

PLS 341

Politics of Development

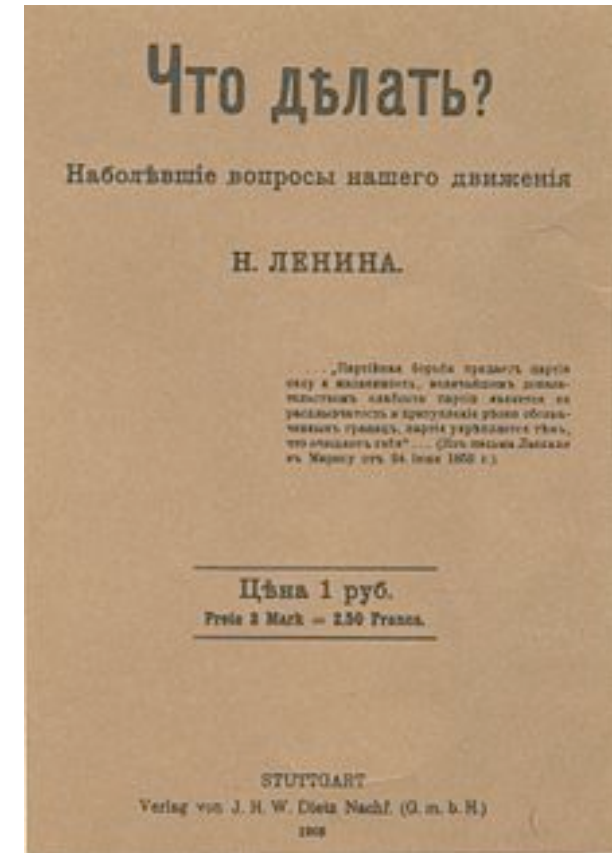
Week 13, Lecture 1:
Development industry and assistance

Recap

- Exceeding rarity of political conditions conducive to broad-based development
- Near-impossibility of the creation of such conditions

Part IV

- Development assistance
- Global economic system reforms



Plan for this week

- Development assistance:
 - Global development agenda
 - Development industry
 - Aid flows
 - Development interventions and their efficacy

Plan for today

- Global development agenda
- Development industry
- Scale and distribution of development assistance
- Motivations for and some effects of development assistance

Development agenda

- Marshall Plan, 1948, and its (apparent) success
- Truman's Four Point Speech, 1949
- Millennium Development Goals (MDGs), 2000
- Sustainable Development Goals (SDGs), 2015



Development industry

- United Nations (UN) and its specialized agencies



Development industry

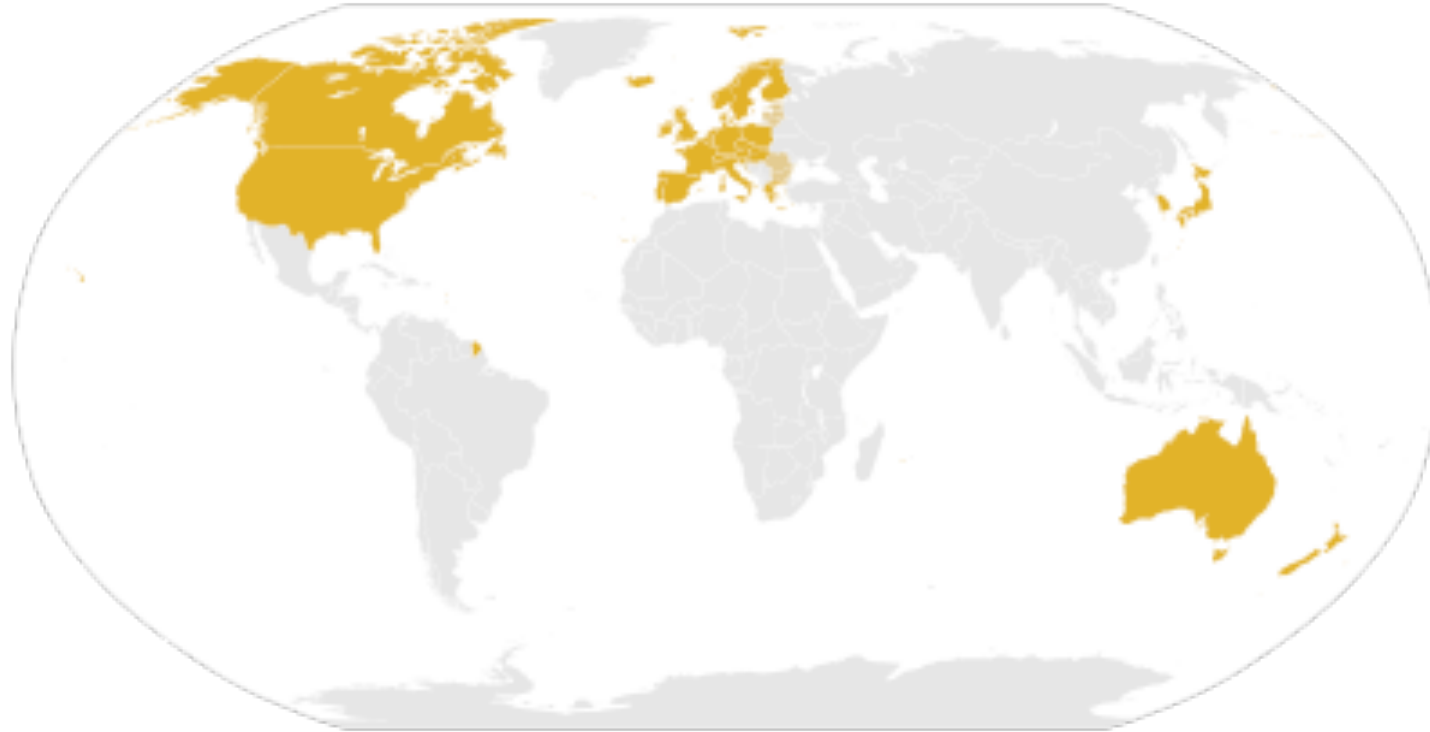
- Non-UN international organizations, e.g.
 - International Organization for Migration (IOM), 1951
 - Organisation for Economic Co-operation and Development (OECD), 1948 / 1961
 - African Development Bank (AfDB), 1964
 - Asian Development Bank (ADB), 1966
 - European Bank for Reconstruction and Development (EBRD), 1991

Development industry

- Specialized government agencies in donor countries in the Global North, e.g.:
 - United States Agency for International Development (USAID), 1961
 - Danish International Development Agency (DANIDA), 1962
 - Canadian International Development Agency (CIDA), 1968-2013
 - British Department for International Development (DFID), 1997-2020
 - Korea International Cooperation Agency (KICA), 1991

Development industry

- The Development Assistance Committee (DAC) of the OECD, 1960



Source: https://en.wikipedia.org/wiki/Development_Assistance_Committee

Development industry

- Non-DAC donor development agencies:

- Saudi Fund for Development (SFD), 1974



- Turkish Cooperation and Coordination Agency (TIKA), 1992



- China International Development Cooperation Agency (CIDCA), 2018



Development industry

- Non-governmental organizations (NGOs), e.g.:

