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## The ethical foundations of aid: Two duties of rescue

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## **The Ethical Foundations of Aid: Two Duties of Rescue<sup>1</sup>**

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### **Abstract**

The ethical rationale for aid has nestled undisturbed under the generic banner of charity. Its presumed recipients, needy children, have appeared to be all the moral justification that was necessary. But the actual practice of aid has at times drifted far from any coherent ethical principles: in this essay I propose an anchor. I suggest that the ethical foundation of aid cannot rest on the conventional mantra of 'addressing global poverty'. Rather, it should be two distinct 'duties of rescue' that are the common responsibility of successful societies. One, which is standard, is the duty to rescue a minority of other societies from the immediate tragedy of humanitarian catastrophes. The other, which is unfamiliar and therefore the focus of the essay, is the duty to rescue a different minority of societies from the enduring tragedy of the lack of credible hope of prosperity.

Having grounded the ethics of aid in these responsibilities, I explore whether meeting them is compatible with the furtherance of national self-interest. I suggest that sometimes an ethical aid benefits from seeking for 'mutual benefit', but that due to the potential for moral hazard, claims of mutual benefit must be rigorously assessed. I use these criteria to assess five current approaches to aid: the social agenda favoured by Western donors; the resources-for-infrastructure agenda of the Chinese; aid linked to commercial ventures as undertaken by agencies such as IFC; interventions in fragile states; and aid for the mitigation of climate change.

Key Words: Aid: Ethical Aid: Rescue: Humanitarian: Rescue:

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## Introduction

Over the past half-century, aid to 'developing' countries has grown to be big money, financed through taxation and delivered through a plethora of government and philanthropic organizations. Yet its ethical underpinnings have received surprisingly little attention. I suggest that the ethical rationale for tax-financed aid should ultimately be grounded in certain obligations to other human beings which are widely recognized by ordinary people. Unless aid meets such obligations, the resort to compulsory taxation to finance it would risk being an abuse of collective power. So what are the widely recognized obligations to people not living in our own societies? Necessarily, they will fall far short of those we recognize towards our fellow-citizens. Partly this is because within a society the prospect of reciprocity forms a solid foundation for generosity. In contrast, obligations towards much poorer societies are not meaningfully reciprocal. I think that these minimal obligations are reducible to two 'duties of rescue', one immediate and one prospective.

Recognition of an immediate duty of rescue is the normal ethical response when it is possible to alleviate a life-threatening situation. If other people are dying avoidably of hunger, disaster or disease most ordinary people recognize a *duty of rescue from catastrophe*. In response to the earthquake in Haiti of 2010 half of American households made donations; in response to the Ethiopian famine of 1984, millions of British households did the same. It is both an appropriate expression of the popular will, and organizationally efficient, that rich societies such as the USA and Britain should also respond to such a duty not just individually but collectively. Just as when we are threatened we respond collectively with defence, when our hearts are moved we respond collectively with aid. This is the ethical foundation for humanitarian aid.

But most aid is not for such humanitarian purposes, but rather for 'development assistance'. The difference in rationale is simply expressed in the familiar proposition that 'if you give a man a fish it feeds him for a day, whereas if you teach him how to fish it feeds him for life'. Reduced to a proposition about fish, the underlying ethical rationale for development assistance might seem to be merely a far-sighted variant of that for humanitarian aid. But, of course, this would not bear scrutiny. Building a more robust ethical rationale for development assistance is the focus of this essay. I begin with a story of dramatic divergence between economies.

Until around 1850 income inequalities between countries were modest. But between 1850 and 1980 industrialisation in the West and Japan finally reached the stage at which living standards rose dramatically. Meanwhile, other countries stagnated so that global inequalities exploded. As the world diverged economically, it integrated socially: information travelled more easily, and people in poor countries saw that elsewhere lives were radically better. As disaffection grew, governments needed to offer their populations the credible prospect of better lives. Some governments, notably China's, succeeded. As the global economy prospered, the scope for reaching modest levels of prosperity increased. By 2015 virtually no society that had sustained reasonably functional government for a few decades was still poor. But in many societies government was built on elite patronage systems which frustrated the economic processes triggered in the prospering societies.

This juxtaposition of hopeful prosperity for the majority of countries (some already at high levels of income, most others on track to become so), with hopeless poverty for a minority of countries, has created an ethical rationale for development assistance. Although it has not usually been formulated in this way, I suggest that just as there is an accepted duty of rescue from immediate catastrophe, so there is acceptance, albeit inchoate, of a *duty of rescue from mass despair*.

