their interests in keeping in force their political, social and economic ties. The newly politically independent states were not able to guarantee even their administrative existence without external support, because capital, technology and expertise necessary to keep economy running were not developed. So, aid was seen as a new tool for easing financial constraints on poor countries, which would lead to the stabilisation of newly independent economies, stimulation of economic growth, and reducing poverty (Lancaster, 2007, p. 14). On the other hand, Whitfield states that maintaining ties with former colonies was advantageous for industrialized powers, since it guaranteed their access to raw materials (Whitfield, 2009, p. 47). So, it is admitted by scholars that raw materials and, in particular, energy resources attracted special attention of the first aid donors.

As for the Cold War influence, aid giving was mostly determined by concerns of contradicting powers to widen their spheres of influence among the aid recipients. The sources of support included the Soviet bloc, multilateral agencies and Western bilateral aid agencies. In the Cold War confrontation, the Western powers were preoccupied with attempts to prevent left-wing governments from coming to power and to help local elites resist Soviet pressure. The aid use as a leverage in the Cold War was good defined by Senator Joseph McCarty: "In one area of the world the plan was to fight international communism with economic aid; in another area it was to fight international communism with military aid; and in the third area [Asia] it was to turn everything over to the Communists" (Westad, 2005, p. 26). On the contrary, the USSR aimed at access to naval bases and airports in aid recipient countries, but was insufficiently active in supporting former colonial economies which needed external markets for cash crops (Whitfield, 2009, p. 50).

During the second half of the 1950s and the 1960s, European countries continued to expand their bilateral aid programmes and established first aid agencies. Besides the above mentioned participation in aid-giving activities by France and the UK, the German government began to provide technical assistance to the countries importing German goods, in order that they could use them properly. Norway, Sweden, and Denmark began to give moderate amounts of assistance in the 1960s. Thus, by the end of the 1960s, the majority of developed countries have established initial institutional framework necessary for managing their foreign aid programmes and became active aid providers. There was another aid related tendency in

developed countries. As early as the 1950s, several aid-providing governments started to involve non-governmental organisations (NGO) into development work. Therefore, NGOs activities embraced mainly fund assistance to people who suffered from wars and natural disasters. When development concerns of the governments of developed states became more prominent, the old and newly established NGOs began to participate in long-term development in the poorest countries (Lancaster, 2007, p. 37). There were about four hundred NGOs devoted to development purposes in OECD countries in 1989 (Desai, 2002, p. 495).

As for the sector orientation of aid-giving in this period, the assistance was mainly provided in such areas as agriculture, support for infrastructure and training assistance for re-establishing a new central administration (Whitfield, 2009, p. 51). Gradually, donors began to impose certain conditions on aid. However, they were not subject to any sanctions until the 1980s (Whitfield, 2009, p. 50).

The second period between 1970 and 1990 was characterised by increased volumes of aid flows, more prominent focus on development purposes, and broader use of multilateral aid agencies. The support activities were directed at meeting the basic human needs of the poor directly (Lancaster, 2007, p. 14). The established international economic context revealed high dependence of former colonies on Western markets, and, on the other hand, the crisis emanating from the Vietnam War and the establishment of the Organisation of the Petroleum Exporting Countries (OPEC) showed the potential 'reverse dependence' of industrialised countries on developing ones. This assumption rose from growing dependence of industrial producers on markets in developing countries which still had significant purchasing power, considerable energy and mineral resources for the global economy, and the threat to international community arising from acquiring nuclear weapon (Whitfield, 2009, p. 53). The indicated period was characterised by several events within donor countries and on the global scale which significantly improved adherence to the development purpose of foreign aid. First, the tensions between the Cold War competitors were eased by the middle of the 1970s. With a diminishing of fears of the previous decade, which had promoted allocation of foreign aid for diplomatic purposes, other purposes gained bigger priority in aid-giving practices (Lancaster, 2007, p. 35). Second, the oil crisis which ensued due to an oil embargo imposed by OPEC members against governments giving support to Israel at the beginning of 1973, and economic crisis caused by increase of oil prices finally led to debt and balance of payments crises in the 1980s. Consequently, many developing countries were forced to appeal to the governments of developed countries for additional aid and debt relief. Third, a world food

crisis and famine in the 1970s which severely influenced underdeveloped regions, in particular African countries, caused overall rise of aid levels as response to famines. The aid growth however continued after the food crisis and later turned into different development projects in sub-Saharan Africa (Lancaster, 2007, p. 36).

Thus, from the beginning of 1970s to the end of 1980s the developmental component of aid became significantly more prominent. A number of events caused an increase in aid volumes worldwide and directed aid flows to the neediest countries. Growing importance of NGOs' activities and rise of multilateral aid manifested an increasing priority of developmental purpose of aid. In spite of that, bilateral aid remained, and still is, the main way to support countries in need. According to Browne, bilateral aid has always been a "vector of influence" implying a mix of motivations differing from post-colonial concerns to political and commercial considerations (Browne, 2006, p. 21). The author argues that only short-term relief assistance could be subject to true altruism; however, even humanitarian aid has been often influenced by politics. In all other cases, some non-developmental motives could always be found behind aid initiatives of donors.

At the end of the Cold War, a new tendency in aid giving took shape indicating the third period of aid relationships. In the 1990s, foreign aid suffered a legitimacy crisis, because an urge for strategic advantage - the main reason for donors to give aid - lost its significance. When tensions between the main opponents were alleviated, African countries had to accept the new order, in which they became strategically irrelevant. Whitfield calls the new order "a monopoly diplomacy" applied by donors to aid recipient countries which had no alternative supporter driven by strategic considerations (Whitfield, 2009, p. 64). As a result, defence and diplomatic relevance of aid for some donors lessened, giving way to some 'new' purposes, such as supporting economic and political changes, promoting democracy, addressing international challenges, and post-conflict rehabilitation. These aid motivations were not new in the literal sense of the word; however, they got greater prominence in this period of time.

In the same period more attention was paid to corruption in recipient countries as one of the greatest obstacles to economic growth. As a result, the sharp conditionality and reforming of the state machinery were among the key priorities of foreign aid, though they were not new by then (Whitfield, 2009, p. 67). Importantly, while seeing promotion of a concrete political model unacceptable, the World Bank focused on good governance, bilateral donors were promoting democracy directly. However, both approaches included civil service reform, anti-corruption and judiciary reform (Whitfield, 2009, p. 68).

Considering the same period in the framework of the European aid provided to the ACP recipient countries, the main changes resulted from the revision of the Lomé Conventions of 1989 and 1995 involved additional tying of European aid to the structural adjustment programmes of the World Bank. It was a significant change, because initially the Lomé Convention claimed that the recipients' own objectives and priorities should have been pursued in full sovereignty (Whitfield, 2009, p. 69).

In terms of amounts, the decade after the 1990s was characterized by the rise of aid volumes in the first part of the decade to the highest level ever, followed by a rapid decline. In particular, volumes of aid flow to sub-Saharan Africa declined by one-third between 1994 and 2000 (Lancaster, 2007, p. 44). Aid cuts together with stricter conditionality and greater surveillance by donors worsened the recipients' state of dependence and weakened African state structures and their position in aid negotiations.

The contemporary period of aid relationships indicates new tendencies which took place at the beginning of the 21<sup>st</sup> century. There are a number of events and trends that single out this period. First of all, the US and the EU promised to raise their aid significantly. In particular, the EU Member States agreed to raise their aid to 0,39% of GNP in 2006, which meant additional \$7 billion by 2006 (Lancaster, 2007, p. 58). As a result, the total aid flows worldwide increased by \$10 billion in 2003 in comparison to the previous years, because donors began to meet their commitments. Second, the major donors aimed at reorganisation of their aid agencies in order to promote the development constituent of their aid. Third, the terrorist attack on the US in 2001 stimulated an additional growth in volumes of aid to poor countries, because it was associated with inequalities and poverty issues in the world. Although the majority of terrorists did not represent the poorest societies and grew up in the Western countries in well-to-do families, the connection between terrorism and poverty was widely discussed especially in the European media (Lancaster, 2007, p. 59). Another connection was seen between the terrorism and fragility of states, since such states could theoretically house terrorist organisations. Thus, foreign aid for development was seen as a potential mechanism to prevent conflicts, spread of terrorism and state failure. This idea was reflected in the speech of James D. Wolfensohn, the President of the World Bank on Fighting Terrorism and Poverty, who argued that foreign aid was the major tool for eradication of poverty, which was the central ingredient among the mix of factors that lead to conflict, promotion of inclusion and social justice (Wolfensohn, 2001). So, foreign aid was considered

as a new tool of foreign policy which aimed at national and international security. For most donors, aid is a means to diplomatic purposes, not an end in itself.

The fourth issue, which is usually not included, or included only indirectly, into the academic debates on foreign aid, is energy. The problem of energy dependence of some donors, especially in the EU, became particularly prominent in the last decade. An urge to diversify energy supply came to the agenda of the European Communities after two energy crises which took place in 2006 and 2008. Both of them refer to disputes over natural gas, prices and debts between Ukrainian oil and gas company *Naftogaz* and the Russian *Gazprom*. These disagreements grew into transnational political issues, which inflamed debates on energy security issues in the European Union. However, these tensions were just indicators of growing energy dependence of the EU Member States on unstable regions and concerns about limited hydrocarbon resources in the world. Since it is widely acknowledged in the literature that foreign aid is subject to a mix of motives which determine donors' decisions on aid allocation, it is suggested in the present paper that availability of energy sources in recipient countries may be another motivation underlying donors' decisions on aid allocation. Further justification of this assumption will be made in the following chapters.

## **2.2 Theoretic framework to the question of incentives for aid-giving**

### **2.2.1 Trends in academic literature related to foreign aid**

A considerable amount of literature has been published on questioning the purposes of aid-giving. In this diversity, several trends suggesting different theoretical angles can be singled out. Numerous studies have attempted to explain aid relations between states through 'realistic lenses'. The realistic approach suggests that the primary purpose of aid is to serve as "a tool of hard-headed diplomacy" (Lancaster, 2007, p. 3). This suggestion is justified by the fact that the states are responsible for their citizens. This environment presupposes race for power, strengthening security, and, more generally, survival of states. Prevention of communism or terrorism dissemination through providing aid is an example of using aid for security purposes of donors. One of the first studies exposing this idea belongs to George Liska (1960) – a realistic scholar who defined foreign aid as an instrument of political powers, which would remain as such for some time (as cited in Lancaster, 2007, p. 3). The debate was continued by Lloyd Black, who stated that "foreign aid cannot be divorced from foreign

policy and the national interest" (Black, 1968). Among the more recent studies on realist understanding of foreign aid, a study of Steven W. Hook deserves attention. The author shows how foreign policies of different countries have been influenced by national interest and its variations among countries, and how the evaluating of foreign policies may reveal interests of states (Hook, 1995). The ideas of early scholars were supported by later studies with formal modelling techniques. The comparison of aid volumes provided by donors and characteristics of recipient countries, e.g. per capita income and bilateral trade with a donor, gave support to the idea that bilateral aid flows are driven by donors' selfish interests (Lancaster, 2007, p. 3). The results of these studies are examined more thoroughly in the following subchapters.

The realist ideas are criticised by idealists and neo-idealists. The latter emphasise the great importance of humanitarian need being central reason underlying almost all foreign aid programmes. Scholars representing idealist trend are optimistic about the effectiveness of foreign aid for reduction of poverty and promotion of human betterment in general and economic development in particular (Schraeder, Hook, & Taylor, 1998, p. 298).

Scholars adhering to the Marxist ideas have another point of view on foreign aid. The main idea of this mainstream emphasises an exploitative purpose of aid-giving, which is determined mainly by economic interests of donor states. This opinion is justified by the practice to tie aid and by securing access to raw materials by donors (Lancaster, 2007, p. 3). In particular, neo-Marxists argue that foreign aid maintains the exploitative North-South relations that extend disparities between donors and recipient countries (Schraeder, Hook, & Taylor, 1998, p. 299).

Another trend in understanding foreign aid is developed by the followers of the liberal tradition in international relations. Foreign aid in their understanding is a tool to address global problems ensuing from interdependence and globalisation (Lancaster, 2007, p. 4). In other words, it is considered that every single country has to take into account interests of other countries and that an egoistic approach is a highly inappropriate way to pursue foreign policy nowadays. In the final analysis, political and economic stability in one country can be damaged by problems in another state, regardless of geographic proximity.

Finally, constructivism - one of the newest trends in international relations studies – interprets foreign aid as a generally accepted norm that wealthy countries should support needy states aiming at human betterment. Here, humanitarian concern is seen as the leading motive of aid-giving. This trend is mostly applicable to Nordic countries (Lancaster, 2007, p. 4).

The brief summary of assumptions suggested by scholars representing different academic trends in international relations gives framework to the hypothesis suggested in the present paper. This diversity of opinions on aid motivations suggests that aid-giving decisions are most likely influenced by a set of motivations, both altruistic and selfish, development and non-development, donor-interest and recipient-need. Importantly, it is emphasised in the recent literature that the motivations of donors differ greatly. So, the examination of aggregate motives for all donors can be unreasonable. Donors have different priorities in their foreign policies and, logically, they pursue different purposes through aid-giving. The necessity to analyse aid motivations for each donor separately is acknowledged by a number of scholars. Thus, Schraeder et al. analyse motivations behind aid policies of France, Japan, Sweden and the United States separately (Schraeder, Hook, & Taylor, 1998). Berthelemy distinguishes three clusters of donors according to their behavioural parameters: the altruistic cluster including Austria, Denmark, Ireland and some other Scandinavian countries; the moderately egoistic cluster which unites Belgium, Finland and Germany; and the egoistic cluster including France, Italy and the United Kingdom (Berthelemy, 2005, pp. 18-19). Similarly, Alesina and Dollar find significant differences between donors' patterns of aid giving (Alesina & Dollar, 1998).

Since the key contributions in academic literature are made by academics in donor countries, aid has been analysed mostly from the donors' point of view, focusing on the preferable strategies to secure their policy preferences (Whitfield, 2009, p. 27). However, in recent years, there has been an increasing amount of literature admitting the complexity of aid. For instance, Whitfield suggests that aid should be considered as a negotiation process between aid donors and recipients, thus acknowledging complex character of the notion (Whitfield, 2009, p. 27). Carol Lancaster emphasised the necessity to consider the impact of donors' domestic politics as an important element of foreign aid and their influence on aid allocation practices (Lancaster, 2007). McGillivray argues that bilateral aid allocations are much more complex than donors usually say. Donors' aid decisions are based on economic, socio-economic and demographic characteristics, on the one hand; on donors' self-interests including commercial, diplomatic, political and strategic objectives, on the other hand; and on recipients' ability to manage foreign aid in the most efficient way (McGillivray, 2005, p. 1005). In other words, there is a tendency to analyse the scope of factors reflecting donors' interests, and domestic factors or factors characterising recipient countries, for example, their level of democratisation or income level. Since it is impossible to consider all factors influencing donors' aid decisions suggested in academic literature, a limited number of factors

are usually taken into account. Selection depends on what aspect of aid giving is examined. In general terms, there are two groups of “donor-interest” and “recipient-need” factors. It is suggested that both groups should be included into a single hybrid model “to avoid biases due to omitted variables” (Berthelemy, 2005, p. 3).

The selection of factors for the analysis in the present paper is made taking into consideration the complex nature of foreign aid and the way variables have been sampled in the previous academic papers. The next subchapter gives an overview of the main motivations that were established relevant in the previous literature and controversy about it, as well as juxtaposition of official purposes claimed and concealed objectives.

### **2.2.2 Purposes of foreign aid and principles of allocation**

As it has been stated in the previous chapters, the aims of foreign aid have changed and developed over four periods, each of them having its own peculiarities determined by some events on the global and local scale. The evolution of aims led to the greater prominence of development component in aid giving. Today, official aims of foreign aid are reflected in the Millennium Declaration 2000 which was a milestone in international cooperation inspiring development efforts. Having agreed on the Millennium Development Goals, the international community has committed itself to the extended vision of development by promoting human development required for sustaining social and economic progress worldwide. The MDGs set out below are considered as framework for evaluation of development progress and are to be achieved by 2015:

- Halve the proportion of people whose income is less than \$1 per day and those living with insufficient food;
- Achieve universal primary education;
- Eliminate gender disparities at all levels of education;
- Reduce child mortality by two-thirds and maternal mortality by three quarters;
- Halt and reverse the spread of HIV/AIDS, malaria, and other diseases;
- Ensure environmental sustainability and reverse the loss of environmental resources;
- Halve the proportion of people without sustainable access to safe drinking water;



- Achieve by 2020 a significant improvement in the lives of slum dwellers;
- Develop a global partnership for development (Official List of MDG Indicators, 2008).

There are some doubts in academic literature concerning the realisation of these goals, especially in relation to sub-Saharan Africa (Lancaster, 2007; McGillivray, 2005). Nevertheless, these goals are mentioned in the foreign aid programmes of almost every donor country. The above mentioned goals can be reckoned as purely altruistic. In other words, donors provide aid without deriving any benefit, except for a long-term peace and stability in the world, as well as absence of external threat to a donor country. However, it would be naïve to think that these goals are the only factors that motivate donors' aid activities.

Apart from donor's unwillingness to provide aid only according to development needs of the recipients, there are other obstacles that may hinder aid allocation. Even if aid is aimed entirely at development and human betterment, an intention of a donor to allocate money to a particular country does not guarantee that these funds will be used to reach development goals. That is why modern studies suggest considering not only donor motivations, but also recipient goals, and how recipients usually manage aid coming from donors.

Conditional aid-giving is one of the modern tools which help control recipient governments. The issue of conditionality imposition on aid giving is closely related to the juxtaposition 'donor-interest/recipient-need'. According to Isopi and Mattesini, "the choice between conditional and unconditional aid is a crucial consequence of the motivations of the donor" (Isopi & Mattesini, 2010, p. 7). The authors suggest that more altruistic donor will avoid unconditional aid giving, while a less altruistic donor will tend to unconditional aid mediating its own strategic and economic reasons. Importantly, as opposed to the project of international financial organisations, individual bilateral projects are still not subject to conditionality (Isopi & Mattesini, 2010, p. 5). An econometric analysis made by Isopi and Mavrotas brought evidence that aid is still distributed by donors without taking into consideration the assessment of previous results (Isopi & Mavrotas, 2009). An assessment of individual European donors made by Hoebink and Stokke revealed that in most cases donors distribute aid both without assessing previous performance and, on the other hand, without an adequate control of whether recipients have accomplished the required tasks (Stokke & Hoebink, 2005). Thus, cooperation projects and policies of France and Italy are obviously not based on evaluating activities related to previous projects. The same tendency is relevant for Spain.

Easterly and Pfutze argued that the only condition imposed by donors on recipients is purchasing of goods and services provided by the donor, in other words tying of aid (Easterly & Pfutze, 2008). However, if developmental goals are considered, Isopi and Mattesini suggest that the only type of conditionality that can be imposed on a recipient in bilateral aid giving is in most cases conditionality on performance. This statement is based on the fact that a single bilateral donor is often not able to demand institutional reforms or macroeconomic policies in a recipient country (Isopi & Mattesini, 2010, p. 6). Contrariwise, donors may demand certain conditions to be created by a recipient government before aid is allocated. In this case, donors orient themselves according to existing level of governance in recipient countries. This principle also falls under the category of conditionality. Since there are evidences that in bilateral aid relations donors cannot impose conditions on recipients regarding future developments, it is logically to assume that a more altruistic donor will pay more attention to governance indicators of recipient countries before aid is allocated. Thus, this condition corresponds to another determinant of bilateral ODA.

