

The Crippling Effect of Foreign Aid

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Abstract:

Foreign aid is often viewed as a humanitarian act, however it can actually be a way for developed countries to exercise neo-colonialism on those which are underdeveloped. Leaving them indebted to their donors and therefore answerable to them. This can create a foreign aid dependancy syndrome in the long term - crippling the ability of a country to handle its affairs and economy independently. Attested by different perspectives, this study attempts to analyse the arguments in support and in opposition to the question, “Should donors be accredited if their motives for providing aid are self-serving?” on a global level. Focusing on the ways in which foreign aid can benefit or further deteriorate conditions worldwide. It will conclude with the current courses of action and my opinion on their continuation.

Introduction:

Aid, an idea which is most often looked at the ethical side of things. But can there be motives of self-interest behind the seemingly moral act of donating? Most often, aid is seen as “the help that is given by a richer country to a poorer one, usually in the form of money or food” (Cambridge, no page) but even that could simply be “working or acting for your own advantage” (Cambridge, no page). While providing aid can be seen as a humanitarian agenda, many see it as “a band aid to much bigger problems” (the tribune, no page). Although to some extent, providing aid to countries can be seen as ethical, it may lead to aid syndrome, “a tendency for recipients of regular social transfers to become permanently reliant on these 'handouts'” (world bank, 2), this continues to hurt generations of people today as a result of them “losing any incentive to improve their circumstances using their own initiative and resources” (world bank, 2). Something which is seen as beneficial for international development, could in fact just be taking place to advance one's own interests, mostly given from countries with stable economies to those who are recovering their own. Namely, over 50% of global aid comes from the UK, USA and the EU (McPike, no page) to countries which are slowly developing, Ethiopia, Jordan, Afghanistan, etc (Concern USA, no page). In specific, this paper will examine the case of the donor - recipient relationship between the USA and Nigeria.

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Why does aid often become self-serving?

With higher and higher instances of corruption, the aid provided by donor countries, even if due to humanitarian concern, never ends up reaching sections of the community who need it. Therefore, even if donations are done as a result of moral duty, they may defeat the entire purpose of improving international relations, with special emphasis on the aid provided to Africa. “Foreign aid has become more about what it can do for African elites and serving the special interests of government officials rather than the public” (Goldsmith, no page). Even in instances where aid money is used, such as by Ukraine during the Russian missile attacks, donors often expect a future return.

Aid is also often provided in hope for commercial benefits and global dominance. For example, China funded the Hambantota port in Sri Lanka as an act of alliance, however in anticipation for a return from the Sri Lankan government, which found itself in deep pressure to pay the cost to the Chinese government. Due to an inability to do so, the Sri Lankan government handed over the port in December of 2017. Evidently, now China owns [“15,000 acres of land around it for 99 years”](#) (Schultz, no page). This can be seen as an act of slowly colonizing areas around Sri Lanka, even cloaking this colonialism as a moral duty. As the first time for this colonialism to be successful, it is important for countries to become dependent on their donors. Which, we see unravelling already in Africa. “All African governments do is to sit and wait for the next aid check to come their way as they maximize worth, and the population continues to survive on less than a dollar per day.” (Goldsmith, no page). Not only does this reassert the influence donor countries have on recipients but also shows how these countries are building a reputation for themselves, providing aid being one of the ways a country receives votes on the platform of the United Nations. With more and more alliances of donor countries, there is also an increase in support from the UN from recipient countries.

Conclusively, it is safe to say that providing aid has even become a matter of geopolitical concern. By providing aid, countries set themselves an ally who could potentially help them in the future, it often being something donor states can hold over recipients to improve their own chances of international influence and governance.

