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DEPENDENCE OF DEVELOPMENT ASSISTANCE EFFECTIVENESS ON INSTITUTIONAL QUALITY AND LEVELS OF CORRUPTION

DEPENDÊNCIA DA EFICÁCIA DA AJUDA AO DESENVOLVIMENTO EM RELAÇÃO À QUALIDADE INSTITUCIONAL E AOS NÍVEIS DE CORRUPÇÃO

DEPENDENCIA DE LA EFICACIA DE LA AYUDA AL DESARROLLO RESPECTO A LA CALIDAD INSTITUCIONAL Y LOS NIVELES DE CORRUPCIÓN

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ABSTRACT

This paper examines the effectiveness of international development assistance and analyses the extent to which its developmental impact depends on institutional quality, political accountability, and corruption in recipient countries. The study applies a comparative approach, combining data on development and humanitarian assistance provided by major international donors with recipient countries' positions on the Corruption Perceptions Index, institutional characteristics, political stability, and development outcomes. Particular attention is given to the comparison between major African recipients of international assistance and selected Southeast Asian countries, notably Vietnam, Laos, and Cambodia. The findings indicate that the volume of development assistance alone does not adequately explain differences in long-term economic and social development. Although international assistance has contributed substantially to improvements in health, education, infrastructure, and poverty reduction, its effectiveness is significantly constrained in environments characterised by systemic corruption, weak institutions, limited accountability, and clientelistic political structures. In such contexts, external resources may be diverted from productive development purposes and may inadvertently reinforce existing political networks and institutional weaknesses. By contrast, the experience of Southeast Asian countries demonstrates that development assistance can generate substantially greater effects when combined with institutional reforms, political stability, effective public administration, economic transformation, and a coherent long-term development strategy. The paper concludes that the effectiveness of development assistance depends primarily on recipient countries' institutional capacity and ability to absorb and strategically utilise external resources. Consequently, future assistance mechanisms should place greater emphasis on transparency, accountability, institutional quality, measurable development outcomes, and effective monitoring of resource allocation.

Keywords: Development Assistance. Institutional Quality. Corruption. Political Accountability. Development Effectiveness.

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RESUMO
Este artigo examina a eficácia da assistência internacional ao desenvolvimento e analisa em que medida o seu impacto no desenvolvimento depende da qualidade institucional, da responsabilização política e da corrupção nos países beneficiários. O estudo adota uma abordagem comparativa, combinando dados relativos à assistência ao desenvolvimento e à ajuda humanitária prestadas pelos principais doadores internacionais com as posições dos países beneficiários no Índice de Perceção da Corrupção, as suas características institucionais, a estabilidade política e os resultados em matéria de desenvolvimento. É dada especial atenção à comparação entre os principais países africanos beneficiários da assistência internacional e alguns países selecionados do Sudeste Asiático, nomeadamente o Vietname, o Laos e o Camboja. Os resultados indicam que o volume da assistência ao desenvolvimento, por si só, não explica adequadamente as diferenças no desenvolvimento económico e social a longo prazo. Embora a assistência internacional tenha contribuído significativamente para melhorias nos domínios da saúde, da educação, das infraestruturas e da redução da pobreza, a sua eficácia é substancialmente limitada em contextos caracterizados por corrupção sistémica, instituições frágeis, mecanismos limitados de responsabilização e estruturas políticas clientelistas. Nestes contextos, os recursos externos podem ser desviados dos objetivos de desenvolvimento produtivo e contribuir inadvertidamente para o reforço das redes políticas existentes e das fragilidades institucionais. Em contrapartida, a experiência dos países do Sudeste Asiático demonstra que a assistência ao desenvolvimento pode produzir efeitos consideravelmente mais significativos quando é acompanhada por reformas institucionais, estabilidade política, uma administração pública eficaz, transformação económica e uma estratégia de desenvolvimento coerente a longo prazo. O artigo conclui que a eficácia da assistência ao desenvolvimento depende sobretudo da capacidade institucional dos países beneficiários e da sua aptidão para absorver e utilizar estrategicamente os recursos externos. Consequentemente, os futuros mecanismos de assistência deverão atribuir maior importância à transparência, à responsabilização, à qualidade institucional, aos resultados mensuráveis em matéria de desenvolvimento e à monitorização eficaz da afetação dos recursos.

Palavras-chave: Assistência ao Desenvolvimento. Qualidade Institucional. Corrupção. Responsabilização Política. Eficácia do Desenvolvimento.