There is an extensive literature about the determinants of bilateral foreign aid. The debate on the motivations behind foreign aid was started in the 1970s, when McKinlay and Little (1976) established the terms 'donor-interest' and 'recipient-need' in relation to the US aid giving. They posited five possible categories for donor-interest motivation, including: 1) (US) overseas economic interests, 2) (US) security interests, 3) power political interests, 4) development and performance interests, and 5) political stability and democracy interests (McKinlay & Little, 1976, p. 240). It is obvious, that the development issues had limited importance in the early aid policies of donors.

Though some significant changes took place in foreign aid practices over the last forty decades, the modern scholars continue to divide determinants of foreign aid into several groups according to their purposes, which means that the development purpose is still a part of a mix of existing aid determinants. For instance, Riddel (2008) divides all aid purposes into change two main groups: developmental and non-developmental. The latter includes political, strategic and commercial interests of donors. The author lays stress that non-developmental purposes of aid should not be underestimated. He argues that a recent emphasis on development purposes reflected in the MDGs can mislead, giving an impression that development is the only purpose of foreign aid nowadays (Riddel, 2008, p. 96).

Lancaster identifies diplomatic, development, humanitarian relief and commercial purposes of aid. According to Lancaster (2007), aid's purposes are the broad goals than donors'

governments try to achieve. Purposes should be analyzed taking into consideration not only official statements of donors about aid purposes, but also the decisions they make on the amount, use and country allocation (Lancaster, 2007, p. 13). In other words, the pattern of aid-giving of a particular donor reveals its initial intentions. Thus, diplomatic purposes involve international political goals, international security, and management of relationships between governments and sometimes are used to cover all types of relationships between the states. Diplomatic component of aid exists in almost all bilateral relations between a donor and a recipient. Almost every donor government uses aid to ensure high-level access to recipient government officials (Lancaster, 2007, p. 13). Colonial preferences of donors also take place in the group of diplomatic purposes (de Haan, 2009, p. 57).

Support of economic and social progress and reduction of poverty in recipient countries are development purposes. These purposes have a long-term recipient-need basis. Humanitarian relief aid – usually the least politicised – is the type of aid provided in the case of disasters when the local government lacks resources to meet the needs of the victims. An additional set of purposes, which has got special importance in the last two decades, includes promotion of economic and social transitions in the former socialist countries, promotion of democracy, addressing global issues (the range from environmental problems to transmission of diseases) and mitigating of conflicts (Lancaster, 2007, p. 15). Thus, there is no single classification on aid motivations widely admitted in academic literature.

A variety of multivariate econometric, formal and comparative studies account for significance of various determinants of aid by means of an analysis of a set of variables integrated in one model (Berthelemy, 2005). The results are rarely similar, because the authors use different sets of variables in their models and naturally come to different or non-identical conclusions. However, considering results of a number of studies on foreign aid allocation, it is possible to establish the most commonly used variables and draw conclusions on significance of suggested factors influencing aid allocation decisions of donors.

In an econometric study on bilateral aid allocation, Alesina and Dollar (1998) relate the flows of aid to the variables of trade openness, democracy, civil liberties, UN friendship (votes as a measure of alliance effect), colonial status, foreign direct investment, income per capita and population, thus integrating donors' political and strategic considerations and economic need and policy performance of the recipients. The authors find evidences that foreign aid is mostly dictated by political and strategic considerations of donors. Meanwhile, economic needs and policy performance (institutional development, corruption, inefficiency and bureaucratic

failures) of aid recipients have limited role in aid motivation of donors. On the other hand, the study showed that democratized states received aid boom immediately afterwards (Alesina & Dollar, 1998, p. 2). Together with uncovering differences in behaviour of donors, the authors found out that colonial past and political alliances were the main determinants of aid at the time of research. In addition, significant differences in behaviour of different donors were uncovered.

Admitting that bilateral aid allocations are more complex than donors themselves say, McGillivray (2005) lays emphasis on commercial, diplomatic, political and strategic objectives or self-interests of donors, however, does not deny influence of recipient development need (McGillivray, 2005, p. 1005). All the variables used in his model can be divided into two groups: those representing donor's interest and recipient-specific ones. The author uses such variables as population, income per capita, multilateral ODA policy and policy-time interaction, arms transfers, as well as DAC investment and DAC exports. Using an econometric method to analyse bilateral aid allocation to four African countries based on predetermined, fixed pool of total funds, McGillivray finds evidences that the amounts of aid received by Egypt, Morocco, and Tanzania were influenced greatly by their policy regimes. For Kenya, aid receipts are negatively correlated with its policy regime. Additionally, recipients with high strategic priority for donor countries received more foreign aid (McGillivray, 2005, p. 1014).

In a more recent paper on aid motivation and donor behaviour, Nath and Sobhee (2007) integrate four objectives underlying aid allocation, namely recipient growth, donor trade interest, international income inequality and donor reaction to fungibility<sup>1</sup>, thereby suggesting a model of supply side of foreign aid allocation considering donors' motivation and recourse capability, and recipient performance (Nath & Sobhee, 2007, p. 2). The general conclusion is that trade interest creates incentives for aid, and fungibility normally restrains it. It has been also established that donors' reaction to fungibility (in aid terms) coexists with other motivations. In the pair 'trade interest - international income distribution', the former has been proved to be more influential in aid allocation. The authors acknowledge the complexness of issues discussed and indicate the illustrative nature of their work (Nath & Sobhee, 2007, p. 10).

---

<sup>1</sup> Fungibility occurs when given aid is spent to the projects that donors do not intend to support (Nath & Sobhee, 2007, p. 6).

In his empirical assessment of the motivations behind aid, Berthelemy (2005) emphasises that behaviour of each donor ensues from a combination of self-interest goals and altruistic development objectives of donors. In this connection, the author, similarly to McGillivray (2005), introduces a set of variables which represent both the recipient's need and the donor's interest in a single hybrid model (Berthelemy, 2005, p. 3). The geopolitical purpose is represented by variables for former colonial ties and some other particular variables which are not applicable to the hypothesis examined in the present paper. As opposed to Alesina and Dollar (2002), the author refuses to introduce a variable for the UN voting as a measure of political alliance between donor and recipient, because political alliance can be not only a determinant of aid allocation, but also a result. This assumption is questionable, because stronger political alliance ensuing from aid allocations of the previous years can become a determinant of aid allocation for the following years. As for commercial interests of donors, the author suggests a variable for the sum of bilateral exports and imports between the donor and the recipient country, expressed as a percentage of the donor's GDP (Berthelemy, 2005, p. 10).

Development purposes are introduced in two categories: those, aimed at poverty alleviation and implying aid allocation to the neediest countries, and those, considering aid efficiency determined by economic policies and by the governance of the recipient. Berthelemy introduces an indicator of income per capita in the recipient country to measure the first category. The policies are measured by the real GDP growth. For governance, the author chooses indicators of civil liberties, political freedoms and occurrence of conflicts (Berthelemy, 2005, pp. 11-12). As opposed to Alesina and Weder (2002), Berthelemy does not consider a corruption index as an indicator of governance, because the data on corruption is not available for a large number of donors examined in his work. The overall result is that the donors have significant differences in their behaviour. The author defines three donor clusters: altruistic, moderately egoistic and egoistic. According to this classification, three of four donors examined in the present paper belong to the latter (except for Spain which did not find its place in the classification) (Berthelemy, 2005, p. 17). Concerning motivations behind aid allocation, political and trade linkages are found to be highly influential in donors' decisions. However, the least egoistic countries (not the case in the present paper) appear to be concerned about the neediest recipients, as well as consider better governance indicators and higher growth (Berthelemy, 2005, p. 20).

The study conducted by Schraeder et al. (1998) empirically analyses the motivations behind the aid policies of France, Japan, Sweden and the United States towards the African continent and tests for a variety of aid determinants during the 1980s. By means of an inductive method, the authors identify empirically grounded linkages between the foreign policy interests of the donors and their behaviour in relation to aid allocation (Schraeder, Hook, & Taylor, 1998, p. 296). They introduce two sets of purposes: (1) humanitarian need, strategic importance and economic potential of the recipient – traditionally used in empirical literature; and (2) cultural similarity, ideological stance and region. Humanitarian need is measured in the study by the average life expectancy in the recipient country, and the daily caloric intake of the population. Strategic purposes of the donor are operationalised by the following measures: maintenance of a security alliance between the donor and the recipient, military spending as a percentage of the GNP of the recipient, and percentage of the recipient country's population that forms part of the military (Schraeder, Hook, & Taylor, 1998, p. 304). Donor's economic interests are measured by GNP per capita in recipient countries and the level of trade with the donor, expressed by recipient's imports from the donor as a percentage of total imports. Under cultural similarity, the authors understand colonial ties or their absence. Concerning ideological stance, the typology of Young (1982) is applied: self-proclaimed Marxist regimes, self-proclaimed socialist regimes, and capitalist regimes (Young, 1982). Finally, region, recognised as an important factor to understanding of international interactions between Northern donors and African recipients, is represented by grouping of African countries into five clusters: North Africa, East Africa, Southern Africa, Central Africa, and West Africa. It is assumed that this grouping might help to establish similar relations between the recipients belonging to one of these groups and the donors. The results revealed that foreign policies of examined donors were complex and varied, being influenced by different combinations of foreign policy interests in the 1980s. Yet, an altruistic nature of foreign aid is again rejected by the results of the study (Schraeder, Hook, & Taylor, 1998, p. 319).

One of the newest studies to the question of motives behind aid allocation conducted by Clist (2009) is focused on seven bilateral donors over a twenty-five year period. Here, the author examines four possible determinants of foreign aid, namely poverty, policy, proximity and population. The following variables are applied in the study: GDP per capita, population, Freedom Index (constitutes of civil liberties and political rights), political terror scale, religion, exports from a donor to a recipient as a share of total exports of that donor, colony, language, corruption index and distance of a recipient from the donor. The most significant finding is that over the last 25 years policy sensitivity has not been the major factor that

influenced donors' aid allocation decisions (Clist, 2009, p. 11). Regarding poverty sensitivity, it has been found that there are three identifiable groups of donors: the UK, for instance, belongs to the group of high poverty sensitivity; as for France, poverty is not among the decisive factors influencing aid allocation decisions. However, proximity (variables for colonies and language) is significant both for the UK and France. In relation to donors' trade interests as a determinant of aid allocation, Clist calls in question the finding of Berthelemy that all donors can be divided into two groups: selfish and altruistic (Berthelemy, 2005, p. 17). He argues that it is difficult to establish direct relation of aid to exports promotion, because some donors can theoretically aim at increase in trade with a recipient in a long-term perspective (Clist, 2009, p. 12). In addition, the author reaffirms the significance of non-development factors in his study.

As it is evident from the overview of the literature to the question of motivations behind aid-giving, there is a variety of factors which influence aid allocation decision of donors. Since there is no strict classification of donor motivations, two general groups of them are singled out in the present paper: development and non-development. The group of development motivations is aimed at reduction of poverty in recipient countries, economic and social progress, human betterment and humanitarian relief. The group of non-development purposes embodies purposes for unilateral benefits of donors, such as strategic partnership, ensuring of national and international security, promotion of donor's economic interests, security of energy supplies and addressing of global issues. Each group of motivations will be expressed by a number of variables, the selection of which will be justified in the following chapters.

## **2.3 Data and methodology**

### **2.3.1 Selection of European donor countries, African recipient countries and a period of time**

Selection of both aid-giving European donors and aid-receiving African countries has been made taking into consideration countries with different characteristics. In relation to donor countries, there were considered such factors as significance of volumes of aid allocated in comparison to other European countries and bilateral share of total aid, energy dependence and historically determined aid-giving practices, including influence of colonial past (see Table 2).

All the countries have colonial ties to some of the examined African countries, except for Italy. France and the UK are the leading donors among the selected countries and among the main EU countries, while Spain and Italy are placed at the bottom of the list of the biggest European donors in 2008. As for the percentage of GNI, foreign aid volumes of Spain and the UK have the best indices. These countries are the closest to the repeated commitment of the world's governments to commit 0,7% of rich-countries' GNP to ODA (OECD, 2010c). In comparison to them, Italy is very far from achieving the goal of 0,7%. This indicates its weak devotion to the international development target. On the other hand, bilateral share of Italian ODA is very small that could mean development orientation of Italian foreign aid. In the sample of donors, Spain is the leader in terms of bilateral ODA with only 30% of aid going through multilateral channels. Regarding energy dependency, the sample includes two highly energy-dependent countries (Italy and Spain), one moderately dependent state (France) and one insignificantly dependent country (the UK). Thus, the sample of donor countries can be described as diverse from different aspects.

As for aid-receiving countries, the scope of factors is broader. The paper looks at five African countries, two of them representing North Africa, others being Sub-Saharan countries (see Table 1). The uniting factor for the selected recipient countries is the size of population. The number of inhabitants in the recipient countries varies from 30 million to 40 million. This limitation is justified by some previous findings, according to which small countries receive more assistance per capita than large countries (Berthelemy, 2005, p. 7; Alesina & Dollar, 1998, p. 8). This is explained by administrative costs, which influence per capita aid granted and are not proportionate to the amount of aid. The exclusion of significant variations of this parameter allows adequate analysis of aid inflows to these countries.

Availability of oil and gas resources in aid-receiving countries is another factor, according to which the choice was made. Among the selected countries, two of them are oil and gas producers (Algeria and Morocco), one of them is an important oil producer (Sudan) and the last two have no fossil fuels resources (Kenya and Uganda). It is also important that these countries have no or very limited reserves of other minerals (e.g. brilliants), besides gold, which still remains insignificant in Uganda and Kenya (World Factbook of CIA, 2008). In the selected group, Algeria is the biggest resource-holder with significant production and proved reserves of oil and gas, followed by Morocco and Sudan. The former colonial status of aid-receiving countries is also considered. Thus, three of selected African countries were in the



sphere of influence of the UK, Algeria is a former French colony and Morocco was policed jointly by France and Spain.

According to DAC list of ODA recipients issued by the OECD and used by donors for reporting on aid flows, the selected recipient countries belong to three of four low income groups determined on the ground of GNI per capita index as reported by the World Bank. Thus, selected group comprises two least developed countries (Sudan and Uganda), one low income country (Kenya) and two lower middle income countries (Morocco and Algeria) (OECD, DAC list of ODA recipients, 2007). As for conflict situation in recipient countries, Sudan is the most prominent example of inner conflict.

Thus, the sampling has been made regarding various factors in order to trace recent tendencies in aid allocation by European donors which have different history of aid-giving and practices of aid allocation. Following the suggestion of McGillivray (2005) that research should focus more on individual donors, instead of aggregate data on foreign aid, this approach will help further explain some of the behaviour and different allocative priorities among donors (McGillivray, 2005, p. 1016).

### **2.3.2 Definition of variables**

The research proposed in this paper implies selection of variables. The number of variables is limited by the scope of this paper. Basing on the recent findings in academic literature, it is considered that aid allocation is influenced by different combinations of foreign policy interests in each case of donor-recipient relations, involving both self-interest purposes of donors and more altruistic development-oriented objectives. In order to explain aid allocation principles in an unbiased way, the variables of these two categories are included in the present study. Table 3 in the Appendix contains definitions of aid variables, their character (development, non-development) and the sources of data, as well as explains the principle of normalisation for each variable.

The academic debate related to aid variable is concentrated on the option of choice between net ODA disbursements and net ODA commitments. The latter is defined as “a firm obligation expressed in writing”; while the disbursement means “a record of actual international transfer of financial resources” (OECD, 2010). Since the main objective of the present paper is to reveal objectives behind bilateral aid flows to explain the behaviour of

bilateral donors in political sense, we choose aid commitments instead disbursements, because this variable explains better donors' decisions on aid allocation in political sense. Some studies reject aid commitments variable. For instance, according to Canavire et al. (2005), disbursements reflect the actual resource transfer from a donor to a recipient more accurately than commitments (Canavire, Nunnenkamp, Thiele, & Triveno, 2005, p. 4). An opposed opinion has McGillivray (2005) who argues that since commitments are primarily determined by a donor country and do not imply indication of a recipient's lack of willingness or administrative capacity to accept aid, ODA commitments are a justified choice, especially when donor's interests are under examination (McGillivray, 2005, p. 1010). This view is supported by Berthelemy (2005) who states that donors have more control on the commitments compared to disbursements (Berthelemy, 2005, p. 5), and by some other scholars (Isopi & Mavrotas, 2006, p. 5; Thiele, Nunnenkamp, & Dreher, 2007, p. 3; Neumayer, 2003).

The income level variable is introduced to check whether donors are oriented by the poverty level in recipient countries in their aid allocation decisions. Though this variable is usually expressed by the GDP per capita in recipient countries (Alesina & Dollar, 1998, p.6; Canavire et al., 2005, p. 5), we use a simplified indicator for poverty, because of a limited number of examined recipients in the present paper and since selection of recipients has been made according to the level of income. We apply the list of recipient countries used by donors to report on aid allocation which consists of four groups, three of them being considered in the present paper. The group of the Least Developed Countries is represented by Sudan and Uganda; Kenya is one of the Low Income Countries; and Algeria and Morocco are reckoned among the Lower Middle Income Countries. Thus, the recipients under examination represent the bottom three groups of the classification, according to which the importance of poverty factor in aid allocations can be measured.

The next two variables reflect strategic and political non-development objectives. The first variable for the former colonial status is a traditional indicator of the donors' strategic interests. Similarly to Clist (2009), we suggest the value '1' for recipients which are former colonies of the selected donors, and '0' in the cases when there were no colonial relationships. Morocco gets the value '0,5' for Spain and France, since this country was policed jointly by France and Spain. The second variable for the UN voting is chosen basing on the findings of Alesina and Dollar who argue that some distinguishable voting blocs can be found in the UN

(Alesina & Dollar, 1998, p. 8). Thus, it is assumed that UN votes may be strongly correlated with important strategic interests in some cases.

In relation to governance, we introduce several variables, as well as an aggregate evaluation of governance. First, the democracy variable is an operational indicator derived from coding of the competitiveness of political participation, the openness and competitiveness on executive recruitment and constraints on the chief executive, which takes the value from '1' to '10', where '10' is the best value. This indicator is suggested by the Polity IV Project (Marshall & Jaggers, 2009). It seems to be more comprehensive than, for example, the variable introduced by Berthelemy, which includes evaluations of the civil liberty and political freedom only (Berthelemy, 2005, pp. 12-14).

Second, the variable for control of corruption is introduced in the papers of Clist (2009), Neumayer (2003), Alesina and Weder (2002). This indicator is taken from the World Bank Worldwide Governance Indicators 1996-2008 (Kaufmann, Kraay, & Mastruzzi, 2009). As opposed to Berthelemy (2005), we can apply this indicator in our study, because time series on corruption is needed for the limited number of years and recipients. It is measured from '1' to '100', the latter being the best value.

Third, the same source was used for political stability variable. Political stability and absence of violence measures the perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including domestic violence and terrorism (Kaufmann, Kraay, & Mastruzzi, 2009).

Finally, though some variables determining governance have been included in the analysis, it seems to be reasonable to include a general governance index, because it would cover wider range of issues. Canavire et al. (2005) uses CPIA (Country Policy and Institutional Assessment) classification worked out by the International Development Association (IDA) (Canavire, Nunnenkamp, Thiele, & Triveno, 2005, p. 5). This classification is based, however, only on the IDA eligible countries and does not include Algeria and Morocco – countries considered in the present paper. In addition, there is a problem with data availability for all the years analysed here. Therefore, we have opted for the Ibrahim Index developed by The Mo Ibrahim Foundation which provides a comprehensive ranking of African countries according to governance quality. This index represents various indicators which can be roughly grouped under four major titles: safety and rule of law, participation and human rights, human development and sustainable economic opportunity ( Ibrahim Index of African Governance, 2009).

