

An 'Aid Exit' Strategy for African Countries: A Debate

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INTRODUCTION AND SUMMARY

This paper results from differing views the two of us hold over the efficacy of an “aid exit” strategy for Africa. Gray’s comments were stimulated by McPherson’s initial draft. The “debate” format is designed to stimulate reflection about controversial issues.

McPherson argues that, because of the way foreign aid tends to submerge the agendas of African governments, those governments should, on their own initiative, begin the process of planning to get off aid. A properly formulated “aid exit” strategy, he argues, would include a “debt exit” strategy as well. McPherson draws on field experience indicating the existence of a chronic pattern of dependence between African governments and donor agencies that reduces the effectiveness of aid.

In too many cases across Africa, he argues, aid dependence has undermined growth and development. The primary evidence for this is Africa’s experience over the last three decades. Despite massive foreign assistance and donor “engagement” in virtually every dimension of African political economy, only one country (Mauritius) has successfully adopted a structural adjustment program leading to sustained growth and development. Furthermore, recent studies in the context of the HIPC (Highly Indebted Poor Countries) initiative suggest that most African countries now require still more financial assistance, both to pay off their debt and to promote development.¹ Something is wrong with the logic.

Gray starts out from the conceptual issue of how an “aid exit” strategy differs from a conventional growth strategy, given that donors are inclined to terminate aid anyway once a country has achieved self-sustaining growth. The operational question is whether, *ceteris paribus*, a country that is otherwise following the “right” policies to accelerate growth, will grow still faster by renouncing aid than by accepting it. McPherson outlines conditions under which some countries have probably grown more slowly because they accepted aid, than they would have had they declined it. The question is whether those conditions apply more often than not in African countries.

Gray cites recent cross-country analysis by World Bank staff showing that aid has been effective when recipients pursued good policies, and ineffective when they didn’t. He argues that policy conditionalities imposed by the IMF and aid donors, starting around 1980, have on balance caused African growth rates in the 1990s to be higher than they would otherwise have been. He also disputes the argument that project aid simply finances uneconomic expenditures at the margin, and accuses McPherson of exaggerating the distortions caused by vested and corrupt interests of bureaucrats on the both sides of the aid divide. Finally, he argues that aid, when matched with good host country policies, is necessary to reduce the income and wealth gap between rich and poor countries within a time frame acceptable to enlightened world opinion.

McPherson’s response is that African history is against those who wish to make relatively minor modifications in the aid relationship. The last three decades have seen a vast experiment in whether African governments and aid donors can “get it right”. They have

not succeeded. Some years ago, Lord Bauer wrote an article entitled “aid, mend it or end it”.² Gray is among those who believe that aid can be “mended”. McPherson is not. He believes that aid has already done serious damage to Africa by allowing governments to postpone adjustment.

THE ARGUMENT: AN AID EXIT STRATEGY FOR AFRICAN COUNTRIES³

Malcolm F. McPherson

A Strategy to End Aid Dependence

This essay argues that African governments need to take explicit steps to formulate and implement “aid exit” strategies. After well over three decades of the misapplication of massive amounts of resources by African governments and donor agencies, foreign aid cannot be “made” effective while African governments remain so highly dependent on international assistance. Restructuring the mechanisms by which foreign aid is provided and used across Africa will require action to fundamentally change what has proven to be a seriously flawed and counter-productive relationship. Taking the lead from attempts in the United States to address the issue of “welfare dependence”, I argue that for African countries to enhance their prospects of growing and developing on a sustained basis, aid dependence “as we know it” has to end.

This paper does not state that foreign aid to Africa should be eliminated. As a practical matter, the forces allied against such an outcome, both inside and outside the continent are too well organized and too formidable for that to happen.⁴ Nevertheless, there is a strong case for substantially reducing aid to African governments so that economic performance can be enhanced. Indeed, lower levels of aid in my view would significantly improve economic performance across Africa. That, of course, in turn, would make the extraordinary flows of aid to Africa unnecessary.

The need to end aid dependence in Africa rests on two premises. First, as foreign assistance across Africa is currently administered, most (if not all) aid agencies and their NGO satellites have lost sight of what aid is meant to achieve. Second, African governments have become so “hooked” on foreign assistance that the effort to ensure aid continues flowing has distorted their whole approach to economic management.

At the outset, three points need emphasis. First, there is nothing fundamentally wrong with the principle of foreign assistance. The experience of Europe and Asia has demonstrated that foreign aid can make a major difference *when it is constructively used for limited periods*. Problems arise, however, when aid become the open-ended, game-inducing, growth-dissipating transfers that have been so liberally dispensed to African countries. Second, in practice, foreign aid has been neither necessary nor sufficient for achieving rapid economic growth and development. All of the currently industrialized countries progressed without foreign aid of the type and in the amounts that poor countries have received since 1960. Third, there is nothing new about the argument that aid should be reduced. Some critics have argued that aid should be cut completely. Both ultra-conservatives and radicals have made this point.⁵ My focus is not the quantity of aid. Rather, it is how to end “aid dependence.”

What is aid dependence?

According to the World Bank's *World Development Indicators* it is the ratio of net official aid flows to gross national product (GNP). This, of course, is only one dimension of what in practice is a highly complex relationship. Other (partial) measures include the:

- ◆ the time that a country has been receiving aid;
- ◆ size of aid flows relative to resources mobilized for local public capital formation;
- ◆ proportion of external debt service covered by foreign aid;
- ◆ import coverage provided by foreign assistance;
- ◆ trends in the budget and balance of payments deficits;
- ◆ reduction in the debt stock resulting from foreign aid;
- ◆ proportion of the health, education, and infrastructure budgets that are donor-funded;
- ◆ expected results of aid and penalties (if any) for under-achievement; and
- ◆ the procedures used to increase aid flows by the government and the donor agencies.

By these criteria, African countries have been and remain highly aid dependent. Most African countries have received some form of foreign assistance since the early 1960s and particularly since they gained political independence.⁶ During the initial period, foreign aid was low relative to national income. Its main purpose was to support public investment and technical assistance for planning, training, and related activities. The oil and food shocks in the early 1970s led to a major expansion in the volume of foreign assistance. Since that time, foreign aid has been used to bolster an increasingly diverse range of public and private expenditures. For some expenditure categories, foreign assistance has been the dominant element.

Trends in the budget and balance of payments deficits do not fully reflect the amount of aid provided. Nonetheless, African governments have only been able to sustain these deficits *because* of foreign aid. By conventional financial criteria, most African countries have been unbankable for the last two decades. In the absence of foreign aid both budget and balance of payments deficits would have been constrained to levels close to zero. Indeed, the type of compression that would have occurred has been evident in countries that went “off-track” with the donors. (Zambia in the late 1980s is an example.) Due to the lack of foreign aid and their heavy debt burdens, these countries had to conduct their foreign transactions on a cash-in-advance basis.

