

Picard, Louis; Buss, Terry (2009): *A Fragile Balance, Re-examining the history of foreign aid, security, and diplomacy*, Kumarian Press, Sterling.

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*A Fragile Balance* is a historical review of U.S. development aid. Picard and Buss do not so much focus on international security or diplomacy, as the title of the book suggests, but rather collect and present evidence supporting the realist approach to international relations theory. With respect to development assistance, realists posit the strategic self interest of donor countries as the principal motivation for aid provision. *A Fragile Balance's* analysis of one single country, which moreover constitutes a *most-likely case* with respect to the theory advocated, does not contribute to drawing universally applicable conclusions regarding motives for development assistance. Nevertheless, the book is the most complete historical overview on U.S. foreign aid in the literature.

Picard and Buss challenge conventional literature, which concordantly identifies the end of the Second World War as starting point of development assistance. The authors suggest first attempts of U.S. foreign aid<sup>1</sup> consisting of subsidies provided by Athens to its allies during the dispute with Sparta between 650 and 362 BC. In 300 AD they reveal piloting endeavours of technical assistance between Japan and China. The use of public resources for humanitarian relief starts, according to Picard and Buss, in the 18<sup>th</sup> century simultaneously with the anti-slavery and the missionary movements (Picard and Buss 2009, chapter three). During the late 19<sup>th</sup> and the early 20<sup>th</sup> century, the authors identify a variety of other cases of U.S. assistance, all somewhat linked to U.S. geopolitical interest.<sup>2</sup> Conventional literature dates the starting point of development aid after the Second World War when the new Bretton Woods institutions were created and the Marshall Plan assisted European countries (see for example Lancaster 2007; Streeten 1989; Stokke 2009; Rist 2008, 3rd ed.). The International Monetary Fund (IMF), International Bank for Reconstruction and Development (IBRD), and the Expanded Programme of Technical Assistance (later UNDP) were created to organise the

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<sup>1</sup> The expression *foreign aid* stems from the perspective of U.S. schools. The rest of the world uses the term *development* adding either *aid* or *assistance* (cp. Bauer 1993). There is no divergence between *aid* and *assistance* in conceptual terms (Serageldin, 1995, p. 13). For convenience, many authors leave out foreign or development and simply refer to aid. All of these terms refer to "official flows of resources to developing countries" (Jayaraman & Kanbur, 1999, p. 418). Additionally, the expression *development cooperation* evolved in the mid nineties due to a shift in developmental policies, and is since then commonly used by development organisations such as UN agencies and NGOs, embracing the same concept as the above (Stokke, 2009).

<sup>2</sup> Picard and Buss suggest the cases of Liberia, Turkey, Persia, Thailand, Philippines, and China. These are not quite convincing as antecedents of development assistance since all of the cases are linked to U.S. invasion, falling rather in the category of territorial expansion than in the one of foreign aid.

new world order, whilst they constitute the first international attempt to structure assistance multilaterally. The Marshall Plan assisted European countries in rebuilding their war-destroyed territories. During this time, the U.S. encouraged regional cooperation between recipient countries, promoting peer monitoring. This integrative nature of the Marshall Plan provided the basis for the Organisation for European Economic Co-operation (OEEC) convention, later transformed into the OECD, which in turn paved the way for the establishment of the 'quasi-regime' of the Development Assistance Committee (DAC).<sup>3</sup> Moreover, the United States' programme of technical assistance formed the beginning of a long-standing tradition of development assistance. U.S. President Truman outlined in his inaugural address in 1949 the intention of a programme of technical assistance to the developing world, which became famous as the *Fourth Point* (Truman 1949). Enhanced by the decolonization movement (Griffin 1991; Haan 2009; Riddell 2007; Fuehrer 1996; Alesina and Dollar 2000; Berthelemy 2006; Schraeder, Hook, and Taylor 1998; Neumayer 2003), aid as an institution developed its own dynamics (cp. Krasner 1983; Haan 2009). All of these vital post-World War II events are depreciated by Picard and Buss as merely the bureaucratization of patterns of engagement that already had existed for a long time (Picard and Buss 2009, p. 60). *A Fragile Balance* argues that the institutionalisation of assistance took away the creativity and flexibility that had characterised earlier U.S. foreign aid initiatives. It furthermore argues that the expansion of development assistance in the post-war period was an extension of the ideological division between East and West, and was thus motivated primarily by the need to gather strategic allies in a Cold War context. The same logic explains donor fatigue in the 1990s, a period that lacked any clear security threat. The panorama changes in the aftermath of the 9/11 terrorist attacks, where, for Picard and Buss, security motives reemerge, oriented by the concern that impoverished weak and/or failed states could constitute safe havens for terrorist groups (p. 163). The authors conclude that development, defence, and diplomacy form the three pillars of national security in the 21<sup>st</sup> century.

