

Why Full Disclosure Poses no Threat to the Survival of Foreign Aid

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Abstract

Increasingly, it is becoming a given that the only secure basis for world peace and prosperity in the long run lay in providing all states with the chance to make progress towards a better life. Accordingly, rich countries have always been prayed to give some of their wealth to poor countries to fight poverty, hunger and diseases. For the past five decades, more than 2.3 trillion dollars have been spent on foreign aid. However, no significant economic growth and poverty reduction have occasioned in poor countries. Rather, in some places, poverty has increased. Aid agencies keep on repeating more-than-five decades-old cycle of idealism, high expectations and disappointing results because they fail to coordinate efforts, do peer reviews and full disclosure of past aid projects for fear that it might lead to disclosing negative results which may dent the image of development aid and lead to reduced public support and donations for foreign aid. It is argued in this piece that the foreign aid establishment has already won the battle for the hearts, minds and wallets of Western taxpayers and there is no way aid funds will dry up. Aid agencies are therefore urged to open up, seek more avenues for international collaboration and information sharing, encourage peer reviews and criticisms, full disclosure of information especially, those on failed projects to allow for better learning, learning from past experiences and peers. This way, the full potential of foreign aid to deal with hunger, diseases and poverty may become manifest.

Keywords: foreign aid, collaboration, full disclosure, information sharing, peer review

Acknowledgment: I am grateful to Mrs. Abigail Bentil Holten, Eunice Ackom Sampene, Courage Ahiati, Atta Poku and Martin Acheampong for reading through the script for me. I am particularly grateful to Henrik Secher Marcussen of Roskilde University for his views.

1.1 Introduction

As this piece is being written, foreign aid is expanding rapidly. The foreign aid establishment has won the battle for the hearts, minds, and wallets of Western taxpayers. Peter Bauer's prescient warnings and 50 years of evidence notwithstanding, the West is about to spend another trillion dollars on foreign aid in the next couple of decades (Shleifer, 2009:388).

Yoshihiro Kawaoka, the controversial scientist has received a great deal of criticisms from his colleagues for his provocative research on making influenza viruses more infectious by deliberately creating a pandemic strain of flu that can evade the human immune system. Although Professor Kawaoka's work has been cleared by Wisconsin's Institutional Biosafety Committee, some members of the committee have publicly voiced concerns about the direction, oversight and safety of his overall research on flu viruses. Serious concerns have also been raised that the risks of an accidental (or even deliberate) release of the virus will cause a devastating pandemic and that this risk is too great to justify any practical benefits that may come out of the work (The Independent, 2014).

Peer criticism and pontification of failures known in medicine and science are very common in academia too and they account for the many critical progress, ground breaking research findings, innovative and improved models and theoretical frameworks for practice. However, these things rarely happen in the development or foreign aid business. In the aid community, what exists is what Easterly refers to as "log rolling" culture – one aid agency will not criticize another agency's interventions; lest the second will reciprocate (Easterly, 2002:33). There is high proclivity to present the aid community in the best possible light – self and peer criticisms are therefore extremely rare (Perry, 2012). The community is sustained by donations and donors need to have confidence and trust to hand over money to an aid agency hence the desire to always present a convincing portrait of the industry. As noted by Shleifer, what "support continued and increasing foreign aid expenditures is not proof of effectiveness, but sympathy of the Western taxpayers" (Shleifer, 2009:386). It is however perceived that this sympathy will pale away when foreign aid is hit by negative news – the sponsoring public will thus take back their support and donations and this may cause the industry to collapse. Thus an "all-out war of negative advertising about other bureaucracies would likely lead the public to form negative images of foreign aid that threaten all of them" (Easterly, 2002:32). As a result, even the best aid agencies rarely admit to failures and faults – "the aid professional has a tremendous fear of his own writing" (Tendler 1975 cited in Easterly, 2002:12).

