



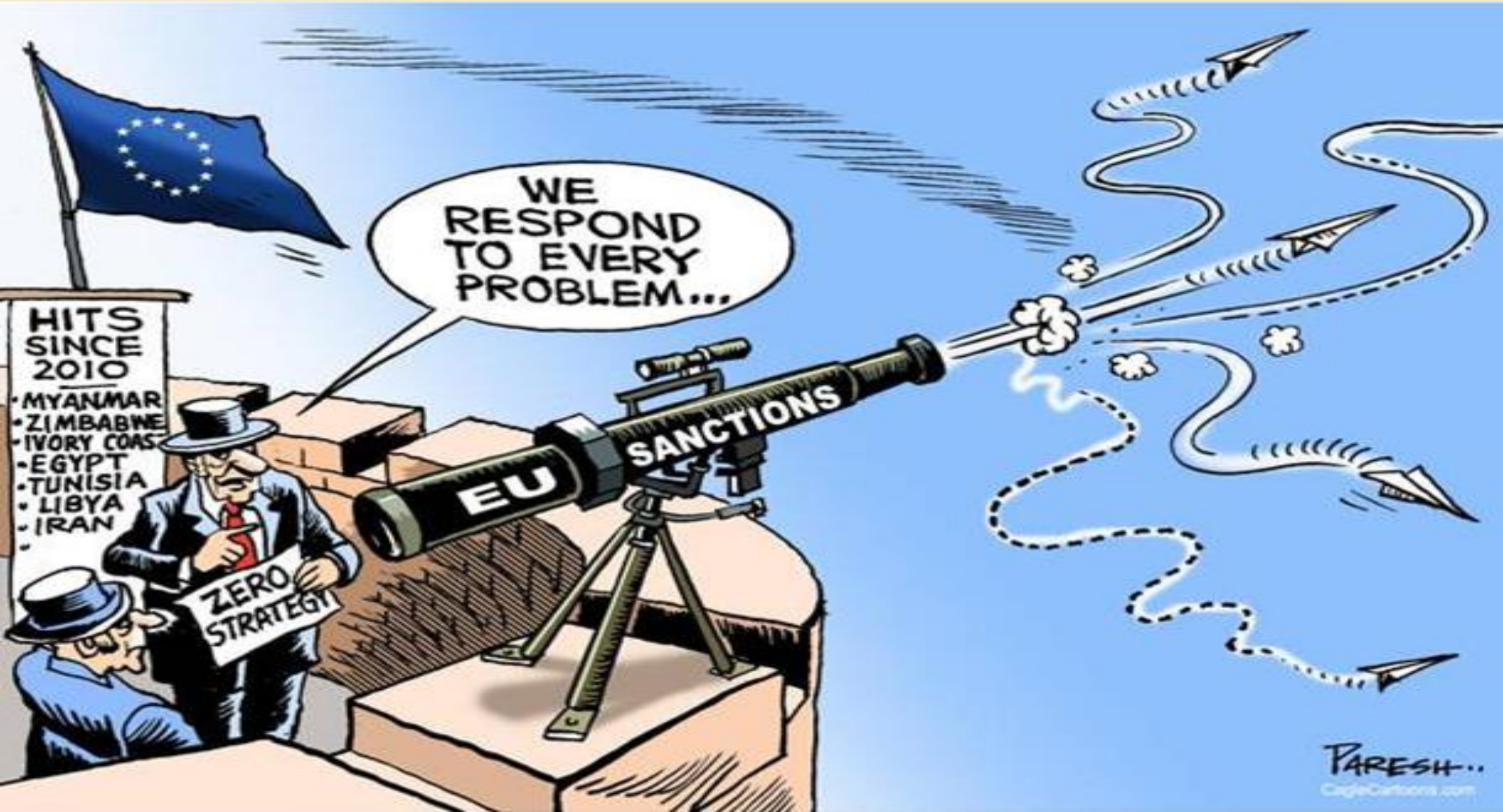
Political conditionalities

**The smart approach
to carrots and sticks**

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FOREIGN POLICY AND SANCTIONS

THE EU's need to move from unguided missiles...



