

The morally defensible allocation of foreign aid: How to assist developing countries while enhancing self-sufficiency, agency, and improved power structures

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Introduction

Recent discussions about development aid have unveiled numerous shortcomings and unintended consequences of assistance to poor countries. Aid's critics, such as Dambisa Moyo, Roger Riddell, and Homi Kharas, lambaste the scholars who promote current methods of assistance as a solution to poverty elimination. They recommend that aid be drastically reformed or abandoned entirely, in favor of foreign direct investment (FDI), increased trade, and other practices that might mitigate the dependency and government corruption that afflict recipients.

However, the questions of the morality and effectiveness of aid are complicated ones. In fact, an additional camp has emerged that aims to wrestle with the intricacies of assistance. This camp includes Paul Collier (2007), who identifies the various 'traps' that perpetuate poverty. It also includes Banerjee and Duflo (2011), who believe 'randomized control trials' could alleviate destitution in developing countries.

Who amongst these scholars is correct? To answer this question we must assess whether the allocation of aid is defensible in the first place. This requires a review of literature about justice. Should a country's conception of justice extend to

its compatriots or all individuals across the world? If all persons are included in its justice scheme, and wealth should be distributed amongst everyone regardless of their citizenship, then foreign aid might be considered part of the justice framework. If states limit redistribution to their countrymen as a matter of justice or for the elimination of inequalities among its citizens, then foreign aid donations – although a matter of charity or weak obligation -- might be viewed as incompatible with the idea of justice. Perhaps, however, there is a third concept of justice, one that respects the role of the state, but also recognizes the rights and capabilities of all humans. This third option could acknowledge the importance of development assistance to poor states, without denying the significance of a democratic state that promotes justice.

This paper addresses these questions by exploring whether foreign aid is morally defensible, and if so, under what circumstances. It starts by examining the origins, history, and objectives of aid before turning to the arguments put forward by critics and defenders of the practice. Then, it reviews the philosophical literature on wealth redistribution, foreign aid, and the role of the state and global communities in the provision of these resources. This discussion helps answer the question about whether aid is morally defensible. Finally, the paper discusses how the international community could facilitate aid donations in a way that counteracts criticisms.

Origins, history, and objectives of aid

During the colonial period, Western Europe made some efforts to transfer funds to poor countries, but international economic decisions were predominantly driven by the desire for state stability and export growth. Years later, in the 1950s, the United States' Marshall Plan (worth \$13 million) took center stage. It brought much prosperity to Europe following the Second World War, but its creation was still motivated by American interests, including the desire to mitigate the Soviet and indigenous communist threats.

Throughout the Cold War era (1950s-1970s), a divide emerged between containment of the Soviet Union and the modalities of aid itself. The US wanted to win the allegiance of states that had not demonstrated a firm commitment to either of the Cold War players. Western aid was about financing grandiose plans to facilitate economic growth of US allies.

The financial crisis of late 1970s and 1980s, and the political swing to the right that took place under the leadership of Ronald Reagan and Margaret Thatcher ushered in the Structural Adjustment Era of aid (1980s – mid 1990s). Aid levels dropped as recipients were encouraged to open their markets and embrace international and domestic trade. The Structural Adjustment Programs (SAPs) championed the liberal market economy.

The mid 1990s - present have witnessed radical shifts in the aid landscape and aid priorities. International organizations have recognized the largely negative consequences of shock therapies in Latin America, Russia, and East Asia.

Increasingly, the International Monetary Fund (IMF) and World Bank have been held directly accountable for crises. The world has witnessed a renewed focus upon conditionalities and poverty reduction as an end goal of foreign aid.

These conditionalities have dramatically altered the foreign aid scene. They are the conditions placed upon donors by recipients and they fall into one of three categories: *Conditions upon receipt* — namely, if you receive aid package X, you must perform policy change Y. (This is often used by organizations like the World Bank and IMF.) *Conditions for eligibility of receipt* — countries must meet certain criteria to become eligible for aid. *Conditions for performance* — countries are rewarded for what they have already done.

