

INSTITUTIONAL CORRUPTION AND CANADIAN FOREIGN AID

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Traditional forms of corruption pose problems for Canada's foreign aid, but 'institutional corruption,' evidenced by deception, financial inconsistency and unpredictability, by constantly changing priorities, by opacity and reprehensible diversions from its stated aims is arguably worse, undermining the effectiveness, the trustworthiness and the very purpose of foreign aid.

In the public mind, two kinds of corruption are thought to be commonplace in foreign aid programs. The first has to do with the corruption that is widely reported in many developing countries, ignored if not encouraged—so an argument goes—by the very fact of foreign aid. The second has to do with individuals and companies bribing public officials in order to win lucrative aid contracts and mining concessions.

This paper deals only tangentially with these types of corruption. It focuses instead on a different kind of malaise infused into Canada's foreign aid effort, something more fundamental and in some ways more insidious: institutional corruption.

Institutional corruption is not about criminals and illicit transactions. It refers to practices and influences that distort the purpose and mission of an institution. A concept pioneered by Lawrence Lessig, former Director of the Edmond J. Safra Center for Ethics at Harvard University, institutional corruption is defined this way:

'Institutional corruption is manifest when there is a systemic and strategic influence which is legal, or even currently ethical, that undermines the institution's effectiveness by diverting it from its purpose or weakening its ability to achieve its purpose, including, to the extent relevant to its purpose, weakening either the public's trust in that institution or the institution's inherent trustworthiness' (Lessig 2016).

The United States Congress is, for Lessig, a primary exhibit of institutional corruption writ large. The problem is not cash in brown paper bags; it is not illegal activity; it is not about bad people. It is about the improper dependence of politicians on political, commercial and strategic goals—to the extent that the functionality and the general moral health of the body politic has been diverted from its purpose; *it has been corrupted*.

In a paper on institutional corruption in the American pharmaceutical industry, Light, Lexchin and Darrow expose the problem at three levels. 'First, through large-scale lobbying and political contributions, the pharmaceutical industry has influenced Congress to pass legislation that has compromised the mission of the Food and Drug Administration (FDA). Second, largely as a

result of industry pressure, Congress has underfunded FDA enforcement capacities since 1906,' limiting the FDA's ability to protect the public. And third, 'industry has commercialized the role of physicians and undermined their position as independent, trusted advisers to patients' (Light *et al.* 2013).

This paper argues that Canada's official development assistance (ODA) suffers historically from something that very much approximates Lessig's definition of institutional corruption. Canada's foreign aid has, for the better part of half a century, been diverted from its stated purpose, it has been weakened, its effectiveness compromised and public support eroded by systemic influences inimical to its basic purpose. This is true of the wider international development enterprise as well; Canadian aid is not unique.

The Purpose of Canadian Foreign Aid

It would be naïve to think, regardless of what taxpayers have been told, that foreign aid was or is only about ending poverty. There have always been strategic, political and commercial interests at play. But poverty reduction, if not always the end, was almost always the means to an end: a means to thwarting communist influence during the Cold War; a means to building a more stable world or to building economies with which we hope to trade. And often, in the public pronouncements of politicians and senior government officials, poverty reduction was the end itself.

In a 1955 speech, Lester Pearson, then Canada's foreign minister said,

'[The] genuine desire of Canadians to help others who are less fortunate, the recognition that the more quickly other people's standards of living rise, the better off we shall be, the conviction that economic and social progress are essential to a durable peace... All of these seem to be more solid and more fundamentally significant reasons for providing assistance... It is a sorry commentary... That without [the communists] and the threat which they represent we might not so readily have done what we should have been doing anyway' (Morrison 12).

In 1968, Prime Minister Pierre Trudeau told a University of Alberta audience,

'Never before in history has the disparity between the rich and the poor, the comfortable and the starving, been so extreme; never before have mass communications so vividly informed the sufferers of the extent of their misery... We are faced with an overwhelming challenge. In meeting it, the world must be our constituency' (Morrison 12).

