

International politics
explain why foreign
aid does not work as
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Analyzing Foreign Aid Failure The word 'aid' is taken to mean as helping someone. Place the word 'foreign' before it and you now have a term used to denote help coming from a nation directed to another nation in need. In spite of the billions of dollars that have been pledged and delivered for the past years, many of the receiving nations still remain poor while some have even become worse. Ideally, the desire to aid emanates from our moral values and humane aspirations that need to be fulfilled. In some cases, however, foreign nations are designed to make another nation subservient - thus, the "we give you money, you give us business perks and alliance" principle. Many scholars have formulated views on why foreign aid is a venture doomed to fail. We examine the prospect using the competitive, individualistic and cooperative views.

The competitive view states that nations use foreign aid as a means of gaining political and economic advantage over other nations. What drives them is the desire to polarize power towards them. We can find many examples of this in history. The Cold War saw the Soviet Union and the United States pouring out aid to countries who pledge allegiance to them. Cuba saw crude oil worth billions of dollars coming from the USSR with the agreement that they let USSR build missile silos directed against major cities of the United States. The United States was also guilty of buying out allegiances such as pre-war Vietnam and the Philippines. Foreign aid fails to fulfill its function of helping others because allegiances imply certain trade-offs. Trade liberalization, for example, opens up the poor country's market to the donor. What happens is that the local industry fails to grow because they can't compete with the highly mechanized firms of the donor. Donors would also require that the poor country direct majority of its export destinations to <https://assignbuster.com/international-politics-explain-why-foreign-aid-does-not-work-as-intended-in-competitive-individualistic-cooperative-views/>

them and prohibit them from doing any kind of business with the other 'competitors'. Yet, to protect their own industries, the donors would impose prohibitive tariffs on the products making it unsustainable for the poor country to export.

In some case, foreign aid would come in the form of a foreign debt. The Philippines, for example, received foreign debts from the United States. What happened was that after the Asian economic crisis and local political instability, the peso deteriorated against the dollar. Since the debt was to be repaid in dollars, it has tripled in value and is now eating up majority of the country's national budget. Essentially, the receiving country is at the mercy of the donor.

The individualistic view does not delve so much in competition and is more of an "as long as we are stable, we will help you" principle. In other words, this view takes on the logic of "we will give you what we can spare". The problem with this is more of the continuity of aid delivery and may even be as serious as no delivery at all. Thus, we see road networks, dams and health programs funded by foreign aid in an incomplete and deteriorating condition due to the failure of delivery. The optimistic view would be that of programs and infrastructures completed. However, these projects become so problematic that they become useless in the long run due below standard materials used in construction and inappropriate policies adopted in the program. What cause them None other than the limitation in the budget from the aid.

In the cooperative view, foreign aid comes from the genuine desire to help with no strings attached. This is particularly true in foreign aids directed to African nations where billions of dollars have been pouring in. Yet, even with <https://assignbuster.com/international-politics-explain-why-foreign-aid-does-not-work-as-intended-in-competitive-individualistic-cooperative-views/>

the best of efforts, African nations are still grappling with poverty, illiteracy and famine. Africa has failed to improve even with volume of aid. The problem, using the cooperative view, is that for foreign aid to even enter, donors must make concessions such as giving rations to armed militants so they will allow food bought with the aid to even come in. Mismanagement also comes to the scene as local officials become enamored with corruption due to the sudden influx of affluence. There's also the issue of foreign aid making the poor country dependent instead of making them able to sustain themselves in the long run.

Giving out aid to poor nations is indeed praiseworthy. However, given the different factors that we have elucidated, it will be a fruitless endeavor.

Sources:

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