To many scholars, conditionalities constitute a new excuse to justify the continued application of a - still prominent - neoliberal agenda for political and economic reform in the developing world. They have pressured states to adopt institutions prematurely and focus on market enhancing governance rather than economic growth enhancing governance. Ha Joon Chang claims the push for these standards amounted to neo-imperialism; not all states can afford the expensive institutions championed by Western donors. Even in the developed countries, it took a long time to adopt all the specified institutions (2003). Furthermore, Adrian Leftwich claims the ‘good governance’ conditionality placed upon recipients eulogizes the minimal state. It fails to acknowledge that some governments in developing countries need to be strong enough to protect a competent bureaucracy and to craft effective development policy (1994).

By the early 2000's, an increasingly interconnected world had created new tensions in the distribution of aid. Donors began to focus more on micro-level development that could build businesses while promoting self-sufficiency, but they also wanted to help individuals reach Millennium Development Goals (MDGs). With this expansion of globalization, the traditional major aid donors tried to establish a clear focus upon growth and the alleviation of poverty at the individual level, even as new donors emerged with competing objectives and interests.

However, various setbacks have impeded donors' efforts in the 21st century. For example, donor states now have to consider security threats when designing and implementing aid programs. Furthermore, the financial crisis of 2008 constrained the capacity of Western donors. This accelerated the arrival of new aid participants from countries such as China, Saudi Arabia, and South Korea. It accentuated the increasing trend of South-South aid projects.

China, especially, has emerged as a prominent donor within Africa. Since 2000, annual trade with Africa has grown by 33%. In fact, China has become the continent's largest trading partner. It has created jobs and improved infrastructure across Africa but jeopardizes progress towards democracy in the region. Although China doesn't signal out authoritarian regimes or prefer to finance dictators, it has been accused of supplying arms in Darfur, stifling progress towards political freedom, undoing anti-corruption work of the IMF, and disregarding labor and environmental standards.

China is not alone among middle-income states that ignore conditionalities in favor of profit, strategic considerations, and access to raw materials. Iran provides

aid to Hezbollah, which has increased the Islamist militant group's influence. During the Cold War, the US and Soviets engaged in development activities that had severe environmental consequences in the Middle East.

The rise of these non-traditional donors, in conjunction with the emergence of new NGOs, private philanthropists, and remittances, has complicated foreign aid. Multiple donors have divergent priorities that produce volatility and fragmentation of initiatives. However, whether the West respects alternative donors or not, they will continue to play a role in aid's changing landscape.

The origin and history of aid have clearly laid the groundwork for complex assistance initiatives, complete with unexpected players. But what do contemporary development donors aspire to? Furthermore, what are the trends in Overseas Development Assistance among traditional donors? The UN General Assembly Resolution 2626 states,

Financial and technical assistance should be aimed exclusively at promoting the economic and social progress of developing countries and should not in any way be used by the developed countries to the detriment of the national sovereignty of recipient countries. Developed countries will provide, to the greatest extent possible, an increased flow of aid on a long-term and continuing basis.

If one examines total amounts given, it is easy to see that most developed countries have not donated "to the greatest extent possible" and that donations have varied largely by country. The US appears to provide generous donations, but Sweden, Norway, and Luxemburg give the most as a percentage of Gross National Income

(GNI.) Furthermore, the US and Britain's strategic interests largely determine the top aid recipients, which include Israel, Egypt, Afghanistan, Ethiopia, Vietnam, Palestine, and Tanzania. These countries continually receive large sums of foreign aid, even though there are many other countries mired in poverty.

Criticism of aid

There are several barriers that stand in the way of a truly effective foreign aid strategy. These obstacles are delineated by a number of scholars who believe that the system of foreign aid ought to be reformed or abandoned altogether. Dambisa Moyo (2010), a Zambian economist, belongs to the camp of aid scholars that desires to eliminate foreign aid. She highlights a number of reasons for this position, including aid's ability to foster corruption, exacerbate or cause economic challenges, and generate dependency within recipient states.

Some aid generates rampant corruption by supporting crooked leaders who negatively influence the development of essential institutions such as small businesses, the rule of law, and effective government. Accountable governments lay the foundation for development, but the influx of foreign aid props up corrupt administrations. For example, in the 1990s, Uganda's aid corruption was believed to be so prevalent that only 20 cents of every dollar reached primary schools in need of support. Government officials picked aid projects that would enable them invest in a group of small elites who possess mafia-like power, or to divert money into their pockets. Historically, they have also acquired a great deal of wealth from aid

schemes intended for infrastructure projects with unknown price tags. The only time that ‘positive’ corruption occurs is when stolen money gets reinvested back into the country instead of being placed in government officials’ bank accounts.

