With Friends Like These, Who Needs Enemies?

Aiding the World's Worst Dictators

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On April 2, 2008, the Zimbabwe Election Committee publicly confirmed that President Robert Mugabe and his party, the Zimbabwe African National Union–Patriotic Front (ZANU-PF), had lost control of the Parliament to the main opposition party, the Movement for Democratic Change, and its leader Morgan Tsvangirai. At the time, Mugabe had been the leader of Zimbabwe since 1980, first as the country's prime minister (1980–87) and then as president (1987–present). During his reign, he acquired a reputation as one of the world's most brutal dictators. The reputation was well deserved because his government engaged in a wide array of human rights violations (see Human Rights Watch 2007, 4, 10, 171–77). As one would expect from someone of Mugabe's ilk, he refused to respect the election results and cede his power. Instead, he and his followers responded by arresting and violently brutalizing his opposition.

Despite claims of victory by Tsvangirai and his party, the ruling ZANU-PF announced on April 4 that a runoff election would determine the winner. On May 2, among claims of vote fraud and manipulation, the Zimbabwe Election Committee seconded the calls for a runoff between Mugabe and Tsvangirai. Although the runoff did take place in late June, Tsvangirai was not present because he had been forced to flee the country owing to threats against his life. His supporters were likewise

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threatened by violence, imprisoned, or killed by Mugabe's supporters. In late June 2008, Mugabe won the sham runoff, which in reality was a one-person race.

Leaders around the world quickly denounced Mugabe for his actions during the election process. Yet, despite denouncing him and his brutality, governments of developed countries have provided billions of dollars in aid (a combination of official development assistance [ODA] and military aid) to his government during his reign. This aid has ironically contributed to his ability to stay in power, even though his regime is the antithesis of liberal democracy and is characterized by widespread corruption and brutality against Zimbabwe's citizens, as illustrated by his actions in the recent election.

Mugabe is not the only dictator to receive significant aid from the governments of developed countries. Indeed, a consideration of the world's worst dictators indicates that world leaders, even while publicly condemning these dictators' gross violations of basic civil, human, and political rights, have been generous with foreign aid to the most brutal dictators. As in the case of Mugabe in Zimbabwe, the aid allows these dictators to consolidate their positions, remain in power, and sustain their brutal and corrupt methods. This assistance ultimately imposes significant costs on ordinary citizens in the countries these dictators rule. As Mugabe's case illustrates, dictators tend to rule through brute force. They also make few, if any, investments in their citizens and their countries. Therefore, citizens suffer not only through the constant threat of physical violence, but also through continued economic stagnation and underdevelopment.

In this article, we review and analyze the foreign aid delivered to the world's top living dictators. Also considered is why aid to these dictators fails to generate change for the better. At least rhetorically, the governments of developed countries provide aid to poor countries to facilitate development and movement toward liberal institutions that protect basic rights. Despite these good intentions, aid has failed to generate sustainable change in the countries that the world's worst dictators rule.

The tyrants we consider are the worst of the worst. They are corrupt and engage in gross violations of basic civil, property, and political rights. They rule through violence and are subject to few, if any, constraints on their behavior. As such, they impose significant costs on the citizens of the countries they rule and provide few, if any, benefits. Further, even though leaders of developed countries around the world are very aware of these regimes' brutal and oppressive nature and speak out strongly against their actions, they continue to send development assistance and military aid to them. This aid not only rewards the dictators' behavior, but freezes the status quo and prevents change. If the governments of developed countries are truly committed to spreading liberal values and institutions (that is, economic, social, and political institutions), an important step in doing so is to stop providing aid to the world's worst dictators.[1]

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1. For the important difference between democracy and liberal democracy, see Zakaria 2003.

Making the World Safe for Autocracy

Aiding Dictatorships

Calls for increased foreign aid have long been motivated by a desire to generate change in economic, social, and political institutions, with the related goal of spreading liberal values. Most recently, U.S. president George W. Bush stated: "[I]t is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world."[2] Governments and international organizations around the world (for example, the International Monetary Fund, the World Bank, the United Nations, and regional development banks) voice similar support for the spread of liberal democracy and freedom. Despite this rhetoric, delivery of foreign aid to the world's worst dictators has instead actually undercut the goal of spreading liberal values and institutions. Instead of making the world safe for liberalism, the provision of aid has made many countries safe for autocracy.

We begin by considering the ODA and military aid that members of the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) provide to the worst dictators in the world. The DAC is the main body through which OECD members interact with developing countries. It allows bilateral donors to coordinate their assistance to developing countries in order to maximize the return on those efforts. Not all OECD members belong to the DAC. The committee currently has twenty-three members, including the European Commission, which holds full membership rights on the committee, although it is not a member state. All committee members except the European Commission are members of the OECD, and the World Bank classified each of these countries as a "high-income country" in 2006. Table 1 lists the DAC members as well as their dates of membership.

