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INTERNATIONAL FINANCIAL INSTITUTIONS AND THE PROMOTION OF 'GOOD' RESOURCE GOVERNANCE IN AFRICA: INSIGHTS FROM ANGOLA, 1987-2016

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Abstract

International financial institutions (IFIs) are widely believed and often expected to play an important role in persuading reluctant nation states to comply with global norms and standards. The International Monetary Fund (IMF), in particular, has claimed a leading role in promoting and strengthening the monitoring of compliance with 'good governance' norms through conditionality and technical assistance, and by promoting fiscal transparency in developing countries. It is said to have the potential of exerting influence on developing countries' polities both in its surveillance and gatekeeper functions, and as a critical source of information relied upon by other donors, sovereign credit rating agencies and institutional investors. Despite these widely held views, however, we know very little about the processes through which the IMF promotes good governance in developing, resource-rich contexts and how these norms are contested and localised in these countries. At the same time, there is mounting evidence that indicates a worsening of governance challenges, particularly resource-related corruption, and would suggest that the IMF's interventions have had only a limited impact in those countries – a fact also acknowledged by the Fund during recent reviews of its governance approach and programmes. What explains these paradoxical outcomes?

This paper seeks to provide answers to this question, through an analysis of the Fund's involvement in oil-rich Angola from 1987-2016. It discusses key IMF interventions and shows how these were affected over time by changes in the domestic and global political economy - which allowed for

more policy space and greater agency on the part of the Angolan government – and by the Fund's own legitimacy challenges. The paper reflects on these changing dynamics, highlighting the need to manage expectations about the role that IFIs – and the IMF in particular - can play in solving complex global governance challenges such as corruption.