- Save the Children, 1919
- Oxfam, 1942
- CARE, 1945
- World Vision, 1950
- BRAC, 1972
- Mercy Corps, 1979



Save the Children



OXFAM



CARE

World Vision



MercyCorps

Division of labor

- Funders:
 - Bilateral (DAC and non-DAC) donors
 - Multilateral donors
- Implementers:
 - Recipient governments
 - International and nongovernmental organizations
- Beneficiaries:
 - Recipient governments
 - Specific communities, households, and individuals

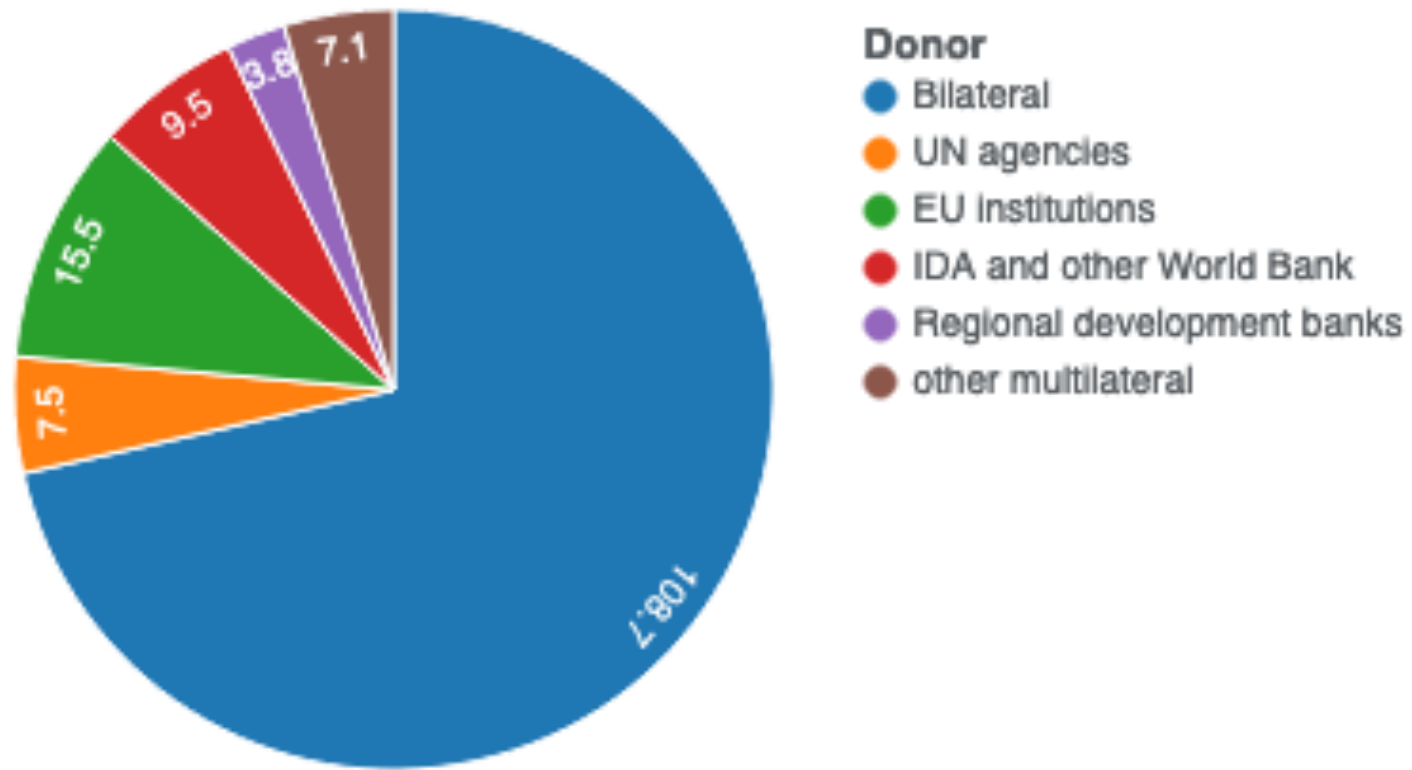
Donor performance

TABLE 6 2012 ranking of donor agencies

Donor	Rank	Transparency (%)	Low overhead (%)	Specialization (%)	Selectivity (%)	Avoid ineffective channels (%)
DAC average	46	59	63	30	41	22
Non-DAC average	47	16	59	71	30	48
Multilateral average	16	60	45	57	71	49
UN average	29	40	20	68	66	50
Overall average	37	46	50	50	50	38

Source: Palagashvili, Liya, and Claudia R. Williamson. 2021. "Grading Foreign Aid Agencies: Best Practices across Traditional and Emerging Donors." *Review of Development Economics*.

