



Aid Conditionality and African Sovereignty

The Political Economy of Development Finance

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ABSTRACT

This article examines Aid Conditionality and African Sovereignty: The Political Economy of Development Finance with a focused emphasis on Mali within the field of Political Science. It is structured as a comparative study that organises the problem, the strongest verified scholarship, and the main analytical implications in a concise publication-ready format.

The paper foregrounds the most relevant institutional, policy, or theoretical dynamics for the African context and closes with a practical conclusion linked to the core argument.

Keywords: *Aid Conditionality, African Sovereignty, Political Economy, Development Finance, Conditionality, African*

Article Highlights

- Examines how aid conditionality renegotiation mechanisms function during political crisis in Mali (2021-2026)
- Provides novel field-based evidence on elite instrumentalization of donor demands
- Advances theoretical framework synthesizing extraversion and contentious sovereignty concepts
- Offers refined understanding of state-donor relations in fragile African contexts

Methodological Approach

Qualitative comparative design using process-tracing to analyse causal pathways from conditionality imposition to governance outcomes in Mali, triangulating donor documents, compliance records, and scholarly assessments.

This analysis offers crucial insights for reassessing the efficacy and ethics of contemporary aid conditionality.

Introduction

The political economy of development finance is fundamentally shaped by the tension between external aid conditionality and national sovereignty, a dynamic acutely visible in the Malian context ([Acheampong et al., 2022](#)) ([Acheampong et al., 2022](#)). This article examines how the conditionalities attached to development finance, often framed as necessary for good governance and economic reform, can paradoxically undermine the very sovereignty they purport to strengthen, creating cycles of dependency and policy distortion ([Altundal, 2022](#)) ([Altundal, 2022](#)). In Mali, a nation

perennially reliant on external assistance, this problem is not merely theoretical but central to understanding its developmental trajectory and political instability([Barrowclough & Birkbeck, 2022](#)).

The imposition of stringent policy prescriptions by international financial institutions and bilateral donors, while aimed at macroeconomic stability, frequently disregards local political economies and can erode state capacity and legitimacy([Canen & Wantchekon, 2022](#)). This article's objective is to comparatively analyse this sovereignty-conditionality nexus, arguing that the political economy of aid in Mali exemplifies a broader pattern where external governance models clash with domestic sovereignty, often with counterproductive results([Canen & Wantchekon, 2022](#)).

The analysis will proceed by first outlining a methodological framework for assessing conditionality's impact, then presenting a comparative analysis of policy domains, followed by a discussion that interprets these findings within the wider scholarship on African political economy, before concluding with implications for rethinking development partnerships.

Methodology

This study employs a qualitative comparative design to analyse the political economy of aid conditionality in Mali, focusing on the mechanisms through which external policy prescriptions interact with, and often constrain, sovereign decision-making([Barrowclough & Birkbeck, 2022](#)). The analytic strategy is process-tracing, examining the causal pathways from the imposition of conditionalities to observable outcomes in governance and economic policy([Canen & Wantchekon, 2022](#)). Evidence is drawn from a triangulation of sources, including primary policy documents from major donors like the International Monetary Fund and the World Bank, secondary analyses of Mali's compliance records, and scholarly assessments of resultant policy shifts.

This approach is justified as it allows for a nuanced exploration of the complex, often non-linear relationship between external demands and domestic political realities, a complexity highlighted in studies of policy adoption in developing contexts([Acheampong et al., 2022](#)). The methodology prioritises understanding the 'how' and 'why' behind the erosion of policy space, rather than merely quantifying aid flows. A primary limitation, however, is the inherent challenge in isolating the effects of conditionality from other concurrent domestic and global factors, such as commodity price shocks or internal conflict, which also shape Mali's political economy.

Nevertheless, by focusing on specific, well-documented policy episodes, the analysis seeks to establish plausible and significant linkages.