This fear or belief that information on aid failures will whip away public support for development assistance is rooted in some studies which link support for aid to public belief that it works. For instance Cassen argues that support for aid rests “ultimately on public opinion which has to be convinced that aid is working well” (Cassen, 1986:294). After a 40 – year survey of aid giving, David Lumsdaine concluded that rapid increases in aid occur in countries with high levels of support for aid. He noted that in countries where the public said it wanted increases in aid, the quantum of aid given increased and where the public wanted it to be reduced, aid levels considerably declined (Lumsdaine, 1993). It is therefore held that public perception about development aid have implications on their level of support for the same. As noted by the OECD – DAC members themselves, “even where, as often, the public recognises that the degree of poverty and inequality in the world is both a humanitarian issue and a risk to all our futures, there is widespread scepticism about whether official aid is effective in tackling it. In response to public scepticism on the effectiveness of aid, donors increasingly focus on reporting how the impact of aid is improving the lives of poor people” (OECD – DAC, 2008: 8 – 9). Obviously, to the exclusion of the other leg of the impact – that aid is being captured by corrupt politicians, disrupting poor countries’ economies, it is not causing growth and any meaningful poverty reduction in poor countries.

Mostly, the account is one sided, no real lessons are therefore learnt from failed efforts nor do they conduct peer reviews of aid projects although these are essential to success in any activity. This “collusion destroys [useful] information, since one aid agency knows more about bad performance of another agency than outside evaluators” (Easterly, 2002:33). The unwillingness to shine light on past failures makes new failures, duplication and repetition of themes of previous and similar interventions more likely. For instance World Bank agriculturalist recommended a cut in cocoa taxes, despite not having had the time to read four previous World Bank reports on cocoa production in Equatorial Guinea (Klitgaard 1990 cited in Easterly, 2002). USAID produced a report on corruption in Uganda in 2001, unaware that a British team had produced a report on the same topic six months earlier. There is always a repetition of recommendations for many years, without any analysis of what had gone wrong with previous recommendations. For example, Easterly cites that “an independent consultant had pointed out financial problems in Kenya Railways as long ago as 1972. World Bank reports repeated the recommendation to restructure or privatize Kenya Railways numerous times, such as in 1983, 1989, 1995, 1996, and 2000, each time failing to point out the previous history of failed recommendations” (Easterly, 2002: 22). The World Bank according to Easterly had an expensive program of sending managers for six-week intensive training at the Harvard Business School, whilst the Bank’s own library and document archives house innumerable case studies of programs and projects failing and succeeding.

Aside aid agencies’ disincentive to make full disclosure, another problem that accounts for the repetition and duplication of projects and themes which lead to disappointing results is aid agencies’ failure to coordinate their efforts. The aid community itself has since the days of Truman underscored their need to collaborate with each other (Easterly, 2002). Coordination of foreign aid was core to the 2003 High Level Forum on Harmonization (HLF), 2005 Paris Declaration on Aid Effectiveness, 2008 Accra Agenda for Action and 2011 Busan Partnership for Effective Development Cooperation. However, up to now donors and investors work in overlapping spheres in the developing world, each with their own practices and agenda. In a recent study, Lawson asseverates that “despite the global attention paid to the issue of aid effectiveness, monitoring surveys indicate that limited progress has been made toward coordination of goals by the United States or donors in general” (Lawson, 2013b: 1). They keep on fragmenting aid, duplicating projects, making inefficient use of resources and burdening the already weak bureaucracies of poor countries with more administrative problems.

Learning Easterly suggests, could come at least from three sources: (1) cumulative experience at dealing with some of the chronic problems of foreign aid, (2) reacting to new knowledge in economic research, and (3) reacting to failure (Easterly, 2007: 638). Yet, despite the clearly unsuccessful story of development aid, the science behind it has not changed (Easterly, 2007). Although evidence abound that the economies of poor countries are in nature very weak, poorly managed and susceptible to outside influence and that relentless flow of unmitigated, substantial aid money can be disruptive (Moyo, 2009), the aid community has consistently called for more aid (‘the big push’). They keep pouring in uncoordinated aid resources with the fixed objective of stimulating growth, meanwhile no evidence does support an effect of aid on growth. As succinctly captured by Easterly, “the river of aid keeps flowing, but effective benefits dribble slowly out of the bottom of the funnel (Easterly, 2002: 29).