Concerning economic interests of donors, we introduce an indicator of bilateral trade as proposed by Berthelemy and Tichit (2004), and Berthelemy (2005). It is measured by the sum of bilateral imports and exports between a donor and a recipient, expressed by a percentage of the donor's GDP (Berthelemy, 2005, p. 10). The calculations are made basing on several sources. The data on donors' GDP has been retrieved from the primary World Bank database for development data from officially recognized international sources (World Bank, 2010) (see Table 4). Imports and exports values are taken from the United Nations Commodity Trade Statistics Database (UN Comtrade, 2010). The sum of imports and exports were summed and the percentage of donor's GDP calculated (see Table 5). Thus, the significance of bilateral trade relations donors and recipients can be assessed.

Finally, the variable of oil/gas availability is applied in a simplified way. The data on production and proved resources of oil and gas in selected African countries is retrieved from the official site of the US Energy Information Administration (U.S. Energy Information Administration, 2009). Because of the great difference in energy resources availability in African countries, a rough normalisation principle has been applied. As a result, within a scale of five values, Algeria gets the maximum value, because it is the biggest producer of both oil and gas and has the most significant proved reserves. Kenya and Uganda are non-producers and non-holders, so they get the zero value. Sudan and Morocco get '3' and '2' respectively and according to approximate comparison of their energy resources. Importantly, these indices have not changed over the last decade, meaning that there were no large discoveries of energy deposits or sharp increases in production (see Tables 6-8).

### **2.3.3 Data processing**

The research method employed in this paper is empirical. Bilateral aid data for the selected countries in the period 2000-2008 are analysed according to the principle of the *Just Plain Data Analysis*, suggested by Klass for compilation and presentation of numerical evidence from multiple data sources to support and illustrate arguments about politics and public issues (Klass, 2008). The present research is aimed at graphical presentation and comparative analysis of data collected for four donor states, five recipient states and for the years 2000, 2004 and 2008.

The data are organised in two groups of charts. The first group includes 24 radar charts, six charts for each donor. This chart type was chosen, because it allows displaying directly non-

comparable categories. Donors' relations with recipient countries possessing some energy resources (Algeria, Morocco and Sudan) are displayed separately from those without energy resources (Kenya and Uganda). Thus, there are three radar charts showing variables for aid relations of each of four donors with countries with energy resources (hereinafter e-countries) for the year 2000, 2004 and 2008, and three radar charts showing variables for aid relations of each donor with countries without energy resources (n-countries) for each of the selected years (see Tables 9-12).

Each radar chart has ten axes for each variable discussed in previous section. All the variables are organised according to their development or non-development nature. Thus, the right semicircle of each graph contains non-development variables, namely oil and gas variable, colonial ties, trade and the UN voting; the left semicircle includes development variables, such as democracy variable, political stability, aggregate governance, income level and control of corruption. The ODA commitments variable is placed in front of the oil/gas variable in order to better track the correlation between them.

In order to adapt categories which differ greatly in their values to the representation in radar charts, the normalisation method has been applied. The upper parts of tables 6-8 contain data on various variables taken from different sources. The values are very different: for instance, while the colonial ties variable can be measured by values '1' and '0', political stability variable has values from '1,4' to '36,1', not to mention the data on oil production and reserves. Since there are ten axes in a radar graph, each variable has to be adopted for its axis subject to indices of all other recipient countries. It is assumed that each axis is divided into five parts. Here, '5' is the maximum index. For example, regarding the variable of control of corruption in Table 6, the index of Morocco is a maximum among the group of recipient countries. Morocco gets the value '5' on the control of corruption axis. If Moroccan control of corruption equals the point '5' on the axis, indices of other recipient countries will be disposed between the maximum of '5' and the minimum of '0'. Thus, Algerian value of control of corruption gets 2,35 point of the axis; Kenyan index for control of corruption will be placed at 1,13 on the chart, etc. This principle is applied for each year separately. The only exception is made for the democracy variable, because there is a great surge in Kenyan democracy level between 2000 and 2004 from '2' to '8'. To make this change more evident, it has been decided to admit Kenyan index for this variable in 2004 as the maximum value for all years.

The second group includes linear charts which display trends over time. This group consists of four charts, each of them displaying tendencies in annual ODA commitments of each selected donor to four recipients over the period of nine years (2000 - 2008). Recipients are divided into two groups, where Algeria and Sudan represent countries with significant energy resources (Morocco is excluded due to insignificant reserves of energy resources) and Kenya and Uganda are examples of countries without energy production. The ODA commitments in current US\$ are summed for every two countries in each group. Four linear charts are based on information from tables 6 to 8 and demonstrate the general ODA commitment trend in examined recipient countries for each donor (see Appendix).

### **3. European aid donors and African recipients – patterns of relationships**

The selection of both aid-giving and aid-receiving countries was made in such a way that divergent aid-giving practices could be traced in relation to the most different aid recipients in Africa. The paper looks at aid flows to the selected African countries from four European donors – France, Italy, Spain and the United Kingdom. The selection is justified by several factors: the size of bilateral flows to developing countries in comparison to other European donors, dependence on oil and gas imports, bilateral share of ODA and historically emerged aid-giving practices. Basing on given academic literature, we try to find out whether donors are generally motivated by non-developmental purposes in their recent aid allocation decisions. Particularly, influence of energy resources availability in recipient countries will be examined.

This chapter is intended to give information on different aspects of bilateral relations between the donors and the recipients, so that the results of the analysis in the present paper could be compared to existing information on bilateral relations, donors' interests in particular recipients and priorities in partnerships. Thus, it will be focused mostly on non-developmental interests of donors – trade, political cooperation, security issues and spheres of collaboration.

#### **3.1 France**

France is one of the most generous aid donors in the world. The volumes of aid grew up from \$ 2828,8 million in 2000 to \$ 6461,27 million in 2008, while bilateral share reached 63% in 2007 and insignificantly decreased to 59% in 2008 (OECD, 2009). Such a high level of bilateral aid in comparison with means given through the multilateral channels may indicate the priority of donor's economic and strategic interests, or more generally non-development motivations, in aid allocation decisions.

Though, more than 90% of French bilateral aid was untied in 2007 which indicates a less egoistic character of aid-giving, the numerous papers confirm that French aid is directed for the most part to its political allies and former colonies. These factors remain leading in aid decisions taken by French officials, and such factors as recipient need and good governance remain insignificant (Akramov, 2006, p. 48; Clark, 1992, p. 7; Canavire et al., 2005, p. 6). The most recent findings in academic literature reveal that France is the most prominent example of a donor which foreign policy goals are still the most important motives for aid

giving (Alesina and Dollar 2000; Burnside and Dollar 2000; Neumayer 2003). Since, according to recent academic researches, colonial past of a recipient is an important factor influencing French aid giving decisions, it can be expected that French aid given to Algeria and Morocco is considerably bigger than that given to Sudan, Kenya or Uganda, regardless of other developmental factors considered in the present paper; another probability is that the influence of these factors is minor in comparison to non-development ones.

Another issue concerning French foreign aid in general is geographic proximity to the African continent. Apart from the support for *la francophonie* (a greater French-speaking community), French aid policy is theoretically directed to some North African countries in order to stop or scale down migration. About two-thirds of Africans in Europe come from Algeria, Morocco and Tunisia. Sub-Saharan diaspora is steadily growing too. The majority live in France (e.g. 274 538 sub-Saharan migrants stayed in France in 2005, followed by the UK with 249 720 people) (IOM 2005: 26). In particular, about two million Algerians live in France (Migdalovitz, Algeria: Current Issues, 2009, p. 5). So, France is interested in creation of conditions to be able to control migration from the African region. Since Algeria and Morocco are the closest countries which serve as a transfer point for migrants going to Europe, this motive may be the case for some other donor countries being a terminal point for migrants. These issues will be discussed in the final part of the paper in consideration of common foreign relations between France and five examined recipients and the results achieved in the present research.

The modern history of bilateral relations between France and Algeria started in March 2003, when the first visit by a French president was made since Algeria's independence in 1962. This visit was marked by signing of the Algiers Declaration, which initiated a new partnership between countries in such subjects as deepening of political dialogue, economic partnership, economic, technical and scientific cooperation etc. (France Diplomatie, 2008). But bilateral relations between the countries remain complex, mostly because of the colonisation past. Algerian authorities continue to demand an apology for the colonisation crimes, which are constantly rejected by the French part. France makes focus on bilateral business and trade ties, and reinforcement of civilian nuclear energy cooperation, as well as tries to involve Algeria into the EU Union for the Mediterranean (Migdalovitz, Algeria: Current Issues, 2009, p. 5).

For Algeria, France is among the key trade partners. In 2006, France was the fourth major importer of Algerian goods and commodities with the total value of \$ 4,3 billion, and the biggest importer of goods to Algeria with \$ 4,3 billion (African Development Bank, 2009,



p.112). Importantly, France depends on energy imports to more than 50% (Europe's Energy Portal, 2008). Thus, Algeria, being on the third place among the biggest gas exporters to the EU-27 in 2006 with 18% of all supply, is obviously an important energy supplier for France. Indeed, about 25% of all gas was exported to the OECD European countries, with France, Germany, Italy and the UK being the main importers. According to the US Energy Information Administration, France is the leading importer of about 256 billion cubic feet of Algerian liquefied natural gas (LNG) in 2008, followed by Spain (152,67 billion cubic feet) and Italy (54,91 billion cubic feet) (U.S. Energy Information Administration, 2009). Thus, the importance of Algerian energy resources for France is evident.

France traditionally has had good relations with Morocco in spite of its colonisation in the past. France remains the largest trading partner of Morocco, accounting for 22% of Morocco's foreign trade, or € 6,2 billion in 2007 (France Diplomatie, 2008). Since Morocco does not export its hydrocarbon resources (the reserves are quite small), there are no trade relations in this sector. However, strategic partnership between two states is incontestable: France officially supports Morocco's proposal for the autonomy of the West Saharan region and the UN efforts to resolve the dispute in this region, and blocks initiatives related to the case which are rejected by Morocco (Migdalovitz, Morocco: Current Issues, 2010, p. 7).

Cooperation between Sudan and France is quite modest in all spheres. Though Sudan is France's second-leading partner in East Africa, with French companies operating in hydroelectric, oil, cement, mining, and agricultural sectors, the overall trade volumes are quite moderate. Political efforts of France are directed at conflict resolution in Darfur (France Diplomatie, 2008).

The level of cooperation with Kenya and Uganda remains quite low both in political and economic terms. Both African countries are modest trade partners for France, because they have limited number of commodities or raw materials to awake interest of France. Importance of their strategic position for France is also doubtful, because in comparison to, for instance, Algeria and Morocco, they are not France's neighbours and are not of big interest for France in terms of strategic of security consideration.

So, France has stronger bilateral relations with neighbouring countries both in economic, diplomatic and strategic sense. Despite worse poverty situation on sub-Saharan countries, the main ODA commitments are made to the neighbouring countries which represent the well-off group of recipient countries in the sample. It is expected that a more thorough examination of variables can present a more accurate pattern of aid-giving and reveal which motivations

dominate in French aid in the balance of development and non-development ones in each case of five selected recipient countries.

### 3.2 UK

Recent British foreign policy towards Africa could be described as a damage limitation exercise. This principle dominated in the period after the Cold War and got more prominent after 2001 in the framework of fight against global terrorism. In this connection Clapham (1996) states that Africa was seen as “a source of trouble rather than opportunity” (Clapham, 1996, p. 88). Though, some changes can be seen in official statements concerning British policy towards Africa. In practice, African continent has never been a priority for British authorities, except for some countries in certain periods of time. First of all, British policy splits Africa into two parts: North Africa and sub-Saharan Africa. In sub-Saharan Africa, the UK was particularly concerned about South Africa, Kenya, Zimbabwe and Uganda (Williams, 2004, p. 43). As for North Africa, special attention was paid to Algeria as one of priority exporters of gas to the UK (Foreign and Commonwealth Office, 2003, p. 18). A good indicator of British interests in Africa is distribution of British FDI on the continent. Among the frontrunners, there are Botswana, Ghana, Mozambique, Namibia, Tunisia and Uganda. Analysis of British FDI in Africa indicates that natural resources have been among the main motives for the attraction of FDI in most cases (Williams, 2004, p. 54).

As concerns foreign aid, its history started with de-colonisation of British colonies similarly to France. It was explicitly clear that apart from the sense of responsibility, encouragement of trade between the UK and its former colonies was a priority. Since Marshal Plan and Truman Doctrine, allocation of aid for political purposes was legitimized and was apprehended as a matter of course. It reflected three main objectives: maintenance of strategic alliances, creation of trade benefits for donors and safeguarding of global stability through economic growth and development (Barratt, 2008, pp. 17-18). Though these motives still exist in aid decisions of almost every donors, perhaps except for the North European countries, recent foreign aid assessments have shown tangible changes in British aid practices, which formally abandoned its commercial interests in aid allocation decisions and issued legislation, according to which aid must be used “solely for development and welfare purposes” (Riddell, 2008, p. 97). Moreover, it has been stated that more than 90% of bilateral aid must be given to the poorest countries. Indeed, recent surveys find that the UK can be considered in a small

group of almost entirely altruistic donors. In this context, Barrat sites the list of British current specific priorities in foreign policy published by the British Foreign & Commonwealth Office (FCO), including eight points, namely struggle against global terrorism and proliferation of weapons of mass destruction, protection of the UK from illegal migration, drug trafficking etc., maintenance of an international system based on the rule of law, strengthening of the EU, promotion of the UK economic interests, sustainable development based on democracy, good governance and human rights, security of the UK and global energy supplies, security and good governance of the UK's overseas territories (Foreign and Commonwealth Office, 2003, p. 30). Importantly, a reservation was made that the order of these priorities did not reflect the importance of goals (Barratt, 2008, p. 76). Thus, one can assume that national energy security still may be one of the leading priorities nowadays in British foreign policy, with development assistance being part of it.

It must be remembered that the UK is one of the least energy dependent countries in the EU. It ranks 26<sup>th</sup> in 2008 with 21,3% of energy dependency on imports (Europe's Energy Portal, 2008). At the moment, Algeria is not on the list of major oil and gas suppliers for Britain. But in consideration of the FCO statement in 2003 concerning importance of Algeria as a future gas supplier, one can assume that at present Britain is not interested in diversification of gas and oil suppliers. Energy requirements of this donor country are covered by more proximate partners, for instance Norway. Owing to lack of energy imports from Algeria, trade relations between the countries are insignificant in comparison to the other European states which import oil and gas from Algeria (see Table 5). But trade relations between the UK and Algeria continue to strengthen. Thus, the UK exports to Algeria increased by 100% in the last five years. British FDI in Algeria are also significant on the European scale. Investments have been made basically in oil and gas sector, in which British companies are traditionally strong. The countries enjoy full diplomatic relations. The representatives of the countries meet annually in the framework of a political dialogue between two countries in order to discuss political, economic, educational, cultural and international issues (Foreign and Commonwealth Office, 2010).

As it is stated on the official page of the Foreign and Commonwealth Office, relations between Morocco and the UK are good, getting a new impetus in the 21<sup>st</sup> century (Foreign and Commonwealth Office, 2010). There are a number of common interests between them, which are discussed within the UK-Morocco 'Ministerial Dialogue Forum'. Morocco is considered as a strategic partner in solving the problems related to illegal migration and

counter-terrorism. Importantly, there are no bilateral aid relations between the UK and Morocco. Economic relations between two countries develop steadily. Thus, in the past ten years the volumes of bilateral trade have tripled (British Embassy in Rabat, 2010).

The UK has full diplomatic relations with Sudan. Recent relations are mainly focused on the conflict in the region of Darfur. Bilateral trade is modest, however, Britain's export to Sudan doubled every four years since 2000 (UN Comtrade, 2010). Recently, the UK government has stated that the new important priority of British foreign policy is to promote UK trade and investment abroad. The message recently sent to the Sudanese government about the strengthening of bilateral commercial relations is subject to severe criticism. Britain is accused of cooperation with the government led by the President Omar al-Bashir and others who are wanted by the International Criminal Court for waging wars of aggression (Porteous, 2010). The UK is blamed for pursuing commercial interests to the prejudice of international endeavours to promote justice and protect human rights. On the other hand, Britain is one of the major bilateral donors for Sudan accounting for nearly one third of aid provided by DAC EU Members to the country in 2008 (OECD Online Database , 2010).

Britain is Kenya's leading trading partner in the EU, accounting for 28,5% of all Kenyan trade. This is one of the most industrialised countries in Africa. However, manufacturing makes up to only 14% of GDP. The UK is the leader of FDI in Kenya. It provides for the half of all FDI in industrial sector (Library of Congress – Federal Research Division, 2007). The UK is also a leading aid donor for Kenya: it committed about one fifth of all aid provided by DAC EU Members to the country in 2007 (OECD Online Database , 2010). Kenya and Sudan are good examples of aid conditioning applied by Britain. In the 1990s, the UK applied this principle in its bilateral relations with African countries and demonstrated its commitments to democracy by cuts in aid to Sudan and Kenya in 1991.

The UK has a strong bilateral relationship with Uganda. The partnership built in various sectors, in particular in trade: Britain is among Uganda's top import sources, as well as among leading investors (Foreign and Commonwealth Office, 2010). As mentioned above, Uganda is an example of continuity of the UK's interests in the region. However, Britain has not always adhered to this principle. Thus, sanctions were imposed mainly on weaker states, while friends or important partners, such as for example Nigeria – Britain's second largest exporter market in Africa in the 1990s, were not subject to these measures, because Britain had very strong oil and commercial interests in this country (Williams, 2004, p. 57). In this context, democracy concerns remain secondary.

### 3.3 Italy

As it has been mentioned above, Italy is one of seven the most important EU donors in terms of financial resources, but it ranks five with \$ 4861 million. It is also one of the most generous contributors to the common development budget of the European Community. Taking into consideration Italy's relatively small role in the EU's development policy, Carbone comes to the conclusion that the main reasons for this is the low priority of development cooperation in the national debate, and that the preferences of the government concerning foreign aid are quite unclear (Carbone, 2008, pp. 191, 200). Considering Italian foreign aid, one should not be misled by the numbers reflecting the character of Italian aid giving. If only bilateral aid is considered, about 92 percent of it was tied in 2001. However, it should be remembered that the greatest part of Italian aid is provided through multilateral channels. Despite that, some suggestions were made recently to extend untying of bilateral aid beyond LDCs. However, this discussion aroused discontent among business sector (Carbone, 2008, p. 198).

A question may arise, why foreign aid in Italy is mostly delivered through multilateral channels and why at the same time relatively small bilateral aid flows are highly tied. A substantial foreign aid program in Italy was created only in the 1980s. This was necessary to justify Italy's membership in the Group of Seven. Foreign aid was also aimed at effective trade policy to support Italian enterprises to enter new markets. This strategy was first formulated by the minister of foreign affairs Gianni de Michelis (Carbone, 2008, p. 206). The enthusiasm about foreign aid faded quite fast in a few years. In particular, bilateral aid flows from Italy decreased drastically from 67,5 percent in 1988 to 48,6 in 2003; multilateral flows increased accordingly (OECD, 2010).