In 1987 the Mulroney government produced one of the most comprehensive strategic plans for Canadian aid, and along with it, something it called 'The ODA Charter: Principles and Priorities.' The plan and the strategy were clear: 'The primary purpose of Canadian official development

assistance is to help the poorest countries and people in the world' (CIDA 1983 27). The first words of the Development Charter—which for a time was posted prominently in Canadian embassies and throughout CIDA¹ headquarters—were, 'Putting poverty first.' The Charter went on to say, 'Development priorities must prevail in setting objectives for the aid program.'

If that was not straightforward enough, under the Chrétien government a special Joint Parliamentary Committee Reviewing Canada's Foreign Policy said in 1994 that CIDA's mandate needed to be clarified, stating 'The Committee affirms that the primary purpose of Canadian Official Development Assistance is to reduce poverty by providing effective assistance to the poorest people, in those countries that most need and can use our help' (Parliamentary Publications Directorate 48).

In 2008, under the Harper government, the Official Development Assistance Accountability Act came into effect, supported by all parties in parliament. Its purpose was 'to ensure that all Canadian official development assistance abroad is provided with a central focus on poverty reduction and in a manner that is consistent with Canadian values, Canadian foreign policy, the principles of the Paris Declaration on Aid Effectiveness of March 2, 2005, sustainable development and democracy promotion and that promotes international human rights standards.' It stated that 'Canadian official development assistance abroad shall be defined exclusively with regard to these values' (Parliament of Canada 2008).

Although all of these studies, reports and plans went into different levels of detail on sectors, modalities, delivery mechanisms, cross-cutting themes and the like, poverty reduction was always front and centre, always the headline given to the Canadian public.

Systemic and Strategic Influence

Predictability and consistency are important to effectiveness and efficiency in any kind of government spending. They are perhaps more important in aid programs than in others because of the long-term nature of the social and economic change that aid promotes, and because of the partnerships that must be developed with other governments, with civil society and with executing agencies.

Historically, there has been little predictability or consistency in Canada's foreign aid program. Aid volumes fluctuate like the coming and going of El Niño, and have rarely been adequate to the task. By 2015, Canadian aid has declined to 0.28% of GNI, two fifths of the OECD target that was first articulated by Lester Pearson in a 1969 World Bank investigation into aid effectiveness and five time less, on a per capita basis, than Swedish ODA (OECD 2015). The Harper government frequently explained that Canada was not far below the DAC average of 0.3%, but the average is something of an ugly contest, with the average of the top six donors—Sweden, Norway, Luxembourg, Denmark, Britain and the Netherlands (0.95%)—dragged down by the six lowest: Korea, the Czech Republic, Greece, Poland, Spain and the Slovak Republic, averaging 0.12%. Yes, Canada is not far below the OECD average, but it stands at about one third of the average set by serious aid donors.

The Harper government planned for Canadian aid to fall steadily between 2010 and 2014, so in one sense there *was* predictability and consistency in the trend, although it did mean that within programs and projects there was constant uncertainty. Worse, however, behind the scenes, Harper ministers were told to hold back spending even on approved budgets in order to help reach the balanced national budget the government wanted for the 2015 election. This resulted in a slowdown in project approvals and constant uncertainty as to which plan might or might not move forward. In FY 2012-3, as much as Can \$286 million was allowed to lapse (Reilly-King 217). In 2013-14 the amount was \$125 million (Blanchfield 2014). This was money planners were told they could count on, cut by stealth from an already shrinking budget and simply adding to the confusion and unpredictability.

Legal, or even Currently Ethical

The OECD is the arbiter of what can be counted as ODA and what cannot. Some governments are constantly pressing to expand the definition, not least because if they can include something they are already doing in a developing country—peacekeeping, for example—then their apparent contribution to development will grow without the need to actually spend more. Currently there is pressure to include various financial instruments, such as loan guarantees in support of private sector investment, and to dilute the rules that currently govern security expenditures.

Some governments, including Canada's, use their own definition of foreign aid for domestic purposes, inflating what the OECD will allow as ODA. In Canada, this larger number is called the International Assistance Envelope (IAE). In its 2012-13 annual statistical report on Canadian assistance, the Harper government boosted reported aid spending by \$393 million, including in the IAE foreign student subsidies and various provincial expenditures.

The OECD does allow, and Canada does count the amount of money spent on refugees during their first year in Canada. According to the OECD, Canada spent US \$216 million on this in 2014. While no doubt a good and important thing—and perfectly legal and ethical in the world of developmental statistics—this represented 5.1% of the Canadian aid budget, monies that were not spent on international development or humanitarian assistance abroad.