The *individual* condition of despair is recognized as exceptionally destructive both psychologically and practically. Psychologically it deprives us of peace of mind; practically, it incapacitates us of purposive actions to improve our circumstances. As individuals when we meet such despair we try to alleviate it. But in the current economic state

of the world, whereas most societies offer credible hope of prosperity to their average citizen, some societies do not. Clearly, there can be no global collective duty to rescue individuals from despair: this is a matter for individual and collective action *within* a society. But the mass absence of credible hope of a better life is different. If the economy is impoverished and stagnant, no redistributive actions from rich to poor within the society can remedy the situation: mass despair is rational. In a few of these societies, such as North Korea, there is nothing that we can do about it: hermetically defended, they are beyond our reach. But in many such societies there is some scope for collective help to alleviate collective despair. Until this duty has been met to the best of our ability, it is hard to see why any other use of 'development assistance' would be ethically justified.

While the ethical foundations of aid reduce to these two duties, the historical evolution of development assistance has not reflected them. In the next section I describe that evolution. I then evaluate current development assistance against my proposed benchmark of the duty of rescue from despair. But development assistance is rapidly evolving, driven by the arrival of China as a major development actor which has adopted a very different approach, by new understanding of how economies escape stagnation, and by new donor concerns such as climate change. These raise a new and complex ethical issue: under what circumstances is it ethically acceptable for aid to generate benefits to the donor?

### **The historic rationales for aid:**

The institutional impetus for development assistance has not been firmly grounded on any clear ethical principles, let alone the duty of rescue from mass despair. Aid began in the wake of World War II. The massive devastation led to a proposal to establish an International Bank for Reconstruction. As an addendum, the proposal was broadened to serve a larger international constituency by adding 'and Development' to its remit: in 1947 what we now know as the World Bank was born, and with it international aid. Reflecting its core agenda of reconstruction, the initial development activities of the Bank were confined to financing infrastructure, for which there was indeed an acute need. From this *ad hoc* beginning, aid programs expanded for further *ad hoc* reasons. As Britain's colonies became independent, the Colonial Office, the part of government which had administered them, evolved to continue its relationship through financial support. In France, the other major colonial power, financial assistance was scaled up further. It proved to be a convenient way of channelling public money into the French political parties by bypassing the normal mechanisms of budgetary scrutiny. In the USA, the Cold War came to be fought on many fronts, one of them being financial support for pro-Western governments. Only with the end of the Cold War did aid agencies begin to think ethically. This led to two radically different approaches.

One was a response to the mounting evidence that the persistence of mass poverty in a society was the fault of its government. Where the policies chosen by elite-serving governments were the problem, the appropriate donor response appeared to be to make aid conditional upon the adoption of better policies. During the 1980s, when the oil shock created major fiscal and payments crises across Africa, this had the added advantage that large packages of aid could be delivered quickly in return for government promises of policy reform, whereas previously flows had reflected actual spending on investment projects. Aid thereby became conditioned upon a widening range of economic policies: exchange rates, deregulation, reductions in public employment, and privatization. This approach generated powerful political backlashes from Western electorates. The right concluded that if rotten regimes were the problem, giving them aid was wasteful and made things worse by empowering them. The left, already engaged in opposition to the economic policies of Reagan and Thatcher, linked the policies required by conditionality to their domestic concerns through coining the concept 'the neo-liberal agenda'. They concluded that far from poverty being due to poor governance, it was due to donor insistence on this agenda.

These political responses left donor agencies without political support: albeit for different reasons, by the 1990s the right and the left both wanted to close the World Bank. It thus became politically imperative to build an ethical case for aid and the solution was to focus it on lifting people out of poverty. This new approach was exemplified by a new annual World Bank count of people living below one dollar per day; the new mission statement that President Wolfensohn of the World Bank introduced in 1997, 'Our dream is a world free from poverty'; and the Millennium Development Goals (MDGs) established by the United Nations in 2000. Essentially, all were pitched to Western taxpayers. The aid agenda became social, especially health and education, its essence being captured by images that linked aid to 'putting a smile on a child's face'.