We focus on the DAC because it includes governments from developed countries around the world. These governments are typically both the strongest advocates, at least rhetorically, of the spread of liberal values and institutions as well as the largest aid presence within these developing nations.

The general goals of DAC efforts include focusing on "how international development cooperation contributes to the capacity of developing countries to participate in the global economy, and the capacity of people to overcome poverty and participate fully in their societies."[3] Along these lines, the DAC seeks to foster a wide array of rights (civil, political, and so forth), equality of the sexes, political participation, economic development, and poverty reduction. On the face of it, these goals

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2. Inaugural Address available at: http://www.whitehouse.gov/news/releases/2005/01/20050120-1.html.

3. From the DAC Web site at http://www.oecd.org/about/0,3347,en_2649_33721_1_1_1_1_1,00.html.

Table 1
DAC Members and Year of Membership

DAC Member	Member Since
Australia	1966
Austria	1965
Belgium	1961
Canada	1961
Denmark	1963
Finland	1975
France	1961
Germany	1961
Greece	1999
Ireland	1985
Italy	1961
Japan	1961
Luxembourg	1992
Netherlands	1961
New Zealand	1973
Norway	1962
Portugal	Joined in 1961, withdrew in 1974, and rejoined in 1991
Spain	1991
Sweden	1965
Switzerland	1968
United Kingdom	1961
United States	1961
Commission of the European Communities	1961

seem noble. However, DAC members are undermining their organization's broader goals by providing aid to the world's worst dictators.

To compile a list of dictators, we utilized *Parade* magazine's annual list of the "world's worst dictators." A dictator is defined as a head of state who cannot be removed from power through the legal system. These rankings are based on a variety of factors, including the protection of human rights, individual as well as civil and media freedoms, the right to a fair trial, freedom to criticize the government, and freedom to choose elected representatives. Also taken into account is the brutality dictators use against citizens and political opponents (Wallechinsky 2006). We combined the lists for 2006 and 2007 for a total of twenty-three dictators, although, of course, there is much overlap between the two years.

Although one might take issue with certain aspects of the methodology used in the annual *Parade* survey, it would be difficult to argue that the dictators listed are not among the worst in the world. Further, we are not concerned with the ordinal relationship between the dictators presented by *Parade;* number five may or may not be a "worse dictator" than number fifteen, however judged, but both names are of equal value to us. We are simply interested in an independent listing of the world's worst dictators to utilize for our analysis.

Table 2 lists the ODA that all DAC members have provided to dictators during their respective reigns. We consider net disbursements as well as total commitments. Detailed data descriptions and sources for these categories appear in appendix 1. Net disbursements provide one measure of assistance to date, whereas commitments provide an indication of continued future support. The commitments indicate that the governments of developed counties, besides having assisted the world's worst dictators in the past, plan to continue to support them in the future as well. For each dictator, the ODA figure reflects the total amount of funding received from DAC members from the year he initially assumed power through 2006. As table 2 indicates, DAC members supplied in total nearly $105 billion in net disbursements and made almost $144 billion in total commitments to the world's worst dictators.

Table 3 presents a subset of the development and military aid provided to the listed dictators specifically by the United States. The U.S. government has been extremely vocal in condemning the worst dictators' practices. This rhetoric has only sharpened with the broader "war on terror," the Darfur tragedy, and the aforementioned elections in Zimbabwe. However, despite claims of support for liberal values and institutions, the U.S. government continues to provide significant aid to these dictators. As table 3 indicates, the United States has provided in total nearly $36 billion in net disbursements and almost $53 billion in total commitments to these men. Further, it has provided more than $46 billion in military aid. Of this total, the greater part has been given to Egypt and Pakistan for strategic purposes. One consequence of this military aid is that it has allowed two of the world's worst dictators to consolidate their positions and remain in power. Other dictators on our list have received much less military aid, but given their reliance on brutality and oppression to remain in power, any positive amount of military aid imposes some cost on the citizens of the country and its region. Unfortunately, data on military aid from all DAC countries to the world's worst dictators are not available. The amount of U.S. provision of such aid provides a lower bound, however, and, if anything, one would expect total military aid from DAC members to be greater than this amount.