RESUMEN
Este artículo examina la eficacia de la asistencia internacional para el desarrollo y analiza en qué medida su impacto en el desarrollo depende de la calidad institucional, la rendición de cuentas política y la corrupción en los países beneficiarios. El estudio adopta un enfoque comparativo, combinando datos relativos a la asistencia para el desarrollo y la ayuda humanitaria proporcionadas por los principales donantes internacionales con la posición de los países beneficiarios en el Índice de Percepción de la Corrupción, sus características institucionales, la estabilidad política y los resultados en materia de desarrollo. Se presta especial atención a la comparación entre los principales países africanos beneficiarios de la asistencia internacional y algunos países seleccionados del Sudeste Asiático, concretamente Vietnam, Laos y Camboya. Los resultados indican que el volumen de la asistencia para el desarrollo, por sí solo, no explica adecuadamente las diferencias en el

desarrollo económico y social a largo plazo. Si bien la asistencia internacional ha contribuido significativamente a mejoras en los ámbitos de la salud, la educación, las infraestructuras y la reducción de la pobreza, su eficacia se ve sustancialmente limitada en contextos caracterizados por corrupción sistémica, instituciones frágiles, mecanismos de rendición de cuentas restringidos y estructuras políticas clientelistas. En estos contextos, los recursos externos pueden desviarse de los objetivos de desarrollo productivo y contribuir, de manera inadvertida, al fortalecimiento de las redes políticas existentes y de las fragilidades institucionales. Por el contrario, la experiencia de los países del Sudeste Asiático demuestra que la asistencia para el desarrollo puede generar efectos considerablemente más significativos cuando va acompañada de reformas institucionales, estabilidad política, una administración pública eficaz, transformación económica y una estrategia de desarrollo coherente a largo plazo. El artículo concluye que la eficacia de la asistencia para el desarrollo depende, ante todo, de la capacidad institucional de los países beneficiarios y de su aptitud para absorber y utilizar estratégicamente los recursos externos. En consecuencia, los futuros mecanismos de asistencia deberán otorgar mayor importancia a la transparencia, la rendición de cuentas, la calidad institucional, los resultados medibles en materia de desarrollo y el seguimiento eficaz de la asignación de los recursos.

Palabras clave: Asistencia al Desarrollo. Calidad Institucional. Corrupción. Rendición de Cuentas Política. Eficacia del Desarrollo.

1 INTRODUCTION

Development assistance has been one of the key instruments of international development cooperation after World War II. Its fundamental purpose is to reduce poverty, foster economic growth, strengthen institutional capacity and improve the living conditions of the population in developing countries. For decades, Africa has been the largest recipient of Official Development Assistance (ODA) from developed countries and international organisations. Although Asian countries also receive a substantial share of development assistance, overall funding volumes generally lag behind those directed to African countries. Despite decades of financial inflows, the effectiveness of development assistance remains a central focus of research in development economics and international development studies. This paper critically analyses the effectiveness of development assistance in African and selected Asian countries, evaluates its development effects and highlights key factors that limit its effectiveness, with particular emphasis on the role of corruption.

According to the Organisation for Economic Cooperation and Development (OECD), Africa is the world's largest regional recipient of Official Development Assistance (ODA). In 2022, the African continent received approximately $39.7 billion in net bilateral development assistance from the Member States of the Development Assistance Committee (DAC), with the bulk of funding directed to sub-Saharan African countries (OECD, 2023). Such a geographical distribution reflects the long-standing orientation of donor policies on regions with the lowest levels of economic development and the highest development needs.

The cumulative volume of development assistance earmarked for the African continent is historically remarkable. Since the early 1960s, Africa has received well over $1 trillion in development assistance. Specifically, Sub-Saharan Africa is estimated to have received approximately $1.23 trillion in development assistance between 1960 and 2022—a figure that rises significantly when North African nations are included. Compared to Africa, Asian countries received significantly less international development assistance during the same period.

Empirical research shows that development assistance has, in many cases, significantly improved social and development indicators. In many African countries, child mortality rates have declined in recent decades, life expectancy has increased, and overall public health outcomes have improved. Internationally funded vaccination programmes have

substantially reduced mortality from infectious diseases, while assistance has also enabled greater access to primary education. Donor funds have been intended for the construction and renovation of school facilities, training of teachers and modernisation of educational programs. In addition, development assistance has financed significant investments in transport, energy, and municipal infrastructure, such as road networks, bridges, electrification and drinking water supply systems. These investments constitute a key prerequisite for long-term economic growth, boosting productivity, and improving living standards.