Consequences of self- serving aid

Currently, aid is glorified much more than it should be. While it may or may not be done for the right reasons, there are consequences either way. Donations to recipients in the short term, could begin to destroy evidence for effort provision, leaving citizens of developing nations in conditions wherein their governments simply await the upcoming donations rather than building their economies by using the previously given aid. As a result, countries receiving this aid would not be able to take responsibility for their own economies and living standards even in the future, causing a crippling aid syndrome (Swanson, no page). By falling trap to this dependency syndrome, the underdevelopment of the dependent country is fostered. With the country’s adoption of policies tailored to the interest of the stronger country, it is an identity loss for the recipient nation (Britannica, no page). Moreover, in the long term, donor nations expect to be repaid of the money spent on recipients which could further incapacitate these countries. Meanwhile, nations which look at donating to those less economically stable may not be able to do what they intended as a result of the administrative costs. Also, the amount of money being donated, could in fact be used to uplift economically weaker sections of own one country. For example, the European Union adopts the “we first” ideology (Ingram, 33) with its anti-foreign development narratives. While this can be seen as nationalism and a rejection of internal institutions, it focuses on bringing itself up before helping others do the same. Although many may view donations as a waste of the country's money, the United

States has received many of its trade partners between countries it has provided aid to, fostering economic growth (Mitchell, no page). This, however, can also be seen as hypocritical, since aid givers no more give favours to states where development prospects are especially bad and only to those they may stand to gain benefit from.

Global Perspective:

Globally, many voices agree and disagree with the idea of foreign aid, with opinions varying from whether or not it can be beneficial to both recipient and donor nations. While some may say that aid helps increase incentive for education, quality of life and sustainability in economies (world bank, no page). Economically weak sections in donor countries believe that a country's own disadvantaged communities should be uplifted before doing the same to others. Others mention how countries providing aid get favourable news coverage could be the only reason they are donating, due to a lack of humanitarian concern behind the same, there is no point in providing aid. (Sraieb, 2) On the contrary, the general public begs to ask the question of if motive matters at all. Since benefit is provided regardless, one must ask the question of whether motive is important in the first place. Upper class citizens in many countries also believe “providing life giving aid is the least we can do given our relative wealth and well-being as developed countries” (Swanson, no page). However, This very life giving aid can become lethal according to the National Library of Medicine, many psychologists condone how aid in the long term can cause dependency which cripples the recipient.

In the end, it is widely believed that It's important for countries to rebuild the rubble and reduce the suffering of people caught in crisis (United Nations General Assembly, no page)

National Perspective:

By taking the example of the United States of America, a well-known donor, having donated \$3.91 billion in 2022 alone (Saldinger, no page). Washington, has often debated foreign aid budgets to a large proportion every year, it is in popular belief of the American government that aid makes the world safer. With the basic acceptance for the “need” to develop, which goes unchallenged, many American people of colour often associate that with the white man’s burden. (Hoeffler, 12). The idea that there exists a “a duty asserted by white people to manage the affairs of non- white people whom they believed to be less developed.” (Cambridge, no page) Perhaps that colonial mindset is one of the reasons that the United States donates to those less stable than their own government. However, only intellectual circles of people are actively involved with the developmental questions and foreign assistance. In the end, it only remains a concern for the elite. The financially underprivileged in the US believe that the money going towards foreign aid, should be diverted to uplifting their own homeless community (Regan, no page). Although, it is concluded that foreign aid is important in helping the US to act on both its moral and political beliefs. Those of humanitarian concern and potential alliances, respectively.

In contrast, Nigeria is a country which has received aid worth \$1 trillion over the years. While one may believe that this helped improve conditions in the country, in fact, it exacerbated future issues by 66%. (Moyo, 2) This constant aid flow plunges Nigeria into unending poverty since the country’s citizens are unaware of how to survive without aid, so much so that it creates a psychological dependence. One that many Nigerians believe can be held against them as a tool for donors to receive favours. The Nigerian government today has become dependent on aid to the extent that they cannot fund public goods themselves, stunting the growth of the country. (Moyo, 14). Instead of looking at their own development,

those in power wait for the donations to arrive, which itself is a greedy affair in the West. For every 1 dollar given as aid, 6 dollars are taken back. So while many strides against poverty have been made, almost none of this has been done by aid, stating that Nigeria had to “work it out for itself” (Moyo, 23).