Italy regards Algeria as a key partner in the North African region in the key issues including energy sector, defence fields and combating terrorism. Algeria is a leading supplier of natural gas to Italy, which is energy-dependent on imports to 86,8% (imports divided by gross consumption) and is on the fifth place, according to this indicator, among the European countries. Italy is also the most energy dependent country in the sample of donors selected for the present analysis (Europe's Energy Portal, 2008). Its gas requirements are covered to 35% by Algerian gas imports (Ministry of Foreign Affairs of Italy, 2010). Italy has also significant business presence in Algeria. Both countries are interested and involved in a number of big infrastructure projects. Economic indicators show strong bilateral partnership between two countries. According to African Economic Outlook, Italy was the second biggest importer of Algerian goods (mostly hydrocarbons) for the total of \$ 9 billion after the US (\$ 14 billion),

and followed by Spain (\$ 5,5 billion) and France (\$ 4,3 billion) (African Development Bank, 2009, p. 112) On the other hand, Italy is the second importer of commodities in Algeria with \$ 1,9 billion, after France (\$ 4,9 billion). So, Italy and Algeria have bilateral importance in trade for each other.

Morocco is strategically important for Italy in the context of developing dialogue with the North African countries. The common goals of this partnership include creating an area of security in the Mediterranean region, fight against terrorism, drug and human trafficking, as well as control of migration. As for economic relations, Italy is third among suppliers in 2009 and fourth among purchasers of Moroccan commodities, mainly related to fish, agricultural and textiles sectors (Ministry of Foreign Affairs of Italy, 2010). Italy stresses the willingness of Morocco to diversify their economic relations dominated by France and Spain, and intends to strengthen bilateral relations with Morocco. Thus, though Morocco cannot be regarded as an important economic partner, in strategic terms it remains highly attractive for Italy, especially when Moroccan priorities in foreign relations are taken into account.

Sudan is not on the list of countries which are in the focus of Italian foreign policy. At least, the official site of the Italian Ministry of Foreign Affairs does not provide any information on bilateral relations with this country (Ministry of Foreign Affairs of Italy, 2010). The site of the Embassy of Italy in Khartoum does not inform on economic cooperation with this country. However, it is officially stated that political cooperation is predominated by efforts on conflict prevention and fight against terrorism. As a result, Italy is involved in a peace process in Sudan. Development cooperation programmes of Italy are focused on health, education and infrastructure development (Embassy of Italy in Khartoum, 2010).

Bilateral relations of Italy and Kenya are quite positive, but the political dialogue is lead mostly at the European Union level. Its context includes struggle against corruption and for transparency in the public administration, as well as increase of civil society values and abundance of freedoms (Embassy of Italy in Naorobi, 2010). Though, Kenya has no or very little importance for Italy in terms of trade, it is seen as a more or less stable country in the region, which can be a strategic partner for Italy. For instance, Italy and Kenya have been involved in the peace process in Sudan, where the latter played a mediating role. Similarly to Kenya, Uganda is not an important trade partner for Italy due to the weakness of its economy and over reliance on exports of agricultural one-crops and, on the other hand, weak development of private sector. However, Italian authorities emphasize positive relations

between the countries, pointing out Uganda's continuous support to the Italian candidatures to the international organisations (Embassy of Italy in Kampala, 2010).

### 3.4 Spain

Spanish foreign policy has seen a number of transformations in the last two decades. Currently, Spanish policy towards Africa can be described as liberal, flexible and pragmatic. In spite of the fact that Spain had African colonies in the past, these ties are of minor importance for Spain in comparison to France. The focus of foreign policy is made mainly on North Africa, especially on Morocco which is the main source of immigrants in Spain. Recently, Spain has started to develop bilateral relations with countries in Sub-Saharan Africa through maintaining large aid programmes. The share of bilateral aid in Spanish ODA reached 70% in 2008 and decreased to 65% in 2009. Importantly, about 67% of ODA goes to middle-income countries, which brings into question Spanish altruism in foreign aid-giving. Only one third of Spanish aid is allocated to the LDCs and approximately one fourth goes to low-income countries (UN, 2010). Thus, it is obvious that though Spain declares commitment towards the MDGs, Spanish aid does not reach countries where aid is most needed.

Spain traditionally has strong relations with the Maghreb countries. In particular, Algeria is one of Spain's major energy partners. For Spain, energy was always the main basis for dialogue with Algeria. Both countries currently participate in a number of projects related to energy, infrastructure, construction, environment and pharmaceuticals (Jeffreys, 2010, p. 190). One of the recent big projects is *Medgaz* - the Mediterranean first deepwater gas pipeline between Algeria and Spain. The shareholders of this project are the Algerian state oil and gas company *Sonatrach*, three Spanish companies and *Gaz de France*. This energy project is especially important for Spain, because it is one of the most energy dependent countries in the EU. It was placed seventh among the EU Member States in 2008 with energy dependence of more than 80% (see Table 2). Spain is one of the leading trade partners of Algeria. Almost all imports from Algeria are related to gas and oil. The volumes of trade (both imports and exports) tripled between 2004 and 2008 (UN Comtrade, 2010). In 2008, Spain was the main importer of Algerian commodities in the EU to the total value of \$ 9 503 million (see Table 5).

The main factor determining Spanish foreign policy in the Mediterranean has always been security. Its national interest in regional stability has always had priority over the prospect of

conquering markets (Gillespie, 2005, p. 210). In this connection, Morocco is still the key partner of Spain in the region, despite of occasional tensions in relations between the countries. The most prominent example of tensions in bilateral relations between Spain and Morocco is a recent conflict in 2001-2002 over the sovereignty of an uninhabited rocky island. However, diplomatic hostilities had not affected bilateral trade and investment projects (Gillespie, 2005, p. 210). Morocco and Spain are active trade partners. In 2008, export volumes to Morocco reached nearly \$ 5,5 billion, while imports amounted to more than \$ 4 billion (UN Comtrade, 2010). The volume of trade grew up significantly in the last decade. There are a number of issues leading to small-scale tensions between the countries, namely illegal immigration, drug trafficking and disputes about rights of Spanish fishermen to fish in Moroccan waters – disputes based on geographic proximity (Magone, 2004, p. 223). Importantly, Spain regularly accuses Morocco in reluctance of Moroccan authorities regarding these issues, especially drug trafficking. But, Algeria and Morocco are in the centre of Spanish foreign policy towards the African continent.

Spanish authorities acknowledge challenging situation in modern sub-Saharan Africa. In this connection, Spanish aid policy is concentrated on the issues of poverty, conflict resolution and prevention, as well as promotion of democracy, human rights and good governance (The Ministry of Foreign Affairs and Cooperation of Spain, 2010). In bilateral terms, such countries as South Africa, Equatorial Guinea, Namibia, Angola, Nigeria, Mozambique, Ethiopia, Senegal and Kenya are considered as countries of high priority. Promotion of bilateral trade is seen as another priority in relation to the sub-Saharan region. Indeed, even in comparison to other European countries, the volumes of bilateral trade between sub-Saharan countries and Spain remain insignificant. For instance, while the UK exported and imported commodities to Kenya to the amount of about \$ 357 million and \$ 547 million correspondingly in 2008, Spain's trade indicators were almost five times smaller in terms of exports to Kenya, and ten times smaller in terms of imports, let alone such countries as Sudan and Uganda which are not viewed as principle priority countries by Spain (UN Comtrade, 2010).

Spanish policy in Sudan is oriented mainly on maintenance of stability in Darfur region. The donor country is involved in a number of humanitarian projects and makes regular contributions to multilateral organisations devoted to humanitarian efforts in the region. For instance, Spain contributed about € 10 million to the region in 2007. The same year, Spain joined the Common Humanitarian Fund with an initial contribution of € 6,5 million (Sudan



Tribune, 2007). Reopening of the Embassy in Khartoum in 2007 after almost fifteen years of absence of Spanish direct representation in the country was a sign of Spanish renewed attention to the sub-Saharan region, in particular to Sudan.

Despite quite moderate trade turnover with Kenya, Spain makes investments in some particular sectors. Special attention is paid to wind potential of Kenya. This country is the fifth in the world and first on the African continent regarding its wind power generation capability, and attracts investments in this field from many 'green' investors, with Spain being among them. In 2010, Spain invested about \$150 million in the largest wind power project in Kenya (Buttell, 2010). A year before that, a bilateral financial cooperation agreement between two countries was signed. Among the key sectors stated in the agreement are water, renewable energy, electricity, transport infrastructure, information technologies and solid waste management.

As far as Uganda is concerned, Spain has diplomatic relations with this country, but the Honorary Consulate of Spain in Kampala is under the jurisdiction of the Embassy of Spain in Nairobi. It should be noted that precise information on bilateral relations between Spain and Uganda lacks. One of the few found official documents provides information on Spanish participation in the context of the relationships with the Government of Uganda, the European Union Countries and the Countries represented in Uganda. According to it, Spain is for the most part involved in humanitarian projects, relief programmes, and acts mostly through international agencies and organisations (European Commission, 2008b, p. 20) Trade relations of Spain with Uganda are highly insignificant (see Table 5). This can indicate that Spain is not interested in the country in a strategic or economic sense, and that development endeavours can be leading in Spanish policy towards Uganda.

#### 4. Research and analysis of data

This chapter focuses on analysis of data organized in a new way in order to elicit the real motivations of donors behind aid allocation. First, for the analysis of radar charts, the deductive method is applied. Second, analysis of linear charts is intended to reveal trends over time for each donor in respect of two separate groups of recipients: those with energy resources and those without them (see Chapter 2.2.3 Data processing).

According to graphic presentation of data in radar charts, it is obvious that the donors have different relations with the selected recipients (see Tables 9-12). Data on aid allocations also change over years for almost all donors. However, some stable trends can be noticed. First, an observation of factors characterising recipient countries will be made. In most cases, graphs representing countries with oil and gas resources (upper three charts for each donor) are more 'loaded' than those representing recipients without energy sources (lower three charts), meaning that maximum values for variables prevail. At this point, some trends are obvious. First, an indicator of aggregate governance for countries with energy resources (e-countries) is roughly identical for countries without energy resources (n-countries). This statement is true for each year. The only exception is Sudan with aggregate governance indicator two times less than in other countries. Sudan is clearly left out of the group of e-countries at almost all points, except for energy resources. Second, Kenya has the highest indicator of democracy, especially in 2004 and 2008. It is the biggest value for democracy variable among all recipients in all years. Importantly, e-countries are quite indistinctive in point of democracy level. Even Algeria has a value more than two times less than that of Kenya in 2004 and 2008. Third, Morocco is an indisputable leader in all years in terms of political stability. There is a tendency of bettering of political stability in Algeria and Uganda. In case of Kenya, this indicator is quite stable. Morocco has also the best indicator of control of corruption among all examined recipients. In 2008, Algerian control of corruption improved in comparison to previous years and other countries. Corruption indicators for n-countries also indicate a tendency of gradual improvement over time. Finally, the income level variable which has not changed over time shows that two of the e-countries are better off in comparison to the others. Sudan is an exception from the rule, since it is characterized as a least developed country similarly to Uganda. Thus, we can see a number of compliances between recipient countries in groups, as well as prominent distinctions in some cases (e.g. Sudan). It is necessary to remember that governance indicators of n-countries are almost similar to those of e-countries, and in some cases are even higher (e.g. Kenyan indicator of democracy). The biggest

difference between these groups can be seen in indicators of control of corruption and the income level. If only Morocco is considered in the group of e-countries, then n-countries also lack of political stability. But this index is not homogeneously high in e-countries. There, Sudan is a great exception with the lowest political stability in the sample, which is caused by domestic conflicts.

## **4.1 Radar charts**

### **4.1.1 France**

The next step is to examine aid allocation patterns of separate donors taking into consideration recipients' peculiarities. Resulting from the radar charts, it is clear that France does not provide aid to n-countries, as well as to conflict-prone Sudan. So, what distinguishes countries enjoying big French aid commitments and countries receiving nothing? First of all, France has strong colonial ties with Algeria and Morocco – countries which get great amounts of French aid commitments. Thus, colonial history seems to be the main motivation behind French bilateral aid that agrees with the recent findings in academic literature. Importantly, though Morocco was policed jointly by France and Spain in the past, French aid to Morocco is even more significant in comparison to Spanish. On the other hand, French aid commitments to Algeria has not been stable over years and especially small in 2008, while Morocco has always received the maximum of aid among the examined recipient countries in all years. Surely, France is attracted by strong political stability in the country. Very likely this can also be explained by the highest level of governance in the sample of recipient countries. Good governance in Morocco is indicated both by aggregate index and by separate indicators for political stability and control of corruption.

When looking at the right semicircle of the radar, one can see that Algeria is an important trade partner of France possessing a significant store of energy. Moreover, about 95% of all imports from Algeria to France have been mineral fuels, oils and distillation products (UN Comtrade, 2010). Bilateral trade relations between Morocco and France are not so strong, especially in 2004 and 2008, but still significant in comparison to n-countries and Sudan. In addition, oil and gas reserves in Morocco are not so rich that in Algeria. In spite of that, France's ODA commitments to Morocco are significantly bigger than those to Algeria. Thus, in relation to its former colonies, France seems to be motivated by more development

objectives than economic or energy interests. Of course, this assumption requires more careful examination of French political, economic and aid relations with all its colonies. But the present sample supports this assumption, especially when a more or less equal income level per capita in these recipient countries is considered (both represent the group of lower middle income countries – the ‘richest’ countries in the examined sample).

In comparison to Algeria and Morocco, Sudan’s governance indicators, as well as indicators of trade with France tend to zero. Despite being a least developed country, non-democratic, highly corrupted, politically unstable Sudan receives trifling amounts of French aid. In this case, Sudan’s oil resources are undoubtedly of no interest for France. However, together with oil and gas factor unimportance, France seems to pay no attention to Sudan’s humanitarian problems at least on the bilateral level.

Though France committed very modest amounts of aid to Sudan, as well as to Kenya and Uganda which have no energy resources available, the latter two are quite different from Sudan in terms of governance. The most prominent feature of Kenya is the highest level of democracy among the examined countries in 2004 and 2008. Clearly, the level of democratisation is not a leading factor determining French aid allocation. UN voting results seem to be also of minor importance for France, because Uganda and Kenya had always stable indices of high voting coincidence with France on the major issues, as opposed to Morocco, which voting coincidence with France improved only in 2008. A certain void in the right semicircle draws attention to the radar charts in the bottom row. In view of insignificant aid commitments made by France to Kenya and Uganda which represent countries with the smallest income per capita, it can be assumed that non-development motivations are prior for France in aid allocation decisions regarding sub-Saharan countries which have no colonial ties and weak trade relations with France. However, more clear results can be achieved in the case when former French colonies in North Africa and sub-Saharan Africa are compared to the countries without strong historical ties to France in these two regions. Thus, one cannot assert that oil energy resources play decisive role in French aid allocation decisions, because oil rich Sudan receives incomparably less aid than Algeria or Morocco. At the same time, a more resource-rich Algeria receives less aid commitments than Morocco. On the other hand, these two North African countries with medium level of income per capita receive significant aid commitments from France than remote sub-Saharan countries, regardless of their energy resource endowment. Here, an orientation of French aid towards former colonies becomes

apparent. So, non-development orientation of French aid is hardly open to question under given conditions and coincides the findings of previous studies.

#### 4.1.2 UK

The UK's ODA commitments are quite the opposite to those of France. A superficial analysis of data on British aid commitments shows that aid has been committed mostly to the countries which get no aid from France. It can be seen that the UK's commitments to Sudan were the largest in 2004 and 2008; significant amounts of aid were committed to Kenya and Uganda, the latter being a leader in aid receiving in 2000 in comparison to other countries in the sample. It is important to pay attention to colonial ties of Britain with the recipient countries. In the sample, all former British colonies have been subject to significant aid commitments. On the contrary, Algeria and Morocco which have no colonial ties with the UK received almost no aid from this donor. This tendency can be seen in all years examined. Unfortunately, it is impossible to assert that colonial ties still significantly influence aid allocation decisions of Britain, because by coincidence British former colonies represent the neediest countries in the considered sample. So, British aid is aimed at the least developed countries.

When focusing on British former colonies getting significant amounts of British aid, it is obvious that in 2000 the UK's aid commitments to Sudan were almost equal to zero. Just in four years, Britain committed more aid to Sudan than to any other country in the sample. At the same time, aid commitments to Uganda were reduced in 2004 and 2008, so that British aid commitment to this country in 2008 was three times smaller than in 2000. These growing aid commitments to Sudan can be explained by a worsening humanitarian situation in Darfur region in Sudan in 2004 - political stability decreased between 2004 and 2008 at that. On the contrary, Uganda's political stability index increased in the same time period. Thus, it can be assumed that British aid is not much influenced by political stability in a recipient country, meaning that a recipient country might be unstable and subject to conflicts, but still will receive aid from Britain. On the other hand, British aid is aimed to a country which is theoretically unable to manage it in a proper way, because Sudanese index for control of corruption tends to zero. So, among the countries which get aid from the UK, the least politically stable and highly corrupted one gets the maximum of aid commitments. Currently, no exports of fossil fuels are made to the UK. The trade turnover is also quite modest. But the

fact that Britain's export to Sudan doubled every four years since 2000 and the recent statements of British government about strengthening of bilateral commercial relations with Sudan suggest that Britain might have views on Sudan as a partner in the future. The question arises why it is so. Here, it is important to mention that in 2003, new oil fields were discovered in Sudan which led to a steady increase in production. Conditions for oil extraction significantly improved in 2005 after the Comprehensive Peace Agreement was signed (University of California, 2009, p.4). Possibly, Britain has aimed at improvement of bilateral relations with a country which will probably be reliable partner in energy issues in the future.

As concerns other factors influencing the UK's decision on aid commitments, control of corruption, aggregate governance and democracy seem to have no stable importance for Britain. First, sample countries with worse control of corruption receive more aid (e.g. Uganda in comparison to Kenya and Sudan in 2008). Second, better aggregate governance does not favour bigger sums of British aid commitments as in the case of Kenya and Uganda with higher level of governance in comparison to Sudan in 2004 and 2008. Third, more democratic Kenya receives less aid commitments than less democratic Uganda in 2000 and 2004, and Sudan in 2004 and 2008. The sample of recipient countries does not clarify whether British aid is oriented towards more needy countries or towards former colonies, because Algeria and Morocco which do not receive British aid commitments have the better income per capita index than the other examined aid recipients. So, it is impossible to assert that Britain commits aid mostly to its former colonies, because the same countries are the neediest in the sample. So, probably, Britain is motivated by the income level in these countries. Clearly, present trade relations between the UK and the recipients seem to have no influence on aid commitments, as well as the UN voting index relative to ODA commitments does not suggest any regularity. In these donor-recipient relations, energy factor turns out to be unimportant, because the major commitments were made to n-countries. However, Sudan remains an exception: being highly unstable and non democratic state, it receives great amounts of aid commitments from the UK. Though influence of Sudanese oil resources on British aid decisions remains questionable, the recent statements by British governments, as well as a new oil-field discovery suggest that under given conditions the hypothesis stated in the present paper turns to be true, but with a proviso that it is correct only among the former British colonies, or in a group of countries which excludes former colonies of other European states (Morocco and Algeria).

### 4.1.3 Italy

Interestingly, the aid commitment pattern of Italy coincides with that of the UK. Aid commitments to the sample countries are similar to those of the UK in the sense of priority. Thus, Italy committed the biggest amounts of aid to Uganda in 2000 and to Sudan in 2004 and 2008. Tendency of Italian aid commitments to Kenya and Uganda resemble that of the UK in all years, except for 2000 when there was a very limited amount of aid committed by Italy to Kenya. Regarding e-countries, Italy committed modest amounts of aid to Algeria and Morocco in all years, in contrast to the UK, which aid commitments to these two lower middle income countries were almost equal to zero.

