Back to the future? Charting features of the not-so-new convergence in aidland

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ABSTRACT

During the last decade, the liberal paradigm, hegemonic in development assistance from the 1980 and well into the 2000s, has seen a fracturing. Rather than an impasse or outright conflict between 'aid with Chinese characteristics' and that of traditional donors, we might now be witnessing an evolving convergence. Through a concise review of China's aid –its modalities, motives, substance, underlying conceptions of development, and morals – I extrapolate the following key features across the Chinese approach: Collateralization of development finance; neo-mercantilism; a preference for aid to tangibles; a deep-seated 'growthmentality'; and a non-moralizing politics. I then take these features as referents for charting possible convergence in a case study of recent shifts in the development assistance of Norway – a hitherto ardent advocate for liberalist thinking and practices in aidland. In ways of thinking and acting, there seem to be some clear commonalities emerging. Convergence around said referents may owe much to the fact that these are *not* so novel – they exhume much of that which is associated with the modernization paradigm, which traditional donors now seem to re-discover as both feasible and desirable templates for aid.

Introduction

Thinking and practices in aidland are presently seeing a post-hegemonic fracturing. The *liberalist* paradigm, hegemonic from the 1980s and into the 2000s, is in retreat on long-held fronts such as 'poverty orientation', 'human rights', 'good governance' and neo-liberal economic policies. This fracturing is no doubt related to the rise of China as a (if not *the*) dominant actor in aidland. Some two decades after China began to 'go global', much scholarly work has mapped China's approach to aid, often contrasting it with the approaches of traditional donors, and much of this work confirms that Chinese thinking and practices do represent a marked departure from liberalism.

But it does not follow that the relationship between the Chinese approach and that of traditional donors is now one of fundamentally conflicting paradigms, locked in default competition. Instead, the relationship may well be that of *convergence*, one which scholars are now beginning to chart. Mawdsley (2017) suggests some contours: A conflation of GDP with development; a focus on energy, transport infrastructures and agro-industrial productivity; and on resource extraction. Overton and Murray (2014) talks of a 'retro-liberal' convergence involving a hybridization of mercantilism, state-led industrialization and explicit support for and subsidization of (donor-country) enterprises.

As was the case with 'silent revolution' in the 2000s – in which emerging donors were 'not overtly attempting to overturn rules [but were] quietly offering alternatives to aid-receiving countries (Woods 2008, p. 1221) – the emerging convergence is 'silent', too: Barring some very generally stated principles agreed on by all major donors (such as the *Paris Declaration on Aid Effectiveness* and the SDGs), it does not announce itself or spell out its parameters. To delineate and describe the convergence remains a matter of empirical study and synthesis.

It is in this regard that the present paper offers a contribution: What are the pivots of an evolving convergence, and in what ways and to what extent may these be manifest in the thinking and practices of both new and old donors? I set out with a concise review of China's approach, extrapolating key features that might be used as key points of departure – or referents – for charting convergence. This review is structured along five universal variables in aid: The *modalities* of delivering aid; the *motives* driving it; aid's *substance*; its underlying conceptions of *what development is*; and the extent to and ways in which aid is imbued with a *moral*. Secondly, I interrogate whether and in what way recent trends in Norway's development assistance have commonalities with the features extrapolated form the review of China's aid.

This approach begs the questions as to why, first, features of China's approach should be 'privileged'; and, secondly, why Norway as a case should be of any particular interest us. The privileging of China owes to its role as a vanguard in the fracturing of liberal hegemony. Given the popularity it has won amongst recipients it should not be any great surprise if its approach were to inspire and compel convergence from the end of traditional donors. Indeed, there is a robust correlation between the levels of Chinese engagement in a country and shifting geographic allocations in traditional donors' bilateral aid (Kilama, 2016); the World Bank, while not changing destinations and purposes so as to 'follow China', now imposes less conditionality in countries where China has a major presence (Hernandez, 2017). In short, if the practices of any singular country are to be taken as a point of departure for studying convergence, the actor who is most determinedly challenging the *ancien regime* should be privileged.

Secondly, Norway is an interesting case precisely because it was such a loyal follower (a self-declared vanguard even) of the liberal paradigm. From the 1980s and well into the 2000s, Norwegian governments strove to be at the forefront of the liberal-progressive shifts at OECD-DAC – advocating for untying aid, recipient ownership, poverty orientation, good governance, human rights-based approaches etc. Significantly, the altruism and solidarity running through such shifts resonated deeply with undercurrents in the national identity, Norway seeing itself as small and young nation; an explorer rather than a colonizer; a devotee of equity etc. (Tvedt, 2009). Yesteryears' Norwegian aid approach is in many ways quite the opposite to that of China today; not long ago, the two might have been considered 'most-unlike cases'. Conversely, emerging similarities in approaches of the two would suggest a convergence with momentum. At any rate, to establish that there is a convergence, must to some extent base itself on case studies. This paper offers one such study.

Still, even while I take key features of Chinese aid as points of departure, I do not propose that the convergence we are witnessing owes to a mere 'chinafication' of aidland. This would be too facile. Notwithstanding the possibility that China is shifting some of its practices, too, in the direction of traditional donors (Mawdsley 2020), the elements of convergence charted here remains too rudimentary for claiming a 'chinafication'. Any real and lasting convergence must rest on a forceful conjuncture of vectors and many of these need not have much to do with China omnipresence and assertiveness in aidland at all: Perhaps traditional donors now recognize that the thinking and practices of the liberal era simply did not work so well; and that, with mounting debt burdens at home and tendencies toward competitive protectionism, the willingness to give without a tangible *quid pro quo* is waning. Importantly, it might be the case that 'transnational economic elites of all hues are finding areas of alignment and mutual interest' in certain aid modalities and arrangements (Mawdsley 2017, p. 111). The opportunities for western capital generated by neoliberal globalization might be nearing exhaustion, and further exploits may therefore rely on the more overt support by way of aid. Indeed, a trend of the last decade has been, as I detail later, the increasing 'commercification' of aid. In the imaginary of a critical-realist international political economy one would perhaps think in terms of a larger systemic shift: changes in the processes of capital accumulation, and resurfacing dynamics of the bare anarchy of the state system, coming together in 'an imperfect storm'.

The present paper does not purport to *explain* convergence. Embarking on explanations would only make sense once that which we want to explain is sufficiently charted, and I contend that such work remains to be done. The ambition of this paper is to give an analytical-descriptive and case-based account of the presently evolving convergence. Explaining convergence requires much work in its own right.

Through my review, I extrapolate five key features of China's approach: A *collateralization* of development finance*;* a distinct *neo-mercantilism*; a deep-seated *growthmentality*; a fixation on *tangibles*; and a proclaimed *non-moralising politics*. These are subsequently taken as points of departure for appraising the case of Norway. There are some clear rudiments of convergence. Sure, commonalities remain diffuse and hybrid-like. But aidland is a sprawling and complex assemblage of policy options, actors, ideas and lines of reasoning; and in such circumstance, tendencies can be forceful only to the extent that they allow some measure of ambiguity and polyvalence.

The closing section of the paper sees features of the evolving convergence in a historical perspective. Some research might leave the impression that the Chinese approach is somewhat novel and particular, even exotic (*vide* the widespread use of metaphors in the 'dungeons and dragons' style). But China's way of engaging in the development enterprise is neither novel nor particularly 'new'. The tag 'retroliberalism' proposed by Overton & Murray (2014) seems a misnomer. While the evolving convergence is certainly capitalist, it is hard to see much 'liberal' ('retro' or otherwise) in it. The argument made in this paper suggests that 'neo-modernism' would be a more fitting description. As Mawdsley contends, the element of convergence 'exhume much of that which is associated with the modernization theories of the 1950s and 1960s.' (2017, p. 113). This applies not only to those traits she highlights – growth as the central analytic; and a turn to materiality – but also to other features identified in the present paper.

