

Jean-Pierre

WR 13100

Professor Clauss

December 10, 2012

Situation: As a person who has lived in a developing country (Haiti) for 16 years and who has been exposed to the effects of foreign aid, I am writing a speech that will be delivered before the student body of the University of Notre Dame, as these students are mainly strong supporters of foreign aid to developing countries. Aid is too often perceived as a mean to alleviate poverty and to spur development. However, aid is often subject to corruption, used inappropriately, and even worsens the receiving country's conditions. I am delivering this speech to inform my audience of many of the consequences of bad aid; that is, aid which hurts a country instead of helping, for not being sustainable, for hurting a country's economy, for associating a pitiful image to a country, and for burdening democracy. I wish to make my audience realize that not all aid is beneficial to developing countries and that the ultimate goal of aid must be the providing of means to a country to become self-sustainable.

Aiding the Needy or Aiding to Boost One's Feeling of Self-Fulfillment?

My fellow friends and classmates, my name is Jean-Pierre Vertil. I am a freshman at the University of Notre Dame from Port-au-Prince, Haiti. Through my upbringing, I have witnessed and in some instances I have lived the impacts of poverty. It is thus a blessing to now be one of yours; a community which is deeply concerned for the wellbeing of its neighbors. Furthermore, I have also seen the impacts of aid which is, for the most part, based on the goodwill of caring men and women like yourselves.

On this note, I must mention that our world is indeed interdependent, that we are indeed our brothers' keepers, and in many cases, we indeed have a moral obligation to help the less fortunate... But to what extent? Or at least, what are the appropriate means to respond to our call of living in a global community? Additionally, does a feeling of self-fulfillment emanating from a charitable act justify the means? When is aid beneficial to a receiving country? Better yet, when is aid counterproductive to its intended purpose? 4.6 trillion dollars in aid have been

donated to developing countries from 1960 to 2008, yet, little to no progress has been seen (Easterly). I will analyze different types of aid and differentiate situations in which they are effective, to situations in which they are worsening the conditions they are set to improve. It is our duty, as citizens of the world, to be aware of the impact of aid in a given context, and thereby make informed and responsible decisions concerning aid. Finally, I will suggest some possible paths that can be taken to generate development and to make better use of the international community and its resources.

Before going any further, let us first identify the different categories of aid. Author and economist Dambisa Moyo suggests that there are three basic types of aid. The first one is Humanitarian or Emergency Aid, which corresponds to the providing of humanitarian assistance at the wake of catastrophic and natural disasters such as an earthquake, a tsunami or a hurricane. As a survivor of a drastic earthquake in Haiti in 2010, I can confirm that the fundamental value of Emergency Aid is to save lives that would otherwise be lost, and therefore requires our attention and contribution. The second type of aid is Charitable Aid, which is offered by institutions to non-governmental organizations or directly to the people. Finally, the third type of aid is Systematic Aid, which is offered to a country's government through another government or through an international financial institution such as the World Bank (Moyo *Dead 7*). Both Charitable and Systematic Aid present aspects that either do not have a meaningful impact on the targeted country's development, or worsen the situation which they are meant to improve.

In the case of Charitable Aid, the outcome is often insignificant. This is due to the fact that charitable organizations mostly target the symptoms instead of the causes of a country's struggles. Consider the example of TOMS, a company that sells shoes under the policy of providing a pair of shoe to a poor child in a developing country for each pair of shoe that the

company sells (Stupart). While TOMS' policy may seem to be helping those in need, this is possibly true only on an individual basis; that is, for the specific child to whom the company provides a shoe—one that will be outworn after a few months from its donation time. In this case, the lack of shoes is a symptom of poverty, not its cause. Symptoms can be considered as a superficial aspects of an issue. Until matters are fought against at their fundamental roots, development will never take place and symptoms of other forms will emerge.

In addition to exhibiting limited impact, Charitable Aid often destabilizes or worsens a country's economy. A popular example of this fact is the donation of used clothes. We are often called to believe that those living in third world countries are in need of clothes and that donating our old and presentable wardrobe will have a positive impact on these countries. Once at destination, these clothes are sold or given to locals, who in return sell them for low prices. Although a few people are able to earn a living from selling donated clothes, many more in the textile industry lose their jobs, considering the fact that the prices of these donated goods are lower than those produced locally. In Africa, the importing of used clothing has accounted for a 40% decline in production and a 50% decline in employment over the period 1981-2000 (Frazer). Although the idea of donating goods to a disadvantaged country may be a noble one, the fact of the matter is that it not only fails to meet its purpose, but also distorts the receiving country's economy. Understandably, donated goods do not incentivize investment; rather, they send a signal to investors that the market in which these goods are present will not be profitable.

