

IOs and Peer Pressure: An Examination of the Development Assistance Committee (DAC)

Abstract

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Through a formal peer-review process, member states of the Development Assistance Committee (DAC) of the OECD have been reviewing each other's development aid programs for decades, under the auspices of the DAC secretariat. These peer evaluations are designed to facilitate information-sharing, transparency, and to scrutinize each member state's foreign aid program. The secretariat's goal in this process is to promote best practices and improve the quality of aid programs funded by OECD countries. However, DAC cannot enforce compliance with recommendations. Thus, to influence policies and encourage compliance, DAC uses "peer pressure" – and soft power – as a tool to engage member states. Although all member states are equal in official status, DAC's ability to exert influence is rooted in the inequalities that are characteristic of members.

This paper traces the interaction of DAC member states through the peer reviews over the last few decades. Specifically, I include analyses of DAC's relationship with DFID (UK), and an assessment of the pressure to meet Official Development Assistance (ODA) benchmarks and the standards set by various international agreements, which bind the development policies of member states (e.g. Paris Declaration, MDGs, and Busan). Based on archival research, interviews with officials, and quantitative analysis of members' aid programs, this study examines the obstacles IOs confront when setting international policy goals that can only be met via states' compliance.