

A Gift You Can't Refuse? Foreign Aid, INGOs and Development in the World Polity

Lindsey Peterson¹

Abstract: In this paper I explore the topic of whether aid is “doing more harm than good” from a World Polity perspective. I argue that a more appropriate way to theorize and study foreign aid in the post-Cold War era is as a set of relational ties amongst donors and recipients. I contend that aid works like a gift from donors to recipients, with many strings attached. I also consider the role that INGOs are playing in the World Polity of foreign aid, which is largely that of middle management between donors and recipients. I conclude that aid is not harming development, and using a relational measure of aid relationships, that aid is actually helping improve health in developing countries. However, I also conclude that the role of INGOs needs more exploration, and that there is no evidence that having more INGOs improves development in aid recipient countries.

Key Words: Foreign Aid, INGOs, Development, World Polity, Reciprocity, Networks

Introduction

Foreign aid has been contentious ever since its first instance: the Post-World War II US-led Marshall Plan. Politicians and policy makers in richer countries argue over the proper use of aid: should it be thought of as a carrot/stick mechanism to get poorer countries to fall in line with the needs of richer countries? Is aid necessary to “buy” trustworthy and stable trading partners and to open up new markets for rich country exports? Is foreign aid a moral obligation, considering the daunting level of poverty in the world? And should foreign aid be given at all, considering that there are problems to be dealt with “at home?” Sociologists and other academics tend to consider aid as a social fact. As Hans Morgenthau said about the United States half a century ago (1962:301, *see also* Morgenthau 1950):

“It is in fact pointless even to raise the question whether the United States ought to have a policy of foreign aid...the United States has interests abroad which cannot be secured by military means for the support of which the traditional methods of diplomacy are only in part appropriate. If foreign aid is not available they will not be supported at all.”

Taking it as a given that foreign aid will be with us for the foreseeable future, scholars debate how aid can be used most effectively, how donor countries distribute it, and how recipient countries are helped or harmed by it. The scholarly literature has come to a few broad conclusions, although there is still much work to be done. First, the distribution of aid has more to do with the strategic interests of aid donors than it does with objective measures of recipient need (Alesina and Dollar 2000; Brainard 2007; McKinlay and Little 1977), though this may be changing over time and across donors (Berthelemy and Tichit 2004; Breuning 1995). Second, the effectiveness of aid depends in large part on the effectiveness of social institutions in the recipient countries, including political and economic institutions (Birdsall 2007; Boone 1996; Burnside and Dollar 2000; Kosack 2003). Third, and finally, foreign aid (particularly development aid) is increasingly being channeled through non-governmental institutions as opposed to going directly to recipient country governments (Berkovitch and Gordon 2008; Fengler and Kharas 2010; Jennings 2008).

The central question of this paper is: is aid doing more harm than good? In his recently published book, Christopher Coyne (2013) argues that it is. And Coyne is not the only one to have made this argument—it is a relatively common theme in the anti-aid literature (i.e. Easterly 2006, Glennie 2008).

Coyne and others in the anti-aid camp make the argument that foreign aid distorts local economies by flooding the small economies of recipient countries with foreign money, discouraging bottom up economic growth, and artificially inflating wages for those who work for non-governmental organizations (NGOs). They also point to instances where aid money has been spent wastefully on unnecessary or ill-planned projects without the input of local communities (without considering all of the instances where aid was used appropriately and effectively). It would be better, so the argument goes, to remove all foreign and artificial influence from local economies to encourage the development of niche markets and community-level problem solving.

In this paper, I argue two main points that are vital to fully understanding the complexities of foreign aid. First, I argue that Coyne's "aid is harmful for development" argument is based on the flawed premise that aid is actually, or primarily, meant to improve development. Instead, I contend that aid is a relational tie between donor and recipient states in a complex global network. This tie between donor and recipient countries functions more like a gift than a rational business transaction, and comes with all of the social strings attached that gifts between individual people have. Second, I argue that foreign aid by itself is not necessarily harmful, but that the explosive growth of international non-governmental organizations (INGOs) in *response* to aid may be diluting the effectiveness of aid, rather than improving it. Using longitudinal evidence from my current research, I demonstrate that aid does in fact significantly improve health development, but only in countries that are "popular" in the network of aid. I also show that having more INGOs in recipient countries does not significantly improve development, controlling for aid amounts. Finally, I show that over time, INGOs are locating in recipient countries that are more popular aid targets, but that the converse is not true—countries with more INGOs do not then become more popular aid targets. Overall, I do not find evidence that aid is doing more harm than good. Before arriving at any conclusions, I outline two guiding theories on aid distribution: World Polity and International Relations.

World Polity Theory versus International Relations Theory

In this section, I address a fundamental dilemma for international researchers: what are states "supposed" to do, particularly with regards to international development? I will discuss two competing perspectives that often divide social scientists studying global processes: International Relations and World Polity. As I will argue, World Polity theory has more to offer in terms of explanatory power in the field of foreign aid.

As a very general overview, International Relations perspectives are predicated on the assumption that states are real, fixed entities that have certain things they “should” do, and things they “should not” do. International Relations theorists see global power as a zero-sum game, in which countries act in their own best interests to gain more power, or prevent the loss of power. International Relations perspectives rely on rational choice arguments in which *states* are the rational actors with agency (see Morgenthau 1950, 1962; Snyder 2004). State-level correlates are often used to predict why a state behaves in one way versus another. For example, the United States has a capitalist economy, and will therefore ally with other states that have open economies in order to increase trade.