In such a perspective, China's influence across aidland is less a matter of competition, innovation or emulation than it is a catalyst for the re-surfacing of deeply lodged mental templates for what aid may look like and what aid should accomplish. As shouted the nutty professor (in the Hollywood blockbuster) through the storm: "We've got to go *back* to the future!" Deep-seated as these templates are, they might eventually give the evolving convergence strength and cohesion.

I. KEY FEATURES IN CHINA'S AID

Aid modalities

China's development finance delivery is bundled in so-called *mixed credit packages* that are complex, opaque, and not in conformity with OECD-DAC accounting disciplines. A package will typically bundle grants; equity capital for a joint venture; soft loans for importers in the recipient country; export credits for Chinese contractors/exporters; combined with technical assistance the cost of which is also counted towards the overall package. This makes it hard to identify and compare China's aid modalities to those of the OECD countries (Mawdsley, 2012)

Nevertheless, one particularly characteristic mode of Chinese finance delivery is the so-called *resource-credit-swap*. The recipient typically gets a mixed credit package – often toward a specific physical project – in exchange for commodities. The commodity may be supplied *in naturalia*; or, the revenues from its sales deposited directly into an *escrow account* from which China withdraws its due (Bräutigam, 2008). An emblematic case (which led to the nicknaming of the resource-credit-swap as 'The Angola Mode') is the $4.5bn concessional loan for infrastructure to Angola, secured by the delivery of 10,000 barrels of oil a day (Chahoud, 2008). In more recent years, it has also transpired that China's development finance may be *de facto* collateralized with commercial infrastructure – amounting to *asset-credit-swaps*. A much cited case is Sri Lanka's Hambantota port: In

2017, unsustainable debt burdens forced Sri Lanka to lease out (for 99 years) the port – once financed with loans from China, and built by Chinese contractors – to China Merchants Port Holdings (Ferchen and Perera 2019)

Meanwhile, recent years have seen claims that the overall profile of Chinese aid is changing, towards a stronger emphasis on softer social sector aid (Kraglund 2015). Such aid cannot, by default, be collateralized. But it is hard to find substantiation for this claim in actual figures. A recent review found that, in 2016, China's total amount of development finance was US$187.8 billion – five times that of the US, and more than the accumulate ODA from all OECD donors – but just a mere US$2.1 billion would qualify as ODA (Kitano 2018, p.104). In terms of ODA-like aid (both concessionary and untied), this is a tenth of Japan's aid, and it leaves China as a very minor donor (on par with South Korea). Furthermore, it is safe to assume that social sector aid only makes up a part of this very modest amount. Thus, the profile of Chinas development finance retains the imprint of mixed credit packages devoted to extractive industries, infrastructure and productivity, commonly hardwired in commodities or, possibly, in assets. Such hardwiring ensures the donor a high degree of financial control: In the case of a resource-credit-swap, the revenue with which the client country services debt hardly passes through recipient state coffers. In effect, the state does not manage revenue or services debt through national budgets (which may fall prey to messy politics and not-so-good governance institutions). An asset-credit-swap, on the other hand, hedges against the risks (and eventual costs) of default, as the case of Hambantota illustrates.

During the mid-2000s, China seemed to be driving at quite the opposite – it was second-to-none in debt relief, a modality that surely *enhances* recipients' financial autonomy. In retrospect, however, it has become clear that the relief of the 2000s was confined to old, overdue, zero-interest loans, and not the new loans (Bräutigam & Hwang 2016). At present, recipients' debt is growing fast. Remarkably, African countries now owe some $100 billion to China equaling the debts owed to the Paris Club governments and the World Bank combined. Seemingly, many of China's partner countries are, once more, getting caught in financial serfdom (Jubilee 2018).

To be sure, any claim that China uses 'predatory lending' to purposively set up burrowers in 'debt traps', lacks evidence. While it is true that China – in its drive to expand partnerships and ensure influence abroad – has been callous and seen a number of 'white elephants' in its wake, much of the financial unsustainability of commercial infrastructure thus bankrolled owes to policies of burrowers themselves (Ferchen and Perera 2019). Furthermore, the emerging debt crises in Africa is to a considerable degree caused by generous loans granted by private banks during the commodity boom and, in many cases, the somewhat cavalier issuance of government bonds in the wake of the Northern financial crisis (African Development Bank 2018).

At any rate, such qualifications do not detract from the main extrapolation here: Chinese development finance – vastly larger than that of traditional donors – is commonly hardwired with the very same resources and assets that Chinese mixed credit packages help to extract and build in the first place. And such hardwiring represents what I believe to be the defining feature as regards China's aid modalities: a *collateralization* of development finance.

Motives

A favorite trope in the study of China's development partnerships has been that these may help recipients escape *paternalist* relationships with traditional donor – 'by quietly offering alternatives […] introducing competitive pressures into the system [of development finance]' (Woods 2008, p. 1221; for further elaboration see Eggen & Roland, 2013). A case in point is the Congolese Mining Minister's statement, upon receiving a sizeable mixed credit package in exchange for minerals, that this marked the end of 'this monoculture of [traditional donors'] domination of the development scene' (cited in Kraglund 2015, p. 251)

At the same time, the possible *neo-colonialist* character of the same partnerships has won much attention. The pivot here is not merely China's pursuit of supply security in strategic commodities but its very extensive tying of development finance. China stated objectives for development partnerships makes only indirect reference to the promotion of commercial interests – it talks of 'adhering to equality, mutual benefit, and common development' (cited in Kitano, 2018, p. 99]. However, other policy documents and statements are more expedite. Across all elements of its mixed credit packages, China EXIM Bank – a chief conduit of development finance – dictates a double tying both in terms of contractors an input suppliers:

> Chinese companies shall be selected as the project contractor. For procurement projects, equipment supply shall come from a Chinese exporter; priority shall be given to the equipment materials and technology from China. In principle, no less than 50% of all procurement shall be made in China (cited in Mawdsley, 2012, p. 136)

By 2008, China was already exporting ‘more than $80 billion worth of equipment, and machinery to Africa […] Chinese construction companies earned revenues of $12.6 billion and signed contracts for another $29 billion in Africa’ (Bräutigam, 2008, p. 279). Remarkably, by 2014, China-Africa trade had grown *twenty-fold* since the turn of millennium. China export to Africa – now worth some $90 billion annually – is four times bigger than that of the US.

This emphasis on national commercial interest is not abating. In the wake of the financial crisis, China EXIM Bank called for ‘an expansion of foreign aid, including concessional lending, to improve the efficiency with which China’s aid can promote Chinese exports” (cited in Johnston 2019, p. 49). China’s rationale for the setting up of a new centralized government aid agency is indeed, in the words of the Chinese *politbureau*, ‘to give full play to foreign aid […] to better serve the country’s overall diplomatic layout and the Belt and Road Initiative’ (cited in Kitano, 2018, p. 107).

Still, ‘neo-colonialism’ is a misnomer. The term was coined by Kwame Nkrumahwho who held neo-colonialism to imply that the subject state possesses all the outward trappings of sovereignty, but

> its economic system and thus its policy is directed from outside [inter alia] through economic or monetary means. The neo-colonial State may be obliged to take the manufactured products of the imperialist power to the exclusion of competing products from elsewhere. Control over government policy in the neo-colonial State may be secured by payments towards the cost of running the State (Nkrumah, 1965, p. 1; see also Langan 2018)

China’s objectives seem confined to the economic sphere; there is little to suggest that China would want to ‘run the state’. Thus, I follow Grosse’s (2014) description of China’s objectives as *neo-mercantilist*. Neo-mercantilism denotes a geo-economic strategy that ‘dictates avoiding costly political commitments […] so as to be able to devote maximum attention to [its own] national economic development' (Wigell, 2016, p. 143), through assertive, state-led expansion of market shares and FDI abroad; curbing of imports; and interventions in currency markets – with a view to amass foreign exchange reserves (*ibid*.).