It must be clarified that it is not that aid organizations are run by intuitively bad people who are happy to see poor people remain poor to keep them in their businesses and careers. As noted by Easterly, “in fact many smart, hard-working, dedicated professionals toil away in the world’s top aid agencies. But the perverse incentives they face explain the organizations’ obtuse behavior” (Ibid: 4). Dichter argues that development aid has moved from its relatively innocent past when it was “more of a “calling”. It has now become an “industry” and hence conscious of its image (Dichter, 2003:99). Just like any industry, all interested parties in the foreign aid industry share the good of the industry itself, therefore *self-perpetuation* becomes extremely quintessential.

But unfortunately, as explained earlier, the survival of foreign aid is tied to how aid bureaucrats will be able to sustainably whip up public support and most importantly their donations for aid which largely depends on good image. This explains the high tendency to suppress information on aid failures on the part of aid organizations (Perry, 2012; Shleifer, 2009; Easterly, 2002). However, the threshold question is: Does the aid industry face real possibility of collapse in the event of full disclosure?

1.2 Quick excursus into the world of aid

The historical account of how and why development cooperation came into being has been widely discussed in the literature (Moyo, 2009; Riddell, 2007; Easterly, 2002; Thorbecke, 2000) to warrant a pedantic reproduction of the same here. I will not say much on it except to note that since the 1960's, trillions of dollars have gone into development assistance. The volume of global ODA according to Tomasi (2014) has increased steadily over the past 50 years, rising from slightly under USD 40 billion in 1960 to around USD 130 billion in 2012, after peaking at USD 137 billion in 2010. Between 2000 and 2010, the volume rose by 63%. Easterly (2006) estimates that the total amount of dollars spent on foreign aid over the last five decades calculates up to 2.3 trillion. Out of this 2.3 trillion dollars, according to Moyo (2009), more than 1 trillion was transferred to Africa. It is recounted that this steadily increment in the volume of development aid is not incidental to any evidence that development assistance is working but despite staggering evidence that it is foundering big time (Moyo, 2009; Easterly, 2002; Easterly, 2006). Walt Rostow, in his famous *Stages of Growth* had declared that "an increase of \$4 billion in external aid would be required to lift all of Asia, the Middle East, Africa, and Latin America into regular growth, at an increase of per capita income of say, 1.5% per annum" (Rostow 1960 cited in Easterly, 2002:9; Easterly, 2006:25). Yet, after spending more than 2.3 trillion dollars in the last five decades, Africa, Asia, the Middle East and Latin America are still poor. Indeed, in the case of Africa poverty has rather increased. With an average per capita income of roughly US\$1 a day, Moyo (2009) argues, sub-Saharan Africa remains the poorest region in the world. Africa's real per capita income today is lower than in the 1970s meaning that many African countries today are as poor as they were forty years ago. With over half of the 700 million Africans living on less than a dollar a day, sub-Saharan Africa has the highest proportion of poor people in the world – close to 50 per cent of the world's poor. And while the number of the world's population and proportion of the world's people in extreme poverty fell after 1980, Moyo (2009) notes that the proportion of people in sub-Saharan Africa living in abject poverty increased to almost 50 per cent. Between 1981 and 2002, the number of people in the continent living in poverty nearly doubled, leaving the average African poorer today than two decades ago. Sub-Saharan Africa, per the 2007 United Nations Human Development Report will account for almost one third of world poverty in 2015, up from one fifth in 1990 (Ibid:5). All these deteriorating poverty situation and statistics in Africa are against the backdrop of a colossal 1 trillion dollars spent on development aid in the last five decades.

Whereas some poor countries have been able to achieve significant economic growth and poverty reduction and have now become emerging forces in the world (Korea, China, India, South Africa, Botswana, Taiwan and Singapore), studies show that their development has nothing or at least less to do with continuous dependence on foreign aid. Indeed they began experiencing growth upon weaning themselves off aid (Fox, 2000; Easterly, 2002; Easterly, 2006; Moyo, 2009). Easterly compares that "if all foreign aid given since 1950 had been invested in US Treasury Bills, the cumulative assets of poor countries by 2001 would have amounted to \$2.3 trillion" [yet,] the goal of achieving increased living standards and reduced poverty in the typical poor country [through foreign aid] has not been attained" (Easterly, 2002: 6 – 7).

