



Graduate Seminar

Department of
Economics and Finance

College of Business
and Economics

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MA Candidate

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Title: Does Policy Dependent Aid Impact The World Bank's Country Policy and Institutional Assessment Rating?

This paper examines the relationship between policy dependent aid and policies in the recipient countries. We first replicate the results from Annen and Knack (2017) using share of policy dependent aid instead of share of top 3 donors that are policy selective to confirm the strong positive effect of policy dependent aid on the Country Policy and Institutional Assessment (CPIA) measure when controlling for initial CPIA levels. From there, the paper attempts to break down the CPIA measure into components that could be more likely to improve with policy dependent aid. The Trade and Gender Equality measures are the ones we predict to be dependent on policy dependent aid. We also examine one subsection that would be less likely to move: Transparency, Accountability and Corruption in the Public Sector using both Control of Corruption and Voice and Accountability estimators. We find no significance to support our theory for improvement in both the Trade and Gender Equality sub sections. We also find no significance as per expectations in both the Voice and Accountability and Control of Corruption estimates.

Date: Thursday July 26th 2018

Time: 3:00pm

Room: Mackinnon 720

