Index

Adam, S. 19, 80
AERC (African Economic Research Consortium) 60
Africa
  external shocks, and economic performance 25
  impact of PRSPs 123
African Economic Research Consortium (AERC) 60
African Forum and Network on Debt and Development 124
Aid and Reform in Africa 105
aid
  amounts 7–10
  and consumption 46–7
  and economic policy see conditionality-based finance
  impact on growth 38–44
  IMF programmes 75, 77–8
  intrusive approaches 107–10, 165–6
  see also conditionality-based finance; democracy and governance programmes
  and investment 44–7
  and poverty reduction 6, 109–10
  see also poverty reduction strategies
  and public expenditure 44–7
  rationale for 5–7
  and savings 46
  World Bank programmes see World Bank
  see also programme aid; project aid; technical assistance
  conditionality see conditionality-based finance
  poverty reduction strategies 106–7, 110–20, 125–40, 170
  selectivity 106–8
aid concepts 1
aid dependence 9
PRSP countries 137–8
‘aid dividend’ 171
aid effectiveness
  impact of economic policy 39–44, 109–10
  impact of NGOs 71–3
  impact of staff attitudes 99–104
  aid flexibility 79, 82–3
  aid independence potential 160–61
  aid organizations
    restructuring 170–71
    staff attitudes 99–104
  aid policy index 107
Albania, PRSP growth strategy 126, 127, 130–40
Alec, I. 90
Alesina, A. 6, 21, 22, 81, 115, 119
altruistic motives for aid 6
  impact on effectiveness 101–2
Amsden, A. 28
anti-corruption measures, PRSPs 132–4, 139
Arndt, C. 59
Assessing Aid 83
asset accumulation, East Asia 27
Azam, J.P. 9, 69
Bardhan, P. 18, 36
Barro, R.J. 13, 15–16, 115, 116, 117
Berg, E. 57–8, 67
Bhagwati, J. 87
Bhalla, S.S. 112–14
Bhutan, MCA qualification 152–3
Birdsall, N. 111
Boettke, P.J. 31
Bolivia, PRSP growth strategy 127, 130–40
Boone, P. 39, 46, 47, 119
Booth, D. 123
borrowing rate and debt relief 82
Index

Bruno, M. 38, 112, 117
bureaucracy quality, impact on growth 17, 22–4
bureaucratic behaviour, and aid effectiveness 102–3
Burnside, C. 22, 39, 40, 42, 46, 47, 77, 81
Buyck, B. 57
capital accumulation, East Asia 27
Carothers, T. 142–3
Cassen, R. 49, 56
CDF (Comprehensive Development Framework) 120–24, 158
central banks as technical assistance 67
Chakravarti, A. 62
Chenery, H. 55–6
civil liberties
  effect on growth 21
  and PRSPs 134–6
civil service and technical assistance effectiveness 67–8
Commander, S. 17
commodity aid 52
competition
  effect on dissemination of knowledge 93
  Mozambique 146–7
  Zimbabwe 149
Comprehensive Development Framework (CDF) 120–24, 158
conditionality-based finance 75–84, 106
and staff attitude 103–4
  see also democracy and governance programmes; poverty reduction strategies
conditionality, intrusive 107–8
  see also democracy and governance programmes
Conducting a DG Assessment: A Framework for Strategy Development 145
consensus
  Mozambique 147
  Zimbabwe 149
consumption and aid 46–7
coordination failures 36
corruption
  in aid organizations 102–3
  impact on growth 20–22
  see also anti-corruption measures
Country Policy and Institutional Assessment (CPIA) 107
‘crony capitalism’ 29–30
cultural influence on institution development 32–3
Dalgaard, C. 42
De Long, J.B. 18, 19
debt relief, and borrowing rate 82
democracy and governance programmes 84, 107, 141–54
democracy template 142–3
Devarajan, S. 45
Development Compact 162–8, 169
development finance institutions, need for rationalization 171
development, new paradigms 3, 31–7, 158–72
development research restructuring 97–8
World Bank 92–7
distortions and neo-classical theory 85–92
Dixit, A. 99
Dollar, D. 38, 112
donor organizations see aid organizations
‘drivers seat’ concept 83
Dubarry, R. 40
East Asia
  economic development 26–31
  external shocks, impact on economic performance 25
Easterly, W. 15, 22, 25, 31, 40, 42, 45, 78, 81, 82
economic competition
  Mozambique 146–7
  Zimbabwe 149
economic growth see growth, economic
economic policies
  and aid effectiveness 6, 39–44, 76–7, 109–10
  and growth 13–16, 27–8
economic rationality and institutional
development 91–2
economic theory, modern 11–26, 35–7, 87
and market failures 87
education and training programmes 62–3
Edwards, S. 78
Ellerman, D. 94
encompassing interest 18
endogenous growth theories 11–12
enhanced structural adjustment facility
(ESAF) 75
equipment aid 52, 63
ethno-linguistic diversity and corruption
80
Evans, A. 123