Sudan's Omar al-Bashir

To shed light on the type of dictators being supported by DAC aid, we consider in detail the case of Omar al-Bashir, the current president of Sudan. We focus on him

Table 2
Total DAC Official Development Assistance (ODA, 2006$, millions):
From Year Dictator Assumed Power Through 2006

Country	Dictator	Year, Power Assumed[*]	ODA, Net Disbursements	ODA, Total Commitments
Belarus	Aleksandr Lukashenko	1994	71.9	79.3
Burma (Myanmar)	Than Shwe	1992	1,141.2	1,296.4
Cameroon	Paul Biya	1982	9,341.6	11,811.1
China	Hu Jintao	2002	6,802.5	10,947.8
Cuba	Fidel Castro	1959–2008	865.7	796.5
Egypt	Hosni Mubarak	1981	41,715.0	60,592.6
Equatorial Guinea	Teodoro Obiang Nguema	1979	522.9	415.1
Eritrea	Isayas Afewerki	1991	1,661.7	1,639.4
Ethiopia	Meles Zenawi	1995	7,540.6	8,128.9
Iran	Sayyid Ali Khamenei	1989	1,840.9	2,108.0
Laos	Boungnang Vorachith	2001–2006	1,040.6	1,103.0
Libya	Muammar al-Qaddafi	1969	176.8	170.9
North Korea	Kim Jong-il	1994	750.7	890.9
Pakistan	Pervez Musharraf	1999–2008	5,579.0	12,765.8
Russia	Vladimir Putin	1999	NA	NA
Saudi Arabia	King Abdullah	1995	143.0	163.1
Sudan	Omar al-Bashir	1989	6,981.3	7,003.5
Swaziland	King Mswati III	1986	416.4	471.5
Syria	Bashar al-Assad	2000	253.7	653.5
Turkmenistan	Saparmurat Niyazov	1990–2006	210.1	242.9
Uzbekistan	Islam Karimov	1989	1,474.8	2,082.4
Vietnam	Tran Duc Luong	1997–2006	9,839.8	14,064.0
Zimbabwe	Robert Mugabe	1980	6,252.7	6,645.7

[*]Dictator still in power unless ending date is provided.

because he has many of the characteristics of all the other dictators on the *Parade* list. He is corrupt and relies on violence against both political opponents and citizens in general to maintain his position of power (Human Rights Watch 2007, 158–64). Moreover, although the al-Bashir government's methods are widely known, it has received significant aid from the governments of developed countries.

Sudan has a long history of war and conflict, and this pattern continued with al-Bashir's rise to power. Before becoming president of Sudan, he had a career in the

Table 3
Total U.S. Official Development Assistance and Military Assistance
(2006\$, millions): Year Dictator Assumed Power Through 2006

Country	Dictator	Year, Power Assumed[*]	U.S. Net Disbursements	U.S. Total Commitments	Military Assistance
Belarus	Aleksandr Lukashenko	1994	6.2	25.6	1.1
Burma (Myanmar)	Than Shwe	1992	38.3	62.6	1.5
Cameroon	Paul Biya	1982	385.3	513.9	34.0
China	Hu Jintao	2002	106.2	165.1	—
Cuba	Fidel Castro	1959–2008	54.1	63.0	5.5
Egypt	Hosni Mubarak	1981	25,075.2	39,099.8	44,283.0
Equatorial Guinea	Teodoro Obiang Nguema	1979	15.4	16.9	3.3
Eritrea	Isayas Afewerki	1991	524.8	519.4	24.3
Ethiopia	Meles Zenawi	1995	2,591.7	3,018.2	40.2
Iran	Sayyid Ali Khamenei	1989	34.4	16.0	—
Laos	Boungnang Vorachith	2001–2006	35.0	36.8	—
Libya	Muammar al-Qaddafi	1969	26.2	26.4	2.0
North Korea	Kim Jong-il	1994	386.2	457.5	—
Pakistan	Pervez Musharraf	1999–2008	2,128.03	3,644.3	1,328.4
Russia	Vladimir Putin	1999	NA	NA	5.8
Saudi Arabia	King Abdullah	1995	1.3	1.2	0.3
Sudan	Omar al-Bashir	1989	2,714.8	2,969.4	318.8
Swaziland	King Mswati III	1986	144.7	120.0	2.2
Syria	Bashar al-Assad	2000	1.1	3.3	—
Turkmenistan	Saparmurat Niyazov	1990–2006	140.3	174.1	10.8
Uzbekistan	Islam Karimov	1989	409.8	537.4	66.7
Vietnam	Tran Duc Luong	1997–2006	205.9	381.1	0.1
Zimbabwe	Robert Mugabe	1980	854.9	988.3	9.0

[*]Dictator still in power unless ending date is provided.

Sudanese military. Following a bloodless coup in 1989, he named himself chairman of the fifteen-member Revolutionary Command Council and signed a decree suspending the Constitution and dismissing the country's government. Then in the name of national stability came the dissolution of all political parties and a ban against all protests and demonstrations (Anderson 1999, 3–8; O'Ballance 2000, 165). In 1993, the Revolutionary Command Council was dissolved, and al-Bashir was named president.