The corruption provoked by donor support has several other negative dimensions. It enables governments to violate the rule of law and the protection of civil liberties, making domestic and foreign investment unappealing. In turn, this inhibits economic growth and produces more poverty, which contributes to additional aid donations, perpetuating the cycle. Furthermore, aid foments conflict because the prospect of gaining power and wealth attracts a number of greedy competitors, desperate for the chance to control the donations.

Moyo also highlights four of the economic challenges faced by countries that receive aid. They include: [1] inflation, [2] fewer exports, [3] lower domestic saving and investment, and [4] a struggle to absorb large sums of money. When a country receives foreign aid, domestic savings rates decline; recipients want to spend money on consumer goods instead of saving the cash. Furthermore, the large influx of aid money leads to inflation and makes exports uncompetitive.

Finally, Moyo describes the dependency generated by aid. In some countries, aid makes up a huge portion of government expenditures. For example, in Senegal it constitutes up to 80%. This engenders indolence among policymakers, who no longer need to pursue tax revenue from constituents and the non-taxed who have little incentive to monitor how funds are spent. Furthermore, Moyo claims “the net result of aid-dependency is that instead of having a functioning Africa, managed by

Africans, for Africans, what is left is one where outsiders attempt to manage its destiny and call the shots."

Roger Riddell (2009) and Homi Kharas (2007) explore additional shortcomings of foreign aid, although they fall short of condemning it completely. One of their concerns is the volatility and fragmentation of aid giving. Riddell claims that aid giving is unpredictable. Recipients have limited knowledge of how much they will receive from year to year and donors are not penalized for failure to honor their pledges.

Riddell also says that there has been an enormous increase in the number of donors in recent years, contributing to fragmentation of missions and initiatives. Kharas supports this argument, affirming that many NGOs and new donor countries have emerged, especially from countries in the Global South, such as China, Thailand, Korea, and Brazil. The changing landscape contributes to a growing coordination problem.

The two scholars also call the efficacy of aid donations into question. Although aid has generated economic improvements in some countries, such as Botswana and Taiwan, Riddell says around 15% of official aid projects fail to reach their goals and at least 30% fail to become sustainable. Kharas asserts that only half of development assistance actually reaches its intended beneficiaries. When donors are questioned about project effectiveness, they produce overwhelmingly positive – and sometimes inaccurate – project evaluation reports. This diverts attention away from the ways in which aid could be improved upon. "If aid leaders believe there is a

moral reason to provide aid, then they should focus attention not on advocating its effectiveness, but on addressing its systemic problems," Kharas says.

Each of the scholars condemns some of aid's additional weaknesses. Riddell laments the role that donors' political interests play in the provision of aid. For example, during the Cold War era, US aid donations were given in ways that contained the Soviet threat. More recently, the US donated significant funds to the Middle East; in 2010, US aid to Pakistan rose 126%, presumably to support strategic military actions. Thomas Pogge echoes Riddell's concern. It is understandable that politicians and diplomats protect and represent the preferences of their countrymen, but this practice should have limits. Representatives "should not impose global rules under which we have unfair advantages that add millions of poverty deaths in the developing world" (2003).

Kharas' final grievance deals with the development that might be achieved in aid's absence. He says the process of development is largely driven by existing political and economic circumstances and the commitment to improvement within receiving countries. Some donors fail to understand that ample preparation and commitment to growth within a recipient country will generate the best recipe for success. Outside templates do not always improve the recipient country's internal functioning.

These complaints are not targeted exclusively at Western donors. In recent years, China has become a major donor of aid to Africa. In fact, since 2000, Chinese aid has accounted for 10% of Africa's foreign aid donations. Some scholars, such as Deborah Brautigam, claim China's aid program lacks transparency and is poorly

understood by outside observers. Chinese aid has empowered undemocratic regimes in order to secure resource access for Chinese companies. The aid is fungible, so governments can determine how to spend funds, even if the money fails to reach the people.

In their working paper, *Chinese Aid and Africa's Pariah States*, Roudabeh Kishi and Clionadh Raleigh find that Chinese financial assistance is linked to increased political violence among African states. They state, "If the state has complete control over its budget, it will use its position to bolster its capacity to repress any potential opposition in order to secure its position." Although one cannot absolve Western donors of missteps made in development strategies, this particular trend is not observed among Western donors, who attach conditionalities to their provisions.

