



Graduate Seminar

Department of
Economics and Finance
College of Business
and Economics



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Aid Effectiveness on Growth: Does the Measurement of Aid Really Matter?

This paper aims to contribute to the large debate on aid and GDP per capita growth relationship. It examines the role of the aid - growth relationship with ODA net and ODA without debt forgiveness, food aid and emergency aid, defined as gross aid. Different process of normalization (dividing aid by GDP and the number of population) also has been used for aid effectiveness analysis. The paper describes the trend of aid for the time period 1990 to 2013 with gross aid and ODA net. It finds that the trend of aid history is supported by gross aid, but not by frequently used measure ODA net. For the effectiveness examining part, the paper finds that the commonly used normalization process (dividing aid by GDP) turns into aid ineffectiveness evidence, whereas the use of per capita gross aid and per capita ODA net show aid effectiveness evidence. However, the most robust result of aid effectiveness on growth comes from using gross aid and per capita gross aid.

Date: Monday July 4th 2016

Time: 10:30 AM

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