A New Foreign Aid Approach for Canada

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Foreign aid is the best solution for global poverty. This aid comes in two forms; private aid from individuals, or public aid from governments.[[1]](#footnote-1) This paper focuses on government donations from Canada to poorer countries. This policy is a grant-based monetary developmental aid partnership that aims to reduce the negative effects of current systems. It would entail a 25-year partnership between Canada and a country in need of aid, offering a minimum standard of living for citizens and providing surplus money for economic development. Restrictions include aid policy approval by Canada, clauses requiring the recipient country to remain democratic and receive no aid from other countries thus reducing bureaucratic complications.[[2]](#footnote-2) In return, Canada would agree to a consistent aid flow tied to inflation rates. This policy aims to address two issues; ineffective aid and weak governments, which arise in current aid structures.

 The first issue addressed is the ineffectiveness of foreign aid. Donations often come through commodity aid where goods are directly delivered, incurring high delivery costs that detract funds from people in need.[[3]](#footnote-3) Today, the current cost of eradicating poverty is below the amount used for foreign aid, but this money is not being used effectively so poverty persists.[[4]](#footnote-4) This policy would donate money to establish systems that provide social safety nets, nationalize resources and develop infrastructure projects increasing quality of life.[[5]](#footnote-5) Foreign aid is also ineffective as it fails to address inequality between countries. This policy would allow Canada to use its global voice to further the issues of the recipient country through negotiating trade deals and ensuring equitable treatment.[[6]](#footnote-6)

 The second issue addressed is weak government structures. Some countries have unpredictable or corrupt governments that do not use aid for the betterment of their populous.[[7]](#footnote-7) As such, many countries fear donating to these countries because they do not want to endorse poor decisions or support inequitable lifestyles.[[8]](#footnote-8) This policy would reassure the donating country as it would allow oversight in directing monetary distribution, and power to ensure the government remains democratic.[[9]](#footnote-9) Weak governments often appear when the donating country is in a time of crisis. States may prioritize their citizens’ needs and forego previous commitments, use NGO’s instead of direct aid or decide to provide aid only in emergencies.[[10]](#footnote-10) Receiving countries would be unable to predict when or how much money they will receive and may not invest in long-term development solutions.[[11]](#footnote-11) This policy would provide consistency and security for the recipient.

 There are issues with this policy such as the perception that the donating country is interfering with a sovereign state and money may not be spread fairly among nations, both issues experienced in the current system. This policy does however address two large issues, ineffective foreign aid and weak governments, also prevalent in the current system. This policy could offer economic support and promote a working partnership between two countries. Going forward, although foreign aid is vital it needs to go through a structural change to be effective and help those who need it most.

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5. Paul Cammack, *Why are some people better off than others?* (London: Routledge, 2014), 421 [↑](#footnote-ref-5)
6. Nigmendra Narain, “Foreign Aid.” [↑](#footnote-ref-6)
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