Interest-Based Development Cooperation: Moving Providers from Parochial Convergence to Principled Collaboration

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12.1 INTRODUCTION

“I am unashamed about the need to ensure that our aid programme works for the UK”, said UK Prime Minister Theresa May in a speech in South Africa in 2018 on her first trip to the continent (Gov.UK 2018). A net positive return to both donor and recipient is now a legitimate expectation and politically acceptable rationale for overseas aid provision. Among those states who do not view themselves in the ilk of traditional Western donors, securing “mutual interests” also provides a central motivation for development cooperation. For example, at the 2018 Forum on China-Africa Cooperation, United Nations (UN) Secretary-General António Guterres suggested “win-win” collaborations characterise the relation between China and Africa, citing climate change as an area that would “generate the future that we want” (UN News 2018).

A common dilemma for aid providers nowadays thus seems to be how to craft a development policy that balances domestic economic advantages, geopolitical priorities, and recipient needs (Milner and Tingley 2013). This chapter explores both the emergence and the effects of the discursive dominance of “national interest” logics within development assistance. We start first by exploring the literatures on donor motivations in political science that have

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theorised the rationale for aid provision as either altruistic or selfish, suggesting that these are ideal types that frame the debate on why states engage in overseas development even as, in reality, they tend to be combined to different degrees at different moments in time. In Sect. 12.3, we delineate the growth of national interest logics in foreign aid over the last decade among all development cooperation providers. We introduce an analytical distinction between two narratives of interest-based development cooperation: a principled interest in furthering the security, stability, and prosperity of the world; and a parochial motivation serving short-term geopolitical or commercial gains. In Sect. 12.4, we present the conceptual foundation of the principled national interest as donor actions that align aid to needs, global collective action, and public spiritedness. In Sect. 12.5, we introduce the Principled Aid Index (PA Index) as one tangible effort to decode these dual meanings by measuring Northern donor efforts to allocate aid according to a principled national interest. In Sect. 12.6, we present the results of this benchmarking exercise. This is followed by a final section that recommends collaborative effort across Northern and Southern providers for advancing development cooperation that serves a principled national interest.

12.2 FALSE DICHOTOMIES? THE COMPETING RATIONALES FOR DEVELOPMENT COOPERATION

Literature on foreign aid has long proposed two motivations for aid-giving, which reflect the differences between the realist and idealist theories of international relations. At one end of the spectrum, aid is provided as donors display their “mercantile”, self-serving motives. On the other side, donors exhibit the moral values and humane principles of a “clergyman” (van Dam and van Dis 2014).

There is little doubt that foreign aid enables the pursuit, promotion, and defence of the national interests of the donor nation, and that it has done so for some time (Morgenthau 1962; see also McKinley and Little 1977, 1978a, b, 1979). No country would provide aid if it did not serve—or was at least benign to—its own concerns and priorities (Packenham 1966). At the same time, donors are clearly capable of generosity towards, and solidarity with, international causes and crises—this is perhaps most visible in the case of natural disasters and humanitarian assistance (Lumsdaine 1993; Lumsdaine and Schopf 2007; Pratt 2000). This suggests some amount of ebb and flow to donor motivations, with the possibility of movement and mixtures of actions chosen because they are predominantly morally right, and domestically desirable.

Historically, both of these broad motivations for giving foreign aid—to selflessly help the world’s poorest and most vulnerable, and to promote the realist interests of the donor—have been presented as polar opposite rationales. At one level, there is a sense in this depiction of donor motivations that it is either parochial populism or principled poverty reduction, with both pulling

in different directions. They illustrate the extremes from which all donors must ultimately choose their place. Yet, pure altruism and total self-interest represent two extreme ends of a spectrum of motivations; they are admittedly more ideal types than true depictions of any real case.¹ In reality, both motivations are likely to be present in most aid allocation decisions, and it is to be expected that the balance between the two will vary between different donor countries as well as over time (Lancaster 2007; Maizels and Nissanke 1984; Schraeder et al. 1998). The purposes of aid are always mixed and will always be as such.

If donor motivation varies, this begs the question: What are the causal pathways for its evolution and transformation? Research suggests it is the confluence of international and domestic forces that influences state behaviour. Domestic political economy variables, including the political party in power, the role of the media, and the structure of government, are all potential influences (Dietrich 2016; Fuchs et al. 2014; Lancaster 2007; Lundsgaarde 2012). A supportive domestic constituency also matters (Lancaster 2007; Yanguas 2018).