Another perfectly ethical—even normal—expenditure is what the OECD calls 'technical cooperation'. Technical cooperation is 'payments to consultants, advisers and similar personnel as well as teachers and administrators serving in recipient countries' (OECD 2016a). The problem with technical cooperation is that its cost and its value are two different things. The cost of sending an expert to Africa for a year can be enormous: salary, travel, housing, allowances for family, education and so on. The value to a developing country is what it would pay a local if one were available. The cost and the value may differ by a factor of five or even ten.

The 1969 Pearson Report said that technical cooperation represented slightly over 20% of all aid flows to developing countries at that time, suggesting that cutbacks were in order because of its high cost and because so much of it was ineffectual (Pearson 180). In 2014, Canada spent US \$892 million on technical cooperation, 21% of all ODA that year or 27.2% of its bilateral program budget (OECD 2016b). It would be a stretch to say that more than one fifth of that money was actually spent in a developing country. While there is an important role for technical cooperation, its cost is enormous, its true value is largely unknown, and its direct impact is rarely evaluated.

Tied aid has long been a bone of contention between donor and recipient countries. Aid tied to goods and services provided by a donor is often highly inefficient, and it tends to skew aid programs in the direction of supply rather than demand. Canada reports that 93% of its foreign aid is untied, and in a *de jure* sense, that may be true. But support to refugees living in Canada and the fact of such high levels of technical cooperation alone suggest that, *de facto*, tied aid continues largely unimpeded. Speaking in 2012 about the use of aid money to promote Canadian investments abroad, Development Minister Julian Fantino said, 'This is Canadian money... And Canadians are entitled to derive a benefit' (Mackrael 2012).

Undermining Effectiveness

Consequences, both real and negative, flow from budget unpredictability, constant cutbacks and high levels of expenditure on things that bear only lightly on the primary purpose—as understood by the public—of Canada's foreign aid program. Governments seem to care little about budgetary diversions or the effect that financial unpredictability has on effectiveness. Public servants, used to doing things in a certain way throughout their careers, do not much question the cost or the value in high-ticket items like technical cooperation. This is the way it has always been done, a tacit acceptance of inbuilt institutional corruption.

If poverty reduction were front and centre of the Canadian aid program, a taxpayer might assume that the bulk would be spent in the poorest countries. It is not. Only 33% of Canada's ODA in 2014 was allocated to the least developed countries (and that probably includes 33% of the technical cooperation as well). It is often argued that this kind of statistic is meaningless, because there are poor people in middle income countries as well. This might hold a little water if the objective in going to middle income countries were poverty reduction, but the primary purpose, almost always, has to do with commercial or strategic interests.

Regardless of where the money is spent, it is reasonable to think that by type of expenditure, much of the aid program would focus on the basics. Again, not so. In 2014, 7.2% of Canada's ODA was spent on agriculture, 10.9% on basic health, 4.9% on basic education, and 1.3% on water and sanitation. This represents less than a quarter of the entire aid budget, begging the question: how is the rest spent? Emergency humanitarian spending took 20% in 2014. The rest—half of the aid budget—went to governments, civil society, economic infrastructure, higher education, administration (6.6%), 'multisector' (15.1%) and refugees in Canada. If carefully analysed, some of this could also be allocated to basic health and education, and much

of it may have an indirect bearing on poverty. But the fact remains: only a small proportion of Canadian aid spending can be associated clearly and directly with poverty reduction.

As with other manifestations, this aspect of institutional corruption—the diversion of spending away from its primary purpose—is not unique to Canada. Across the aid spectrum, low spending on basic human needs has become so commonplace that there are now repeated calls—pleas more like—especially in relation to the Sustainable Development Goals, for donors to devote more to poverty sectors in the poorest countries. There is something almost pathetic about the UN’s call for donors to increase their ODA to the elusive 0.7% target, and to devote ‘0.15 to 0.20 percent to the least developed countries’ (United Nations 2015 Para 43). In other words, the best they can aim for is something between 21% and 28% of ODA for the poorest. By that miserable standard, Canada is already a leader.