As for historical relations between Italy and the examined aid recipients, it should be mentioned that the first significant difference is a lack of colonial ties between Italy and African countries in the sample. Thus, clearly Italy was not motivated by preservation of bilateral relations based on colonial history when committing the biggest amounts of aid to Sudan, Kenya and Uganda. Italy has the most significant trade relations with Algeria and Morocco, but, as opposed to Britain, Italian trade with Algeria has been always stronger than with Morocco. Importantly, Italian imports from Algeria reached \$1,53 billion in 2008, \$1,33 billion of which were imports of mineral fuels and oil distillation products. (UN Comtrade, 2010). Strikingly, Italy imported commodities to the sum of about \$8,5 billion from Algeria in 2009; mineral fuels imports made up to \$8,3 billion at that (see Table 5). In spite of that, aid commitments to these countries remain insignificant when compared to the more needy countries examined.

In comparison to other donors, Italy has better import and export turnover with Sudan. For instance, Italy exported to Sudan goods and commodities to the sum of \$378 million in 2008, as against French exports to the amount of \$190 million, or the UK's \$262 million. While France imported \$39 million from Sudan in 2008 and the UK – only \$10 million, Italian imports totalled almost \$30 million in 2008 (in 2004 - \$25 million, in 2000 - \$40 million). Importantly, Italian imports from Sudan included import of oil products, which were however not regular (in 2007 - \$13,5 million; in 2002 - \$42 million; in 2000 - \$13,2 million), while France and Britain did not import oil from Sudan in the examined time period (UN Comtrade, 2010).

In conclusion, it can be said that though Italian pattern of aid commitments resembles that of Britain, Italy is not so strict in its priorities. Since 2004, all the countries in the sample

received ODA commitments from Italy. Importantly, more LDCs received more aid than lower middle income countries. Geographic proximity factor does not have any influence on Italian aid commitment decisions. So, Italian adherence to the MDG seems to be proved. However, Sudan is still an exception from the rule. Similarly to British pattern, Italy commits maximum of aid in comparison to other countries, regardless of Sudan's low governance indicators. Importantly, Italy is the only donor country from the sample which imported oil products from Sudan. Whereas Italy is the most energy dependent country in the sample of donors, there is a possibility that its interest in Sudanese oil resources matters when a decision on bilateral aid allocations is made by Italian authorities.

#### **4.1.4 Spain**

As opposed to Italy, Spanish aid-giving pattern resembles French one. The most significant similarity in terms of aid can be traced in aid commitments to Morocco, which received the biggest amounts of aid commitments in all years examined. Spanish commitments to this country equalled \$ 59 million in 2000, almost doubled in 2004 and came up to \$ 124 million in 2008. Having quite strong trade relations with Spain, Morocco still has no leading position in this regard, as opposed to Algeria. However, big import and export turnovers with Spain, as well as its gas resources does not contribute to bigger amounts of Spanish aid commitments to Algeria. Though Spanish imports from Algeria are comprised mostly from oil products (\$ 9,2 billion of \$ 9,5 billion of total imports), Spanish aid commitments to Algeria are lower than those to all the other examined countries, regardless of its energy resources. However, as far back as in 2004, Algeria was the second most important receiver of bilateral aid commitments for Spain. While Morocco received almost \$ 110 million, Algeria got \$ 31 million, which was four times more than aid commitments to Uganda or Sudan and thirteen times more than commitments to Kenya. Surely, the explanation of why Morocco is the biggest recipient country of Spanish aid commitments can be found in geographic proximity with Morocco. Stable and prosperous Morocco can prevent and appreciably contribute to fight against illegal migration or drug trafficking. Theoretically, Algeria, being like Morocco a neighbouring country for Spain, would receive more aid commitments from Spain, if Spain had energy considerations with respect to Algeria. But Spanish ODA commitments to Algeria have notably shrank in 2008 while Morocco received maximum aid commitments from Spain in all examined years.



Spanish aid commitments to sub-Saharan countries gradually increased in the examined period. Thus, commitments to Sudan grew 350 times from 2000 to 2008 (OECD, 2010). Commitments to Kenya increased nine times. As a result, sub-Saharan countries examined in the paper received roughly the same aid commitments in 2008 (See Tables 6-8). But in general, aid commitments to sub-Saharan countries remained quite modest in 2008, especially in comparison with North African countries, despite that fact that these countries are acknowledged as the neediest countries.

Thus, Spanish aid commitment pattern reveals a tendency to provide more aid to the neighbouring countries. Importantly, Sub-Saharan countries observed increase in aid amounts committed by Spain during the whole period, but still Spanish aid pattern does not follow the principle of development orientation, because the LDCs receive incomparably less aid commitments than the lower middle income countries. The fact that Morocco the only country in the sample which has colonial ties with Spain, cannot be regarded as an indicator of Spanish preferences for former colonies, because it is a single case which does not allow of making any conclusions.

## 4.2 Linear charts

Another perspective of aid given by the European countries to some African recipients is introduced by means of linear charts which can be found in the Appendix, Table 13.1 - 13.4. This graphical representation of data displays tendencies in annual ODA commitments over the period 2000-2008 made by each selected donor to four recipients, namely Algeria, Sudan, Kenya and Uganda. In the charts, blue line stands for aggregate aid commitments of one donor to two energy producing countries – Algeria and Uganda. Morocco is excluded from the sample, because its energy resources are too small comparing to other energy producing countries. Another reason for exclusion is a need to balance comparison groups in order to make it fare. Red lines mean commitments to countries without energy resources. The chart displays the sum of ODA commitments to two e-countries and two n-countries, so that increases and decreases of aid commitments can be traced over a nine-year period.

The comparison of four charts reveals big differences in changes of ODA commitments volumes among four donors. Thus, only Britain committed more aid to n-countries in all years except for the year 2005 and 2008. The red line in other charts is placed under the blue one,

meaning smaller aid commitments to n-countries. In addition, both lines show rapid decrease after 2007 in the charts describing Spanish and French aid giving. Similar to radar charts, the aid commitment patterns of these countries match, as opposed to Italy and Britain which aid commitments differ.

First of all, British commitments to n-countries shrank considerably during the financial crisis in 2008 (see Table 13.2). So the red line indicating commitments to n-countries fell down below the blue one which remained stable since 2005. This is explained by continuously high commitments to Sudan, in contrast to almost double decrease in aid commitments to Kenya and Uganda after their maximum in 2006. Thus, in case of the UK, financial crisis has affected mostly n-countries, while aid commitments to e-countries remained stable. In addition, it is evident from this chart that Britain began to increase its aid commitments to e-countries since 2003. Its increase concurs with the discovery of the new oil fields in Sudan in the same year, and thus, it supports an assumption that Britain may have views on energy resources in Sudan, or at least questions non-development character of British aid.

In the case of France, it is obvious that the amounts of aid commitments are motivated by non-development purposes. Interestingly, from 2000 to 2002 both groups of countries received stably low aid commitments from France. However, since 2002, commitments to e-countries increased significantly and reached their maximum in 2005. Even if France allocates additional resources for bilateral aid purposes, these funds are committed to the first group of countries. And, on the other hand, when aid funds are limited, commitments to n-countries are cut down first. When numbers in Table 13.1 are examined closer, it becomes clear that e-countries in the sample receive so big commitments from France because of huge amounts of aid intended for Algeria – a former colony and a recent strategic and trade partner of France in the region.

Spanish aid-giving pattern matches French greatly (Table 13.4). It is interesting, how Spanish priorities in the group of e-countries gradually moved from Algeria to Sudan. While Sudan received only marginal aid commitments in 2000, in 2008, Sudan gets as much aid commitments as Algeria in 2000, and vice versa. Since commitments to both countries were significant in 2006 and 2007, peak values are observed for these years, followed by a sharp decline in 2008.

Finally, Italy is an exception from the rule, because, in spite of the crisis, it did not cut down commitments in 2008 (Table 13.3). Thus, an increase in values can be seen on the chart for

both lines. Under given conditions, aid commitments to both groups are found to be similar. There is an insignificant discrepancy between aggregate amounts of Italian aid commitments.

## CONCLUSION

This paper has sought to explain the role of energy resources in recipient countries as a motivating factor in donors' aid allocation decisions. The research considered four EU donors, namely France, the UK, Italy and Spain, and five recipient countries, such as Algeria, Kenya, Morocco, Sudan and Uganda. The purpose of the current study was to find out whether fossil fuels endowment in a recipient country attracts more foreign bilateral aid from some donors.

These findings suggest that, in general, it is difficult to answer the question with confidence whether African oil and gas resources have influenced donors' decisions on aid allocation. There is a mix of factors which are of greater or less importance for each concrete donor. But under given conditions, some trends were found which indicated possible orientation of donors towards energy resources in their aid-allocation decisions in some cases, and non-development orientation of their aid in other cases. The questions set in the introduction have been answered during the research. It has been found that volumes and principles of aid allocation by every donor considerably changed over time. There is no single classification of donors' goals which they pursue through aid-giving. However, all purposes can be divided into two groups: developmental and non-developmental. A more detailed classification includes diplomatic, developmental, humanitarian relief and commercial purposes. Securing of energy resources through bilateral aid allocation could be considered as a commercial or strategic purpose.

The findings regarding France present a supporting evidence of the assertion that its aid policy is motivated by non-development purposes. The preference given by France to its former colonies, namely Morocco and Algeria, are out of the question. It is supported by both types of charts and indicates the priority of donor's economic and strategic interests. Possibly, energy resources play some role in French aid decisions, but since among the countries which get significant amounts of aid commitments Algeria is on the second place after Morocco which has no significant energy resources available, the factor of maintenance of good relations with former colonies and the issue of legal and illegal migration become more prominent. It is possible that France pays attention to political stability and control of corruption indicators when decision on aid allocation within the group of its former colonies is to be made. Thus, French aid benefits mostly its neighbouring countries of the Northern Africa, rather than poorer sub-Saharan countries. This finding corresponds with the statements

of Akramov (2006), Clark (1992), Canavire & Nunnenkamp (2005) etc. concerning France's disregard for governance indicators in recipient countries and the leading role of foreign policy goals in its aid-giving practice. Thus, France is not oriented by energy resources in recipient countries in its aid allocation decisions.

As for the UK, *ex facto*, the biggest amounts of its aid are committed to the LDC countries. Since LDC countries have different characteristics, it seems that an income per capita indicator is the only indicator, according to which British aid is committed. However, the neediest countries are former colonies of Britain. In addition, the biggest volumes of aid are committed to oil-holding Sudan – a highly unstable and non-democratic state. A special attention is attracted to the period of a rapid increase in aid volumes committed to Sudan. In the same period of time, several new oil fields were discovered in Sudan which led to a steady increase in oil production. Together with the recent statements made by the British government, this coincidence and volumes of aid committed to Sudan suggest that the UK considers Sudan as a possible future partner in energy issues.

In case of Italy, there are no extreme peculiarities in aid allocation practices. The LDC countries receive big amounts of aid; lower middle income countries get proportionally smaller commitments. Among the LDG countries including Kenya, Italy committed the biggest amounts of aid to Sudan since 2004. On the other hand, every four year growing amounts of aid were committed to Kenya and Uganda. As a result, the aggregate volumes of aid provided by Italy to e-countries and n-countries almost match. Though Italy is the most energy dependent country in the sample of donors examined in the present paper, it is unlikely that Italy is guided by energy considerations in the first place. The pattern of Italian aid-giving implies domination of poverty consideration. On the other hand, it should be remembered that the significant volume of aid is allocated through multilateral channels that supports development orientation of Italian aid.

Finally, Spain is more oriented by geographic proximity or probably by colonial ties in its aid allocation decisions. Thus, the biggest commitments were made to Morocco in all years. Possibly, the main goal of aid commitments to Morocco is to establish a 'buffer zone' to prevent illegal migration and drug trafficking. Though Spain is strongly dependent on foreign oil and gas suppliers, the energy factor does not seem to be the leading one in aid allocation decisions made by Spain, because Algeria, being the major gas-holder in Africa, received insignificant aid commitments from Spain in all years. Spanish ODA commitments to Algeria have notably shrunk in 2008, in spite of growing imports of energy resources from Algeria.

Though Spanish aid commitments to sub-Saharan countries gradually increased in the examined period, the amounts of aid to Uganda, Kenya and Sudan are still incomparably smaller than those of the North African states.

So, under given conditions, the selected donors paid more attention to the following inner characteristics of the recipient countries: colonial ties, trade relations, income level and in some cases control of corruption. The question about energy factor demands additional examination.

The results of this research support the idea that modern aid relations are still highly influenced by donors' non-development purposes. Under given conditions, Italy has been found to be the only more or less development oriented donor among the selected EU states. However, the share of aid provided by Italy bilaterally is very small in comparison to the other donors. This may indicate a reluctance to use foreign aid as a tool in foreign relations with African countries. All other donors appear to be led by strategic, political or economic considerations. As regards energy resources, within the sample of donors only Britain seems to be interested in maintenance of better relations with the Sudanese authorities and provides bilaterally huge amounts of aid to this conflict-prone, but oil-rich country. Thus, a future study investigating British aid-giving pattern would be very interesting.

In this area of study much research remains to be done. Further investigations could be done for each donor separately, taking into consideration more recipient countries in Africa. Thus, a wider range of recipient countries could help to find more regularity in aid-giving patterns and to achieve more reliable results about the role of energy resources in aid allocation patterns. Since the issues about energy security and diversification of oil and gas supply remain central in the policy of the EU nowadays, further investigations are needed to estimate the place of energy factor within the set of donor's purposes in aid allocation. In this connection, alternative methods can be applied. A further study could also analyse patterns of aid allocation of the EU donors and those of Asian global players which try to secure Africa's oil by offering integrated packages of aid.

Finally, a number of important limitations need to be considered. First, the current study was unable to analyse all these variables because of the selected method of analysis. Second, the number of recipient countries was limited to five due to the limitations set by the scope of this paper. Third, the study did not evaluate the effectiveness of aid in achieving development goals.

## BIBLIOGRAPHY

### Books and articles

- Akramov, K. T. (2006). *Governance and Foreign Aid Allocation*. CA: The Pardee RAND Graduate School.
- Alesina, A., & Dollar, D. (1998). *Who Gives Foreign Aid to Whom and Why?* MA: National Bureau of Economic Research.
- Barratt, B. (2008). *Human Rights and Foreign aid: For Love of Money?* London and New York: Routledge.
- Berthelemy, J. C. (2005). *Bilateral Donors' Interest vs. Recipients' Development Motives in Aid Allocation: Do All Donors Behave the Same?* Paris: University Paris 1 Pantheon Sorbonne.
- Black, L. (1968). *The Strategy of Foreign Aid*. Princeton, NJ: Van Nostrand.
- Brazys, S. (2009). *Evaluating the Impact of Trade Capacity Building: Evidence for the Donor-Interest or Recipient-Need Theory of Foreign Aid?* New York: Indiana University.
- Browne, S. (2006). *Aid and Influence: Do Donors Help or Hinder?* London: Earthscan.
- Canavire, G., Nunnenkamp, P., Thiele, R., & Triveno, L. (2005). *Assessing the Allocation of Aid: Developmental Concerns and the Self-Interest of Donors*. Kiel Institute for World Economics, Kiel.
- Carbone, M. (2008). Italy and Foreign Aid Policy. In S. Fabbrini, & S. Piattoni (Eds.), *Italy in the European Union: redefining national interest in a compound polity* (pp. 191-209). Rowman & Littlefield.
- Clapham, C. (1996). *Africa and the International System: the Politics of State Survival*. Cambridge: Cambridge University Press.
- Clist, P. (2009). *25 Years of Aid Allocation Practice: Comparing Donors and Eras*. University of Nottingham. Nottingham: Centre for Research in Economic Development and International Trade.
- de Haan, A. (2009). *How the Aid Industry Works: An Introduction to International Development*. VA: Kumarian Press.
- Desai, V. (2002). Role of Non-Governmental Organisations. In V. Desai, & R. B. Potter, *The Companion to Development Studies* (pp. 495-499). London: Hodder Arnold.
- Easterly, W., & Pfutze, T. (2008). Where Does the Money Go? Best and Worst Practices. *Journal of Economic Perspectives*, 22 (2), pp. 29-52.
- Gillespie, R. (2005). Between Ambition and Insecurity: Spanish Politics and the Mediterranean. In S. Balfour, *The Politics of Contemporary Spain* (pp. 199-212). Oxon: Routledge.
- Haan, A. (2009). *How the Aid Industry Work. An Introduction to International Development*.

Sterling, VA: Kumarian Press.

Hook, S. (1995). *National Interest and Foreign Aid*. Boulder, CO: Lynne Rienner.

Isopi, A., & Mattesini, F. (2010). *Good Donors or Good Recipients? A Repeated Moral Hazard Model of Aid Allocation*. Nottingham: Centre for Research in Economic Development and International Trade.

Isopi, A., & Mavrotas, G. (2006). *Aid Allocation and Aid Effectiveness. An Empirical Analysis*. UNU World Institute for Development Economics Research, Helsinki.

Jeffreys, A. (2010). Partnership Role. In *The Report: Algeria 2010*, (p. 190). Oxford Business Group. Retrieved August 13, 2010, from:

[http://books.google.com/books?id=skR8omFNFVUC&printsec=frontcover&dq=The+Report:+Algeria+2010&hl=ru&ei=C4aiTKP4J9H-nAfA0t2IBA&sa=X&oi=book\\_result&ct=result&resnum=1&ved=0CCsQ6AEwAA#v=onepage&q&f=false](http://books.google.com/books?id=skR8omFNFVUC&printsec=frontcover&dq=The+Report:+Algeria+2010&hl=ru&ei=C4aiTKP4J9H-nAfA0t2IBA&sa=X&oi=book_result&ct=result&resnum=1&ved=0CCsQ6AEwAA#v=onepage&q&f=false)

Kaufmann, D., Kraay, A., & Mastruzzi, M. (2009). *Governance Matters VIII: Governance Indicators for 1996-2008*. World Bank Policy Research Working Paper No. 4978.

Klass, G. M. (2008). *Just Plain Data Analysis: Finding, Presenting, and Interpreting Social Science Data*. New York: Rowman & Littlefield Publishers, Inc.

Kohnert, D. (2008). *EU-African Economic Relations: Continuing Dominance, Traded for Aid?* Hamburg: German Institute of Global and Area Studies.

Lancaster, C. (2007). *Foreign Aid: Diplomacy, Development, Domestic Politics*. Chicago: The University of Chicago Press.

Liska, G. (1960). *The New Statecraft: Foreign Aid in American Foreign Policy*. Chicago: University of Chicago Press.

Lum, T., Fischer, H., Gomez-Granger, J., & Leland, A. (2009). *China's Foreign Aid Activities in Africa, Asia and Latin America*. Congressional Research Service.

Magone, J. M. (2004). *Contemporary Spanish politics*. London: Routledge.

Marshall, M. G., & Jaggers, K. (2009). Polity IV Project. *Political Regime Characteristics and Transitions, 1800-2007. Dataset Users' Manual*. Center for Systematic Peace.

McGillivray, M. (2005). What Determines African Bilateral Aid Receipts? *Journal of International Development* (17), pp. 1003-1018.

McKinlay, R., & Little, R. (1976). The US Aid Relationship: a Test of the Recipient-Need and the Donor-Interest Models. *Political Studies*, XXVII (2), pp. 236-250.

Migdalovitz, C. (2010). *Morocco: Current Issues*. Retrieved 08 2010, 15, from Congressional Research Service: <http://fas.org/sgp/crs/row/RS21579.pdf>

Morgenthau, H. (1962). A Political Theory of Foreign Aid. *American Political Science Review*, 56 (2), pp. 301-309.

Nath, S., & Sohbee, S. K. (2007). Aid Motivation and Donor Behavior. *American Review of Political Economy*, 5 (1), pp. 1-13.