Though not explicitly stated, throughout *A Fragile Balance* the authors try to collect evidence for the realist approach to international relations theory, suggesting that aid is provided due to donor countries' strategic self-interest. Picard and Buss advocate that "[...] foreign aid is above all an instrument of foreign and security policy. Part of that motive is political and military; part of it is economic" (Picard and Buss 2009, p. 293). This argument, originally suggested by the father of realist theory Hans Morgenthau (1962), can be juxtaposed with liberal and Marxist authors' approaches. Liberal authors directly oppose realist theory, identifying humanitarian purposes and moral obligation as key factors in the provision of aid by developed countries to the developing world (Lumsdaine 1993). Moreover, liberal writers emphasise the influence of domestic variables on foreign policy, especially the exportation of redistributive policies (such as welfare state arrangements) to the international level (Noel and Therien 1995). Marxists' main concern is that development assistance is one of the instruments for maintaining a system favourable to rich countries. As realists', they assume national self-interest as motive for aid provision; though the Marxist argument is systemic in its nature. The current world system with its class relations, and thus relations between

<sup>3</sup> According to John Ruggie (1983), DAC can be considered as a 'quasi-regime' due to the way it organises and records Official Development Assistance (ODA). Ruggie's definition on regimes is the most cited one in IR literature, in which regimes are "a set of mutual expectations, rules and regulations, plans, organisational energies and financial commitments, which have been accepted by a group of states" (cited in Keohane, 1984, p. 57). The author's depreciation to only a *quasi*-regime is due to three reasons. First, certain norms of the aid regime are rather targets (such as the 0.7% GNP for ODA), second, some of its components are unrelated, and third compliance mechanisms are few and weak in their nature (Ruggie, 1983, pp. 435, 436)

developed and developing countries, is reproduced with the help of Official Development Assistance (ODA) payments (Hayter and Watson 1985).

The historical evidence provided by Picard and Buss does not convincingly support realist theory with respect to development cooperation, which is due to methodological problems of the research design. The analysis of one single country is usually not sufficient to make universal inferences. Crucial cases can be an exception, when exhibiting extreme values on the independent variables, which makes them *most* or *least* likely to approve or disapprove a theory (Gerring 2008).<sup>4</sup> The United States constitutes a *most-likely* case with respect to realist theory. The characteristics of its independent variables indicate that the country provides aid due to strategic reasons. Concretely, the U.S. was the most important actor opposing the Soviet Union during the Cold War, which lets the majority of authors assume that ODA during this time was provided to gather allies. Even after the fall of the Berlin Wall, the U.S. remains internationally known as a strategic foreign aid provider (Meernik, Krueger, and Poe 1998; Schraeder, Hook, and Taylor 1998). For a convincing research confirming realist theory, Picard and Buss would have to have picked one of the Scandinavian countries (acknowledged as altruist donors) and then found evidence confirming realist theory. On the contrary, if they had wanted to disapprove realist theory, the United State would have been an excellent case, provided that the authors could have found historical evidence for altruistic behaviour. However, the authors selected a most-likely case collecting evidence to support a theory. This methodological drawback takes away substantial leverage for theoretical inference.

In short, Picard and Buss contribute the most complete historical overview on U.S. foreign aid to the literature, drawing attention to endeavours of development assistance prior to the Second World War. These findings are remarkable and should be considered when studying the subject. Nevertheless, the authors' flawed research design limits the work's capacity to broaden our understanding of the dynamics of development assistance. On a final note, in a study of one single country its name should appear in the title of the book. Otherwise, the reader is left with the unfulfilled expectations of finding stalwart evidence for universal inference.

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<sup>4</sup> Gerring (2008) divides crucial cases into *most-likely cases* and *least-likely cases*, the former being used to disprove a theory and the latter to confirm it. Most-likely cases are those that show characteristics indicating that a certain theory will be approved while throughout the investigation it will not. Conversely, least-likely cases are the ones with attributes suggesting that the theory will not be confirmed. If, however, the research finds evidence approving the theory, one can make stronger inferences than with any other case selection (Gerring, 2008, p. 659, 660).

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