World Polity theory challenges these assumptions by arguing that states have not always existed in the way they currently do, and they are likely to evolve and change in the future. States are social constructions, and they are no more fixed and unchanging than other large-scale social constructions such as religion, families or industries. In terms of units of analysis, World Polity still sees states as important, but not inevitable, natural or final. More global research is pointing to the primacy of individuals and groups working together (Boli and Thomas 1997; Meyer et al. 1997), independent of states, and of international and supranational organizations. More generally, sociologists tend to view states not as actors in and of themselves, but as aggregates of individuals that (imperfectly) reflect the norms and values of those individuals. Of course, the use of the word *polity* itself points to a fundamental argument of World Polity theory that the “body politic” of interest is a global phenomenon that does not know geographic boundaries.

World Polity theory has largely focused on the increasingly global “norms” that are agreed upon by individuals and groups of individuals (INGOS, businesses, scientific organizations, sports organizations, etc.) spanning more than one country (Cole 2005; Frank 1997, 1999; Schafer 1999; Schofer et al. 2000). Currency exchanges are one example of this phenomenon: exchange rates only work if all participants agree to them. World Polity theorists would point to the increase in experts, organizations and information networks related to currency exchange as an example of global norms. Another area that has received, and continues to receive a lot of attention is the spread of ideas regarding “human rights.” For much of human history the concept of universal rights would have been unthinkable. Rights were based on local customs, religion, race, gender and wealth. The spread of Enlightenment philosophy in the 17th and 18th centuries, buttressed by the French and American revolutions, set the stage for Eurocentric “universal” ideas that human dignity could belong to all people, regardless of race, class, caste, and later, gender. As a case in point, the international women’s suffrage movement

emerged from enlightenment thinking, and in turn created space for defining norms regarding the treatment of and freedom for women, at least in developed countries in the 19th century. Since that time, attention has largely turned to spreading “rights” of all sorts to people in poor, or developing, countries. Again in the case of women’s rights, the process has certainly been uneven, and nothing close to universal acceptance of one definition of women’s rights exists. That being said, there are now frequent international conferences on the status of women, United Nations agencies dedicated to women’s issues, and countless INGOs, NGOs, and concerned individuals all working under the umbrella of “women’s rights”. Now, when asked, the average person could likely give a definition of women’s rights that closely matches more official definitions (Berkovitch 1999; Paxton, Hughes and Green 2006; Ramirez and Wotipka 2008; Swiss 2012).

Because World Polity theory argues that connections between individuals, small groups, and international organizations are gaining in power and primacy (perhaps over and above states), scholarship in this area frequently asks a related set of questions. First, are states as we currently define them weakening as people, groups, businesses, and other entities come into contact across borders? Second, is a set of international norms supplementing, or even supplanting, local and regional norms? Third, can one state make decisions in a strategic way on its own, in the traditional International Relations sense, or are individual states embedded in a network of states? And finally, does this network of states shape the range of possibilities available to individual states? An examination of the international aid system is an ideal way to understand the evolution of states, and becomes even more so when one considers the complex relationships between states, aid and international non-governmental organizations (INGOs).

The World Polity System of Foreign Aid

In both scholarship and in practice, foreign aid is typically treated as a bilateral relationship: an agreement between one donor country and one recipient country. Of course, donors have relationships with more than one recipient, and recipients have relationships with more than one donor, but research on foreign aid is largely considered as a set of dyadic ties, and examined as such. This myopic view of ties ignores the reality that countries (both donors and recipients) are embedded in a complex network defined by history, culture, language, politics and geography.

In my research, and in this paper, I argue that humanitarian aid is best thought of as a social relationship, and carries with it norms like any social relationship. Aid is a tool to maintain connections between societies, establish

and maintain international reputation, prove that you (as a country) care about the issues that international norms say you should care about, and perhaps demonstrate that you have enough extra cash that you can afford to spread it around. Humanitarian aid keeps cosmopolitan citizens in richer countries happy, and also gives protectionist, anti-global citizens an easy scapegoat when attacking government spending. Foreign aid also keeps a lot of people employed, both in recipient and donor countries, and it allows people and governments in wealthy countries to mostly ignore the root causes of current underdevelopment, namely colonialism. These arguments fit into a World Polity framework, as opposed to an International Relations one.

Foreign aid has emerged as an indispensable component of the world polity. It could evolve again, but it is not going away in the short term. The sociological reality of aid is that it functions more like a gift between acquaintances (and sometimes friends) than as a strategic choice between rational actors in a marketplace (Silk 2004). Take the United States Agency for International Development (USAID), for example. When USAID distributes foreign aid to a recipient country it sets up a “mission” in that country. So, USAID has the Ghana mission, Guatemala mission, and so on. Calling these “missions”, instead of bureaus or offices, is not a trivial decision. Establishing missions implies that the United States has a relationship with a recipient country above and beyond a business relationship. They are normative, value-laden endeavors, not businesses that can succeed or fail. To end a mission has greater significance than closing an office, and in the case of USAID, rarely happens. Instead, an established mission tends to stay for the long term, and only closes when the recipient country government becomes hostile to the mission, or its employees are under significant threat.

