

Does international aid increase freedom in recipient countries?

International development is a key priority for most UK political parties. The Conservatives, Labour and the Liberal Democrats are pledged to the UN target of spending 0.7 per cent of gross national income on foreign aid. The Prime Minister, David Cameron, said recently that reaching this target was his “proudest achievement”.¹

But our current approach to development is not delivering the progress many hoped. Too often money is spent on projects which are late, overrun on costs or simply not delivered. Broader objectives are therefore not met. A recent independent report found that a DfID education programme in three East African countries did not improve the educational outcomes of the children involved.²

There are many reasons for this unsatisfactory relationship between spending and outcomes, but as donor countries look to improve the effectiveness of their aid spending, it is crucial to assess the progress made over the last decade.

Are UK taxpayers and those in need getting the best deal from the Government’s current approach to development? Before more money is channelled through the same bureaucratic systems, taxpayers must be reassured that this approach really is delivering good value for money. This research note analyses the relationship between bilateral aid payments and scores on key freedom indices.

The key findings of this research are:

- An analysis of 20 countries in receipt of international aid from the UK shows that varying amounts of money given does not have any discernible impact on freedom in developing countries.
- **Ten countries showed roughly no change at all in their freedom score despite an increase in the bilateral aid they received** (Bangladesh, DR Congo, Ethiopia, India, Malawi, Mozambique, Pakistan, Uganda, Vietnam and Zimbabwe).
- **Five countries had a *falling* freedom score despite an *increase* in bilateral aid received** (Afghanistan, Kenya, Nigeria, Somalia and Sudan).

¹ <http://www.dailymail.co.uk/news/article-2596469/11bn-foreign-aid-budget-proudest-achievement-says-PM-given-poorer-nations-rockets-30.html>

² Independent Commission for Aid Impact, *DfID’s Education Programmes in Three East African Countries*, May 2012



- **Two** countries showed improvements in their freedom score despite a reduction in the bilateral aid they received (Ghana, Paraguay, Peru and Zambia).
- Just **three** countries had an improved freedom score with an increase in bilateral aid (Nepal, Rwanda and Tanzania).

[A model of the results maps out the trends since 2003-04. This can be accessed here](#)

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Introduction

Emergency aid can help prevent famine and limit the spread of disease. Health programmes can ensure millions of children in the developing world are vaccinated against serious illness. But the impact of other aid spending, on things like education, infrastructure, governance, capacity building and more, is much harder to measure.

Aid spending is being increased, against a growing backdrop of academics and aid practitioners increasingly of the opinion that it is not delivering as it should. Progress has been patchy and the Millennium Development Goals – so cherished by the international development industry – were unlikely to be met even before recession took hold. As Roger Riddell – no opponent of international aid – argues: “more aid without addressing aid’s systematic problems is likely to [...] mean more aid unnecessarily wasted”.³

What those systematic problems are is itself a matter of considerable contention, but this note suggests that the very structure in which international development is currently organised poses significant problems.

Too much money is not spent directly on the projects or materials for which it was intended. Furthermore, it has long been thought that the longer-term prospects of recipient countries have not improved with the big increases in international aid. Do recipient countries become more free? Is aid spending effective at improving democracy and freedom?

This analysis aims to inform debate over how current mechanisms for delivering aid work, and whether the decision to ring-fence and dramatically increase the UK aid budget was justifiable.

The pressure for UK spending on development to increase – regardless of concerns about its effectiveness – comes most vocally from intermediary bodies. While international structures and organisations are critical in the global effort to tackle world poverty, the iron triangle between DfID, recipient governments and multilateral institutions/NGOs must not push donor governments into believing that financial inputs are more important than actual outcomes.

³ Riddell, R (2008) Does Foreign Aid Really Work? Preface, p.XXI

Sources and methodology

Calculation for final 'Freedom Score'

We took each of the indices below, and separated them into three sub-categories: Political Freedom; Economic Freedom; and Press Freedom. We then calculated an average score for each of the three sub-categories, depending on where the country was placed in each of the individual reports. Then an overall average was calculated, weighting each of the three sub-categories equally.

Freedom in the World

Freedom in the World is a publication of Freedom House, an organisation that is committed to greater political freedoms and civil liberties. This publication has been published annually since 1972 and analyses 195 countries.

Freedom of the Press

The Freedom of the Press index is also published by Freedom House. It assesses the degree of print, broadcast and internet freedom in every country in the world.

Freedom on the Net

Also published by Freedom House, Freedom on the Net is a comprehensive study of internet freedom, looking at the laws and practices relevant to digital media.

Press Freedom Index

This is published by Reporters Without Borders, and assesses the degree of freedom that journalists, news organisations and citizens enjoy in each country.

Heritage Index of Economic Freedom

This is published by the Heritage Foundation, assessing the economic freedom of 186 countries based on trade freedom, business freedom, investment freedom and property rights.

World Bank Doing Business

This World Bank study looks at business regulations for firms in economies around the world.



Transparency International

The Transparency International Index scores countries on the perception of corruption within their public sectors.

Budgets for each country

We used bilateral aid payments from the UK for this study, sourced from the Department for International Development. Most of the countries analysed in this note also receive additional aid from the UK Government via multilateral institutions, where the link to UK taxpayers and UK government policy is less explicit.