Despite these positive effects, the long-term effectiveness of development assistance remains a subject of much discussion. Several authors note that actual development outcomes often fail to meet donors' expectations or the established development goals. Many African countries remain heavily dependent on the export of primary raw materials, while low levels of industrialisation, limited access to capital, weak institutional capacity, and high demographic growth represent important structural constraints on sustainable development. The effectiveness of development programmes is further reduced by armed conflicts, civil wars, political instability, and weak public sector governance, all of which can limit the extent to which assistance contributes to long-term economic progress. The possibility of dependence on development assistance, which may reduce incentives to implement domestic institutional and economic reforms and to strengthen the fiscal independence of recipient countries, is also highlighted in the professional literature. Moyo (2009) therefore argues that long-term and large-scale inflows of development assistance may, in certain circumstances, even inhibit long-term economic growth and contribute to the persistence of institutional inefficiency.

2 WHAT CAN AFFECT THE INEFFICIENCY OF DEVELOPMENT ASSISTANCE

According to several studies, a significant share of funds earmarked for development assistance fails to reach final beneficiaries. Part of the financial and material resources is lost due to corruption, political clientelism, ineffective management, or a lack of institutional control, which reduces the effectiveness of international assistance in promoting development (Moyo, 2009). As a result, a significant proportion of the funds does not reach the target groups within the population, but remains under the control of political elites, who may use them to consolidate their own political position, finance patronage networks, pursue personal

enrichment or serve other goals unrelated to the long-term social and economic development of the country. In such circumstances, incentives to implement institutional reforms, strengthen good governance, and create conditions for sustainable development are reduced.

Countries that rank at the bottom of Transparency International's Corruption Perceptions Index (CPI) share several structural characteristics. Typically, they are characterised by weak state institutions, weak rule of law, limited political accountability, and high levels of systemic corruption, which, in certain environments, gradually become embedded in everyday social practices and serve as a survival mechanism (Šumah, 2025, p. 136). In most cases, these are countries with low or very low levels of economic development, often with authoritarian political regimes, protracted armed conflicts, civil wars or deep-seated ethnic and religious tensions. Although certain common cultural or religious characteristics can also be observed among highly corrupt nations, they cannot be considered independent causal factors, as corruption stems from a complex interaction of institutional, economic, political and historical circumstances.

In addition to institutional regulations, the level of political corruption is influenced by several interrelated factors. Among these, the literature most often emphasises economic development, institutional quality, respect for the rule of law, political stability, cultural norms and prevailing ethical values. Based on a review of numerous studies, Shan and Schacter (2004, p. 2) highlight four key factors that foster systemic corruption:

- State Legitimacy Deficit: The first factor is the state's lack of legitimacy as a guardian of the public interest. In highly corrupt societies, the understanding of the public interest is weak, and public functions are frequently exploited for private gain or special interests. The line between public and private interests blurs, while the abuse of public functions for private benefit is normalised.
- Weak Rule of Law: Another factor is a weak rule of law. Laws are not applied uniformly to all citizens, and regulatory enforcement is often subordinated to political or personal motives. In such a situation, the independence of law enforcement agencies and the judiciary is compromised, further eroding public confidence in the legal system and fueling the spread of corruption.

- Institutional Inefficiency: The third factor is the ineffectiveness of institutions responsible for detecting and preventing corruption. In low-corruption countries, effective oversight mechanisms—such as an independent judiciary, supreme audit institutions, specialised anti-corruption agencies, a free press, and an active civil society—typically function as intended. In highly corrupt countries, however, these institutions are often politically subservient, under-resourced, or lack the mandate needed to enforce accountability.
- Lack of Political Will: The fourth factor is the lack of political will to prevent corruption. When there is a reasonable suspicion that the highest representatives of the executive or ruling political elites are also involved in corruption networks, efforts for systemic anti-corruption reforms are generally limited or merely declarative (Shan and Schacter, 2004).

The central thesis of this paper is that the effectiveness of development assistance depends significantly on the quality of institutions and the level of corruption in the recipient countries. In environments dominated by systemic corruption, a significant share of financial and assistance fails to achieve development goals, thereby limiting or even nullifying the multiplier effects of development programs. The latter raises the question of whether the existing models of allocating development assistance provide adequate mechanisms of accountability, transparency and fund management. A notable paradox is that countries with the highest perceived levels of corruption are often among the largest recipients of international development assistance. If control mechanisms are not effective enough, development assistance may inadvertently contribute to the preservation of clientelistic networks, the consolidation of the political power of the ruling elites, and the reproduction of institutional weakness.