Aid flows

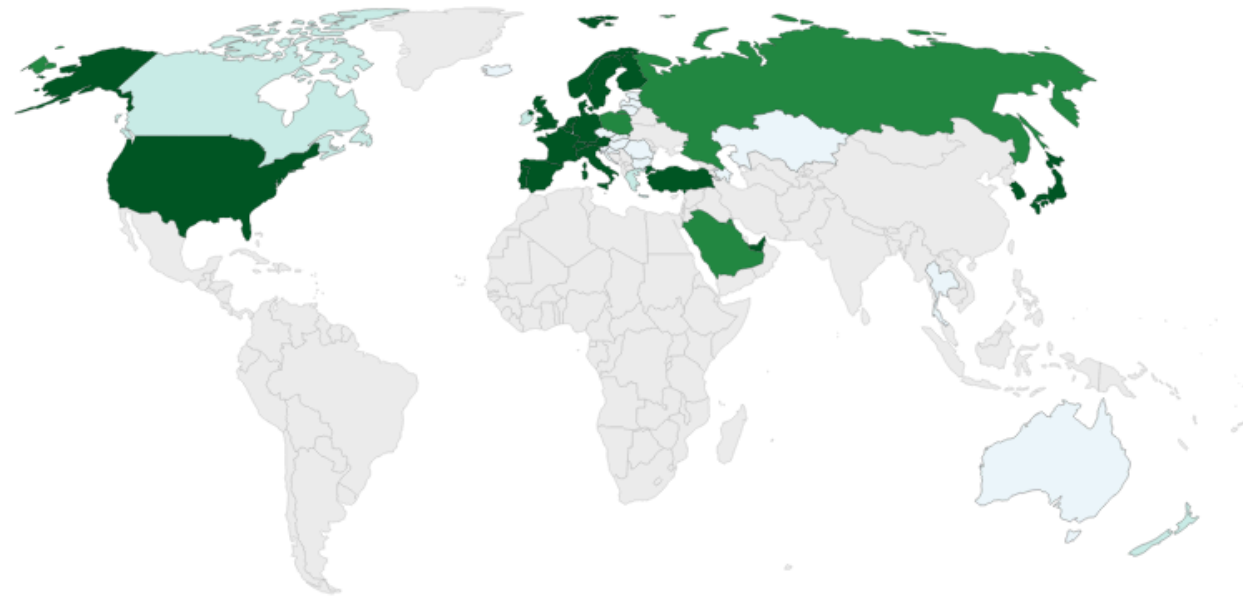


Source: <https://stats.oecd.org/>

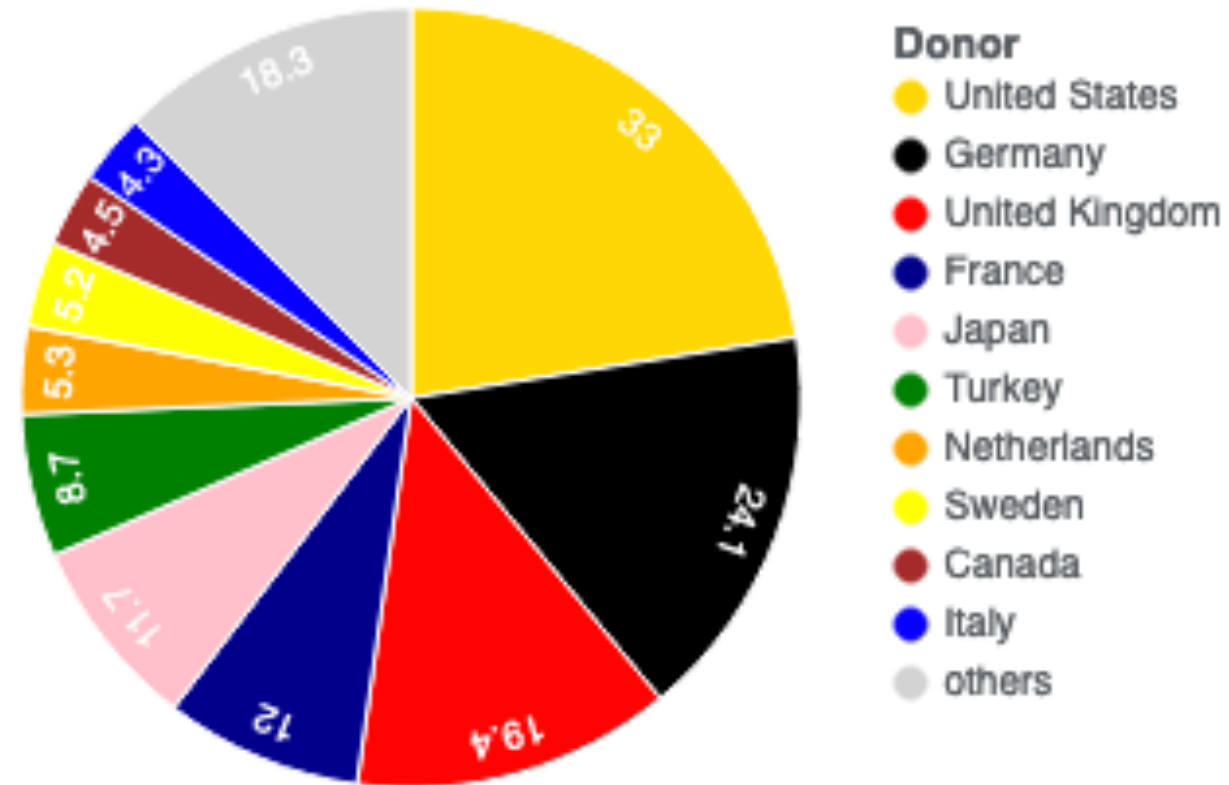
Aid flows

Total assistance for development given, 2017

Total resource flows for development given (by donor), which comprises of Official Development Assistance (ODA), other official flows (OOF) and private flows. This is measured in current US\$.



Aid flows



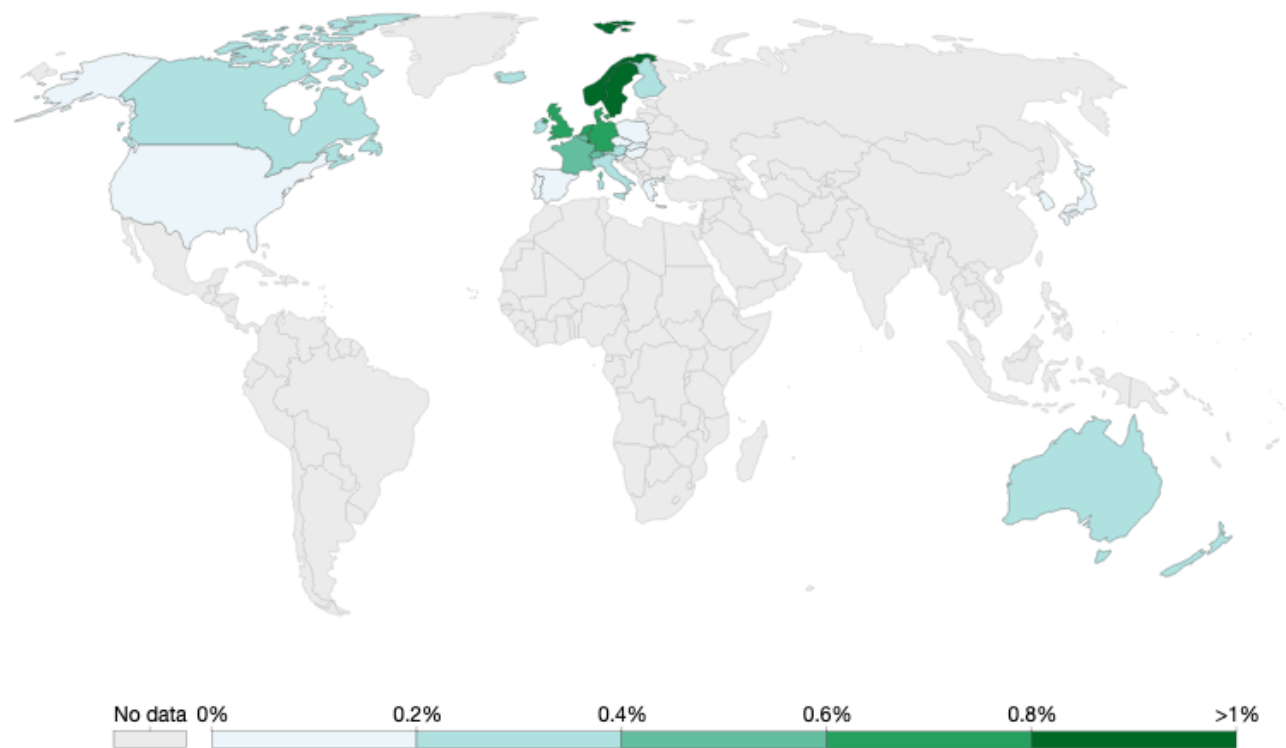
Source: <https://stats.oecd.org/>

Aid flows

Net official development assistance as a percentage of OECD-DAC donors' GNI, 2018