Defense of Aid

There are fewer defenders of aid, but Jeffery Sachs is the preeminent advocate in the development community. Sachs argues that additional aid from prosperous countries could solve the crisis of extreme poverty and advance US national security interests. Aid overcomes binding resource constraints and if enough is given, it can help more people climb the ladder of development. By sharing the vast wealth of the developed world, "our generation could mobilize our capacities in the coming twenty years to eliminate the extreme poverty." (2005)

In his book, *The End of Poverty*, Sachs places little emphasis on the political structures of poor countries. Instead, he argues "Africa's governance is poor because

Africa is poor." At the time the book was written in 2006, he said India and China served as examples of poverty elimination. Over the last several decades, China has brought 300 million people out of extreme poverty, and it has done so with the growing assistance of aid. In fact, China has become both a recipient and donor of aid in recent years.

Paul Collier (2008) has a more nuanced approach, and says both critics and fervent supporters of official aid have exaggerated their assertions and distorted the empirical and historical accounts. Still, over the last 30 years, official assistance has helped increase GDP growth among the world's most impoverished by roughly 1% per year. Therefore, we can't disregard its importance in lifting the bottom billion out of poverty.

Banerjee and Duflo (2011) also take an optimistic, but cautious, approach to aid. They argue that the use of 'randomized control trials' (RCTs) could help create effectual and specific aid programs in the fight against poverty and underdevelopment. Although traditionally implemented in the health field, RCTs have become increasingly common in economic development research. In the future, they could become a valuable source of evidence, if the accompanying ethical issues – such as informed consent and protection of privacy - are addressed.

Review of philosophical literature on foreign aid

Mathias Risse, a Professor of Philosophy and Public Policy at the Harvard Kennedy School, believes that all individuals possess a good that warrants respect.

Consequently, distributive justice should not be limited to those with whom we share state borders. He engages more deeply with this debate by outlining Peter Singer's concept of justice. Risse (2012) describes Peter Singer's argument in seven steps:

- 1) Suffering and death from lack of food, shelter, medical care is very bad*
- 2) If it is in one's power to prevent something very bad from happening, without thereby sacrificing anything of comparable moral significance, one ought to do it*
- 3) So, it is in one's power to prevent such suffering and death without sacrificing anything of comparable moral significance, one ought, morally, to do it*
- 4) It is in one's power to donate one's discretionary income to charities*
- 5) Donating discretionary income to charities will prevent suffering and death from occurring due to lack of food, shelter, and medical care*
- 6) By donating (most of) one's discretionary income, one would not be sacrificing anything of comparable moral significance*
- 7) So one ought to donate (most of) one's discretionary income*

Singer's argument suggests that people who have more than they need should forfeit their extra income so others can enjoy an adequate standard of living. Risse sees the validity in this argument, but understands why some might disagree with the 5th and 6th premises. Under these premises, wealthier individuals would have to make sacrifices for all individuals, not just their compatriots or family members. Their financial obligations would extend to distant foreigners.

Thomas Pogge's views on the relationship between justice and foreign aid are even more demanding. Affluent people and countries have "positive moral duties" to help the impoverished and "negative duties" to lessen severe problems they have caused. Furthermore, they "should not take advantage of injustice at the expense of its victims." They must accept these duties because they have constructed a global order that promotes the interests of the rich at the expense of the poor. In order to rectify their wrongs, the rich must provide reparations for the poor. If the prosperous peoples of the world do not do this, they worsen the lives of the poor. "We are not 'redistributing' from the rich to the poor," he says, "but offsetting an unjust institutional redistribution from the poor to the rich — *re-redistributing*, if you like."

Anna Stilz explains that cosmopolitans (like Pogge) orient their focus towards those who have less, regardless of nationality. Although they do not all discuss Pogge's intention of *re-redistributing*, cosmopolitans maintain, "special obligations of citizenship are fundamentally incompatible with a liberal theory of justice." They believe that the particularity assumption – which asserts that people have particular obligations to their states – is not defensible and should be abandoned. There should be no special moral significance placed either upon a citizen's attachment to a certain nation or to her institutional relationships with fellow countrymen.

Cosmopolitans' main concern is the fact that freedom and equality should extend to all humanity, not just those born into privileged states. Individuals, rather than states or organizations, have rights, including political, economic, and civil

rights. These rights are not special, nor do they apply exclusively to those who are born into prosperous states. They apply to all persons, regardless of citizenship. Therefore, state boundaries should not limit justice to the chosen few.