Numerous examples in the literature point to the risk of redirecting development or humanitarian assistance for political or military purposes. One of the most frequently discussed cases is the Palestinian Authority's management of financial flows under Yasser Arafat, during which allegations of non-transparent management of international funds were repeatedly made. Similarly, a range of authors and official reports indicate that cement, steel, and other supplies meant for reconstructing civilian infrastructure in Gaza were redirected by Hamas to construct an extensive underground tunnel network, with financial funds also

reportedly being diverted to military operations (Government of Israel, 2025; Levitt, 2006). Such examples illustrate the risks that arise when donor funds are not supported by effective control, transparency and accountability mechanisms.

3 METHODOLOGY

To test the research question of whether a significant share of financial and material development assistance is lost or used inefficiently due to institutional weaknesses and corruption in recipient countries, we collected data on the volume of international assistance provided to individual countries. We compared these data with the countries' positions in the Corruption Perceptions Index (CPI) of Transparency International (Transparency International, 2025). The analysis also includes comparisons of institutional arrangements, political stability, and the actual functioning of state institutions across individual countries. For the comparative framework, we used data on financial resources allocated by the two largest donors – the United States and the European Union – to the largest recipients of development and humanitarian assistance. The selected African countries (the largest recipients of development assistance) are then compared with selected Asian countries, which have achieved significantly greater development outcomes despite receiving substantially less assistance in absolute terms (less poverty, significantly higher GDP growth, better infrastructure). The main factors underlying these differences are then identified.

4 DATA AND ANALYSIS

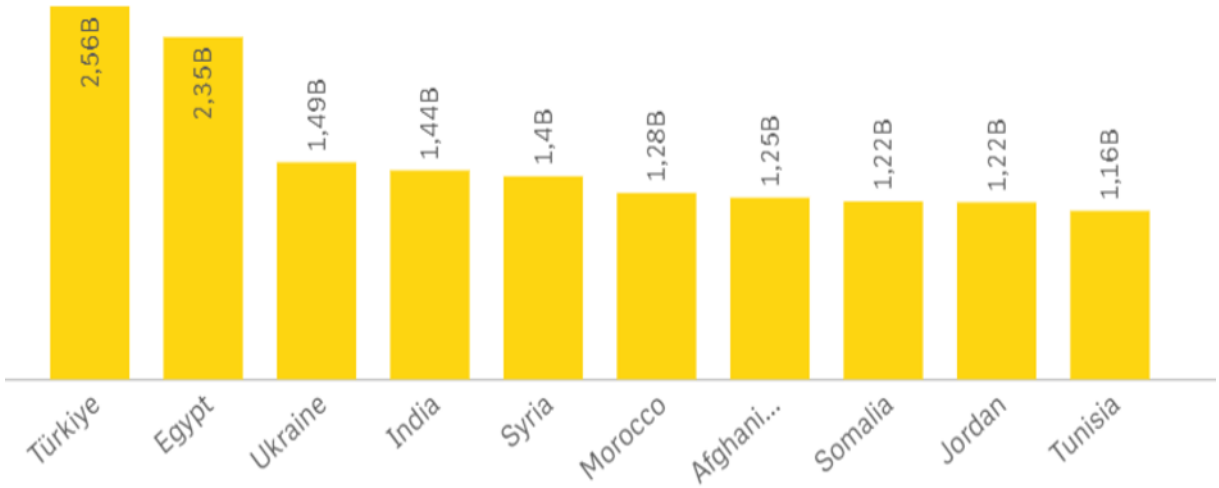
The United States spent approximately $38 billion on external assistance programs in 2022. Nearly a quarter of the total foreign assistance budget was directed to 10 countries, among which those in Africa and the Middle East predominate (Haines, 2024). The largest recipients of U.S. assistance were:

- Ethiopia ($1.13 billion),
- Jordan ($1.03 billion),
- Afghanistan ($860 million),
- South Sudan ($821 million),
- Democratic Republic of the Congo ($814 million),
- Yemen ($814 million),

- Nigeria ($803 million),
- Syria ($774 million),
- Sudan ($488 million),
- Somalia ($475 million).

Figure 1

Largest EU assistance recipients in 2021



Source:Euaidexplorer.ec.europa.eu (https://euaidexplorer.ec.europa.eu/index_en?prefLang=sl)

An analysis of humanitarian assistance must also consider the impact of emergency crises. The single largest recipient of humanitarian assistance in 2022 was Ukraine, which received about $4.4 billion in assistance due to the war. This is a specific case of large-scale military aggression and a humanitarian crisis, so comparisons with long-term development programs in other countries are not direct. As in previous years, a small number of major, protracted crises accounted for the largest share of humanitarian funding in 2022. The ten primary recipient countries received approximately 63% of all humanitarian funds; in addition to Ukraine, countries receiving more than two billion U.S. dollars included Afghanistan, Yemen, Syria, and Ethiopia (Development Initiative, 2023).

