Donor Competition for Influence in Recipient Countries

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Abstract

The analysis of official development assistance has always struggled with the contradiction between its more altruistic motivations for global development and its easy adaptation as an instrument for the donor’s pursuit of self-interested foreign policy objectives. In the international system foreign aid may thus become a forum for both cooperative and competitive interactions between donors. This chapter explores the interdependence of aid by reviewing the literature on donor interdependence, with a particular focus on donor competition for influence in recipient states. We then present a simple theoretical framework to examine donor competition, and provide some preliminary empirical testing of resulting hypotheses. We conclude that while the evidence about competition is mixed, the behaviour of some donors is consistent with their pursuit of influence in certain recipient states.