The final type of aid we will consider is Systematic Aid, the type of aid provided in large sums to governments. Systematic Aid often has ambitious goals such as helping third world countries develop and generate economic growth; however, this type of aid has proven to be the least effective and in many cases, similar to Charitable Aid, distorts the economy of the country

and the livelihood of the people it intends to help. The following reasons all contribute to the ineffectiveness of Systematic Aid:

The first factor that impedes the expected impact of Systematic aid is the corruption that paralyzes the good functioning of developing countries. Corrupted officials use donated funds for their personal benefit (Schudel, 507). Even if corruption is not an issue, developing countries often have poor infrastructures that impede the delivery of aid. As President Clinton mentioned in a Ted Conference, “Incapacity is a far bigger problem in poor countries than corruption...and feeds corruption” (Clinton). This is to say that ultimately, corruption and bad infrastructures are closely related; that is, a corrupted government will not seek to ameliorate its bureaucracies pertaining to the distribution of aid, nor will such a government provide the necessary assistance to organizations deploying aid. On this note, President Clinton also remarked, “The money is there to reach others, but the systems are not there to reach the people”(Clinton). Is it not dishonest to supply aid to a country whose government will either abuse of the funds or provide no means for the aid to reach the people?

As explained by economist Dambisa Moyo, Systematic Aid is often a threat to a country’s democracy (Moyo “Why”). Understand that it is a government’s responsibility to ensure the wellbeing of its citizens by providing public goods such as education, health care, electricity and national security. However, developing countries’ governments identify outside sources of aid as godparents or sponsors to their population and do not engage in significant efforts to fulfill their responsibilities. Moyo also explains the concept of representation through taxation. Developing countries receiving aid have no need to tax their citizens, since the necessary funds are provided by the international community. When public goods are provided to a country by external sources, and when this country’s government consequently fails to tax

its citizens, this body of policy making and enforcing is not held accountable to the livelihood of its people. Being free of taxes is synonymous to not owing to one's government, which in return does not consider itself obliged to better its people's living conditions and the country's general development. Since governments under the aid model are not the providers of public goods, what are their citizens' incentives to make use of their voting rights?

Note that the abuse of power also incites civil unrest. Because of the incessant aid that developing countries' governments receive, many individuals seek to attain high political positions which they refuse to forgo at the end of their terms. The reaction of the population of such countries ultimately results in coups d'Etat, which are removals of governments by force; instances of coups have been observed in Guinea Bissau, Mauritania and Madagascar (all users of the aid model) in 2010 (Moyo "Stop"). Providing incentives for corrupted politicians to reach and maintain their leadership positions at the expense of the lives of their subordinates, is certainly not a just mean for the advancement of a country.

So far, we have covered different characteristics of the aid model that obstruct this system from being effective, including the fact that its impact is often meaningless, that it distorts the grantee's economy and that it calls for political unrest by defeating the true concept of democracy. We will now discuss a factor that is often neglected when evaluating the aid model: the roots of its humanitarian aspect. We all cherish freedom and dignity. It is under these premises that the history of humanity unfolded and progresses. Likewise, many battles, wars, and revolutions have been lead to abolish slavery around the world, to grant freedom to countries under the occupation of higher powers, to end apartheid, the Holocaust and other forms of discrimination. These events all had the common goal of valuing human beings by allowing them to reach a state in which they could encounter respect and the freedom to lead lives that

make proof of human dignity. We must recognize that the general intention of aid is also to improve the livelihoods of the less fortunate; however, the outcomes often achieve the contrary.

In order to generate funds, charitable institutions put the emphasis on poverty by portraying inhabitants of developing countries as beings living in pitiful and shameful conditions, at the point of dehumanizing these individuals (Burt). Such institutions offer a misconceived image of developing countries and their people, an act that can be considered as a lack of respect and consideration for the dignity of these human beings. Citizens of developing countries now symbolize malaria, poverty, corruption, conflicts and many other vices. Consequently, we often allow our emotions to guide our actions, which results in the deployment of large sums of money to only address the symptoms of a country's fundamental issues.

Allow me to reiterate that I am not advancing the abandonment of developing countries, nor am I advocating the abolishment of aid; I do recognize that third world countries, including my homeland of Haiti, will not achieve development without the support and assistance of the international community. It is the means of providing this assistance that makes the difference between a good or a bad impact. I do recognize that the banishment of the current aid model is only theoretical, considering the fact that it has yet to be implemented; however, the current aid model, which has received worldwide support and funding in the past decades, has drastically failed. Continuing to lead a fight on the road to regression is a manifestation of insanity. I also recognize that millions of lives have been saved through aid, such as providing drugs to fight life-threatening diseases; the fact of the matter is that the current aid model fails to provide the means to poor countries' governments to independently respond to their responsibility in future years (Moyo "Stop"). What, then, are better options than Charitable and Systematic Aid? An easy guideline is the following: Seek to know a country's resources and its people's skills and use

them in the country's favor. In this manner, a possible path is the introduction of sustainable projects; that is, projects that not only benefit people at the time which they are instituted, but also have the ability to grow in the long run under the leadership of the grantee.