Interestingly, the last few years have seen a shift in China's conception of business promotion, with a new emphasis promoting foreign direct investment, rather than construction and export. This shift reflects China's own development: With changing demographics, much of its productive capital, especially labour intensive and low-wages tradable industries, must relocate abroad – bringing with them their already established position in global production networks – to remain competitive while retaining satisfactory returns. (Carey et al, 2016; Chakrabarty 2016). In one account, this amounts to a 'transfer of excess domestic industrial capacity to low-wage, youth-rich developing countries; and portfolio diversification of international investment away from what are presently low-yield US bonds' (Johnstone 2019, p. 52). Hitherto, China's engagement has entrenched African countries' role as exporter of primary commodities, and importers of manufactures, helping to driving non-equitable growth without diversification and with limited employment generation in the process (Martuscelli 2019; Chakrabarty 2016; Hodzi 2018). Chinese's 'transfer of excess domestic industrial capacity' may alter this. But it will amount to having Chinese-owned light industries operating out of Africa. The overall neo-mercantilist bent does not bode well in terms of indigenous capital formation and industrialization, appropriation of advanced technology, or equitable growth by way of 'decent work'. With respect to the latter, a recent extensive survey noted that Chinese projects in Africa, unlike those of traditional donors, were consistently associated with undercutting workers' rights (Isakson and Kotsdam 2018).

Here a brief contrasting to the liberal era is due. To be sure, aid has always been driven by ulterior motives, of some kind or another. It can certainly be argued that neo-liberal economic policies forced onto developing countries through structural adjustment, and entrenched through the WTO, constituted a blatant pursuit of economic self-interest. It did pave the way for western capturing of markets, with the destruction of client countries' own productive capital; the occasional appropriation of choice-cut public assets; and ensured protection for foreign capital and technology owners (Chang 2002). But this pursuit was indeed neo-liberal as opposed to neo-mercantilist. Western donors might well have calculated that own capital would gain from free markets. By contrast neo-mercantilism is an explicitly nationalist project, where every donor, each on his own and with whatever tools he himself disposes, is racing to promote his own particular commercial interest.

Aid’s substance

The popularity of China as a donor owe to its willingness finance essential infrastructure and machinery, and translate this into productivity, by providing technical assistance (Eggen & Roland 2013). The predominance of infrastructure in Chinese aid – what I would dub ‘the physical scaffolding’ of development – hardly needs substantiation. The very name of China’s ‘going global’ strategy is *Belts and Roads*. Inversely, there is a characteristic avoidance of financing of development’s ‘socio-political scaffolds’: The Chinese readily finance the building of schools, but they rather not involve themselves in the training of schoolteachers, much less in building the socio-institutional architecture of popular education. China does finance human capital formation, but this is mostly limited to the supply or training of experts. Engineering is indeed a centerpiece, illustrated by the ongoing construction of numerous agricultural demonstration giga-centers across Africa offering Chinese machinery, technology and knowhow – paired with the commitment to train thousands of Africans every year in agricultural technologies (Mawdsley 2012). The quite extensive, controversial and much discussed ‘export’ of Chinese labour, across many skills levels, may also be construed as some form of human capital financing. However, in either case, human capital formation is invariable involved in raising physical scaffolds of development.

The contrast to the western donors in liberal era is clear to see. OECD’s ODA to ‘social sector’ rose from 29 per cent in the late eighties to 52 per cent in 2004, while infrastructure and productivity dropped from 59 to 38 per cent (Mawdsley, 2012). Western aid drifted yet farther away from infrastructure and productivity with the increasing emphasis on good governance and human rights from the mid-1990s and onwards. Unsurprisingly, a DANIDA study assessing possibilities for collaboration with the Chinese concluded that a key prerequisite for would be that western donors ‘paid more attention […] to productive rather than social sectors’ (cited in Kraglund 2015, p. 258). Still, it might be that the distinction between the productive and the social is somewhat misleading binary. Building a school or a library, which China readily bankrolls, is not about productivity. But it is about *things*. Thus, I contend that a key feature in terms of the substance of Chinese aid is the near-fixation on the *tangibles*, as opposed to the intangibles, in development.

Conceptions of development and aid's role in it

During the liberal era, traditional donors acted as enforcers of a neo-liberal economic order, ensuring that the 'invisible hand' of the market (very often synonymous with western-led multinationals and global production networks) could take hold in the global South. China's approach, on the other hand, drives a more state-centric *growthmentality*, premised on dirigism. The onus is on growth, not on the market – and on the *prerogatives of the state* rather than *privileges of capital*. The state-over-market onus also follows from the fact that, in China itself, it is very often the case that the state *is* the capital. This is also reflected in China's neo-mercantilism in so far as a very considerable proportion of the Chinese companies involved in aidland are state-owned (Gua *et al* 2016).

That the privileges of capital commonly are at odds with the needs and rights of people need no elaboration. However, as China's own 'capitalist socialism' illustrates, the prerogative of state may be every bit as apposite to rights. An anthropological exploration of thinking about development in China (Niu 2016) suggests that 'development' is intimately connected with the modernization-industrialisation-growth-welfare fantasy matrix, and highly state-centric at that. Poverty reduction, as something valuable in its own right, is peripheral in this fantasy (and conceptions of 'rights' do not feature at all).

Recipient country policy makers praise the Chinese for the speed with which projects may be agreed upon and implemented. The former Senegalese president Abdoulaye Wade thus stated: 'A contract that would take five years to discuss, negotiate and sign with the World Bank takes three months with the Chinese authorities' (cited in Swedlund 2017, p. 404). This is so partly 'because [Chinese aid] is unhindered by certain socio-economic and environmental safeguards' (ibid. p.405). Indeed, when it did 'take years with the World Bank' it was because the Bank had been forced to consider 'certain safeguards' in the design and implementation of big infrastructure projects. The Sardar Sarovar hydroelectric dam debacle is an emblematic turning point in this regard (Khagram, 2002), and since then, the bank can only fund projects that comply with the *Equator Principles*. To establish such compliance may indeed take years.

The characteristic expedience of China-funded projects, and the associated discarding of safeguards, exposes what I dub a *growthmentality* – 'get the job done, get the resources out of the ground and put to use for growth', and 'do it *now*, not at some other time'. In terms of normativity, this is the diametrical opposite of the human rights-based development thinking that made much headway twenty years ago, the chief imperative of which was that no human rights violation could be justified as a means to an end (such as economic growth), no matter how legitimate the end.

In this regard, Mawdsley (2017, p. 111) considers that aid towards

> infrastructure, energy provision and productive capacity aimed at enhancing growth, rather than poverty reduction directly, may accelerate deeply spatially and socially uneven growth, and do little to combat poverty while widening inequality and dispossessing poorer people of resources, land and livelihoods

Growthmentality with its imperative of expedience leaves little room for attention to conflicts of interest, displacement of people, workers' rights and sustainability (e.g., Rowden, 2011). China prefers inter-elite brokerage, which has tended to bypass domestic channels of debate and accountability (Mohan 2013). Such state-centric, elite-negotiated, enclaved activity may invite corruption, keep decisions that violate rights out of sight; and undermine previously achieved governance advances (Mohan 2012; Davies 2008).

In this, 'Africans' are certainly *not* mere by-standers, lacking in agency, invariably ending up as losers. China's inter-elite brokerage both feeds into and is being fed by neo-patrimonial and predatory tendencies in recipient countries; what Chinese finance does or does not do on the ground is therefore co-determined by maneuvering and proclivities of domestic elites (Hodzi, 2018). This plays out differently from the one country to the next, of course. Still, Hodzi describes a general tendency – a symbiotic relationships in which Chinese investors 'are protected and guaranteed success to the extent they provide political elites with rents', which are often diverted to prop up leaders' political support rather than to necessarily address development needs (2018, p. 198; se also Gonzales-Vicente 2015). Such circumstances call for renewed attention to nature and roles of what dependency theorists labelled the *compradorial* classes (Mason 2016), as well as studies of the various and novel forms of disposession, adaptation and resistance (Adunbi and Butt 2019).

