

## Master list of the AEL: The Aid Effectiveness Literature

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Updated and checked by Morten Kold Jensen and Jakob Børsting Sørensen

Criteria for inclusion on List 1: (1) Contains estimates of aid effectiveness effects. (2) Is in English. We have searched diligently, but some are sure to have escaped our net. However, we do think that we have covered nearly everything.

List 2 covers some surveys and discussion papers that are often referred to. List 2 is by no means complete.

### List 1. The aid effectiveness literature till 1-1-2009

#### No Author and publication details

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- 6 Arellano, C., Buliř, A., Lane, T., Lipschitz, L., 2009. The Dynamic Implications of Foreign Aid and Its Variability. *Journal of Development Economics* 88, 87-102
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- 8 Bobba, M., Powell, A., 2007. Aid and growth: Politics matters. IDB Research Department WP
- 9 Boone, P., 1994. The impact of foreign aid on savings and growth. WP London School of Econ.
- 10 Boone, P., 1996. Politics and the effectiveness of foreign aid. *European Economic Review* 40, 289-329
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- 12 Bowen, J.L., 1998. *Foreign aid and economic growth: A theoretical and empirical investigation*. Ashgate, Aldershot, UK
- 13 Bowles, P., 1987. Foreign aid and domestic savings in less developed countries: Some tests for causality.

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  - 17 Burnside, C., Dollar, D., 2000. Aid, policies and growth. *American Economic Review* 90, 847-68 (WP 1996)
  - 18 Burnside, C., Dollar, D., 2004. Aid, policies and growth: Reply. *American Economic Review* 94, 781-84 (reply to Easterly, Levine and Roodman, 2004)
  - 19 Campbell, R., 1999. Foreign aid, domestic savings and economic growth: Some evidence from the ECCB area. *Savings and Development* 23, 255-77
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  - 35 Dollar, D., Easterly, W., 1999. The search for the key: Aid, investment and policies in Africa. *Journal of African Economies* 8, 546-77

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- 81 Islam, M.A., 2003. Political regimes and the effect of foreign aid on economic growth. *The Journal of Developing Areas* 37, 35-53
- 82 Jayaraman, T.K., Ward, B.D., 2006. Economic growth in a vulnerable island nation: An empirical study of the aid-growth nexus in Vanuatu. *Asia-Pacific Development Journal* 13, 93-112
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- 101 Loxley, J., Sackey, H.A., 2008. Aid effectiveness in Africa. WP, African Development Bank
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- 103 Mahdavi, S., 1990. The effects of foreign resource inflows on composition of aggregate expenditure in developing countries: A seemingly unrelated model. *Kyklos* 43, 111-37
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## List 2. Papers with discussion, background etc. – very incomplete.

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- 10 White, H., 1992. The macroeconomic impact of development aid: A critical survey. *Journal of Development Studies* 28, 163- 240
- 11 White, H., 1992. What Do We Know About Aid's Macroeconomic Impact? An Overview of the Aid Effectiveness Debate. *Journal of International Development* 4, 121 – 137

The bibliography is the references to the following meta covers studies Hristos Doucouliagos and Martin Paldam:

- (1) Aid effectiveness on accumulation. A meta study. *Kyklos* 59, 227-54, 2006
- (2) Aid effectiveness on growth. A meta study. *European Journal of Political economy* 24, 1-24. 2008
- (3) Conditional aid effectiveness on growth. A meta study. Accepted by the *Journal of International Development*, forthcoming
- (4) The aid effectiveness literature. The sad result of 40 years of research. *Journal of Economic Surveys* 23, 433-61. 2009
- (5) Convergence to zero. The effect of aid on growth. WP January 2009

The fifth meta paper (4) is an update of (2):

The first meta paper (1) contains two meta studies:

### ***Aid effectiveness on savings:***

The idea was proposed and discussed in Rahman (1968); Griffin and Enos (1970); Griffin (1970); Gupta (1970); Ahmed (1971); Over (1975); Fry (1978) and Giovannini (1983).

The relation has been explored by 16 studies, using proper aid data. They are: Papanek (1973); Gupta (1975); Gupta and Islam (1983); Singh (1985); Bowles (1987); Rana and Dowling (1988); Snyder (1990);

Gyimah-Brempong (1992); Lensink (1993); Hadjimichael *et al.* (1995); Bowen (1995); Reichel (1995); Campbell (1999); Hudson and Mosley (2001); Larson (2001) and Ouattara (2004).