- Neumayer, E. (2003). *The Pattern of Giving Aid: The Impact of Good Governance on Development Assistance*. London and New York: Routledge Studies in Development Economics.
- Porteous, T. (2010, August 16). UK should not put trade with Sudan ahead of human rights. *The Guardian (UK)*. Retrieved August 31, 2010, from: <http://www.guardian.co.uk/commentisfree/2010/aug/16/sudan-britain-trade-human-rights>
- Riddell, R. (2008). *Does foreign aid really work?* Oxford: Oxford University Press.
- Schraeder, P. J., Hook, S. W., & Taylor, B. (1998). Clarifying the Foreign Aid Puzzle: a Comparison of American, Japanese, French, and Swedish Aid Flows. *World Politics* (50.2), pp. 294-323.
- Stokke, O., & Hoebink, P. (2005). *Perspectives on European Development Co-operation*. London: Routledge.
- Thiele, R., Nunnenkamp, P., & Dreher, A. (2007). *Do Donors Target Aid in Line with the Millennium Development Goals? A Sector Perspective of Aid Allocation*. UNU World Institute for Development Economics Research, Helsinki.
- University of California. (2009). *Fact Sheet Two: A History of Oil in Sudan*. Center for Africa Studies. Berkeley: UC Regents .
- Westad, O. A. (2005). *The global Cold War: Third World Interventions and the Making of our Times*. Cambridge: Cambridge University Press.
- Whitfield, L. (2009). *The politics of Aid: African Strategies for Dealing with Donors*. New York: Oxford University Press.
- Williams, P. (2004). Britain and Africa after the Cold War. Beyond the Damage Limitation? In I. Taylor, & P. Williams, *Africa in International Politics: External Involvement on the Continent* (pp. 41-61). Oxon: Routledge.
- Wolfensohn, J. D. (2001). *Fighting Terrorism and Poverty*. World Bank. Retrieved July 4, 2010, from: <http://www.worldbank.org.cn/English/content/964m6286227.shtml>
- Young, C. (1982). *Ideology and Development in Africa*. New Haven: Yale University Press.
- Youngs, R. (2009). *Energy Security - Europe's new foreign policy challenge*. London: 'Routledge.

## Web sources

African Development Bank. (2009). *African Economic Outlook*. Retrieved July 15, 2010, from: <http://www.afdb.org/en/knowledge/publications/african-economic-outlook/african-economic-outlook-2009/>

British Embassy in Rabat. (2009). *UK and Morocco: historical background*. Retrieved August 20, 2010, from: <http://ukinmorocco.fco.gov.uk/en/about-us/working-with-morocco/background/future-links>

Buttell, M. (2010, February 03). Spain gives Kenya wind project \$150m. *Power & Energy*. Retrieved August 28, 2010, from: <http://www.ngpowerenergyafrica.com/news/newsspain-wind-investment-kenya/>

Embassy of Italy in Kampala. (2010). *Bilateral Relations between between Uganda and Italy*. Retrieved August 15, 2010, from: [http://www.ambkampala.esteri.it/Ambasciata\\_Kampala/Menu/I\\_rapporti\\_bilaterali/Cooperazione\\_allo\\_sviluppo/](http://www.ambkampala.esteri.it/Ambasciata_Kampala/Menu/I_rapporti_bilaterali/Cooperazione_allo_sviluppo/)

Embassy of Italy in Khartoum. (2010). *Bilateral Relations between between Sudan and Italy*. Retrieved August 15, 2010, from: [http://www.ambkhartoum.esteri.it/Ambasciata\\_Khartoum/Menu/I\\_rapporti\\_bilaterali/Cooperazione\\_allo\\_sviluppo/](http://www.ambkhartoum.esteri.it/Ambasciata_Khartoum/Menu/I_rapporti_bilaterali/Cooperazione_allo_sviluppo/)

Embassy of Italy in Nairobi. (2010). *Bilateral Relations between between Kenya and Italy*. Retrieved August 15, 2010, from: [http://www.ambnairobi.esteri.it/Ambasciata\\_Nairobi/Menu/I\\_rapporti\\_bilaterali/Cooperazione\\_politica/Storia/](http://www.ambnairobi.esteri.it/Ambasciata_Nairobi/Menu/I_rapporti_bilaterali/Cooperazione_politica/Storia/)

European Commission. (2008a). *EU Energy Security and Solidarity Action Plan: Second Strategic Energy Review*. Retrieved September 05, 2010, from: [http://ec.europa.eu/energy/strategies/2008/doc/2008\\_11\\_ser2/strategic\\_energy\\_review\\_memo.pdf](http://ec.europa.eu/energy/strategies/2008/doc/2008_11_ser2/strategic_energy_review_memo.pdf)

European Commission. (2008b). *EU-Uganda News: a Quarterly Newsletter of the Delegation of the European Commission to Uganda*. Retrieved September 17, 2010, from: <http://www.deluga.ec.europa.eu/en/docs/May%202008%20issue%20for%20website.pdf>

Europe's Energy Portal. (2008). *Statistics on Energy Dependency*. Retrieved August 15, 2010, from: <http://www.energy.eu/>

Foreign and Commonwealth Office. (2003). *UK International Priorities: a Strategy for the FCO*. UK: Foreign and Commonwealth Office. Retrieved September 17, 2010, from: <http://www.sovereignty.org.uk/siteinfo/newsround/FCOStrategyFullFinal.pdf>

Foreign and Commonwealth Office. (2010). Retrieved August 18, 2010, from: <http://www.fco.gov.uk/en>

France-Diplomatie. (2008). *Ministère des Affaires étrangères et européennes*. Retrieved August 15, 2010, from: [http://www.diplomatie.gouv.fr/en/country-files\\_156/algeria\\_279/index.html](http://www.diplomatie.gouv.fr/en/country-files_156/algeria_279/index.html)

- Library of Congress – Federal Research Division. (2007). *Country Profile: Kenya..* Retrieved August 20, 2010, from: <http://lcweb2.loc.gov/frd/cs/profiles/Kenya.pdf>
- Marshall, M. G., & Jagers, K. (2009). *Political Regime Characteristics and Transitions, 1800-2007*. Polity IV Project. Dataset Users' Manual. Center for Systemic Peace. Retrieved July 5, 2010, from: <http://www.systemicpeace.org/inscr/p4manualv2007.pdf>
- Ministry of Foreign Affairs of Italy. (2010). Retrieved August 26, 2010, from: [http://www.esteri.it/MAE/EN/Sala\\_Stampa/ArchivioNotizie/Approfondimenti/2010/07/20100713\\_ItaliaAlgeria.htm](http://www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2010/07/20100713_ItaliaAlgeria.htm)
- Mo Ibrahim Foundation. (2009). *Ibrahim Index of African Governance*. Retrieved August 11, 2010, from: <http://www.moibrahimfoundation.org/en/section/the-ibrahim-index>
- OECD. (2007). *DAC list of ODA recipients*. Retrieved June 02, 2010, from: <http://www.oecd.org/dataoecd/62/48/41655745.pdf>
- OECD. (2010a). *DAC's Glossary*. Development Co-operation Directorate (DCD-DAC) Retrieved August 13, 2010, from: [http://www.oecd.org/glossary/0,2586,en\\_2649\\_33721\\_1965693\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/glossary/0,2586,en_2649_33721_1965693_1_1_1_1,00.html)
- OECD. (2010b). *Online Database. DAC3a ODA Commitments*. Retrieved September 05, 2010, from: <http://stats.oecd.org/Index.aspx?DataSetCode=TABLE3A>
- OECD. (2010c). *The 0.7% ODA/GNI Target*. Retrieved September 09, 2010, from: [http://www.oecd.org/document/19/0,3343,en\\_2649\\_34447\\_45539475\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/19/0,3343,en_2649_34447_45539475_1_1_1_1,00.html)
- Sudan Tribune. (2007). *Spain increases humanitarian, reconstruction assistance to Sudan*. Retrieved August 25, 2010, from: <http://www.sudantribune.com/spip.php?article23378>
- The Ministry of Foreign Affairs and Cooperation of Spain. (2010). Retrieved August 25, 2010, from: <http://www.maec.es/en/>
- U.S. Energy Information Administration. (2009). *EIA. Independent Statistics and Analysis*. Retrieved August 15, 2010, from: <http://tonto.eia.doe.gov>
- UN Comtrade. (2010). *United Nations Commodity Trade Statistics Database*. Retrieved August 16, 2010, from: <http://comtrade.un.org>
- UN. (2010). *End Poverty United Nations Millennium Campaign Europe. What about Spain?* Retrieved August 25, 2010, from: <http://www.endpoverty2015.org/files/What%20About%20Spain.pdf>
- World Bank. (2008). *Official List of MDG Indicators*. Retrieved July 3, 2010, from: <http://siteresources.worldbank.org/DATASTATISTICS/Resources/MDGsOfficialList2008.pdf>
- World Bank. (2010). *World Development Indicators & Global Development Finance*. Retrieved September 02, 2010, from: <http://data.worldbank.org/data-catalog>
- World Factbook of CIA. (2008). *Minerals Yearbook of the US Geological Survey*. Retrieved July 14, 2010, from: <http://minerals.usgs.gov/minerals/pubs/myb.html>

## APPENDIX

Table 1: Selection of recipient African countries

Country	Population	Region	Oil/Gas	Other resources <sup>1</sup>	Former colony of	Income <sup>2</sup>
Algeria	Population 30-40 million	North Africa	oil and gas	Almost no other mineral resources (except gold)	France	Lower middle income
Morocco					France + Spain	
Kenya		sub-Saharan Africa			UK	Low income
Sudan			oil			Least developed country
Uganda						

Sources:

<sup>1</sup> U.S. Energy Information Administration, 2009

<sup>2</sup> OECD, DAC list of ODA recipients, 2007

Table 2: Selection of European donors

Country	Colonial past	Net ODA (million \$) <sup>1</sup>	% of GNI <sup>1</sup>	Bilateral share <sup>1</sup>	Energy dependence (%) <sup>2</sup>
France	yes	10 908	0,39%	59%	51,4
Italy	no	4861	0,20%	38%	86,8
Spain	yes	6 867	0,43%	70%	81,4
UK	yes	11 500	0,43%	64%	21,3

Sources:

<sup>1</sup> OECD - Aid Statistics, Donor Aid Charts, 2008:

[http://www.oecd.org/countrylist/0,2578,en\\_2649\\_34447\\_1783495\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/countrylist/0,2578,en_2649_34447_1783495_1_1_1_1,00.html)

<sup>2</sup> Europe's Energy Portal, 2008

Table 3: Aid objectives and correlated variables

Goal	Variable	Definition	Source
Development goals	Bilateral ODA commitments	Bilateral ODA commitment as a firm obligation expressed in writing given to a specific recipient by a donor in one year.	DAC Statistics database, Table 3a (OECD, 2010b)
	Democracy	The operational indicator of democracy is derived from coding of the competitiveness of political participation, the openness and competitiveness of executive recruitment and constraints on the chief executive, and takes the value from 0 to 10, where 10 is the best value of the indicator.	Marshall et al. (2009) POLITY IV projects, Political Regime Characteristics and Transitions, 1800-2007
	Political stability	Political stability and absence of violence measures the perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including domestic violence and terrorism. It indicates rank of a country among all the countries in the world from 1 to 100, where 100 is the best value.	World Bank (2010), Governance Matters, Governance Indicators, 1996-2008
	Aggregate governance	An Ibrahim Index for African governance with range from 1 to 100 suggested for each year.	MO Ibrahim Foundation (2009)
	Income level	This variable is based on the list of recipient countries used by donors to report on aid allocation. It consists of four groups. The Least Developed Countries get the value 1, the Low Income Countries get the value 2, and the Lower Middle Income Countries get the value 3. The fourth group is not applicable in the present paper. The indices are same for 2000, 2004 and 2008.	OECD (2007), DAC list of ODA recipients for 2000, 2004 and 2008
	Control of corruption	Control of corruption measures the extent to which public power is exercised for private gain, including petty and grand forms of corruption, as well as “capture” of the state by elites and private interests. It indicates rank of a country among all the countries in the world from 1 to 100, where 100 is the best value.	World Bank (2010), Governance Matters, Governance Indicators, 1996-2008
Non-development goals	Former colonial status	Former colonies of France, the UK or Spain get the value 1. Recipient countries without colonial past related to the examined donors get “zero”. Morocco gets the value 0,5 for France and for Spain, since it was under Franco-Spanish control.	Index of Colonies and Dependencies at: <a href="http://www.worldstat.esmen.org/">http://www.worldstat.esmen.org/</a>
	UN voting	Percentage of voting coincidence between donors and recipients on the major issues in the UN voting.	Voting Practices in the UN (Reports to Congress 2000-2008)
	Trade openness	This variable demonstrates the level of trade relationships between a donor and a recipient. It is expressed through the sum of bilateral imports and exports in percentage of the donor’s GDP (principle suggested by Berthelemy (2005).	Own calculations based on the <a href="http://www.comtrade.com">www.comtrade.com</a>
	Oil/gas availability	This variable reflects the availability of oil and gas resources in African recipient countries. It includes both oil and gas current production volumes and proved reserves. Since the difference between donors is quite prominent, we apply the scale of five values, where Algeria gets the maximum value, because it is the biggest producer of both oil and gas and has the most significant proved reserves. Kenya and Uganda are non-producers and non-holders, so they get the zero value. Sudan and Morocco get 3 and 2 respectively.	U.S. Energy Information Administration (2009)

Table 4: GDP current US\$, billion

Country	2000	2004	2008
France	1327,96	2061,32	2856,56
UK	1477,58	2198,08	2674,05
Italy	1097,34	1727,75	2303,07
Spain	580,67	1044,25	1604,23

Source: World Bank

Table 5: Trade relations

France	Year	Export, billion\$	Import, billion\$	Sum	Oil export	Sum 100%	Trade openness, %
Algeria	2008	8,108	7,082	15,19	6,789	1519	0,531758479
	2004	5,258	3,574	8,832	3,403	883,2	0,428463315
	2000	2,656	2,311	4,967	2,225	496,7	0,37403235
Morocco	2008	6,26	4,227	10,487	0,105	1048,7	0,367119892
	2004	3,444	3,202	6,646	0,085	664,6	0,322414763
	2000	2,739	2,318	5,057	0,116	505,7	0,380809663
Kenya	2008	0,229	0,112	0,341	-	34,1	0,0119397
	2004	0,113	0,104	0,217	-	21,7	0,0105272
	2000	0,107	0,067	0,174	-	17,4	0,0131028
Sudan	2008	0,19	0,039	0,229	0	22,9	0,008016635
	2004	0,094	0,024	0,118	0	11,8	0,005724487
	2000	0,065	0,031	0,096	0	9,6	0,007229133
Uganda	2008	0,088	0,085	0,173	-	17,3	0,006056235
	2004	0,034	0,04	0,074	-	7,4	0,003589933
	2000	0,032	0,016	0,048	-	4,8	0,003614567

UK	Year	Export, billion\$	Import, billion\$	Sum	Oil export	Sum 100%	Trade openness, %
Algeria	2008	0,493	1,5413	2,0343	1,522	203,43	0,076075616
	2004	0,306	0,579	0,885	0,546	88,5	0,040262411
	2000	0,158	0,663	0,821	0,651	82,1	0,055563827
Kenya	2008	0,357	0,547	0,904	-	90,4	0,033806399
	2004	0,342	0,338	0,68	-	68	0,03093609
	2000	0,25	0,287	0,537	-	53,7	0,03634321
Morocco	2008	0,891	0,752	1,643	0	164,3	0,061442381
	2004	0,625	0,876	1,501	0,031	150,1	0,068286869
	2000	0,618	0,658	1,276	0	127,6	0,086357422
Sudan	2008	0,262	0,01	0,272	0	27,2	0,010171837
	2004	0,167	0,027	0,194	0	19,4	0,008825884
	2000	0,088	0,01	0,098	0	9,8	0,006632467
Uganda	2008	0,091	0,018	0,109	-	10,9	0,004076214
	2004	0,066	0,018	0,084	-	8,4	0,003821517
	2000	0,057	0,015	0,072	-	7,2	0,004872833

<b>Italy</b>	<b>Year</b>	<b>Export, billion\$</b>	<b>Import, billion\$</b>	<b>Sum</b>	<b>Oil export</b>	<b>Sum 100%</b>	<b>Trade openness, %</b>
Algeria	2008	4,395	1,536	5,931	1,337	593,1	0,26
	2004	1,533	1,866	3,399	1,764	339,9	0,196729851
	2000	0,791	1,443	2,234	1,337	223,4	0,20358321
	2009		8,418		8,32		
Kenya	2008	0,298	0,075	0,373	-	37,3	0,016195773
	2004	0,116	0,06	0,176	-	17,6	0,010186659
	2000	0,064	0,042	0,106	-	10,6	0,009659723
Morocco	2008	2,464	0,89	3,354	0,016	335,4	0,1456317
	2004	1,1519	0,576	1,7279	0,004	172,79	0,100008682
	2000	0,6514	0,511	1,1624	0,087	116,24	0,105928883
Sudan	2008	0,379	0,029	0,408	0,013	40,8	0,017715484
	2004	0,143	0,025	0,168	0,042	16,8	0,009723629
	2000	0,041	0,04	0,081	0,013	8,1	0,007381486
Uganda	2008	0,066	0,0759	0,1419	-	14,19	0,017715484
	2004	0,018	0,0172	0,0352	-	3,52	0,002037332
	2000	0,012	0,0255	0,0375	-	3,75	0,003417355

<b>Spain</b>	<b>Year</b>	<b>Export, billion\$</b>	<b>Import, billion\$</b>	<b>Sum</b>	<b>Oil export</b>	<b>Sum 100%</b>	<b>Trade openness, %</b>
Algeria	2008	3,1917	9,503	12,6947	9,2137	1269,47	0,79132668
	2004	1,0299	3,5997	4,6296	3,4781	462,96	0,443342112
	2000	0,5096	2,813	3,3226	2,7625	332,26	0,572201078
Kenya	2008	0,0689	0,0546	0,1235	-	12,35	0,007698397
	2004	0,0457	0,0286	0,0743	-	7,43	0,007115154
	2000	0,0214	0,0115	0,0329	-	3,29	0,005665869
Morocco	2008	5,4062	4,1713	9,5775	0,017	957,75	0,597015391
	2004	2,7193	2,342	5,0613	0,001	506,13	0,484682787
	2000	1,2601	0,8876	2,1477	0,015	214,77	0,369865845
Sudan	2008	0,0332	0,006	0,0392	0	3,92	0,00244354
	2004	0,0221	0,002	0,0241	0	2,41	0,002307876
	2000	0,0153	0,0048	0,0201	0	2,01	0,003461519
Uganda	2008	0,015	0,046	0,061	-	6,1	0,003802447
	2004	0,0083	0,0257	0,034	-	3,4	0,003255925
	2000	0,004	0,0292	0,0332	-	3,32	0,005717533

Source: UN Comtrade (2010)

Table 6: Compilation of data, 2000

Recipient Country	Population (mio)	Colonial ties	Democracy	Control of corruption	Political stability	Income level	Oil		Gas (Gross natural gas)		Aggregate governance
							Production	Reserves	Production	Reserves	
Algeria	30,5	France	1	27,2	5,8	3	1 483,03	9,2	5,757	159,7	52,4
Kenya	31,2	UK	2	13,1	14,9	2	0	0	0	0	52,3
Morocco	28,4	Fr + Spain	0	57,8	36,1	3	4,024	0,002	0	0,049	52,8
Sudan	34,9	UK	0	17,5	1,4	1	186,985	0,262	0	3	33
Uganda	24,4	UK	0	10,2	10,1	1	0	0	0	0	49,2

