Canada’s foreign aid before and after CIDA: Not a Samaritan state

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This is a pre-final version.

Keith Spicer published A Samaritan State? External Aid in Canada’s Foreign Policy in 1966, two years before the creation of the Canadian International Development Agency (CIDA). It was the first systematic analysis of Canada’s foreign aid program, which at the time was only about 15 years old. In light of recent changes to Canadian development assistance, including the folding of CIDA into what is now the Department of Foreign Affairs, Trade, and Development (DFATD), the time is ripe to re-examine Spicer’s book.

Based on Spicer’s Ph.D. thesis, A Samaritan State? was published when he was 32 years old, at which time he was teaching at the University of Ottawa. Spicer subsequently made important contributions to the federal civil service and the media. Among other things, he was the first Commissioner of Official Languages of Canada (1970-77), editor-in-chief of the Ottawa Citizen (1985-89) and chair of the Canadian Radio-Television and Telecommunications Commission (1989-96).1

A Samaritan State? was a ground-breaking text and received quite favourable reviews in academic journals, including this one.2 Spicer’s book remained the only serious study of Canadian aid for 15 years, until the publication in 1981 of two vastly different and much more critical works, one from the political left, the other from the right.3 It was the most comprehensive review until Cranford Pratt’s 1994 edited volume Canadian Development Assistance: An Appraisal and David Morrison’s 1998 monograph Aid and Ebb Tide: A History of CIDA and Canadian Development Assistance were published.4

The title of the book invokes the biblical parable of the Good Samaritan who came to the assistance of a stranger in need when others shied away from helping. Though the question mark

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asks whether Canada is playing that role, Spicer never directly addresses that question. He clearly believes that Canada should help the less fortunate, but, unlike in the tale told by Jesus in the Book of Luke, the motivation for such an act should not rest on morality. The book’s first (and longest) chapter, pointedly titled “The Questionable Credo,” establishes the author as a realist in the tradition of Hans Morgenthau. The following quotation clearly summarizes well Spicer’s perspective:

Philanthropy is plainly no more than a fickle and confused policy stimulant, derived from the personal conscience. It is not an objective of government. Love for mankind is a virtue of the human heart, and emotion which can stir only individuals—never bureaucracies or institutions. Governments exist only to promote the public good; and, as a result, they must act purely in the selfish interest of the state they serve. Altruism as foreign policy is a misnomer, even if sometimes the fruits of policy are incidentally beneficial to foreigners. To talk of humanitarian “aims” in Canadian foreign policy is, in fact, to confuse policy with the ethics of individuals moulding it, to mix government objectives with personal motives.

Few Canadians today hold a vision so devoid of compassion. Spicer forgets that institutions are composed of people who can feel emotions and thus legitimately imbue a government with humanitarian perspectives. Moreover, governments represent citizens and can justifiably act altruistically if that is what the electorate mandates. States are only as selfish as policymakers—and voters—make them.

Spicer does see a role for humanitarianism, but at a tactical level, not a moral one, in order to support “policy conceived in more rational terms.” For him, such rational motivations are either political or commercial. By the former, he means primarily “(a) the preservation of world peace (without which no other policy is conceivable); and (b) reasonably successful prosecution of the Cold War.” Spicer is no isolationist; he takes a long-term perspective on Canadian self-interest. There is thus ample room for convergence between his desire to use aid to promote peace and stability and other people’s more altruistic approaches towards the same goal. His Cold War objectives may be outdated today, but they correspond quite closely with more contemporary security interests, notably those related to the so-called War on Terror.

Spicer exhibits healthy scepticism concerning the vaunted benefits of foreign aid. He argues that aid is not particularly effective in promoting democratization or stability. Decades later, donor governments remain slow to understand the risks of justifying aid on such grounds, most recently illustrated by Canada’s massive aid spending in Afghanistan. Nor does aid automatically translate into economic growth, as Spicer notes. Spicer also reminds readers that “neither alleged ‘successes’ nor ‘failures’ could conceivably be attributed to Canadian aid alone: a reliable assessment would have to weigh not only the influence of other domestic forces in

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8 Spicer, 12.
9 Spicer, 14.
recipient countries, but the availability and quality of alternative foreign aid.”\textsuperscript{10} He thus warns against quick judgements on aid effectiveness.