Our World
in Data

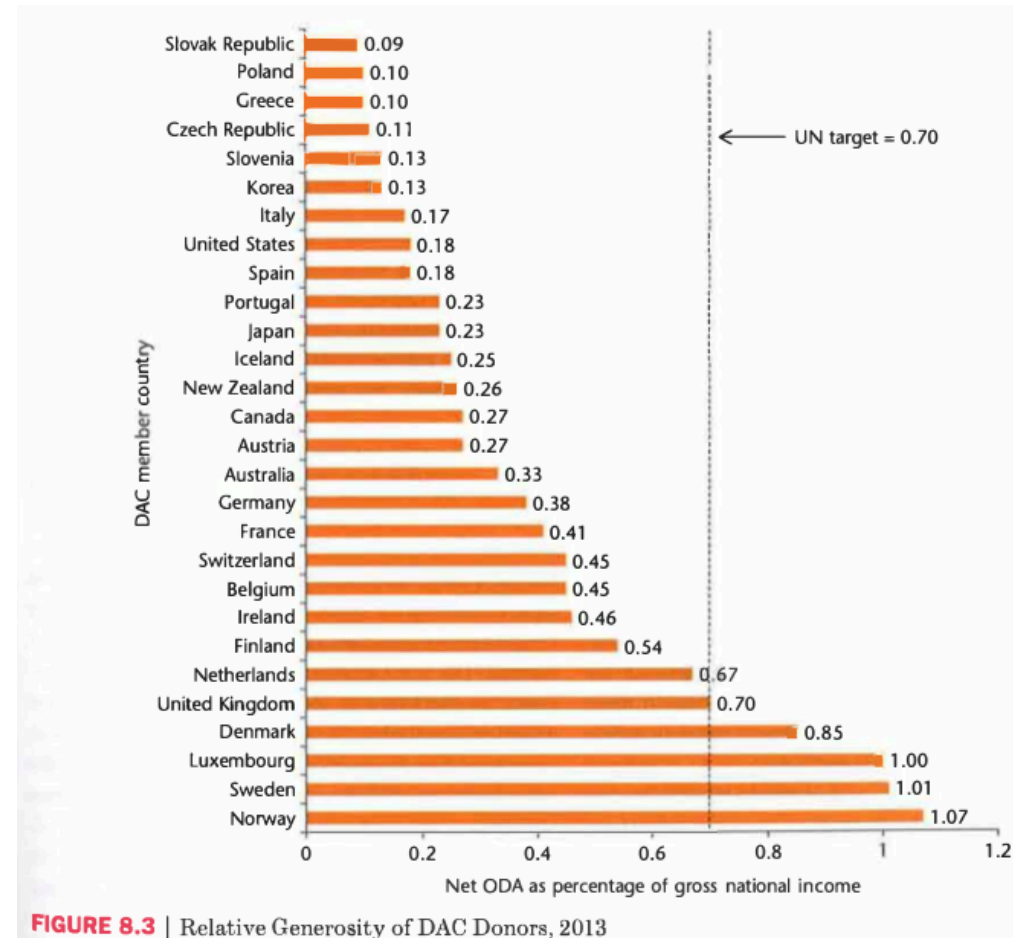
Net official development assistance (ODA) from Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) donors, given as a percentage of their gross national income (GNI).



Source: UN Statistics Division

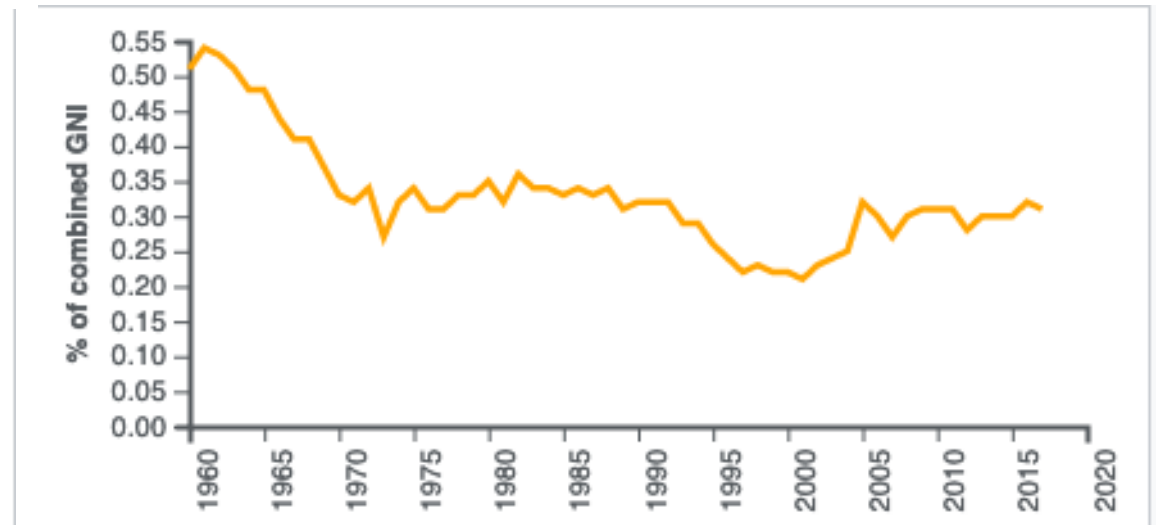
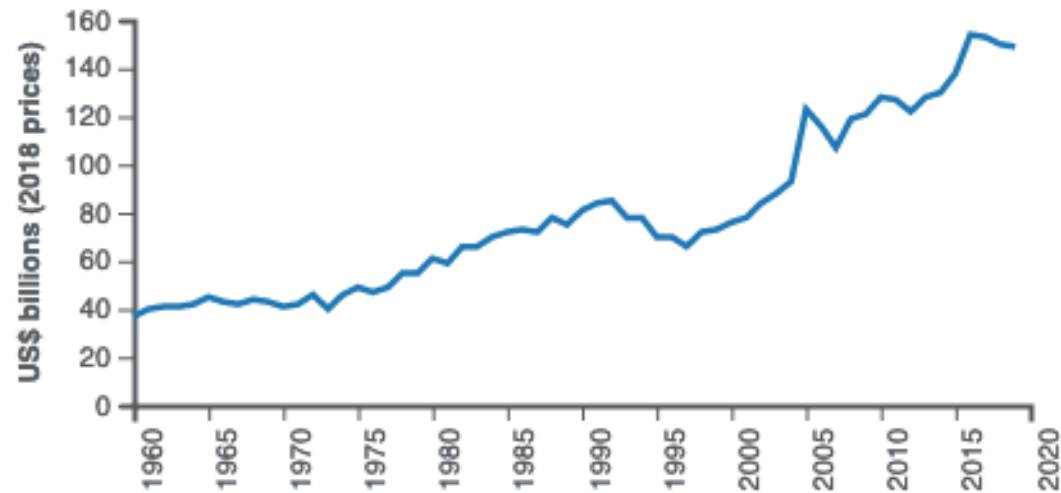
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Aid flows

