

Official Development Assistance (ODA): Exploring Priority, Disbursement, Dependency and Leverage from the Perspectives of Three Pacific Island Countries (PICs)

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Abstract

The Pacific Island Countries (PICs) have been the biggest recipients per capita of Official Development Assistance (ODA) for decades, although only 1% of global ODA goes to the region. Nevertheless, aid has turned into a necessity for the PICs as a high percentage of their national budgets are supported by aid annually. The problem of “what if aid halts?” is a concern, not only because efforts from traditional donors are weakening, but also because alternatives from non-traditional donors are not reliable. With the goal of better operation of ODA, this research explores potential answers to the main question of whether all donor nations take the same approaches to ODA with respect to recipient countries. The research suggests that the PICs need a framework for successful engagement with international donors and a model of understanding about how each of the donor countries approaches international aid in practice. Scrutinizing the 15 hypotheses derived for the study, the arguments of Development theory, Common Pool Resources, Schismogenesis and Gift Giving theory are indispensable for identifying the “balances” for multiple recipients with multiple donors employing politics in the PICs. By analyzing the approaches of Australia, France, China and Japan to ODA through the lenses of policy makers in the three case study recipient countries of Vanuatu, Tonga and Kiribati, this research identified better understandings of Priority, Disbursement, Dependency and Leverage within each partnership.

The research finds that Disbursement and Dependency are the same for all aid practices of all donor nations selected for the study, with donor nations using Disbursement to control the PICs while the PICs depend heavily on the availability of ODA. At the same time, Priorities are pre-decided by donor nations according to their interests. The research argues that while Leverage is the most successful strategy for influencing Disbursement, the distinctiveness of the leverage capital available in each country encourages competitions amongst both donor nations and recipient countries. As a result, the author proposes a regional Leverage framework of Gross National Generosity (GNG) as an alternative method for proactive aid partnerships. It is designed to complete the gift giving cycle through reciprocity in order for recipient countries to carefully setup aid management institutions to achieve the goals of ODA. GNG requires a shift from the decolonization mindset of *helping them to help themselves* found in the approaches of Western donors. Instead, it recommends the universal norm and mutual co-existence value of *helping them to help us* commonly found in the approaches of Asian donors.

In conclusion, donor nations approach ODA as an exchange based on self-interests, while the PICs perceive ODA as a gift where the interests are based on those of the donors for the purpose of the relationship. Although the PICs prefer the approaches of Asian donors to those of Western donors

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due to the tangible element of their aid, the PICs do not have full ownership of their aid, as reciprocity is not recognized. GNG promises peaceful co-existence in foreign aid operation between developing countries, including the PICs, and their main development partners.

Keywords:

Pacific Island Countries, Common Pool Resources (CPR), Schismogenesis of aid, Gift Giving theory and Aid, Official Dependency Assistance (ODA), Reciprocity of Aid, Gross National Generosity (GNG)