



## **Introduction to International Relations**

Chapter Notes: Chapter 12

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### **Chapter Twelve:**

#### **Foreign Aid and Domestic Governance**

#### **Chapter Overview**

Chapter 12 turns its attention to development in Africa and the Middle East, focusing on the relationship between resources, governance, democracy, and development. For realist perspectives, resources—and the conflicts caused by these resources—best explain the poor development in Africa and the Middle East. In response, many realists identify foreign aid and security assistance as their preferred solution. Liberal perspectives, meanwhile, turn to issues of governance and reform, arguing that Africa and the Middle East must be induced to reform their markets and their governments before development will succeed. Finally, identity perspectives focus on oppression in the region, proposing that poor development is a consequence of human rights abuses; the answer, they argue, lies in the modernization and democratization of Africa and the Middle East.

#### **The perspectives on SSA/MENA development**

- Realism: Emphasizes the struggle over resources and strategic advantage.
- Liberal: Focuses on the prospects for better governance and market reforms.
- Identity: Focuses on the culture of modernization and repression.

#### **Development in SSA**

- From 1960s to 1990s, development in Africa regressed, despite receiving more foreign aid than any other region.
- New consensus developed in 1990s; this consensus was expressed in the 2000 Millennium Declaration.
- Real income in SSA is the lowest in the world; 40 percent live on less than \$1 per day.
- Before 1990, only five SSA countries had held democratic elections, and little progress has been made since then.
- Since 1980, only five SSA countries have achieved a real per capita growth rate above 2 percent per year.
- SSA macroeconomic policies have improved in recent years. Some countries have reached growth rates of 5.5 percent, and inflation is at an historic low.

- Microeconomic policies still lag, however, with regulatory and labor laws working to stymie economic growth.
- Development in Africa is also hindered by Western countries' protectionist agricultural policies. This might change, however, as a result of the Doha Round.
- In an effort to induce development, ODA has been rising over recent years. Additionally, 22 SSA countries are involved in the HIPC initiative.

## **Development in MENA**

- MENA suffers from a "resource curse": The abundance of oil diverts attention from non-oil investments and tends to overvalue its currencies.
- MENA countries rank very poorly in terms of overall quality of governance. Nearly all are authoritarian and rife with corruption.
- Bad economic policies are a result of poor governance, as they are created to extract rents from state-owned resources.
- Trade protection is high in MENA countries, meaning it is profitable to produce manufactured goods for the domestic market but not for foreign markets.

## **Women in MENA Societies**

- The lack of female participation in society and the economy impedes progress. But why aren't women included?
  - o The family is the primary unit in society.
  - o The man is seen as the sole breadwinner.
  - o A modesty code shields women.
  - o Religious laws encourage an unequal balance of power between the sexes.

## **Thought Questions**

2. Why is foreign aid insufficient in the promotion of development in Africa? Should this impact U.S. foreign aid policy, and if so, in what way?
3. What role should other countries take in promoting democracy in Africa and the Middle East? Why?
4. Which perspective offers the best way to view development in Sub-Saharan Africa? In Northern Africa and the Middle East (MENA)?
5. In your opinion, can MENA ever fully develop without first raising the status of women? If not, how should this be achieved?
6. Do you think that oil is an advantage or a curse for the Middle East? If it is a curse, how can Middle Eastern economies be encouraged to diversify?