But, to be sure, the severe challenges associated with China's determined growthmentality, need not imply ill-intent. It must rather be seen as a coming together of one donor's way of doing and acting, and recipients' ways of maneuvering vis-à-vis the donor. In this regard, Ferchen and Perera (2019, p. 4) notes: 'Chinese banks, firms, and state officials have barely more than a decade of experience [working in Africa], and they often possess minimal background knowledge about the history, culture, or politics of the [partner] countries.'

Values/morality

China insists on providing developing finance without any conditions related to political ideology, values, and norms about what represent a good and just society – but premised on mutual respect and interest, and observance of the other's sovereignty. Some applaud the way in which this liberates recipients from an undue 'human rights imperialism'. Others are concerned that such a liberation lets despotism and human rights abuses go unchallenged. China often secure the votes of African 'clients' against UN resolutions on its domestic human rights abuses (Mason 2016). Furthermore, with aid of unmatched proportions and its permanent seat on the UN security council, 'China can give pariah regimes material resources and a degree of international protection' (Mawdsley 2012, p. 116).

Such concerns came to widespread attention with China's extensive collaboration with Sudan's Mubashir during the genocidal war in Darfur (e.g., Large 2008); the political logic was laid bare when Zimbabwe's Mugabe – confronted with western donors' sanctions – stated: 'We have turned to the East, where the sun rises' (cited in Brautigam 2008, p. 287). In similar style, Museveni retorted 'We don't need those pittances any longer' […] when asked about donors' threats of withdrawing aid as a reaction to his campaign to purge Uganda of 'un-African' LGBTQ minorities.

Meanwhile, no one will have failed to note the geopolitical strings attached to Chinese aid – that the recipients must observe the 'One-China-Policy': I.e., deny diplomatic recognition to Taiwan, and not aid or abet other actors who threaten China's territorial integrity. In extension of the latter, and less researched, China occasionally meddles with domestic politics of the recipient: In 2009, the South African government unexpectedly revoked a visa to Tibet's Dalai Lama (on his way to participate in a ceremony convening Nobel peace prize laureates in Pretoria). ANC top brass had been warned that if a visa were indeed granted, China would withhold the financial support promised towards ANCs upcoming electoral campaign (Mason, 20156).

Still, China practices represent what I label a distinctly *non-moralising politics*. The case of strong-arming the ANC had nothing to do with attempting to impose values or political ideologies on South Africa; China's funding of ANC does not owe to any ideological affinity. This was about the use of aid for geopolitical ends.

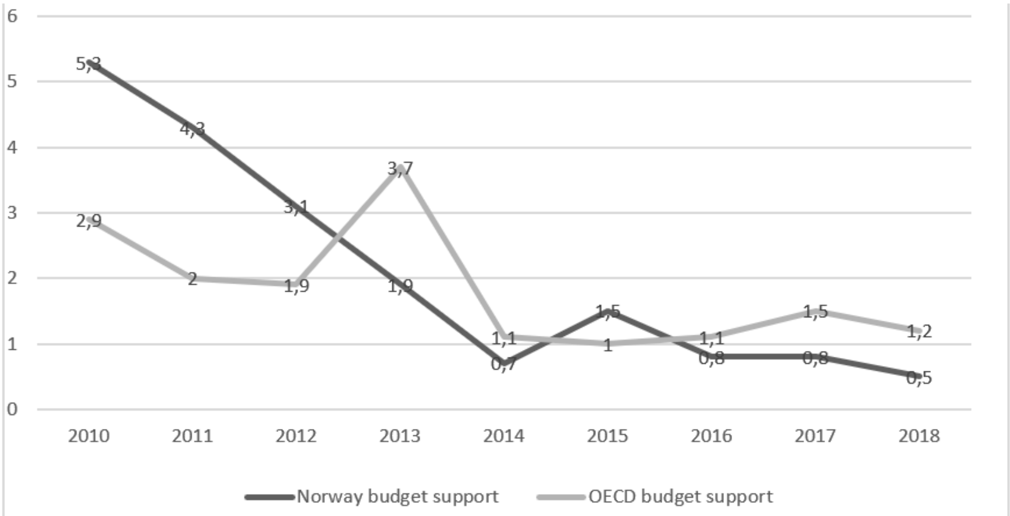
II. NASCENT CONVERGENCE? THE CASE OF NORWAY

Collateralizing development finance?

By the 1990s, Norway positioned itself at the forefront in the shift from project to program lending, as reflected in the 1996 white paper (MFA 1996). State-to-state *budget support* was now a touted as a crucial aid modality; directed towards poverty reduction with 'the poorest of the poor' as a priority target; premised on 'recipient needs' and '-ownership'; and with a strong emphasis on good governance, civil society and human rights – ultimately as means to safeguard the interest of, and help empower, the poor (MFA 1996, 2004). In several respects, budget support is about as far from collateralization as the aid enterprise ever came.

Norway was certainly successful in giving off the impression as a devotee of budget support; some commenters claim that it remains one of Norway's main aid modalities (alongside ODA funneled through civil society) (see Banik, Hegertun 2017). This was never really the case. During the 2000s, Norway was indeed giving more budget support than OECD countries overall – even if neither ever devoted much more than 5 per cent of its ODA – but during the last decade, budget support is all but extinct as an aid modality, and Norway now gives even less than OECD overall (see graph 1 below) – merely a tenth of what it was a decade ago.

GRAPH 1: Budget support as % of ODA – Norway, and OECD-DAC total



Sources: Compiled by the author with data from NORAD and OECD QWIDS databases

In relative terms this shift is pronounced, especially if we take into consideration that debt relief – which for all intents and purposes *is* budget support – has declined markedly in the same period. Norway is now, as per its latest comprehensive white paper, set to gradually phase out most of state-to-state aid altogether (MFA 2017, p. 28).

Norway is certainly not shifting aid towards modalities with 'hard' collateral, such as resource- or asset-credit-swaps. However, there are measures of collateralizing and novel financial control in the steady increase of aid delivery through its *development finance institute* (DFI), *Norfund*. Here, an analytical appreciation of the significance of and functioning of the DFIs is called for: A DFI differs from banking in that it provides finance not through lending, but by acquiring equity in private enterprises, either through financing the very establishment of new enterprises, or by buying stocks in already existing ones (Attridge et al, 2019). Thus, through a DFI, concessional finance reclaims its dues through *profits*, rather than interest (thereby also enhancing its capital stock for further investments). Unlike in lending, where possible default represents the chief risk, the risk here is that the creditor may lose its capital through bankruptcies.

Thus, in terms of its fundamental schema and functioning, when ODA is funneled through a DFI, this does constitute a *collateralization through equity*. There is also a novel type of financial control involved: it is a completely government-hands-off aid modality, bypassing coffers of the recipient state. With dues extracted directly from enterprises – in which the donor, through equity, has a managing role – the DFI leaves the management of development finance in the hands of the donor.

Norway is far from particular. The mid-2010s saw a marked shift in the understanding of development finance, away from conventional aid and debt relief. In 2014, a former World Bank chief economist noted that the time had come for a shift from a focus on ODA to so-called ‘Other development finance’ (OOD) including lending from ‘new development banks’ [such as China’s], DFIs and sovereign wealth funds (Lin & Wang 2014, p. 18)

Toward a (tacit) *neo-mercantilism*?

At the outset of the liberal era, in 1978, OECD donors committed to guidelines whereby export credits could only be counted as aid where paid towards projects that were not commercially viable, or of a non-commercial nature (Brautigam, 2008, p. 298). While untying was not so much about kindness as it was about fair competition rules – i.e., level playing field amongst (primarily) developed countries’ enterprises – it marked a significant shift.

The 2000s saw the emergence of even more ambitious rhetoric. Now, donors pledges to strive for broader *policy coherence*, whereby ‘objectives and results of a government’s development policy are not undermined by other policies of that government’ […] but rather ‘support development, where feasible’ (cited in Droeze, 2008, p. 166). In a neo-mercantilist conception, the exact reverse applies: Aid ought to serve as auxiliary for the donors’ trade and commercial opportunities abroad.

