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## Foreign Aid for the Future

**Developing a  
Framework to Tackle  
Extreme Poverty and  
Democratic Recession**

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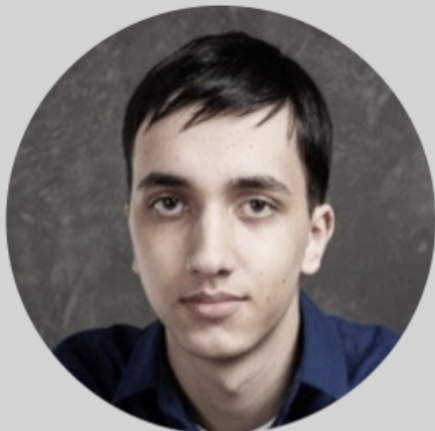
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# Introduction

Contemporary proponents of democracy, peace and human rights face a foreboding global landscape. The economic and social shockwaves of the Covid-19 Pandemic, along with catastrophic conflicts in Ukraine, the Middle East, and Sub-Saharan Africa (to highlight just a few) have dealt a devastating blow to human rights and development, all while aggravating global democratic recession. To add further disquiet, climate change poses an existential global threat, promising to harm and displace hundreds of millions in the absence of bolder policy. At the same time, a long-term shift in the global balance of power in favor of autocratic states has substantially undermined the influence and outreach of the liberal democratic community.

Confronting any and all of these urgent global challenges will require considerable financing, much of which will be sourced as foreign aid from the world's richer donor states. As a result, it is obvious that the task of adapting current foreign aid practices to the challenges of the 21st century is an enormous one; it is also unavoidable.

This report aims to highlight several key areas which confound contemporary foreign aid policy; at the same time, it seeks to advance bold new approaches which will deliver the most efficient and effective human development. Additionally, acknowledging that foreign aid necessarily serves foreign policy objectives as well as development goals, this report seeks to develop a robust and ethical framework which allows foreign aid to most effectively balance foreign policy goals with democratic principles and human development objectives.

# **Foreign Affairs briefing note**

## **Overview**

**This briefing note will provide a basic introduction to the main issues being experienced currently in the area of international aid.**

**Since the turn of the decade, the world has seen a substantial democratic recession, a broad decline in key measures of human rights, and huge progress lost in the effort to tackle extreme poverty.**

**A global shift towards multipolarity has seen the image, outreach and principles of liberal democratic states increasingly undermined by autocratic states.**

**Established methods of foreign aid, especially bilateral and commercial loans, are increasingly inadequate and at times harmful for developing economies that are most in-need.**

# Democratic recession and progress lost in tackling poverty:

***In aggregate, the world has seen a decline in the number of democracies, as well as decline in the average quality of democracy.***

- V-dem's Democracy Report 2023 finds that an unprecedented 42 countries (comprising 43% of the world's population) experienced democratic regression in 2022, an increase from 33 countries (comprising 36% of the population) in 2021.<sup>1</sup>
- The Economist has noted an average 8% decrease in quantitative measures of political liberalism compared to 2008.<sup>2</sup>
- The Carnegie Endowment for Democracy finds that “predatory political actors” have come to dominate domestic politics in countries like Cambodia, Hungary and Nicaragua as a result of weakly established institutions and democratic norms.<sup>3</sup>

***Human rights are increasingly threatened by organized anti-rights forces; this includes a broad coalition of illiberal states and transnational organisations.***

- V-dem's Democracy report for 2023 notes a broad decline in human rights, with freedom of expression deteriorating in 35 countries in 2022, compared to only 7 countries in 2012.<sup>4</sup>
- Other areas of sharp decline include academic freedom, media freedom and the freedom of civil society organisations.<sup>5</sup>
- A growing coalition of anti-feminist and anti-LGBTQ+ actors made up of “certain post-Soviet, Catholic, and Islamic states”, among other conservative non-

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<sup>1</sup> V-Dem Institute, 2023, [V-Dem Democracy Report 2023](#)

<sup>2</sup> The Economist, 2023, [Democratic backsliding seems real, even if it is hard to measure](#)

<sup>3</sup> Carnegie Endowment for International Peace, 2023, [Is the Global Tide Turning in Favor of Democracy?](#)

<sup>4</sup> V-Dem Institute, 2023, [V-Dem Democracy Report 2023](#)

<sup>5</sup> Ibid.

governmental organisations, increasingly acts within the United Nations, using coercive tactics to silence and sideline human rights organizers.<sup>6</sup>

***The global shocks of the Covid-19 Pandemic and the War in Ukraine have induced enormous economic hardship and insecurity, falling most severely on the world's most vulnerable populations.***

- The United Nations reports that the compounding effects of the pandemic and the conflict in Ukraine have led to an estimated net increase of 75 to 95 million people in extreme poverty (relative to pre-2019 projections).<sup>7</sup>
- Economic hardship has fallen disproportionately on the world's most vulnerable populations - particularly women, who are 24% more likely to have lost employment in the wake of Covid-19.<sup>8</sup>
- This harm is exacerbated by the accelerating consequences of climate change, with the World Bank estimating that climate change will push up to 130 million people - mainly living in the world's most fragile states - into poverty by 2032 in the absence of bolder policy.<sup>9</sup>

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<sup>6</sup> Cupać, Jelena; Ebetürk, Irem, 2020, [The personal is global political: The antifeminist backlash in the United Nations](#)

<sup>7</sup> UN Secretary General, 2022, [Implementation of the Third United Nations Decade for the Eradication of Poverty \(2018–2027\)](#).

<sup>8</sup> Dang HH, Viet Nguyen C. ,2021, [Gender inequality during the COVID-19 pandemic: Income, expenditure, savings, and job loss.](#)

<sup>9</sup> World Bank, 2021, [When Poverty Meets Climate Change: A Critical Challenge Demands Cross-Cutting Solutions](#)

# Threat to democracy from rising autocracies:

***The global response to the War in Ukraine has exposed substantial limits to western soft power.***

- Though 141 countries formally condemned the Russian invasion of Ukraine at the UN General Assembly (73% of all UN members), only 45 of them - almost exclusively western countries - imposed sanctions on Russia.<sup>10</sup>
- The BRICS organization, of which Russia is a founding member, has recently received 20 new applications and has expanded for the first time since its creation in 2009, adding six additional member states.<sup>11</sup>
- In a survey conducted by the Open Foundation across 22 countries in different parts of the world, in 21 of these countries less than 50% of respondents selected the Russian invasion of Ukraine as a key global challenge.<sup>12</sup>
- In addition, among non-OECD countries, 44% of respondents agreed to some extent that 'Russia is justified in wanting to have greater influence over its neighbor Ukraine than the West has', whereas 68% of them agreed that too many financial resources have been spent on this conflict at the cost of other problems.<sup>13</sup>

***Long term shifts in global trade and production have seen autocratic states make up a relatively greater share of the global economy, replacing the historic dominance of liberal democratic states in the sphere of foreign aid.***

- The BRICS members' (including autocratic China and Russia) share of global GDP has doubled since 1995: from 16.9% to 32.1%.<sup>14</sup>
- The BRICS organization has recently overtaken the G7 alliance (which exclusively consists of western states) in terms of share of global GDP: the former has achieved 31.5% share, whereas the latter's contribution has dropped to 30%.<sup>15</sup>

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<sup>10</sup> Piatetsky P., 2022, [What Are Countries Doing to Counter Russia's War](#).