Like gifts from a distant relative seen only on the holidays, aid is something that is given for more reasons than the desire to please the recipient, or in this case to see an aid recipient become prosperous and self-sufficient. Aid as a gift is an obligation that solidifies a tie between donors and recipients. And like those gifts from distant relatives, aid cannot be refused without consequences. To refuse aid is to call into question a social relationship. The giving and receiving of aid encourages reciprocity between countries, but like all gifts, comes with strings attached. Unfortunately, the best analogy in our individual gift-giving metaphor is between an older relative and a young one. While the older relative who gives a gift to a child obviously does not expect the child to give a formal gift in return, the older relative does expect recognition of the gift and gratitude for it. When recognition and gratitude does not come, the relative may reduce or eliminate future gifts to the child, and may perhaps become suspicious of the “character” of that child as he or she matures. In the case of foreign aid, we are talking about the gift of money from

a “developed” country to a “developing/underdeveloped” one. While recipient countries understandably cannot give the same kind of gift in return to donor countries, the norms of reciprocity (which exist in the world polity as in personal relationships) require recipients to do *something* for donors in return. Frequently this involves an alliance or agreement of some sort to support the policies of donors.

Lest a reader believe I am carrying the metaphor of gifting too far in the case of foreign aid, I wish to be clear that aid is not just a symbolic, trivial, or frivolous gift—it often serves very real purposes, including providing crucial funds for emergencies, infrastructure development, life-saving medicine, civil society support and defense support, among many other purposes. But the same is often true for gifts between individuals, which may also be very real, important, and vital—consider the gift of money for books to a college student, a day of cost-free baby-sitting for a working parent, or the many household goods given for weddings (Zelizer 2007). Like foreign aid on a smaller scale, these gifts serve very real purposes, and still carry with them the obligation for recognition and gratitude.

Just as aid recipient countries are subject to norms of receiving, aid donating countries (donors) are subject to global pressures of giving (Black and Tiessen 2007). International agreements, such as the UN Millennium Development Goals, or MDGs, are non-binding resolutions that encourage wealthy countries to reach certain aid targets. The MDGs call for all donor countries to commit 0.7% of GDP to foreign aid. So far, only a few countries have ever reached that target in even one year. The United States is the largest aid donor in terms of dollar amount, but has never come close to the 0.7% of GDP mark. So why do elected leaders and other representatives of the world’s wealthiest countries continue to sign pledges and make verbal promises on their commitment to increasing foreign aid, particularly as the proportion of foreign aid distributed annually is actually *decreasing*? Clearly, these leaders are not always answering their own constituents. Consider the United States again: on average, Americans believe that their government spends about 25% of the federal budget on foreign aid (50 times more than actual spending), and a significant proportion of Americans think foreign aid spending should be reduced or eliminated (The Henry J. Kaiser Family Foundation 2012). The American news media frequently portrays aid as “pouring money down the drain”, and aid recipients as ungrateful anti-Americans. In a recent example, one outlet ran a story titled “Which Nations Hate the U.S.? Often Those Receiving U.S. Aid” (Myre 2013). Of course, the article focused on five Middle Eastern countries that receive large shares of U.S. aid (Egypt, Palestinian Territory, Pakistan, Jordan and Afghanistan), and, at least historically, large

shares of U.S. financial and military support for repressive dictatorships and conflict.

Myre's (2013) article is not unique in terms of the American news on foreign aid, and I use it here simply as a representative view on American taxpayers. What most Americans perhaps don't realize is that their government gives foreign aid to nearly every potential recipient in the world (over 200 of them), and has done so for decades. In fact, the United States has *increased* its reach with foreign aid, even as the proportion of aid/GDP has *decreased*. It may make sense from an international relations perspective to 'gift' aid to Egypt, Palestine, Pakistan, Jordan and Afghanistan, not to mention Iraq since 2003, but the same argument cannot be made regarding many of the countries in Africa that do not serve a strategic economic or military function in U.S. policy, or some of the more middle-income countries in Latin America that could feasibly 'graduate' from aid programs. Clearly, the U.S. government is not earning points with many of its own citizens, or even the citizens of its largest aid recipients. Instead, the U.S. maintains its large and far-reaching aid program for a more intangible reason: because it "has to," in a normative sense. International reputation is important for all donor countries, even the "go-it-alone" United States.

Consider next the European Union, which, as a whole, is the largest aid donor after the United States. Several EU nations do actually meet the 0.7% of GDP aid target, and overall EU countries are much more positive about foreign aid. The EU, as a supranational organization, has a pre-accession criterion for hopeful member countries that they need to set up a channel to distribute humanitarian and foreign aid, which parallels the aid channel at the EU itself (Carbone 2007). This has led to some very interesting, and non-rational, aid realities. For example, Poland (EU member since 2004) and Romania (EU member since 2007) were both *distributing* foreign aid by 2005, whereas they had both been *receiving* foreign aid only a few short years prior. Perhaps most "non-rational", Turkey, which has been in the pre-accession stage since 1997, was both donating and receiving foreign aid in the mid-2000s. Any scholar of foreign aid would be hard-pressed to make the argument that Poland, Romania, or Turkey is economically sound enough to spend its money on the actual aid it distributes, let alone on the cost of managing aid at home and abroad. Once again, World Polity theory helps explain why these countries, and newer EU countries, distribute aid: it is the humanitarian, right, popular, *normative*, thing to do.