external shocks, impact on economic
performance 24–6
Ferreira, F. 117
Feyzioglu, T. 44, 46
Filmer, D. 119
financing strategies, PRSP countries
137–8
first-best policies and developing
countries 84–92
Fischer, S. 13
Forbes, K. 115
Foreign Aid in the National Interest
143–4
Forss, K. 57
Friedman, M. 47
gap models and technical assistance 65
generalized methods of moments
(GMM) methodology 40–42
Gibbs, C. 72
Gilbert, C.L. 92, 94
Gini coefficients 111, 115
Global Private Capital Fund 169
goals, aid organizations 99–100
Gordon, A. 33
governance see political governance
government expenditure
and aid 44–7
impact on poverty 118–20
government interventions and economic
growth 29–30
government size, relationship with
growth 17
grant component of aid 7–8
growth, economic 11–37
determinants 11–12, 23–4
East Asia 26–31
and economic policies 13–16
and external shocks 24–6
impact of governance 16–24
impact on poverty 38, 111–15
preconditions 31–2
PRSP strategies 126–9
Guyana, PRSP growth strategy 114, 127,
130–40
Hadjimichael, M. 40
Hansen, H. 40–42, 46
Hanushek, E. 119
highly indebted poor countries (HIPC)
debt initiatives 81–2
historical legacy and belief systems 32–7
Hoff, K. 36
Honduras, PRSP growth strategy 127–8,
130–40
Hudson, J. 42
Hughes, H. 30
human capacity building 55–6, 62–3,
64–9
and domestic political forces 62–3
and economic reform 13, 15
impact of 15, 62
human capital and growth 15
human rights and PRSPs 134–5
ICRG (international country risk
guide) 22
ideas, competition in
Mozambique 147
Zimbabwe 149
IMF aid programmes 75
Policy Framework Paper (PFP) 86–8
and policy reform 77–9
poverty reduction and growth
facility (PRGF) 86–8
incentives
and development 31
aid staff 99–104
income
impact of governance 23
impact on poverty 38
India, institutional structures 34
industrial policy, East Asia 29–30
inequalities and growth 115–18
and poverty reduction 110–20
and public policy 116
institutional development and economic rationality 91–2
institutions
dysfunctional nature 18, 36, 67
evolution of 32–7, 66–7, 91–2
impact on growth 12, 21–4, 32–5
East Asia 28
multinational corporation model 66–7
reform and PRSPs 131–6
technical assistance projects 54
Western model 33–7
interest rate policy, neo-classical 89–90
internal shocks, impact on economic performance 24
International Country Risk Guide (ICRG) 22
intrusive conditionalities 107–8
investment
and aid 44–7
and growth, East Asia 27–8
productivity of 44–5
investment-based aid models 5
Isham, J. 45, 50
Ito, T. 158
Japan, institutional structure 33–4
Jenkins, R. 123
Kanbur, R. 115–16
Kaufmann, D. 22–3, 65
Killick, T. 77–8, 79
Knack, S. 22
Knight, M. 13
knowledge creation 92–8
Krueger, A. 21
Lall, S. 28
legal system, Mozambique 147–8
Lenschink, R. 119, 160, 161
Levine, R. 13
Li, H. 115
low income countries, aid levels 9
low-level equilibrium trap 36, 171
Lucas, R. 11, 110
macro-economic policies
East Asia 27–8
and growth 13–15, 76–7
Maddison, A. 11
Mankiw, G. 4
marginalization 108–9
market failures
developing world 87
role of state 20
‘market-friendly’ strategy, and growth 29
Mauritania, PRSP growth strategy 114,
128, 130–40
Mauro, P. 21–2
Metzler Commission 160
Milanovic, B. 113
Millennium Challenge Account (MCA)
107, 151–4, 159
Millennium Development Goals (MDG) 156
modern economic theory see economic theory, modern
monopoly of World Bank in research 93, 97
moral hazard in donor organizations 99
Morocco, technical assistance projects 59–60
Mosley, P. 39, 43, 46, 52, 76, 77, 162
Moss, M. 147
motivation, aid officials 100–104
Mozambique
democracy and governance assessment 146–8
MCA qualification 153–4
PRSP growth strategy 128, 130–40
multilateral institutions, restructuring 97–8, 170–71
multinational corporations as model of institutional development 66–7
Murphy, K. 21
Musgrove, P. 119
Nadiri, M. 11
Nashashibi, K. 78
natural disasters, impact on growth 26
Nelson, P. 120
neo-classical theory
inappropriate for developing countries 87–92
of the state 17–18
New Development Compact 162–8, 169
new institutional economics (NIE) 12
Nicaragua, PRSP growth strategy 126, 128–9, 130–40
non-governmental organizations (NGOs) 70–73
and technical assistance 61
North, D. 12, 33
Norway, aid policy 154–5
objectives, aid organizations 99–100
ODI (Overseas Development Institute) conditionality study 123
Olson, M. 18, 35
outcome-related incentives 106
see also conditionality-based finance; poverty reduction strategies