If the purpose of aid was to reduce poverty and if successful development depended upon the policies that governments adopted, it appeared that aid would be most effective in those countries with severe poverty and reasonable policies. Aid should therefore be reallocated to such countries from middle-income countries with little poverty and from low-income countries that had terrible policies. This was formulated and quantified in an influential article: 'Aid Allocation and Poverty Reduction'.<sup>3</sup> The article purported to answer the question 'Where can aid achieve most poverty reduction per dollar?' Although initially controversial, it became the basis for algorithms that allocated aid both in the World Bank and major bilateral donors.

Opposition to aid from the political right intensified, leaving the agencies with no alternative but to mend fences with the left. For example, in 1998 Mark Malloch-Brown, head of public relations at the World Bank and soon to be the architect of the MDGs, had announced to his staff that they had been defeated by the PR disaster resulting from Oxfam's criticism of conditionality. In response, the content of conditionality evolved into one congenial to the NGOs. By 2015, Western aid was routinely conditioned on strict environmental and human rights requirements. For example, all World Bank projects had to have 'environmental impact assessments'. Hydro-electric projects became impossible to finance because NGOs considered that they infringed the human rights of people who lived where dams would be located. Carbon emission standards were imposed on World Bank projects in poor countries that were considerably higher than those practiced in high-income countries. The sexual behaviour of Ugandans became a particular target of NGO attention. First, American evangelicals persuaded USAID to require the national campaign against AIDS to divert into promoting abstinence<sup>4</sup>, and then gay rights campaigners persuaded donors that the decision of the nation's parliament to restrict the rights of gay people must be countered by threats of a suspension of aid.

### **Critique: the divergence from the duty of rescue from mass despair**

In summary, by 2015 Western aid ostensibly for development assistance was focused primarily on financing priorities set by their electorates, especially photogenic social expenditures, while being used as a means of imposing modern Western values on poor, traditional societies. Inadvertently, development assistance has thus diverged from its predominant ethical rationale: the duty of rescue from mass despair. In consequence, it is ethically flawed.

First, the obsession with an annual global poverty count commits both type 1 and type 2 errors of misclassification. It treats a poor family as the same, whether it is in China, in Chad or in Brazil. Being poor today is not a sure symptom of despair, which is about prospects for the future. Even if the three families are equally poor, their prospects are radically different. Chinese families have a solid basis for credible hope of improvement: the Chinese government has mastered the task of getting the economy to grow and spread opportunities. The Government of Chad has not. Even if the Brazilian family has poor prospects, it does not create an *international* duty of rescue.

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<sup>3</sup> P. Collier and D. Dollar, 'Aid Allocation and Poverty Reduction', *European Economic Review*, 2002.

<sup>4</sup> See H. Epstein, *The Invisible Cure*, Farrar, Strauss and Giroux, New York, 2007.

Brazil is rich enough that if the society chose to do so, its poor could be lifted out of poverty by internal transfers. Providing Brazil's poor with international aid would create severe moral hazard: why should affluent Brazilians accept the inconvenience of paying for the Brazilian poor if foreigners are willing to do so instead? Conversely, in some societies many people who are living above the \$1 a day threshold may reasonably despair of their societies as their condition deteriorates relative to the lifestyles they see are normal elsewhere. Hopes are about relative, as well as absolute, conditions of living.

Secondly, the shift of aid towards health and education blurred the distinction between humanitarian aid and development assistance. There is a clear humanitarian case for health spending: lives can be saved by aid because good curative care is beyond the means of governments in low-income countries. A striking example has been the donor response to the development of anti-retroviral treatments for Africans who were HIV+. As the cost dropped to a few hundred dollars per year, donors recognized a duty of rescue from catastrophe towards those identifiable individuals who would otherwise face certain death. A controversy erupted between health economists and NGOs, with the former relying upon the probabilistic calculus of Utilitarianism to argue that other uses of public money could save more lives and the latter recognizing that with identifiable people facing avoidable deaths, there was a manifest duty of rescue from catastrophe.

The shift to funding primary education was more questionable. Unlike curative health care, primary education is inexpensive. Financing it through donors trespasses on what should be a core function of government. If a government is not undertaking this responsibility towards the nation's children, it is hard to see how it can establish legitimacy with its citizens. This is an example of a critique of aid that accuses it of weakening the interest of government in strengthening the economy, and the accountability of government to citizens. The argument, based upon the historical evolution of European states, is that both depend upon the need of government to get revenue through taxing citizens. Only once the government taxes the economy does it have an incentive to promote economic growth, and only once it taxes citizens does it provoke scrutiny. Donors could reduce this tension between their provision of finance for government and the reduced need of governments to raise taxation by financing major infrastructure projects which would otherwise be infeasible: precisely the type of development assistance that has been scaled back.