At the same time, global norms—common-sense standards of appropriate behaviour within international society—also influence donor motivations (Finnemore and Sikkink 2001; Fukuda-Parr and Shiga 2016; Gulrajani and Swiss 2017). Understandings of what is good, desirable, and appropriate in international development cooperation exert pressures on development actors and establish expectations that they will accept, comply, and participate according to these rules. Scripts and structures in the international system thus interact with discourses in domestic political life to influence the likelihood of principled or parochial development engagements (Lumsdaine 1993).

Ultimately, idealistic and pragmatic donor motivations are not mutually exclusive but positioned along a continuum with their relative emphasis in constant evolution. But while donors can be simultaneously altruistic and nationalistic, more often it is one of these motivations that dominate at any given moment in time. Donor motivation can thus be seen as a continuous variable comprised of shifting ratios of a “clergyman’s idealism” and a “merchant’s pragmatism” (van Dam and van Dis 2014). If these motivations are the inseparable and contradictory “yin and yang” of development cooperation providers that supply assistance, knowledge of where the balance sits in the current contemporary policy space and what the full range of motivations is across the universe of donors becomes analytically valuable.

12.3 DRIVERS OF CONVERGENCE TO INTEREST-BASED DEVELOPMENT COOPERATION

While pure altruism and self-interest represent ideal-type motivations rather than true depictions of any real case, they give a sense of the extremes from which all aid providers must ultimately choose their place. Nowhere is the mixed motivational basis for development cooperation more obvious than

in current development discourse, where the idea of an “enlightened” self-interest—where “win-wins” and “mutual benefits” are practically possible—is now a powerful political rationale for providing development assistance for both Northern and Southern actors (Keijzer and Lundsgaarde 2017, 2018; Kharas and Rogerson 2017). And yet, from the post-Cold War period to the Millennium Development Goals, a strong altruistic and solidaristic narrative provided the main orientation for development (Collier 2016; Mawdsley et al. 2017). What explains this change?

Domestic trends are certainly decentring the traditional Northern template of donorship between a modern “developed” donor and an “underdeveloped” recipient (Gulrajani 2017; Gulrajani and Swiss 2019). Fiscal austerity has heaped political pressure on the objectives and mandates of foreign aid, as donors are pushed to look “beyond aid” to meet the challenges of global inequality and poverty reduction (Gulrajani 2017). What little official development assistance (ODA) is left is now expected to service multiple policy areas, including the cultivation of diplomatic allies, incentivising foreign direct investment, and reducing the effects of global migratory pressures. Politicians placate constituencies opposed to overseas development spending in terms of the domestic gains that can be obtained. In the North, this is partly a response to queries about the effectiveness of aid to tackle the root causes of underdevelopment and the legacy of dependency and corruption it can leave in its wake, but also a liberal internationalist reaction to the domestic forces of populism that elevate domestic interests above international causes and challenges. In the South, the importance of reciprocity and mutual benefits has partly been a defensive response by elected leaders concerned by the optics of overseas development spending, given domestic underdevelopment (Mawdsley 2019).

A shifting geography of power and poverty is also pushing donors towards an interest-based approach to development cooperation. The proportion of people living in extreme poverty across the world is projected to fall from 11 per cent in 2013 to 5 per cent in 2030, and over the last 15 years, 35 low-income countries have achieved middle-income status (Manuel et al. 2018). To the extent that emerging markets represent lucrative investment and trading destinations, as well as geopolitically valuable allies in a fractured global system, development spending is once again becoming more openly and deeply intertwined with public diplomacy, which in turn shifts the normative meanings and purposes of aid (Gulrajani et al. 2019). Donors now see opportunities for trade and investment with the South, as well as question the value of delivering scarce concessional resources to states with the capacity to mobilise market-based resources.