For most African governments there has been no fundamental reduction in their debt stocks due to their own resource mobilization efforts. All net reductions in external debt have occurred through donor-sponsored programs. For example, most bilateral donors have completely forgiven debts to African countries classified by the United Nations as least developed. This is a large group since most African countries fit that category. The Paris Club has rescheduled significant portions of outstanding trade credit and government-guaranteed debt. The World Bank has refinanced large amounts of debt owed to the IMF. Selected bilateral donors have provided "fifth dimension" support to repay the World Bank. Other bilateral donors have provided resources for commercial debt buy-backs.

Finally, as evident from the budgets of many African countries, donor agencies have financed key parts of their programs, particularly in the social sectors and infrastructure.

None of these measures is a decisive indicator of aid dependence. But taken together, they represent a pattern of reliance on foreign aid by African governments with three features. Current flows of foreign assistance cannot be stopped without major economic disruptions. There is no formal plan for phasing out or substantively modifying the level of foreign assistance. And, both the donor agencies and African governments expect the flows of aid to continue for the foreseeable future.

Aid and Gamesmanship

While these indicators are suggestive, none of them effectively measures the games, strategies, and tactics associated with the way that aid is generated, distributed, and used. At its most basic level, aid dependence is reflected in the behavior of the decision-makers most directly involved. A feature common to African governments is that aid is seen as the first rather than the last resort. When senior African policymakers are confronted with a shortage of resources, they do not as a matter of principle exhaust every local opportunity to raise revenue or economize on expenditure *before* turning to the donor community. Similarly, members of the donor community do not as a matter of principle insist that every local effort be made to raise resources *before* they agree to assist. Aid relationships have become so institutionalized and predictable that each donor has its own well-known “strategic objectives” (to use a USAID code word) and senior African policy makers are fully aware which donor can be “tapped” for each type of support.

Gamesmanship enters at other levels. The IMF’s “financial programming framework” is an example. The inevitable “financing gap” emerging from this exercise is meant to incorporate the country’s best efforts at adjustment. The IMF staff establishes performance criteria that are acceptable to Fund management and will induce other donors to provide supplementary support. African governments tend to treat these performance criteria as the maximum requirements for adjustment. They are not generally seen as performance markers that should be exceeded by as much as feasible. Seen in this light, an IMF financial program represents a “grand compromise.” It is the minimum amount of adjustment that African governments are likely to achieve consistent with the ability of IMF staff to move the program past their management (and Board) and the best guess of the finance other donor agencies (comforted by the IMF ‘seal of approval’) will provide.

Further gamesmanship emerges when the overall program is formulated and a “financing gap” remains. The gap could be closed if African governments would make additional policy changes. That, however, is rarely the intention. With the IMF and World Bank having indicated their maximum commitment to the program, other donors are obliged to provide additional resources or risk seeing the program fail. This is where procedures developed under the Paris Club and the various countries Consultative Group (CG) meetings prove so convenient to African governments. Additional finance can usually be obtained by stretching the scope of Paris Club debt relief. As currently operated, the CG meetings are little more than theater. Such a meeting is not convened unless it is known beforehand that it

will be "constructive." Having indicated their potential levels of assistance to the World Bank weeks before the CG meeting, aid officials gather to hear IMF staff and government officials present the case for additional assistance. With appropriate enthusiasm or hesitancy (consistent with the "messages" being sent to the government), these officials indicate the resources they "pledge" to close the financing gap.

What Happened to "Self-Help"?

Lost in all of this bureaucratic posturing is a theme that was once central to foreign aid, namely "self-help." This principle, fundamental to the success of Marshall Plan, was seen as being vital to the promotion of growth and development.⁷ The intention of self-help was unmistakable. Countries were supposed to "own" their reform programs. As President John F. Kennedy noted in his foreign aid message to Congress in 1961:

... It is essential that the developing nations set for themselves sensible targets; that these targets be based on balanced programs for their own economic, educational and social growth, programs which use their own resources to the maximum... Thus, the first requirement is that each recipient government seriously undertake to the best of its ability on its own those efforts of resource mobilization, self-help and internal reform, ..., which its own development requires and which would increase its capacity to absorb external capital productively...⁸

As competition among donors intensified in the late 1960s, the idea of "self-help" was set aside and aid to Africa degenerated into an open-ended quasi-entitlement that largely substituted for rather than supplemented the efforts of African governments. In the process, African countries have become and remain, in Paul Krugman's phrase, "wards of the international community."⁹

How do African countries, most of which have regressed for two decades despite massive foreign assistance, break out of the aid trap? Since none of the major aid agencies is planning to end its aid to Africa, any substantive restructuring of the aid relationship will need to emerge as an African initiative.¹⁰ The "aid exit" strategy suggested here is one such initiative.

The Dimensions of an Aid Exit Strategy

What might foreign aid achieve if African governments take measures to reduce their dependence on the donor community and the games now being played by both sides are re-directed to achieving growth and development? What, in effect, would an "aid exit" strategy entail?

For a start, to have any chance of succeeding such a strategy has to be initiated by Africans themselves. Donors cannot be part of the fundamental process by which African leaders decide that their economies would grow and develop more rapidly if their governments became less reliant on foreign aid. Once Africa's leaders have taken that decision and have begun to formulate an aid exit strategy, external agents willing to support the effort would be

invited to contribute. They could provide immediate help by determining the complementary actions --- debt relief, disaster relief, and foreign investment --- that would enable African countries to move beyond aid. An “aid exit” strategy will not necessarily “end” all aid to Africa. But, such a strategy will encourage African governments to take full responsibility for promoting growth and development thereby providing the potential for ending aid dependence.

One approach African governments might adopt to formulating an aid exit strategy is to appoint a technical working group with participants from the public sector, private business, and civil society. Its members would be instructed to derive a 10 to 15 year growth and development program that explicitly phases down foreign assistance over time. The technical working group would be empowered to engage local and foreign experts to help clarify issues that were seen as relevant to the strategy. To impose discipline on their work, the group would be given a specific (short) deadline.

The working group would need to make realistic assessments of the following:

- ◆ The flows of aid from all sources and their contribution to growth and development.
- ◆ The capacity of the government in particular and public sector more broadly to provide the services which are truly of a social nature -- basic health, education, law and order, food security, and infrastructure.
- ◆ Areas of opportunity within the private sector for the rapid growth of output, exports, and employment and the public support (if any) required to promote these activities.
- ◆ The main constraints -- skills, finance, international competition, distorted prices, limitations of management -- that prevent expansion of the private sector. Particular attention would be given to the ways that changes in government regulations and policy could alleviate these constraints.