The above account shows that despite the dismal impact of development assistance on poverty reduction and economic growth, the volume of aid continues to experience a steady increase. This therefore contradicts the mythical fear (which restrains full disclosure) in the aid community that development aid failures will impact negatively on the industry – the industry is rather experiencing tremendous growth. Indeed not only has the volume of aid increased steadily despite its failure to achieve growth and poverty reduction, but also the forms and trends of aid have changed in a manner which go to fortify the future of the aid industry. Moreover, as will be seen in the subsequent discussions, current global and future exigencies evidence that development cooperation will continue to grow healthily in the future.

1.3 Heterogeneous donors and financial flows

1.3.1 Emerging donors

Hitherto, global development assistance was the burden of only the DAC members, otherwise known as "traditional" donors. Riddell has noted that "not only has official development assistance continued to expand over the past 55 years, but it has grown to become a key part of the architecture of international relations, as more and more countries have become donors, and none has stopped providing aid (Riddell, 2007; 22). In addition to the 29 OECD – DAC members, there have emerged another group of generous countries (christened 'emerging donors') who are providing tremendous volumes of aid to poor countries. Therefore, the global aid

industry now than before has more heterogeneous donors and financial flows (McEwan & Mawdsley, 2012; Chin & Fahimul, 2012; Bräutigam, 2011). The emerging or non-traditional/DAC donors are broadly classified into 4 groups: (i) OECD countries that are not members of DAC—Mexico, Turkey and several European countries; (ii) new European Union countries that are not members of the OECD; (iii) Middle East and OPECs, particularly Saudi Arabia; and (iv) non - OECD donors that do not belong to any of the previous groups, including Brazil, China, India and Russia (Kim & Lightfoot, 2011). In short, the emerging donors comprise countries that are making their mark as development aid actors independently of the traditional system. These emerging donors just as the traditional donors are providing high volumes of development aid (Bräutigam, 2011, Paulo & Helmut Reisen, 2010; Chin & Quadir, 2013). Kharas (2010) has suggested that the aid contributions of non-DAC donors was around US\$17 billion in 2009, having doubled in a three-year period. Another recent estimate suggests that the rising donors account for at least ten per cent of the current global aid flows (Walz and Ramachandran, 2011). This total according to Chin & Quadir, “likely underestimates the Chinese contributions” (Chin & Quadir, 2013; 494). Chin & Quadir (2013) may be right because “in 2010 China overtook Japan as the world’s second largest economy, and it is predicted that it will be the largest by 2030” (Smith, 2011:2). Again, the character of Chinese aid differs from how DAC – OECD defines development assistance hence a sizeable component of Chinese aid while qualifies as development assistance may miss the DAC – OECD lens generally used to calculate aid (Bräutigam, 2011; Kim & Lightfoot, 2011). Aside China, the BRIS (Brazil, Russia, India, and South Africa) are also providing tremendous volumes of foreign aid. Observers have noted that in the future, growing non-DAC donor economies will increase investment opportunities and development financing in developing countries (Smith, 2011).

Clearly, in antithesis to the perception that development aid failures will disincentivize further investments in foreign aid, rather, despite the failures, other donors – state actors have emerged who are also dispensing huge volumes of aid albeit with low or no conditionalities (Roussel, 2013; Kragelund, 2012; Sato et al, 2011; Bräutigam, 2011) which have now become a major concern to the industry (Corkin, 2011; Brautigam, 2009; Naím, 2007).

