Emerging Powers, Emerging Donors

TEASING OUT DEVELOPING PATTERNS

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Stacey White

With China, Brazil, and Russia now among the top 10 economies in the world and the continued second-tier growth of still other nations, most notably India, Mexico, Turkey, Indonesia, and South Africa, the term “emerging powers” is on the lips of policymakers everywhere. One area of particular interest is the role of these dynamic new economies in international humanitarian giving, an area that until recently was the near exclusive purview of countries of the Organization for Economic Cooperation and Development (OECD). With the increasing presence of emerging powers on the donor scene over the last years, policymakers are keen to know how committed these nations are to the humanitarian agenda, to which causes they are giving, and whether one can discern any patterns of behavior from their nascent actions.

In an effort to develop a baseline of knowledge around the subject, this report will offer an initial analysis of the role of emerging powers as humanitarian donors through a quantitative study of natural disaster response donations over the last six years. Using the Indian Ocean tsunami as a starting point (it was, after all, the global event that brought China and so many other nontraditional donors into the fold of humanitarian giving), it will study the recorded contributions of emerging powers to the largest natural disasters since 2004. Included in the analysis are the Indian Ocean tsunami (2004), the Kashmir earthquake (2005), Cyclone Nargis (2008), the Sichuan earthquake (2008), the Haitian earthquake (2010), and the Pakistan floods (2010). Hurricane Katrina has been omitted from the analysis because the U.S. government did not accept international contributions to its 2005 response efforts. Saudi Arabia, the United Arab Emirates, and Kuwait do not feature in the analysis as donors for reasons of scope, although the humanitarian contributions of these non-OECD nations are increasingly significant.

Unless otherwise referenced, data and figures presented here are based on publicly available data through the UN Financial Tracking Service (UN FTS) and the International Monetary Fund (IMF). Given that reporting to the UN FTS is voluntary, it is acknowledged that the official figures may not depict the whole story. Still, they should be considered useful in providing a notional basis for considering the early engagement of emerging powers in this area of international action.

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The Giving Context

Before exploring the data, it is important to make a few brief observations about the overall giving environment in which these dynamic new economies have surfaced as humanitarian donors. First, it should be noted that the increase in giving by emerging powers has occurred in the context of an overall rise in global humanitarian contributions. Over the last decade, total official humanitarian assistance—of which disaster giving is a subcomponent—has grown tremendously. Notwithstanding the fact that humanitarian aid reportedly fell between 2008 and 2009 due to the global financial crisis, total humanitarian giving is still $2.5 billion more than it was in 2006, reflecting very strong and rapid growth overall.\(^2\)

Second, although humanitarian giving is increasingly important within the global arena, its analysis offers only one small piece of a much larger foreign aid puzzle. To that end, one can consider that of all total official development assistance (ODA) reported by OECD countries (of which emerging powers are not included), humanitarian assistance is a relatively modest portion, generally hovering around 10 to 11 percent of total ODA (total ODA registered at $130 billion in 2009).\(^3\) Therefore, supplementary analysis about how all countries are dispersing their much larger bags of development monies would permit a review of still broader patterns of foreign aid behavior.

Third, it is critical to consider that during the period in which these new economies have surfaced as humanitarian donors, there has been an equally striking aid story that has unfolded relating to the rise of private donations. The rise in private donations has been staggering over the last six years, particularly in response to media-driven disasters such as the 2004 Indian Ocean tsunami and the Haiti earthquake, pulling in $3.8 billion and $1.4 billion of private donations respectively.

Traditional versus Nontraditional Donors: General Observations

In analyzing traditional versus nontraditional donors, it is critical to understand that the neat categorization of emerging powers as nontraditional donors is perhaps not as nuanced as it could be given that these nations have surfaced as humanitarian donors at slightly different times and under varied circumstances. As noted above, the Indian Ocean tsunami is generally considered


the global event that catapulted the bulk of nontraditional donors onto the humanitarian arena. And, generally speaking, this is the case. Still, there are a few exceptions worth noting.

For one, Russia has been a large-scale humanitarian donor for much longer than many of its BRIC peers (Brazil, Russia, India and China). Since the fall of the former Soviet Union, Russia has played an important humanitarian role, making significant contributions to neighboring countries. According to the UN FTS, the largest of Russia’s donations pre-tsunami occurred in 2002, 2003, and 2004, when it contributed over $17 million annually. India should also be mentioned as a pre-tsunami donor given its subsequent donations of $7 million in 2002 and 2003 to meet humanitarian needs in Iraq and Afghanistan. While China did make official humanitarian contributions pre-tsunami, annual contributions never amounted to more than $5 million and were usually much less.