These assessments are needed so that leaders and their advisors might understand, within the context of each country’s available resources, how to:

- ◆ Cut government expenditure;
- ◆ Generate a “large” public sector surplus;
- ◆ Stimulate local private sector investment;
- ◆ Enhance production in the key growth sectors, especially agriculture, mining, tourism, and energy;
- ◆ Reduce the nation’s external and internal debt to genuinely “sustainable” levels;
- ◆ Create the institutions to “restrain” the public sector so that deficit financing, rising levels of debt, and aid dependence do not re-emerge.

The Donor’s Role

Donors cannot decide for African governments that formulating an “aid exit” strategy would be efficacious. But, donor agencies might help in other ways. For example, they could honestly and openly identify how their actions and procedures have undermined the effectiveness of aid to Africa. (The World Bank report *Assessing Aid* was quick to point to

the policy failings of African governments but slow to acknowledge that donors, including the Bank itself, have contributed to Africa's poor economic performance.)

Given the debt burdens of most African countries, it is unrealistic to believe that they could immediately "get off aid" even if they wanted to. Indeed, an "aid exit" strategy would not seek that. What the effort of formulating and implementing the strategy will do is help focus the attention of public officials, local businessmen and women, and donor agency staff on the types of changes that have to be made *and sustained* if African countries are to move beyond debt and aid.

Fundamentally, African countries cannot exit from aid unless they can exit from debt as well. Properly conceived, an "aid exit" strategy also embraces a "debt exit" strategy. A simple approach to this issue would be for the donor community to agree that as African countries formulate and begin to consistently implement an aid exit strategy, all debt service on obligations outstanding prior to an agreed cut-off date would be suspended. This would effectively remove a major part of the foreign debt of all participating African countries. (Whether donors would write off the debt or agree to fifth dimension funding would be for them to decide and organize.) In return for this commitment from the donor community, African governments would agree to refrain from new external borrowing. This would be reinforced in the aid exit strategy by ensuring that the government and public sector run a "large" surplus. The reasoning is simple and regularly overlooked: African countries can never escape from debt unless they stop borrowing.

The donor community would also be asked to continue supporting sector programs for which the government is providing more than 50 percent of the funding. The latter is a crucial condition. An exit from aid is not possible unless the government is fully prepared to recognize (and abide by) the principle of "self-help." A schedule of declining contributions from donors can be worked out as African governments increasingly scale back their activities and re-direct their resources away from the value-subtracting and non-productive activities they presently support to areas that the technical working group identifies as vital for sustained growth and development.

During a pre-arranged transition period (e.g., three years), the donor community should continue to directly support projects in social sectors and infrastructure. There are many examples and well-established procedures for support to health, education, water and sanitation, infrastructure (roads, bridges, rural grain stores), and legal reform. The aim would be to continue to strengthen the relevant institutions and directly enhance welfare. Whether the donors work through government organizations or provide support in other ways should not be pre-determined. The mode of support of each program can be assessed on its merits based on an explicit set of benefit/cost and efficiency criteria. The basic principle is that the donors and the government only maintain the mechanisms of cooperation that are efficient and effective.

As donors disengage, three issues require special attention. These are the role and funding for NGOs, disaster relief, and assistance to deal with the HIV/AIDS epidemic. NGOs have become a powerful and increasingly aggressive lobby for a host of activities, many of which

do not relate to growth and development. Donors cannot be prevented from financing whomever they please but their support to NGOs should not then be treated as “official aid.” Moreover, donors should not agree to scale back their assistance to the government only to redirect the resources through other channels such as NGOs. That does nothing to help African countries reduce their dependence on aid.

Disaster relief will be required from time to time. If provided appropriately, disaster relief will be irregular, specific, and close-ended. It should not be continued once the disaster has passed. For purposes of transparency, the government should separately account for any disaster relief that it receives. However, since disasters of some form always occur, the “aid exit” strategy should also include a government provision (preferably an amount separately budgeted and set aside every year) for such a purpose. This is fully consistent with the idea of “self-help”. Disasters may overwhelm the government’s capacity to respond. This would warrant additional international support. But, if that support is to be used effectively it has to supplement the government’s own contribution not substitute for it.

The HIV/AIDS epidemic raises the question of additional donor support (technical assistance and specialized training) to help stabilize key institutions that are crucial to the promotion of growth and development. Progress will be impossible across Africa if organizations such as the central bank, ministry of finance, budget office, revenue departments, and health and education ministries become dysfunctional due to the morbidity and loss of large numbers of skilled personnel. Such circumstances are already emerging in some countries of Southern Africa.

Moving Beyond Aid

Formulating a strategy to reduce the dependence of African countries on foreign aid is one thing. Having an idea where the economy can go is another. An essential feature of any “aid exit” strategy will be to restructure the economy so that government activities related to collective actions that raise economic output and enhance welfare can be sustained by the economy’s resource base.

Evidence from the last three decades suggests that for all African countries this would require a major reduction in the size of government (as measured by its share of revenue and expenditure in GDP) combined with drastic simplification of its agenda. The principal focus of the agenda would be rapid growth and development. It is not possible to determine in advance how each country will be structured as it moves beyond aid. What can be foreseen is that those countries that succeed will have several common features.

There will be no budget deficit. Government savings will be positive. Foreign debt will be declining relative to GDP, if not absolutely. Gross domestic savings will be rising towards “Asian” levels (i.e., 30 percent of GDP or more). Gross national investment will be high and supplemented by modest inflows of official support (1-2% of GDP) and significant inflows of private capital. The productivity of labor and capital will be rising even if in absolute terms it remains below “comparable” international figures. The real exchange rate will be at a level that discourages imports and encourages exports. Reflecting the lack of deficit

financing and money creation, inflation will be at or near average world rates. Interest rates will reflect the opportunity cost of local capital and risks peculiar to the country. In effect, the economy will be close to or approaching macroeconomic balance.

Merits and Demerits of an Aid Exit Strategy

Why should African countries bother? Is it worth the effort to formulate and implement an aid exit strategy? Why should policy makers “take on” the vested interests aligned with continued aid flows both within their countries and within the international community?

I believe an “aid exit” strategy has several advantages. First, it would represent an explicit attempt by African countries to move beyond the experience of the last three decades during which massive foreign assistance was associated with minimal growth and an extraordinary rise in poverty across Africa. Second, it would focus attention on the key issues --- growth and development --- that African governments need to stress if their countries are to become viable members of the international economy. Third, the strategy provides a framework for Africans collectively to take the initiative in promoting sustained economic recovery, i.e., to “own” their reform process. At present, that initiative lies with the officials who regularly assemble in Paris, Brussels, London, and Washington to determine each country’s future support.

There are, however, some disadvantages. First, most African governments lack credibility. During its initial stages, a program to exit from aid will be seen as wishful thinking. Most members of the donor community in particular will almost invariably see the interest by African governments in an aid exit strategy as yet another tactic to divert attention from economic reform. Second, the formulation of an aid exit strategy officially acknowledges the extreme mutual dependence that has emerged between African governments and donor agencies. Few aid agencies, particularly the World Bank, have yet been willing to admit that large parts of their support to Africa have been counterproductive. African initiatives to get off aid could help prod the aid community to begin thinking seriously about restructuring their activities.