<sup>11</sup> Mohan, C., 2023, [BRICS Expansion Is No Triumph for China](#).

<sup>12</sup> Open Society Foundations, 2022, [Fault Lines: Global Perspectives on a World in Crisis - Open Society Foundations](#)

<sup>13</sup> Ibid.

<sup>14</sup> Felix Richter, 2023, [Chart: The Rise of the BRICS | Statista](#)

<sup>15</sup> Chris Devonshire-Ellis, 2023, [The BRICS Has Overtaken The G7 In Global GDP - Silk Road Briefing](#)



- The share of trade between democracies as a share of total international trade has dropped in last 25 years from 74% to 47% while within the same period of time the share of trade between autocracies has tripled from 6% to 18%.<sup>16</sup>
- The most influential non-western aid provider China has increased the amount it spends on provision of foreign aid by more than four times since 2003.<sup>17</sup>

***Key regional actors are increasingly adopting policies which do not align with liberal democratic principles.***

- The July coup in Niger, which overthrew democratically elected President Mohamed Bazoum and brought a military junta to the power can be seen as an obvious sign of democratic backsliding.<sup>18</sup>
- In 2023, Hungary, a member of the EU and NATO, is demonstrating clear signs of democratic backsliding in light of the recent meeting and handshake between Prime Minister Orban and President Putin<sup>19</sup> and Orban's condemnation of sanctions against Russia.<sup>20</sup>
- Turkey, which is NATO member, is undergoing a process of democratic backsliding; constitutional amendments in 2017 have allowed President Erdogan to significantly consolidate power and have permitted violations of freedom of travel as well as the suppression of civil society organisations.<sup>21</sup>

***The Belt and Road Initiative has seen a wide range of states turning to the People's Republic of China as their greatest foreign financier, often substantially increasing the regional influence of the Chinese government and Chinese firms as a result.***

- As a part of the Belt and Road initiative, Laos has recently become very reliant on Chinese infrastructure projects and investment, as a result rejecting other international lenders and increasing its national debt. However, these projects

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<sup>16</sup> V-Dem Institute, 2023, [Democracy Reports – V-Dem](#)

<sup>17</sup> China Africa Research Initiative, 2023, [Data: Chinese Global Foreign Aid](#)

<sup>18</sup> Ebenezer Obadare, 2023, [The Real Meaning of Niger's Coup | Foreign Affairs](#)

<sup>19</sup> Vincour & Co. , 2023, [EU shrugs as pro-Russia pals Orbán and Fico troll the West after Putin handshake – POLITICO](#)

<sup>20</sup> BBC News, 2014, [Hungary PM Orban condemns EU sanctions on Russia - BBC News](#)

<sup>21</sup> Ertug Tombus , 2022, [Autocracy behind a democratic facade: the political regime in Turkey](#)

have been proved to be inefficient for the country, whereas new debt has only worsened an economic crisis.<sup>22</sup>

- Chinese aid has led to African citizens having significantly more favorable perceptions of China.<sup>23</sup>
- States that receive financial aid from China very often tend to support its position on an international arena.<sup>24</sup> For instance, many Chinese aid recipients supported China in boycotting the Nobel Prize ceremony in 2010 and the United Nations General Assembly meeting in 2012 (which concerned the situation in Syria).

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<sup>22</sup> Alastair McReady, 2021, ['I feel hopeless': Living in Laos on the brink](#)

<sup>23</sup> Robert A. Blair & Philip Roessler, 2018, [The Effects of Chinese Aid on State Legitimacy in Africa: Cross-National and Sub-National Evidence from Surveys, Survey Experiments, and Behavioral Games](#)

<sup>24</sup> Georg Struver, 2016, [What Friends Are Made of: Bilateral Linkages and Domestic Drivers of Foreign Policy Alignment with China](#)

## **Inadequacy of bilateral aid for the most in-need:**

***Current foreign aid is heavily skewed towards bilateral deals, which can heighten mutual tensions.***

- ODA (Official Development Assistance) received by developing countries has increased in real terms by 62.7% from 2006 to 2021. However, the majority of aid is still conducted bilaterally, with aid from multilateral agencies only accounting for 22.6% and 28.1% of total ODA in 2006 and 2021 respectively.<sup>25, 26</sup>
- China started BRI in large part to improve relations and foster friendships. Yet, China now stands as the largest bilateral creditor for the external debts of low-and-middle-income countries,<sup>27</sup> provoking outrage against ‘debt trap’ diplomacy - whether real or imagined.
- In Maritime Southeast Asia, Chinese aid and debt heightened existing, deep-seated tensions rather than easing them.<sup>28</sup>
- For the West and developing countries in Africa, aid is increasingly viewed negatively despite its objective to strengthen bilateral relations.<sup>29</sup>
- Bilateral aid is more politicized while multilateral aid is viewed more favorably and with greater trust by aid recipients.<sup>30</sup>

***Poorly thought-out commercial lending is a dangerous alternative, for both the lender and the debtor.***

- Unlike traditional donors, Chinese commercial lending does not apply aid conditionality promoting human rights or good governance.<sup>31</sup> In addition, Chinese loans require less stringent safeguards and are less risk-averse, making them the sole option for certain projects, leading to high-interest rates.<sup>32</sup>

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<sup>25</sup> OECD, 2023, [QWIDS - Query Wizard for International Development Statistics](#)

<sup>26</sup> While this list does not comprehensively cover aid from every country (i.e., China), the data does reflect a general trend for the majority of donors.