Notwithstanding the differences in how emerging powers have come to the fore, one can certainly group emerging powers together as “new” or nontraditional donors in terms of their overall giving power vis-à-vis OECD countries. While these nations are indeed playing an increasingly influential role in this area of international action, they are not yet giving in nearly the gross sums or even in percentages of nominal GDP as traditional humanitarian “heavy hitters,” the top four of which were the United States, the European Commission, Japan, and Canada in 2010 (see figure 1). Still, what is most exciting about the nascent role of these countries is that their actions as donors radically change the aid paradigm. No longer is the same group of wealthy nations giving to a collection of poor countries. Instead, the humanitarian environment has become much more complex with donors sometimes acting as recipients and recipients also functioning as donors.

Figure 1. Humanitarian giving as percentage of nominal GDP: Emerging powers vs. top OECD donors (2010)

Note: SA = South Africa.
In considering rankings among emerging donors, one notes in figure 2 that Russia, India, and Brazil gave the highest percentages of nominal GDP to humanitarian causes in 2010. India’s ranking as number two might seem something of a surprise given that it is one of the world’s two population giants, second only to China in number of citizens. With a national population of nearly 1.2 billion, a large portion of which is at risk itself, the extent of India’s external humanitarian giving is impressive and would seem to demonstrate that it is a national priority. Also worthy of note are Brazil’s relative contributions in 2010, just behind India, given their sharp rise from all previous years of the country’s giving. In 2010, Brazil donated nearly $40 million to humanitarian causes, the most significant segment of which went to Haiti. For the five previous years (2005–2009), Brazil’s combined total donations did not even reach $7 million. Just as the 2004 Indian Ocean tsunami thrust China into the global humanitarian donor arena (it gave an unprecedented $60 million to the tsunami response alone in 2005), the earthquake in Haiti can be viewed as the single public event that catapulted Brazil into the fore of major humanitarian giving.

**Figure 2. Humanitarian giving as percentage of nominal GDP: Emerging powers (2010)**

![Bar chart showing humanitarian giving as percentage of nominal GDP for emerging powers in 2010.]

Note: SA = South Africa.

**Disaster Giving as a Humanitarian Priority**

Other trends coming out of the data include the fact that, since the Indian Ocean tsunami, emerging powers have consistently contributed to natural disaster response and have done so as a priority over complex emergencies (see figure 3). Apart from Russia, and to a lesser extent South Africa, both of which have given in relatively modest amounts to conflict situations in neighboring countries, humanitarian contributions from emerging powers have focused almost exclusively on natural disasters. It is generally suggested that emerging powers prioritize
contributions to natural disaster response over conflict-induced humanitarian needs because they are highly sensitive to issues of national sovereignty in their foreign aid policies. However, it may also be due to the fact that natural disasters are more intensively observed by national citizens, obliging public action when forgotten complex emergencies do not. The only two significant exceptions to the emerging powers/natural disaster connection include $5 million that China gave to Sudan humanitarian and recovery needs in 2007 and a combined $10 million that India donated to meet humanitarian needs in Afghanistan in 2009 and 2010.

**Figure 3. Disaster giving as proportion of total humanitarian giving by emerging powers (2010)**

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**The Emphasis on a Regional Approach**

It can also be noted that emerging powers have prioritized regional giving over general global giving over the last six years. A preference for regional giving is not necessarily a practice that is at odds with traditional humanitarian donorship patterns. Still, its centrality as a strategic priority among emerging powers would seem to suggest that these new donors are keen to develop regional disaster management capabilities and even demonstrate their own regional leadership in the aftermath of disaster. One can observe in figures 4 and 5, for example, that India and Turkey have directed the bulk of their financial commitments to Pakistan over the last six years, while Brazil and Mexico have made their largest humanitarian contributions to the earthquake response in nearby Haiti.
Figure 4. Giving to large-scale natural disasters by emerging powers (2005–2010): View A

Note: Contributions from South Africa—never over $200,000—unfortunately do not show up on this graph. Also, gaps in giving from China and Indonesia are obviously due to the fact that they themselves were among the affected countries.

