

# Role of International Aid: Is it Altruism or Imperialism in Disguise for the Weakened Nations?

## Outline

### 1. Introduction

Thesis statement: International aid brings both challenges and opportunities. However, its <sup>harms</sup> losses outweigh its benefits. Thus, foreign aid is imperialism in disguise for weaker nations rather than altruism.

### 2. A brief overview of the international aid

- Loans from developed countries
- Aid from international financial lenders

### 3. How international aid is imperialism in disguise for weakened nations?

I. Foreign aid exploits economic policies of states

Case in point: structural adjustment

programs of IMF

II. It maligns a <sup>states</sup> sovereignty by affecting its political decisions

Case study: Kerry-Lugar bill

III. It results in vicious cycle of debt trapping

Books: The New Confessions of Economic Hitmen

IV Foreign financial assistance causes  
poor living standard of weak  
states

Reference: Condition by Lender to  
remove safety nets

V- It causes currency devaluation  
by increasing interest rates

Case study: Devaluation of Pakistani  
currency

VI Foreign aid spreads culture and  
values of lenders

Case study: US Marshall Plan for  
Europe and widening of US values

VII- It increases political leverage  
of lending countries

Case in point: US influence on  
Latin American states

4. How international aid is altruism  
for weakened nations?

I- Foreign aid protects countries from  
economic defaults

Case study: Pakistan's Stand-by-  
Agreement with IMF

II- It helps countries in making  
infrastructure projects

Case in point: Role of World Bank  
in aiding projects

III - It also improves trust of states in international arena.

Reference: Flow of Foreign Direct Investment in Sri Lanka

IV - Foreign Lending agencies help states in making efficient economic policies

Reference: PIDE report (2023)

5. What are the concrete measures to address the imperialist aspects of foreign aid?

I - Efficient utilization of aid is essential to avoid vicious cycle of debt trap

Case study: India and its loan history

II - Avoiding complex conditionalities of aid is also imperative in this regard

Case in point: Use of robust diplomacy in negotiations with lender

III - Ensuring implementation of conducive economic policies given by lending entities is important

Case in point: Conditions like increase tax base

IV - Building donor-recipient consensus on ownership of fund by recipient is indispensable

Books: "Global discontents"

V - Guaranteeing human development and economic sustainability to evade the international aid is necessary in this regard

Book: From First World to Third World

VI - Ensuring signing of aid programmes without compromising key national interests is need of the hour in this context.

Reference: Recent Pakistane stance vis-a-vis US aid conditions

## 6. Conclusion

International aid is a tool of exploitation. Rich countries use it for seeking their imperialist objectives like political leverage, control on resources and decision making. Noam Chomsky has rightly said, "Foreign aid is a form of imperialism, a way for rich countries to control and manipulate poor countries." There are multiple ways where aid is used to further imperialist goals of lending entities. International aid exploits economic policies of the states, receiving financial assistance. It also undermines sovereignty of aid receiving states as lenders control their political decisions.

Similarly, poor living standard and currency devaluation, are also negative impacts of foreign aid. Additionally, financial assistance also spreads culture and values of the lenders. However, international aid also brings some benefits to receiving states. It protects

weakened nations from economic default. It helps developing states in improving infrastructure. Building of trust in international arena on weak states along with guaranteeing human development is an other prospect of foreign loans. Some concrete measures are necessary to address the imperialist nature of international aid. Efficient utilization of aid to evade vicious cycle of debt trap, avoiding complex conditionalities of lending entities, ensuring ownership of receivers on aid and others are key measures in this context. International aid brings both challenges and opportunities. However, its harms outweigh its benefits. Thus, foreign aid is imperialism in disguise for weakened nations.

To be-all and end-all,  
International aid brings both  
harms and benefits. However, its  
Cons override its pros. Hence  
International aid is imperialism

in disguise for weakened nations.  
It exploits economic policies of  
weak states. It also undermines  
sovereignty of state, coupled with,  
causing vicious cycle of debt  
trap. Furthermore, lending countries  
spread their culture, values and  
political ideologies through aid  
and loans. Contrarily, international  
aid is also altruism for  
poor countries as it helps  
them evade economic default. It  
also helps countries in making  
infrastructure projects, improving  
trust in comity of nations and  
so on. Some concrete measures like  
consensus on ownership of recipient  
in aid can address the  
imperialist nature of international aid.

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