Still, even when Canadian aid was too small to have much of a lasting impact, Spicer believed that it was worth attempting. He also valued aid as “a symbol of Canada’s concern.”\textsuperscript{11} The goodwill and gratitude that it generated presumably helped strengthen Canada’s soft power. A Samaritan State? advocates dramatically increasing the foreign aid budget since, at the time of publication:

Canadian aid could give annually but a few cents per head of population to any one nation; and no country aware of going international prices for diplomatic friendships is apt to sell its soul so cheaply. As a technique of international bribery on behalf of Western policy, Canadian aid at its 1965-66 level is slender bait indeed.\textsuperscript{12}

That statement is telling, both for its stark assessment of the feebleness of Canadian aid efforts, but also for Spicer’s own framing of aid as a currency to buy friendships and even souls. Like many Canadian politicians today, Spicer overestimates the gratitude that aid might generate and how long such goodwill might last. For instance, he cites the Soviet Union’s “paved thoroughfare for the camel-filled metropolis of Kabul” as a contributing factor to the sincere affection Afghans held for the Russians. Orientalism aside, that relationship did not end well.\textsuperscript{13} In fact, as discussed below, Spicer seems seduced by the short-term praise that Canadian aid might attract, seeing it as an end in itself.

In addition to their political motives, Canada and other donors provide assistance out of commercial self-interest. Spicer points out that, in the mid-1960s, 90-95 percent of Canadian bilateral aid money was spent in Canada, but that its benefits for the Canadian economy were not particularly important.\textsuperscript{14} Like his perspective on the goal of world peace, his view of trade is remarkably systemic and long-term: global prosperity will encourage commerce, which will provide Canada with cheaper imports and more export opportunities. Moreover, Canadians’ contact with countries beyond their Second World War allies promotes a better understanding of the rest of the world, which will help enlighten Canadian foreign policy, grease the wheels of diplomacy, and help Canada achieve “meaningful participation in the twentieth century.”\textsuperscript{15}

While Chapter 1 is a well-organized and intelligent analysis of aid motivations (addressing the why of aid), the subsequent ones explore the where and how. Chapter 2, entitled “The Framework of Allocation,” examines how Canada distributes is aid, focusing overwhelmingly on the Commonwealth, but gradually expanding to francophone countries of West and North Africa in response to Quebec nationalism. The chapter also summarizes how aid is delivered, as well as Canada’s participation in particular multilateral development organizations, namely the United Nations, the Colombo Plan, the World Bank, and the Inter-American Development Bank. It ends by emphasizing the necessity of coordination among donors—a perennial challenge.

\textsuperscript{10} Spicer, 18.
\textsuperscript{11} Spicer, 21 (italics original).
\textsuperscript{12} Spicer, 32.
\textsuperscript{13} Spicer, 36.
\textsuperscript{14} Spicer, 43.
\textsuperscript{15} Spicer, 52.
Chapter 3 addresses “The Rationale of Selection,” examining how Canada apportioned its assistance. Spicer examines tied aid, i.e., aid that is earmarked to be spent on Canadian goods and services. Though he notes its inefficiencies, Spicer endorses the practice as “a realistic and inevitable condition of aid.”\(^{16}\) Perhaps tied aid was not inevitable, but change did take a long time; it was only in 2012 that Canada finally phased out tied aid. Spicer speaks strongly against commercial self-interest, which is currently in vogue, for its lack of effectiveness: “The commercial factor… must be considered an extremely irregular and secondary influence on Canada’s selection policy.”\(^ {17}\) Instead, he concludes, Canadian interests are best served when recipients’ interests predominate. In other words, self-interest-fuelled altruism produces the soundest policy.

Chapters 4 and 5 provide an overview of the first 15 years of Canadian development assistance. Much discussion in Chapter 4 concerns the initial institutional set-up of Canada’s aid programme, messily split throughout the 1950s mainly between the Department of External Affairs and the Department of Trade and Commerce. In 1960, the government created the External Aid Office (EAO), a move Spicer applauds. Chapter 5 outlines the early years of the EAO as a “semi-autonomous” entity within External Affairs and precursor to CIDA.