<sup>27</sup> World Bank, 2020, [International Debt Statistics 2021: Debt accumulation of low- and middle-income countries surpassed \\$8 trillion at end-2019](#)

<sup>28</sup> Angus Lam, 2020, [Domestic Politics in Southeast Asia and Local Backlash against the Belt and Road Initiative](#)

<sup>29</sup> Niyonkuru, F, 2016, [Failure of Foreign Aid in Developing Countries: A Quest for Alternatives](#)

<sup>30</sup> ODI, 2019, [Bilateral versus multilateral aid channels Strategic choices for donors](#)

<sup>31</sup> Damian Raess, Wanlin Ren & Patrick Wagner, 2022, [Hidden Strings Attached? Chinese \(Commercially Oriented\) Foreign Aid and International Political Alignment](#)

<sup>32</sup> Jonathan E. Hillman, 2018, [Game of Loans: How China Bought Hambantota \(csis.org\)](#)

- Commercial loans can be of high risk for lenders, especially those in the private sector. Zambia exemplifies the consequences of poor decision-making, unsustainable debt, and risky commercial lending.<sup>33</sup>
- High interest, commercialized debts can force governments to spend large proportions of revenue towards repayment, either forcing austerity or higher taxes as was the case in Sri Lanka.<sup>34</sup>

***Aid enables poor governance and empowers poor decision-making, particularly because governments have political incentives to embark on ill-concieved high-profile projects.***

- An evaluation of Debt Sustainability Analyses (DSAs) for low-income countries (LICs) from 2005-2015 finds evidence of systematic bias towards optimism for public and external debt projections.<sup>35</sup>
- Domestic (especially democratic) governments have greater incentives to follow more optimistic predictions as a means of furthering political ambitions, as they can claim credit for high-profile projects.<sup>36</sup> Sri Lanka and its port of Hambantota serves as an illuminating example.<sup>37</sup>
- In Zambia, bail-outs can foster reckless policies and thinking, as the government believes it will be bailed out due to past precedents.<sup>38</sup>

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<sup>33</sup> Deborah Brautigam, 2022, [China and Zambia: creating a sovereign debt crisis](#)

<sup>34</sup> Verite Research, 2021, [Charting A Path for Debt Sustainability in Sri Lanka](#)

<sup>35</sup> Mooney and de Soyres, 2017, [Debt Sustainability Analyses for Low-Income Countries: An Assessment of Projection Performance](#)

Cited in John, & Scott, & Gailyn, 2019, [Examining the debt implications of the Belt and Road Initiative from a policy perspective](#)

<sup>36</sup> Damian Raess, Wanlin Ren & Patrick Wagner, 2022, [Hidden Strings Attached? Chinese \(Commercially Oriented\) Foreign Aid and International Political Alignment Get access Arrow](#)

<sup>37</sup> Jonathan E. Hillman, 2018, [Game of Loans: How China Bought Hambantota](#)

<sup>38</sup> Deborah Brautigam, 2022, [China and Zambia: creating a sovereign debt crisis](#)

# Insights

## Overview

This section aims to identify and explain key challenges which face contemporary foreign aid efforts, particularly those relating to democratic institutions, human development and human rights.

Firstly, it aims to establish how recent global shocks have undone years of progress on poverty reduction, most severely affecting already vulnerable groups; in addition, it notes that related inequalities, insecurities and anxieties have fuelled democratic backsliding. Furthermore, this section explores the long-term factors which have seen autocratic states significantly expand their influence on the world stage, while revealing why liberal democratic states have faced monumental failures of foreign aid and democracy promotion abroad. Finally, it considers several fundamental shortcomings of contemporary methods of bilateral and commercial developmental assistance, and notes how such aid has become increasingly divisive and politicized.

- Recent shocks to world poverty promise to aggravate democratic recession
- Liberal Democratic outreach is increasingly challenged by autocratic states, and is undermined by the West's own policy mistakes
- Bilateral aid is increasingly politicised, prone to backlash and poor outcomes

***Recent global shocks have dealt severe blows to human development and security, threatening to empower illiberal forces and accelerate democratic recession.***

A pressing challenge for contemporary foreign aid is to effectively address the impacts of recent global economic shocks, which have plunged millions into poverty and insecurity.

Firstly, the impact of the Covid-19 Pandemic on global poverty has been profound, with the World Bank estimating that about 97 million more people were living in extreme poverty as a result of pandemic in 2021, reversing decades of progress on poverty reduction.<sup>39</sup>

Notably, the pandemic impacted the world's poor most severely. Broadly, in 2021, the average incomes of people in the bottom 40 percent of the global income distribution were 6.7 percent lower than pre-pandemic projections, while those of people in the top 40 percent were down only 2.8 percent.<sup>40</sup>

Furthermore, historically marginalized groups have proven particularly vulnerable to pandemic related disruption. For instance, women across the Global South are overrepresented in the most dangerous positions in health services<sup>41</sup> and are most likely to be in casual employment, thus facing the sharpest declines in income during times of economic hardship.<sup>42</sup> Relatedly, Sylvia Katooko of the Suubi Centre for Sexual and Reproductive Services in Uganda notes that lockdowns and social distancing measures separated vulnerable women from direly needed one-to-one support, posing “long-term risks to their income, financial independence and ability to provide for their families”.<sup>43</sup> Another development worthy of particular concern is a pandemic-related rise in cases of domestic abuse, with the overwhelming majority of victims being women.<sup>44</sup>

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<sup>39</sup> World Bank, 2021, [Updated Estimates: The Impact of COVID-19 on Global Poverty and Turning the Corner in 2021](#)

<sup>40</sup> World Bank, 2021, [COVID-19 Leaves a Legacy of Rising Poverty and Widening Inequality](#)

<sup>41</sup> OECD, [Women are well represented in health and long-term care professions but often in jobs with poor working conditions](#)

<sup>42</sup> International Federation of Red Cross and Red Crescent Societies (IFRC), 2023, [Drowning just below the surface: New IFRC research reveals the magnitude of socioeconomic impacts](#)

<sup>43</sup> Nadjé Al-Ali, 2020, [Covid-19 and feminism in the Global South: Challenges, initiatives and dilemmas](#)

<sup>44</sup> Alex Piquero et al, 2021, [Domestic violence during the COVID-19 pandemic - Evidence from a systematic review and meta-analysis](#)

Covid-related disruption to schooling has also significantly worsened outcomes in the developing world and widened established inequalities. Strikingly, the World Bank estimates that the share of children living in low- and middle-income countries in “Learning Poverty” (i.e receiving inadequate schooling) increased from 53 percent to highs of up to 70 percent following pandemic-induced school closures. National data from Brazil, Pakistan, rural India, South Africa, and Mexico, for instance, shows very substantial reductions in standardized mathematics and reading scores.<sup>45</sup>

Notably, these closures have had greater negative effects on student outcomes in countries with digital infrastructure too sparse or unreliable to deliver effective remote teaching, further disadvantaging the world’s poorest.<sup>46</sup> Furthermore, learning losses have been significantly more severe for students of “lower socioeconomic status” relative to their peers, even within low-income countries - this aligns with wider and longer established research on the unequal impact of educational disruption on students of differing backgrounds.<sup>47</sup> The World Bank estimates that, as a result, today’s students will lose a total of \$21 trillion in lifetime earnings, with the majority of losses faced by students in low or middle income countries - this promises to deal a catastrophic and enduring blow to human development.<sup>48</sup>