Pressure to give aid does not just come from above states, as in the case of supranational organizations like the EU or the UN. Transnational social movements (Keck and Sikkink 1999, 2005), NGOs, cosmopolitan activists and the increased reach of global news media have all put pressure on wealthy

states from below to find solutions to underdevelopment, poverty, armed conflict, and human rights violations. Keck and Sikkink (2005) argue that the “boomerang effect” of actors within repressive countries sending information to activists in non-repressive countries, who then pressure their own governments to pressure repressive governments, has been significantly aided by the decreased cost of transnational travel and communication. Internet technologies, mobile communication devices, and hand-held video recorders and cameras have put repressive states in dire straits, as evidenced by the rapid succession of regime collapses during the Arab Spring of 2011. The intensity and degree of protest in Tunisia and Egypt were particularly influenced by the stories of Sidi Bouazizi and Khaled Saeed (Halverson, Ruston and Trethewey 2013). Bouazizi self-immolated in Tunisia in protest of government sanctions, and his story went viral on Twitter, Facebook, and other sites within hours. Three months later, Saeed was beaten to death by police officers in Alexandria. Saeed’s death, and the subsequent spread of a photo of his beaten face through social media, led Google executive Wael Ghonim to create the Facebook page *Kuluna Khaled Saeed*, or “We are all Khaled Saeed.” Ghonim, who was living in the United States at the time, is a perfect example of how those living in countries with free speech protections and the means to access technology can influence aid donor country governments into reconsidering their relationships with repressive aid recipients. All of the countries where the Arab Spring occurred were high dollar aid recipients, particularly after the attacks of September 11th, when aid was tied to participation in the global “War on Terrorism.” As donors knew all throughout the 2000s, aid dollars often propped up security forces that may have successfully kept a lid on potential terrorist activity, but also kept a lid on most other popular dissent, free speech, political organizing, and positive social change. When the repressive regimes began to fall, aid donors were in the particularly awkward position of having to maintain or increase aid to interim governments that were tasked with undoing the policies of the previous regime that aid donors had been supporting, at least financially, in the first place. This is not to say that the new governments were “pro-terrorism” in any way, and therefore donors were financially supporting regimes that were working against donor interests. It is, however, an important recent example of how complicated, expensive, and occasionally non-rational aid relationships are.

Having established that aid is an important tool for building and maintaining relationships between countries in the World Polity, the next logical question is: how should aid be managed? In the next section I turn to a discussion of the variety of ways aid can be distributed and used, with a focus on development aid in particular. The distribution of development (and/or humanitarian) aid is more flexible than the distribution of military aid or central

government budget aid, which would go to a recipient country's defense ministry and to politicians, respectively. My main focus in this paper is on the growth of INGOs as "middle managers" between donor country governments and aid recipients. I will then present evidence that the presence of INGOs is growing in certain countries because they are popular aid targets, but that the reverse is not true: aid does not appear to be following INGOs.

Who "Does" Development?

Before turning to the growth in INGOs, it is worth considering what the alternatives to INGOs are, or what they could be. One way to "do development" would be to have citizens of donor countries employed by their own government, and accountable to taxpayers, do the work themselves. This certainly does happen, to varying extents depending on the donor country. The USAID missions discussed above have Americans stationed in aid recipient countries, and countries without the "small government" mindset of Americans are even more willing to directly employ aid workers. However, the legacy of colonialism makes this problematic as a complete solution: Americans working as Americans *for* America (or Germans working for Germany, the Swiss for Switzerland, etc.) harkens back to the bad old days of flag-planting: turning developing countries into little clones of developed countries, with the latter seeing most of the benefits of this arrangement.

In addition to, and substituting for, their own citizens and agencies, donor countries have begun "contracting" NGOs and INGOs to "do development" in recipient countries (Atack 1999; Bano 2008; Berkovitch and Gordon 2008; Mitlin, Hickey and Bebbington 2007; Rahman 2006). NGOs (loosely defined) are avowedly *nongovernmental*: so British citizens working for Amnesty International are not doing it in the name of Great Britain, but in the name of expanded human rights, which has broader international appeal. Likewise, the INGO *Médecins sans Frontières* (Doctors Without Borders) is explicit in their mission and principles that they are funded independently, and operate independently, of any "political, military, or religious agendas" (MSF 2013). This stated neutrality, and the fact that they are not funded by any governments, is key to MSF's ability to reach some of the most desperate people in the worst-case scenarios of armed conflict and atrocity. The doctors, nurses, and staff of MSF are also required to represent the organization with neutrality, not acting for the country in which they typically reside. As I will discuss below, MSF is fairly unique in its ability to do such large-scale work in so many countries without relying on funding from aid donors.

The popular view of NGOs holds them up as untainted altruistic alternatives to neocolonialist wealthy countries, corrupt developing country

governments, and greedy profit-motivated businesses; all of which are assumed to prey on the poorest and weakest citizens of the world as opposed to helping them (de Sousa, Larmour and Hindess 2009; Nicholls 2009). The focus over the last several decades has largely been on corruption in developing country governments. During the Cold War foreign aid was frequently used as a “carrot” to lure developing countries to avoid either communism or capitalism, depending on who was giving it. As time went on, the Soviet Union was unable to support its foreign policy of promoting socialism abroad, and their foreign aid program was minimal. The United States and its allies, however, spent billions on developing countries, for whom the allure of populist, socialist policies were very persuasive. During this time, the International Relations model of foreign aid had much greater explanatory power than it does now. Aid was more likely to go directly into the private coffers of rulers and politicians in recipient countries, regardless of whether they were dictators or democrats, offered sound fiscal policies or not, or whether they respected human rights or eliminated their political enemies (both real and potential).