Alongside, charitable motivations are viewed with suspicion from recipients that are now middle-income countries, countries that in many cases are providing cooperation themselves. The growing scale of development resources from non-Development Assistance Committee (DAC) providers (broadly comparable with what the DAC defines as ODA) has been estimated

at \$32 billion (gross) in 2014, representing 17 per cent of the current DAC total (Benn and Luijkx 2017).² South-South cooperation rests on principles of equal partnership, or horizontality, and is anchored to ideas of solidarity and reciprocity (Gulrajani and Swiss 2019). Embracing these norms is predicated on the rejection of relations between a generous “donor” and a poor “recipient” dominated by the altruistic act of “aid” that sustains the power of the provider and the inferiority of the receiver. Southern horizontality upholds the equality between an implicit acknowledgement of sovereign rights as well as a state’s capacity to give as well as receive. This rejection of the charitable basis upon which donorship norms are founded is thus highly legitimate in the eyes of Southern recipients (Fukuda-Parr and Shiga 2016).

There is added incentive to abandon altruistic motivations as DAC donors compete with non-DAC providers for political influence, economic leverage, and commercial gain in aid-receiving states (Gulrajani and Swiss 2018). Among the DAC donors, there is a perception that the standards of accountability to which their cooperation is held (e.g. for ODA reporting, on transparency obligations, on effectiveness) are more stringent than for non-DAC providers (Bracho 2015). This is despite the fact that DAC members have always had room to pursue commercial and geopolitical ambitions through their aid policies and practices and have certainly done so in the past. What has changed, perhaps, is the reduced inhibition and discursive acceptability of framing donor assistance as offering a domestic return on investment. This has led some to suggest that traditional ODA is undergoing a process of “Southernisation” (Asmus et al. 2017; Bracho 2015; Fejerskov et al. 2017; Mawdsley 2018, 2019). As Southern providers fail to assume responsibilities and engage in “disloyal competition”, traditional donors certainly appear to feel under less pressure to keep their own commitments.

Finally, the realities of a globalising world mean that the ills of under-development—illegal financial flows, refugee movements, disease outbreaks, pollution, terrorism—are no longer confined to national borders. Globalised transmission chains and feedback loops mean that acts in remote locations to reduce famine, stop pandemics, or minimise inequality are conduits for domestic interests in robust border control, healthy communities, and economic trade and investment. At a time when conflicts, health pandemics, financial capital, and carbon emissions travel indiscriminately across national borders, there are long-run economic, environmental, and security benefits that accrue to the aid-providing nation when development is achieved, particularly in targeted geographic areas where spillover effects are large and directly affect the donor country (Blodgett Bermeo 2018; Kaul 2017). This is clearly different to the national interests motivating Western aid during the Cold War, when containment of communism was a primary objective and little concern was paid to how aid resources may or may not have contributed to development. The Sustainable Development Goals recognise that development is an expansive, universally shared mission, the achievement of which lies in the

mutual interests of all countries (Keijzer and Lundsgaarde 2017). Survey data suggests that framing the rationale for aid provision as servicing mutual interests is indeed a qualified source of increased public support for aid (Bond 2016; van Heerde-Hudson et al. 2018; Wood and Hoy 2018).

Such trends are making the advancement of the national interest a legitimate discursive and normative framework for the development programmes of most bilateral aid providers (Carter 2016; Gulrajani 2017; Rabinowitz and Greenhill 2018). We believe this may be viewed as a degree of normative convergence across the North-South binary. Certainly, many have hinted at the minor variations in the moral narratives of each type of development cooperation provider, suggesting differences are not matters of fundamental principle but of interpretation (Chandy and Kharas 2011; Kragelund 2015; Mawdsley 2015). Although servicing the national interest should not be a necessary condition for everything an aid provider does (Carter 2016), the pressures and forces above justify development spending by highlighting some level of domestic return.

It is increasingly acceptable for providers to welcome domestic dividends from their development spending under the assumption that deriving such benefits does not undermine the primary purpose of economic development and welfare, which form the legal basis for investments qualifying as ODA in the first place (Keijzer and Lundsgaarde 2017). At the same time, there is little evidence to support political declarations that aid can always deliver benefits everywhere. Academic literature is certainly sceptical: selfish motives are found to result in suboptimal allocations, as aid is inefficiently assigned to states and sectors for reasons other than development (Girod 2008; Steele 2011). Aid to advance geopolitical interests has also been shown to be less effective (Dreher et al. 2016; Kilby and Dreher 2010; Stone 2010).

