

India's and Brazil's foreign aid and their roles in the future development architecture

November 1, 2011

**Prof. Oliver Stuenkel
Center for International Relations
School of History and the Social Sciences
Fundação Getulio Vargas**



Why do we care?



Some additional considerations

- 1. North-South imbalance**
- 2. Poverty and emerging donors**
- 3. Aid, status and identity**

1. North-South imbalance

- 1. Number of development specialists from the South is low; we still use 'Western' vocabulary and frameworks**
- 2. Human capacity restrictions: There are 400 Indian diplomats, fewer than most small EU countries (Canada has 3000). Indian government has very few development officials**
- 3. 'Development aid' not a popular topic among political scientists and even less so among IR scholars in Brazil**
- 4. Lack of knowledge leads to a general sense of insecurity and unwillingness to engage in an open debate: Tendency to block and reject proposals**
- 5. Partly explains institutional chaos, lack of transparency and lack of responsibility**
- 6. Sense that Western attempts to tie down emerging donors with concepts such as transparency, accountability etc.**

1. North- South imbalance

"There will come a time when we will be richer and more rigid and perhaps then less creative, more boring."

Marco Farani, ABC (Brazilian Development Agency)

2. Poverty and emerging donors

- 1. Half of the world's poor live in countries that are so-called 'emerging donors'**
- 2. India and Brazil are increasingly reluctant to accept the presence of foreign donor agencies**
- 3. If emerging donors' only focus was to reduce poverty, they'd invest everything in domestic programs**
- 4. But domestic criticism of aid programs is lower than one would expect**
- 5. International engagement is seen as an important element of 'big power status'; helps countries' ambitions to obtain permanent UNSC membership and to strengthen their regional leadership role**

3. Aid, status and identity

- 1. Both actors are still reluctant to embrace “donor” status as it remains linked to humiliating experience as IMF recipients**
- 2. At the same time, both Brazil and India seek to reduce the presence of foreign donors in the country (Tsunami 2004)**
- 3. Negative attitude towards formalization of aid process as this requires specific designation of donor – this implies a hierarchy and the creation of unequal relationship which emerging donors seek to avoid (help recipients ‘save face’)**
- 4. OECD is seen as a ‘rich country’s club’, and joining it or accepting any of its rules could create a backlash at home.**