Since the fall of the Soviet Union and the dissipation of communist threat, the amount of aid has dissipated too, at least until the attacks on the United States on September 11th, 2001. During those 20 years, and continuing into today, supporting dictatorial and corrupt governments has become less palatable, and less necessary in a realist sense. Of course, human development needs persisted, and so did many ruthless dictators. What were wealthy aid donating countries to do? Many switched from trusting recipient country governments to get development work done to working through NGOs and INGOs located within recipient countries (Bebbington 2005; DeMars 2001).

The rapid growth in NGOs and INGOs has been well documented (Boli and Thomas 1997; Meyer et al. 1997; Reimann 2006), and it began long before the fall of the Soviet Union. INGOs are frequently units of analysis in World Polity scholarship, and I use them here along with foreign aid. An important, but often overlooked distinction, between INGOs and international governmental organizations (IGOs) is that *individuals*, not governments, join and participate in INGOs. World Polity scholars often do cross-national research where one data point is the number of INGOs a country has. Countries with more INGOs are hypothesized to be more embedded in the World Polity, and more likely to enact global policy scripts, or norms. But what we are really saying is that countries with more *people* involved in INGOs are more embedded in the World Polity. And that these *people*, when they work across country borders with other people, are more likely to follow global norms, and to push their own governments to enact global policy scripts. Because they are *non-governmental* and *non-profit* (usually), INGOs are theorized to be, and often are, arenas for democratic discussion between and

among individuals from poor and rich countries. The degree to which the discussion is dominated by individuals from rich countries is frequently debated (Beckfield 2003), and it is clear that INGOs are not completely egalitarian organizations. Some contend that INGOs are instead sites of domination, where elites from Western countries control the agenda and discussion, and impose Western norms on members from developing countries (Beckfield 2003, 2010; Hughes et al. 2009). Others still are somewhere in the middle: they demonstrate how even in the face of Western prominence, global policy scripts are decoupled between the World Polity and the local level. In other words, global policy scripts are refined for and translated to local contexts (Beckfield 2010; Goodman and Jinks 2008; Swiss 2009). The example of Islamic feminism is often used to discuss this decoupling—feminists from Islamic Middle Eastern countries participate in women's INGOs (and IGOs), attend international meetings, and discuss women's issues with feminists from very different places, but because of cultural constraints on women's status in the public sphere bring home a very different set of policy scripts than do feminists from Western Europe (Paidar 2001). Regardless of the degree of inequality among members of INGOs, they are likely more egalitarian than country-members of IGOs, which are clearly dominated by wealthy, Western countries (Dreher, Nunnenkamp and Theile 2006; Kuziemko and Werker 2006).

Turning back to the question of how INGOs “do development”, it is important for me to point out that while some organizations explicitly state that they have a development goal in their mission statement, I include all INGOs in my current research. The main reason I include all INGOs is that it is hard to make an argument that, for example, a religious organization setting up health clinics in local communities in the name of their religion is somehow not doing development. In other words, using just INGOs claiming the label of “development organization” is not necessary or sufficient for identifying INGOs that actually ARE doing development. While I do not have space here to discuss the big question of what *is* development, I do think it is safer in a research sense to cast a wide net around all INGOs instead of shrinking our field of vision to those simply claiming a label. In the World Polity tradition, countries with individuals participating in *any* INGOs are better off than countries without them, so perhaps any form of participation in INGOs is an act of development itself.

As I have discussed above, INGOs do not exist and subsist on good intentions alone—they are often more like small businesses with employees than they are like charitable organizations. Particularly, NGOs working in developing countries have cash flow problems, trouble keeping good people working in often-difficult situations, and trouble making connections with local communities. This brings us back to the uncomfortable reality that NGOs have

to get their money from someone, and often (and increasingly) they are funded by rich country governments (Ebrahim 2002; Edwards 1999; Hulme and Edwards 2001; Hearn and Sussex 1998; Levine 2002; Tvedt 2006).

Foreign Aid, INGOs and Development

The tight links between aid donors and NGOs/INGOs are increasingly well documented, sometimes with a nod of cautious approval (Fengler and Kharas 2010; Salamon and Anheier 1997, 1998), and sometimes with distrust (Bano 2008; Edwards and Hulme 1996; Edwards 1999; Holmen 2010; Tvedt 1998). From a policy maker or practitioner standpoint, it makes a lot of sense to give aid dollars to organizations working “on the ground” to spend where they are most needed and/or can do the most good. INGOs working in developing countries are more likely to have direct contact with those individuals, groups, and communities who can be most directly affected by aid than donors sitting in the capital cities of their home countries. This way of thinking most closely approximates Easterly’s (2006) “searchers” model of doing development. Instead of “planners” spending money from afar on what *they* think people in developing countries need, “searchers” see problems as they actually exist and try to find feasible, local, culturally appropriate solutions. In Easterly’s searcher-model, the most ideal path forward would be for local populations to work out a free-market solution that does not rely on outside help. But in a looser searcher-model, one could think about INGOs “applying” for foreign aid as a small business might apply for a start-up loan. There is one key difference between INGOs and other small businesses, though: start-up loans must be paid back, whereas most foreign aid does not.