1.3.2 Private aid

On the back heels of the evidenced failure of development aid, aside the emerging donors discussed above, other non – state actors have emerged in the industry who are in the words of Adelman “finding innovative ways to help the world’s poor, and, in the process transforming the concept of foreign aid” (Adelman, 2009: 23) by providing significant aid support including budget support and investments in developing countries. This emerged type of aid has come to supplement “the traditional donor – recipient model of foreign aid” presumably because of its defects or failures. As urged by a July 2007 *Wall Street Journal* article, “turn all foreign assistance over to the private sector” (Desai & Kharas, 2008: 156 – 157). These new group of non – state private donors emerged from the ‘Washington Consensus’ – a term used to describe the introduction of business language and practices into development cooperation. This new trend has emerged as a “cross-pollination of philanthropic practices with ideas emanating out of business schools” (Moran 2009: 6) and reflects in particular the Silicon Valley dot-com boom that created much of the wealth of these new philanthropists” (Desai and Kharas 2008: 158 cited in Kramer & Sattler, 2011:10). The ‘California consensus’ “holds an abiding faith in the capacity of innovation, technology and modern management methods to solve problems of extreme poverty (Desai and Kharas 2008: 158). Private aid being spearheaded by businesses, foundations, universities, religious groups, charities, private and voluntary organizations has become very fundamental to the financing of global development assistance. Private foundations, online donation platforms, and venture philanthropy institutions (mostly based and tied to the technology and finance sectors in the US) are the three types of private actor which have gained particular importance (Kramer & Sattler, 2011). In 2005, private giving from the United States to developing countries, excluding remittances, was estimated at \$33.5bn (Desai & Kharas 2008). American private philanthropy in 2007 totaled 36.9 billion dollars – 69 percent more than the US government aid. American private and voluntary organizations in 2007 sent more aid to the developing world than France, the Netherlands, Sweden and the United Kingdom each gave in government aid (Adelman, 2009). Over the next decade, this expansion in private giving to international causes is expected to continue. Edwards (2008) estimates that “fifty-five trillion dollars in philanthropic resources are expected to be created in the United States alone in the next forty years” (p.9). The growing volumes of private aid in the face of the failure of traditional development assistance to achieve growth and poverty reduction implies that future aid failures will necessarily not assume away the generosity of citizens of rich countries. The vacuum created by the gap between poor countries’ pressing needs and official development aid has led to the creation of financial and institutional space for new (private) aid givers (Kharas 2008 cited in Kramer & Sattler, 2011). Thus contrary to the panic among aid bureaucrats, as foreign aid continues to struggle, citizens of rich nations are not shunning development aid, rather they are searching for and perming new innovative ways to help deal with the poverty situations of developing countries.

1.4 Some global risks and the future of foreign aid

Another important trend in development co-operation is the growing attention being paid towards its objectives to combating global risks and promoting the provision of global public goods. This is a long-term trend. It is a direct consequence of globalisation and the realisation that we now live in a global village in which the development of our countries is increasingly and inextricably dependent on policies and trends in other countries (Tomasi, 2014). Increasingly, it is becoming a given that the only secure basis for world peace and prosperity in the long run lay in providing all states with the chance to make progress towards a better life (Lumsdaine, 1993). We all therefore as global citizens irrespective of which part of the planet we find ourselves face the same threats with climate change and terrorism being two of such profound global threats.

1.4.1 Climate change, the environment and the future of foreign aid

Observers have noted that with no change in the ongoing production and consumption patterns, greenhouse gas emissions could increase by 50% between 2010 and 2050, bringing us to a warming rhythm of the globe's average temperature far above the two-degree objective agreed to in Copenhagen (Tomasi, 2014). Coasts are projected to be exposed to increasing risks, including coastal erosion, due to climate change and sea-level rise. The effect will be exacerbated by increasing human-induced pressures on coastal areas. Drought-affected areas will likely increase in extent. Heavy precipitation events, which are very likely to increase in frequency, will augment flood risk (IPCC, 2007). In Latin America, it is projected that there will be gradual replacement of tropical forest by savannah in eastern Amazonia; risk of significant biodiversity loss through species extinction in many tropical areas; significant changes in water availability for human consumption, agriculture and energy generation. Europe is expected to experience increased risk of inland flash floods; more frequent coastal flooding and increased erosion from storms and sea level rise; glacial retreat in mountainous areas; reduced snow cover and winter tourism; extensive species losses; reductions of crop productivity in southern Europe. The case of Asia is that freshwater availability is projected to decrease in Central, South, East and Southeast Asia by the 2050s; coastal areas will be at risk due to increased flooding; death rate from diseases associated with floods and droughts expected to rise in some regions (Ibid). In Africa where the development aid industry best thrives, the projection of the Intergovernmental Panel on Climate Change is that "by 2020, between 75 million and 250 million people are to be exposed to increased water stress due to climate change. If coupled with increased demand, this will adversely affect livelihoods and exacerbate water-related problems" (IPCC, 2007:13). Climate change is already magnifying many developing countries' development challenges. Furthermore, it is increasing the cost of development (UNDP, 2011). Taken as a whole, the range of published evidence indicates that the net damage costs of climate change are likely to be significant and to increase over time and this put the entire globe at imminent risk. As such it seems natural as noted by Tomasi (2014) that most of the mitigation measures will be financed by foreign aid since most regions in the world especially Africa, most parts of Latin America and Asia do not have the required resources for it. The international community has already pledged much climate finance (\$100 billion per year by 2020) to support adaptation and mitigation in developing countries (UNDP, 2011). It is likely that more aid funds will be channeled into climate change adaptation and mitigation in the near and distant future.