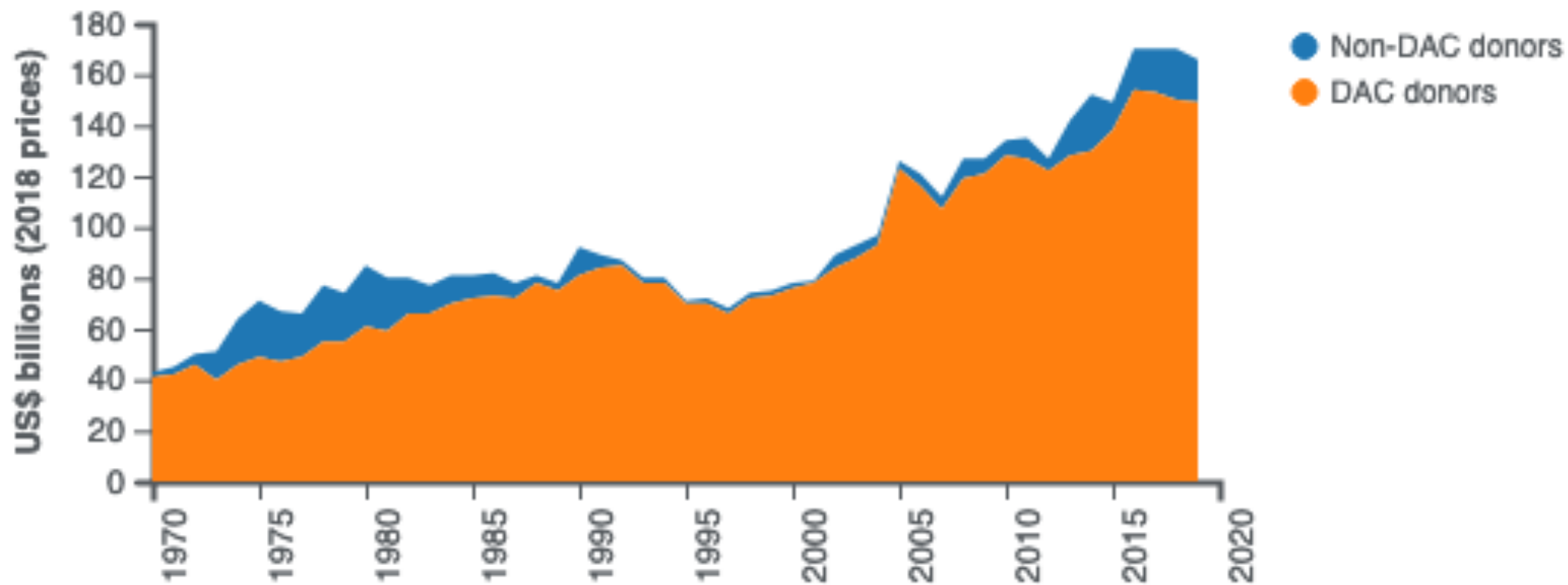


Source: Haslam, Paul A., Jessica Schafer, and Pierre Beaudet (eds.). 2017. *Introduction to International Development: Approaches, Actors, Issues, and Practice*. Don Mills, Ontario: Oxford University Press.

Aid flows



Aid flows



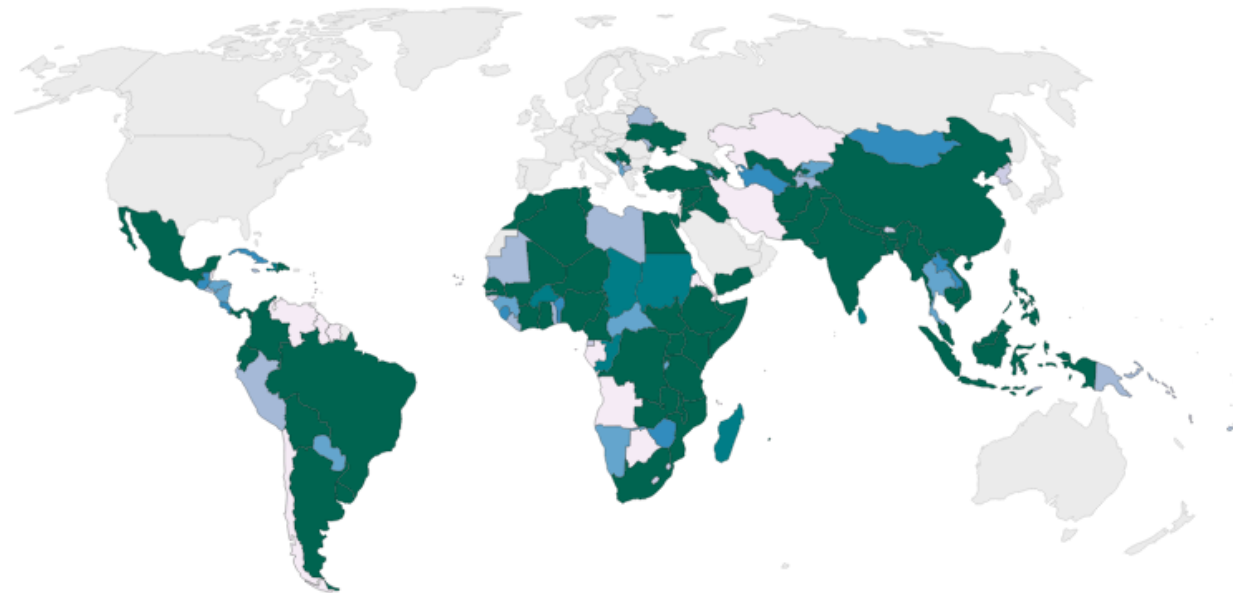
Source: <https://stats.oecd.org/>

Aid flows

Total assistance for development received, 2017

Total official development assistance (ODA) and other development flows received (by recipient) in current US\$.

Our World
in Data



Source: UN Statistics Division

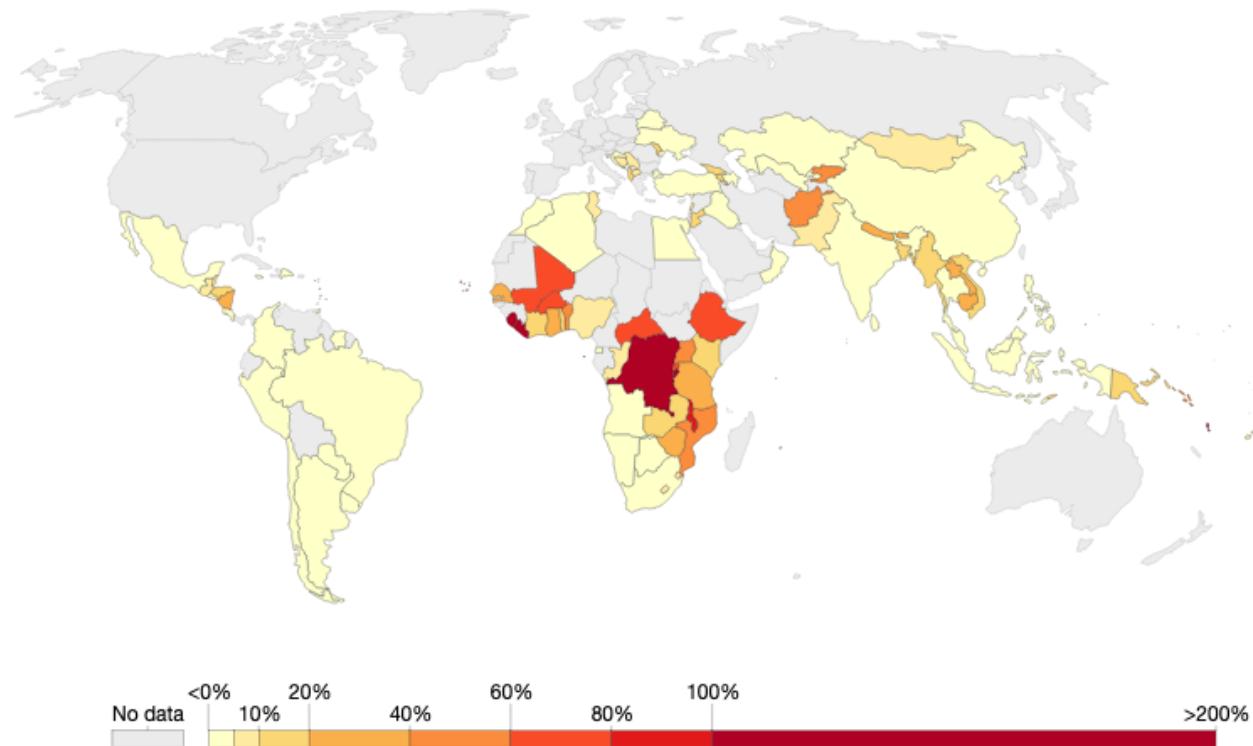
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Aid flows