Figure 5. Giving to large-scale natural disasters by emerging powers (2005–2010): View B

Channeling Aid through Affected Governments

Another interesting observation that can be drawn from the data relates to how emerging powers choose to donate. Although it is often said in humanitarian policy circles that emerging powers prefer to donate directly to host governments rather than via direct contracts to nongovernmental organizations (NGOs) or multilateral institutions, the data reveal evolving behaviors over the last six years that are less homogenous in this regard than one might think. For certain emerging
donors who started out donating large amounts bilaterally back in 2005—in some cases 100 percent of their humanitarian portfolios—there has been a marked shift to making much more significant contributions to multilateral institutions. For others, the numbers demonstrate a stark trend in the reverse (see figures 6 and 7, below).

**Figure 6. Donor contributions by percentage given bilaterally: Countries going from high to low (2005, 2008, 2010)**

![Figure 6](image)

**Figure 7. Donor contributions by percentage given bilaterally: Countries going from low to high (2005, 2008, 2010)**

![Figure 7](image)

There would seem to be few documented reasons for the discernable changes in approach to bilateral giving between India, Russia, and Brazil (countries that now give considerably less bilaterally than they did in 2005) and Indonesia, Mexico, and China (countries that now give much more directly to affected governments). These powers are generally donating to the same large-scale disasters, so the divergence in how they are channeling aid would not appear to be dependent on the individual governments with which each donor is dealing. Instead, the variance
would seem to relate to the simple fact that each emerging power is in the process of finding its
own feet as a donor and working out its own strategic priorities based on national interests. Still,
the emphasis on host governments as aid recipients—despite its changeability—may have
influenced international thinking on the subject, even among OECD nations, the majority of
which rarely direct funding through host government mechanisms. Take for example the 4.1
percent of humanitarian aid donated bilaterally by the U.S. government in 2010, up from just over
1 percent in all previous years and standing at an all-time high.

In reviewing donations by emerging powers to multilateral institutions, the data show that their
humanitarian portfolios are still rather limited in terms of the agencies with which they partner,
particularly vis-à-vis longstanding donors such as Canada, the European Commission, and the
United States, all of which give to a large and diverse number of organizations. That said, one
striking trend worth highlighting is that a number of emerging powers are beginning to give in
very large amounts to the World Food Programme (WFP). WFP has always garnered high
percentages of donor portfolios (food security traditionally generates the highest levels of funding
by donors across the board), so its placement at the top of donor portfolios is nothing new. Still,
the rapidity of the increase of emerging donor support to this flagship UN agency is noteworthy
(see figure 8).

Figure 8. Comparative giving to WFP by emerging powers (2005–2010)

Note: Although Brazil gave less of a percentage of funding to WFP in 2010 and 2008
(down to 43 percent from 58 percent), the actual amount was a historic high due to the
fact that Brazil’s total funding shot up in 2010.

The emphasis on WFP may be due to its excellent reputation, but also to the increasingly
alarming food security problem that has preoccupied the humanitarian agenda during the period
under analysis, in large part exacerbated by extreme weather events adversely affecting
agricultural production.
Conclusion

In short, emerging powers have made an impressive entry as humanitarian donors over a relatively limited period of time. Their steadfast interest in funding international disaster response efforts is due in part to the increasing centrality of disaster risk management as a measure of international and regional integration, but also to the high disaster risk with which many of these countries are confronted themselves. During the period of this analysis alone, three out of the eight countries under study—Indonesia, India, and China—were affected by unprecedented large-scale disasters.

At the same time, these countries would seem to understand engagement in the international disaster management agenda as a central tenet of strong political and economic statehood. Even in the case of South Africa, the smallest of emerging donors in terms of sheer contributions, there are promising indications that it is positioning itself as a regional leader in this area of international affairs. The government recently established a foreign aid agency and may now seek to demonstrate its enhanced capabilities in this arena now that it has formally been invited by China to join the BRIC club of emerging powers.

What does all this mean for U.S. humanitarian policy? In a world increasingly full of surprises, one can never be sure. Still, one can already posit that the enhanced regional leadership and expertise of emerging powers in the area of disaster response will affect the U.S. approach, both in terms of contribution amounts, approaches to implementation, and future humanitarian partnerships. With increasingly limited resources itself and a rather dismal record among OECD peers in terms of its adherence to the Global Humanitarian Donorship Principles (the United States was recently ranked 19 out of 20 among a portion of fellow OECD peers, in large part because its aid was considered overly politicized), one wonders if the United States may not find a surprising kinship with emerging powers in terms of strategic priorities and modes of humanitarian engagement in the future.


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