Failing to Achieve

For decades during the Cold War, aid was a blunt instrument in the fight against communism. Donor governments, including Canada, turned a blind eye to corruption, electoral malfeasance, bad government and human rights abuse in the effort to win and sustain strategic friendships. Aid money used this way may have been wasted, but it was wasted by donors long before anyone else got their hands on it.

Canadian foreign aid was and still is heavily influenced by commercial and strategic interests. This can be seen in the list of priority countries at any given time over the past few decades. It takes no genius to understand why our biggest aid recipient in 1993-4 was China. Ten years later in 2003-4 the two largest recipients were Afghanistan and Iraq. Ten years after that it was Ukraine. Countries lower down the list have been added and subtracted like decorations on a Christmas tree. In 2009, in the name of greater effectiveness, the Harper government cut Cambodia and Sri Lanka and eight very poor African countries from the list of ‘focus’ recipients. But at the same time it added Colombia and Peru, two upper middle income countries where Canada was negotiating free trade agreements and where Canadian companies had sizeable investments. Within five years it had added Benin and Burkina Faso back to the list, cut two others (Bolivia and Pakistan), and added five complete newcomers. Among the five were Burma—everyone’s flavour of the month when signs of democracy and investment opportunities appeared; Jordan—teetering amidst the wreckage of the Arab Spring; and Mongolia, a country with which we had no previous aid relations but where Canada was the second largest source of foreign investment.

It is worth pausing briefly to state that regardless of where our aid program operates, Canada does have many excellent development projects that target poverty and poor people directly and effectively. These are highlighted in government reports and websites. They are a testament to the professionalism of GAC’s development professionals who work hard to create, build and protect them. The quality of these projects and their dedication to poverty reduction, however, serve as a fig leaf for the institutional corruption that pervades so much of the rest of the foreign aid enterprise. NGOs, recipients of large amounts of government funding, are part

of the fig leaf, doing, no doubt, all manner of good works and campaigning on behalf of the Millennium Development Goals and the Sustainable Development Goals—but getting into the habit, as David Rieff puts it, ‘of mistaking the nobility of their intentions for the feasibility of their goals’ (Rieff 34).

Weakening the Public’s Trust

Perhaps the one area where Lessig’s definition of institutional corruption does not seem to hold up is in the area of public support for foreign aid. In Lessig’s thesis, diversions and assaults on an institution’s purpose are accompanied by a weakening of the public’s trust in that institution. In fact, opinion polls over the years have usually found a reasonably high level of support for foreign aid. A 1998 survey of Canadian opinion polls and fundraising data said that ‘although support for development assistance in Canada may have fluctuated in recent years, the long-term trend has shown little significant change upward or downward, and it remains at the relatively high levels that have prevailed for the better part of two decades’ (Smillie and Helmich 1998).

An Engineers Without Borders poll before the 2015 federal election found that 62% of Canadians agreed ‘that Canada should be one of the leading countries in providing international development’ and ‘94% of Canadians think it’s important to improve health, education and economic opportunity for the world’s poorest people’ (Engineers Without Borders). Public generosity is most evident following fast-onset natural disasters such as the Asian tsunami or the earthquakes in Gujarat and Haiti.

Positive public support notwithstanding, there are problems with the data, not least because most Canadians actually know very little about the government’s aid program and make no real distinction between long-term development and humanitarian relief. A 2002 study found that most Canadians think the foreign aid budget is five times higher than it is, (Tomlinson 3) and most Canadians would have been hard pressed even to name the Canadian International Development Agency before it was vacuumed into the Department of Foreign Affairs in 2013. There is little reason they *should* know its name or anything else about it. Except for bad news (e.g. Development Minister Bev Oda’s infamous \$16 orange juice fiasco (Pedwell 2012)), throughout its life, CIDA remained anonymous and did almost nothing to explain itself to the public. In the estimates for 2014-2016, the Harper government set aside \$20.1 million each year ‘to engage Canadians as global citizens through awareness raising, education, and participation in international development’ (Global Affairs 2014). This may sound like a lot of money, but compared with what World Vision Canada spent on fundraising in 2015—\$60.8 million (KPMG 2015)—it is a ridiculously low amount for a government department that spends billions of dollars a year. Once the aid program lost its name, deepening anonymity was almost guaranteed.