Development assistance as share of government expense, 2015

Shown is net official development assistance (ODA). These are disbursements of loans made on concessional terms (net of repayments of principal) and grants by official agencies of the members of the Development Assistance Committee (DAC), by multilateral institutions, and by non-DAC countries to promote economic development and welfare.

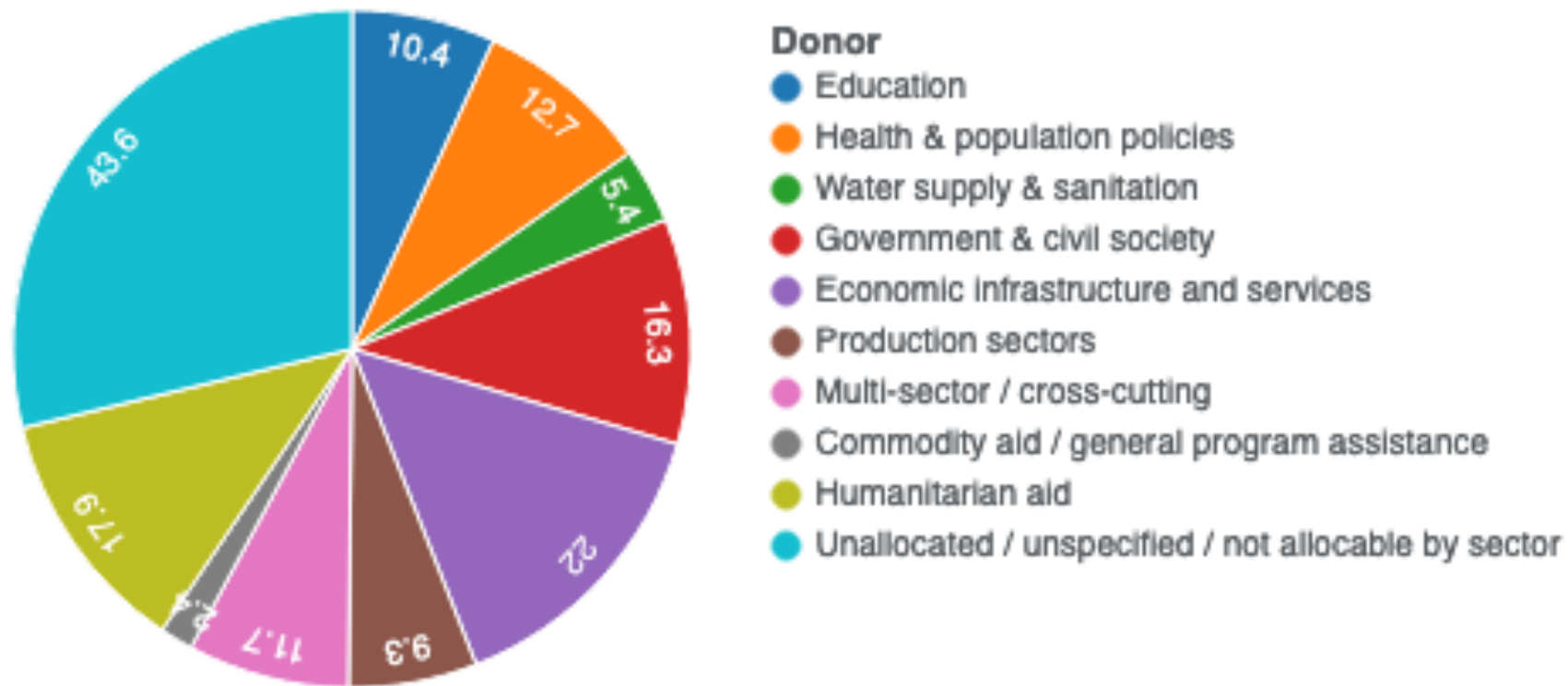
Our World
in Data



Source: World Bank

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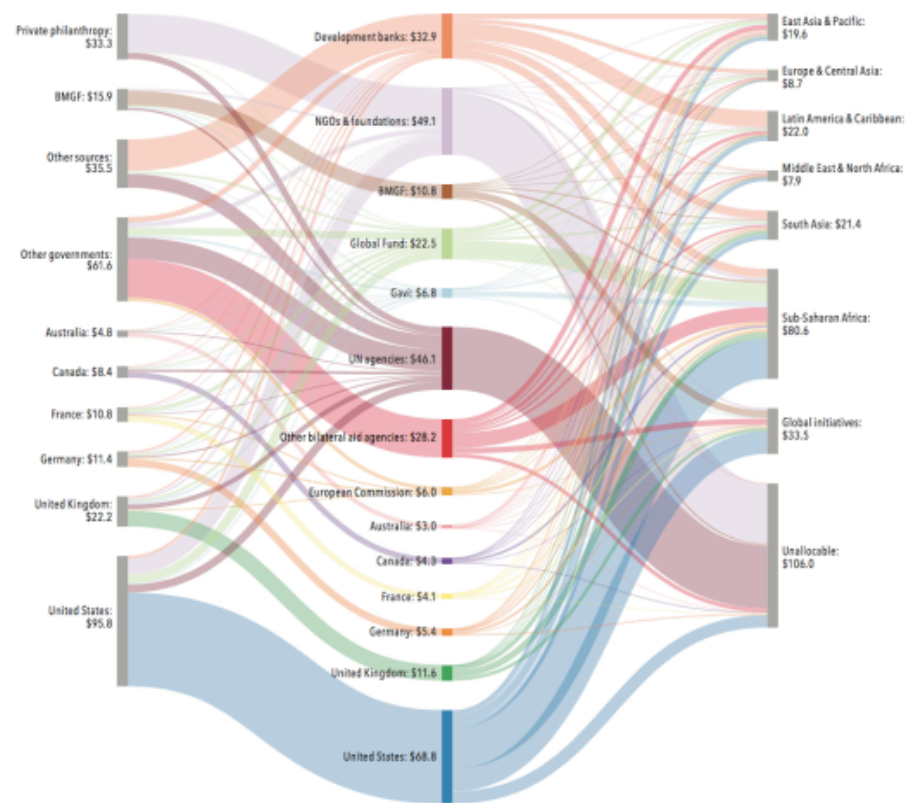
Aid flows