Norway was an early advocate for untying aid. A 1984 development white paper – the first of its kind – emphasized the imperative of doing away with such practices; it even featured rankings of OECD donors in terms of their tying of aid (Norad, 1984). Thereafter, such aid was frowned upon. Later, the government made ‘policy coherence’ a stated ambition (MFA 2004), and sponsored a two-year commission, with participants from across different sectors, to identify major coherence challenges and recommend appropriate policy reform. The commission stressed that policies intended to primarily pursue a donor country’s own interest must, to the greatest extent possible, be crafted to not stand in the way of developing countries possibilities to develop (NOU, 2008), and was highly critical of inter alia trade and finance policies, and quite precise in recommendations. At that point, Norwegian policy positioned itself as quite the opposite of neo-mercantilism.

By the 2010s, coherence ambitions were already waning. Across OECD, ‘commercial and foreign policy agendas proved hard to budge both nationally and in […] global governance regimes’ (Mawdsley, 2012, p. 46). The 2013 Norwegian white paper stressed that by allocating aid to ‘business development’ – more specifically, stipulating big increases in replenishments to *Norfund* – aid could serve as a catalyst for investment, and hence growth (MFA 2013). *Norfund* had been established already in 1997; after many years in the periphery of the Norwegian development enterprise, it now became a major instrument. The last few years, the annual replenishments have been in the range of NOK 2 billion, with its accumulate capital stock now in the range of NOK 25 billion.

The rhetoric in policy circles now drifted towards rehabilitating aid as a means to pursue self-interest, with China being an explicit inspiration. Kjell Roland – who served as the CEO of *Norfund* from its inception until 2018 – co-authored *Western Aid at a Crossroad: The End of Paternalism* (Eggen and Roland, 2013). The key problem with Western aid, and the inverse advantage of China’s approach, was thus described:

> There may certainly be conditions attached [in China’s aid], as in all transactions, but that will be *conditions related to the donors’ own interests* – rather than the donors’ *idea about what is best for the recipient* – signaling mutual interests. Such conditions demonstrate respect, not paternalism (ibid, p. 102; my emphasis)

In most recent white paper, the pursuit of self-interest has become explicit if not ‘sanitized’. The most recent white paper envisions a general out-phasing of bilateral state-to-state aid – with one key caveat:

> In the case of *some countries*, it might be in our own interest to have a sizeable bilateral aid partnership […] this provides a good platform for developing other bilateral relations with the country in question, and *engagement of Norwegian businesses and trade* (MFA 2017, p. 28)

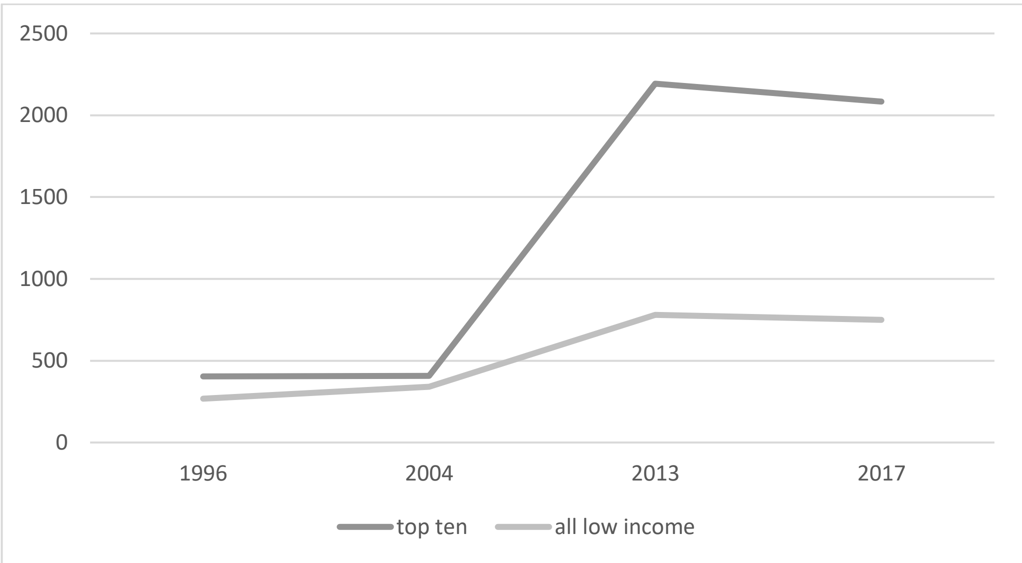
DFIs are relevant in this drift. Mandated to invest in enterprises that are deemed too risky to attract major private capital, DFI lead the way by taking on first-mover transaction costs and risk, thus acting as 'a catalyst for [private-sector-driven] development' (Norfund, n.d.). Conversely, it assumes the role as risk cushions for private investors. A DFI would clearly play a neo-mercantilist role if such 'subsidies' went to domestic investors only. There is, to be sure, no domestic-investors-only provisions in *Norfund* – it co-invests with private capital irrespective of origin. Still, it *has* proven itself a useful catalyst for *Norwegian* private capital, especially in the fields of agro-forestry and renewable energy/hydropower. The single biggest holding of *Norfund* is *SN Power* – a major hydroelectric company, with net profits of USD 85 million in 2017 – which is co-owned by *Norfund* and private Norwegian investors.

Meanwhile, confining bilateral aid to countries in which aid can serve as a platform for the pursuit of self-interest is not merely about private sector allocations. As is explicit in the above citation from the 2017 white paper, one might 'kill two birds with one stone' through aid programs that are not *per se* commercially oriented. In the case of Norway, giving one 'forest billion' a year to Brazil with the purpose of funding efforts to slow deforestation rates (Birdsall et al 2014) fosters major diplomatic presence and goodwill, and ensures privileged access to key policy makers. This will likely place the Norwegian petro-complex at an advantage in scrambles for concessions and contracts at the huge oil/gas fields off the Brazilian coast. Similarly, the stated objective of flagship *Oil for Development* program has no direct commercial utility – it is about helping the recipient state manage its oil/gas resources and the revenues thereof, in an orderly and sustainable fashion (Solli 2011). However, when Norwegian experts and diplomats have shaped a country's petro-management model, and are acquainted with the regulators, the private petro-complex is well positioned to obtain advantages.

Norway do remain high on CDG's *Commitment to Development Index* (Center for Global Development, n.d.). But as a possibly proxy for non-mercantilist policies, this index has severe limitations. It does not take into account the possibility that increasingly important modalities – such as its DFI – have *de facto* mercantilist functions, nor the extent to which aid destinations may in fact be determined by commercial self-interest – ‘to serve as a good platform for businesses and trade’, as per the white paper – rather than by variables such as poverty considerations. The below graphs indicate a clear drift in Norwegian aid: Lesser and lesser of aid is destined to the relatively poorer countries – a clear departure from the orthodoxy of the 1980s-2000s – while more and more flows to oil/gas rich countries in which Norwegian commercial interests might appreciate ‘a good platform’.