And so, we now have an international system of development that includes foreign aid, INGOs, NGOs, IGOs, philanthropic foundations, states, private businesses, and interested individuals. Foreign aid is worth billions of dollars annually, and INGOs and NGOs are cashing in (Bebbington 2005). Using longitudinal data on INGOs from the Yearbook of International Organizations compiled by the Union of International Associations, and Official Development Assistance (ODA) from the Organization for Economic Cooperation and Development (OECD), I examine the overtime relationships between aid and INGOs cross-nationally, with an eye to explaining development outcomes. Because this paper has largely been a response to *Doing Bad by Doing Good* (Coyne 2013), I do not go into great detail on the analyses but instead present an overview of my findings and conclusions².

Using a network measure of “popularity” in the World Polity of aid (eigenvector centrality), which I call Aid Attractiveness, I calculate how embedded each recipient country is in the global network of aid (Bonacich

1987, 2007; Borgatti and Everett 2005). Recipient countries with high Aid Attractiveness have more ties to more donors, and are more tied to other recipient countries that are themselves more embedded in the network. A simple way to think about this would be to consider donor countries the established popular kids in a high school, and the recipient countries all the other kids at the high school. The latter are more tightly pulled in to the popular circle if they are nominated as friends by the popular kids AND by other kids who have been nominated as friends by the popular kids. I measure INGOs as a count per recipient country, meaning that at least one person from that country calls him or herself a member of the INGO in question. My measure of development is a latent factor of health development that includes lifespan, infant mortality, maternal mortality and fertility.

Using cross-lagged panel models from 1960-2005, I come to four main conclusions. First, countries that are more Aid Attractive in an earlier time period have significantly more INGOs in later time periods. Second, countries that have more INGOs in an earlier time period are not significantly more Aid Attractive in later time periods. Third, countries that are more Aid Attractive over time (controlling for previous Aid Attractiveness) have significantly more health development in 2005. And fourth, countries that have more INGOs over time (controlling for previous levels of INGOs) do not have significantly more health development in 2005³.

Conclusion

In this paper I have argued that a World Polity model of foreign aid has supplanted an International Relations model of foreign aid over the 20th century, and into the 21st. Aid donor countries and aid recipient countries are all embedded in a global network of humanitarian and development norms, and the giving and receiving of aid is one way that relationships amongst the countries are cemented. Denying or refusing aid is one way that relationships amongst countries are hurt. Like gifts exchanged between people, foreign aid is not given for purely strategic purposes, nor is aid always expected to have measurable returns on investment. I have also argued that, like most or all gifts, aid comes with strings attached.

While these arguments may be perceived as cynical, I do think they help scholars and practitioners move beyond a simple dollars-and-cents attempt to account for foreign aid effectiveness. I do not think the research on aid effectiveness is fruitless—on the contrary, I myself find that using a World Polity measure of aid shows that it actually *is* effective in improving health outcomes in aid recipient countries over time. However, my finding that more embedded, ‘popular’ recipient countries show improvements in health means

that there are less embedded, less popular countries that are not experiencing the same gains. More work needs to be done to explain why some recipients become popular aid targets, and maintain their popularity, while other recipients founder on the edges of the global network of foreign aid.

Perhaps the more complicated questions pertain to the role of INGOs (and NGOs) in the global development system. To whom are NGOs accountable—developing country governments, donor country governments, taxpayers from either government, their constituents, or only to themselves (Kilby 2006)? Are NGOs substitutes for, or complements to, governments? What about the fact the NGOs seem to “follow” the aid trail? And if NGOs are following the money, and not responding to need, how can we expect them to actually alleviate human suffering? Future research should further consider the tight coupling of aid and INGOs to ensure that *both* are doing more good than harm for those who need help the most.

Acknowledgements: This paper grew from my participation in an interdisciplinary discussion of Dr. Christopher J. Coyne’s (2013) book *Doing Bad by Doing Good*, March 6th 2013, Mississippi State University. I thank Claudia Williamson for inviting me to present my research for the panel, and Dr. Coyne for allowing me an opportunity to respond to his work.

Notes

¹ Mississippi State University, Department of Sociology, PO Box C, Mississippi State, MS 39762

² These analyses are currently being revised for publication. Please contact the author for more information.

³ Findings three and four are based on models that also control for previous levels of development.

References

- Alesina, Alberto, and David Dollar. 2000. “Who Gives Foreign Aid to Whom and Why?” *Journal of Economic Growth* 5(1): 33–63.
- Apodaca, Clair, and Michael Stohl. 1999. “United States Human Rights Policy and Foreign Assistance,” *International Studies Quarterly* 43(1): 185–98.
- Atack, Iain. 1999. “Four Criteria of Development NGO Legitimacy,” *World Development* 27(5): 855–64.