Thirdly, the hijacking of conditionality for the promotion of current Western values is troubling. Even if these values are seen as absolute, global and permanent, making them a condition for the escape from despair breaches the Western value of freedom. Further, even if conditions change behaviour, there is reason to doubt their efficacy in changing opinions. The attempt to restrict the freedom of action of the recipient produces a psychological response termed 'reactance' in which the actor wishes to breach the restriction to re-establish autonomy. Even where the actor complies with the condition, it is explained as a temporary concession to *force majeure*. Far from promoting a change of attitudes, it impedes social learning.

Finally, alongside Western attempts to force our values on poor societies, within Western societies there has been an espousal of multiculturalism - the coexistence of alternative value systems. Not only are the two positions incompatible, neither position is ethically defensible. The cultures prevalent in many poor societies are, in important respects, flawed. Cultures of inter-group violence, of corruption, of honour, and of female subjection trap societies into poverty and need to be changed. While cultural change cannot be imposed from outside, it can be assisted by exposing key nodes of activity such as tax collection, education, and the courts to their counterparts in more functional societies. It is not ethically controversial to propose that tax collectors should raise money for their country not their family; that teachers should turn up for lessons and learn their subject; and that judges should apply the law rather than sell judgments for money and sex.

The capacity to tax is now seen by economists as critical to the emergence of an effective state. Consider the administration of Value Added Tax (VAT), a major means of revenue-raising encouraged by the IMF. Yet in several poor societies VAT is actually reducing revenue. Many tax inspectors are corrupt, using their power to tax firms as a means of extorting money for themselves: "pay me or pay tax". VAT has reduced revenue because it expanded the options available to corrupt tax officials, enabling them to sell firms phoney tax receipts on inputs, in addition to the standard extortion racket. As a result, the rebate system ends up paying out more than the sales tax component of VAT is generating. Clearly, at the core of this phenomenon are norms of behaviour among tax officials, such that seizing opportunities for private gain is seen as both more prestigious and satisfying than contributing to the public good of generating tax revenue and the public services it can finance: a 'good tax inspector' is one who uses his position to help his family, not his country.

How might donor agencies in countries with functioning VAT systems help to change this perception? Social prestige and personal satisfaction are largely set within peer groups: most people want to be respected by peers, and find satisfaction in adhering to group norms. Hence, a way of changing the behaviour of corrupt officials is to alter the group of people they regard as their peers. Currently, an official is likely to have two networks in which they seek prestige: their extended family and fellow tax inspectors. Their family will honour them for helping relatives: becoming the patron of the family. Their fellow tax inspectors, subject to the same family pressures, may see corruption as reasonable. They may even regard honest behaviour as a threat and therefore disloyal. A way of changing this state of affairs is to twin tax administrations in which corruption is endemic with those where it is not. Twinning might involve regular secondments of staff in both directions, and accreditation to international professional associations. The purpose would not be to transfer technical skills, but attitudes and behaviours. The new network exposes the official to the potential of a new identity as a member of a prestigious international peer group, working to global, not local standards. It exposes the official to a new narrative circulating in the network: that tax officials are vital for the provision of core public services. And it exposes the official to a new norm of 'good' conduct. A 'good' tax inspector is no longer one who raises a lot of money for their family, but one who rigorously implements the tax code to make the rest of government feasible.

In summary, it is ethically legitimate and practically necessary for development assistance to try to change some value systems, but it is not best achieved by conditionality, and is best confined to those organizations such as a tax administration that are critical to the escape from mass poverty.

### **Reinforcing the duty of rescue: aid for mutual benefit**

Some uses of aid both address the duty of rescue, and serve the interest of the donor. This is aid for mutual benefit. As long as the efficacy of the aid in reducing despair is unaffected, the addition of a benefit to the donor is an unambiguous gain. Trivially, for a given benefit to the recipient the addition of a benefit to the donor is a Pareto-improving enhancement of global welfare. However, more remarkably, even from the perspective of the recipient, the addition of a gain to the donor is welcome. By making benefits mutual it makes the relationship less unequal: the genuine partnership of a deal, rather than the faux 'partnership' of charity. Further, by providing the donor with a benefit, it anchors the project in self-interest, making donor commitment more credible. Most important, the direct benefit over-and-above the moral satisfaction of fulfilling a duty of rescue, will induce the rational donor to provide more aid to the recipient than if the sole benefit was moral satisfaction. Hence, aid budgets will end up being larger. This is both directly derivable from a rational choice perspective on decisions, and readily discernible in the practical politics of aid, with donor agencies keen to stress direct benefits to their own society.