Recipient Country	Net bilateral aid commitments from DAC donors, current US\$				UN voting on important issues, % of coincidences				Trade openness, %			
	UK	Italy	France	Spain	UK	Italy	France	Spain	UK	Italy	France	Spain
Algeria	0	3,69	57,3	16,87	36	36	45	45	0,055	0,203	0,37	0,572
Kenya	73,11	2,84	3,97	2,56	45	45	36	36	0,036	0,0096	0,013	0,0056
Morocco	0,23	18,39	163,28	59,21	36	36	27	45	0,086	0,105	0,38	0,3698
Sudan	5,74	5,39	6,45	0,04	36	36	45	45	0,0066	0,0073	0,0072	0,0034
Uganda	217,18	83,03	7,58	0,64	45	45	45	45	0,0048	0,0034	0,0036	0,0057

Normalisation of data:

Recipient Country	Population	Colonial ties	Democracy	Control of corruption	Political stability	Income level	Ranking according to oil and gas	Aggregate governance
Algeria	Not applied	FR=5, others=0	0,62	2,35	0,8	5	5	4,96
Kenya		UK=5, others=0	1,25	1,13	2,06	3,3	0	4,95
Morocco		FR=2,5, SP=2,5	0	5	5	5	2	5
Sudan		UK=5, others=0	0	1,51	0,19	1,6	3	3,12
Uganda		UK=5, others=0	0	0,88	1,39	1,6	0	4,65

Recipient Country	Net bilateral aid commitments from DAC donors, current US\$				UN voting on important issues, % of coincidences				Trade openness, %			
	UK	Italy	France	Spain	UK	Italy	France	Spain	UK	Italy	France	Spain
Algeria	0	0,22	1,75	1,42	4	4	5	5	3,19	5	4,86	5
Kenya	1,68	0,17	0,12	0,21	5	5	4	4	2,09	0,23	0	0,048
Morocco	0	1,1	5	5	4	4	3	5	5	2,58	5	3,23
Sudan	0,13	0,32	0,19	0	4	4	5	5	0,38	0,179	0,09	0,029
Uganda	5	5	0,23	0,05	5	5	5	5	0,27	0,083	0,04	0,049



Table 7: Compilation of data, 2004

Recipient Country	Population (mio)	Colonial ties	Democracy	Control of corruption	Political stability	Income level	Oil		Gas (Gross natural gas)		Aggregate governance
							Production	Reserves	Production	Reserves	
Algeria	32,3	France	3	33	8,7	3	1,966.525	11,314	6,078	160	53,6
Kenya	34,6	UK	8	20,9	17,3	2	0	0	0	0	53,4
Morocco	29,8	Fr + Spain	0	55,8	32,7	3	3.446	0,002	2	0,043	56,8
Sudan	37,8	UK	0	6,3	4,8	1	344.843	0,563	0	3	33,3
Uganda	27,7	UK	0	26,7	9,1	1	0	0	0	0	49,8

Recipient Country	Net bilateral aid commitments from DAC donors, current US\$				UN voting on important issues, % of coincidences				Trade openness, %			
	UK	Italy	France	Spain	UK	Italy	France	Spain	UK	Italy	France	Spain
Algeria	0,02	2,79	234,5	31,02	40	50	50	50	0,040	0,196	0,428	0,443
Kenya	56,19	5,29	61,67	2,37	70	80	80	80	0,030	0,010	0,010	0,007
Morocco	0,13	4,58	376,38	109,79	30	40	40	40	0,068	0,100	0,322	0,484
Sudan	116,57	13,91	15,33	7,87	40	50	50	50	0,008	0,009	0,005	0,002
Uganda	107,64	11,57	4,26	6,63	70	80	80	80	0,003	0,002	0,003	0,003

Normalisation of data:

Recipient Country	Population	Colonial ties	Democracy	Control of corruption	Political stability	Income level	Ranking according to oil and gas	Aggregate governance
Algeria	Not applied	FR=5, others=0	1,87	2,95	1,33	5	5	4,71
Kenya		UK=5, others=0	5	1,87	2,64	3,3	0	4,7
Morocco		FR=2,5, SP=2,5	0	5	5	5	2	5
Sudan		UK=5, others=0	0	0,58	0,73	1,6	3	2,9
Uganda		UK=5, others=0	0	2,39	1,37	1,6	0	4,38

Recipient Country	Net bilateral aid commitments from DAC donors, current US\$				UN voting on important issues, % of coincidences				Trade openness, %,			
	UK	Italy	France	Spain	UK	Italy	France	Spain	UK	Italy	France	Spain
Algeria	0	1	3,11	1,41	2,85	3,1	3,1	3,1	2,94	5	5	4,57
Kenya	2,41	1,9	0,81	0,1	5	5	5	5	2,2	0,225	0	0,07
Morocco	0	1,64	5	5	2,14	2,5	2,5	2,5	5	2,55	3,76	5
Sudan	5	5	0,2	0,35	2,85	3,1	3,1	3,1	0,58	0,229	0,058	0,02
Uganda	4,61	4,15	0,05	0,3	5	5	5	5	0,22	0,05	0,035	0,03

Table 8: Compilation of data, 2008

Recipient Country	Population (mio)	Colonial ties	Democracy	Control of corruption	Political stability	Income level	Oil		Gas (Gross natural gas)		Aggregate governance
							Production	Reserves	Production	Reserves	
Algeria	34,3	France	3	40,6	13,4	3	2173,666	12,27	6999,433	161,74	58,6
Kenya	38,5	UK	7	13,5	12	2	0	0	0	0	53,7
Morocco	31,2	Fr + Spain	0	48,8	29,2	3	4,052	0,001	1,48323	0,058	57,8
Sudan	41,3	UK	0	2,4	1,9	1	467,01	5	0	3	33,4
Uganda	31,6	UK	1	23,2	18,7	1	0	0	0	0	53,6

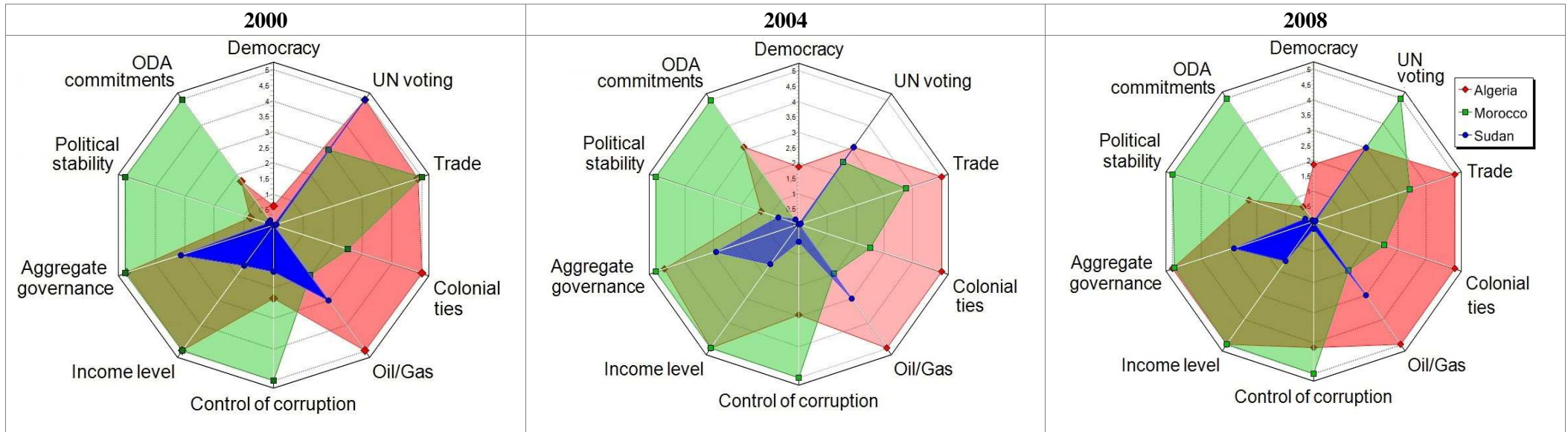
Recipient Country	Net bilateral aid commitments from DAC donors, current US\$				UN voting on important issues, % of coincidences				Trade openness, %			
	UK	Italy	France	Spain	UK	Italy	France	Spain	UK	Italy	France	Spain
Algeria	2,11	6,92	142,96	5,49	23	23	23	23	0,076	0,258	0,532	0,791
Kenya	95,19	28,23	20,89	15,12	38	38	38	38	0,034	0,016	0,011	0,008
Morocco	6,68	5,98	1178,06	124,67	38	38	38	38	0,061	0,146	0,367	0,597
Sudan	119,16	33,57	14,24	14,01	23	23	23	23	0,010	0,018	0,008	0,002
Uganda	65,66	14,32	6,9	12,47	30	30	30	30	0,004	0,018	0,006	0,004

Normalisation of data:

Recipient Country	Population	Colonial ties	Democracy	Control of corruption	Political stability	Income level	Ranking according to oil and gas	Aggregate governance
Algeria	Not applied	FR=5, others=0	1,87	4,15	2,3	5	5	5
Kenya		UK=5, others=0	4,37	1,38	2	3,3	0	4,58
Morocco		FR=2,5, SP=2,5	0	5	5	5	2	4,93
Sudan		UK=5, others=0	0	0,24	0,3	1,6	3	2,84
Uganda		UK=5, others=0	0,62	2,37	3,2	1,6	0	4,57

Recipient Country	Net bilateral aid commitments from DAC donors, current US\$				UN voting on important issues, % of coincidences				Trade openness, %			
	UK	Italy	France	Spain	UK	Italy	France	Spain	UK	Italy	France	Spain
Algeria	0,08	1,03	0,6	0,22	3	3	3	3	5	5	5	5
Kenya	3,99	4,2	0,08	0,6	5	5	5	5	2,2	0,3	0	0,05
Morocco	0,28	0,89	5	5	5	5	5	5	4	2,8	3,4	3,77
Sudan	5	5	0,06	0,56	3	3	3	3	0,65	0,34	0,07	0,001
Uganda	2,7	2,13	0,02	0,5	3,94	3,94	3,94	3,94	0,26	0,34	0,05	0,002

Table 9: France and countries with oil/gas resources



France and countries without oil/gas resources

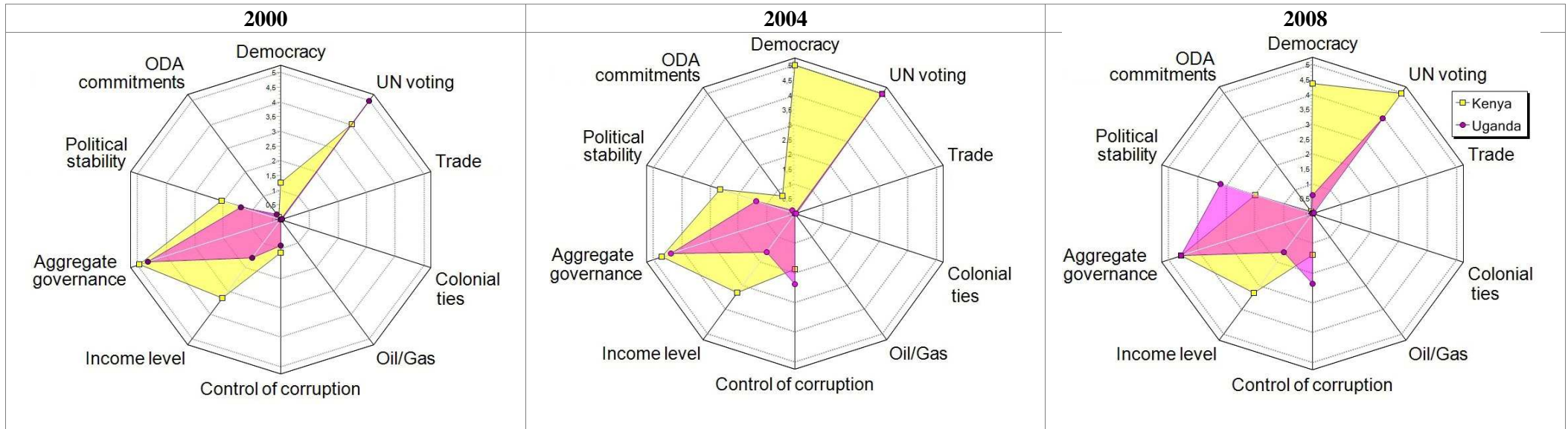
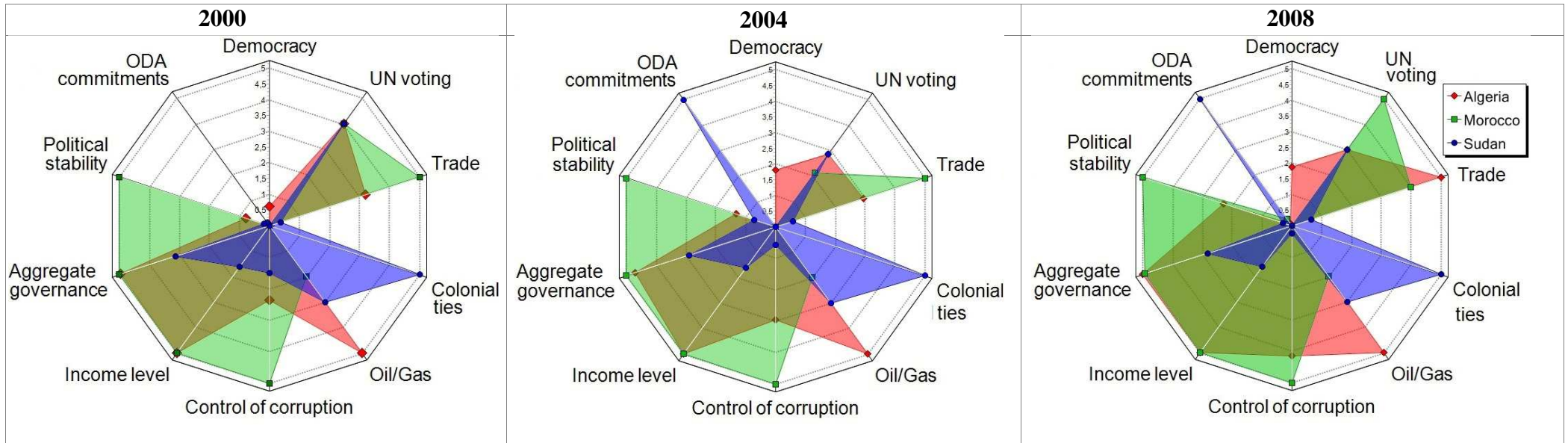


Table 10: The UK and countries with oil/gas resources



The UK and countries without oil/gas resources

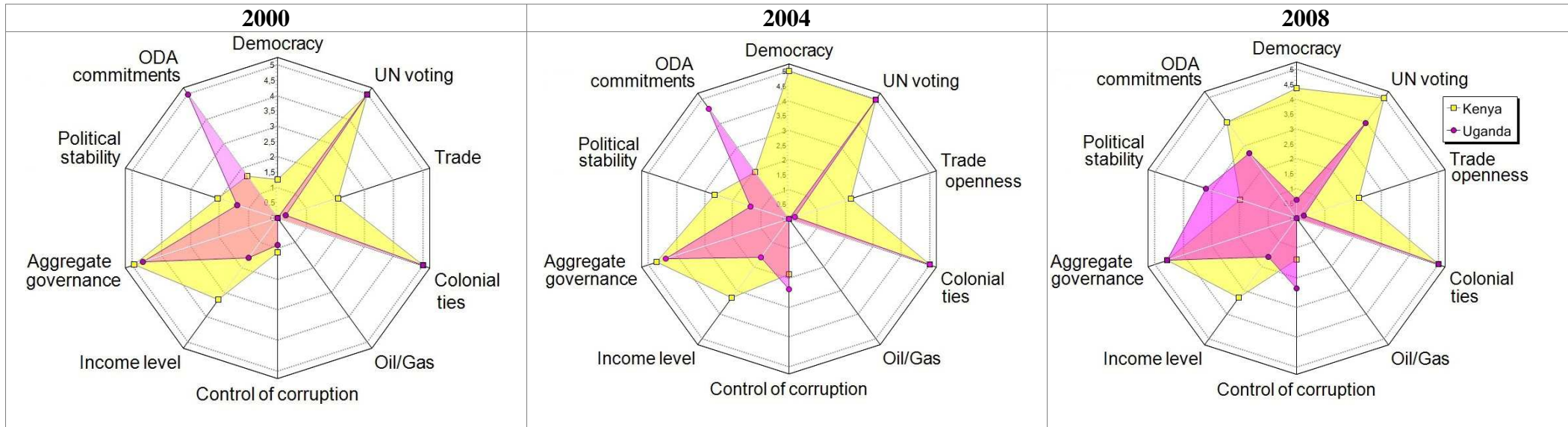
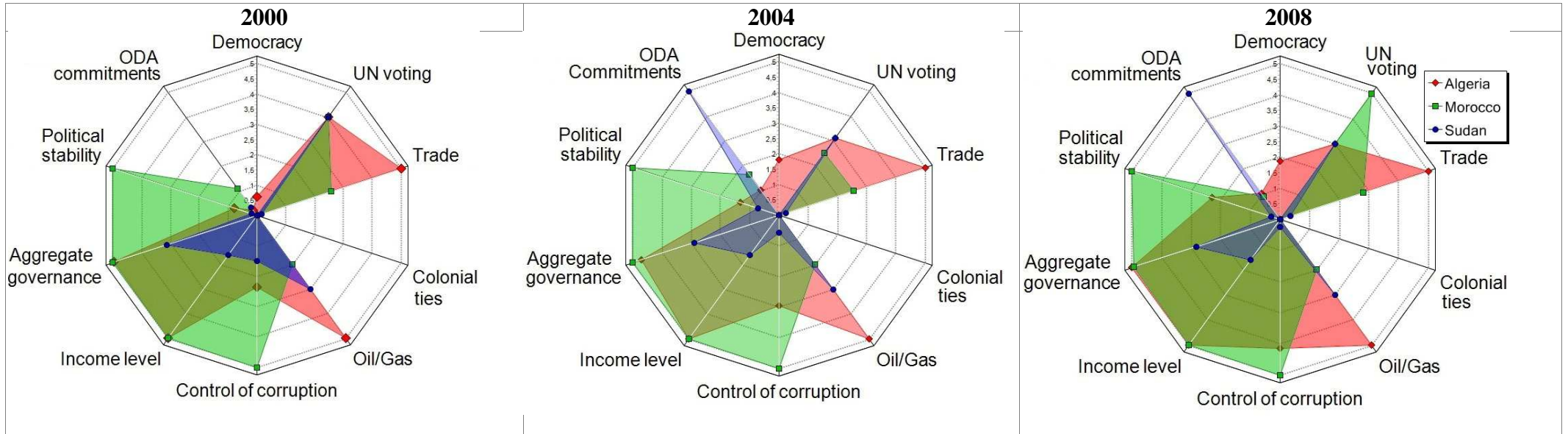