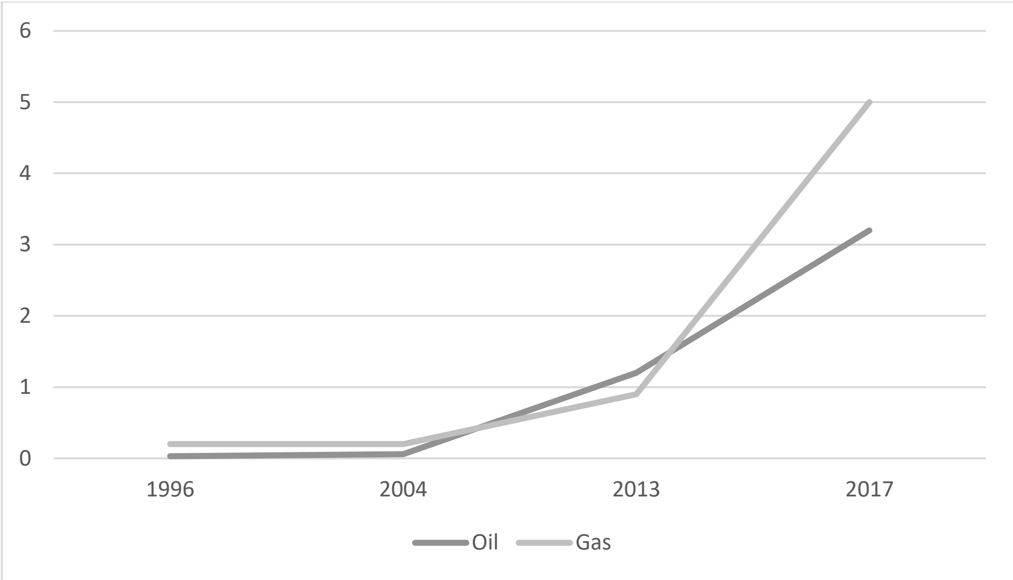
GRAPH 2: Norway gives less and less of its aid to the poorest countries

The average gdp/capita of the top 10 recipients of Norwegian ODA *vs.* average gdp/capita of all low-income countries



GRAPH 3: …while more and more aid goes to oil and gas rich countries

Accumulate share of world oil and gas reserves of top 10 recipients of Norwegian ODA, 1996-2017



Sources: Compiled by the author with data from NORAD and OECD QWIDS databases; and British Petroleum (2018) and IEA (2019). Method note: Aid to countries in post-war or disaster-related complex emergencies are omitted from calculation.

Norway is hardly a case apart. In the ‘beyond aid agenda’, virtually all DAC donors now insist that the private sector must become a major partner in growth-led development (Tomlinson, 2012; Di Bella et al., 2013; Blowfield and Dolan, 2014) in what seems a major ‘commercification’ of aid. One source estimates that the annual ‘aid market’ is now in the range of $70-100 billion, more than half of all OECD aid (*The Economist* 2017).

Such ‘commercification’ might translate into a considerable measure of neo-mercantilism, even if little of the aid market is *de jure* tied: In 2014, 90 percent of UK’s major aid-contracts went to UK firms, a bias owing to ‘unintended or implicit impediments faced by non-UK companies’ (Kennard and Provost, 2016). ‘If *Chemonics* – a major US contractor for health consultancy, infrastructure and pharmaceutical sourcing, present in 70 countries across the globe – had been a country, it would be third biggest recipient of aid from USAID’ (Roberts, 2014, s. 1036).

In fact, the rhetoric is increasingly suggesting that aid *should* be used in the pursuit of national interests, effectively reframing what is virtuous, what is working, and what is effective (Banks et al., 2011; Parfitt et al., 2012; Reilly-King, 2012; Van der Poel, 2012; Mawdsley, 2015). Assertions of ‘inclusive growth’, ‘patient capital’, ‘impact investing’ to support partner country firms do not prevent private sector aid from ending up in support of donor country enterprises (Rowden 2011).

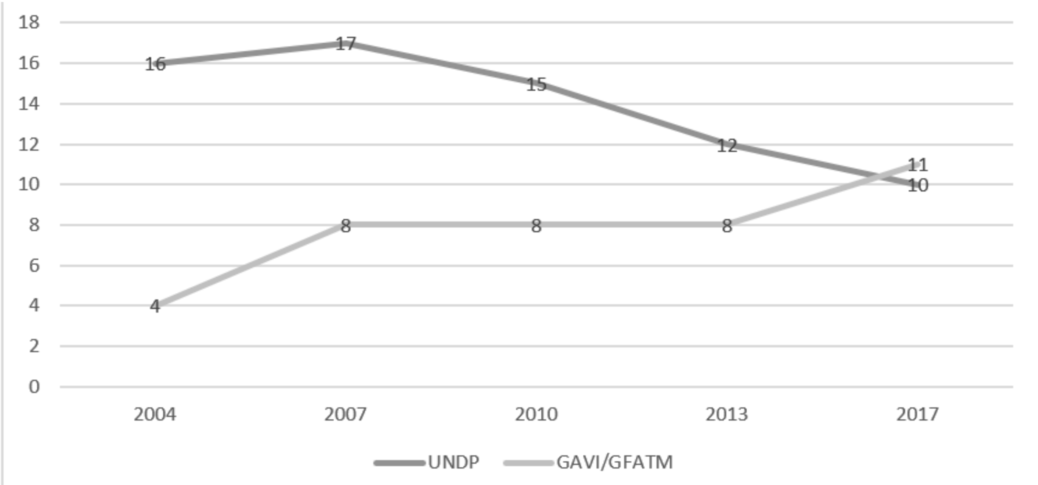
Such tendencies are possibly reinforced by larger organizational reconfigurations. In many cases – such as in the UK, Norway, Denmark and Canada – hitherto independent development agencies are incorporated into ministries of foreign affairs, with the stated aim of subjugating aid policy to larger national interest considerations. The ongoing closure of UK's DFID (*The Guardian* 2020) is particularly poignant in that the stated rationale for its establishment was to disentangle development objectives from foreign policy (Short, 2020).

A turn to *tangibles*?

In Norwegian aid, there now seems to be an emerging onus on tangibles across most modalities, themes and forms of delivery. Most telling is perhaps the shift in health aid. The share of the aid budget devoted to health has been sizeable and stable through several decades. However, since the mid-2000s, there has been a massive shift from program support for so-called horizontal health system strengthening (HSS), towards global private-public partnerships focusing on tangibles – metaphorically speaking, a shift 'from nurses to pills'; from horizontal and holistic approaches, to vertical 'cold-chain distribution'. Historically, Norway was a staunch supporter of basic health care and horizontal HSS. However, from the mid-2000s, it has become a chief financier of 'pills and syringes' – more specifically of the *Global Alliance for Vaccination* (GAVI), led by the Gates Foundation, and *The Global Fund* (GFATM).

The onus on tangibles in these organizations are illustrated by Gates himself stating that funding HSS 'is a complete waste of money […] I will not see a cent of my money go to the strengthening of health systems' (cited in Storeng, 2014, p. 868). The growth of allocations to GAVI and GFATM is shown below – using allocations to UNDP, UN's hub-in-the-wheel to the entire SDG agenda, as a reference for comparison.

GRAPH 4: GAVI and GFATM *vs*. UNDP, % share of Norway's multilateral ODA



Sources: Compiled by the author with data from NORAD and OECD QWIDS databases

There are several mutually reinforcing shifts in aidland driving a turn to tangibles. Commercification is certainly a vector: *Norfund* uses aid money to buy equity in hydroelectric turbines, solar panels, agroforest- and horticulture plantations. These are things. The virtues of tangibles are celebrated in official rhetoric, too. In 2018, the then-minister of development, in the spirit of 'not throwing good money after bad money', launched a huge new program, *ITC for development*. Eventually, he would have liked to see that 'every child in the world gets an iPad' as 'this would do wonders for development' (Astrup, 2018).

While rarely noted in the context of possible new convergence, there is a quite straightforward mutually reinforcing relationship between a turn to tangibles and the *sine qua non* of proving that aid works, by way of *results-based management* and *evaluability*. Needless to say, one can only gauge whether an aid intervention works or not if the effects of that intervention are measurable. And it is perfectly feasible to measure progress, in detail and with certainty, when it comes to the number of iPads purchased and distributed through aid. DFIs also fits the fray here: Both its 'input' (buying stocks) and 'output' (profits, and by extension: contribution to economic growth) are eminently measurable, of course. But measuring aid towards socio-political progress – say, 'fostering independent media' or the 'independence of the judiciary', which happened to be favorite staples in aidland around 2000 – is fraught with intense difficulties, especially if it must be gauged within a five-years' time horizon.

