Studying Foreign Aid Organizations: Theory and Concepts

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Abstract

In the early 1990s some US$50 billion were transferred from donor to recipient countries every year in the form of ODA, making bilateral and multilateral agencies very important actors in international relations and the national politics of many Third World countries. Although ODA constituted on average only one-third of a per cent of the gross national product (GNP) of the member countries of the Organization for Economic Co-operation and Development (OECD), the relative importance of the ODA contributions on the recipient side was very significant, especially in low-income countries in sub-Saharan Africa. Berlage and Stokke (1992:1) note that, in 1988–89, these countries received ODA equalling 14.2 per cent of their GNP. This compares with just a little over 1 per cent of GNP for countries such as Thailand and Mexico. By the mid-1990s, the situation in many of these African low-income countries was such that over half of the annual government budget was being financed from external sources. Much of it was being used to keep the day-to-day affairs of the government going. According to Family Mirror (August 1992), a respected private newspaper in Dar es Salaam, the major urban centre in Tanzania, foreign aid there constituted about two-thirds of the national budget in 1992. As in many other African countries, foreign aid had become the life-line of the Tanzanian government.