At the same time, inflation related to Russia’s invasion of Ukraine has severely upset global markets for “food, fuel, and fertilisers”, leading to significant “undernourishment and deterioration in diet quality” in 19 countries.<sup>49</sup> This has had much greater adverse effects on the world’s poor, as food accounts for a much greater share of consumer spending in regions like sub-Saharan Africa compared to advanced economies (40 percent vs 17 percent, respectively).<sup>50</sup> Consequently, households in these regions are much more likely to be driven into poverty and hunger as a consequence of volatility in food prices. Overall, the World Health Organisation estimates that the twin impacts of Covid-19 and the war in Ukraine have pushed more than 122 million people into hunger since 2019 – a severe increase of almost 20 percent.<sup>51</sup>

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<sup>45</sup> World Bank, 2020, [Educational Challenges and Opportunities in the COVID-19 Pandemic](#)

<sup>46</sup> The Economist, 2022, [COVID Learning Loss Has Been a Global Disaster](#)

<sup>47</sup> Harry Patrinos et al., 2023, [An Analysis of COVID-19 Student Learning Loss](#)

<sup>48</sup> The Economist, 2022, [COVID Learning Loss Has Been a Global Disaster](#)

<sup>49</sup> Channing Arndt, 2023, [The Ukraine war and rising commodity prices: Implications for developing countries](#)

<sup>50</sup> International Monetary Fund (IMF), 2022, [War-Fueled Surge in Food Prices to Hit Poorer Nations Hardest](#)

<sup>51</sup> World Health Organization (WHO), 2023, [122 Million More People Pushed into Hunger Since 2019 Due to Multiple Crises, Reveals UN Report](#)

Crucially, these developments not only constitute a pressing humanitarian crisis, but also a looming crisis of democracy and human rights. Extensive research finds the risks of democratic recession are greatly increased when insecurity, corruption and economic inequality are perceived to be prevalent,<sup>52</sup> permitting authoritarian strongmen to harness popular discontent towards the political establishment to achieve power. Notably, this is frequently realized through political promises to decisively address perennial problems of law and order, inequality, ailing public services and political corruption.<sup>53</sup> Consequently, across the global south, illiberal political programmes have found wide-ranging support among a broad political coalition which includes the poor and upwardly mobile urban middle classes; the election of Duterte in the Philippines<sup>54</sup> and Bolsonaro in Brazil<sup>55</sup> are telling examples.

Considering these points, if the impacts of Covid-19, the war in Ukraine, and climate change are allowed to become entrenched, it will not only catastrophically impact human development, but it will also further destabilize democratic politics globally. Consequently, the need for effective aid has never been clearer to maintain global peace and development. Additionally, there is a pressing need to target aid to particularly impacted and left-behind groups in order to unlock the full potential and agency of historically marginalized sectors of society.

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<sup>52</sup> Roberto Foa, 2021, [Why Strongmen Win in Weak States](#)

<sup>53</sup> Ibid.

<sup>54</sup> Paul D Kenny, 2020, [New Penal Populism: Rodrigo Duterte, Public Opinion, and the War on Drugs in the Philippines](#)

<sup>55</sup> Daly, Tom. 2019, ["Populism, public law, and democratic decay in Brazil: understanding the rise of Jair Bolsonaro."](#)



***Liberal Democratic outreach is undermined by Russia's enduring importance in the global economy, the relative economic rise of autocratic states and the West's own policy failures.***

A key challenge for contemporary liberal democratic outreach and aid programs is the growing multipolarity of the international system, with rising influence for non-democratic states. Recently, this has manifested in the reluctance of many states to substantially oppose the Russian invasion of Ukraine.<sup>56</sup> Other key developments include the increasing economic power of autocratic countries relative to liberal democratic ones,<sup>57</sup> as well as considerable democratic recession in many recently liberalized countries.<sup>58</sup> This section aims to provide insights into the most significant examples of the aforementioned processes and outline their key causes.

Firstly, a key reason for the reluctance of many non-western countries to introduce sanctions against Russia is the significant economic cost of doing so. Notably, Russia is the second-largest global exporter of oil; consequently, any imposition of an embargo or a price cap on Russian oil, as proposed by western states,<sup>59</sup> may seriously constrain the economic growth of developing countries particularly dependent on fossil fuel infrastructure. Furthermore, there are even significant incentives to maintaining neutrality - one example of this is the policy adopted by India, which is now benefiting from discounts on oil offered by Russia, in exchange for a policy of strategic neutrality.<sup>60</sup> It is clear then that, despite decades of sanctions, Russia has maintained a significant degree of economic power and influence at a global level, which will continue to impede western attempts to isolate it strategically.

Even more crucially, the West now faces a credible challenge in the aid sphere from the People's Republic of China. It is evident that China is rapidly expanding its official development assistance, which has been received enthusiastically by developing states such as Laos<sup>61</sup> and has received praise from the International Monetary Fund.<sup>62</sup> An illustrative quote given by a senior Kenyan official finds that 'every time China visits

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<sup>56</sup> Piatetsky P., 2022, [What Are Countries Doing to Counter Russia's War](#)

<sup>57</sup> V-Dem, 2023, [Democracy Reports](#)

<sup>58</sup> Ertug Tombus, 2022, [Autocracy behind a democratic facade: the political regime in Turkey](#)

<sup>59</sup> Elina Ribakova & Co, 2022, [The oil price cap and embargo on Russia work imperfectly, and defects must be fixed](#)

<sup>60</sup> Fred Weir, 2023, [Why is democratic India helping Russia avoid Western sanctions?](#)

<sup>61</sup> CIDCA, 2022, [China launches grain assistance program in Laos](#)

<sup>62</sup> Pierre Mandon, Martha Tesfaye Woldermichael, 2022, [Has Chinese Aid Benefited Recipient Countries? Evidence from a Meta-Regression Analysis](#)

[Kenya], we get a hospital', while 'every time Britain visits, [we receive] a lecture'<sup>63</sup> - highlighting the competitive appeal of China's foreign aid strategy, which imposes far fewer conditions on recipient states than similar western schemes.<sup>64</sup>

It is key to note that this increase in development aid has been permitted by a profound shift in the global economic balance of power. For instance, the BRICS organization (of which autocratic Russia and China are founding members) has recently overtaken western G7 bloc in terms of global GDP share (by purchasing power),<sup>65</sup> while global autocratic share of trade has tripled in the last 25 years.<sup>66</sup> Crucially, this has permitted autocratic states to increase their presence and influence in the foreign aid sphere, with empirical analysis finding that states receiving Chinese developmental assistance are significantly more likely to align themselves with Chinese positions at the United Nations.<sup>67</sup>

In addition to the growing economic influence of autocratic states, several flaws of western aid policy further challenge liberal democratic outreach. One clear example of this is the unsuccessful Western intervention in Afghanistan,<sup>68</sup> where western countries failed to establish stable democratic institutions and defeat radical Islamism over more than twenty years; instead, billions of dollars of western aid primarily served to buttress a corrupt, ineffective, and widely unpopular government. This provides a clear indicator of the unsuitability of the current development paradigm for countries outside the western hemisphere. Another key but significantly different example is American military aid for Saudi Arabia – an undeniably non-democratic state.<sup>69</sup> It seems evident that such examples seriously undermine the perception of western aid, while directly undermining human rights and democratic principles.