Joseph Carens and Martha Nussbaum expand upon this position in an attempt to highlight the parallels between citizenship and feudal privilege of pre-modern times. “Why should we think of people from China as our fellows the minute they dwell in a certain place, namely the United States, but not when they dwell in a certain other place, namely China?” Nussbaum asks. She wonders what power the national boundary has to transform fellow humans from those to whom we owe nothing to those whom we are obligated to respect.

This critique of citizenship extends to the current state-centric systems of distributive justice. The cosmopolitans believe that prioritizing the compatriots when it comes to the provision of wealth and public goods suggests a “patriotic bias” (Stilz, 2009). It distinguishes between persons unfairly and on the basis of state affiliation. After all, our compatriots are not more deserving of redistributed wealth than poor foreigners. Gomberg (1990) claims “such favoritism is, from a universalist standpoint, no better than racism.”

Nussbaum advocates the “capabilities approach”, which focuses on the rights, dignities, and capabilities of all people. If human beings are more or less equal in power and capacity, as liberals claim, then it is arbitrary for some to be given vastly greater authority and opportunity than others. This “capabilities approach” has influenced policy decisions in international development. It also contributed to the formation of the UNDP's Human Development Index, a measure of well-being that

considers a number of development and well-being indicators not captured by GDP and GNP.

If it is important to protect and promote human capabilities on a global scale, as Nussbaum argues, then affluent nations have a duty to donate a portion of their wealth to impoverished countries. In her opinion, a respect for human dignity requires significant redistribution on a global scale. Rich nations are capable of allocating a large percent of their GDP - as high as 2% - to foreign aid. "The precise figure is debatable," she argues. "The general principle is not."

Anna Stilz challenges the proponents of foreign aid. She argues that we have civic responsibilities to our state if it is satisfactorily just and if it constitutionally protects justice. She also believes that cultural characteristics, geography, and a shared language do not warrant our allegiance to a state, as the liberal nationalists suggest. Liberal nationalists believe that national identity explains why obligations of redistributive justice involve compatriots, and not all human beings, but Stilz maintains that a democratic state guarantees justice by protecting equality and freedoms, and that in turn, its citizens have a moral obligation to their compatriots.

Stilz is correct to acknowledge the importance of states in the current global order. They are the way by which peoples currently organize themselves and they will not dissolve in the foreseeable future. Furthermore, democratic states protect the equality and freedom of their citizens. States that cannot protect the equality and freedom of their citizens might turn to these states for assistance. The point of contention is whether these wealthier democratic states have some moral

obligation to those suffering outside state boundaries. This brings us to Rawls and Nussbaum's viewpoints on the global redistribution of wealth.

One might argue that Rawls' original position could be applied to the global order to develop a more equitable redistribution of wealth. However, Rawls' original position assumes a domestic basic structure removed from outside forces; each state that goes behind the veil of ignorance is expected to be self-sufficient. Furthermore, applying Rawls' approach to an international framework would violate his assumption that contributors are rough equals seeking mutual advantage.

Consequently, Rawls' original position places serious restrictions upon economic redistribution. It limits redistribution to within nations, rather than among foreign, economically unequal populations. He does accept limited assistance to those who are extremely deprived, but does not endorse democratic help. By assuming the fixed nature of these states, Rawls prevents any serious examination of power imbalances amongst nations. This places a serious limitation on his argument, as states do not operate in self-sufficient vacuums. Poor states depend on financial support from private and public donors.

Rawls' principle of assistance overcomes some of the limitations of his original position. This principle states that the impoverished should receive assistance until they can care for themselves and develop well-ordered societies. Rawls hopes to achieve a peaceful and stable international order, where liberal states can intervene in tyrannical situations abroad. He wants to promote human rights, and empower the struggling countries until they become self-reliant. For

Rawls, justice's primary duty is to give political communities the opportunity to realize self-sufficiency and equality for all, but he accepts decent hierarchies in which some people are second-class citizens.

David Crocker (2009) also says that foreign aid should be encouraged. Wealthier countries can and should do something to assist the hungry and impoverished. Their support is essential until countries gain the ability to provide for and protect their citizens.