A third disadvantage is that an “aid exit” strategy will *of necessity* force the government to grossly simplify its “development” agenda. In doing this, the privileged access of many interest groups will be curtailed. It will require African leaders, many for the first time, to begin acting in ways consistent with the broad “national interest”.

Conclusion: Is There An Easier Way?

Do the disadvantages of an “aid exit” strategy so completely outweigh the advantages that such an approach should be dismissed out of hand? Can’t policy makers in Africa regain the initiative by “taking charge” of the “comprehensive development frameworks” (CDF) and use them to promote and sustain rapid growth and development? The historical record is not encouraging. Moreover, since aid dependency is a mutual problem, it will take time for donor agencies to reorder their priorities in ways that reduces the pressure they are under to “move money”.

Where does this leave African countries? International experience has confirmed that a modest amount of economic aid, properly administered and effectively used, can be a powerful stimulus for growth and development. For that to happen, four requirements need to be met.

First, African governments should only accept donor support that is specifically designed to accelerate economic growth and development.

Second, without reservation or diversion, African governments should formulate and begin implementing their own adjustment programs that explicitly requires a phased reduction in donor assistance.

Third, once such programs are underway, the donor community should agree to remove from the current budget (through debt write-offs or a structured program of annual payments) the burden of all past external debts.

Four, both the donors and government should agree on a mutually binding set of conditions for monitoring and judging their performance. These conditions should relate directly to the goals of rapid growth and development. Slippage by either party should not be tolerated.

Such a program would be a time-bound, structured effort by African governments and the donors to "end aid [to Africa] as we know it." The program would transform foreign aid from its current status of an “entitlement” to a series of limited but productive flows of international assistance that supports in a coherent way African government’s own efforts to grow and develop.

In a recent speech to the United Nations, President Mbeki of South Africa argued that the “begging bowl” mentality in Africa has to end. I agree. An “aid exit” strategy would do just that.

Response to the Proposal for an ‘Aid Exit’ Strategy for Africa

Clive S. Gray

Distinguishing ‘aid exit’ from conventional growth strategies

The first question that arises in evaluating an ‘aid exit’ strategy is: what is the relationship between ‘aid exit’ and the conventional strategy, implicit in the advice most economists offer low-income, aid-receiving countries, of taking steps to maximize the rate of economic growth? Do the two strategies amount to the same thing? If distinct, do they (a) compete with, or (b) complement one another, such that taking measures consistent with ‘aid exit’, not traditionally recommended by economists as part of growth maximization, will land countries on (a) a slower growth path, or (b) a faster one?

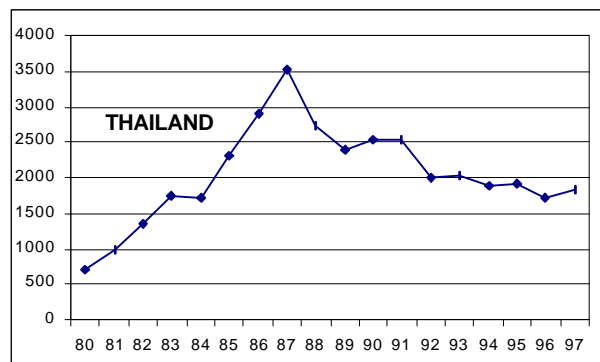
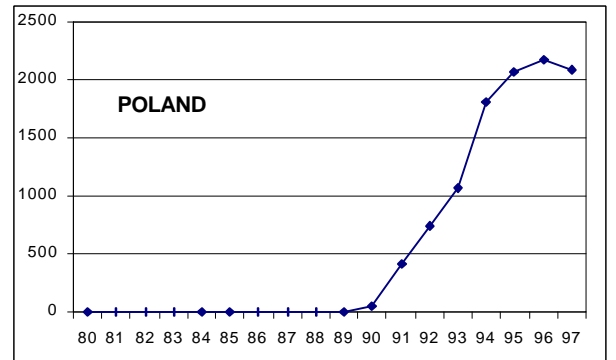
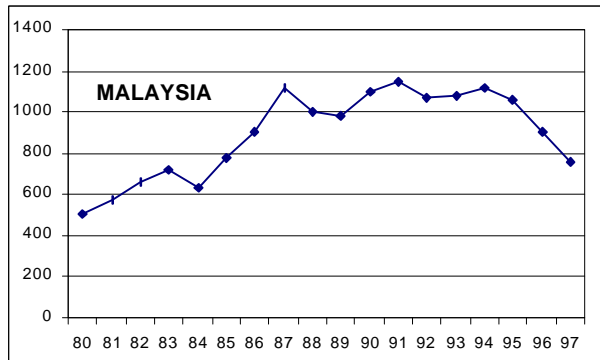
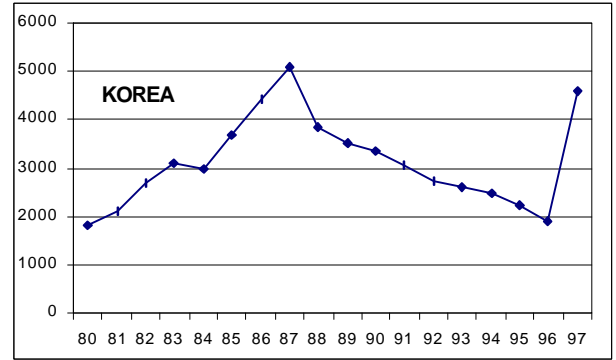
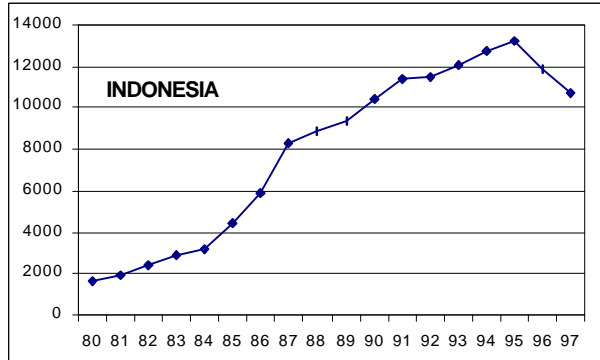
McPherson’s essay does not address this question explicitly, but implicitly accepts that, *grosso modo*, leaders seeking to maximize social welfare will try to maximize growth. The paper tells them they can do this better by taking steps towards ‘aid exit’ than by following conventional prescriptions.

This is far from self-evident. To begin with, it would seem that, the higher a country’s growth rate, provided donors are satisfied that the growth has achieved a self-sustaining plateau, the sooner they will wean the country from ‘aid’ in the form of what the OECD defines as official development assistance (ODA). From this viewpoint, maximizing growth brings with it exit from aid, whether or not the recipient country authorities desire it. Indeed the authorities may be quite happy to continue receiving ODA, whether because they believe it will facilitate even more rapid growth, or for other reasons. They may try, with greater or lesser success, to convince donors not to taper off or terminate aid.