There are also some general problems that tend to cause failure of foreign aid. One major issue is that provision of foreign aid to a developing country may undermine the reputation of its elites and decrease citizens' trust in them – largely because acceptance of foreign aid seems to people as a sign of weakness of their governments. For instance, case studies conducted in Nigeria, Senegal, and Uganda demonstrated that people who

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<sup>63</sup> Aidan Hartley, 2022, [When will the West start to deal with Africa on its own terms?](#)

<sup>64</sup> Jianan Li, Xiaoning Long & Qi Jiang, 2022, [Aid and conflict: Evidence from Chinese aid](#)

<sup>65</sup> Chris Devonshire-Ellis, 2023, [The BRICS Has Overtaken The G7 In Global GDP - Silk Road Briefing](#)

<sup>66</sup> V-Dem, 2023, [Democracy Reports](#)

<sup>67</sup> Georg Struver, 2016, [What Friends Are Made of: Bilateral Linkages and Domestic Drivers of Foreign Policy Alignment with China](#)

<sup>68</sup> Sean Golden, 2021, [CIDOB - The root cause of 'Western' failure in Afghanistan](#)

<sup>69</sup> Michael Eisner & Jack Steele, 2021, [Biden Should Release the CIA Report on Jamal Khashoggi's Killers](#)

live near active aid projects overall more often tend to rate the performance of their presidents as low and perceive their elites as corrupt.<sup>70</sup> This phenomenon is also often described in terms of declined institutional trust and crisis of legitimacy. Another major problem associated with foreign aid projects is related to the form of such aid; there is strong evidence to suggest that direct financial support of developing countries' governments not only has very little effect on economic growth, but also stimulates corruption and democratic backsliding. One significant example of this is the failure of the World Bank's direct money transfer to Chad with a purpose of building the Chad-Cameroon oil pipeline.<sup>71</sup> Indeed, not only has the pipeline not been built, but has instead been spent on the purchase of arms, survival of the regime and falsification of elections. This example shows inefficiency of direct financial aid to governments in the developing world. In general, it is clear that the need to tackle these two main issues is essential to increase efficiency of foreign aid projects.

In conclusion, the outreach of liberal democratic states is now increasingly confounded by influential autocratic powers. This is particularly evident in light of a long-term shift in the global locus of economic power towards autocratic states, as well as the Russian invasion of Ukraine, and the increasing scale and influence of Chinese foreign aid. As these developments look to be enduring and mostly irreversible, the liberal democratic community has no choice but to reassess its current practices and pursue more nimble, efficient and effective methods of implementing foreign aid.

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<sup>70</sup> Michael Watkins, 2021, [Foreign aid projects and trust in political institutions](#)

<sup>71</sup> NBC News, 2007, [Examples of failed aid-funded projects in Africa](#)

***Bilateral aid is plagued by popular backlash in recipient countries, risky commercial lending, and the empowerment of ineffective governance.***

The foreign aid landscape has had huge shifts in the past two decades, with the rise of new major donors, different types of aid, and greater amounts of capital. This section focuses on bilateral aid and associated problems, namely its negative impact on mutual relations and the ramifications of risky commercial lending. In addition, aid has empowered recipient governments to spend more recklessly.

Between 2006 to 2021, ODA (Official Development Assistance) received by developing countries has increased in real terms by 62.7% (125.4 to 204.9 billion USD - constant price 2021 USD).<sup>72</sup> Simultaneously, a rise in aid has been accompanied by a rise in external debt among low and middle-income countries.<sup>73</sup>

One thing remained relatively constant through these changes. The majority of aid is conducted bilaterally, with aid from multilateral agencies only accounting for 22.6% and 28.1% of total ODA in 2006 and 2021 respectively.<sup>74</sup> While ODA fails to account for donors outside the DAC (Development Assistance Committee), most multilateral aid comes from the largest international bodies (IMF, WBG, UN), which is covered by the ODA.

But what makes all of this an issue?

First, bilateral aid often harms mutual relations between states more than it fosters them. Though China began its Belt and Road Initiative (BRI) in large part to improve foreign relations and foster friendships, it now stands as the largest bilateral creditor for the external debts of low-and-middle income countries.<sup>75</sup> This has provoked significant outrage against 'debt trap' diplomacy - whether real or imagined. For instance, with failure to repay debt, fears about foreign seizure of projects and impingement on sovereignty have led to widespread public backlash, as occurred in Sri Lanka in 2017.<sup>76</sup>

In Zambia, foreign aid created backlash against the Chinese government and its people. This was due to poor (and at times fatal) working conditions, exploitative working

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<sup>72</sup> OECD, 2023, [QWIDS - Query Wizard for International Development Statistics](#)

<sup>73</sup> World Bank, 2020, [International Debt Statistics 2021: Debt accumulation of low- and middle-income countries surpassed \\$8 trillion at end-2019](#)

<sup>74</sup> OECD, 2023, [QWIDS - Query Wizard for International Development Statistics](#)

<sup>75</sup> World Bank, 2020, [International Debt Statistics 2021: Debt accumulation of low- and middle-income countries surpassed \\$8 trillion at end-2019](#)

<sup>76</sup> Reuters, 2017, [China's 'Silk Road' push stirs resentment and protest in Sri Lanka](#)

contracts and a racialized working environment - where permanent contracts and management positions were mostly reserved for Chinese nationals. Apart from worker riots and racial homicide cases,<sup>77</sup> growing anti-Chinese sentiments are evidenced by elections: regions most affected by foreign investments voted for Sata, a politician running on an anti-Chinese platform.<sup>78</sup>