Deception and Self-deception

Deception and self-deception have become trademarks of the multilateral aid establishment and Canadian aid officials have picked up the habit without demur. In the most stunning example, we are told by leading aid authorities that the number of people living in absolute poverty has been halved in the past two decades. A 2009 UN study reports that ‘In absolute terms, extreme income poverty has fallen substantially, with the number of people living on less than \$1.25 a day having declined from a high of 1.9 billion in 1981 to a low of 1.4 billion in 2005’ (United Nations 2009 15). More recent World Bank figures show that ‘in 2012, 896 million people lived on less than \$1.90 a day, compared with 1.95 billion in 1990, and 1.99 billion in 1981’ (World Bank 2016).

The problem with these figures is that despite constantly shifting baselines for what constitutes absolute poverty (\$1.00 a day, \$1.25, and more recently \$1.90), there is no contemporaneous data from 1981 showing that ‘1.99 billion’ were living in absolute poverty, and none from 1990 showing that the number was ‘1.95 billion’. In fact Bank data published in those years were very different.

In its 1980 *World Development Report* (WDR) the World Bank said that ‘The number of people living in absolute poverty in developing countries (excluding China and other centrally planned economies) is estimated at around 780 million’ (World Bank 1980 33). At the time, China had an estimated 360 million destitute people, so the global total in 1980 was probably about 1.1 billion—not much higher than the Bank’s 2012 figure.² In its 1990 *World Development Report*, the Bank said that there were ‘1,115 million people in the developing countries in poverty in 1985’ (World Bank 1990 28). This included China. In its 2000-2001 *World Development Report*, the Bank said that ‘of the world’s 6 billion people... 1.2 billion [live] on less than a dollar a day’ (World Bank 2000-01 vi). Regardless of shifting definitions, nowhere did the Bank, the United Nations or any other reputable development organization speak in 1980 or 1990 or 2000 of two billion people living in absolute poverty.

As a percentage of the world’s poor, a billion is less today than it was in 1980, and that is a good thing—an *achievement*, one might say, although who or what should take credit is another question. But buried within Bank data and using its current definitions, are some less happy statistics. If the total number of poor people has not changed much in 20 or 30 years, it has definitely changed in some places. In Asia, relative and absolute numbers have declined. But in much of Africa—where so much aid money has been spent—poverty is worse today than ever before. There were 116 million more Africans living in absolute poverty in 2012 than there were in 1990,³ more people than live altogether in Spain, Belgium, Canada and Australia.

The World Bank is not alone in changing baselines, methodologies and indicators in order to ‘prove’ that wishful thinking achieves results. In 2010, FAO calculated that the number of hungry people in the world had grown between 1990 and 2010 from 843 million to 925 million, an increase of 9.7%. Only two years later the numbers had changed. The total, it turned out, actually *declined* during that period, from an even billion to 868 million, a drop of 13.2% (Hickel 2016 759).

Canadian aid officials, academics and NGOs have accepted the exaggerated numbers hook, line and sinker. A prominent 2015 report co-chaired by former CIDA president Margaret Biggs, with input from David Moloney, a former CIDA executive vice president and Julia Sanchez, President and CEO of the Canadian Council for International Cooperation, reported without blinking a metaphorical eye that the number of people living below \$1.90 a day had fallen from 1,959 million in 1990 to 702 million by 2015 (Biggs *et al* 11). This represents a 64% reduction, even better than the standard claim of 50%.

In an article entitled 'The true extent of global poverty and hunger', Jason Hickel says that the extravagant claims of poverty reduction 'have received very little critical scrutiny' and have gone 'almost entirely unchallenged.' (Hickel, 750). He adds that 'the good news narrative serves to justify the continuation of business as usual in terms of global economic policy' (Hickel 761).

The problem that the good news narrative and these numbers exemplify when it comes to the concept of institutional corruption is that the official aid establishment in which Canada operates simply cannot be trusted with numbers. Or at least it cannot be trusted with numbers relating to its primary purpose, poverty reduction.

Weakening Inherent Trustworthiness.

Trustworthy means worthy of being trusted, able to be relied upon to do or provide what is needed or right. Among the synonyms for *trustworthy* are *reliable, dependable, honest, honourable, upright, principled, true and truthful*. Arguably, the larger part of the Canadian aid enterprise has manifested few of these characteristics.