Hence, there is nothing inherently bad about designing aid in such a way that it generates mutual benefit. On the contrary, it can be desirable. However, it does carry the potential for an adverse effect: the diversion of aid from projects which make a large contribution to the duty of rescue, to those which make a smaller contribution but which also generate benefits for the donor. Even when this happens, the overall effect of mutual benefit may still be superior to the purely charitable model of aid. While each dollar of mutual benefit aid is less effective for the duty of rescue, the donor still has an incentive to provide more aid. The net effect of diversion and expansion is ambiguous.

Western NGOs have been strongly opposed to any use of aid that has an element of self-interest. However, their opposition is not based on a judgment that the diversionary effect would predominate: rather, it is existential. Charitable purpose being an existential characteristic of NGOs themselves, any deviation in government agencies is regarded as 'impure'. At the urging of NGOs, in 2002 the British Parliament legally required DFID exclusively to pursue the reduction in global poverty, as opposed to commercial self-interest.<sup>5</sup>

As Michael Sandel has argued, there are indeed areas of human behaviour where the introduction of self-interest is inappropriate.<sup>6</sup> However, it is difficult to see why the objective of lifting societies out of mass despair or prosperity should be in this category. The only economic system which has succeeded in lifting people out of mass poverty is modern market capitalism, and this clearly combines self-interest with motivations that are ethically more attractive. If insistence upon eschewing self-interest in meeting this vital objective impaired its achievement, the moral 'purity' of the donor would be purchased at a heavy price in terms of the prolonged suffering of those in despair.

However, while aid for mutual benefit is ethically permissible, due to the diversion effect it has the potential to be less effective for the duty of rescue than purely charitable aid. In consequence, any project characterized by mutual benefit must be scrutinized to ascertain whether it is indeed as effective as the best alternative use of the money in a project that addressed only the duty of rescue.

I now subject four uses of aid which are claimed to generate mutual benefits to such scrutiny. These are the recent Chinese infrastructure-for-resources deals in Africa; the use of aid to subsidize commercial investment in poor countries as done by the International Finance Corporation of the World Bank; the deployment of aid to states which are considered to be a threat to international security, such as Afghanistan; and the use of aid for the mitigation of climate change.

### ***Chinese infrastructure-for-resource deals as mutual benefit***

Post-2000, while Western donors were shifting aid to the social agenda promoted by the Millennium Development Goals, China arrived on the scene with an utterly different approach to aid: 'mutual benefit'. Recipient governments determined its use according to their own priorities 'we will not ask any questions' was the mantra of the President of China as he toured Africa. But in return, China would require the aid to be part of a package of deals that provided benefits to China. The archetypal such deal was that an African government would get some infrastructure that it wanted, to be constructed by a Chinese company and financed by a soft loan from a Chinese bank, in return for a natural resource concession awarded to a Chinese company.

African governments favoured this approach: it removed conditionality, enabled them to set their own priorities for infrastructure rather than social spending, and was faster. Mutual benefit was more dignified, avoiding the

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<sup>5</sup> The International Development Act, 2002.

<sup>6</sup> M. Sandel, 2012, *What Money Can't Buy*.



inherent asymmetry of power of the donor-recipient relationship. It also gave the Chinese a clear interest in implementing what was agreed. This contrasted with the perceived fickleness of Western donors, where priorities often changed to placate electorates, or according to the fashions of donor enthusiasms. African governments had grown particularly concerned about the long-term implications of donor enthusiasm for social spending because of its 'time-inconsistency'. Once governments had increased their donor-funded spending, for example by enrolling more children into schools, donors had an incentive to switch their priorities to something else, knowing that due to the high political costs of scaling back enrolments, the initial government decisions were irreversible.