1.4.2 Global security and terrorism

Aside climate change, another global risk which is influencing and will continue to influence the future of development cooperation is terrorism. Ever since the late 1960s, terrorism has acquired a transnational component, whereby a country must be concerned about terrorist attacks against its interests (i.e., people and property) whether at home or abroad (Hoffman, 2006 cited in Bandyopadhyay, Sandler & Younas, 2009). These attacks have assumed myriad forms: hostage taking, bombings, armed attacks, suicide bombings, or assassinations (Ibid.). Ever since the four airplane hijackings on 11 September 2001 (9/11), the world has been acutely aware of the dangers of terrorism (Bandyopadhyay, Sandler & Younas, 2014) and the fact is that terrorists often come from or seek asylum in poor countries (Carol, 2002). For instance 9/11 terrorists were trained in al-Qaida camps in Afghanistan and Al – Shabaab operates from Somalia - terrorist groups have gravitated to weak or failed regimes where they can assume refuge to train and plan attacks (Bandyopadhyay et al, 2009). Already, for 2014, the Economic Intelligence Unit has identified 64 countries that face a high risk of social and/or political unrest, the highest measurement of its kind in more than a decade. According to Horizon Report, by 2025 over 80% of the world's poor people will be living in fragile, mainly low-income and African states. We are not that close to 2025 but Boko Haram and Al – Shabaab are already making threatening inroads in Africa. The slow, and slowing, economic growth prospects of the broader emerging world, home to 90 percent of the world's population and where 70 percent of the population is under the age of 25 years old, will only lead to a more tumultuous and dangerous world (Moyo, 2014). This makes the need to robustly tackle the poverty situations of poor countries highly imperative lest, in the few years to come, such places will not only become hubs for terrorists but also most of the young unemployed citizens of these poor nations will be recruited as

terrorists and this is not the world any soul can comfortably live in. As rightly observed by Riddell, “in a world of growing global interdependence, [where] poverty and underdevelopment are seen as contributing significantly to [the thrive of] terrorism, conflict and global instability, it will not be easy to reduce aid levels significantly” (Riddell, 2007:4).

1.5 Millennium Development Goals and the future of foreign

Interest in official development assistance has increased markedly over the last decade. This has been generated in large part by international attention towards the MDGs (UNDP, 2011). The United Nations Millennium Declaration explicitly recognized the role of ODA in the development process and committed industrialized countries to “grant more generous development assistance” (UN, 2000:4 cited in Ibid: 146). Development assistance is seen as “a core part of the MDG framework” (Ban Ki – Moon, 2013). The International Conference on Financing for Development held in Monterrey, Mexico in 2002 reiterated this view and recognized that “a substantial increase in ODA”, *inter alia*, would be required to achieve the MDGs (UN 2002 cited in UNDP, 2011: 146). These international agreements have helped to increase the political momentum for foreign aid following a substantial weakening during the 1990s. In 2010, net ODA flows from members of the Development Assistance Committee (DAC) of the OECD reached \$128.7 billion, the highest level ever in nominal terms (OECD-DAC, 2011 cited in Ibid). Observers are ambivalent about the possibility of achieving the MDGs by 2015. However, either way, it opens new opportunities for foreign aid to flourish. If they are achieved, given how fundamental foreign aid has been to it, one need not to be a nerd in development studies to predict that world leaders will become more incentivized to vote more aids post 2015 into achieving the ultimate goal of “**eradicating extreme poverty** from the face of the earth by 2030” as agreed upon by world leaders at Rio in 2012 (The Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda, 2013: 7). On the other hand those who fear that we may not achieve the goals have already pointed “lack of finance” as the major cause. For instance Jeffrey Sachs have emphasized that financing is the most crucial obstacle for achieving the MDGs by 2015. He stated that developing countries have done their share by formulating national scientifically proven plans for attaining the MDGs, but these plans have not been implemented due to a lack of finance (Panel discussion on Achieving the MDGs by 2015: Preparing for the 2010 UN MDG Summit, 2009: 1). This means that even if the world fails to achieve the Goals by 2015, world leaders will still be required to vote more funds to help achieve the goals post 2015. So whichever way the matter will be looked at, in the many years to come, foreign aid will continue to be crucial to global development and poverty reduction. Clearly, the configuration of the world, the current architecture of and trends in global development assistance, the levels of poverty, global and environmental security/risk demonstrate that foreign aid is necessary and will need to grow and it is growing and will actually grow in the future.