Table 11: Italy and countries with oil/gas resources



Italy and countries without oil/gas resources

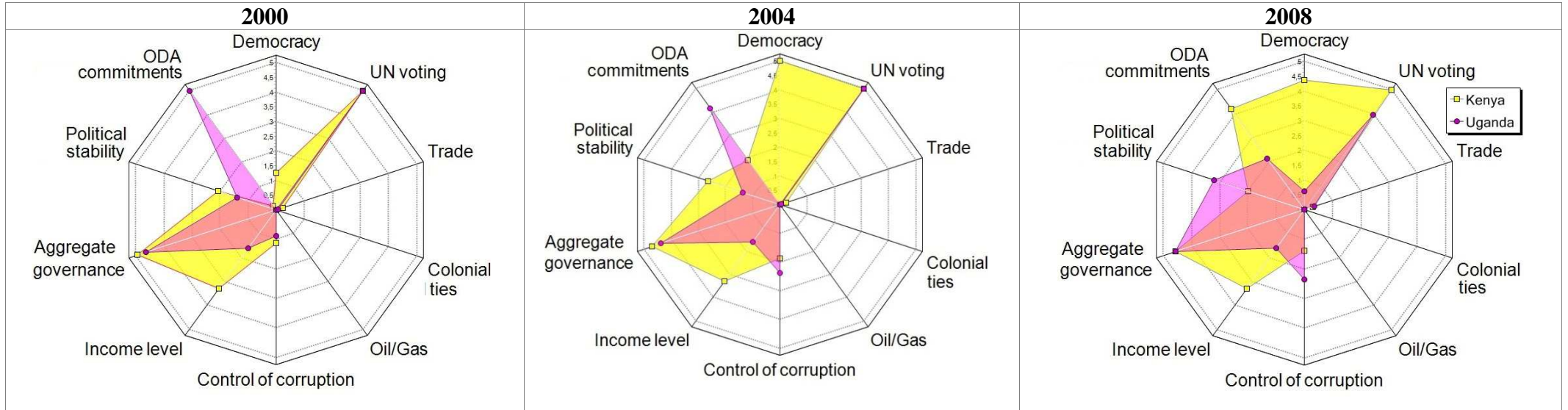
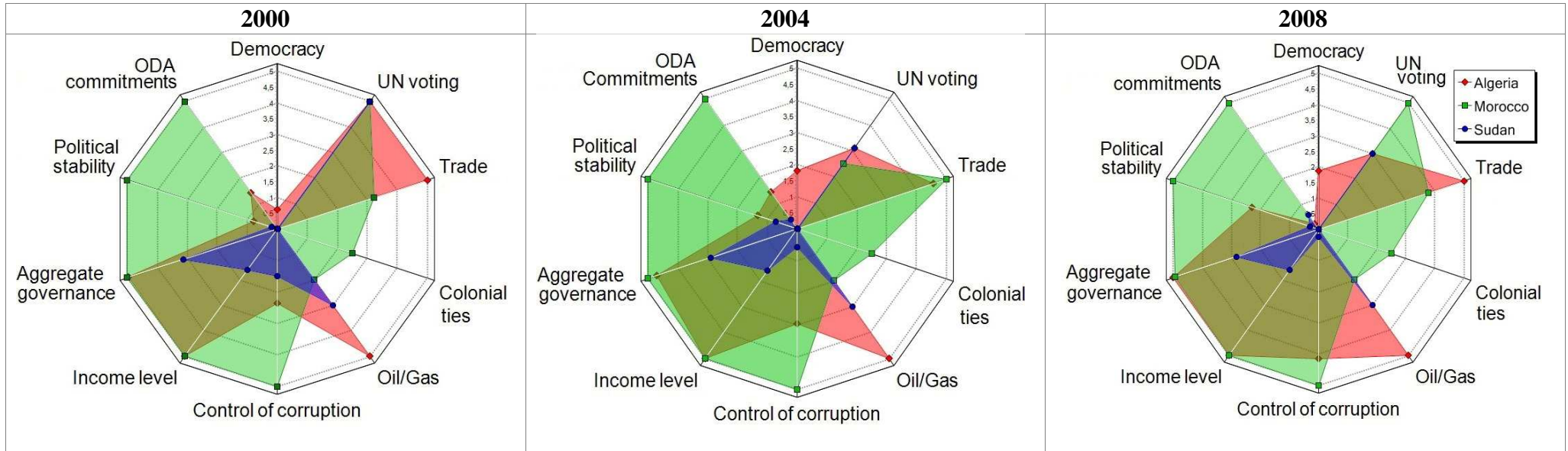


Table 12: Spain and countries with oil/gas resources



Spain and countries without oil/gas resources

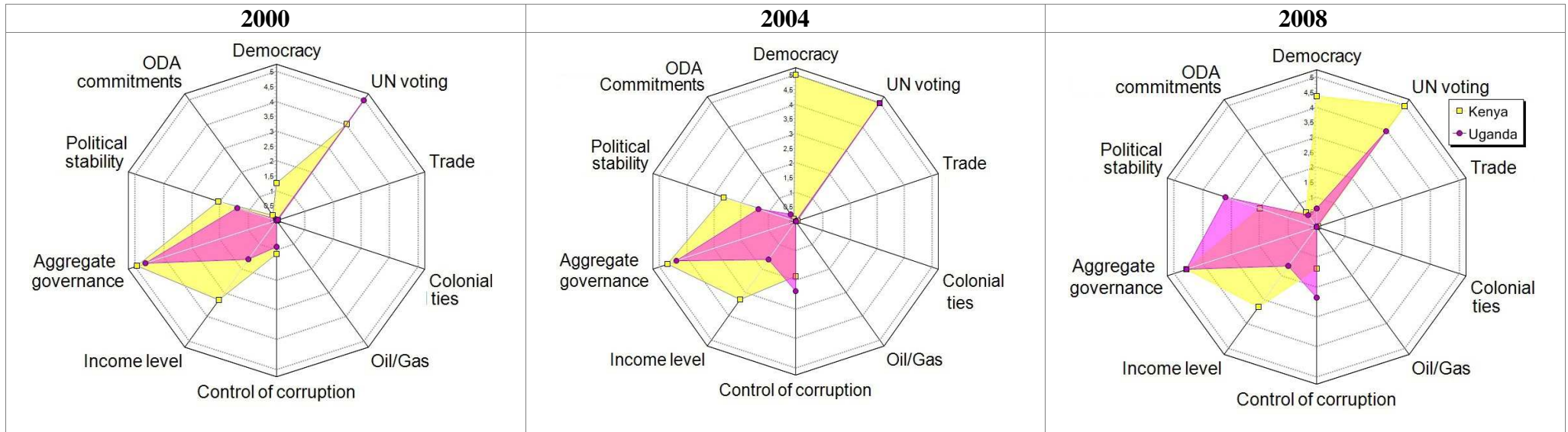
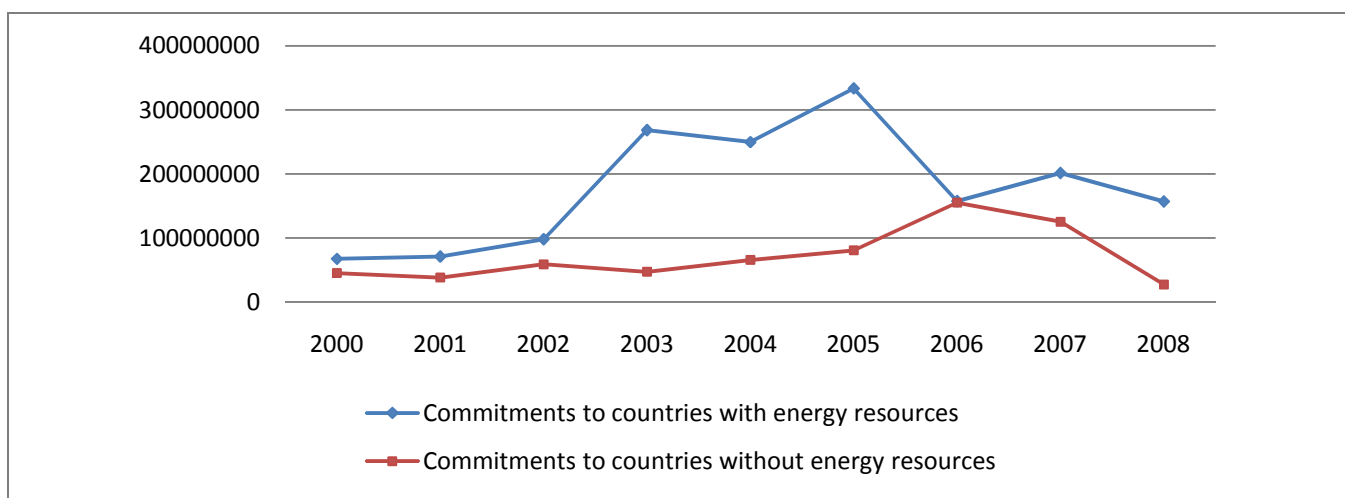


Table 13: Total aid commitments to selected countries over years

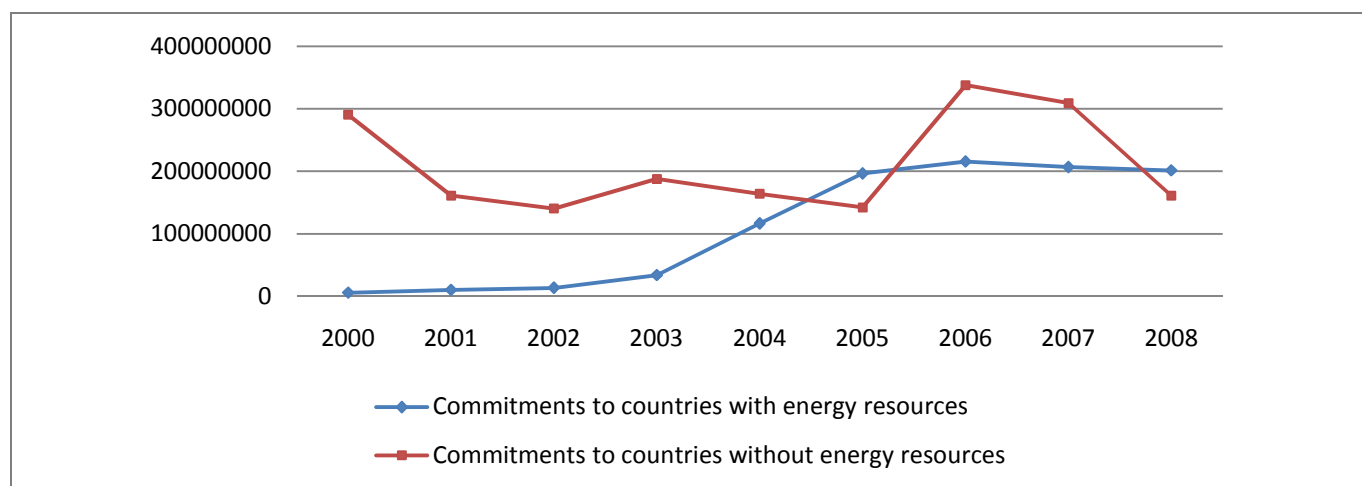
## 13.1 France: Total commitments to selected countries over years (current prices)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Algeria	63470000	69750000	92700000	258720000	234500000	310550000	139360000	186830000	142960000
Sudan	4340000	1730000	5740000	9860000	15330000	23030000	18470000	14960000	14240000
Sum	67810000	71480000	98440000	268580000	249830000	333580000	157830000	201790000	157200000
Kenya	37370000	30070000	38880000	43330000	61670000	74790000	150220000	100680000	20890000
Uganda	8140000	8310000	20350000	4080000	4260000	6100000	4980000	24940000	6900000
Sum	45510000	38380000	59230000	47410000	65930000	80890000	155200000	125620000	27790000



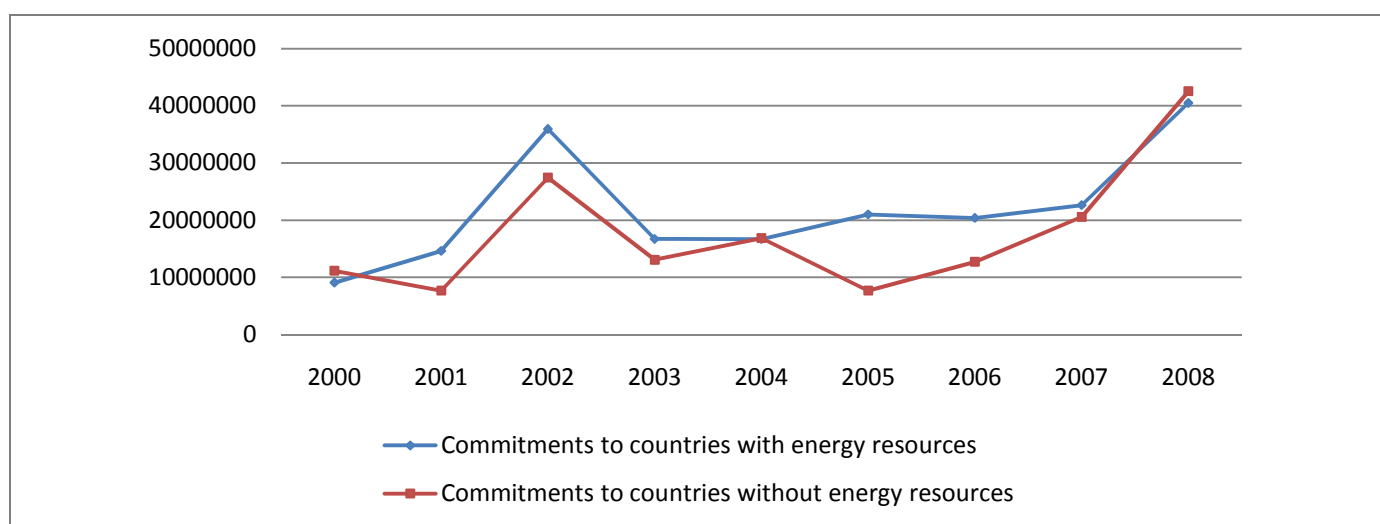
## 13.2 UK: Total commitments to selected countries over years (current prices)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Algeria	0	220000	0	780000	20000	0	0	570000	2110000
Sudan	5740000	9940000	13500000	33020000	116570000	196460000	215550000	206170000	199160000
Sum	5740000	10160000	13500000	33800000	116590000	196460000	215550000	206740000	201270000
Kenya	73110000	61810000	56410000	82990000	56190000	86600000	123240000	141780000	95190000
Uganda	217180000	99260000	83980000	104650000	107640000	55630000	214410000	167150000	65660000
Sum	290290000	161070000	140390000	187640000	163830000	142230000	337650000	308930000	160850000



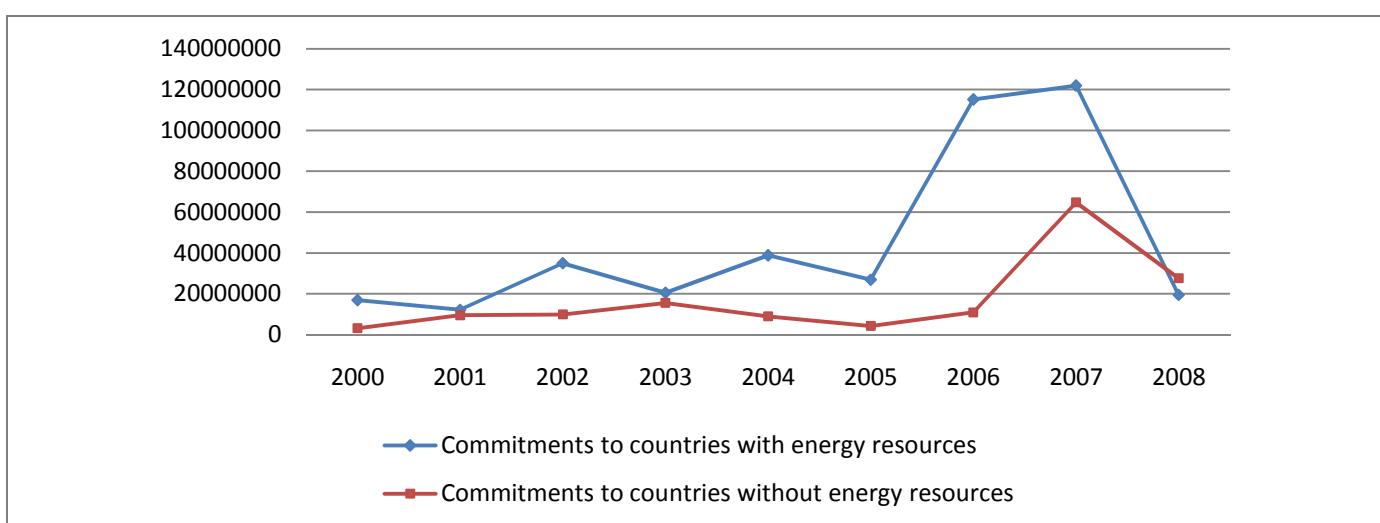
## 13.3 Italy: Total commitments to selected countries over years (current prices)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Algeria	3690000	8080000	29620000	8520000	2790000	5510000	7130000	2060000	6920000
Sudan	5390000	6540000	6320000	8190000	13910000	15490000	13250000	20560000	33570000
Sum	9080000	14620000	35940000	16710000	16700000	21000000	20380000	22620000	40490000
Kenya	2840000	2860000	1560000	3260000	5290000	460000	7120000	10030000	28230000
Uganda	8303000	4820000	25890000	9810000	11570000	7220000	5590000	10520000	14320000
Sum	11143000	7680000	27450000	13070000	16860000	7680000	12710000	20550000	42550000



## 13.4 Spain: Total commitments to selected countries over years (current prices)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Algeria	16870000	12090000	35000000	20190000	31020000	17190000	101890000	93570000	5490000
Sudan	40000	100000	10000	310000	7870000	9720000	13260000	28360000	14010000
Sum	16910000	12190000	35010000	20500000	38890000	26910000	115150000	121930000	19500000
Kenya	2560000	8550000	3790000	2410000	2370000	1460000	8190000	45050000	15120000
Uganda	640000	1000000	6120000	13110000	6630000	2810000	2740000	19710000	12470000
Sum	3200000	9550000	9910000	15520000	9000000	4270000	10930000	64760000	27590000



Source: OECD, 2010b



## CURRICULUM VITAE

- 1. Name:** Natalia Shulgina
- 2. Address:** Siteler District. 1327 St. 30/10, Antalya
- 3. Telephone:** +90 5315030683
- 4. E-mail:** shulginanatalia@yahoo.com
- 5. Date and place of birth:** 05.09.1985 Saint-Petersburg
- 6. Marital status:** Married

**7. Education:**

Akdeniz University and Hamburg University  
September 2008– June 2010 (anticipated date)  
EuroMaster Programme (M.A. Degree)

St. Petersburg State University named after Pushkin  
September 2003– June 2008  
Foreign Languages (Diploma)

**8. Language skills:**

Russian – mother tongue  
English – very good  
Turkish – very good  
German – good

**9. Other skills:**

Fully computer literate with high proficiency in all Microsoft Office applications, as well as Photoshop and experienced in utilizing databases

Team work and communicational skills, good adaptability to multicultural environment, skills of working with audience

**10. Professional Experience:**

01.2011 – 04.2011 Internship in the Press Club of Antalya, Turkey

09.2009 – 03.2010 Administrative assistant  
Hamburg University, Germany  
Translating; editing of the University's website; managing personal information about the students.

10.2007 – 07.2008

Interpreter/Translator

“Altın” Holding Company, Jewelry factory, St. Petersburg, Russian Federation

Interpretation and translation – working languages: English-Turkish-Russian; correspondence with foreign partners; translation of technical documentation; interpreting servicing of small-scale meetings.

06.2004 - 10.2004

Junior Information Manager

“Presscom” Publishing house, St. Petersburg, Russian Federation

Search and analysis of information about new companies in the Internet, newspapers, catalogues; carrying on negotiations with companies and presenting of the advertisement proposal; preparing of the weekly report.

**Declaration of Authorship**

I declare that this thesis and the work presented in it are my own and have been generated by me as the result of my own original research.

None of the parts of this thesis has previously been submitted for a degree or any other qualification at this University or any other institution.

The written document matches completely to the CD version.

Where I have quoted from the work of others, the source is always given within the Reference part of my thesis.

Antalya

Place

26.05.2011

Date



Signature