The colonization of aidland by new public management is certainly not new; it began in the 1980s with the introduction of the notorious *logical framework approach* ('logframes') for aid interventions (Reinertsen 2018). Yet it took until the 2010s for evaluability to reach the climax of utter institutional penetration and hegemony. In the words of an exasperated aid-worker, reflecting on the recent direction of the aid industry:

> At any given moment, the majority of aid workers in the world are doing the exact same thing. We like to imagine that [they are] out in the field but that's not the true focus of activity. Instead, most aid workers are hunched over their computers trying to find a way to measure their impact (Kleinmann, 2017)

The imperative of demonstrating that aid is working breeds an *optics of evaluation* (Reinertsen et al, 2017; Reinertsen 2018). This is a 'technology for seeing' and eventually also a 'technology for governing'. A great many types of interventions – typically those involved in building development's social and political scaffolds – cannot be properly 'seen' by these binoculars. Moreover, while the very premise of the optics is the mapping of cause-and-effect, it is poorly placed to deal with causality. 'Causality is simply to complex […] no *logframe* or *theory of change* is capable of capturing the full interplay of factors that determine why things are as they are, much less how and why they change' (Kleinmann, *op. cit*). Evaluability nevertheless becomes a technology for governing. Precisely because actors in aidland *do* understand that the optics cannot easily capture and therefore cannot easily accept the complexities of social change, they design interventions so that their 'outputs' can indeed be 'seen', and so that causality (even if banal) may be established. This invites a turn to tangibles.

***Growthmentality*?**

Norway's first major white paper on development – written by a conservative government – saw a beginning departure from the development-through-growth axiom of the modernization era. In keeping with the basic needs approach, the white paper called for deploying aid directly towards satisfying the needs of the poor (Norad 1984). Needs-talk were later replaced by rights-talk, and the consequent poverty reduction focus – and a fundamentally *people*-centric approach – remained axiomatic well into the 2000s.

At present, however, 'it appears that poverty reduction is being de-centered by the return of economic growth as the central analytic of development' (Mawdsley, 2017, p. 112). In this de-centering, ideas do matter. On account both of his academic work (*The Bottom Billion*, in particular) and as research director at the World Bank and in the Blair Commission for Africa, Paul Collier has come to wield extraordinary influence across the development enterprise. In him, *growthmentality* finds a convincing voice: Growth is the only way to development, and only sweeping infrastructural progress, along with inflows of big and capable capital will do (yesteryears' celebration of 'small is beautiful' and 'diversity' have little purchase). However, those 'prime movers' who must raise big capital face severe risks – particularly in the context of bad governance. This is indeed where aid may find its true vocation: As a *catalyst for investment* – taking on the prime mover role to absorb risks and transaction costs, thus paving the way for private capital.

The clarity and grandness of Collier's argument inspired the influential Norwegian environment and development minister of the late 2000s and early 2010s, Erik Solheim (who also served as chair of OECD-DAC 2013-2016, and director of UNEP 2016-2018). The lengthy duration of Solheim's tenure, and his personalistic and somewhat innovative ways in Norway's development policy, facilitated a translation of Collier-like ideas into political practice: 'Reading Collier totally changed my way of seeing development – in fact, it turned me from a typical leftist critic of business into a fan'. Solheim invoked the aid-as-catalyst-for-investment idea when increasing allocations to *Norfund* and private sector-oriented programs such as *Oil for Development*. In his autobiography, Solheim makes his own brand of *growthmentality* explicit:

> In aid, we have given certain notions a mythological standing, without really considering […] whether they have any real significance today. The first mantra I ran into was that aid should be *poverty oriented* […] if this is taken to mean that most aid should reach the poor directly, then it conflicts with common sense […] If you are going to raise industry, then the poor – who cannot read or write – won't have the required knowledge and ability (Solheim, 2013, p. 283, my translation)

Some years previously, when confronted with the adverse social and environmental consequences of Brazil's controversial *Belo Monte* dam – in which the Norwegian government was embroiled through it Sovereign Pension Fund's equity – his response was that 'indigenous people do have their rights – but what about Brazil's' 'right to develop'? Poor Brazilians need electricity to get jobs, to light up their houses' […].

In 2015, the government devoted a special white paper to the role and significance of business in development (MFA 2015). Characteristically, means with which to countervail the possibly adverse effects of *too* assertive businesses – such as staple 'corporate social responsibility' expectations – got short shrift. The significance and work of ILO got no mention at all, despite Norway's long affinity and sizeable allocations to ILO in the past.

Due concern for labour standards, environmental impacts and loss of livelihoods are not easily aligned with *expedience*. In fact, an outright unease with standards has been explicitly stated in *Norfund*. Throughout his lengthy tenure, the first CEO engaged in heated polemics with development NGOs, describing human rights activism as an obstacle to development. At the 2018 *Norfund* Conference, Collier was called in to give the key note speech, and duly lent academic credence to this view: 'All this talk about human rights…what we should be concerned about is, rather, the *rights of the state* […] On this, NGOs needs to get real or they must get out of town' (Collier, 2018; my emphasis).

A *non-moralizing politics*?

In the shift to an explicitly moralizing politics after the end of the cold war, Norway strove to be at the forefront, as is evident in whitepapers from the 1990s and until mid-2000s, and associated budget allocations. Some of this may have been posturing; and a lot was certainly naïve: For instance, a white paper proposed that Norwegian development policy should have as stated ambition to have eradicated (!) gender inequality in education, by 2015 (cited in Tvedt; 2009, p. 325). The pinnacle of such human rights naïveté is the now ironic fact that, during the 1990s and into the 2000s, a key component of Norway's then sizeable aid engagement with China was a so-called 'human rights dialogue'. Norway took on itself to teach China how to develop correctly.

However, in many instances, the Norwegian commitment to a moralizing politics seems to have been genuine, and it was occasionally acted upon, even with significant diplomatic costs. In the early years of the good governance era, Norway took a highly critical position against the Moi regime in Kenya – a major recipient of Norwegian aid at the time – on account of the regime's persecution of rival ethnic groups and political opposition. This led to a major diplomatic fall-out (Stokke 1995). It took until 2002 before Kenya again received Norwegian aid, and it has remained a very minor partner since. In the late 1990s and early 2000s, Norway was a vocal advocate for outlawing and isolating the Myanmar regime, and played an instrumental role in securing the ILO resolution which provided international legal grounds for economic boycott (ILO 1998, 2000).

During the last decade, rhetoric and practices have drifted significantly. A diplomat stationed in a major Norwegian ODA recipient country in East Africa considers that 'today, given the present circumstances, it is virtually ruled out that we would expend any diplomatic capital on making critical interventions vis-à-vis the [the increasingly repressive] regime, no matter how blatant the human rights abuses', stressing that this 'does not reflect a change of conviction in the foreign service' but a calculation of 'on the one hand, actual leverage, and on the other, the commercial interests that might be compromised'.[1]

The drift in the government's positions vis-à-vis Myanmar is even more pronounced. In the wake of Aung San Suu Kyi's 're-integration' in Myanmar's politics, from 2012 and onwards, Norway made the country into a major recipient, paving the way for extensive engagement of major Norwegian companies in the process (*Bistandsaktuelt* 2017). However, when confronted with the regime's ethnic cleansing of the Rohingya – atrocities reminiscent of the old *junta* – the current Norwegian government stresses that only a 'cautious approach focusing on solutions' may work, and that it will not contemplate using political conditionalities in aid to Myanmar (*Aftenposten*, 2017).

This need not reflect an abandon of the principles of good governance and human rights, nor will these disappear from policy statements. But it suggests a marked turn to a pragmatist approach in which key aid decisions may be readily extricated from long-held, principled considerations. If so, there is indeed an ongoing shift from a moralizing towards a non-moralizing politics.

[1] Personal communication, 11/03/2020. The diplomat requested anonymity.

III. CONVERGING 'BACKWARDS INTO THE FUTURE'?

As has already been noted by other scholar, the beginnings of new convergence might turn out to *not* be particularly new; many rudiments of a possible coming convergence have precursors in the modernization era thinking and practices of half a century ago. Even while that school, by 1980, had lost its hold over aidland – and was superseded by the 25-years' hegemony of the liberal paradigm – such a resurfacing may not be all that surprising: After all, donor societies' ways of conceiving of what proper order, progress and meaning *really* looks like are profoundly 'modernistic'.