overseas development assistance (ODA) see aid
Overseas Development Institute (ODI) conditionality study 123
ownership, aid programmes 83
path dependence 33
performance assessment, aid organizations 99–100
Persson, T. 115
policy see economic policies
Policy Framework Paper (PFP) 76, 86–8
political competition
Mozambique 146
Zimbabwe 149
political governance
impact on growth 16–24
and PRSPs 131–6, 139–40
reform and aid strategies 140–57, 162–70
politics and aid 5–6, 163
see also democracy and governance programmes
poverty
impact of aid 109–10
impact of economic growth 111–15
impact of public spending 118–20
as motivation for aid 6
see also poverty reduction strategies
Poverty Reduction and Growth Facility (PRGF) 86–8
poverty reduction strategies 106–7, 110–20, 125–40, 170
Poverty Reduction Strategy Paper 84
Poverty Reduction Strategy Papers (PRSPs) 106, 111, 114, 122–4, 125–40, 170
and aid dependence 137–8
and civil liberties 134–6
and corruption 132–4
and private investment 130–31
and public administration 131–3
Poverty Reduction Strategy Sourcebook 121–2, 126, 139
poverty trap 2, 108–10
see also low-level equilibrium trap
PRGF (Poverty Reduction and Growth Facility) 86–8
price liberalization, Russia 89
private investment 159–62
East Asia, impact on growth 28
strategies, developing countries 130–31
private sector capacity building 61
private voluntary organizations (PVOs)
see non-governmental organizations
privatization, Russia 89
productivity of investment 44–5
programme aid 51–2
project aid 48–51
PRSPs (Poverty Reduction Strategy Papers) 106, 111, 114, 122–4, 125–40, 170
Psacharopolous, G. 62
public administration reform and PRSPs 131–3
public expenditure see government expenditure
public investment, impact on growth 44–5
East Asia 28
public policy, impact of inequalities 116
Radelet, S. 151
Ravallion, M. 110, 113
recipient governments response to aid 79–84
recipient-led aid programmes 83
rent-seeking behaviour
in aid organizations 101, 102–3
developing countries 20–21
research programmes as technical cooperation 61–2
World Bank 92–7
Index

Robinson, S. 11
Rodrik, D. 23, 24, 25, 81, 89
Romer, P. 11
rule of law
Mozambique 147–8
Zimbabwe 149
Russia, impact of IMF first-best policies 89
SAF (structural adjustment facility) 75
SAL (structural adjustment loan) 75
Sala-i-Martin, X. 113
savings
and aid 46
East Asia 27
Schadler, S. 77
second-best approaches 84–92
selectivity and aid allocation 106–8, 163
September 11 1
skills formation, and technical assistance 64–5
skills gap and technical assistance 55–6
social policies and growth 13–16
social sector public spending, and PRSPs 136–7, 140
sovereignty
of recipient country 79–80
and selectivity 105–10
Srinivasan, T. 4, 89
staff attitudes, impact on aid effectiveness 99–104
state
and public interest 16, 17–18, 19
role in development process 16–21, 79–80
Stein, H. 28–9
Stiglitz, J.E. 30, 87, 89, 94, 95, 104
structural adjustment facility (SAF) 75
structural adjustment loan (SAL) 75
Stuart, B. 78
Svensson, J. 80
Swaziland, MCA qualification 153
Sweden, aid policy 155
Tanzania, PRSP growth strategy 129, 130–40
Taylor, L. 44
technical assistance 8, 53–70
education and training 54–5, 62–3
evaluation 56–64
flawed model 64–70
institution-building 54
research 61–2
systemic factors 58, 67–8
Technical Assistance Task Force, World Bank 57
technical cooperation see technical assistance
Thirlwall, A.P. 11
Thomas, V. 95
training programmes 54–5, 62–3
transaction cost theory and aid organization assessment 99–101
Turkey, institutional structures 34–5
Uganda, PRSP growth strategy 114, 129, 130–40
United Kingdom aid policy 155
United Nations
development agencies 69–70, 170–71
Millennium Development Goals (MDG) 156
United States
aid strategies 107, 141–54, 156
Mozambique 146–8
Zimbabwe 148–50
democracy and governance programmes 84, 107, 141–54
Van de Walle, N. 43
Varshney, A. 116
Wade, R. 28
Williamson, O. 32
Wolfensohn, J. 120, 122
World Bank
aid policy 74–7
Country Policy and Institutional Assessment (CPIA) 107
and development research 92–7
poverty reduction approach see Poverty Reduction Strategy Papers
project evaluation 50, 58–9
rationalization 171
Technical Assistance Task Force 57
World Development Report 1990 120
Zaidi, S. 72

Zambia
and conditionality failure 77
PRSP growth strategy 129, 130–40
Zimbabwe, democracy and governance
assessment 148–50