Conversely, where donors are shown to have little strategic interest in countries, the scope for development impact is higher (Girod 2012). We forget at our peril that state interests align with global development objectives to the extent that all states benefit from a safer and more prosperous world. Global interdependencies and interconnections have amplified the impact of development challenges that were once confined to state boundaries. The allocation of aid resources to advance this principled “national interest” is both “ethical” and in the “real long-term interests of rich countries” (Black 2016, p. 18; Pratt 1989). Unlike a narrow parochial national interest that colonises the purpose, modalities, and structure of development policy, domestic benefits from a principled national interest are indirect and accrue slowly over time.

A principled approach to the national interest is embodied in the maxim of “doing well by doing good”. It is embedded in Tocqueville’s ideal of “enlightened self-interest”, whereby working for the collective good is viewed as a way of serving individual interests, allowing for greater compatibility between mercantile and moral motivations. At the same time, slippery use of the term “national interest” also means it can refer to activities that advance short-term

direct benefits to the donor states—for example, more commercial contracts for domestic firms, greater opportunities to export, or more resources that never actually get sent to recipient countries. Distinguishing a principled from a parochial national interest is a way for citizens to hold donors to account for the kind of national interest they are advancing through their aid allocation. As one former Canadian foreign minister, Mitchell Sharp, once said: “If the primary purpose of our aid is to help ourselves, rather than to help others, we shall probably receive in return what we deserve, and a good deal less than we expect” (Black 2016, p. 22). A principled national interest is what all development cooperation providers should be striving towards.

12.4 A PRINCIPLED NATIONAL INTEREST: A CONCEPTUAL AND EMPIRICAL BASIS

The PA Index is an analytical tool created by the Overseas Development Institute that seeks to distinguish between a principled and a parochial national interest (Gulrajani and Calleja 2019). It allows for dual meanings of “aid in the national interest” to be untangled and provides a basis for comparing the type of national interest adopted by individual DAC donors. If we locate principled and parochial national interest narratives on opposite ends of a spectrum of motivations, then we can use aid allocation data to measure where donors sit on this spectrum. This requires a conceptual understanding of a principled national interest, which we argue is made up of three principles.

1. *Principle of need*: A principled national interest ensures that aid is provided to support vulnerable populations and areas where needs are the greatest. Countries have a “duty” to support those facing catastrophes or “mass despair”—including from life-threatening hunger, disease, and disaster (Collier 2016). In the long run, supporting vulnerable populations is in the national interest of donors (and their citizens), as such actions contribute to reducing the scope for political conflict, increasing human capital, supporting trade and investment, and ensuring that no one gets left behind. A principled approach is one that prioritises contributions to global development rather than short-term gains (Rabinowitz and Greenhill 2018).
2. *Principle of global cooperation*: A principled approach to the national interest prioritises actions that support global public goods, and international institutions and systems. Global public goods, such as clean air and the eradication of disease, benefit the Global North and South alike. These goods extend beyond national boundaries, are non-rival, and are often closely linked to poverty alleviation and sustainable development (consider climate change, for example). Supporting global collective action also extends to the provision of core financial support

for multilateral institutions, which are well placed to generate transformational change in North-South relations. Core funding, unlike earmarked resources, preserves the neutrality of multilateral institutions and provides funding to support predictable programming and organisational effectiveness (Gulrajani 2016).

3. *Principle of public spiritedness*: A principled national interest avoids the instrumentalisation of development assistance to advance short-term economic and political agendas over recipient needs or development outcomes. Instead, principled actions are those that remain focussed on global development objectives and outcomes. Indeed, aid that seeks to actively achieve domestic benefits for aid providers can incentivise donor moral hazard by focussing efforts on achieving short-term interests over development outcomes (Collier 2016). Such domestic benefits are Pareto suboptimal, as they reduce the prioritisation of long-term development results.

These principles frame the range of activities that can be considered emblematic of a principled national interest through supporting long-run prosperity and security for donors by advancing key developmental objectives. We use these principles as the conceptual basis for the PA Index, which tests the degree to which donors allocate aid in accordance with each principle using a series of 12 indicators (four per principle) to proxy the principles of need, cooperation, and public spiritedness.³ The indicators are designed to capture different facets of donor allocations to measure the degree to which their actions are seen to promote a principled national interest. This not only provides a basis for comparing performance across DAC members, but it also allows for an assessment of how and whether donor rhetoric is reflected in reality. The full list of indicators and data sources used to compose the Index is available in Table 12.1.⁴

The indicators form the basis of the PA Index, which benchmarks the type of national interest adopted by 29 DAC donors in each year between 2013 and 2017. The Index aggregates indicator scores by principle to derive a score out of a maximum 10 points for each dimension.⁵ The scores per principle are then summed to a total score out of a possible 30 points, with each principle considered to have an equal weight over the total score and degree of principledness attained by donors. In all cases, higher scores represent more principled performance.