-
- Bano, Masooda. 2008. "Dangerous Correlations: Aid's Impact on NGOs' Performance and Ability to Mobilize Members in Pakistan," *World Development* 36(11): 2297–2313.
- Bebbington, Anthony. 2005. "Donor-NGO Relations and Representations of Livelihood in Nongovernmental Aid Chains," *World Development* 33(6): 937–50.
- Beckfield, Jason. 2003. "Inequality in the World Polity: The Structure of International Organization," *American Sociological Review* 68(3): 401–24.
- Beckfield, Jason. 2010. "The Social Structure of the World Polity," *American Journal of Sociology* 115(4): 1018–68.
- Berkovitch, Nitza. 1999. *From Motherhood to Citizenship: Women's Rights and International Organizations*. Baltimore, MD: Johns Hopkins University Press.
- Berkovitch, Nitza, and Neve Gordon. 2008. "The Political Economy of Transnational Regimes: The Case of Human Rights," *International Studies Quarterly* 52: 881–904.
- Berthelemy, Jean-Claude, and Arine Tichit. 2004. "Bilateral Donors' Aid Allocation Decisions- a Three-Dimensional Panel Analysis," *International Review of Economics and Finance* 13: 253–74.
- Birdsall, Nancy. 2007. "Do No Harm: Aid, Weak Institutions and the Missing Middle in Africa," *Development Policy Review* 25(5): 575–98.
- Black, David R., and Rebecca Tiessen. 2007. "The Canadian International Development Agency: New Policies, Old Problems," *Canadian Journal of Development Studies* 28(2): 191–212.
- Boli, John, and George M. Thomas. 1997. "World Culture in the World Polity: A Century of International Non-Governmental Organization," *American Sociological Review* 62(2): 171–90.

-
- Bonacich, Phillip. 1987. "Power and Centrality: A Family of Measures," *American Journal of Sociology* 92: 1170–82.
- Bonacich, Phillip. 2007. "Some Unique Properties of Eigenvector Centrality," *Social Networks* 29(4): 555–64.
- Boone, Peter. 1996. "Politics and the Effectiveness of Foreign Aid," *European Economic Review* 40(2): 289–329.
- Borgatti, S. P., and Daniel S. Halgin. 2010. "Analyzing Affiliation Networks," *LINKS Center for Social Network Analysis*. Gatton College of Business and Economics. University of Kentucky, Lexington.
- Brainard, Lael. 2007. *Security by Other Means: Foreign Assistance, Global Poverty, and American Leadership*. Washington, D.C.: Brookings Institution Press.
- Breuning, Marijke. 1995. "Words and Deeds: Foreign Assistance Rhetoric and Policy Behavior in the Netherlands, Belgium, and the United Kingdom," *International Studies Quarterly* 39(2): 235–54.
- Burnside, Craig, and David Dollar. 2000. "Aid, Policies, and Growth," *The American Economic Review* 90(4): 847–68.
- Carbone, Maurizio. 2007. *The European Union and International Development: The Politics of Foreign Aid*. New York, NY: Routledge.
- Cole, Wade M. 2005. "Sovereignty Relinquished? Explaining Commitment to the International Human Rights Covenants, 1966-1999," *American Sociological Review* 70(3): 472–495.
- Coyne, Christopher. 2013. *Doing Bad by Doing Good: Why Humanitarian Action Fails*. Stanford, CA: Stanford University Press.

-
- DeMars, William E. 2001. "Hazardous Partnership: NGOs and United States Intelligence in Small Wars," *International Journal of Intelligence and CounterIntelligence* 14(2): 193–222.
- Dreher, Axel, Peter Nunnenkamp, and Rainer Theile. 2006. "Does US Aid Buy UN General Assembly Votes?" *Public Choice* 136(1-2): 139–64.
- Easterly, William. 2006. *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done so Much Ill and so Little Good*. New York, NY: Penguin Press.
- Ebrahim, Alnoor. 2002. "Information Struggles: The Role of Information in the Reproduction of NGO-Funder Relationships," *Nonprofit and Voluntary Sector Quarterly* 31(1): 84–114.
- Edwards, Michael. 1999. "International Development NGOs: Agents of Foreign Aid or Vehicles for International Cooperation?" *Nonprofit and Voluntary Sector Quarterly* 28(suppl 1): 25–37.
- Edwards, Michael, and David Hulme. 1996. "Too Close for Comfort? The Impact of Official Aid on Nongovernmental Organizations," *World Development* 24(6): 961–73.
- Edwards, Michael, and David Hulme. 2001. *NGOs, States and Donors: Too Close for Comfort?* New York, NY: Macmillan Press.
- Fengler, Wolfgang, and Homi Kharas. 2010. *Delivering Aid Differently: Lessons from the Field*. Washington, D.C.: Brookings Institution Press.
- Frank, David John. 1997. "Science, Nature, and the Globalization of the Environment, 1870–1990," *Social Forces* 76(2): 409–35.
- Frank, David John. 1999. "The Social Bases of Environmental Treaty Ratification, 1900–1990," *Sociological Inquiry* 69(4): 523–50.
- Glennie, Jonathan. 2008. *The Trouble with Aid: Why Less Could Mean More for Africa*. London: Zed Books.