Following his rise to power, al-Bashir moved to implement a radical Islamic agenda influenced largely by Hassan al-Turabi, leader of the National Islamic Front. Among the many laws passed was a mandatory six weeks of military training, which includes indoctrination into radical Islam. Al-Bashir also implemented a penal code that includes public flogging, amputations, and the death penalty. Women were publicly beaten for violating strict dress codes. Western art, music, and other cultural products were banned. In 1995, following a decree banning all alcohol, all medicines containing alcohol were also banned, including drugs used to combat malaria, resulting in an epidemic of the disease (Wallechinsky 2006, 17).

The conflict in Sudan predates al-Bashir and has been caused mainly by ethnic and religious differences. The northern part of the country is primarily Arab and Muslim, and the southern part is mainly African, Christian, and animist. Important identity issues regarding the perception of what it means to be "Arab" also separate the eastern and western parts of the country (de Waal 2005, 2007). Even within these general categories, there is great diversity. For example, one census indicated fifty different ethnic groups and 114 different languages in Sudan (Wallechinsky 2006, 9).

This ethnic and religious diversity is often noted as the cause of continued conflict in the region. Although it is a source of tension, the broader problem is the presence of weak and dysfunctional political institutions that fail to protect property rights and instead engage in gross violations of those rights.[4] The result has been numerous wars, including two civil wars from 1955 to 1972 and from 1983 to 2005. The onset of the second civil war weakened the central government and allowed al-Bashir to take control.

Since assuming power, al-Bashir has done his part to continue the tradition of conflict by exacerbating ethnic and religious differences. He took power amid an ongoing war in southern Sudan between non-Muslim rebels and government troops. During the war, the government brutalized the country's citizens, prohibited the use of local languages, and confiscated citizens' land, relocating citizens to "peace villages," where men were forced to be circumcised and children to attend Quranic schools. Some observers claimed that the government military used citizens as human shields during the conflict. When government military recruitment numbers began to drop, al-Bashir implemented a draft, making all males between the ages of

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4. Easterly 2001a shows that good institutions, which protect against expropriation, overcome the problems that ethnic fractionalization poses for economic development.

eighteen and thirty eligible. Many recruits were physically dragged from their homes and forced to join the government army (Wallechinsky 2006, 26).

In 1996, al-Bashir organized a sham election, using the ongoing war in the south as an excuse to hand-select representatives for the region and restrict the number of candidates allowed to compete in the election. The result of the election, as one would expect after such manipulation, was a landslide victory for al-Bashir. In 1999, he and al-Turabi had a falling out. Tension had always existed between them as they vied for control and influence over the government, and in 1999 al-Turabi tried to partner with one of the rebel groups against al-Bashir, who responded by having him detained and placed under house arrest (Johnson 2003, 107–9; Wallechinsky 2006, 27–28). Once it was revealed to the public that al-Turabi had partnered with a rebel group he had previously denounced, he lost his credibility and influence on policy in Sudan (Johnson 2003, 108). While these events unfolded, the country's civil war raged on.

In 2003, peace talks began between the rebels and the government. The talks continued through 2004, and a formal peace agreement was announced in 2005. The peace, however, was short-lived. In 2003, while peace negotiations were being held to end the civil war, another conflict was brewing in the western part of the country.

Even though al-Bashir's regime received significant aid from the governments of developed countries around the world, the average citizen in these countries was unaware of Sudan's history and of the current events unfolding there. This condition changed in 2003 with the onset of the Darfur crisis, which received global attention. Although global leaders and the media called for an end to the humanitarian crisis, they paid little attention to Omar al-Bashir and his role in the crisis.

Darfur is located in the western part of Sudan. The British, who conquered Sudan in the late 1800s, allowed Darfur to remain independent until 1916, when they invaded the region and merged it with Sudan (Prunier 2005, 8–24). The British paid little attention to the Darfur region, however, and the area's people were politically and economically marginalized. This marginalization continued after independence as the Sudanese government not only neglected the region, but also used it to house rebels fighters who engaged in battles with neighboring Libya and Chad (Flint and De Waal 2005, 12–16; Prunier 2005, 42–47).

Drought and famine that had begun in the mid-1970s and continued for decades had a devastating impact on the region. Besides causing the deaths of tens of thousands of inhabitants, the drought led Arab tribes to move into an area traditionally occupied by non-Arab tribes (Wallechinsky 2006, 31), which in turn led to increased conflicts over scarce natural resources. The Sudanese government contributed to these conflicts by actively seeking to undermine traditional mechanisms of dispute resolution by "deliberate manipulation of the tribal administrative system to augment the power of some groups at the expense of others" (De Waal 2007, 29).

Over the course of Darfur's history, numerous rebel groups have emerged in the region. By 2003, two dominant rebel groups existed there: the Justice and

Equality Movement and the Sudanese Liberation Army (Flint and De Waal 2005, 70–73, 93–96). These groups accused al-Bashir's government of neglecting Darfur and sought to gain control of the region.