Table 12.1 Summary of dimensions, indicators, and data sources

<i>Principle</i>	<i>Indicator</i>	<i>Data source*</i>
Needs	A. Targeting poverty: Share of ODA/gross national income targeted to least-developed countries	OECD CRS and DAC1
	B. Supporting displaced populations: Share of bilateral ODA to developing countries that cumulatively host 70 per cent of cross-border forcibly displaced populations	OECD CRS and UNHCR “Time Series” dataset
	C. Assisting conflict-affected states: Share of humanitarian ODA to countries with active violent conflicts	OECD CRS and UCDP/PRIO “Armed Conflict Database”
	D. Targeting gender inequality: Share of bilateral ODA to countries with the highest levels of gender inequality	OECD CRS and UNDP’s GII
Global cooperation	A. Enhancing global trade prospects: Share of bilateral ODA to reduce trade-related constraints and build the capacity and infrastructure required to benefit from opening to trade	OECD CRS
	B. Providing core support for multilateral institutions: Share of ODA as core multilateral funding (minus core funding to European Union institutions)	OECD “Members’ total use of multilateral system” and DAC1
	C. Tackling the effects of climate change: Share of total ODA (bilateral and imputed multilateral) for climate mitigation and adaptation	OECD Climate Finance Dataset, “Members’ total use of multilateral system” and DAC1
	D. Constraining infectious diseases: Share of total ODA (bilateral and imputed multilateral) allocated to slow the spread of infectious diseases	OECD CRS and “Members’ total use of multilateral system”
Public spiritedness	A. Minimising tied aid: Average share of formally and informally tied aid	OECD’s CRS and OECD’s “Report on the DAC untying recommendation”

(continued)

Table 12.1 (continued)

<i>Principle</i>	<i>Indicator</i>	<i>Data source*</i>
	B. Reducing alignment between aid spending and UN voting: Correlation between UN voting agreement across donors and recipients and bilateral ODA disbursements to recipients	OECD CRS and UN voting data (see Voeten et al. 2009)
	C. Delinking aid spending and arms exports: Correlation between donor arms exports to recipients and bilateral ODA disbursements to recipients	OECD CRS and UN Comtrade
	D. Localising aid: Share of bilateral ODA spent as country programmable aid (CPA) as well as humanitarian and food aid	OECD CPA dataset and CRS

**Note on abbreviations* Creditor Reporting System (CRS), Uppsala Conflict Data Program (UCDP), Peace Research Institute Oslo (PRIO), Gender Inequality Index (GII)

Source Adapted from Gulrajani and Calleja (2019)

12.5 CONVERGENCE AND CHANGING NATIONAL INTEREST NARRATIVES

Using the PA Index, we test whether donors are increasingly pursuing a less principled approach to aid in the national interest by examining changes to donor scores over time. We begin by calculating the difference in scores between 2013 and 2017 for each donor. This provides a basic measure or trajectory of changes to donor allocations and provides an overall picture of which donors are becoming more or less principled. The results of this analysis are reported in Table 12.2.⁶

The results indicate that between 2013 and 2017, nine donors (Belgium, Denmark, Germany, Iceland, Japan, Netherlands, Slovak Republic, the United Kingdom, and the United States) declined overall on the PA Index, while the remaining 20 improved over the same period. The largest declines were in Belgium and the Slovak Republic, suggesting that the overall allocations of both countries in 2017 reflected less principled allocations than those a made a few years earlier. Alternatively, Greece and Norway show the largest net improvements over the period, indicating a possible tendency towards more principled behaviour.