-
- Goodman, Ryan, and Derek Jinks. 2008. "Incomplete Internalization and Compliance with Human Rights Law," *European Journal of International Law* 19(4): 725–48.
- Halverson, Jeffrey R., Scott W. Ruston, and Angela Trethewey. 2013. "Mediated Martyrs of the Arab Spring: New Media, Civil Religion, and Narrative in Tunisia and Egypt," *Journal of Communication* 63(2): 312–32.
- Hearn, Julie. 1998. "The 'NGO-Isation' of Kenyan Society: USAID & the Restructuring of Health Care," *Review of African Political Economy* 25(75):89–100.
- Holmén, H. 2010. *Snakes in Paradise: NGOs and the Aid Industry in Africa*. Boulder, CO: Kumarian Press.
- Hughes, Melanie M., Lindsey Peterson, Jill Ann Harrison, and Pamela Paxton. 2009. "Power and Relation in the World Polity: The INGO Network Country Score, 1978-1998," *Social Forces* 87: 1711–42.
- Jennings, Michael. 2008. *Surrogates of the State: NGOs, Development, and Ujamaa in Tanzania*. Boulder, CO: Kumarian Press.
- Keck, Margaret E., and Kathryn Sikkink. 1998. *Activists Beyond Borders*. Ithaca, NY: Cornell University Press.
- Keck, Margaret E., and Kathryn Sikkink. 1999. "Transnational Advocacy Networks in International and Regional Politics," *International Social Science Journal* 51(159): 89–101.
- Kilby, Patrick. 2006. "Accountability for Empowerment: Dilemmas Facing Non-Governmental Organizations," *World Development* 34(6): 951–63.
- Kosack, Stephen. 2003. "Effective Aid: How Democracy Allows Development Aid to Improve the Quality of Life," *World Development* 31(1): 1–22.

-
- Kuziemko, Ilyana, and Eric Werker. 2006. "How Much Is a Seat on the Security Council Worth? Foreign Aid and Bribery at the United Nations." *Journal of Political Economy* 114(51): 905–30.
- Levine, Arielle. 2002. "Convergence or Convenience? International Conservation NGOs and Development Assistance in Tanzania," 30(6): 1043–55.
- McKinlay, R. D., and R. Little. 1977. "A Foreign Policy Model of U.S. Bilateral Aid Allocation," *World Politics* 30(1): 58–86.
- Meyer, Ohn W., John Boli, George M. Thomas, and Francisco O. Ramirez. 1997. "World Society and the Nation-State," *American Journal of Sociology* 103(1): 144–81.
- Mitlin, Diana, Sam Hickey, and Anthony Bebbington. 2007. "Reclaiming Development? NGOs and the Challenge of Alternatives," *World Development* 35(10): 1699–1720.
- Morgenthau, Hans. 1962. "A Political Theory of Foreign Aid," *The American Political Science Review* 56(2): 301–9.
- Nicholls, Alex. 2009. "'We Do Good Things, Don't We?': 'Blended Value Accounting' in Social Entrepreneurship," *Accounting, Organizations and Society* 34: 755–69.
- Paxton, Pamela, Melanie M. Hughes, and Jennifer L. Green. 2006. "The International Women's Movement and Women's Political Representation, 1893–2003," *American Sociological Review* 71(6): 898–920.
- Rahman, Sabeel. 2006. "Development, Democracy and the NGO Sector: Theory and Evidence from Bangladesh," *Journal of Developing Societies* 22: 451–73.
- Ramirez, F., and C. M. Wotipka. 2008. "World Society and Human Rights: An Event History Analysis of the Convention on the Elimination of All Forms of Discrimination Against Women," in *The Global Diffusion of Markets and Democracy*, Christin Min Wotipka and Francisco O. Ramirez, eds.

- Reimann, Kim D. 2006. "A View from the Top: International Politics, Norms and the Worldwide Growth of NGOs," *International Studies Quarterly* 50: 45–67.
- Salamon, Lester M., and Helmut K. Anheier. 1997. "The Third World's Third Sector in Comparative Perspective." vol. no. 24. Baltimore: The Johns Hopkins Institute for Policy Studies.
- Salamon, Lester M., and Helmut K. Anheier. 1998. "Social Origins of Civil Society: Explaining the Nonprofit Sector Cross-Nationally," *Voluntas: International Journal of Voluntary and Nonprofit Organizations* 9(3): 213–48.
- Schafer, Mark J. 1999. "International Nongovernmental Organizations and Third World Education in 1990: A Cross-National Study," *Sociology of Education* 72(2): 69–88.
- Schofer, Evan, Francisco O. Ramirez, and John W. Meyer. 2000. "The Effects of Science on National Economic Development, 1970 to 1990," *American Sociological Review* 65(6): 866–87.
- Silk, John. 2004. "Caring at a Distance: Gift Theory, Aid Chains and Social Movements," *Social & Cultural Geography* 5(2): 229–51.
- Snyder, Jack. 2004. "One World, Rival Theories," *Foreign Policy* (145): 52–62.
- de Sousa, Luís, Barry Hindess, and Peter Larmour. 2012. *Governments, NGOs and Anti-Corruption: The New Integrity Warriors*. New York, NY: Routledge.
- Swiss, Liam. 2009. "Decoupling Values from Action An Event-History Analysis of the Election of Women to Parliament in the Developing World, 1945—90," *International Journal of Comparative Sociology* 50(1): 69–95.
- Swiss, Liam. 2012. "The Adoption of Women and Gender as Development Assistance Priorities: An Event History Analysis of World Polity Effects," *International Sociology* 27(1): 96–119.

2012 Survey of Americans on the U.S. Role in Global Health. The Henry J. Kaiser Family Foundation. 2012.

Tvedt, Terje. 1998. *Angels of Mercy or Development Diplomats? NGOs and Foreign Aid.* Eritrea: Africa World Press, Inc.

Tvedt, Terje. 2002. "Development NGOs: Actors in a Global Civil Society or in a New International Social System?" *Volunta* 13(4): 363–75.

Zelizer, Viviana A. 2009. *The Purchase of Intimacy.* Princeton, NJ: Princeton University Press.