The example of the Asian ‘tigers’ is relevant in this regard. Figure 1 profiles World Bank loans outstanding to four Asian countries during 1970-1997. A European ‘tiger’, Poland, is also included. Figures for the remaining Asian tigers, Singapore, Hong Kong and Taiwan, are zero, in the two latter cases due to nonmembership in the Bank, Singapore because its per capita GDP exceeds that of most OECD countries. The poorer EU countries, Portugal and Greece, likewise no longer figure as Bank debtors.

The graphs show disbursements on IBRD loans to the four countries exceeding repayments through 1987 for Korea and Thailand, 1994 for Malaysia, 1995 for Indonesia, and 1996 for Poland. Only the Korean data take account of extraordinary new commitments made by the Bank to the four Asian countries in 1997 and 1998, associated with the financial crisis that erupted at the start of fiscal 1998 (July). These totaled \$2.5 billion for Indonesia, \$7 billion for Korea, \$300 million for Malaysia (1998 alone), and \$1.8 billion for Thailand.¹¹ This experience shows that virtual ‘aid exit’ does not exclude massive re-entry in the event of financial crisis. Even before the crisis, however, most of the countries had not totally exited from aid.

**Figure 1. Debt to the World Bank
IBRD and IDA: Total Outstanding Debt at Year End (million US Dollars)**



Source: Global Development Finance, World Bank, 1999

Already during their early years of rapid growth, leaders of the world economy's 'tigers' could hear donor officials foretelling eventual 'graduation' of successful developers from ODA. However, they would have strongly rejected the notion of 'aid exit' as a strategy superior to that of attracting as much ODA as possible in order to raise capital formation above levels attainable with domestic saving. During that period, most development economists also saw ODA in the same light. Applying a historically observed incremental capital-output ratio (ICOR), early models (e.g. Harrod-Domar) showed how aid inflow would increase the recipient's growth rate.

Even as aid assumed increasingly varied forms, diverging from the early model of loans underwriting imports of capital equipment for infrastructure investment, views of capital formation became more sophisticated, incorporating such concepts as formation of human capital, with a lengthy pay-out period, and *preservation* of physical capital through improved maintenance, compensating for shortfalls of local recurrent expenditure. Nonproject budget or balance of payments support was viewed as facilitating higher investment both by the public sector and, indirectly, by the private sector, whose role in development was accorded growing priority. The latter effect would be achieved by reducing the pressure of public needs on taxation and credit, thereby channeling resources to the private sector.

McPherson's hypothesis: ODA as a drag on African growth

Now, however, McPherson tells us that the concept of ODA facilitating more rapid growth, if it was ever valid generally (or specifically in East Asia), is not applicable to the African scene of today. Hence, even if 'aid exit' in the narrow sense of closing down aid as fast as possible, with no accompanying changes in behavior, is not a sufficient strategy for African development, it should become the guiding strategic principle. This is so, McPherson argues, for the following main reasons:

1. In following the conventional strategy of seeking maximum aid, governments lessen the pressure on themselves to follow policies of fiscal discipline and monetary restraint. The net present value of the outcome is negative, because the costs of laxity—bad habits of governance become entrenched, national resources are dissipated through wasteful public expenditure, tolerance of corruption rises—outweigh any benefits resulting from greater national absorption through aid.
2. Aid administrators are motivated substantially by considerations other than concern to maximize client countries' growth. Agency managers set quotas for obligating aid funds to each country within a given fiscal year, and judge their subordinates' performance by whether they generate sufficient plausible uses of the money (projects or 'program' aid) to exhaust the quotas. Many 'plausible' uses reflect aid managers' propensity towards social engineering experiments, the strategic interests of bilateral donors in a given country or region, and/or pressures from donor country suppliers. As a result, countries indebt themselves for expenditures that do little to promote growth, and may even hinder it.
3. Motivations of recipient country officials have equally little to do with maximizing growth. Whether through outright graft or authorized compensation in the form of project bonuses, sitting fees, travel allowances, and the like, aid expenditures generate

income for local officials, who are concerned to maximize the rate of aid expenditure, in lieu of seeking to direct it into uses that support growth. In those instances where nominal uses of aid are consistent with growth priorities, through fungibility the effect of the aid is to underwrite expenditures at the margin of priority for growth.

Measuring the impact of ODA on African growth

Whether ODA has hitherto had a deleterious impact on growth in Africa is an empirical question that can, at least in theory, be addressed econometrically by regressing GDP (or per capita GDP) growth rates on a set of explanatory variables including receipts of ODA. Such an effort was recently undertaken by Burnside and Dollar (BD) in a World Bank working paper entitled “Aid, Policies and Growth” [cit.] The study covers 56 aid-receiving countries in five regions.

A key finding is that, in low-income countries with policies that BD qualify as ‘good’, aid has increased per capita GDP growth rates by one-third. Conversely, in countries with ‘poor’ policies, aid has made no significant contribution to growth, although equally significant from the viewpoint of the present analysis, neither is it shown to have detracted from growth. (Twenty-one of the total of 56 countries and 20 of the subset of 40 low-income countries figuring in this exercise are African. However the impact is not differentiated regionally.)

Apart from this partial econometric evidence, what does our familiarity (such as it is) with conditions in individual African countries suggest about the likelihood that the scenario identified by McPherson will prevail in future?

To quantify each of McPherson’s three negative factors, and compare their impact with any positive contributions to growth emanating from the marginal expenditures facilitated by aid, would require a mammoth research effort in a single country, let alone Sub-Saharan Africa (SSA) as a whole. For purposes of the present brief, we content ourselves with two sets of observations.

First, it cannot be denied that there is substance to his argument. The question is not whether indeed ODA has allowed some African governments to maintain a laxer regime of fiscal discipline and monetary restraint than would have prevailed with lesser amounts of aid, or where donor and host officials, by collusion or otherwise, have allowed aid directly or indirectly to finance expenditures of low priority for growth, even outright detrimental to growth. Without doubt, such cases exist. Rather, the question is whether, as a general rule, these phenomena are so pervasive as to offset positive effects of aid throughout Africa.

Growth impact of policy conditionalities linked to fast-disbursing aid

On the whole, the macroeconomic policy environment in Africa is substantially better today than it was when the donor community started pushing ‘structural adjustment’ around 1980. At that time, nearly all exchange rates were fixed and overvalued. Wide ranges of goods and services were subject to price control. Governments favored direct methods of monetary

control, such as directed credit and interest rate ceilings. The population of state-owned enterprises (SOEs) and their share of the formal economy were increasing.