Source: <https://stats.oecd.org/>

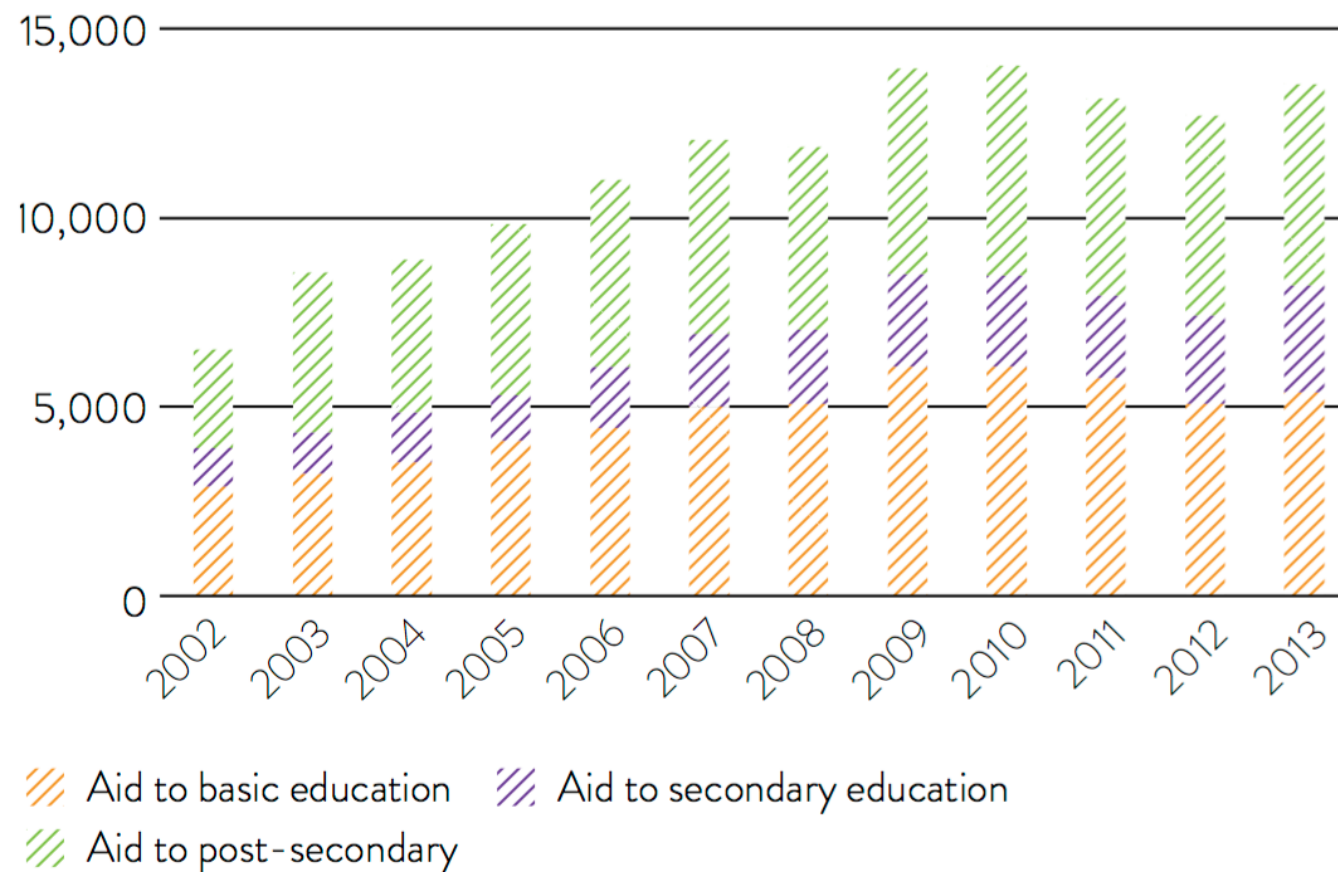
Aid flows

Flows of development assistance for health, from source to channel to recipient region, cumulative 2000-2012 – IHME (2014)



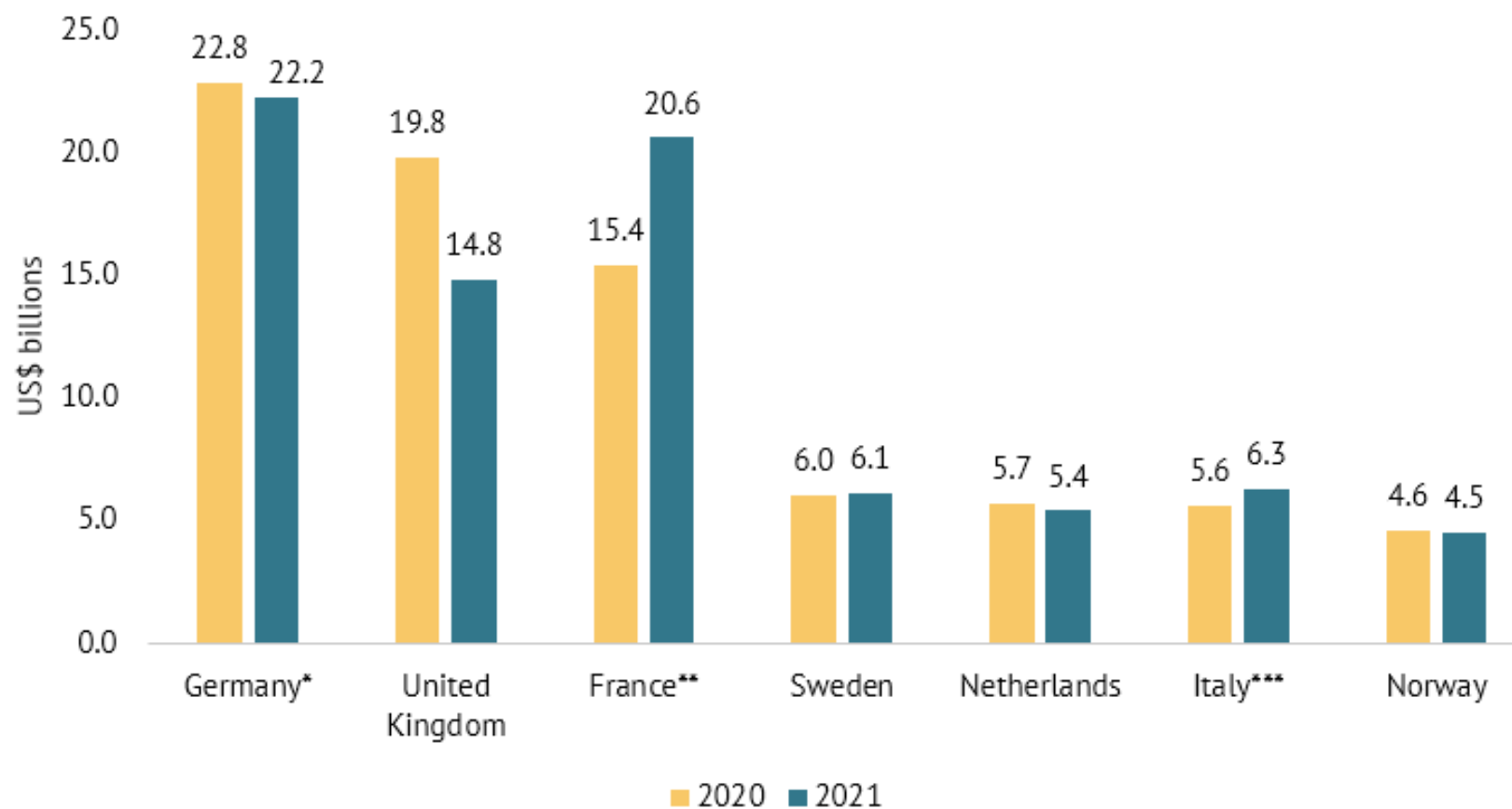
Source: Institute for Health Metrics and Evaluation. Financing Global Health 2014: Shifts in Funding as the MDG Era Closes. Seattle, WA: IHME, 2015. Available online from www.healthdata.org (The visualization above was formatted by www.OurWorldInData.org)