Although these findings suggest that donors are becoming more—rather than less—principled, there are two points worth noting. First, although most donors show increasing scores over time, several show very minor changes in either direction. In these cases, performance could be considered flat rather than defining a trajectory of meaningful change. A good example is the case

Table 12.2 Change in PA Index scores between 2013 and 2017 by dimension and overall

	<i>Overall</i>	<i>Needs</i>	<i>Global cooperation</i>	<i>Public spiritedness</i>
Australia	0.77	-0.15	1.48	-0.57
Austria	0.71	1.33	-0.18	-0.44
Belgium	-3.55	-1.52	-1.51	-0.52
Canada	0.02	1.38	-0.40	-0.96
Czech Republic	0.59	1.18	-0.01	-0.57
Denmark	-1.50	0.86	-1.86	-0.50
Finland	0.37	-0.79	1.53	-0.37
France	3.70	0.97	3.27	-0.55
Germany	-1.00	0.23	-0.12	-1.11
Greece	7.24	3.79	0.59	2.86
Hungary	0.58	-0.19	-0.38	1.16
Iceland	-1.46	0.05	-0.75	-0.75
Ireland	2.48	1.87	0.67	-0.06
Italy	0.12	0.03	0.33	-0.24
Japan	-0.08	-2.42	2.41	-0.07
Korea	0.04	-0.56	-0.10	0.70
Luxembourg	2.61	0.49	2.46	-0.34
Netherlands	-1.68	0.14	-0.56	-1.26
New Zealand	1.70	0.30	0.20	1.20
Norway	4.40	1.04	2.49	0.88
Poland	0.94	2.63	0.29	-1.98
Portugal	2.34	1.50	1.48	-0.64
Slovak Republic	-3.47	-1.52	-0.13	-1.82
Slovenia	1.51	1.63	0.01	-0.13
Spain	1.21	0.00	1.69	-0.48
Sweden	2.19	0.87	1.13	0.19
Switzerland	2.06	0.92	1.23	-0.09
United Kingdom	-1.99	-0.08	-0.72	-1.19
United States	-1.19	-0.24	0.43	-1.38

Source Authors' calculations using PA Index dataset

of Canada, which shows an increase in its PA Index score of 0.02 between 2013 and 2017, or the equivalent of less than 1 per cent of its initial score of 22 in 2013. Although there is no cut-off for determining the level of change that can be considered meaningful, small changes in score are less likely to reflect deliberate policy changes towards more or less principled behaviour. Second, examining changes in overall donor performance could obscure trends in performance at the level of each principle. Given that the overall score of the PA Index is composed of the sum of scores across the three principles, donors that show opposite changes in scores across principles may see limited overall change once the scores are summed across dimensions.

Finally, looking at the results over time by principle, we find that although donors have tended to show improved performance on both the principles of needs and global cooperation, there is a striking deterioration in performance on the public spiritedness dimension almost across the board. Donor scores on the public spiritedness dimension fell by 6 per cent over 2013 values across the sample period, with an absolute decline in public spiritedness reported for 23 out of 29 donors. By contrast, donor scores on the needs and global cooperation dimensions increased by 10 per cent and 9 per cent, respectively, over 2013 values, with 20 donors improving their allocations towards needs and vulnerable populations and 17 donors strengthening support for global cooperation.

The combination of changes across the principles is counterintuitive, yet they have important implications for understanding convergence in donor behaviour in the context of narratives of aid in the national interest. On the one hand, the results provide strong support for the argument that donors are converging on an approach to the national interest that increasingly focusses on using aid to extract short-term political and economic gains through aligning allocations to easy domestic “wins”. On the other, rising performance on the needs and cooperation principles suggests that the pursuit of domestic interests has not (as yet) deteriorated average donor support for vulnerable populations and global challenges.

The simultaneous convergence towards both types of behaviours could suggest that although donors acknowledge that the impact of developmental challenges can have consequences at home, they remain under pressure to show citizens that aid spending supports the domestic interest. This approach—which is somewhat akin to having one’s cake and eating it too—risks undermining development results to attain short-term wins for constituents. For donors facing continued demands to show results to citizens, a key question is whether, and how, to change the domestic narrative to show citizens that the principled national interest can have a meaningful impact at home.

12.6 BUILDING NORMATIVE CONSENSUS FOR A PRINCIPLED APPROACH ACROSS THE NORTH-SOUTH DIVIDE

The challenge of pursuing a principled over a parochial national interest is one faced by both Northern and Southern donors alike. In part, this is because both groups face a public communications challenge explaining and justifying overseas giving to their citizenry. Although our analysis has focussed on the types of narratives pursued by Northern donors, the ultimate objective of a principled national interest will have the greatest global outcomes when pursued by all development actors. Put differently, if principled actions are in the long-run interest of Northern and Southern actors alike, then the best chances of achieving development outcomes and promoting global prosperity,

stability, and security are achieved when all actors are working towards the same goal.