Although Ukraine has understandably become the largest single recipient of humanitarian assistance as a result of the ongoing war, a comparison of the largest recipients of U.S. assistance in 2022 and European Union assistance in 2021 reveals notable structural similarities. The principal beneficiaries are countries in Africa, the Middle East, and Asia that

are characterised by weak institutional effectiveness, high levels of perceived corruption, political instability, and protracted internal conflicts. Many of these countries also rank among the worst performers in Transparency International's Corruption Perceptions Index.

When interpreting these data, it is important to emphasise that the link between development assistance and corruption cannot be understood as a simple causal relationship. The high level of assistance is often due to the exact opposite factor – crises, poverty, wars or institutional weakness, which increase the development needs of these countries. However, weak institutions and limited control mechanisms can reduce the effectiveness of assistance and increase the risk that funds will be diverted to political or private interests rather than development goals.

Countries with authoritarian regimes, weak rule of law and limited political accountability present a particular challenge, where mechanisms for controlling the use of public and donor funds are often ineffective. In such environments, there is a higher risk of integrating development assistance into existing clientelistic networks, where it can serve to consolidate political power, reward political allies or finance the interests of ruling elites.

A similar risk exists in the operations of international organisations and non-governmental contractors involved in the distribution of assistance. Although these organisations generally have control and audit mechanisms in place, many reports highlight cases where political pressures, security constraints or a lack of local control have created the potential for irregularities in the use of funds.

In this context, an important development policy issue arises: can international assistance actually contribute to long-term development without appropriate institutional conditions or, in certain cases, unintentionally help maintain existing political and institutional structures. Development assistance in itself is not a sufficient development factor; its effectiveness depends largely on the quality of governance, institutional accountability, transparency and the ability of recipient countries to channel funds to productive development purposes.

4.1 DEVELOPMENT ASSISTANCE TO AFRICA

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2022, the African continent received approximately $39.7 billion in net bilateral development assistance from the Member States of the Development Assistance Committee (DAC), with the largest share of the funds going to sub-Saharan African countries (OECD, 2023). Such a geographical distribution reflects the long-standing orientation of donor policies toward regions with the lowest levels of economic development and the greatest development needs.

The cumulative volume of development assistance earmarked for the African continent is historically remarkable. Since the beginning of the 1960s, Africa has received over one trillion U.S. dollars in development assistance. Sub-Saharan Africa is estimated to have received approximately $1.23 trillion in development assistance between 1960 and 2022, with the total amount significantly exceeding this figure when North African countries are included. Compared to Africa, Asian countries received significantly less international development assistance during the same period.

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wars, political instability and weak public sector governance, which often fail to reflect the development effects of assistance on long-term economic progress. The possibility of dependence on development assistance, which may reduce incentives to implement domestic institutional and economic reforms and to strengthen the fiscal independence of recipient countries, is also highlighted in the professional literature. Dambisa Moyo (2009) therefore argues that long-term and large-scale inflows of development assistance may, in certain circumstances, even inhibit long-term economic growth and contribute to maintaining institutional inefficiency.

4.2 WHICH COUNTRIES RECEIVE THE HIGHEST LEVELS OF DEVELOPMENT ASSISTANCE, WHAT ARE THEIR INSTITUTIONAL ARRANGEMENTS, AND WHAT IS THEIR RANKING ON THE CORRUPTION PERCEPTIONS INDEX?

The analysis of the largest recipients of international assistance and their position on the Corruption Perceptions Index (CPI) scale of Transparency International shows a marked correlation between the scope of development needs, institutional weakness and political instability. Limited institutional capacity, weak oversight mechanisms, low political accountability, and various forms of authoritarian or hybrid governance predominantly characterise countries that rank among the largest recipients of international assistance. Many of them are also characterised by protracted internal conflicts, a strong influence of security structures, and a limited state capacity to effectively implement public policies. The largest assistance recipients are also among the countries most vulnerable to corruption:

- Ethiopia (93rd place). Ethiopia is formally a federal democratic republic, but a marked centralisation of power has characterised its actual functioning in recent years. Prime Minister Abiy Ahmed's government has been criticised for limiting political space, exerting pressure on the opposition and civil society, and for the country's response to ethnic conflicts that have significantly affected the stability of the federal system (Al Jazeera, 2026). The case of Ethiopia shows that formal democratic regulation does not, in itself, guarantee high institutional quality when mechanisms of power control and political accountability are weak.