Al-Bashir responded with a military campaign against these groups, including bombing and ground attacks by the government-supported Janjaweed militia (Flint and De Waal 2005, 101–11). During these attacks, the Janjaweed were responsible for the major human rights violations—including torture, murder, and rape—reported by the mass media around the world (International Commission of Inquiry on Darfur 2005). In addition to using physical violence against Sudanese citizens, the Janjaweed also destroyed schools, houses, and the few remaining sources of food and water in the region—all part of the Sudanese government's strategy to starve the opposition (Flint and De Waal 2005, 111–15). It is estimated that the war caused the deaths of approximately 180,000 people, and millions were driven from their homes into refugee camps (Flint and De Waal 2005, 111; Wallechinsky 2006, 31).

During the conflict, al-Bashir's government engaged in an active program to suppress all public information regarding the government's attacks on its citizens. Domestic journalists were arrested for reporting negative stories, and international journalists lost their access to the country. Human rights investigators and persons affiliated with other nongovernmental organizations were expelled from the country or denied visas to enter (Flint and De Waal 2005, 115–17).

Starting in 2002, the African Union facilitated peace talks between the rebel groups and the Sudanese government. After numerous failed negotiations, a formal peace agreement was signed in May 2006. However, the situation in Darfur is extremely fragile for several reasons. Only one of the rebel groups, the Sudanese Liberation Army, signed the peace agreement. Further, the government-backed Janjaweed forces are still in the region, and pockets of conflict have continued to emerge. Finally, humanitarian issues associated with drought and starvation remain real and significant. Aid agencies attempting to remedy these problems have limited access and security in the region.

In addition to engaging in brutality against his own citizens, al-Bashir also has connections to known terrorist organizations. The government reportedly has provided sanctuary to Hamas, Hezbollah, and Islamic Jihad, among other terrorist groups (Wallechinsky 2006, 23). Al-Bashir also hosted Osama bin-Laden in Sudan in the mid-1990s. In 1993, the U.S. government placed Sudan on its list of states that sponsor international terrorism, where it remains to the present (O'Ballance 2000, 179–80).

The governments of developed countries have tried to have it both ways with al-Bashir's government: on the one hand, they have publicly denounced his government and his actions against his own people, but, on the other, they have sent billions of dollars of aid to his government. As table 2 indicates, total DAC development assistance to al-Bashir from 1989 to 2006 amounted to nearly $7 billion in net

disbursements. Table 3 indicates that approximately 40 percent ($2.7 billion) of that total development assistance has come from the U.S. government. Further, DAC members have made ODA commitments to Sudan for another $7 billion. Besides ODA, the United States has also provided hundreds of millions of dollars in military aid to Sudan, even though al-Bashir has used the country's military against certain segments of the Sudanese population.

Aid to Sudan's various brutal, autocratic governments has a long history that extends back even to the years before al-Bashir's rise to power. During the 1980s, the U.S. government sent hundreds of millions of dollars in aid to the Sudanese government even while it violently persecuted the southern minority (Anderson 1999, 47–54). Likewise, the World Bank lent $800 million to the northern government during the 1983–93 period. Since 1993, the Sudanese government has been the world's largest debtor to the World Bank and the International Monetary Fund. Total aid to this government between 1960 and 2002 is estimated at $23 billion (Easterly 2006b, 303; Wallechinsky 2006, 9).

In analyses of Sudanese politics and conflict, political scientists have put forth two general theories to explain its situation (see De Waal 2007, 32–33). The "brute cause" paradigm focuses on individual accountability and holds that those running the government are criminals and thugs. This view concludes that bad leaders have been the main cause of conflict and economic stagnation in Sudan. In contrast, the "turbulent state" paradigm focuses on how Sudan's economic, political, and social institutions continue to generate one bad government after another. This theory holds that changing leaders will not have a major impact unless coupled with fundamental structural changes in the country's institutions.

Our goal here is not to adjudicate between these competing theories, but instead to make a more fundamental point. No matter which paradigm is correct—and each may be correct to some degree—developed countries have provided significant aid that has actually allowed bad institutions to perpetuate themselves and brutal thugs to take full advantage of what those perverse institutions have to offer.

It is difficult to argue that the significant aid provided to the Sudanese government has had any positive impact. The country is still ruled by a brutal dictator, and its political institutions remain unreformed. Further, the government remains on the U.S. State Department's list of countries that sponsor international terrorism. To the extent that peace exists, it is extremely fragile. Income per capita in 1994 was below the level at Sudan's independence in 1956. Further, life expectancy remains extremely low, as do investments in basic infrastructure (see Easterly 2006b, 305).