To smart sanctions

EU Sanctions Policy (2005)

- Last resort - gross HR violation
- No negative impact citizens
- Targeted



- ⇒ Negative conditionalities
- ⇒ Trade – diplomatic - aid articulation

EU Democracy Support Strat.

- No new political conditionality



- ⇒ Mix of instruments
- ⇒ Positive conditionalities

Youngs (2010); 'the end of democratic conditionalities: good riddance?'

Political conditionalities on the rise in aid

- Pulling political reform
 - Selectivity (MCA – EU GG contracts)
- Pushing political reform (leverage)
 - Positive sanctions: Rewarding good behaviour (incentive tranches)
 - Negative sanctions: Sanctioning bad behaviour (withdrawing aid – shifting modalities)
- Form
 - Hard versus soft
 - Unilateral - negotiated
 - Invisible versus visible (post-conditionality - policy dialogue)

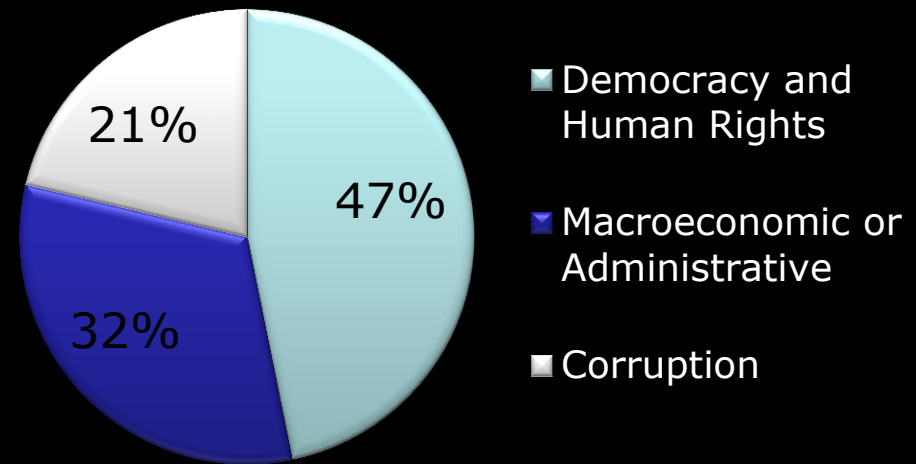


+ new sanctions: Budget Support suspensions

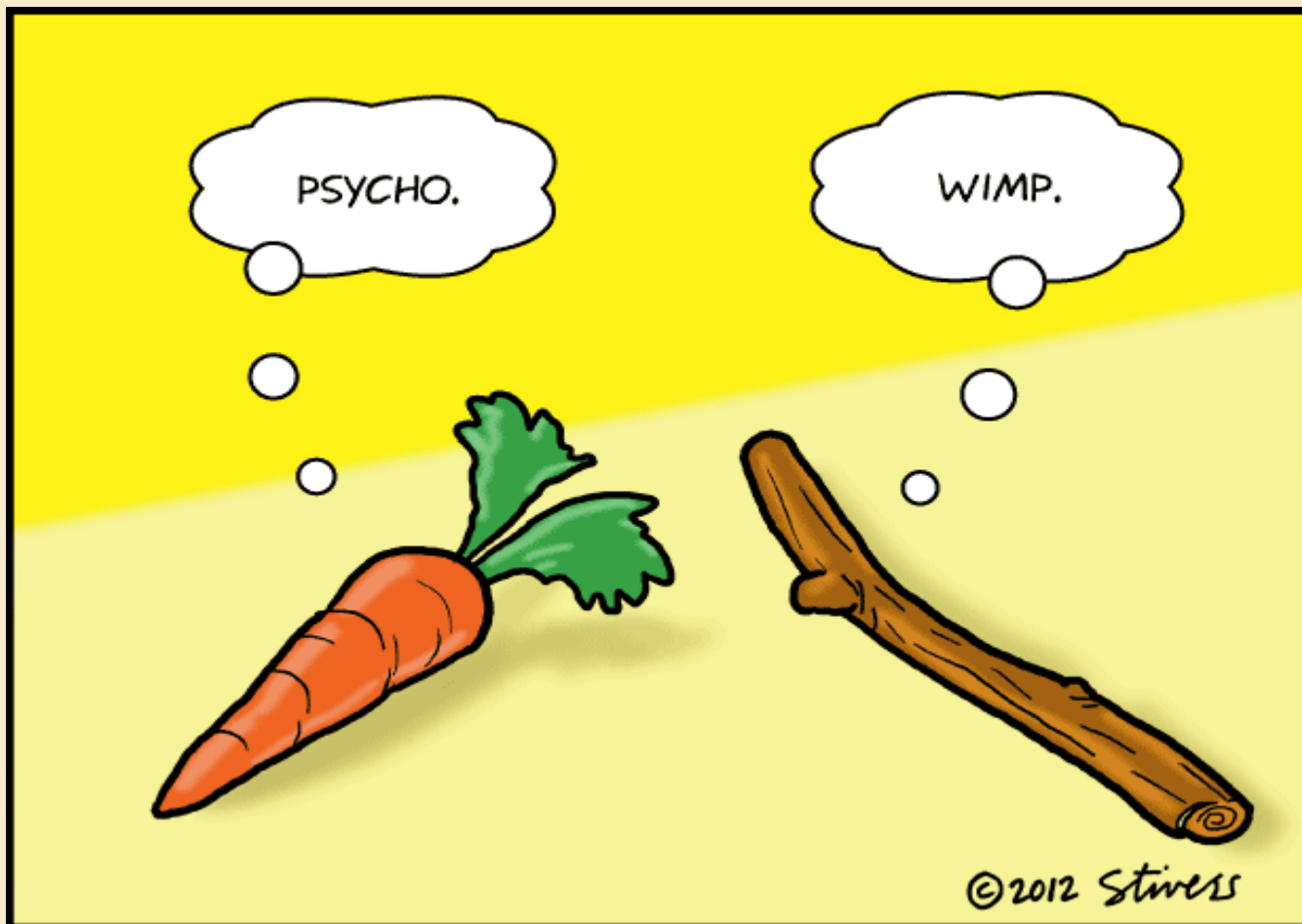
2000-2012:

- 52 'breaches' in 29 countries (22 in SSA) leading to 16 donors using suspensions
- Rise of PR conditionalities

Breach triggers



But how effective are political conditionalities?



The conditionality effectiveness debate

It works !

- EU accession
- Short term compliance
- Democracies more vulnerable to sanctions
- Pulling reform works (MCA)

It doesn't !

- No systemic effect (long term)
- Membership incentive is rare
- Harmonization is problem
- Political cost for authoritarian regimes
- Reversed causality

Conditionality works if:
 In touch with internal reform drive (ownership)
 Harmonized
 Large enough incentive – credible donor

How to be smart...

- Develop a Democracy promotion strategy
 - Mix of instruments and modalities
 - Top down & bottom up
- Take the Tinbergen rule seriously:
 - Number of goals = number of instruments
 - Understand the conflictive nature of development and trade-offs with democracy
- Be selective, but 'problems ahead' cannot be avoided
- Reward compliance (Incentive tranche instruments)
 - Focus on short term yet guided by long term systemic concerns.
 - Negotiate/formulate conditionalities SMART (specific, measurable, achievable, relevant and time-bound)
- Educate donor parliaments and public opinion so as to neutralize populist demands

Thank you

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