The possible purchase of modernization school ideas and practices amongst Chinese state elites is no great surprise. The most determined modernizer amongst the traditional donors was Japan – and it was Japanese aid masters who taught the Chinese, then being on the receiving end, how to conduct aid business from the 1970s and into the 1990s (Takamine 2006). When the western aid enterprise turned itself into an enforcer of neo-liberal economics – and later of poverty orientation, human rights and good governance – Japan did not follow. OECD-DAC's attempts to get it to adopt more soft wiring and people-centric approaches proved futile; its emphasis on aid towards infrastructure, productivity and its extensive tying of aid persisted (Castellano, 2000). Thus, via Japan, there is a 'direct line of descent' as it were – bypassing the era of liberalism – from the old modernization approach through to China's approach. By this line of reasoning, China's influence in aidland might owe less to innovation and direct emulation by others than to its role as a catalyst for the re-surfacing of deeply lodged mental templates for what aid look like and what it should accomplish.

In what sense do the previously discussed rudiments of evolving convergence have antecedents in the modernization paradigm? As regards the *collateralization* as dominant modality in China's aid, there is very direct link: As noted, its *resource-credit-swaps* are blueprint copies of what they were themselves 'taught' by the Japanese. The Chinese considered this model helpful since 'it brought in much needed finance, while the accompanying technical assistance also promoted learning and capacity development [in China]' (Mawdsley, 2012, p. 119).

Project aid, the leading aid modality of western aid during the modernization era, has no comparable collateralization to it. However, the two share a key function – namely, the relative *control* granted over development finance: With project aid, finance may pass through recipient state coffers but it is funneled to carefully demarcated projects, leaving little doubt as to how much is owed and for what. By contrast, the aid modality that became dominant in the 1980s and onwards, *program aid*, subsumes a range of development efforts under a singular and big aid or credit arrangement. Surely, this may serve a control regime, too – as when the SAPs placed debtors' entire economies under administration – but it is not a regime specifying exactly what is lent for which purpose; which exact earnings would service this or that loan and so on. Thus, program aid gave rise to intractable problems of fungibility, reverse roll-over flows, competition for preferred creditor status between different donors etc (Woods 2006).

The precursor to *neo-mercantilism* is quite obvious: tied aid. In 1972 no less than 55 per cent of all OECD aid was tied (MFA, 1984). By 1980, the impact of France's aid on domestic export and employment translated into a staggering 'return rate' of 70 per cent (Diakite & Phillips p. 1033).

It is equally clear that the *turn to tangibles* resonates loudly with practices of the modernization era. Tellingly, it was dubbed the era of engineers (whereas the 1980s was the era of economists; and the 1990s era of the sociologists), and the aid enterprise at the time concerned itself with erecting the physical scaffolds of development – infrastructure, in particular. With the gradual recognition that, without regard for predominant institutions, economic rationales, cultures and values, tangibles could degenerate into 'white elephants', donors began funding social scaffolding. This extended well beyond basic needs and social sector aid. In agriculture, for instance, there was be a shift from funding of machinery and fertilizers to local knowledge, endogenous organization and community ownership. OECD's ODA to 'social sector' rose from 29 per cent in the late eighties to 52 per cent in 2004, while infrastructure and productivity dropped from 59 to 38 per cent (Mawdsley, 2012). Western aid drifted yet farther away from materiality with the increasing emphasis on good governance and human rights from the mid-1990s and onwards.

As argued above, a key driver behind the turn to tangibles is the imperative of proving that aid works through results-based management and evaluability. The 'logframe way' of seeing and governing aid were introduced in aidland along with the advent of *new public management* and the breakthrough of neo-liberalism in the 1980s. Yet, its deep lodging in modernization thinking is hard to contest: A *logframe* constitutes a rigid rationalization of social processes and an utter disenchantment with, and a 'scientification' of, the world which is also typical of the modernization school. Today, aidland has entered the 'era of technocrats and auditors' (de Haan, 2010). There is considerable irony in that, by denying the messiness of the world-as-it-is, while simultaneously insisting on representing it, *logframes* eventually become works of fiction, or as Kleinmann alludes, plain storytelling. However, the representations do become less fictitious when aid turns to tangibles, precisely because it is seen to circumvent the messiness of the social and political world.

If anything, the modernization paradigm *was* a *growthmentality*. There was nothing necessarily liberal (much less 'neo-liberal') about development thinking and politics in the modernization heyday. In one way or another, the chief line of reasoning for thinkers off all creeds – whether 'capitalists' (the likes of Rosenstein-Rodan, Rostow and Hirschman) or structuralists and *dependencia* thinkers (the likes of Gerschenkron, Prebisch, Frank, Amin) – was the same: Growth would serve to help underdeveloped societies up the development ladder (notwithstanding opposing views as to what the ultimate stage of that ladder would be). Such growth, in turn, rested on the state possessing, to some extent or another, the privilege of 'picking winners' and getting all the cogs-in-the-wheel in the right places. Indeed, *industrialization* was a dominant imaginary in the development fantasies of donor countries, whether capitalist or socialist. Of course, growth never went out of fashion. But a *growthmentality* is more than just growth, it is more than placing trust in trickling down: In its extreme form, it is way of thinking and acting in which the preeminent institutions of liberalism – market and democracy, both of which had limited purchase in the modernization paradigm – are only as valuable as their ability to produce growth; they do not necessarily possess intrinsic value in and of themselves. In this, *growthmentality* is an illiberal way of thinking and acting.

Whether a *non-moralizing politics* also has precursors in the modernization era, depends on one's understanding of 'moral'. The very subjecting of the 'noble savages' to a modernization project – without any request for such project, and premised on the fantasy that 'the savage' surely would wish to and ought to become more like us – is a moralizing project. However, in a narrower sense, aid in the modernization era was non-moralizing in its professed commitment to sovereignty and non-intervention in the *domestic* political affairs of the recipient country. This was indeed spelt out as a fundamental article in the

World Bank constitution (a great irony, given how the bank's role came to evolve). At the same time, imprints of the cold war were legion: Aid was absolutely subject to conditionality, but only in geopolitical terms. Recall how Roosevelt, confronted with questions as to why US should finance the notoriously despotic Somoza regime in Nicaragua, allegedly exclaimed: 'Yes, he's a son of a bitch but he's *our* son of a bitch!' A telling case of non-moralizing aid is the Banks' project lending to the *apartheid* regime – allegedly including loans toward paved roads through Soweto to ensure that military tanks could enter the townships (Hanlon, 2002). In the 1980s, adjustment lending sank any remaining illusion of non-intervention, and by the 1990s, the argument that one could give aid to a 'bitch', for whatever reason, became untenable.

Conclusion

The changes seen across aidland during the last decade-and-a-half is a marked departure from key tenets of the liberal paradigm. A key question now is whether and in what ways the current thinking and practices of donors are beginning to converge into what might eventually become something of a successor paradigm.

Any broad and cohesive convergence would require a conjuncture several vectors; it cannot be accounted for merely as the function of traditional donors trying to counter China's influence by emulating its tricks of the trade (even if that, too, may play a part). Yet, China's influence in aidland is surely momentous. Therefore, in helping to chart convergence, I have offered a review of Chinese aid, extrapolating some key features against which a possible convergence might be charted: *collateralization of development finance; neo-mercantilism*; *growthmentality*; focus on *tangibles*; and a *non-moralising politics*.

My interrogation of Norwegian development thinking and policy in recent years suggest that certain commonalities are indeed emerging. Sure, these remain diffuse and hybrid-like. But aidland is a sprawling and complex assemblage of policy options, actors, ideas and lines of reasoning; and in such circumstance, emergent tendencies can become forceful only to the extent that they allow measures of ambiguity and polyvalence.

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