A second option to consider is the creation of employment. As you know, a country's economy is often evaluated by its rate of unemployment; hence the fierce debates over the unemployment rates during the last presidential elections in the United States. Similarly, employment is sought after and is significant in the advancement of developing countries. Instead of distributing goods, foreign companies could invest in the country that they wish to help. For instance, TOMS, the shoe-making company, would have a much greater impact on the generation of economic growth in poor countries if the company established its production factories in these countries instead of solely distributing shoes to children.

Employment provides one with the means to afford healthcare, to offer an education to his or her children, and to earn a respectable living—one of human dignity. Take the words of economist and Finance Minister of Nigeria, Ngozi Okonjo-Iweala: “The best way to help Africans today is by helping them stand on their own feet, and the best way to that is by creating jobs” (Okonjo-Iweala). Job creation is especially important in developing countries since the largest portion of their population is young (Lam); this implies that they have a large workforce in need of employment. I urge you to thus consider a third alternative to the aid model, which is the practicing of trade between developing countries and the international community. Trade encourages national production and thereby incentivizes investment, which directly correlates to the creation of jobs. The energy and the efforts utilized to convince the world that poor countries need a form of monetary or goods donation on their part, could be used to develop relationships

between governments of such countries and the developed world to introduce policies and structures facilitating trade.

I do believe that right intentions and a genuine sense of goodwill are generally at the base of actions that are to generate development and progress. The message that I wish to leave you with is that we have been on the wrong path for decades and need to reconsider our approaches; for, not only has the current aid model's result been insignificant, in some instances it has even worsened conditions which it was to ameliorate. It is an absolute necessity to stop dehumanizing inhabitants of developing countries, to stop portraying them as less-abled and to understand that they too have the potential to be involved in investment, job creation, trade, and other means that spur economic growth as the rest of the world. Instead of doing, assist. Make training, not giving, the priority. Lend an actual hand; one that promotes self-sustainability, one that believes in the talents and abilities of the less privileged, one that revives human dignity. I thank you for your attention.

Works Cited

- Burt, Strongman. "Use of Images in Charity Advertising: Improving Donations and Compliance Rates". *International Journal of Organisational Behaviour*. Web. 07 Dec 2012.
< <http://tinyurl.com/bxe8bpo>>
- Clinton, William. "Let's Build a Health Care System in Rwanda". TedTalks. Arusha, Tanzania. 2007. Lecture. Web. < <http://tinyurl.com/c8924vr>>
- Easterly, William and Claudia Williamson. "Rhetoric versus Reality: The Best and Worst of Aid Agency Practices". *World Development*. Nov 2011. Web. 07 Dec 2012.
<<http://tinyurl.com/acvccgw>>
- Frazer, Garth. "Used-Clothing Donations and Apparel Production in Africa". *The Economic Journal*. Oct 2008. Web. 07 Dec 2012. <<http://tinyurl.com/bgwss28>>
- Lam, David. "The Demography of Youth in Developing Countries and its Economic Implications". *Social Science Research Network*. 20 Sept 2008. Web. 07 Dec 2012.
< <http://tinyurl.com/cae9jef>>
- Moyo, Dambisa. *Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa*. Great Britains: Penguin Books. 2009. Print.
- . "Why Aid to Africa Has Been a Disaster". Interview by Allan Greg. TVO. Web. 2010.
<<http://tinyurl.com/atz84cc>>
- . "Stop Aid to Africa". Interview by Peter Robinson. *Uncommon Knowledge*. Fora.TV. Web. 2009. < <http://tinyurl.com/n8y3ay>>

Okonjo-Iweala, Ngozi. "How to help Africa? Do business there". TedTalks. Arusha, Tanzania.

2007. Lecture. Web. <<http://tinyurl.com/a48g6ls>>

Schudel , Carl. "Corruption and Bilateral Aid : A Dyadic Approach". *Journal of Conflict*

Resolution. 13 May 2008. Web. 07 Dec 2012. <<http://tinyurl.com/bnl8mjl>>

Stupart, Richard. "7 worst international aid ideas". *Matador Network*. 20 Feb 2012. Web.

07 Dec 2012. <<http://tinyurl.com/7rxlgwl>>