Now, the large majority of exchange rates, other than those of the francophone CFA countries, are floating. The CFA countries, through 1994's 50% devaluation of their currency, have accepted the principle of maintaining a competitive exchange rate. Price and credit controls are far less common. Parastatal sectors have stopped growing, and in most countries are at least starting to shrink. To a significant extent because of these reforms, per capita growth rates in Africa, if still far from satisfactory, are no longer negative.

McPherson and those of his peers who have advised African governments in the 1980s and 1990s deserve some of the credit for this improved environment. In my view even more credit goes to international financial institutions and bilateral donors who have insisted on the reforms as conditions for sizable sums of fast-disbursing aid.

Would most governments have implemented the reforms in the absence of the aid?

McPherson suggests that increasing economic distress would have pushed them to reform sooner or later, and the aid relieved economic pressures that would otherwise have induced them to reform earlier and with greater persistence than was actually the case.

Obviously the counterfactual can't be proven, but I personally am struck by the persistent reluctance that market-oriented reforms have encountered on the part of both government and opposition leaders. In the majority of countries they have shown a willingness and political ability to stick indefinitely with policies that fostered stagnation and impoverishment, while diverting resources to favored groups. Enforcing conditionalities linked to nonproject aid has been like extracting teeth, but fortunately for the populations concerned, the donors have been tenacious. Without the carrot of the aid, much less would have been accomplished.

Aid and investment

We must also entertain the possibility that, even if part of the expenditure that ODA has facilitated at the margin has been nonproductive, aid has raised rates of productive investment—or more broadly, development expenditure—in some African countries above levels that would otherwise have prevailed. Project aid in Africa has also been less fungible than is commonly supposed. Many infrastructure projects have been on a larger scale, or, on donor insistence, carried out to higher standards, than the governments would have felt able to afford without the aid.

Outside the sectors of transport infrastructure and energy, many projects have involved a heavy dose of social engineering that African governments would never have conceived independently, supported by costly foreign technical assistance that they accept reluctantly and would never have ordered with their own resources. Pursuant to McPherson's second argument above, this may put the aid's effectiveness in question, but it is far from fully fungible.

Even if aid were 100% fungible, marginal public expenditures in Africa are not necessarily of lowest priority for growth. The authorities give first preference to many unproductive uses of public funds, such as prestige projects and corruption, and expenditure on social services, notably education and health, suffers.

Bureaucrats as a hindrance to growth

Taken together, McPherson's second and third arguments represent a highly jaundiced view of the motivations and competence of aid officials and the African bureaucrats who are their discussion partners. In this writer's view, the case is overstated. McPherson has enjoyed a worm's eye view of several aid programs, and some have doubtless been as counterproductive as he asserts, but a great deal more evidence would have to be adduced to justify a condemnation across the board (and continent).

The resource imbalance

Our concluding set of observations takes as its point of departure the overwhelming imbalance in income and wealth between the industrial world and Africa. In these circumstances, the logic favoring a significant transfer of resources to Africa—significant as a proportion of the recipients' GDP—is hard to contradict. Along with many analysts, McPherson argues that African countries will grow faster if they accept the discipline, and implement corresponding policies, that will attract private investment responding to market forces, including portfolio investors buying government bonds associated with sound infrastructure projects.

There is much truth in this, and the IMF and donors are right to continue imposing relevant conditionalities. But it can still be argued that the risk of reversal of sound policies in all African countries—i.e. the political risk facing foreign investment—is so high as to require an average rate of return that will delay an appreciable narrowing of the income-wealth gap longer than is acceptable to enlightened sentiments of social justice prevailing in industrial as well as developing countries.

According to this view, the World Bank, its regional counterparts, and some bilateral donors, have appropriately taken up, for Africa, a significant part of the role that private venture and portfolio capital played, without public guarantees at source, in financing capital formation in so-called areas of recent settlement—the Western Hemisphere and Oceania—in the late 19th and early 20th centuries. On balance, African countries are best advised to accept this view, and continue to seek 'healthy' ODA.

Pursuant to the Burnside & Dollar finding, ODA appears to contribute little or nothing to growth in countries whose governments pursue 'bad' policies. But rather than urge an 'aid exit' strategy on those governments, who are likely to pay little attention, it makes more sense to work for reversal of those policies, while persuading donors to withhold large-scale aid until that happens.

Rejoinder: An “Aid Exit” Strategy for African Countries?

Malcolm F. McPherson

I welcome Clive Gray’s thoughtful comments. They do not surprise me. They are fully consistent with views of the mainstream aid community whose members acknowledge that aid does not always work as intended, but with better coordination and monitoring and revamped procedures, its effectiveness can be raised.¹²

Gray challenges my presentation on three grounds.

First, he argues that it is not self-evident that the aid exit strategy I propose and the growth-oriented adjustment programs being supported by the international financial institutions differ in any significant degree. Both are intended to promote growth so that African countries can eventually “graduate” from aid.

Second, he assembles evidence suggesting that, in countries where foreign aid has been used effectively, there has been rapid growth and development. Thus, my argument that African countries should work themselves off aid means that the countries that follow such a strategy will prematurely cut themselves off from resources that could be used to accelerate growth and development. Given the low income of African countries, Gray does not see this as a useful approach to development.

Third, Gray sees my descriptions of some of the patterns of behavior underlying aid dependency as “jaundiced.” In his view, my characterization of that behavior is overblown.

Aid’s perverse effect on African growth

On the first point, it is true that, if the various adjustment programs that have been implemented in Africa since the mid-1970s had been executed as intended, scholars would have written about the “African miracle” as well as the Asian one. History, however, shows that (with the exception of Mauritius) implementation has fallen well short of intentions. Therefore, instead of describing miracles, scholars write volumes on why Africa has been “marginalized.”¹³ My view, which is not shared by Gray, has been that aid has contributed to that process.

In this respect, the Burnside-Dollar study cited by Gray to support his argument can be re-interpreted to help explain why Africa has performed so poorly. African governments in general have not pursued growth-oriented programs.¹⁴ Since they have been provided with inordinate amounts of foreign aid on the basis that they would adopt such programs, one has to ask whether there is anything fundamentally wrong with those programs. According to Gray, nothing was. They were growth-oriented. If we grant this, our attention shifts back to aid -- how it is generated and how it is used. Since the Marshall Plan, it has been recognized that aid is fungible and supports many activities unrelated to growth. There is now ample evidence showing that African governments have spent large amounts of the aid they

received non-productively. Minor changes in aid procedures will not overcome this behavior. Fundamental changes are required. An “aid exit” strategy is such a change.

It is interesting to observe the type of evidence Gray assembles to support the view that, when aid is productively used, it has a positive effect on growth. None of the examples is from Africa. I had already acknowledged that when aid is appropriately used, it will promote growth. Examples include the post-WWII reconstruction of Europe, Japan, Korea and Taiwan’s growth in the late 1950s and 1960s, and Mauritius’ growth and development following its shift to an export-oriented strategy.