Although the specifics vary, the case of al-Bashir and Sudan is representative of the other dictators on our list. In all cases, the dictator's regime is characterized by a mix of corruption, violence, and violations of basic rights. Nonetheless, he and the world's other worst dictators have received significant amounts of development assistance and military aid. Perhaps worse, DAC members have committed billions of dollars in future aid to the dictators on our list.

Can Foreign Aid Buy a Liberal Society?

Debate continues about the importance of foreign aid for economic and institutional development. On the one side are those who call for drastic increases of aid to fund a "big push" investment so that poor countries can escape the poverty trap and reform economic, political, and social institutions for the better (Cassen 1986; Riddell 1987; Sachs 2005; Collier and Hoeffler 2007). On the other side are those who are skeptical that increased aid for economic development and reforms can help in creating liberal institutions (Boone 1996; Bauer 2000; Easterly 2001b, 2006b). In addition to this academic debate, foreign aid is a central part of many developed countries' foreign policy. In 2005, countries around the world renewed their commitment to significant reductions in global poverty through increased aid as specified in the Millennium Development Goals, a new global effort to achieve certain baseline goals by the year 2015, to be achieved by increased amounts of aid.

Arguments that focus on the quantity of aid often overlook the issues of incentives and allocation (Easterly 2001b, 2006b). Recipients of aid must have the incentive to use the aid specifically for economic development and institutional reform. Likewise, those who distribute aid must know how to allocate it so that it will be used effectively. Absent the proper incentives and information, aid will be either ineffective or counterproductive, no matter what the quantity.

It follows that countries whose leaders have weak incentives to use aid to achieve the desired reforms or lack the knowledge to allocate aid effectively are likely to be bad investments. Although this logic may seem straightforward, the countries that appear to be the worst investments still in practice receive significant aid, as illustrated in the case of Sudan and al-Bashir.

A common argument for the provision of aid to corrupt and dysfunctional governments is that precisely these countries need aid the most to strengthen political institutions. This argument holds that aid used to reform political institutions will ultimately contribute to economic development. For example, Jeffrey Sachs contends that African countries do not have bad governments considering their level of income (2005, 311–14). In other words, the governments of African countries are no worse, on average, than governments in other countries with similar levels of income. Sachs calls for increased foreign aid to bolster development and income, which, he argues, will lead to better government.

This line of reasoning fails to recognize, however, that the worst governments typically have no incentive to reform. These governments tend to face few constraints on their behavior and have little desire to establish mechanisms of accountability because doing so would reduce the scope of their power. Hence, institutional reforms fail to get off the ground. In fact, where perverse incentives exist, aid is likely to make the situation worse by providing continued support for dictators while strengthening the status quo.

There is little empirical evidence that foreign aid improves political or policy environments. In a well-known study of the connection between foreign aid and growth, Craig Burnside and David Dollar (2000) conclude that aid's impact on growth is directly dependent on the incentives created by existing institutions. They find that aid can benefit growth in countries with sound policies, but it does not contribute in countries with poor political institutions and policies. This finding indicates that aid is beneficial for growth only after political authorities adopt policies conducive to growth. At the time of this article's publication, the aid community embraced its findings and shifted the focus to improving "governance" and the adoption of good policies so that subsequent aid would be effective.

However, subsequent analysis has shown that the results of the Burnside and Dollar study are fragile when the data set is expanded (Easterly, Levine, and Roodman 2004) and when alternative definitions of *growth, aid,* and *good policy* are used (Easterly 2003a). These more recent studies call into question aid's effectiveness for generating growth in *good* policy environments as well.

Other studies question the impact of aid on political institutions. For example, Stephen Knack (2004a) finds that more aid lowers the quality of bureaucracy and leads to more violations of the law. The underlying cause is that aid creates rents, which foster corruption and illegal activity. Employing different measures of democracy and aid intensity, Knack (2004b) finds that aid does not promote democracy. Simeon Djankov, Jose Montalvo, and Marta Reynal-Querol (2007) find that high levels of aid resulted in setbacks to democracy during the period from 1960 to 1999.

In sum, the empirical evidence indicates that foreign aid by itself does not lead to improvements in development or political institutions. It fails for several reasons.

The first pertains to difficulties associated with monitoring the aid. Once aid is delivered to a corrupt government, it is extremely difficult to monitor how it is dispersed. As an example of this logic, consider the case of U.S. assistance to North Korea. In his January 2002 State of the Union Address, President George W. Bush listed North Korea as a member of the "Axis of Evil." Further, as noted in table 2, Kim Jong-il ranks among the world's worst dictators. Nevertheless, the U.S. government continues to provide aid (energy and humanitarian aid) to North Korea. In theory, this aid is supposed to benefit the citizens of North Korea, who suffer under Kim Jong-il. It is delivered directly to the North Korean government, however, even though this government does not allow donors or aid agencies to operate inside the country or to track the flow of their donations. We have good reason to believe that a substantial portion of the aid never actually reaches its intended recipients.