There was, however, much wrong with the Chinese approach: mutual benefit meant that the Chinese would look after their own interest and expected African governments to do the same. The asymmetry of power shifted from being donor-recipient, to capable-less capable. The packages were usually opaque, and were negotiated at the highest level of recipient governments rather than won in open competition. In combination, the lack of transparency and the lack of competition created suspicions that terms were so skewed in favour of the Chinese that 'aid' might be notional. The IMF opposed the packages because they bypassed the budget: natural resources were exchanged directly for infrastructure rather than being decomposed into two distinct transactions, a sale of resources and a purchase of infrastructure. However, there was some rationale for packaging the two together: it provided a mechanism by which a government could commit to offset the depletion of a natural asset with the acquisition of another asset. Often, when the sale of resources generates revenues that flow into the national budget, day-to-day political pressures assign them to popular but unsustainable recurrent expenditures such as wage increases. Arguably, the main weakness of the Chinese packages has been that they were not subject to competition. This reflected the reluctance of Western donors to package aid with commercial transactions.

#### ***Subsidies for commercial investment as mutual benefit***

Several donor agencies have affiliates which do partner with commercial ventures, most notably the International Finance Corporation of the World Bank Group. However, it is expected to operate without any subsidy beyond that constituted by its initial donor-provided capital. Indeed, it is expected to operate at a profit which is used to augment the aid budget administered by another part of the Bank. Yet aid as a subsidy for commercial investment, which is inherent in the Chinese model of the package deal, has an important advantage over aid as charity.

The poorest countries are acutely short of investment by modern firms. Such firms make ordinary workers radically more productive than in the traditional economy by harnessing scale and specialization. In turn, generating such increases in productivity is essential for the mass escape from despair. Yet for entirely rational reasons not enough of these firms want to operate in poor societies. Government policies are often deficient: good firms are now justifiably terrified of the reputational risk to which they are exposed if they operate in cultures of corruption. But even when policies are reasonable, in regions burdened with a bad reputation they illicit a hesitant private sector response. Reputable firms which make investment in these environments are pioneers. If they succeed they are liable to be imitated by subsequent entrants, generating benefits to the country but not to the firm. In the language of economics, reputable firms which invest in poor countries generate *positive externalities*. Aid as a subsidy to pioneer firms is an ethically reasonable and practically useful mechanism which compensates them for these benefits that accrue to others. Crucially, the escape from mass poverty is largely driven by the modern private sector; so confining aid to public sector uses severely restricts its potential. Indeed, a central function of aid will be to induce more firms to go to places that they would otherwise have avoided. To an extent this can be by financing the necessary public infrastructure such as power and transport, but the highest impact aid will probably be that which co-finances private investments by covering some risks. Donor agencies that used aid for this purpose would not be 'contaminated'. The notion that mass poverty can be overcome directly by sufficient donor

financing of governments is a comfortable but unfortunate delusion fostered by NGOs and the Millennium Development Goals.

However, using aid to subsidize private investment introduces the risk that diversion towards self-interest will reduce the overall efficacy of aid. Addressing this risk depends upon the public agencies that dispense subsidies assigning sufficient weight in their decisions to the duty of rescue. Like all aspects of organizational cultures this depends upon the leadership being ethically aligned with the public purpose. If attracting reputable firms to countries that they do not wish to go to is essential to meet the duty of rescue, agencies must make aid-as-subsidy work.

### ***Aid to fragile states as mutual benefit***

Some countries are at serious risk of falling into mass violence; some others are in the midst of it. The term that now describes such societies is 'fragile'. There are three official lists of fragile countries, with around 40 countries on them. Fragile countries are unlikely to offer credible hope of prosperity for their people: social order is a prerequisite for economic development. Thus, the countries that are fragile are a subset of the countries for which there is a duty of rescue. This is now being recognized among aid agencies. For example, DFID, which has already largely confined its aid to those countries that meet the two criteria of the duty of rescue, now assigns half of its budget to states that are also fragile.

However, from an ethical perspective, the interesting aspect of aid to fragile states is that it generates mutual benefit. When societies descend into violent disorder they adversely affect other societies, especially, but not exclusively, neighbours. Current examples such as Afghanistan, Mali, the Central African Republic, Yemen and Syria are so prominent that the point requires little elaboration. In the language of social science, those societies that are fragile constitute a global public bad, so that aid deployed to reduce that fragility has the potential to be a global public good. Whether aid *can* reduce fragility is open to debate. Fragility usually has complex and intractable causes well beyond the lack of money. For example, violent disorder may be indicative of a dysfunctional culture of violence. Aid agencies urgently need to switch from their comfortable past agendas of supporting social spending in societies where the state works reasonably well and there is an established domestic business community such as India, to building the foundations for growth in societies such as South Sudan where neither is the case. Learning how to use aid in such difficult contexts is the essential future challenge for the agencies.