Freedom scores and bilateral payments

Score is out 100 – 1 being not free at all and 100 being completely free

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
<i>Afghanistan</i>										
Total Freedom Score	36	39	38	45	34	33	32	33	32	29
Total Bilateral Aid (£,000)	£99,595	£98,959	£126,949	£123,011	£146,818	£197,687	£205,701	£172,311	£225,309	£265,116
<i>Bangladesh</i>										
Total Freedom Score	54	52	51	59	55	53	55	55	55	52
Total Bilateral Aid (£,000)	£155,364	£149,152	£128,258	£109,313	£129,725	£135,686	£151,176	£178,565	£223,652	£192,173
<i>Congo (Dem Rep)</i>										
Total Freedom Score	42	40	39	44	44	42	42	42	42	40
Total Bilateral Aid (£,000)	£151,657	£36,585	£58,832	£79,284	£82,910	£99,645	£116,783	£133,883	£239,312	£133,171
<i>Ethiopia</i>										
Total Freedom Score	43	44	45	56	54	49	48	45	40 *	48
Total Bilateral Aid (£,000)	£43,665	£73,044	£62,562	£90,506	£140,011	£168,607	£215,688	£251,895	£325,789	£263,656
<i>Ghana</i>										
Total Freedom Score	65	64	64	65	65	66	67	66	68	69
Total Bilateral Aid (£,000)	£73,448	£145,335	£96,315	£93,147	£93,076	£103,728	£96,749	£95,471	£83,927	£56,529
<i>India</i>										
Total Freedom Score	54	54	56	56	56	57	57	54	55	52
Total Bilateral Aid (£,000)	£242,736	£267,510	£270,065	£293,707	£312,751	£402,239	£356,490	£428,084	£371,389	£283,497
<i>Kenya</i>										
Total Freedom Score	65	63	62	64	63	65	63	62	59	57
Total Bilateral Aid (£,000)	£28,647	£37,824	£65,486	£67,054	£52,135	£109,829	£75,685	£73,849	£107,331	£111,037
<i>Malawi</i>										
Total Freedom Score	57	52	54	59	56	57	58	58	57	50



	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Total Bilateral Aid (£,000)	£54,437	£56,429	£68,653	£88,686	£72,619	£82,012	£77,370	£76,434	£66,351	£128,197
Mozambique										
Total Freedom Score	56	55	56	57	55	57	55	55	57	56
Total Bilateral Aid (£,000)	£36,713	£47,941	£56,540	£56,273	£67,799	£66,365	£68,301	£94,815	£86,354	£67,291
Nepal										
Total Freedom Score	52	46	44	52	52	53	55	55	52	55
Total Bilateral Aid (£,000)	£32,047	£35,285	£34,548	£46,543	£55,274	£58,518	£68,487	£62,993	£71,389	£60,476
Nigeria										
Total Freedom Score	52	51	51	57	53	55	51	52	52	50
Total Bilateral Aid (£,000)	£32,630	£73,113	£1,227,717	£1,750,694	£157,772	£131,637	£130,594	£181,015	£206,194	£217,710
Pakistan										
Total Freedom Score	54	50	49	50	51	52	54	54	53	49
Total Bilateral Aid (£,000)	£66,299	£55,278	£97,688	£118,150	£88,145	£129,713	£151,244	£211,860	£224,869	£188,293
Rwanda										
Total Freedom Score	52	53	53	50	46	49	48	53	59	54
Total Bilateral Aid (£,000)	£26,910	£45,053	£70,427	£16,799	£52,769	£70,570	£53,702	£90,898	£76,939	£59,937
Somalia										
Total Freedom Score	49 *	50 *	49 *	50 *	43 *	47 *	42 *	45 *	45 *	39 *
Total Bilateral Aid (£,000)	£3,973	£5,820	£18,753	£16,643	£25,799	£33,600	£45,176	£47,588	£103,842	£84,801
Sudan										
Total Freedom Score	35	35	35	34	31	35	33	26	30	27
Total Bilateral Aid (£,000)	£24,663	£83,964	£117,114	£109,917	£138,702	£109,945	£149,289	£133,113	£35,515	£57,084
Tanzania										
Total Freedom Score	56	57	56	57	57	58	59	61	60	62
Total Bilateral Aid (£,000)	£162,372	£130,009	£114,134	£115,023	£125,353	£142,299	£146,029	£149,771	£148,768	£156,125
Uganda										



	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Total Freedom Score	53	54	55	58	56	56	57	57	55	50
Total Bilateral Aid (£,000)	£59,694	£62,928	£72,064	£79,035	£77,231	£72,131	£78,131	£96,020	£81,376	£88,057
<i>Vietnam</i>										
Total Freedom Score	43	43	45	47	45	46	47	48	48	41
Total Bilateral Aid (£,000)	£23,264	£40,425	£57,509	£52,665	£51,390	£56,671	£55,660	£58,485	£41,422	£28,457
<i>Zambia</i>										
Total Freedom Score	61	60	60	63	62	62	63	64	64	62
Total Bilateral Aid (£,000)	£32,304	£163,537	£101,707	£63,412	£41,942	£49,466	£50,353	£52,982	£45,352	£55,453
<i>Zimbabwe</i>										
Total Freedom Score	42	39	39	44	40	42	41	43	41	40
Total Bilateral Aid (£,000)	£36,006	£27,355	£35,376	£34,096	£46,660	£57,332	£70,323	£73,296	£91,557	£82,728