Along these lines, a U.S. government report indicated that "[a] number of sources have presented evidence that not all the food assistance going to North Korea is reaching its intended recipients. . . . The numerous reports of donated food being sold (at price levels far higher than the official, government-controlled prices) in farmers' markets are widely assumed to be signs that officials are stealing and selling some of the aid for their own profit" (Manyin and Jun 2003, 15). If basic

humanitarian aid cannot be delivered effectively, it is easy to imagine how aid intended to generate more complex outcomes, such as institutional reforms, is unlikely to achieve the donor's desired ends.

In general, aid is effective only to the extent that it reaches the intended recipients. When it is delivered to corrupt governments to disperse to those in need, we have little reason to believe that it will be effective. Like North Korea, many corrupt governments refuse to allow donor agencies and nongovernmental organizations into their country to administer and monitor the distribution of aid. With no check on the recipient government, members of the government will steal the aid, and ordinary citizens will continue to suffer.

A second reason why aid fails to generate institutional reform and economic development relates to negative unintended consequences. Although the delivery of aid may be grounded in the best of intentions, in reality it often makes things worse and has significant negative impacts. Allan Drazen (1999) argues that where aid is ineffective, the recipient government's incompetence may be blamed. Continuing to provide aid to such regimes makes reforms less likely because it contributes to the ineffective regime's continuation in power. He concludes that denying aid to such governments is more likely to generate change in the future.

Besides solidifying the status quo, aid has other potential negative unintended consequences. For example, Paul Collier and Anke Hoeffler (2007) explore the connection between foreign aid and military expenditures. In their model, a government's decision about its military expenditures is a function of aid received and the level of spending by neighboring countries. These authors conclude that foreign aid has the negative unintended consequence of fostering regional arms races. This effect highlights aid's fungibility. Provision of aid in one area may result in a transfer of government expenditures to other areas. For example, food aid increases the amount of money that governments can shift from the provision of food to expenditure in other areas, including military outlays. This transfer may result in negative unintended outcomes.

A third reason why aid fails has to do with the nature of donor agencies (Easterly 2003b, 2006a). Aid agencies are bureaucracies that suffer from perverse incentives and limited information of how to allocate resources effectively. Absent profit-and-loss calculations, success tends to be measured by the size of the budget, number of bureaucrats, and amount of aid dispersed. Hence, aid agencies have little incentive to be "tough" against corrupt governments because they have an interest in dispensing aid in order to exhaust their budgets. Along these lines, a World Bank report on foreign aid notes that "[d]isbursements (of loans and grants) were easily calculated and tended to become a critical output measure for development institutions. Agencies saw themselves as being primarily in the business of dishing out money" (1998, 23). Because aid recipients are aware of this situation, they tend to renege on reform commitments or simply ignore the aid community's requests.

Problems arise not only within, but also across donor agencies. Each agency is driven by its own agenda and goals. Although the agencies are supposed to work together toward the common, overarching goal of economic and institutional development, in reality they often pursue conflicting goals and agendas. Each agency is driven by local politics, which shapes and influences its behavior. As William Easterly notes, "[c]oordination is impossible under the current aid system, when every agency reports to different bosses who have different agendas" (2006b, 191–92). Likewise, a report by Transparency International (2006) on humanitarian aid concludes that a fundamental problem in delivery of aid is that the humanitarian system contains so many different bureaucratic layers and organizations (numerous governments, aid agencies, international organizations, nongovernmental organizations, and so forth) that it is extremely difficult to establish and maintain effective accountability within agencies and across individuals.

Yet another argument proffered in favor of supplying aid to dictators is that it allows the governments of developed countries to achieve other foreign-policy objectives. In such instances, governments use dictators as middlemen to achieve broader goals. For example, the U.S. government partnered with Pakistani military dictator and Islamic fundamentalist General Zia-ul-Huq in the 1980s in their Cold War effort against the Soviet Union in Afghanistan. In this case, the U.S. government provided aid to Zia, and in return he funneled U.S. weapons and monetary aid to the rebels fighting against the Soviets in Afghanistan. The argument might be made that providing aid to Zia was far from an ideal solution, but still necessary to achieve the U.S. goals in the broader Cold War. As mentioned previously, the U.S. government likewise continues to provide significant amounts of military aid to Pakistan and Egypt for similar strategic purposes.

Although provision of aid to dictators can contribute to broader goals, this line of reasoning overlooks the real harms caused by supporting foreign dictators, even to achieve other objectives. The U.S. partnership with Zia had several unintended consequences, both in Pakistan and in its region. As Benazir Bhutto noted, "The United States, fixated on defeating and humiliating the Soviets in Afghanistan, embraced Zia and the ISI [Inter-Services Intelligence] as surrogates; the United States' attention was riveted exclusively on Afghanistan, disregarding the war's impact on internal political factors in Pakistan" (2008, 193). The result was a political instability that has continued there to this day. The U.S. intervention in Afghanistan also had negative unintended consequences, including the rise of the Taliban and the global proliferation of U.S.-supplied Stinger missiles (Coyne and Ryan 2008).