After finding that US donations to Nigeria have significantly increased over time, studies concluded the reason as “Nigerian exports to the United States included crude oil, cocoa, cashew nuts, and animal feed. Nigeria is an important U.S. security partner in Africa” (US Department of State, no page). This immediately separates the idea of foreign aid to Nigeria from the United States as something selfless, but instead could be titled, selfish. Therefore, The question to be asked by the general public is that if American society is the most developed and does not wait for handouts, why should Nigerians?

Course of action:

To this day, not many solutions have been developed towards the international issue of self - serving aid. Especially because of the fact that donation is seen as a noble act, when in reality it can be far from that. But while criticizing aid to improve it is necessary, removing it is immoral. For that reason, I believe that UN intervention is crucial when it comes to aid provision, the international community should be coming to a consensus on whether or not aid should be provided before partaking in the same. In fact, there should be a certain set of circumstances under which aid should be provided, a particular list of reasons as to when aid is required. This would prevent too much money being donated, lowering the chances of aid syndrome and addiction. And when doing so, it's important for a proper system to be set in order to measure whether or not the aid has served its purpose, preventing corruption (Perez, 64) Although, what remains of central significance is the idea of the potential of the local population and to encourage them to stand up on their own feet, leading to more genuine improvements that would last in the long term.

Source Evaluation:

The information collected is of different reliability. When talking about the timings of the resources, most of them include specific dates which significantly increases reliability. However, resources generally have a biased view, leaning towards the idea that foreign aid is more selfish rather than selfless. Therefore, there is a lack of reliable resources when it comes to viewpoints that are with foreign aid.

While for the sources chosen, authors specialize in topics such as economics and foreign relations which in turn, improves the authenticity of the resources. With authors such as Mohamed Moonier Sraieb who is a Doctor of philosophy, his current research focusing on better understanding the interaction between financial instruments and economic development outcomes. He is specialized in this topic, making the content presented by him reliable. Additionally, the platform of the World Economic Forum is by far one of the most reputed when it comes to the topic I am working with. For the article I used as a part of my report it was Ana Swanson, a reporter specializing in business, economics, data visualization who wrote it. This makes the statistics and data provided factual. Since it is also in collaboration with the Washington Post, the content is backed up by other sources.

However other sources, like that of All Africa lacked a specific date or an author, preventing one from the ability to confirm the dependability of this resource. Adding to this, the sources related to content in Nigeria such as Internet Geography contained more mention of opinions than of facts. Yet, a website like the Core UK had an article by the Centre for the Study of African Economies Department of Economics, University of Oxford, with specifics to the African Economies department and the reputability of the University of Oxford becomes a genuine resource. Especially with its elaboration in the form of a book,

as well as the citations. Although, there is a recency which lacks, with the piece being written in 2008. Even for the Organisation of World Peace, while it is a reputable organization, the article I used for this report was written by a student, nonetheless, it answered the question of this report directly. The ICRC too did the same, specifically, covering a large part of solutions to the issue of this report. Since the author is Deputy Director-General at the International Committee of the Red Cross (ICRC), it provides validity as well as adds the perspective of an NGO that is one of the biggest and most active ones when it comes to foreign aid.

Personal Perspective and Conclusion:

I have successfully achieved the pre-set objectives of this paper, as I examined both global and national perspectives for and against foreign aid. As indicated by the analysis on ideas from the USA, the European Union and Nigeria.

Through the course of my research on this topic, the thought process that I started off with has only been fuelled and reinstated by the material I found. The resources in regard to the state of recipient countries particularly, convinced me of the wrong in providing aid in large amounts. It brought me to clarity that what might seem as doing benefit to someone in the short term can actually cripple you in the long run.

In my opinion, there is a lot more that can be done to tackle this problem. Firstly, by spreading awareness as to why this is a problem in the first place is a stepping stone for all the solutions to flow through. Secondly, by installing the presence of different NGOs to help uplift citizens of countries with poor economies could potentially allow them to fight for themselves. That is only after enough resources have been provided to them to reach there. Thirdly, by creating accountability of recipient countries, monitored by the UN, the international community can make sure that the goal they set out to do has been achieved. This may also create a larger influence toward policy-making related to foreign aid.

The difference in my knowledge is that although I began by only knowing the problem, I can say that I have ended by successfully finding solutions which may potentially aid it.

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