Aid flows



Source: <https://ourworldindata.org/financing-education>

Post-pandemic aid flows

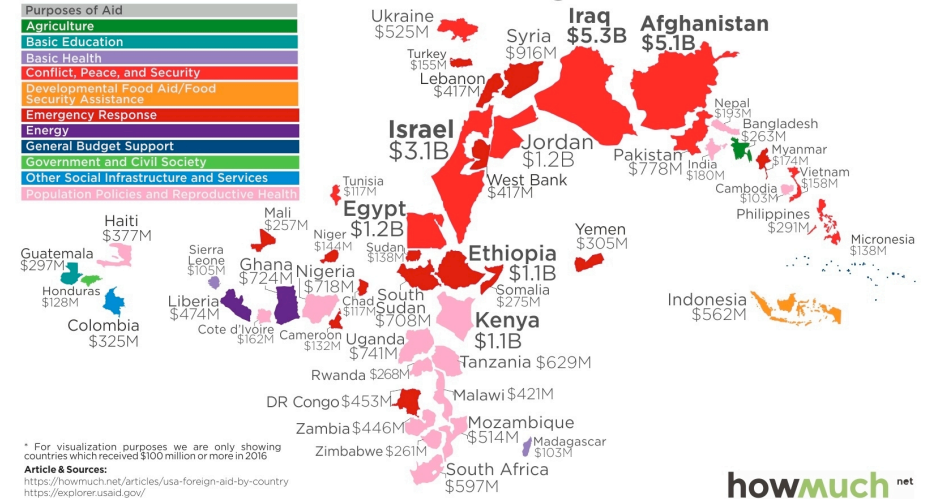


Source: <https://www.cgdev.org/publication/global-trends-2021-how-covid-transforming-international-development>

Motivations for development assistance

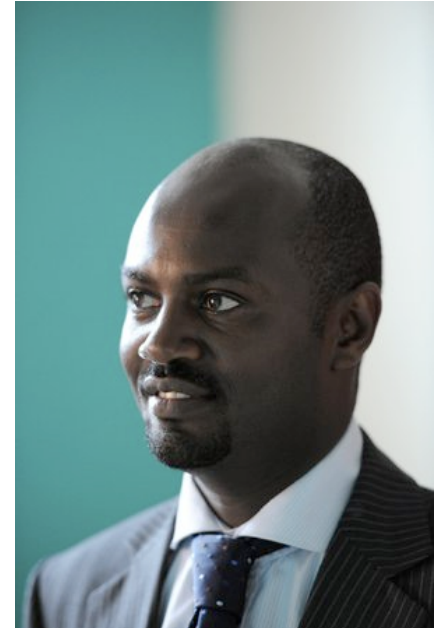
- Self-interest:
 - Pursuit of foreign policy objectives
 - Reputational benefits
 - Recognition of the shared benefits of development
- Altruism
- Easterly's 'development ideology'

What Countries Receive the Most Foreign Aid from United States?



Seeing like a development agency

- The anti-politics machine in Lesotho according to Ferguson
- The 'instrument-effects' of development assistance according to Mwenda:
 - Increased attractiveness of political power
 - Protection of the government and elite through through subsidy provision
 - Lowered vulnerability to societal pressure
 - Integration of donors into patronage networks



Seeing like a development agency

- World Bank:

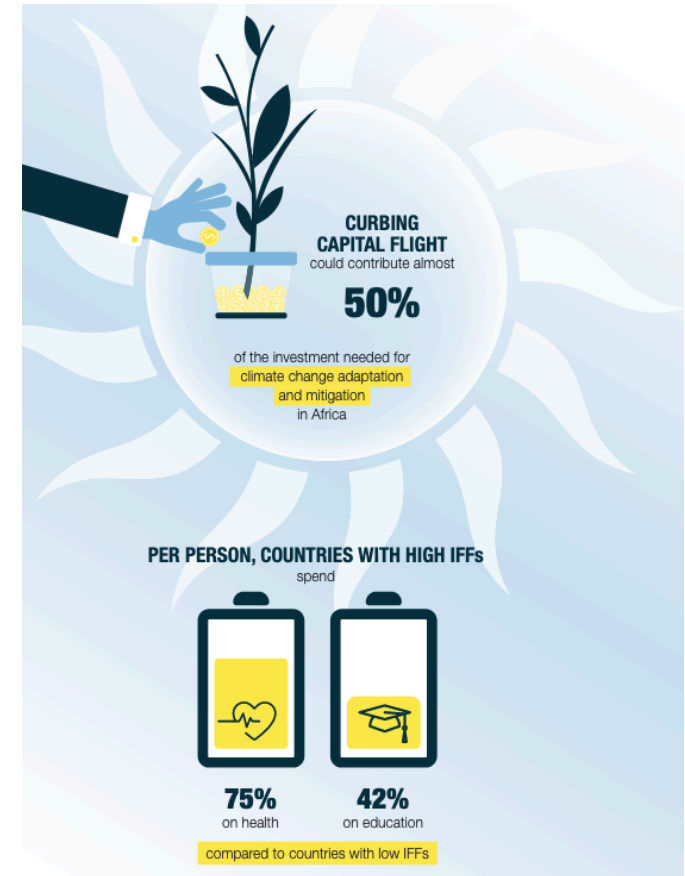
- Transfer of 1 / 6 of all foreign aid to tax havens

- Andersen, Jørgen Juel, Niels Johannesen, and Bob Rijkers. 2020. *Elite Capture of Foreign Aid: Evidence from Offshore Bank Accounts*. Washington, D.C.: The World Bank.

- UNCTAD:



- United Nations Conference on Trade and Development (UNCTAD). 2020. *Tackling Illicit Financial Flows for Sustainable Development in Africa*. Geneva: UNCTAD.



Takeaways

- Large scale of the development industry and the development assistance that it administers
- Substantial 'instrument-effects' of development assistance