It is in the nature of books and articles about foreign aid to be critical. This is because the challenge is great, expectations are high and—exaggerated claims of success notwithstanding—it is clear to most interested practitioners, journalists and academics that the promise of 50 years has not been met. There is a bigger problem, perhaps. Even if all the aid money in the world were to be spent on poverty alleviation in the poorest countries, it still wouldn't buy much. The Canadian government spends as much in a year on foreign aid as Canadians spend on golf club memberships and green fees.⁴ The ODA total for DAC member countries in 2014 was \$137.2 billion, a little less than three times what Americans spend on their pets (Statista 2016), and 2.8% of what governments spend on post-tax subsidies to the energy industry (Coady *et al.* 2015).

The list of books about Canadian foreign aid is not long. The title of Clyde Sanger's 1969 book sums up the general tenor of most: *Half a Loaf: Canada's Semi-role Among Developing Countries*. One of the most recent books on the subject, *Rethinking Canadian Aid*—written before the end of the Harper era—paints 'a picture of Canadian aid policy marked by varied and ambiguous purposes, unstable thematic and geographic focus, and insecure institutional modalities' (Brown *et al.* 297). This is as good a summary of untrustworthiness as one might expect.

Ways Forward

The OECD Development Assistance Committee (DAC), ringmaster for the international development enterprise, carries out periodic peer reviews of each member country's aid performance. In their broad conclusions, these peer reviews rarely offer any major criticism, and the headline recommendations tend to be similar from one country to the next, reading like a teacher's comment on a grade four report card: 'Could try harder.'

The 2012 peer review of Canada—by reputation one of the better aid donors—sounds in many ways like the 2014 peer review of Italy, one of the least generous and most chaotic of donors:

Canada: *Canada lacks a clear top-level statement that sets out its vision for development co-operation... Canada should devise a whole-of-government approach to all of its development programmes (OECD 2012).*

Italy: *The country's contribution to international development could be more effective with a clearer overall strategy and closer co-ordination across government departments (OECD 2014).*

These and similar gentle admonitions are found dotted amongst generally praiseworthy comments in both of these and most other DAC peer reviews. Rarely is heard a discouraging word, and the skies are not cloudy all day. The DAC, which could be part of the solution, is in fact part of the institutional corruption that is inherent throughout the aid establishment.

Half a Loaf, Rethinking Aid and all the other books on Canadian aid also end with polite and understandably lookalike calls for a stronger poverty focus, more money, greater effectiveness. Recommendations for holding Canadian ODA more accountable to its stated aims have been made many times, in parliamentary commissions and white papers, in government policy statements and NGO campaigns. The government of Justin Trudeau embarked on a broad consultation process in 2016 aimed at improving Canadian development assistance. Typically, however, the discussion was primarily about technique, 'cross-cutting themes' 'focus' countries and whether education, say, is more or less important to development than health or agriculture.

These questions, important as they may be, are largely irrelevant if aid budgets are easily diverted from their stated purpose, if consistency and predictability remain elusive, and if the whole aid enterprise is treated as a sidebar to other government priorities. The first step, therefore, is to make poverty eradication a Canadian foreign policy priority, not something enshrined in a glass case marked 'ODA Accountability Act' and not an occasional afterthought managed by a junior minister in a junior department.

A Whole of Government Approach: This is an old idea, badly implemented. The CIDA-DFAIT merger, however, provides an opportunity for Canada to go beyond development *assistance*, and to think more broadly about development *cooperation*. Instead of stove-piping our primary relationship with developing countries into an operation that thinks only about 'aid', there is

now the possibility for a genuine whole-of-government approach to relations with developing countries. Canada now has a much better capacity to create policies that look at trade, investment and finance, security, the environment and immigration, as they relate to development more broadly. For this to be done effectively, ODA budgetary allocation must be ring-fenced in line with the ODA Accountability Act. And mechanisms must be created within GAC to ensure that development and developing country considerations are included in intra- and inter-departmental policies and decision making.

Predictability, Reliability and Consistency are essential to effective management, delivery and positive results. Aid programs have to be flexible and nimble, but they cannot be the plaything of the aid minister of the day. Development is a long-term challenge, requiring sustained effort, resources and consistency. Partner organizations, including developing country governments, multilateral organizations and Canadian civil society must be able to count on Canada for predictable and consistent support.

