

# Foreign Aid

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# ***History***

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- International development assistance started shortly after World War 11 (1945)
    - Given to Europe post-war to rebuild economy, infrastructure, and stabilize the region
  - 1952-1961
    - Primary form of US aid: technical assistance and capital projects
  - USAID was created November 1961 by President Kennedy
  - 1970's: Basic human needs
    - Food, health, education, etc.
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- 1980's: Goal to stabilize currencies and financial systems
  - 1990's: Sustainable development and helping other countries improve the quality of life
  - 2000's: Help rebuild the governments of Afghanistan and Iraq while wars were in full swing
  
  - Today's USAID
    - 2013
      - New mission statement stating to end extreme poverty
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“We partner to end extreme poverty and promote resilient, democratic societies while advancing our society and prosperity.”

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# ***Foreign Aid with Russia***

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# The History

- The division of the Soviet Union in 1991
- Push for a Democratic Government
- Privatization aid

# The Intent

- Army of advisers to help educate
- Prevent dictatorship
- Development of the economy and market system



# The Aid to Russia Now

- Over 1 Million dollars was obligated in 2016 and only around \$46,000 was spent to aid Russia.
- Right now the U.S. is concerned with building a relationship and a partnership with Russia.
- The relationship is in support of different organizations and military security.

# Why is this an Issue?

- “Consultants” were working for a different cause.
- Political and economic transitions take time and diligence.
- Needs weren’t based on regions reached.

***Foreign Aid with  
Afghanistan***

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# Afghanistan

- The United States gives more money to Afghanistan than almost any other country
- The United States government alone gave an estimated \$1.39 billion in 2015 and \$665 million in 2016
- This large amount of aid from the US began in 2001 after the September 11, 2001 terrorist attacks in NYC

# The Intent

- Development
- Educate against terrorism
- Military aid

“Afghanistan is, at present, completely dependent on foreign aides to run its administrations and provide basic needs for people.”

- Dr. Hussain Yasa

# Why is this an issue?

- Too much aid can disable a community
- The government does not give money where it says it does, due to corruption
- Very little progress has been made in this country even though all of this money was sent there

# ***Foreign Aid with Haiti***

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# Breakdown of aid

- Haiti has been the USA's largest donor since 1973
- Haiti received a total of \$129M in aid from the United States government in 2016 which is a decrease of more than 100M from the last reported total in 2015 (\$257M).
  - Breakdown of aid form 2016:
    - 41M for Health, 30M for Economic Development, ect
    - 5.7M for Education and Social Services
  - Haiti's foreign aid is higher than the average for the nations of the Caribbean (\$363,503).
  - Aid averages out to about \$12.08 per person which is based on Haiti's total population of 10.7M

# Why is this an issue?



## Why is this an issue?

- There are over 10,000 nongovernmental organizations (NGOs) operating in Haiti yet:
  - Haiti still has an unemployment rate of 40 percent
  - It is also one of the poorest countries in the world.
- Haiti has been struggling with what can be called “over-aid”, especially from the United States

## Why is this an issue?

- Aid projects in Haiti often exclude partnering with the local businesses as well as not staffing local workers
- There also have been misread reports by the Red Cross:
  - 130,00 Haitians were provided homes although this number also includes people who attended workshops
  - \$500 million was raised by the Red Cross to help 4.5 Haitians however, this number doesn't add up
- Due to poor accountability and lack of local partnering by international organizations (IOs), Haiti has been severely hindered in the effectiveness of aid dollars as well as the development of Haiti.

***Foreign AID:  
What Questions to Ask***

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***What are the country's economic structure?  
Who's monitoring the foreign projects?  
Is the aid helping or hurting the community?  
What are we advocating for?***

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# Economics of the Country

Economic system

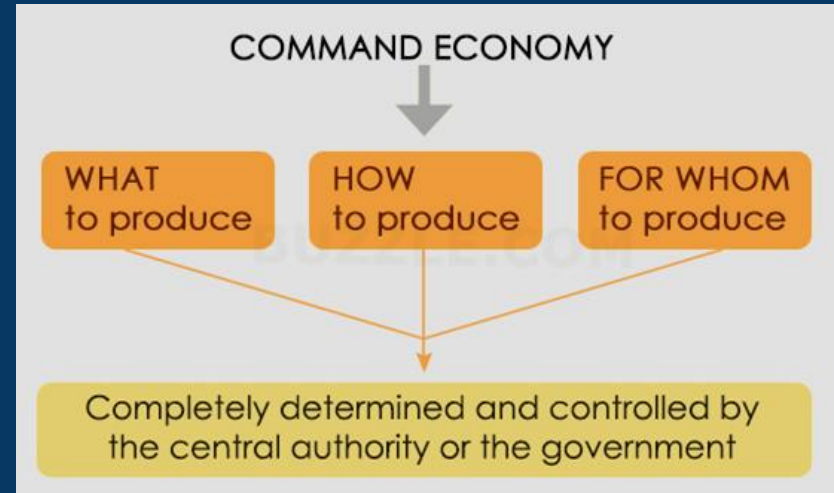
Free Market

Command Economics

Russia, Afghanistan & Haiti

Mixed Economics

Traditional Economics



How does economics affect the way foreign aid is carried out?

# Who's Monitoring Foreign Projects?

Poor Oversight Leads to Failed Efforts in Afghanistan

Afghan contractors built a large shower/bathroom facility  
without proper plumbing

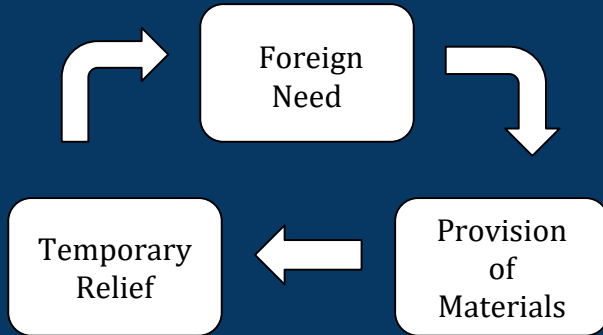
*Dining facility in Afghanistan was built without a kitchen*

<http://www.worldaffairsjournal.org/article/money-pit-monstrous-failure-us-aid-afghanistan>



# Are We Helping or Hurting?

## Client/provider relationship



- Creates a hierarchy of power
- Categorizes countries as “the rich” and “the poor”
- Receiving countries become dependent rather than self sufficient
- Encourages the cycle of poverty
- Negatively affects local farmers/employers

# What are we Advocating For?

## CDC Approach

Context + Data + Collaboration =

Understanding of Effective Aid

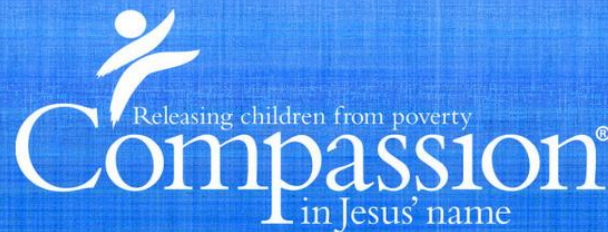
# What can I do?

## Education Scholarships

<https://experiencemission.org/display.asp?page=education>

## Sponsor a Child

[https://www.compassion.com/sponsor\\_a\\_child/](https://www.compassion.com/sponsor_a_child/)



***Questions?***

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