To this end, we see three potential avenues for deepening collaboration towards a principled aid approach. First, there is a need to generate a consensus on the principled approach to the national interest that bridges the North-South divide. As donors continue to face pressure to instrumentalise aid in alignment with domestic commercial and strategic interests, a joint commitment made by both Northern and Southern donors to promote a principled national interest could provide impetus for collective action. Such a commitment could guide actions that result from formal donor fora, such as the 2019 BAPA+40 (Buenos Aires Plan of Action plus 40), which recently called for increased financial and technical cooperation, and greater collaboration between North and South through triangular cooperation (UN News 2019). It could also support efforts to finance sustainable development—including through the Financing for Development Forum—by ensuring that new mechanisms for development financing maintain their focus on achieving the Sustainable Development Goals. It can also be fostered through informal discussions and alliance-building, where the common shared interests of all development cooperation providers are recognised. Aligning scaled-up engagements to a principled rather than a parochial national interest can enable normative collaboration and ensure that development actions are focussed on supporting long-term global development outcomes.

Second, there is a need to improve the coverage and availability of data on the aid activities of Southern providers. Part of the challenge of measuring flows from Southern providers is linked to the difficulties of defining South-South cooperation (Besharati and MacFeely 2019). In this regard, there is a need for Southern providers to work towards a clear definition of activities and concessionality for their development finance, and to subsequently set standards for statistical reporting. Obviously, such data must be both produced by the South in accordance with standards they set and publicly available; it is promising that there is momentum for improving transparency and reporting. Without such data, it is impossible to empirically assess the full spectrum of development providers on their rationale for development assistance and to parse out potential discrepancies between the rhetoric and reality of allocations.

Third, there are opportunities for donors to create new mechanisms—or better utilise existing ones—to hold each other accountable to delivering principled aid in the national interest. This could include using the DAC peer review process to provide assessments of donor achievements towards the principled national interests while calling out those that are lagging behind. Among Southern providers, offices such as the United Nations Office for South-South Cooperation may be well placed to drive convergence towards such a normative standard of development cooperation provision. As providers continue to face domestic calls to align aid to their immediate national interest, cultivating relationships and developing mechanism that promote

accountability between and across a broader spectrum of donors could foster collaboration towards aid that is principled and in the collective interest.

Lastly, ensuring that donors maintain focus on a principled narrative and allocation ultimately begins at home. In the vast majority of the world, inwardness and rising populism are making overseas development spending increasingly unpalatable. In these instances, documenting and illustrating the domestic benefits of long-term development engagement—for example, through the gains from fairer global trade, lower climate risks, and a better functioning rules-based international order—could reinforce the value of principled actions by development providers to their publics.

Distinguishing between a principled and a parochial national interest may provide a basis for converging a shared national interest narrative that is supportive of normative collaboration across the North and South. Such collaboration can ensure the promotion of shared values and foster greater dialogue on the role of national interests and agendas in relation to aid spending. Most importantly, collaboration based on a principled national interest can ensure that the actions of all donors are designed to support long-run developmental outcomes to promote prosperity, sustainability, and security for all.

NOTES

1. While allocation based on country-needs or “merit” is sometimes associated as a third motivation for donor aid allocation decisions (Hoeffler and Outram 2011), “altruism” and “self-interest” remain the dominant dual motivational categories and, as such, we limit ourselves to an analysis centred on these two motivations. Furthermore, one might also view “merit” as a sub-category of need, and thus an expression of an altruistic motivation.
2. Calculations of the comparative size and terms of non-DAC development spending are inevitably provisional and further complicated by blurred distinctions between aid-like flows, other forms of soft financing, and other official flows (Bracho 2015, p. 19).
3. “EU institutions” are excluded on the basis that the factors influencing its motivation for aid allocation may differ from other donors by virtue of being funded by multiple EU states. Donors appear in the dataset in alignment with their accession to the OECD-DAC; Hungary is not included in the calculation prior to joining the DAC in 2016.
4. For more detailed information on indicator selection and development, please see Gulrajani and Calleja (2019).
5. A full and detailed description of the aggregation methodology is presented in Gulrajani and Calleja (2019).
6. Please note, data for Hungary is only reported for 2016 and 2017 in alignment with its DAC membership. As a result, scores for Hungary represent changes between 2016 and 2017 rather than over the full period beginning in 2013.

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