Open Advice Plus Parliamentary and Public Scrutiny. Create something akin to the British Independent Commission for Aid Impact (ICAI). The ICAI ‘scrutinizes official UK aid spending’ (ICAI 2016) and is independent of government. It reports to the International Development Committee of the British Parliament, its reports are public and the government is required to provide a management response to its findings. Its four commissioners, supported by a small secretariat, have excellent development credentials. The ICAI has a strong conflict of interest policy and clear whistleblowing guidance. It has a framework agreement with the British Department for International Development (DFID), safeguarding its independence. Its core values are accountability, feedback and learning, analytical rigour, transparency and accessibility. Its reviews—of the government effort as a whole rather than one-off projects—are designed ‘with a clear purpose and audience in mind.’ In the first half of 2016 it issued a report on DFID’s efforts to eliminate violence against women and girls and another on its results in water, sanitation and hygiene. Forthcoming were reports on basic education for marginalized girls, the management of fiduciary risk in countries at war, and DFID’s contribution to tackling tax avoidance and tax evasion. A Canadian version of the ICAI would go a long way to improving accountability, learning and public engagement.

Tell Canadians: Canada’s role in international development is badly served by an old-fashioned story-line focussed primarily on ‘aid’ and ‘helping’. Aid is important in exercising our commitment to the global good, but as noted above, genuine development *cooperation* includes a wider spectrum, including peace, democracy, level playing fields in international trade and investment, and environmental sustainability. This broader message, important to enlightened public policy, has been lost in emotive NGO fundraising appeals and almost non-existent public engagement on these issues by government. It’s time to start treating the media, politicians and the public like adults, finding ways to explain how inherently difficult development is, and letting them in on the importance, the urgency and the difficulty in ending poverty. This recommendation stands out above the rest: the need for better public understanding of how development budgets are spent and what they actually achieve.

More than a century ago, the great American jurist, Louis Brandeis, wrote in a book titled *Other People's Money*, 'Publicity is justly commended as a remedy for social and industrial diseases. Sunlight is said to be the best of disinfectants; electric light the most efficient policeman' (Brandeis 1914).

Until some light is applied to the wounds that afflict foreign aid programs, the elements of institutional corruption described in this paper are unlikely to subside.

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NOTES

¹ In 2013 the Harper government merged the Canadian International Development Agency (CIDA) into the Department of Foreign Affairs and International Trade (DFAIT), naming the new entity the Department of Foreign Affairs, Trade and Development (DFATD). In 2015 the Trudeau government renamed the department Global Affairs Canada (GAC). The acronyms used in this paper are contemporaneous with events described.

² The Bank confirmed that figure in its 1990 WDR, saying 'In 1985 more than one billion people, or almost one third of the total population of the developing world, were living on less than \$370 a year.' Ten years later in its 2000-1 WDR, it was still reporting that 'Of the world's 6 billion people, 2.8 billion—almost half—live on less than \$2 a day, and 1.2 billion—a fifth—live on less than \$1 a day.' Over the past decade, however, the Bank began to tinker with the 1980-1 base. For example, 'The Bank's annual statistical report, *World Development Indicators 2004* (WDI)... shows a drop in the absolute number of people living on less than \$1 a day in all developing countries *from 1.5 billion in 1981, to 1.1 billion in 2001.*' In other words, the 1981 base had increased to 1.5 billion. And it kept rising thereafter to its current level of 1.9 billion. What remains constant is the 1.1 or 1.2 billion people living in poverty 'today' (whether that 'today' is 2013, 2004, 2000, 1985 or 1980).

³ You will need a calculator: 56.8% of 508 million sub-Saharan Africans in 1990 lived in absolute poverty. In 2012 the numbers were 42.7% of 947.4 million. Relative poverty declined but total numbers increased by 116 million. World Bank, 'Poverty & Equity Data.' Available at <http://povertydata.worldbank.org/poverty/region/SSA> [Accessed 4 March 2016].

⁴ The total is roughly \$5 billion for each. See National Allied Golf Associations, 'Economic Impact Study of Golf in Canada', Available at <http://canadagolfs.ca/economic-impact-of-golf-in-canada/> [Accessed 12 April, 2016].