The evidence cited by Gray, however, strengthens rather than weakens my case for an “aid exit” strategy. His examples, the Asian tigers and cubs, support my view that aid becomes counterproductive when the flows are so large that they come to dominate the development agenda. Foreign assistance to Malaysia and Thailand, for example, was never so large that it overwhelmed those countries’ budgets and policy agendas.

That, however, has not been the case in Africa. World Bank data (reported in Table 1 below) show that, excluding South Africa and Nigeria, countries in SSA have received net flows of aid averaging 7.9 percent of GDP over the period 1971 to 1997. For the decade 1987-1997, the net flows exceeded 10 percent of GDP. None of the Asian countries (indeed no other set of countries anywhere in the world) ever received net aid of this magnitude for such an extended period. In Asia, aid represented a marginal addition to resource flows. It did not dominate or displace local flows as it has in Africa.

Despite all this aid, SSA’s average per capita growth rate during 1971-97 averaged *minus* 0.06 percent. That is, massive net flows of aid were associated with stagnation in per capita real income for the whole sub-region.

Obviously, these data can be interpreted in a number of ways. Proponents of aid would argue that the income decline would have been even more dramatic if aid of that magnitude had not been provided. Opponents of aid would suggest that such large flows of aid obviated any need for the governments to adjust. Growth suffered as a consequence. My initial essay above expresses views close to the second position. In my opinion, it is difficult to argue that provision of such large amounts of aid, much of it within the context of donor-sponsored adjustment programs, has been a success. Indeed, when viewed as a 25-year experiment in whether aid can help promote growth in Africa, the only logical conclusion is that the experiment failed.

Indeed, one has to ask what sort of transformation processes have been operating throughout Africa. Each year for most of the last three decades, foreign savings averaging almost 8 percent of SSA’s GDP have been transferred to Africa. When combined with resources generated locally, these foreign savings have done no more than produce stagnation. Why would anyone defend this use of international wealth?

Table 1.

| Year | Sub-Saharan Africa (excl. S. Africa & Nigeria) | | | | | Sub-Saharan Africa | | | | |
|-----------------|--|-----------------------|----------|----------|---------------|--------------------|-----------------------|----------|----------|---------------|
| | GDP | Net ODA all donors | Net ODA | GDP p.c. | GDP growth | GDP | Net ODA all donors | Net ODA | GDP p.c. | GDP growth |
| | bill. USD | bill. USD | % of GDP | 1987 USD | % | bill. USD | bill. USD | % of GDP | 1987 USD | % |
| 1971 | 33.13 | 1.08 | 3.25 | 391.6 | 3.75 | 60.87 | 1.18 | 1.95 | 546.6 | 3.92 |
| 1972 | 37.18 | 1.22 | 3.27 | 392.4 | 0.20 | 68.96 | 1.30 | 1.88 | 542.7 | -0.72 |
| 1973 | 45.64 | 1.53 | 3.36 | 387.1 | -1.36 | 88.01 | 1.61 | 1.83 | 547.1 | 0.81 |
| 1974 | 55.86 | 2.36 | 4.22 | 403.4 | 4.21 | 115.86 | 2.43 | 2.10 | 574.1 | 4.93 |
| 1975 | 63.82 | 3.19 | 4.99 | 406.8 | 0.86 | 127.42 | 3.27 | 2.56 | 568.8 | -0.91 |
| 1976 | 68.65 | 3.06 | 4.45 | 424.3 | 4.30 | 139.53 | 3.11 | 2.23 | 582.0 | 2.32 |
| 1977 | 80.40 | 3.59 | 4.47 | 432.2 | 1.87 | 153.68 | 3.63 | 2.36 | 581.1 | -0.17 |
| 1978 | 93.81 | 4.89 | 5.21 | 431.3 | -0.23 | 172.38 | 4.93 | 2.86 | 573.3 | -1.33 |
| 1979 | 107.12 | 6.28 | 5.86 | 422.5 | -2.04 | 207.72 | 6.31 | 3.04 | 572.0 | -0.23 |
| 1980 | 119.93 | 7.36 | 6.14 | 411.7 | -2.56 | 266.24 | 7.39 | 2.78 | 578.2 | 1.09 |
| 1981 | 115.48 | 7.28 | 6.31 | 415.5 | 0.92 | 259.10 | 7.32 | 2.83 | 573.4 | -0.84 |
| 1982 | 116.78 | 7.49 | 6.41 | 418.7 | 0.78 | 242.53 | 7.53 | 3.10 | 563.4 | -1.74 |
| 1983 | 110.70 | 7.25 | 6.55 | 409.8 | -2.11 | 229.45 | 7.30 | 3.18 | 539.7 | -4.22 |
| 1984 | 107.08 | 7.55 | 7.05 | 396.8 | -3.18 | 208.99 | 7.58 | 3.63 | 530.9 | -1.63 |
| 1985 | 109.18 | 8.49 | 7.78 | 394.4 | -0.60 | 192.96 | 8.53 | 4.42 | 523.4 | -1.41 |
| 1986 | 127.44 | 10.42 | 8.17 | 398.2 | 0.94 | 210.34 | 10.48 | 4.98 | 521.4 | -0.37 |
| 1987 | 135.72 | 12.02 | 8.86 | 395.2 | -0.74 | 241.23 | 12.09 | 5.01 | 517.2 | -0.81 |
| 1988 | 139.19 | 13.61 | 9.77 | 389.5 | -1.43 | 250.21 | 13.73 | 5.49 | 520.3 | 0.59 |
| 1989 | 140.37 | 14.18 | 10.10 | 390.1 | 0.16 | 255.96 | 14.52 | 5.67 | 522.6 | 0.45 |
| 1990 | 147.77 | 17.03 | 11.53 | 381.3 | -2.26 | 282.99 | 17.28 | 6.11 | 513.4 | -1.77 |
| 1991 | 141.86 | 16.73 | 11.80 | 374.6 | -1.75 | 281.63 | 17.00 | 6.03 | 503.5 | -1.92 |
| 1992 | 135.93 | 18.02 | 13.26 | 367.9 | -1.80 | 285.00 | 18.28 | 6.41 | 490.0 | -2.68 |
| 1993 | 129.68 | 16.28 | 12.55 | 361.9 | -1.63 | 270.63 | 16.83 | 6.22 | 484.3 | -1.16 |
| 1994 | 116.96 | 17.67 | 15.10 | 360.4 | -0.43 | 264.42 | 18.15 | 6.86 | 482.5 | -0.38 |
| 1995 | 134.11 | 17.32 | 12.91 | 367.2 | 1.90 | 292.53 | 17.91 | 6.12 | 487.4 | 1.02 |
| 1996 | 159.99 | 15.13 | 9.46 | 378.2 | 2.98 | 314.38 | 17.20 | 5.47 | 494.6 | 1.48 |
| 1997 | 157.76 | 15.16 | 9.61 | 384.0 | 1.54 | 326.71 | 15.86 | 4.85 | 497.5 | 0.58 |
| avg. 1971-97 | 108.58 | 9.49 | 7.82 | 395.8 | 0.06 | 215.18 | 9.73 | 4.06 | 534.5 | -0.21 |

Source: African Development Indicators, 1998/99, World Bank

Gray's reference to ICORs and Harrod-Domar modeling was useful. It allows me to refer to the context in which those models were "standard" development tools. It is worth recalling that exercises using these approaches were based on two assumptions. First, foreign resources would primarily be used for investment, i.e., capital formation. Second, the aid flows would be administered efficiently.¹⁵ Neither assumption has been valid in most instances across Africa over the last three decades. (The data cited earlier confirm this.)