Spicer makes a few specific recommendations to strengthen the work of the EAO. Canadian aid flows had begun to increase rapidly after 1962 (resulting in the upgrading of the office into an agency, CIDA, in 1968). It was essential to create a special stream of foreign service officers dedicated to aid. He writes, “Canadian field administrators on two-year postings abroad can rarely arrive at [a] deep understanding during their mission—especially when, as now, they have extra duties of political reporting or trade promotion.”\(^ {18}\) Though the details are not yet clear, this achievement may now be undone with the integration of CIDA into DFAIT.

Spicer also emphasizes the need for decentralization to the field, which the Canadian government promised many times over the decades but never put into practice. (Canada is frequently criticized for having the highest percentage of aid officials based in their home country among all western donors.\(^ {19}\))

In Chapter 6, *A Samaritan State?* shifts its focus from Ottawa to developing countries, examining five case studies of Canadian assistance. The first of them, the Warsak Dam in Pakistan, near the Afghan border, is intriguing. It is hard not to draw parallels with the Dahla Dam across the border in Kandahar, one of Canada’s three “signature projects” announced in 2008 with the goal of winning local hearts and minds. Spicer outlines problems in the execution of the Warsak Dam, including “the wisdom of sending abroad large numbers of hastily selected and relatively unsophisticated [Canadian] tradesmen.”\(^ {20}\) Such dams embody Spicer’s observation that “[impressing] governments, even those least responsive to public option, means impressing not only officials, but the population at large. As a result, donors often prefer to give so-called ‘photogenic’ aid, large, technically advanced infrastructure projects that serve as both monuments to Canadian generosity and symbols of the recipient’s progress.”\(^ {21}\)

\(^{16}\) Spicer, 79.
\(^{17}\) Spicer, 89.
\(^{18}\) Spicer, 68.
\(^{20}\) Spicer, 135.
\(^{21}\) Spicer, 86.
Unlike the Dahla Dam rehabilitation, which Canada never completed,\textsuperscript{22} the Warsak Dam project was an important technical achievement. Despite delays, it provided benefits to Pakistanis for five decades.\textsuperscript{23} Spicer considers the dam a success, but based to a large extent on criteria that have nothing to do with the direct benefits of the dam in terms of electricity generation or irrigation. He notes with pleasure that the Warsak project created employment for 10,000 Pakistani men (whom he refers to as “troublesome Pathan tribesmen”), but only for five years. Still, Spicer judges “the temporary calm” to be “of crucial importance” to the Pakistani government, and notes that some employees might have acquired transferable skills.\textsuperscript{24}

Pakistanis’ appreciation of Canadian contributions garners most of Spicer’s attention. Because of numerous family members accompanied the Canadian staff in a remote part of Pakistan, the project set up a school and a clinic. The latter, writes Spicer, “probably won for Canada the gratitude of more ordinary foreign nationals than any other single Canadian project… Through this care, the tribal folk [sic] obviously understood in simple human terms the message of international solidarity that the great concrete dam itself was partly intended to convey.”\textsuperscript{25} As a result, Spicer suggests, “perhaps other Canadian hospitals should be attached to projects employing a sizeable Canadian staff.”\textsuperscript{26} Faced with this evidence, one wonders why he does not simply recommend that Canada build more clinics.

To demonstrate how the project “also served well the political aims of Canadian policy,” Spicer documents the positive press and political attention the project generated.\textsuperscript{27} He fatally undermines his own argument, though, when he acknowledges in passing that Pakistani goodwill towards Canada evaporated almost overnight when, in 1963, Canada provided military assistance to Pakistan’s arch-rival, India.\textsuperscript{28} So much for buying friendship.