- Jordan (56th place). Jordan is a slightly different case from most other large assistance recipients. Although it faces limited natural resources, economic challenges and certain institutional constraints, it remains an important recipient of international assistance, mainly due to its geopolitical role. The United States, the European Union and other countries support it as an important factor of regional stability in the Middle East. In Jordan, therefore, development and security assistance are not separate but are often linked to donors' foreign policy interests.
- Afghanistan (169th place). Afghanistan is one of the most striking examples of the link between institutional collapse, political instability and the inefficiency of development assistance. Following the takeover of power by the Taliban movement in 2021, the country transitioned to a system of governance based on a religious-political interpretation of power and strong centralisation of decision-making. The Taliban regime restricts political pluralism, opposition activity, and women's participation in public life. The Supreme Leader of the Akhundzada regime emphasises the unconditional subordination of the population to religious rules, which represents a deviation from the principles of modern institutional governance (Akhundzada, 2025). The case of Afghanistan shows how the absence of inclusive institutions can significantly limit the long-term effects of international assistance.
- South Sudan (181st place). South Sudan is one of the most prominent examples of institutional weakness among African countries. Since its independence in 2011, the country has failed to establish a stable political system, as power has been marked by internal conflicts, ethnic divisions and the struggle to control state resources. President Salva Kiir Mayardit has remained in power since independence, and political processes, including elections, have been postponed several times (Xinhua, 2026). State operations are largely dependent on personal political networks, military structures, and patron-client relationships, thereby weakening the ability to build effective public institutions.
- Democratic Republic of the Congo (153rd place). The Democratic Republic of the Congo is an example of a country with great natural wealth but limited institutional capacities. For decades, the country has been marked by political instability, weak state administration and difficulties in controlling natural resources. The political system

under President Denis Sassou Nguesso is often described as an authoritarian civilian regime in which control over natural resources, the security apparatus and restrictions on political competition play an important role.

- Yemen (177th place). Yemen is an example of a country where a protracted civil war and political division have severely constrained the effectiveness of assistance. The internationally recognised authorities do not have full control over the country's territory, while the Houthi movement controls a large part of northern Yemen. The political system is fragmented among different military and political actors, which greatly complicates the implementation of development programs and the oversight of assistance use.
- Nigeria (142nd place). Nigeria is an example of a country where formally democratic institutions exist but are constrained by systemic corruption, security problems, and a weak implementation capacity. Since the end of military rule in 1999, the country has made significant progress in democratic transition. Still, problems remain related to an inefficient public sector, clientelism, terrorism and limited control over individual parts of the territory.
- Syria (172nd place). Syria is in the process of political and institutional reorganisation after more than a decade of civil war. The protracted conflict has resulted in extensive destruction of infrastructure, the disintegration of many state functions, and a strong dependence on international humanitarian assistance. The process of stabilisation and institutional reconstruction remains linked to issues of political legitimacy, accountability and protection of human rights (Al-Awsat, 2026).
- Sudan (175th place). Sudan is an example of a country where political instability has directly affected development prospects. After the military takeover and the continuation of the conflict between the army and paramilitary forces of the RSF, the country slipped into one of the worst humanitarian crises. Formal institutions operate only to a limited extent, and actual power is divided among different military structures (Al-Burhan, 2026). In such an environment, implementing development projects is extremely difficult.
- Somalia (181st place). Somalia is one of the most striking examples of weak statehood. Although formal state institutions exist, their actual power is limited mainly to the capital

and certain urban areas. The federal government is heavily dependent on international security and development assistance, and political action is often based on negotiations between clans and regional authorities (Chatham House, 2026).

A comparison of these countries shows that the amount of development assistance received alone is not a sufficient factor for economic and social development. Countries with the highest degree of institutional weakness often receive the most assistance but, at the same time, have the least chance of effectively converting these funds into sustainable development. The key factor is therefore not only the amount of available financial resources, but also the quality of institutions, the degree of political accountability, and the state's ability to effectively manage development processes.

5 DISCUSSION

A comparison between African and Southeast Asian countries, notably Vietnam, Laos and Cambodia, shows that the amount of international assistance received is not, in itself, a sufficient factor for economic development. Although Africa has received significantly more development assistance in absolute terms than most Southeast Asian countries, some Asian countries have achieved faster economic transformation, poverty reduction and improvements in social indicators in recent decades (OECD, 2025; World Bank, 2024). The key difference was not necessarily in the amount of funds available, but in the ability of countries to integrate external resources into a long-term development strategy.

