

## Aid – Let's Get Real

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The Africa trip of Treasury Secretary Paul O'Neill and Irish rock star Bono produced a bumper harvest of photo ops and articles about aid to Africa. Unfortunately, media coverage was mired in the perennial and stale aid debate: Should we give more? Does it work?

If the O'Neill-Bono safari resulted in Washington finally paying more of its proper share for global health, education and clean water, that would be cause for applause. But any real change requires shifting the terms of debate. Indeed, the term "aid" itself carries the patronizing connotation of charity and a division of the world into "donors" and "recipients."

At the late June meeting in Canada of the rich countries known as the G8, aid to Africa will be high on the agenda. But behind the rhetoric, there is little new money--as evidenced by the just-announced paltry sum of US funding for AIDS--and even less new thinking. Despite the new mantra of "partnership," the current aid system, in which agencies like the World Bank and the US Treasury decide what is good for the poor, reflects the system of global apartheid that is itself the problem.

There is an urgent need to pay for such global public needs as the battles against AIDS and poverty by increasing the flow of real resources from rich to poor. But the old rationales and the old aid system will not do. Granted, some individuals and programs within that system make real contributions. But they are undermined by the negative effects of top-down aid and the policies imposed with it.

For a real partnership, the concept of "aid" should be replaced by a common obligation to finance international public investment for common needs. Rich countries should pay their fair share based on their privileged place in the world economy. At the global level, just as within societies, stacked economic rules unjustly reward some and punish others, making compensatory public action essential. Reparations to repair the damage from five centuries of exploitation, racism and violence are long overdue. Even for those who dismiss such reasoning as moralizing, the argument of self-interest should be enough. There will be no security for the rich unless the fruits of the global economy are shared more equitably.

As former World Bank official Joseph Stiglitz recently remarked in the *New York Review of Books*, it is "a peculiar world, in which the poor countries are in effect subsidizing the richest country, which happens, at the same time, to be among the stingiest in giving assistance in the world."

One prerequisite for new thinking about questions like "Does aid work?" is a correct definition of the term itself. Funds from US Agency for International Development, or

the World Bank often go not for economic development but to prop up clients, dispose of agricultural surpluses, impose right-wing economic policies mislabeled "reform" or simply to recycle old debts. Why should money transfers like these be counted as aid? This kind of "aid" undermines development and promotes repression and violence in poor countries.

Money aimed at reaching agreed development goals like health, education and agricultural development could more accurately be called "international public investment." Of course, such investment should be monitored to make sure that it achieves results and is not mismanaged or siphoned off by corrupt officials. But mechanisms to do this must break with the vertical donor-recipient dichotomy. Monitoring should not be monopolized by the US Treasury or the World Bank. Instead, the primary responsibility should be lodged with vigilant elected representatives, civil society and media in countries where the money is spent, aided by greater transparency among the "development partners."

One well-established example of what is possible is the UN's Capital Development Fund, which is highly rated for its effective support for local public investment backed by participatory governance. Another is the new Global Fund to Fight AIDS, Tuberculosis & Malaria, which has already demonstrated the potential for opening up decision-making to public scrutiny. Its governing board includes both "donor" and "recipient" countries, as well as representatives of affected groups. A lively online debate among activists feeds into the official discussions.

Funding for agencies like these is now by "voluntary" donor contributions. This must change. Transfers from rich to poor should be institutionalized within what should ultimately be a redistributive tax system that functions across national boundaries, like payments within the European Union.

There is no immediate prospect for applying such a system worldwide. Activists can make a start, however, by setting up standards that rich countries should meet. AIDS activists, for example, have calculated the fair contribution each country should make to the Global AIDS Fund (see [www.aidspan.org](http://www.aidspan.org)).

Initiatives like the Global AIDS Fund show that alternatives are possible. Procedures for defining objectives and reviewing results should be built from the bottom up and opened up to democratic scrutiny. Instead of abstract debates about whether "aid" works, rich countries should come up with the money now for real needs. That's not "aid," it's just a common-sense public investment.

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