Corruption and Foreign Aid

Weder and Alesina, Beatrice and Alberto. "Do Corrupt Government Governments Receive Less Foreign Aid?" (1999): 3-20. Print.

According to the authors, corrupt governments tend to receive more foreign aid than those that are less corrupt. The authors ask four questions and answer them using the research and data they have collected from other scholarly articles. The first question they ask that is very relevant to my topic is “do less corrupt governments receive more aid?” In their research, they have found that there is no evidence to support the statement that less corrupt governments receive more aid. In fact, it is the contrary. Corrupt governments receive more foreign aid. In their study, they prove that the U.S. and other major foreign aid donors give more assistance and aid to more corrupt governments even though all the donor countries prefer democracy over dictatorship. Something I found intriguing is the statement they made about how if donor countries do not pay attention to the level of corruption present in the aid receiving countries, the issue of “good governance” becomes insignificant. I want to look at the correlation between corruption and foreign aid and this article does a great job at proving how corruption is fully funded by aid in this poor countries. Also, at the end, they use tables to further explain and support their argument. The table provides the amount of money that has flown into counties with corrupt and less corrupt counties. It it interesting how the counties with corrupt governments receive more aid than those who have good governemtnts. I find it difficult to understand and read the table easily but hopefully I can use it for my paper.

Easterly and Freschi, William and Laura. “Supporting Repression in Ethiopia?” *The New York Review of Books*, 15 Nov. 2010. Web. 15 May 2015.

I was drawn into using this article mainly because of the title, which is “Why Are We Supporting Repression in Ethiopia?” I am from Ethiopia and I was primarily interested in researching the issue of corruption and aid in Ethiopia, but it is very difficult to find extensive research on Ethiopia specifically. Therefore, I decided to do Sub-Saharan African countries. This was one of the only articles I found on Ethiopia and it does a great job of addressing the opinions of the people who live in Ethiopia. What makes this paper unique is that it uses surveys that were done in Ethiopia and it makes its argument from the standpoint of the poor Ethiopian residents. This article is relevant to my research because it supports the argument that foreign aid causes corruption and more foreign aid flows to countries with corrupt governments. Human Rights Watch interviewed 200 people in 53 villages and cities throughout the country. Based on the interview that was conducted by The Human Rights Watch, the report concludes that the Ethiopian government uses foreign aid as a “political weapon” to discriminate against people who are not supportive of the political party in power by sending the powerful message that “survival depends on political loyalty to the state and the ruling party.” This article also mentions that donor countries and private funders are aware of the abuse committed by these corrupt governments, but they tend to look past such behavior because WHY?. After 2005, the Ethiopian government was successful at forcing donors to give their aid directly to the government instead of going through the United Nations or World Bank. This move increased corruption and ensured that foreign aid never makes it to those who need it most. This article will be very helpful for my essay considering it contains information that other articles do not and it brings unique perspective of the issue of corruption and foreign aid.

"Corrupt Governments Do Not Receive More State-to-state Aid: Governance and the Delivery of Foreign Aid through Non-state Actors.*Kiel Institute for the World Economy, Germany*, 2 Feb. 2014. Web. 15 May 2015.

This research paper makes the same argument as that made by Alberto Alesina and Beatrice Weder. Because donors feel obligated to give aid to counties that are very unstable and need support, they give mostly to counties that tend to have governments that are corrupt and mismanage foreign aid funds. So the problem has been how to get the aid to its intended location which is the poor. This research paper argues that to solve the problem of corruption, we need to deliver aid through “non-state actors.” Non state actors are organizations like NGOS, which can go directly to third world counties and help by building infrastructure and provide basic necessities to the poor. That way we ensure that the money is not going directly into the governement’s pocket. DO WHAT. This article provides data and graphs showing the money flow to Ethiopia through foreign aid and how it has affected regions in Ethiopia.

Moyo, Dambisa. "Why Foreign Aid Is Hurting Africa." *WSJ*. N.p., 29 Mar. 2009. Web. 15 May 2015.

Dr. Dambisa Moyo is a global economist who writes on the macro-economy and international affairs a global economist. Dambisa was named by *TIME Magazine* as one of the “100 Most Influential People in the World,” and to the World Economic Forum’s Young Global Leaders Forum. She was awarded the 2013 Hayek Lifetime Achievement Award, named for the Nobel Prize winner and recipient of the Presidential Medal of Freedom, Friedrich Hayek. The lists of her achievements are endless. So this article will be a great source to use for my paper. Her paper begins by arguing, “money from rich countries has trapped many African nations in a cycle of corruption, slower economic growth and poverty. Cutting off the flow would be far more beneficial.” Her main argument is that foreign aid has done more damage on the continent of Africa than good because it has created a cycle of poverty. Foreign aid does help poor countries alleviate some struggle, but it does not work in the long run. Moyo argues that while foreign aid might help send poor students to school but once they graduate, their county cannot provide them jobs once they are out. Therefore, the tactics of foreign aid need to change in order to have a long term effect. Another good point she makes it that foreign aid makes poor countries depend on it. It discourages the people to pull themselves out of poverty. It also increases the rate of corruption and it gives power to those in power who are usually the main barrier of the county's success. I will use her studies and personal experience to support my argument.