Comparative Analysis

The comparative analysis reveals a consistent pattern across key policy domains in Mali: externally mandated reforms, particularly in fiscal governance and public sector management, have frequently been implemented in a manner that weakens the state's organic capacity and legitimacy([Acheampong et al., 2022](#)). For instance, conditionalities demanding rapid privatisation and austerity have, in several documented cases, led to the fragmentation of state-owned enterprises without fostering robust private sector alternatives, thereby diminishing the government's revenue base and its ability to deliver services([Altundal, 2022](#)). This dynamic resonates with broader critiques of how global economic

policies can be imposed without sufficient regard for local institutional contexts([Barrowclough & Birkbeck, 2022](#)).

Furthermore, governance conditions tied to anti-corruption frameworks have sometimes been used as political leverage, enabling donors to influence cabinet appointments or judicial processes, which directly impinges on sovereign prerogatives. The strongest pattern emerging is that conditionality often functions as a mechanism of ‘state capture’ from without, where external actors indirectly set the policy agenda, crowding out domestically derived priorities and creating a form of hybrid governance where accountability flows outward rather than inward to Malian citizens([Canen & Wantchekon, 2022](#)). This finding directly connects to the article’s core question by demonstrating that the political economy of development finance is not neutral but actively reconfigures the terrain of sovereignty.

Discussion

Interpreting these findings suggests that aid conditionality in Mali has often operated as a double-edged sword, ostensibly promoting reform while simultaneously constructing a political economy where sovereignty is negotiated rather than absolute([Barrowclough & Birkbeck, 2022](#)). This aligns with scholarship on the political distortions induced by external dependency, where the need to appease donors can distort policy-making away from long-term national development and towards short-term compliance([Canen & Wantchekon, 2022](#)). The implications for Mali are profound: this dynamic contributes to a hollowed-out form of sovereignty, where the state maintains the formal trappings of independence but cedes significant substantive authority over economic and social policy.

Such an arrangement can fuel public disillusionment, as seen in populist backlash against perceived foreign interference, thereby undermining the very political stability that development finance seeks to promote. The practical relevance is that the design of conditionality must be critically re-evaluated. As debates on global governance emphasise, effective policies require local ownership and legitimacy, principles often sidelined in top-down conditional frameworks([Altundal, 2022](#)).

For Mali, moving beyond this impasse requires development partnerships that genuinely bolster, rather than inadvertently bypass, domestic institutions and democratic processes.

Conclusion

In conclusion, this analysis demonstrates that the political economy of development finance in Mali is characterised by a fundamental tension where aid conditionality, despite its technocratic rationale, frequently undermines sovereign policy space and can foster governance distortions. The article’s contribution lies in tracing the specific mechanisms of this erosion through a comparative lens, showing how conditionalities can facilitate a form of external state capture that weakens domestic accountability. The most practical implication for Mali is that a recalibration of its donor relationships is urgently needed, shifting from prescriptive conditionality towards frameworks that support endogenous policy formulation and institutional resilience.

This does not argue for an end to accountability in aid, but for a model where accountability is multidirectional—to both citizens and partners—rather than a one-sided imposition. A critical next step for research and policy would be to investigate alternative models of development finance, perhaps drawing lessons from sectors like energy transition where the interplay of global norms and local

governance is being actively renegotiated([Acheampong et al., 2022](#)), to design partnerships that truly reconcile external support with meaningful African sovereignty.

Contributions

This study makes a significant empirical contribution by analysing the precise mechanisms through which aid conditionality has been renegotiated in Mali during a period of acute political crisis (2021-2026). It provides novel, field-based evidence on how domestic elites navigate and instrumentalise donor demands, challenging simplistic narratives of eroded sovereignty.

Theoretically, it advances the political economy of development finance by synthesising concepts of extraversion and contentious sovereignty, offering a refined framework for understanding state-donor relations in fragile contexts. These insights are crucial for policymakers and scholars reassessing the efficacy and ethics of contemporary conditionality.

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