While bilateral aid in Zambia has created new anti-Chinese sentiments, aid in Maritime Southeast Asia exacerbated existing tensions. In the Philippines, Malaysia, and Indonesia, local governments criticize the BRI and complain about 'debt-trap' diplomacy - going against the rhetoric of the national government. Specifically, geopolitical concerns, debt, corruption, and lack of transparency have been points of discussion.<sup>79</sup>

Traditional Western donors have similarly been subject to such backlash. At first, foreign aid was seen as a way to strengthen bilateral ties between former colonies and colonial powers. Yet, historically, aid has been viewed by various parties (developing countries in Africa, Western neoliberals) as exploitation, self-enrichment for elites, neo-imperialism, and extortion – rather than a positive force.<sup>80</sup>

Recently, the US has also had additional difficulties with aid. Since early 2000s, as US aid becomes increasingly politicized, strategic, and short-term, there has been greater local backlash against even traditional, developmental American aid (specific examples being Syria and Yemen). This is in part because the distinction between different forms of aid is ill-defined.<sup>81</sup>

However, it is worth noting that hostilities are more present at the lower levels: the 'public' and local officials. At the highest levels of government, bilateral aid has been successfully used to strengthen ties and persuade states to take sides on international issues.<sup>82</sup>

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<sup>77</sup> Jenni Marsh, 2020, [China-Zambia tensions reignite after three Chinese business people murdered and burned](#).

<sup>78</sup> Agnes Ngoma Leslie, 2016, [Zambia and China: Workers' Protest, Civil Society and the Role of Opposition Politics in Elevating State Engagement](#)

<sup>79</sup> Angus Lam, 2020, [Domestic Politics in Southeast Asia and Local Backlash against the Belt and Road Initiative](#)

<sup>80</sup> Niyonkuru, F, 2016, [Failure of Foreign Aid in Developing Countries: A Quest for Alternatives](#)

<sup>81</sup> Myers, Nathaniel, Carnegie Endowment for International Peace, 2015, [HARD AID: Foreign Aid in the Pursuit of Short-Term Security and Political Goals](#)

<sup>82</sup> Damian Raess, Wanlin Ren & Patrick Wagner, 2022, [Hidden Strings Attached? Chinese \(Commercially Oriented\) Foreign Aid and International Political Alignment](#)

Secondly, a different kind of bilateral aid has emerged in force: Chinese commercially-oriented loans with near-or-at-market interest rates and laxer requirements. Unlike traditional donors, Chinese commercial lending does not apply aid conditionality promoting human rights or good governance.<sup>83</sup> Furthermore, Chinese loans require less stringent safeguards and are less risk-averse, thus more willing to finance higher-risk projects.<sup>84</sup> These make it attractive for certain governments, especially democratic politicians who utilize high-profile projects for political ambitions.<sup>85</sup>

One such example is the Sri Lankan port of Hambantota, where political ambition trumped economic rationale. Despite a 2003 report suggesting the port was commercially unviable, political ambitions made the government favour a more optimistic projection conducted in 2006. Reality soon proved that the port was economically unfeasible, and Sri Lanka failed to repay its debt, giving China a 99-year lease of the port in 2017.<sup>86</sup>

Hambantota is not a unique development in Sri Lanka, whose government is adept at borrowing. In 2021, some 71 percent of Sri Lanka's government revenue went toward repaying debt.<sup>87</sup> Similarly, Sri Lanka is not unique on the world stage. Indeed, foreign aid can empower poorly-thought-out decisions. In particular, bailouts potentially foster a dangerous line of thinking: that present debt will be bailed out like in the past. An extreme case is Zambia: whose government requested debt relief from the Paris Club in 1983, 1984, 1986, 1990, 1992, 1996, 1999, 2002 and 2005.<sup>88</sup>

In any case, commercial lending is not necessarily a negative, but its laxness and risk-taking exacerbate the existing issue of aid enabling poor governance. With yet another avenue for aid, it is vital that governments be more prudent.

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<sup>83</sup> Damian Raess, Wanlin Ren & Patrick Wagner, 2022, [Hidden Strings Attached? Chinese \(Commercially Oriented\) Foreign Aid and International Political Alignment](#)

<sup>84</sup> Jonathan E. Hillman, 2018, [Game of Loans: How China Bought Hambantota](#)

<sup>85</sup> Damian Raess, Wanlin Ren & Patrick Wagner, 2022, [Hidden Strings Attached? Chinese \(Commercially Oriented\) Foreign Aid and International Political Alignment](#)

<sup>86</sup> Jonathan E. Hillman, 2018, [Game of Loans: How China Bought Hambantota](#)

<sup>87</sup> Verite Research, 2021, [Charting A Path for Debt Sustainability in Sri Lanka](#)

<sup>88</sup> Deborah Brautigam, 2022, [China and Zambia: creating a sovereign debt crisis](#)

## **Conclusion:**

- A succession of global shocks have severely impacted the wellbeing and security of the world's poorest communities - particularly disadvantaging women and historically marginalized groups.
- There is a significant link between economic shock, insecurity, and democratic recession.
- A global shift towards a multipolar international system means that autocratic states now exercise growing influence on developing countries.
- The failures of past aid interventions by the West highlight the need for a more nuanced, ethical and context-specific approach to foreign aid.
- Providers of aid must avoid simply 'replacing' what domestic governments typically do, as this has considerable adverse effects on long-term governing capacity and institutional trust.
- Bilateral forms of aid are increasingly politicized, running a significant risk of straining mutual relations and provoking public backlash.
- Many of the established dynamics of bilateral aid incentivise risky and ineffective lending, for poorly selected projects.

# Policy Recommendations

## Overview

**Action 1: Strengthen domestic institutions and diplomatic outreach in the Global South through the formation of a multilateral ‘fund for the development of civil society’.**

**Action 2: Improve governing capacity in the Global South, as well as western diplomatic outreach, by expanding university exchange programmes targeted towards “high-potential” students in the Global South.**

**Action 3: Alleviate poverty and build long term resilience in the Global South by targeting direct cash transfers to women in vulnerable communities.**



## ***Action 1: Forming a Multilateral Fund for the Development of Civil Society.***

This report first advocates for the formation of a multilateral fund with a specific focus on nurturing human talent and supporting NGOs in developing countries. Its core operating principle is to avoid some large pitfalls of current foreign aid, in addition to strengthening burgeoning democracies and countering autocratic influence.

This proposed multilateral fund seeks to help combat some issues with foreign aid brought up in the prior insights and provide one alternative approach. First, we note that foreign aid sent directly to governments does not have optimal results. In addition, we find short-term aid imposed forcefully and aimed at rapid change has not been very effective, as in the case of Afghanistan previously discussed in this report. Finally, we find bilateral aid faces the fundamental danger of politicization, provoking public backlash in recipient countries.