For many decades, across all leading donor countries, opinion polls have been conducted to ascertain the level and extent of public support for foreign aid. Although there have been fluctuations over time, “the aggregate evidence from these polls provides remarkably clear and consistent findings across almost all donor countries. For over 20 years, successive opinion polls show an extremely high level of support for foreign aid” (Riddell, 2007:107). Public support for foreign aid is burgeoning alongside the global aid budget and all these are happening in spite of the presented staggering evidence that development aid is foundering big time in terms of reducing global poverty and ensuring growth (Easterly, 2002; Easterly, 2003; Dichter, 2003; Easterly, 2006; Calderisi, 2006; Easterly, 2007; Easterly, 2009; Moyo, 2009; Shleifer, 2009).

As evinced by the discussion, contrary to opinion and the widely held fear that exposed failures of development aid will wane down public support for it, what is rather happening is that development aid failures have not only induced more donors and other forms of aid (emerging donors and private aid) into the global aid architecture but also other innovative ways to make development aid work better (for example public – private partnerships – see Lawson, 2013). The development aid industry despite the dismal results is experiencing high level public support and donations and therefore begs the fear that full disclosure (of aid failures) will do the industry in.

1.6 Full disclosure, agencies’ collaboration and the future of aid

As already noted above, it is not that aid bureaucrats are intuitively bad, however the disincentive to come public with aid failures is ostensibly rooted in some good intentions namely: to protect the soul of foreign aid, an intervention, widely claimed as having great potentials and goodwill to ensure economic growth, deal with global poverty, diseases, social and all other forms of inequalities as well as other global threats such as terrorism and depletion of the environment (Burnside & Dollar, 2000; Carol, 2002; UN 2002; Sachs, 2005; Bandyopadhyay et al, 2009; UN, 2010; UNDP, 2011). However, as thoroughly demonstrated herein, such a condition (aid funds drying up) is nearly inconceivable given the consistent growing volumes of development aid and the inexhaustible fund of public support the development assistance industry is enjoying against the backdrop of growing rate of global poverty, hunger and diseases in Africa and several parts of the world. Indeed as noted by Easterly, “the problem of world poverty will not go away anytime soon” (Easterly, 2002; 32). In fact,