Other case studies include “the construction of a deep-water pier and two warehouses” on the Caribbean island of St. Vincent as an example of infrastructural development that, though its benefits remained to be demonstrated, “[seemed] certain to remain for long a symbol of enlightened Canadian concern.”\textsuperscript{29} Spicer also praises a Canadian aerial survey in Nigeria as a means of identifying natural resources to be exploited, noting though that in some previous cases, such as Pakistan and Ceylon (now Sri Lanka), the resulting maps and reports were not put to much use.\textsuperscript{30}

Spicer also looks at the Canada-India Reactor (CIR). Initiated by a Canadian government keen to export its nuclear technology, the CIR project built a uranium-fuelled reactor in Trombay, only 10 kilometres from Bombay (Mumbai). Despite many delays, Spicer lauds its achievements, including for “[helping] to accelerate the development of the Indian atomic energy


\textsuperscript{24} Spicer, 17.

\textsuperscript{25} Spicer, 137.

\textsuperscript{26} Spicer, 138.

\textsuperscript{27} Spicer, 140-41.

\textsuperscript{28} Spicer, 142.

\textsuperscript{29} Spicer, 144 and 150. On the endurance of the symbol, my research assistant and I were unable to find any mention of the project, albeit in admittedly rather cursory searches.

\textsuperscript{30} Spicer, 160.
programme.” A significant benefit for the Canadian nuclear industry came after 1965, when India ordered three more units. A final metric of success for Spicer is the goodwill it generated in India: The “trust and gratitude... show that the CIR, whatever its birth pains, may have been a wise and timely investment in diplomacy.”

The Trombay reactor and its Canadian technology also contributed directly to India’s nuclear weapons program, despite the Indian government’s commitments to use it only for peaceful purposes. India utilized the CIR’s plutonium in its 1974 nuclear bomb detonation—a source of deep tension between the two countries—after which Canada ceased all nuclear energy assistance for several decades. In 2012, though, the Canadian government sought once again to sell nuclear reactors to India.

Spicer’s fifth, final, and shortest case study examines the construction of the Maple Leaf Cement Plant in a village in Pakistan’s Sind Desert. According to Spicer, the “technical and economic success of the plant was abundantly proved.” Spicer also takes pride in the Maple Leaf name (“forever honouring the donor”), which incidentally endures: The factory is still the third largest in Pakistan and the conglomerate that runs it is called the Kohinoor Maple Leaf Group.

The next three chapters cover some of the nitty-gritty of aid modalities. Chapter 7 critically examines commodity aid, which unlike the cases above, does not fund actual development projects, but rather the donation of raw materials and food. Such assistance has since gone out fashion—and rightly so, for such materials are best purchased on the open market, even if, as Spicer notes, they “deeply impress high-level politicians and industrialists.” Spicer speaks out forcefully against food aid, especially, since it undermines local abilities to grow more food. As he notes, food aid is a response to the problem of donor country agricultural surpluses, not an efficient way to deal with agrarian needs. Confusingly, Spicer nonetheless advocates continuing the practice for “social development—school meals, famine relief, and welfare.” Over time, as evidence of inefficiencies mounted, the practice became harder to defend. Still, it was not until 2008 that Ottawa eliminated the requirement that its food aid be procured in Canada, rather than where it was of greatest value.

Chapter 8 analyzes financial aid, including multilateral grants and loans, export credits, private investment, and voluntary agencies (now generally referred to as nongovernmental organizations, or NGOs). Spicer points out pros and cons of each form of assistance, reserving the healthiest scepticism for export credits, which—despite being labelled aid—“are far from conceived primarily to help recipients” and clearly seek mainly “the promotion of Canadian commercial exports.”

31 Spicer, 168.
32 Spicer, 169.
33 Spicer, 170.
35 Spicer, 172.
37 Spicer, 178.
38 Spicer, 186.
40 Spicer, 207.
He devotes less than a page to private investment, concluding that “[it] is probably safe to assume… in view of Canada’s own notorious need of foreign capital, that Canadian private investment in overseas development is now very small and is unlikely soon to become significant.” 41 How times have changed! The value of Canadian direct foreign investment in developing countries exceeded $100 billion in 2011. 42 Moreover, the Canadian government has, for the last few years, begun to promote quite actively the role of the private sector in development, especially the Canadian extractive sector. CIDA’s partnerships with mining companies, first announced in 2011, have elicited a fair bit of attention—and criticism—for, among other things, being indirect subsidies and taxpayer-funded public relations activities for highly profitable Canadian companies. For NGOs, Spicer recommends greater coordination among them and suggests the creation of an umbrella organization that would help “distribute government grants en famille without abetting unseemly rivalries.” 43 It would also have the benefit of providing the government with a single interlocutor. CIDA subsequently did, in fact, for many years, engage constructively with the NGO umbrella group Canadian Council for International Co-operation, but then punitively defunded it in 2010.