Rawls' defense of foreign aid, and his ability to reconcile the competing viewpoints, demonstrate the conditions under which aid initiatives are morally defensible. However, he only tackles some of the criticisms against foreign aid programs. The appropriate foreign aid initiatives will also need to address the practical problems associated with assistance. These solutions will not always be straightforward or universally applicable.

The way forward

Rawls and Crocker's arguments reconcile competing viewpoints on foreign aid and help establish the idea that aid is morally defensible. Even so, various critics target the real-world aspects of aid initiatives including "how" and "when" it should be distributed. To overcome some of these criticisms, Nussbaum and Forst advocate aid schemes that could promote the poor's agency while facilitating the restructuring power imbalances.

The Haitian earthquake in January 2010 illuminates some of the common criticism of foreign aid. In this circumstance, various factions of the humanitarian community overlooked Haitians' ability to manage the assistance received. Locals were "treated as passive onlookers as the experts determined...what they should do in times of crises," said the World Disasters Report (Whiting, 2011). Media attention focused on the extensive international search and rescue teams rather than efforts of local community members and their pleas for integration into the relief process. According to Philip Tamminga, one of the authors of the World Disasters Report, the humanitarian organizations failed to train local authorities to handle environmental disasters. "It's disempowering," and makes "the need for international interventions even more acute," Tamminga said (Whiting, 2011).

This failure to include Haitians in relief efforts kept the aid recipients in a permanent state of victimhood and reliance. According to the former Iranian diplomat Majid Rahnema, it is never constructive to assume that locals are incapable of helping themselves. "The infantilization of the deprived population is the primary reason why development activities do not take root in the life of communities," he said (Smillie, 2001).

The disempowerment of the poor and the failure to advance their agency has pervaded humanitarian missions in Africa, as well. In some situations, NGOs prioritize the fulfillment of their missions over the empowerment of those they serve. One example is the humanitarian response to the crisis in Somalia. After the Siad Barre regime fell in the early 1990s, the political atmosphere worsened, prompting many international humanitarian organizations to withdraw from the

country. The remaining NGOs demonstrated a blind commitment to their missions and failed to build connections with existing local networks and relief organizations (Smock, 2006).

The lessons to be gleaned from these experiences echo many of the criticisms already made against aid. Moyo laments the dependency of developing nations upon Western aid. Nussbaum acknowledges that the poor often lack control over development processes. Aid must reinvent itself if it is to empower the recipients and provide them with the resources needed to fulfill their human capabilities.

The initial step towards this goal would require the international community to provide enough resources to meet the poor's basic needs. These include the goods needed to live a good and decent life, as previously delineated by Nussbaum. All humans deserve to live dignified lives that support their inherent value and capabilities. By providing wealth through foreign aid projects that promote agency, the wealthy could begin to meet everyone's basic needs. Aid initiatives that foster the autonomy of individual citizens can be tested through RCTs and micro-level aid programs.

For example, over 100 million people across the globe have received microloans, thanks to donations from foreign aid agencies and "social investors." The lending of small amounts of money to the poor allows them to start their own businesses. This approach represents a departure from dependency generating aid projects. It also provides the poor with opportunities to exercise agency. While some studies suggest that microloans have not had a profound impact on poverty reduction, they have still generated a number of microbusiness start-ups. In time,

these start ups could grow and create new jobs for the impoverished. Whether that happens or not will be the subject of many future RCTs.

Micro-franchises constitute another example of foreign aid initiatives that promote agency. These scaled-down franchises facilitate the sale of products inexpensive enough to be purchased by low-income customers in developing countries. Sometimes these products are nonessential, such as make-up, perfume, or toiletries, but they can also be health products, such as medicine, mosquito nets, or nutritious foods. While opening and operating micro-franchise initiatives is relatively inexpensive, they still require some support from foreign donors. The HealthStore Foundation model in Kenya required roughly \$1 million to open its doors and begin operation. Since opening in 2000, it has created jobs while providing Kenyans with access to important medicines.

To promote these microloan and micro-franchise initiatives alone would not be enough because they do not fully acknowledge the poor's struggle with actual and historical injustice. They fail to address the challenges of exploitation and oppression in countries with unrepresentative governments. Therefore, any micro-franchise schemes must empower citizens, rather than violent, greedy, or unjust dictators.