It might appear that aid to reduce fragility would be mutual benefit at its best. The recipients facing disorder are at the extremity of need, and the interest of the donors in the security of their own and neighbouring societies is entirely legitimate. Yet aid to reduce fragility has become ethically controversial. Evidently, if the society is facing actual or potential disorder, part of the appropriate response is likely to be the strengthening of military security. But since security expenditure has the potential to be repressive, it is actively discouraged by both donor agencies and NGOs: military spending is the antithesis of the social agenda. The example of Mali and Chad in Sahelian Africa illustrates the ethical dilemma. Mali, a well-functioning democracy, became something of a donor darling, but in consequence the military budget was kept modest. In contrast, because Chad discovered oil, its government broke free of pressure from donors and NGOs to restrict military spending in a high-profile confrontation. In the wake of the collapse of Libya, and the dispersion of Gaddafi's stockpile of sophisticated armaments around the Sahel, the Malian army was defeated by Islamic insurgents. The country has collapsed into disorder. Meanwhile Chad, with the strongest army in the Sahel region, is being celebrated as the backbone of the counterattack on Boko Haram, the Islamic insurgency group in Northern Nigeria that has specialised in kidnap, rape and slavery. In central Africa it has recently been judged necessary by the United Nations for foreign troops to be stationed in Mali, Sierra Leone, Cote d'Ivoire, Liberia, and the Central African Republic. Should the expenditures on these forces be regarded as

aid? Since security is a precondition for development there seems little basis for excluding them. But if so, should support that strengthens the national military capacity, thereby enabling foreign troops to be withdrawn, not also count as aid? Other than a temperamental distaste for the military among NGOs and the development community, it is difficult to find a justification for these exclusions.

### ***Aid for the mitigation of climate change as mutual benefit***

Increasingly, aid is being used to promote the mitigation of carbon emissions. Since the main beneficiaries of a reduction in global warming will be poorer countries it might appear that such aid is an anodyne instance of mutual benefit. I will suggest that on the contrary, it is an instance of the insidious process by which the objective of the donor is taken to be coincident with the objective of the recipient.

The responsibility of the OECD and middle-income countries to curb their carbon emissions is manifest: the long-term consequences of continued high levels of emissions for many poor countries are severe. However, a simple brute technological fact limits the beneficiaries: due to the long lag between emissions and their consequences, the beneficiaries of expenditures on mitigation will overwhelmingly be people living in the distant future. In contrast, the duty to rescue from mass hopelessness is an agenda that must be addressed over the shorter timescale of the current generation. Though daunting, the task is manageable if aid and other policies are highly focused on it, since the societies needing help are already a small minority of mankind. Climate change needs to be addressed, but it should be financed out of new instruments such as carbon taxes, not by a diversion of aid budgets from the duty of rescue from mass despair. This applies whether or not the expenditures take place in low-income countries. There are indeed opportunities for OECD countries to meet their obligations for emissions reduction by undertaking projects in poor countries that reduce emissions more cost-effectively than in the home country. This is a sensible thing for OECD countries to do in their own interest, but it has nothing to do with aid. Some projects can indeed meet the dual criteria of the duty of rescue from despair and climate mitigation. For example, the replacement of high-cost diesel electricity generators by gas-powered generators satisfies the duty of rescue by providing more and cheaper electricity, while also reducing emissions. But as with all claims of mutual benefit, such projects must be scrutinized. The most pertinent climate-related legitimate uses of aid are likely to be for adaptation rather than mitigation: poor countries will need to adapt to the climate change that will occur *during* the next two decades as a result of past emissions.

### **Conclusion**

To date, aid has nestled under the generic ethical banner of charity. Its presumed photogenic recipients, needy children, have appeared to be all the moral justification that was necessary. But the actual practice of aid has at times drifted quite far from a secure ethical anchor, which is necessary to prevent abuse of collective power. In this paper I have tried to provide such an anchor in terms of the duty of successful societies to rescue a minority of other societies from the immediate tragedy of humanitarian catastrophes, and from the prospective tragedy of societies that do not provide credible hope of prosperity for the mass of their population. These ethical foundations can usefully be reinforced by 'mutual benefit': the addition of an element of self-interest. But due to the potential for moral hazard, claims of mutual benefit must be rigorously assessed.