In Chapter 9, entitled “Technical Assistance,” Spicer describes the process of sending Canadians to work in developing countries and bringing people from the south to Canada to receive training. As for all other issues, he methodically parses the good from the bad, with an emphasis on the high administrative costs and sometimes low value for money of deploying Canadians abroad. Though he supports both types of assistance, he recognizes that the government had not conducted any systematic independent evaluation of them.

The book’s conclusion, “Toward a Rational Statecraft,” summarizes the record of Canadian aid in a single paragraph, painting a generally positive picture but wisely refraining from making sweeping generalizations about a wide range of types of aid. The rest of the chapter constitutes a call for government action in the form of a policy review—not too great a challenge to the status quo. Spicer advocates greater coordination of “aid, trade, defence, cultural relations, immigration and classical diplomacy,” because aid is “simply one of sometimes useful several techniques of pursuing national goals aboard.” 44 This perspective has been popular in Ottawa since at least the mid-2000s, when the Liberal government officially adopted first the “3D” (diplomacy, defence, and development) and then the broader “whole-of-government” approach towards policy development.

The need for greater policy integration was cited as the main reason for CIDA’s abolition, allegedly placing development on an equal footing with diplomacy and trade within a single ministry. Critics, myself included, do not believe that the footing will be equal, but rather that development activities will be subjected even more to Canadian short-term self-interest than they were under semi-autonomous CIDA. 45 The merger legislation, Bill C-60, specifies that

41 Spicer, 210.
43 Spicer, 211.
44 Spicer, 244.
Canada’s contributions must be “in line with Canadian values and priorities.” Spicer would have approved, though, as he saw aid as an instrument of Canadian policy and decried how it became “a cause in itself, a self-justifying crusade, a powerful Messianic magnet for a generation of liberals hungry for a purpose to fit a uniting world.”

Those interested in global development embrace policy coherence insofar as it promotes development. Spicer favours it because he wants Canada to gain plaudits by following developing country priorities. The Harper government, however, is currently promoting policy coherence tout court, often in favour of Canadian companies. Canadian mining companies in particular, currently enjoying a cozy relationship with the Canadian government, tend to alienate people in places where they operate far more than they give a boost to Canada’s reputation. Spicer would disapprove.

Spicer notes that Canadian trade concessions could be more beneficial for developing countries than an increase in the aid budget, though he recognizes such actions were unlikely. He also advocates increased immigration from developing countries—a proposal that is echoed by the common emphasis these days on remittances as the source of major non-aid flows to developing countries. He recommends spreading aid funds widely to allow as many recipients as possible to “[sustain] a working dialogue with Canada”—exactly the opposite approach the current government is taking by closing down embassies and aid programs, especially in Africa. Spicer also supports increased funding for “cultural and information” programs, which “might make Canada better known—and better understood—than an impersonal capital aid programme costing far more.” Again, the Harper government is doing the contrary, including cutting public diplomacy budgets and funding for Radio Canada International. One of the most important recommendations that Spicer makes is for independent, evidence-based policy reviews, something that is clearly out of fashion in contemporary Ottawa, but nonetheless the best way to maximize effectiveness and minimize politicization.

In many ways, *A Samaritan State?* is a product of its era. Spicer’s tone is at times paternalistic and sexist, and he is subject to idealistic outbursts of national pride. For instance, he asserts that “Canadians as a national group, whether English- or French-speaking, seem to blend into host societies with surprisingly little tension. This adaptability probably owes something to the Canadian’s habitual lack of ethnocentric bias, as well as to his instinctive sympathy for young countries forging a pioneer tradition similar to his own.”