One important concept that explains these differences is the developmental state. The latter is based on the assumption that economic development is not an automatic consequence of market mechanisms or external financial support, but requires effective state institutions, a long-term development-oriented political elite, capable public administration and clearly defined development priorities (Johnson, 1982). Countries that have successfully implemented the development transformation have, as a rule, managed to integrate international assistance, foreign investment and domestic development policies into a coordinated system of economic modernisation.

Vietnam is one of the most prominent examples of such a development model. After the introduction of the Đổi Mới economic reforms in 1986, the country gradually transitioned from a centrally planned economy to a more market-oriented system, while maintaining its

strong role in strategic development guidance. Development assistance, foreign investments and integration into international trade flows were not considered solely as sources of financial resources, but also as instruments for technological development, industrialisation and increased export competitiveness (World Bank, 2022a). As a result, Vietnam has achieved remarkable poverty reduction, with the proportion of the population living in extreme poverty decreasing from more than 70 per cent in the early 1990s to less than 5 per cent in recent years (World Bank, 2024; UNDP, 2024).

Cambodia represents a slightly different, yet equally important example. Following decades of political instability and conflict, the country has recorded one of the highest rates of economic growth in the world since 1998. This transformation has been driven largely by strong inflows of foreign direct investment, the rapid expansion of the textile and garment industry, the growth of tourism, and deeper integration into regional economic networks (World Bank, 2022b; Asian Development Bank, 2024). Although Cambodia still faces challenges related to corruption, limited political competition and institutional weaknesses, it has managed to create an economic environment that has allowed for the absorption of external capital and the development of productive capacity.

Laos remains among the less developed countries of Asia, but even in its case, certain development effects of international assistance can be observed. Funds were mainly focused on infrastructure development, electrification, rural development and the improvement of basic social services (World Bank, 2022c). Although the country remains economically less developed and institutionally weaker than Vietnam, assistance in certain sectors has improved the population's living conditions.

Contrary to these examples, in many African countries, development assistance often operated in an environment of weak institutions, low political accountability and limited development strategy. Therefore, the problem was not necessarily in the assistance itself, but in the institutional environment in which the assistance was implemented. When state institutions are weak, control mechanisms are ineffective, and political power is based on clientelism and personal networks, the risk of development funds being used for short-term political stabilisation instead of long-term development investments increases.

The key difference between the more successful examples of Southeast Asia and many African countries is therefore mainly in the countries' absorption capacity. This includes

the ability of public institutions to plan, implement and supervise development programmes, effectively channel investments and ensure that external funding generates long-term economic impacts. Countries with more effective institutions and clearer development strategies were more likely to use international assistance as a catalyst for development. In contrast, in environments with high levels of corruption and institutional weakness, assistance often had limited development impact.

A comparison of Africa and Southeast Asia thus demonstrates that the central challenge of development policy is not merely the volume of assistance a country receives, but, above all, the institutions it has to make it effective. International assistance can be an important development instrument, but only in an environment where accountability, transparency and long-term development planning mechanisms exist.

Vietnam, Laos and Cambodia represent important examples of countries that have made significant development progress in recent decades through a combination of development assistance, economic reforms and gradual integration into the world economy (World Bank, 2022a; World Bank, 2022b; World Bank, 2022c). International assistance has played an important role in reconstruction after protracted conflicts, poverty reduction, the development of basic infrastructure and the improvement of social indicators of the population (OECD, 2025; UNDP, 2024). However, the analysis of these cases shows that the availability of external financial resources alone was not a key factor in development success. Domestic institutional reforms, political stability, development-oriented governance of the state, and the authorities' ability to effectively integrate development assistance into broader development strategies played a decisive role (World Bank, 2024).

Comparing many African countries shows significant differences in how international assistance is used. Vietnam, Laos and Cambodia were among the world's poorer countries even before the mid-1980s. Still, in a relatively short period of time, they made important economic and institutional changes that enabled faster economic growth, poverty reduction and improvement in the living conditions of the population. In contrast, many African countries, despite decades of development assistance, made significantly slower development progress and, in some cases, even faced economic stagnation. The latter suggests that the limited effectiveness of development assistance was not necessarily due to a lack of financial resources, but mainly to the institutional environment in which the funds were used.