Thus, this report advises that Western governments should form a multilateral “Fund For Civil Society”. This fund should take a longer term approach that focuses on providing funding to various civil society organisations. In developing countries, local NGOs with proven track records could be the main beneficiaries and partners of the fund, as they have shown to be increasingly reliable, efficient, with a good understanding and connection to the local populace. In addition, NGOs often have independent research units with existing policy recommendations that could be bolstered by funding. Local NGOs can also serve as bridges between governments, foreign donors, and the people (who at times have very minimal trust in the former two bodies).<sup>89</sup>

As stated, this fund seeks to support civil society. We note that NGOs have played a key role in successfully achieving this, all over the world, serving a tremendous role in holding institutions accountable and giving voice to the marginalized.<sup>90</sup> Thus, the fund could begin by partnering with NGOs and help provide additional training for their staff. Other methods include training for civil servants, funding overseas degrees, and even establishing educational institutions. The latter point is particularly important as it will be the most effective policy for countries, which do not have a trusted network of developed NGOs.

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<sup>89</sup> Niyonkuru, F., 2016, [Failure of Foreign Aid in Developing Countries: A Quest for Alternatives](#)

<sup>90</sup> Ibid.

Second, a multilateral fund with more transparent methods should be more welcomed and trusted by both local governments and their publics.<sup>91, 92</sup> Crucially, it avoids many of the negative implications of mainstream bilateral aid, especially in terms of mutual relations and public perceptions. This has been even more relevant with the increased politicization of foreign aid,<sup>93</sup> as highlighted previously in this report. Considering that the fund is narrowly focused on training and education, it would be dangerous for it to be perceived as (or used as) a tool of a singular foreign power. While the fund might still be a form of soft power, its chief focus should always be on human development. With that in mind, this aid should come either freely or in concessional loans with zero interest.

Third, selection of participants of the development programme should be rigorous and very focused to avoid mistakes that have been made in the past - attempts to foster the development by large but ineffective cash transfers, provision of aid to unwilling governments and focus on short-term instead of long-term. This limited selection of countries that aid programmes have a narrow focus, and enough aid is provided to implement development strategies. The number of recipient countries involved may be increased in the future if the budget of the fund is expanded, perhaps after the inclusion of new 'donor' members.

Fourth, ideally, the development fund should be founded by 4-5 countries to ensure its budget is large enough, while preventing situations when a huge number of members may create unnecessary disagreement and conflicts at very first stages. Subsequently, new member states may be included to secure more funding.

Decisions on involvement of new donor countries will be made based on three criteria: 1) level of democracy in the country; 2) level of economic development of the country; 3) ability to provide enough funds that will benefit the expansion of aid programmes.

These first two criteria are designed to prevent inclusion of autocratic but relatively prosperous states in the organization. Participation in the organization body by donor

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<sup>91</sup> ODI, 2019, [Bilateral versus multilateral aid channels](#)

<sup>92</sup> *This is not conclusive for the debate between bilateral and multilateral aid; but at least in terms of trust/transparency, multilateral aid usually wins (Focus on Claim 2 assessed by the report).*

<sup>93</sup> As discussed in-depth in Theme 3, see,

Myers, Nathaniel, Carnegie Endowment for International Peace, 2015, [HARD AID: Foreign Aid in the Pursuit of Short-Term Security and Political Goals](#)

Damian Raess, Wanlin Ren & Patrick Wagner, 2022, [Hidden Strings Attached? Chinese \(Commercially Oriented\) Foreign Aid and International Political Alignment](#)

states will be encouraged as they will be able to contribute to aid, decision-making and ultimately achieve their geopolitical goals (e.g. expand their influence zone).

Voting in the fund should be based on the principle of equality regardless of the country's role and level of contribution. The fund that supports expansion of democracy cannot be non-democratic in nature, thus, voting should be equal. All major decisions (e.g. on inclusion of new member states and selection of aid recipients) must be approved through voting.

In the long term, this fund should make significant contributions to ensure the long-term resilience of civil society across the globe, all under an effective, ethical and transparent framework. Additionally, in a very long-term future, previous recipient states may ideally be included in the body as permanent members, and will thus continue to support the economic growth of other developing countries.

## ***Action 2: The Expansion of University Exchange Programmes.***

There is an obvious need for foreign aid to build the long-term governing capacity of states in the Global South. Equally, there is a need to establish productive, good-faith relationships between policymakers in the West and the rest of the world, especially in the context of global democratic recession. Finally, there is a need to invest aid funds efficiently, avoiding elite capture, risky lending, and buttressing poor governments.

With these requirements in mind, this report proposes a considerable expansion of access to top Western universities for high-potential students in the Global South, particularly those pursuing careers in politics, economics, public policy, or related fields. This would leverage a key strength of the Western world - the excellence of its educational institutions - while building on well-established exchange programmes which, historically, have delivered huge results in diplomatic outreach at very low costs.<sup>94</sup> To give an illustrative example of the potential of such programmes, at one point, half of Indonesia's Cabinet were educated at a single institution - the Australian National University - which granted the Australian government a number of extremely close and productive avenues to liaise with Indonesia's most important decision makers.<sup>95</sup>

In the first phase of this programme, Universities should offer a limited number of postgraduate scholarships (in a competitive process) to existing, 'high-potential' civil servants, economists, and other policy makers from a select few countries in the Global South, in specific courses relating to governance and public policy. These partner countries should express independent interest in joining the programme.

*The criteria for a "high potential" candidate should be as follows:*

- Candidate must hold a position at a junior level in government, but on a pathway to senior leadership in the domestic civil service, OR at a senior level in the domestic civil service, OR hold a position at a junior level in a major political party, but on a pathway to senior leadership
- Candidate must have a competitive academic record
- Desirably, able to demonstrate significant contribution to policy success

Over time, the number of scholarship opportunities, as well as the number of target countries, should increase gradually based on the success and impact of this pilot

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<sup>94</sup> Yasushi Watanabe, David L McConnel, 2008, [Soft Power Superpowers](#)

<sup>95</sup> Department of Foreign Affairs and Trade (DFAT), 2022, [New International Development Policy Submission](#)

phase. Additionally, after five years, universities should consider expanding this program to include undergraduate students; this would target high-potential, high achieving applicants in the global south seeking to enter domestic politics or policy.

This report advises the establishment of a dedicated fund for this scholarship program, involving contributions from participating western governments, international institutions in the development sphere, and private donors; these parties should be attracted by the close contact this will provide them with the policymakers of the future. This fund should be able to support the scholarship of at least 500 students a year, across the 50+ Western universities ranked in the 'top 100' in most major global rankings.<sup>96</sup> It should also be able to provide support services to ensure the success of scholarship recipients in adjusting to study abroad.