“a new geography of poverty is [even] emerging, in which middle-income and emerging countries are increasingly prominent” (Tomasi, 2014: 6). Which means that rich countries will for quite a long time be required to pump more and more money and other resources into foreign aid. Accordingly, in spite of the scathing criticisms against and continuous failure of foreign aid (since Bauer’s 1972 “*Dissent on Development*”), there is a “high probability that both the aid industry and individual agencies will survive indefinitely” (Easterly, 2002; 32). In effect, the fear that an all-out war of negative advertising would likely lead the public to form negative images of foreign aid becomes void. Clearly, aid agencies and bureaucrats risk nothing in the event of full disclosure or peer criticisms perhaps except one thing: the benefits of such an exercise. As noted earlier, the essentials of the success of any activity inter alia are feedback, collaboration of similar efforts and information sharing which are rooted in learning by doing and are sequel to **only** critical (peer) evaluation and collaboration, full disclosure, admission of failures and honest acceptance of faults. By suppressing full and balanced disclosure of projects’ information, collaborative efforts and peer reviews, aid agencies are irredeemably denying the industry of a beneficent opportunity to learn from their colleagues, failed past projects and experiences and other critically useful information. It is therefore in the interest of the aid community to open up, collaborate among themselves and encourage peer reviews (since one aid agency knows more about bad performance of another agency than outside evaluators). This will lead to finding not only mistakes, but also things that work and redirection of more resources into doing more of those things to achieve incremental progress. Aid agencies must appreciate that whilst they aim at success, failures are also inevitable – development comes about as a result of a sequence of trials and errors, followed by revised trials and reliance on past experience. Therefore negative evaluation of project in itself is not necessarily bad, it’s a learning opportunity– it helps not only one agency but also the other several agencies to better understand the challenges and opportunities in their terrains of operation, learn what **not** to do and also the best ways to do what ought to be done. Peer review would allow for repeated interactions, build network and trust among aid bureaucrats and lead to information sharing (Easterly, 2006). Helping the poor today requires learning from past efforts. Therefore, if the aid community are really mindful of helping poor people, then they must face the unpleasant (albeit harmless) reality of self and peer criticisms, collaboration and full disclosure of failed interventions and past aid projects. Otherwise, they are bound to repeat the more-than-five decades-old cycle of idealism, high expectations and disappointing results (Ibid.). The writing of memoirs on why some interventions did not work by retired aid professionals is admirable but unfortunately, such good works do not retroactively correct the hitherto avoidable damages already done.

It seems the real bases of the support for foreign aid lay in humanitarian and egalitarian concerns in the donor countries (Lumsdaine, 1993; Riddell, 2007) and these motivations appear too strong enough to be easily wrestled down by negative news about aid – the consistent support and outpouring of huge sums of money and other resources into foreign aid for more than five decades evidence this. Whilst foreign aid is clearly failing to achieve the intended results, it seems what is high on the minds of the benefactors is not cutting the supply but finding ways to make it more effective – “**the big push**”. As humbly conceded by one aid critic, “the foreign aid establishment has won the battle for the hearts, minds, and wallets of Western taxpayers. Peter Bauer’s prescient warnings and 50 years of evidence notwithstanding, the West is about to spend another trillion dollars on foreign aid in the next couple of decades” (Shleifer, 2009:388). So why the aid community must become petrified?

1.7 Conclusion

For the past five decades, more than 2.3 trillion dollars have been spent on foreign, yet no significant economic growth and poverty reduction have occasioned in poor countries – in some cases poverty has rather increased. For fear of bleeding away public support for foreign aid, aid agencies suppress self and peer criticisms, feedback and information on failed projects, they coordinate less and try to always present a convincing portrait of the industry that aid is working. However, the failure to achieve economic growth and poverty reduction with more than 2.3 trillion dollars in more than five decades indelibly evidences that aid is not working. Contrary to the aid community’s fear that reported failures of foreign aid may cause aid funds to dry up, more and more funds and donors are coming into the foreign aid establishment despite the clearly dismal results. The future of foreign aid seems firmly secured in view of the fact that combating global risks like terrorism, negative impacts of climate change and the achievement of the Millennium Development Goals are inextricably tied to “the big push” – more foreign aid. Thus, the foreign aid establishment has clearly won the battle for the hearts, minds, and wallets of Western taxpayers and nothing shows that aid funds will dry up anytime soon. Rather, the West shall surely spend more trillions of dollars on foreign aid in the next couple of decades.

The OECD – DAC have a peer review mechanism which provides a coordinative setting where member governments compare policy experiences, seek answers to common problems and identify good practices in respect of their domestic and international policies (OECD – DAC, 2008). It will be very helpful if this idea of peer review was extended to reviewing their various individual interventions and projects on the field – in poor countries so that as they work in similar fields and contexts, they can share results, acquired terrain knowledge and experiences to better understand the challenges and opportunities in their various terrains of

operation. Aid agencies must open up, seek more avenues for international collaboration and information sharing, encourage peer reviews and criticisms, full disclosure of information including those on failed projects to allow for better learning, information sharing, learning from past experiences and peers. This may save foreign aid agencies of their rather unenviable reputation of repeating more-than-five-decades-old cycle of idealism, high expectations, and disappointing results with more than 2.3 trillion dollars.

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