In sum, the answer to the question "Can foreign aid buy a liberal society?" is a resounding *no*. Aid agencies, policymakers, and academics have little knowledge of how to fix the wide array of problems that plague the world's poorest countries. The existing empirical evidence indicates that the provision of foreign aid is not effective in generating sustainable economic development and institutional change. In stark contrast, aid can prevent changes in the status quo and even make things worse. The

arguments against provision of aid are even stronger for countries ruled by the world's worst dictators. These countries are plagued by the same problems as all other poor countries, but they are also ruled by corrupt and brutal dictators. No good arguments justify supporting these individuals' behavior with developmental and military aid.

Conclusion

In criticizing the aid community's rhetoric, development economist P. T. Bauer notes, "To call official wealth transfers 'aid' promotes an unquestioning attitude. It disarms criticism, obscures realities, and prejudges results. Who can be against aid to the less fortunate?" (2000, 42). Nowhere is Bauer's critique more relevant than in the continued delivery of foreign aid to the world's worst dictators. We have little evidence that this aid does any good, but clear indications that it causes real harm. Nevertheless, the governments of developed countries continue to provide this aid to the worst of the worst.

The bottom line is that if developed countries' goal is to foster liberal economic, political, and social institutions abroad, they should stop providing aid to the world's worst dictators. Development assistance and military aid solidify dictators in their position of power and contribute to conflict through the politicization of daily life. The associated costs fall mainly on the ordinary citizens living in these countries. Although humanitarian aid is often motivated by the best of intentions, it tends to fail to achieve the donors' desired goals.

Nation-states tend to deal with other nation-states. In the realm of aid, these dealings mean that donor governments tend to deliver aid to other governments instead of directly to individuals. The world's worst dictators typically refuse to permit any checks on or monitoring of how they distribute this aid. The result is that aid delivered for humanitarian purposes often fails to reach the intended recipients.

The failure of foreign aid to countries governed by the world's worst dictators indicates that alternatives must be considered. One potential alternative is the privatization of aid. This change would entail allowing private citizens around the world to decide where to send aid contributions, which would allow aid flows to circumvent the world's world dictators. In such a scenario, private citizens would have an incentive to donate to organizations they deem effective, and competitive pressures would be put on recipients to deliver on their stated goals.

Although this alternative may seem extreme, recent experience shows that private aid to mitigate humanitarian crises can be significant. For example, consider the response of U.S. citizens and organizations following the tsunami that struck Indonesia in 2004: they pledged more than $400 million and selected the organizations to which they donated their aid ("A 'Tsunami' in Private Giving" 2005). These private donations exceeded the total amount pledged by many national governments. Likewise, private donations and humanitarian efforts have played a

central role in the recovery following Hurricane Katrina (Horwitz forthcoming). Of course, private charity is no panacea, but none of its problems looms as large as those associated with the continued delivery of billions of dollars of aid to the world's worst dictators.

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Appendix 1
Data Description and Sources

Variable	Data Description	Data Source
Official Development Assistance, Net Disbursements	Grants or loans to countries and territories on part I of the DAC List of Aid Recipients (developing countries), which are: *(a)* undertaken by the official sector; *(b)* with promotion of economic development and welfare as the main objective; *(c)* at concessional financial terms (if a loan, having a grant element of at least 25 percent). In addition to financial flows, technical cooperation is included in aid. Grants, loans, and credits for military purposes are excluded. Transfer payments to private individuals (e.g., pensions, reparations, or insurance payouts) are in general not counted. *Source:* http://www.oecd.org/dac/glossary.	OECD n.d.
Official Development Assistance, Total Commitments	A firm obligation, expressed in writing and backed by the necessary funds, undertaken by an official donor to provide specified assistance to a recipient country or a multilateral organization. Bilateral commitments are recorded in the full amount of expected transfer, irrespective of the time required for the completion of disbursements. Commitments to multilateral organizations are reported as the sum of (1) any disbursements in the year reported on that have not previously been notified as commitments and (2) expected disbursements in the following year. *Source:* http://www.oecd.org/dac/glossary	OECD n.d.
Military Assistance	Military Assistance entails all military-related U.S. foreign assistance allocated through Military Assistance Program (MAP) grants, Foreign Military Credit Financing, the International Military Education and Training Program, Transfers of Excess Defense Articles, and other grants. *Source:* http://qesdb.usaid.gov/lac/technotes_assistance.html.	USAID 2006