This policy should have significant positive outcomes, at a very low cost: it should build governing capacity in the global south, strengthen diplomatic ties between western countries and partner nations, foster broad cultural understanding and mutual respect, and build enduring, trust-based relationships between policymakers across the globe.

To assess the performance of this policy, participating governments should establish an independent body for continuous evaluation of the program's impact. This should record and assess:

- The number of scholarships awarded and successfully completed
- Diplomatic engagements resulting from the program
- Academic achievements and research contributions of scholarship recipients
- Alumni engagement in international cooperation efforts
- Policy changes influenced by alumni in their home countries

To generate enthusiasm and broad support for this programme, this body should regularly report on the achievements of alumni and their contributions to global development. In order to achieve this end, the programme should ensure it remains in contact with alumni via a robust and active alumni network.

This network should also organize regular outreach events between current and former students, as well as staff and donors to the scholarship fund, in order to facilitate enduring, productive working relationships between participants.

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<sup>96</sup> QS World University Rankings, 2023. [Top Universities World University Rankings](#)

This report highlights that, in an age of transnational crises, where expertise, mutual respect, and cultural understanding are more important than ever, the potential value of this programme cannot be understated. Indeed, educational exchange has truly transformative potential, fostering international cooperation and significantly contributing to global development, all while sidestepping the historical pitfalls of foreign aid.

### ***Action 3: Targeting Direct Cash Transfers to Women in Marginalized Communities.***

In the context of recent global shocks, as well as the looming threat of climate change, there is now also a pressing need for donor governments and NGOs to target aid effectively towards vulnerable groups. Additionally, it is crucial that this is achieved without undermining domestic institutional development in the long term, or permitting the elite capture of aid. This is particularly important with the consideration that global deprivation and insecurity will only aggravate democratic recession if left unchecked.

Therefore, this report advocates for the implementation of direct cash transfers to households in marginalized and hard-hit communities – paid to the female head of household – as a means of achieving individual empowerment, while building local resilience and security.

This report notes that direct cash transfers have proven to be an effective tool in poverty alleviation and fostering sustainable development; the extensive literature supporting this approach emphasizes its efficiency, transparency, and the transformative impact it regularly has on recipients' quality of life, as well as that of their wider communities.<sup>97</sup> For instance, thorough analysis and comparison of outcomes in Brazil, Mexico, and Kenya have shown that direct cash transfers significantly improve “household savings, investment in productive assets, labor force participation, economic activity, and expansion and diversification of livelihood activities”.<sup>98</sup> This literature also notes cash transfers do not simply alleviate poverty in the short term, but also promote wealth creation in the long term, leaving recipients far better off even after payments have stopped.<sup>99</sup> Notably, by avoiding intermediaries and ensuring funds reach the intended beneficiaries, direct cash transfers can be a powerful instrument for promoting human development and security while also evading elite capture of aid.<sup>100</sup>

This report advises that implementation should be a collaborative effort involving Western governments and charities, domestic NGOs in target countries, and local communities. Western governments and charities can provide financial support and

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<sup>97</sup> DFID, 2011, [Cash Transfers Literature Review](#)

<sup>98</sup> Kabeer, N., 2012, [What are the economic impacts of conditional cash transfer programmes?](#)

<sup>99</sup> DFID, 2011, [Cash Transfers Literature Review](#)

<sup>100</sup> Kapur, Devesh, Partha Mukhopadhyay, and Arvind Subramanian. [The case for direct cash transfers to the poor](#)

policy guidance, while domestic NGOs serve as the primary implementers, ensuring a nuanced understanding of local needs.

The policy should be implemented in phases, with an initial pilot phase involving a limited number of recipients and lasting 1-2 years, with the goal of building a body of experience of best practice. An expansion of this policy can occur over the following 3-5 years, allowing for continuous evaluation and adjustment – though this report notes that a long-term commitment is essential to realizing sustainable outcomes and ensuring policy effectiveness.

We note that direct cash transfers can be conditional, hinging on regular school attendance for families with children (in regions with established resources for universal education). Indeed, similar policies have seen significant success in expanding school enrolment and, as a consequence, long-term life outcomes. For instance, conditional cash transfers in Brazil have ensured 99% attendance among 6-14 year olds in 2019 (an substantial increase from just 60% attendance twenty years prior).<sup>101</sup> At the same time, this report recommends unconditional cash transfers for areas lacking such resources, ensuring that vulnerable groups receive support regardless of their access to formal education.

The expected outcome of this policy is significant progress in human development, with improved living standards and increased access to education for historically vulnerable groups. In turn, this should strengthen local economies and communities' ability to withstand external shocks, fostering self-sufficiency. In particular, the practice of delivering these cash payments to the female head of household will significantly empower women and girls through increased financial independence - this is backed by thorough evidence collected in the field in rural Zambia.<sup>102</sup> Additionally, these outcomes should have the wider effect of reducing conflict by addressing root causes of insecurity through poverty alleviation. In the long term, this should help facilitate institutional development, mutual trust, social stability and democratic political development.

To ensure these ends are achieved, this report advises that participants implement a robust monitoring and evaluation framework to assess the impact of direct cash transfers on the target communities against these desired outcomes.

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<sup>101</sup> Eric Draeger, 2021, [Do conditional cash transfers increase schooling among adolescents?](#)

<sup>102</sup> United Nations, 2016, [Making Money Work: Unconditional cash transfers allow women to save and re-invest in rural Zambia](#)



Ultimately, this report highlights that implementing direct cash transfers in this form will allow Western donors to contribute significantly to human and institutional development, while halting and reversing a new wave of democratic recession. Crucially, these transfers will also allow historically marginalized communities to reach their full potential, while again sidestepping the 'aid trap' of undermining the efficacy of domestic political institutions

# Conclusion

This report highlights the gravity of the challenges now faced in the fields of human development and human rights, and thus aims to provide the imperative for collective action to address them. Additionally, these proposed policy recommendations represent a crucial step forward in addressing these issues, in the context of further research and even wider action.

Our consistent emphasis on transparency, local partnerships, and long-term solutions for human development provide a useful model for effective, ethical aid. Crucially, we have demonstrated that the implementation of these principles will be necessary to avoid making the mistakes which have impeded previous aid interventions. In addition, we note a need to create enduring and productive relationships among future policymakers and achieve a comprehensive and sustainable approach to poverty alleviation and democratic promotion.

Overall, these proposed policies not only offer a range of achievable, pragmatic avenues to pursue these goals, but also embody a commitment to creating a future where every human can thrive, and all nations can flourish in peace. It is our collective responsibility to heed this call, collaborate across borders, and strive for a world where the potential of every individual is realized and their freedom is guaranteed, irrespective of their place of birth.

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