It is essential that aid recipients have the opportunity to exercise the agency – nationally, regionally, and locally - needed to determine their own paths toward development. They must have the ability to democratically elect leaders and they must have opportunities to confer with humanitarian aid workers in the field. The question of the distribution of power is essential to proper development strategies.

According to Rainer Forst (2012), power is the “most basic of all goods: a metagood of political and social justice. If you don’t change the power system, you don’t really change a situation of injustice.” Mitigating injustice through global wealth redistribution policies accomplishes an important goal, but it does not comprise the entirety of an adequate development scheme. Ultimately, the world does not need aid recipients to remain passive recipients; it needs them to become empowered citizens who can make their own political and economic choices. Stilz (2009) reinforces this claim when she argues that foreign powers have a duty to emancipate people who are not politically free. All governments must grant citizens equal rights and democratic participation for subjects to acquire “genuine political obligations.”

South Korea embodies one example of a democratic country that used foreign aid to direct its development process. The democratically elected government oversaw the process of transformation and made a commitment to becoming an economic powerhouse. Country leaders promoted self-supporting economic development and Korea eventually emerged as a prominent donor country with the 13th largest economy in the world (Kim, 2011).

The redistribution of power and the development of aid projects that support the poor’s capabilities can be combined with a third strategy for development: increased foreign direct investment and trade. Encouraging trade between impoverished countries and overseas markets, if done in the right way, will contribute to long-term growth and human development. Regional Export Councils have an important role to play in these pro-poor trade policies. Members who have

already achieved economic security often understand the importance of trade strategies that benefit the impoverished (Crocker, 2009). Furthermore, Moyo maintains that African countries can increase economic growth through foreign direct investment (FDI). Numerous investment opportunities, raw materials, and cheap labor should attract investors from abroad, but extensive bureaucratic and monitoring restrictions, coupled with inadequate infrastructure, make business opportunities appear less attractive. Improved FDI would require African government leaders to develop legal and regulatory systems that encourage business. These improvements could harness an important tool for encouraging the pro-poor and pro-democratic economic growth that has been ignored by Moyo.

It is crucial to ensure that this FDI does not enhance the dictatorial power structures in some African nations. Many scholars have accused Chinese investments of propping up tyrannical African leaders, such as Robert Mugabe, who has ruled Zimbabwe since 1987. Such investments would undermine Forst's prescription for the just distribution of power and must be avoided.

Conclusion

There is a great deal of evidence to reinforce claims made by foreign aid's vociferous critics. These opponents highlight aid's ability to erode self-sufficiency in developing countries. They cite the pernicious corruption that ensues when aid falls into the hands of repressive dictators.

Yet at the same time, many scholars acknowledge that prosperous nations cannot sit idly by while so many people across the globe endure abject poverty. These scholars – both economists and philosophers – recognize an obligation to support poor states until they can become self-sufficient and just. They understand that it is hard to ignore billions of people living on less than \$2.50/day (Shah, 2013).

How then, can aid's overwhelming problems be reconciled with the inherent justice in working cooperatively to meet people's needs, regardless of their birthplace? Firstly, aid initiatives must simultaneously foster recipients' self-sufficiency and agency. This can be achieved through micro-credit and micro-franchise programs that enable recipients to start their own businesses and earn their own incomes. It can also be achieved by allowing - and sometimes helping - locals play a role in their development processes. The disempowerment of Haitians following the January 2010 earthquake speaks to the importance of this objective.

This approach must be supplemented with the redistribution of power. It is imperative that countries with corrupt and tyrannical regimes reform the economic and political structures that shape their current reality. People can only realize their inherent dignity if they have a voice in how the government functions and in the formation of the laws under which they live.

Finally, countries can develop legal and regulatory structures that encourage FDI and trade that benefit agency-oriented development. Increased investment and improved export sectors could help generate pro-poor growth while supporting economic independence. According to Dani Rodrik (2008), this can be achieved by sustaining an exchange rate that makes export-oriented, tradable sectors profitable.

As long as the new money does not entrench the power of corrupt dictators, these macro-level practices can transform the less-wealthy countries into formidable players in the international market.

These prescriptions alone are unlikely to end extreme poverty. International organizations must continue to tailor different aid and development schemes to different countries. The poor deserve to have their rights, dignities, and capabilities recognized and upheld. They deserve power structures that facilitate their economic and political involvement. Hopefully, there will come a day when these needs are met, but until then, carefully planned aid and development programs will have to tackle global inequalities.

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