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WORLD FOCUS

FOREIGN AID

By Frank Shatz

“Every year, billions of dollars of environmental aid flow from the rich governments of the North to the poor of the South. Why do donors provide this aid? What do they seek to achieve? How effective is the aid given? And does it always go to places of greatest environmental need?”

Those questions are posed and answered in the new book “GREENING AID? Understanding the Environmental Impact of Developmental Assistance.”

The book, published by the prestigious Oxford University Press, was written by three William & Mary professors and a former graduate student. Working across disciplinary lines, while inspiring dozens of students to help with the research, they have compiled a comprehensive database of foreign aid.

The authors, economics Prof. Robert Hicks, sociology Prof. Timmons Roberts, government Prof. Michael Tierney, and former W&M grad student Bradley Parks, who is now associate director at the Millennium Challenge Corp. in Washington, evaluated the likely environmental impact of over 400,000 development projects by more than 50 donors to over 170 recipient nations between 1970 and 2001.

“Greening Aid?” explains major trends and shifts over the past two decades, ranks donors by their performance, and offers case studies that contrast donors.

Foreign aid has been an integral part of U. S. foreign policy for decades, so I asked the authors how well it has served our national interest.

“Some foreign aid programs have been crucial in promoting U. S. national interest, while others have been a complete waste of money,” said Tierney, who’s director of the W&M International Relations Program. His research and teaching focuses

on international organizations, international relations theory, political economy, and development.

He explained that when foreign aid has been allocated to countries with credible governments and the money was used for intended purposes, the return on investment has been good. He cited the post-World War II Marshall Plan. “This served the dual purpose of creating export markets for U. S. manufacturers and containing the spread of communism in Europe.”

Other foreign aid programs haven’t had much to show for them. During the Cold War a great deal of U. S. aid went to sub-Saharan Africa. “This money did little to advance our goals. Bought allies were fickle and since corrupt leaders were often pocketing the money, aid did little to promote economic development or alleviate poverty.”

Roberts observed: “Poorly conceived and administered aid does no good for anyone. However, if one were to compare the total spent on foreign aid with the amount we have spent on military adventures and misadventures, I believe that aid is one of the cheapest investments our government can make to secure stability in the world.”

To make foreign aid programs more effective, Tierney and Roberts would like to see more money flowing to governments that have a demonstrated track record of keeping their promises and using foreign aid for its intended purpose. In countries with corrupt or incompetent governments, the money should be allocated to Non-Governmental-Organization or private groups within the country. They cited the humanitarian crisis in Burma.

Roberts said, “I would like to see transparency in the allocation of aid, from the beginning of the process to the very end. Citizens and watch groups in donor and recipient countries need to have access to independently verified data.”

Tierney added, “President Bush’s foreign policy has been an unmitigated disaster on most fronts. But I think that his new Millennium Challenge Account is a truly novel aid allocation mechanism. U. S. taxpayers’ dollars only flow to governments with proven track records of good governance and only when the recipient government takes ownership of its own development program. I think the MCC may stand as a shining success and model for years to come.”

It is reasonable to expect that “Greening Aid?” will have an impact on policy makers not only in the U.S. government but also at international organizations such as the World Bank. The result of the research presented in the book, and the expanding database will enhance aid coordination and monitoring.

Roberts noted that new approaches are being tried in concern over climate change. Solutions are being sought that require that the donor nations learn from past errors, namely, sending money abroad, without assurances that the aid will not contribute, to the destruction of the environment.

Frank Shatz lives in Williamsburg, Va. and Lake Placid. His column was reprinted with permission from The Virginia Gazette.