An important factor in the differences is the ability of political elites to implement development reforms and establish effective institutions. Although Vietnam, Laos and Cambodia are not without problems related to political corruption, limited political competition and institutional shortcomings, their authorities have managed to establish a certain degree of political stability and implement reforms that have supported economic transformation at different times. Vietnam in particular, through the Đổi Mới reform process, created a development model in which the state actively directed economic modernisation, the attraction of foreign direct investment, and integration into global value chains.

In many African countries, however, development processes were often constrained by different political and institutional patterns. In environments with high levels of systemic corruption, weak institutions and dominance of clientelistic networks, political elites can use development resources primarily to maintain their own political position. Such systems are often based on the distribution of public and external funds to political allies, which reduces incentives for institutional reforms and long-term development planning.

The analysis therefore shows that in countries with high levels of corruption, a phenomenon known as state capture often occurs, in which political elites use state institutions and public resources to advance their own interests. In such systems, changes that would increase the transparency, accountability and efficiency of institutions can jeopardise the position of existing elites, which is why there is strong internal resistance to reforms. As a result, international assistance can be integrated into existing political and clientelistic structures rather than as a development instrument.

In such circumstances, there is a greater risk that part of the financial and material assistance will not reach the planned development goals, but will be redirected to private or political purposes. The funds can be used to consolidate political support, finance interest networks, strengthen security structures, or enrich government-affiliated individuals. Therefore, when assessing the effectiveness of development assistance, it is necessary to consider not only the amount of funds allocated, but also the quality of institutions, the level of political accountability, and the recipient country's ability to ensure the transparent, development-oriented use of the assistance.

6 CONCLUSION

Finally, the analysis returns to the Moyo thesis (2009), which argues that sustained and substantial inflows of development assistance, under certain circumstances, can inhibit long-term economic growth and reduce incentives to develop effective domestic institutions. Similarly, other researchers note that long-term reliance on external funding can weaken national governments' accountability, reduce the need to establish their own development policies, and limit institutional development (OECD, 2025). Therefore, the problem does not necessarily lie in the very idea of international assistance, but in the way it is directed, controlled and evaluated. If assistance does not create sustainable development effects but is integrated into existing political and clientelistic structures, it can inadvertently contribute to their preservation rather than reducing development disparities.

An excessive proportion of international assistance in such environments is spent inefficiently, in an opaque manner or for purposes not directly related to long-term development. This results in a development paradox: countries receive extensive funding, but do not achieve the expected economic and institutional breakthrough. As the saying goes, "Rewards and punishments are often misdirected." In a slightly modified form, we could similarly find that international assistance often does not reach those who need it most. Therefore, the fundamental question is whether the current model of providing development assistance is effective and whether existing distribution mechanisms ensure that funds align with actual development priorities.

The question that arises is not whether international assistance is needed. In many crisis and developmentally disadvantaged environments, it remains an indispensable instrument for saving lives, reducing poverty and supporting basic public services. A fundamental issue is, in particular, how to structure assistance to create lasting developmental outcomes. One possible approach would be to place greater emphasis on direct financing for the population, local communities, independent institutions and verified development projects, especially in countries with a high risk of political corruption and misuse of public funds. Development assistance should be more targeted to projects with a demonstrable development impact and where effective mechanisms for control, transparency, and measurement of results exist.

However, the key question arises: who is capable and independent enough to exercise such control? International organisations such as the United Nations are often criticised for their effectiveness due to political compromises, bureaucratic constraints, and individual cases of irregularities. Even NGOs, which play an important role in implementing humanitarian and development projects, are not entirely immune to the risks of mismanagement or corruption. Therefore, the issue of creating an effective control system that would combine independence, professionalism, transparency and accountability remains open.

The central problem of modern development policy is thus not only the scope of assistance, but also its effectiveness and the institutional environment in which it is implemented. If international assistance is provided in environments where political institutions are weak, corruption is systemic, and government accountability is limited, it can inadvertently reinforce existing power structures. In this way, developed countries, where political corruption and other forms of corruption are usually significantly less widespread, can indirectly help maintain systems that prevent long-term development precisely because of corruption.

In this context, it must be noted that international assistance is not based solely on development criteria. In the background, there are often other interests, especially security, geopolitical and economic, that influence donor decisions. And it is precisely the intertwining of these interests that often makes it difficult to make fundamental changes to the international assistance system. Nevertheless, in the future, it will be necessary to design more effective models for the allocation and control of development assistance, which will place greater emphasis on the quality of institutions, recipient accountability and actual development results. Only such an approach can ensure that international assistance is not just a financial transfer, but an actual instrument of sustainable development.

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