On a related point, Gray suggests that aid flows need to continue so that the gap in incomes and wealth between the rich and poor countries can be closed. The data above indicate that massive flows of aid have done nothing to prevent those gaps from widening. They are likely to continue widening as long as aid flows continue to support activities (such as consumption and transfers abroad of illicit gains) that hamper rather than induce growth.

The impact of aid gamesmanship

Gray's third criticism of my arguments is that they represent a jaundiced view of the games that underpin the generation, distribution, and use of aid. I do not view my explicit recognition of the various incentives and disincentives that exist for "games" as being "jaundiced." My paper has not followed the wholesale attack on the aid community in Hancock's *Lords of Poverty*. I have not recited lines of doggerel to denigrate "The Development Set." Nor have I attempted, as Chambers does, to disparage development officials as "rural development tourists."¹⁶ What I have tried to point out, as Schelling made clear in *The Strategy of Conflict*, is that in circumstances with limited numbers of actors whose motives are mixed, games of some form will emerge. There is no *optimum optimorum* independent of the mutual interactions and reactions of the various parties involved. These games and how they are resolved are in fact the point of departure for the literature on the political economy of aid.¹⁷

By highlighting the games played by parties on both sides of the aid relationship, I have sought to illustrate how the dynamics of mutually dependent decisions can lead (as Schelling also pointed out) to adverse social outcomes. Hence, I do not see my views as being jaundiced when I point out that the interactions between African governments and aid agencies have made aid the resource of first rather than last resort. Governments typically assert that aid is meant to help their countries develop; aid agencies similarly state that aid is meant to help African countries grow and develop. That has not happened. I have suggested that both parties need to change their behavior in ways that promote rather than stifle growth and development.

The proposed "aid exit" strategy offers a structured means for African governments to do this. In this regard, I do not see that Gray's suggestion that donors withhold aid from non-reforming countries until they change their behavior is constructive or workable. For a start, it presumes that the ineffectiveness of aid can be fully attributed to the actions (or inaction) of African governments. There is no recognition that aid agencies are also culpable. Secondly, the donors themselves are unlikely to withhold aid. They have rarely done so in the past. They are unlikely to start doing it now, especially when an increasing number of aid officials see Africa as being "on the move."¹⁸

As a final comment, Gray's criticisms are evidence that foreign aid remains a controversial topic. There are no easy answers to the problems of restarting and sustaining growth and development in Africa. Both Gray and I have been, and remain, fully committed to seeing African countries move forward. For that to happen, I believe the aid relationship has to be fundamentally changed. Gray believes that some moderate revamping of procedures would suffice.

To decide which view is valid, I urge African officials to review the record. If they are content with another 25 years of aid producing no growth in real per capita income, they will conclude that minor modifications are all that are needed. But, if they want their economies to have the prospect of moving to a substantially higher growth path, they will want to fundamentally change the aid relationship. An "aid exit" strategy is a way that can be done.

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Endnotes

¹ CID 1999

² Bauer 1991

³ This paper draws upon James S. Duesenberry and Author A “Restarting and Sustaining Growth and Development in Africa: The Role of Macroeconomic Management” EAGER/Public Strategies for Growth with Equity Discussion Paper *forthcoming 2000*, Catharine Hill and Author A “Economic Growth and Development in Zambia The Way Forward” Paper prepared for the Embassy of Sweden, Lusaka, Zambia, 25th June 1998 and updated December, 1999, and Author A “Ending Aid Dependence in Zambia” Chapter 13 in (eds.) C.B.Hill and Author A *Economic Reform in Zambia: The Potential and the Performance* draft manuscript Harvard Institute for International Development, Cambridge, MA, draft February, 2000

⁴ The recent book by Lancaster (1999) is one of several that over the years has examined the impact of aid and found that aid to Africa has been generally ineffective. Her conclusion, however, is not that aid should be ended or even radically restructured. Her conclusion is that donors and governments need to cooperate more closely to make aid effective.

⁵ Freidman 1958; Bhagwati and Eckaus 1970; Ohlin 1966; Bauer 1976, 1991; Moore Lappe, Collins and Kinley 1981; Morss 1984; Ayittey 1992, 1998; *The Economist* 1994; Johnson 1997

⁶ Johnson (1997) noted that some African countries have been receiving aid from the United States for more than fifty years. Most African countries have supported by the U.S. since the 1960s. Per capita incomes in a substantial number of these countries have declined.

⁷ USDS 1964; Bell 1965; Orme 1992

⁸ John F. Kennedy quoted in Goldwin 1963, p.7. See also Gardner (1962)

⁹ Krugman 1989, p.204

¹⁰ European Union, World Bank and American attitudes to aid are evident in Cassen *et al.* 1994; European Union (1996), World Bank (1998), Brent (1990), and Lancaster (1999). None of these sources suggests that these agencies intend phasing out or fundamentally restructuring their aid programs.

¹¹ World Bank 2000

¹³ Cassen *et al.* 1994; World Bank 1998; Lancaster 1999

¹⁴ Collier 1995

¹⁵ A problem with the Burnside/Dollar studies and subsequent work conducted for the *Assessing Aid* study of the World Bank (1998) is that it is based on single equation (reduced form) techniques. Since the effects of aid are so diffuse, they should be measured using simultaneous estimation procedures at least. We have done this for several individual countries and for a large group (16) of African countries (Author A and Rakovski 1998, 1999, 2000). Thus, far we have found no instances of where aid has had an overwhelming positive effect on economic growth. On the contrary, our results show aid flows relative to GDP show up with a negative

coefficient. At best, it has been positive but statistically insignificant.

¹⁶ Both points are explicit in Chenery (1963, 1987).

¹⁷ Robert Chambers 1983

¹⁸ Sandbrook 1987, 1993; Hyden and Bratton 1992; Bates and Krueger 1993; van der Walle 1996; Berg 1996; Sachs and Author A 1997; Brautigam 1999

¹⁹ Madavo and Sarbib 1997; Calimitsis, Basu, and Ghura 1999

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