In addition, Spicer’s explicitly state-centric view of development is infused with modernization theory—also much in vogue at the time. He believes that “The primary function of development aid is to build infrastructure.” Throughout the book, gaining diplomatic credit for Canada seems far more important than actually helping people in need lift themselves out of poverty. Conversely, the more recent Millennium Development Goals place great emphasis on the importance of improving living conditions in the developing world, while Canada’s 2008 Official Development Assistance Accountability Act mandates a “central focus on poverty

47 Spicer, 244.
48 Spicer, 247.
49 Spicer, 226.
50 Spicer, 178, 212.
reduction” for all Canadian foreign aid. However, Spicer comes close to implying that helping people is a waste of money if Canada does not benefit from it in some way. At least in theory, he takes a long-term view of Canada’s interests, which in many ways converge with those of developing countries. All countries benefit from a peaceful and stable global environment, which is not so different a goal from those of the mushy-hearted liberals Spicer himself decries. Still, his motivation comes across as selfish and parochial: Canada should seek a peaceful and prosperous world, not because that is good for the world and its people, but simply because that is good for Canada.

In practice, Spicer falls back on a short-term calculus when assessing Canadian aid. He is also rather naïve about how easy it would be to buy—and keep—hearts and minds with development projects—a mistake often repeated, most recently in Kandahar. Though one can applaud his ideological consistency, Spicer’s reluctance to see any value in doing the right thing for its own sake (let alone as part of a human rights obligation) often makes him seem like a heartless ideologue.

In some ways, A Samaritan State? is prescient, anticipating debates that would emerge decades later. For instance, Spicer argues, long before the World Bank championed the idea in the late 1990s, that “aid, to be effective at all, must be injected into a stable, orderly and efficient administration.” This perspective was taken up by many donors, including Canada, which sought to back “winners,” while neglecting countries that needed assistance the most. Some of Spicer’s concerns, however, appear foolish in retrospect. Like Morgenthau before him, Spicer worries that aid could fuel expectations and become “a cause of, rather than a prophylactic against, communism.”

The book foresees and embraces some principles of the Paris Declaration on Aid Effectiveness, 40 years before they were formulated, particularly the need for development country ownership and donor alignment with it. However, despite his one mention of the need for donor coordination, Spicer fails to see development as a collective project, one in which Canada and other donors are partners who need to harmonize their efforts, not competitors for developing countries’ gratitude and affection. Spicer also advocates visible outcomes, above and beyond the Paris Principles’ emphasis on results. He argues that “aid is certain to be increasingly questioned by a Canadian public rightly wishing both a sense of direction and some measureable evidence that its investment in aid is sound.” The last two Canadian ministers of international cooperation, Bev Oda and Julian Fantino, similarly emphasized, almost fanatically, the need for short-term, demonstrable results.

In the decades since Spicer’s book was first published, it has become clear that effective development needs to achieve structural change, which cannot be celebrated at the end of a 3-5 year project (or even clearly attributed to one). We have learned, though many seem now to have forgotten, that flag-planting approaches to foreign aid generally have a limited impact, and an ephemeral one at that. Politicians are still too quick to seek out recognition for Canada or to claim failure when the maple leaf is not sufficiently visible. Pandering to such a narrow view of effectiveness does little to support the long-term interests of Canada or recipient countries.

53 Spicer, 27.
54 Spicer, 50.
Under the Harper government, Canadian aid has become more self-interested—though pure altruism hardly characterized previous governments’ aid policies—and better coordinated with other foreign policy instruments, both key elements of Spicer’s vision that could actually hinder efforts to help the poor. There are also two crucial differences between what Spicer sagely advocates and how the government acted during CIDA’s waning years and what we can expect in the post-CIDA context. Important decisions are frequently being made based on narrowly defined, short-term interests, rather than a long-term perspective, and they follow ideological or partisan preferences, not evidence. Sadly, Canada is currently moving farther away from being a Samaritan state. Spicer would probably approve of that fact, though not the underlying reasons.

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