

# States, Markets, and Foreign Aid

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# Engagement versus bypass

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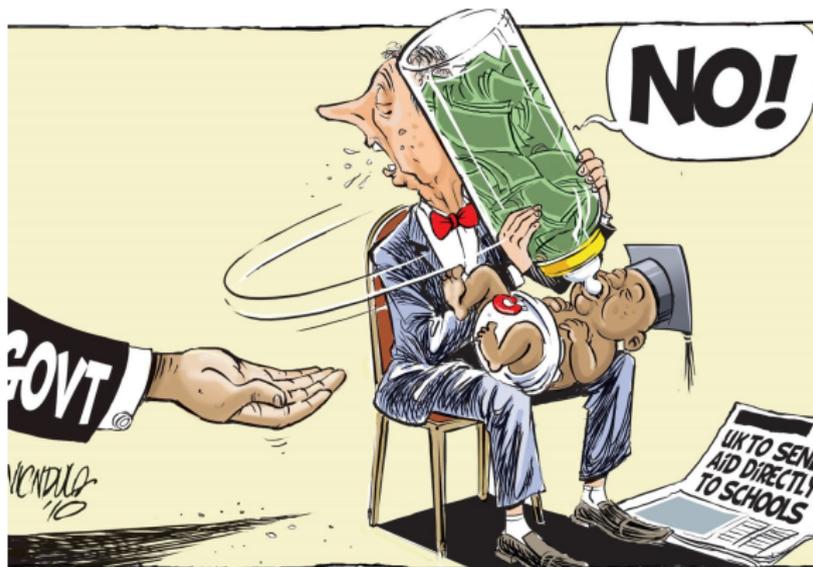
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### The GAVI Alliance

While some donors systematically bypass recipient authorities in poorly governed recipient countries, others engage with them. Why?

- National structures shape the pursuit of development across donors and across time.
- Since 1980s we note a divergence of bureaucratic organization across donor countries - managerial versus traditional public sector - that dictate more bypass or engage, while precluding the other.
- When risks of aid capture is high, I expect and show that US, UK, SWE opt for more for bypass than their peers in traditional public sector bureaucracies (e.g. GER, FRA).

# The managerial moment



## Empirical strategy: mixed methods

- Cross-country statistical analyses of foreign aid delivery tactics of 23 OECD donors and their aid recipients.
- Comparative research on the organization of aid bureaucracies across countries and across time (US, UK, SWE, GER, FRA).
- Individual-level open- and closed-ended survey analyses with aid officials across donor countries.
- Direct comparison between aid officials' preferences and the public's view on aid delivery in the US and Germany to rule out a leading alternative explanation

# Implications For Aid Effectiveness

- Ideological beliefs that were locked-in many decades ago shape donor decisions about how to deliver aid today.
- They shape the mandate, objectives, and metrics used to document aid success.

# Future of Aid

- Aid officials cannot easily optimise or change tactics, or adjust development approaches.
- For new delivery ideas/innovation to be practical and implementable, foreign aid strategies must align with the underlying ideological orientation of the donor government and its institution.
- Paradigmatic, stable changes in aid delivery require comprehensive institutional reforms.
- Not all national aid organizations are set up to expertly promote capacity-building or long-term development efforts.

# Implications For Donor Coordination/Multilateralism

- Like-minded donors, who share the same orientation and whose aid agencies are structured in similar ways, are more likely to coordinate successfully.
- Varied rulebooks complicate agreements about what constitutes best development practices.
- Varied structures promote diversification of multilateralism.