***Aid effectiveness on investment:***

27 Studies: Heller (1975); Halevi (1976); McGowan and Smith (1978); McGuire (1987); Mosley *et al.* (1987); Levy (1987; 1988); Mahdavi (1990); Gang and Khan (1991); Khilji and Zampelli (1994); Gyimah-Brempong (1992); Khan and Hoshino (1992); Boone (1994; 1996); Hadjimichael *et al.* (1995); Otim (1996); Snyder (1996); Feyzioglu *et al.* (1998); Franco-Rodriguez *et al.* (1998); Dollar and Easterly (1999); Lensink and Morrissey (2000); McGillivray (2000); Franco-Rodriguez (2000); Larson (2001); Hansen and Tarp (2001); Gomanee *et al.* (2002); Mavrotas (2002); Quazi (2004) and Collier and Dollar (2004).

The second meta paper (2) studies:

***Aid effectiveness on growth:***

68 studies : Griffin and Enos (1970); Kellman (1971); Papanek (1973); Gupta (1975); Stoneman (1975); Gulati (1976); Gulati (1978); Mosley (1980); Dowling and Hiemenz (1983); Gupta and Islam (1983); Singh (1985); Landau (1986); Mosley, Hudson and Horrell (1987); Levy (1988); Rana and Dowling (1988); Mahdavi (1990); Landau (1990); Mosley, Hudson and Horrell (1992); Gyimah-Brempong (1992); Islam (1992); Lensink (1993); Mbaku (1993); Snyder (1993); Giles (1994); Boone (1994); Murthy, Ukpolo and Mbaku (1994); Hadjimichael, Ghura, Mühleisen, Nord and Ucer (1995); Reichel (1995); Bowen (1995); Most and Berg (1996); Durbarry, Gemmell and Greenaway (1998); Amavilah (1998); Fayissa and El-Kaissy (1999); Svensson (1999); Campbell (1999); Burnside and Dollar (2000); Lensink and Morrissey (2000); Hansen and Tarp (2000); Gounder (2001); Guillaumont and Chauvet (2001); Hansen and Tarp (2001); Tebouel and Moustier (2001); Hudson and Mosley (2001); Collier and Dehn (2001); Larson (2001); Dalgaard and Hansen (2001); Lensink and White (2001); Lu and Ram (2001); Collier and Dollar (2002); Gomanee, Girma and Morrissey (2002); Moreira (2003); Ovaska (2003); Kosack (2003); Ram (2003); Dayton-Johnson and Hoddinott (2003); Brumm (2003); Burnside and Dollar (2004); Chauvet and Guillaumont (2004); Collier and Hoeffler (2004); Easterly (2003); Dalgaard, Hansen and Tarp (2004); Denkabe (2004); Easterly, Levine and Roodman (2004); Ram (2004); Roodman (2004); Shukralla (2004); Jensen and Paldam (2006); Economides, Kalyvitis and Philippopoulos (2007).

The third meta paper (3) studies:

***The conditionality group of papers***

Antipin and Mavrotas (2006); Bowen (1995); Brumm (2003); Burnside and Dollar (2000); Burnside and Dollar (2004); Chauvet and Guillaumont (2004); Chauvet (2005); Clemens, Radelet and Bhavnani (2004); Collier and Dehn (2001); Collier and Dollar (2002); Collier and Hoeffler (2004); Cordella and Dell’Ariccia (2003); Cungu and Swinnen (2003); Dalgaard and Hansen (2001); Dalgaard, Hansen and Tarp (2004); Dayton-Johnson and Hoddinott (2003); Denkabe (2004); Durbarry, Gemmell and Greenaway (1998); Easterly, Levine and Roodman

(2004); Gomanee, Girma and Morrissey (2002); Guillaumont and Chauvet (2001); Hadjimichael, Ghura, Mühleisen, Nord and Ucer (1995); Hansen and Tarp (2000); Hansen and Tarp (2001); Hudson and Mosley (2001); Islam (2003); Jensen and Paldam (2006); Kosack (2003); Lensink and White (2001); Lu and Ram (2001); Moreira (2003); Murphy and Tresp (2006); Ovaska (2003); Pavlov and Sugden (2006); Rajan and Subramanian (2008); Ram (2004); Roodman (2004); Shukralla (2004); Svensson (1999); and Tebouel and Moustier (2001).

***Aid effectiveness on growth updated:***

The same 68 studies under (2) and the following 38 new ones:

Obwona (2001); Mavrotas (2002); Cordella and Dell’Ariccia (2003); Cungu and Swinnen (2003); Trevino and Upadhyaya (2003); Islam (2003); Clemens, Radelet and Bhavnani (2004); Chauvet (2005); Le and Suruga (2005); Feeny (2005); Kosack and Tobin (2006); Jayaraman and Ward (2006); Karras (2006); Minoiu and Reddy (2006); Murphy and Tresp (2006); Pavlov and Sugden (2006); Antipin and Mavrotas (2006); Feeny (2007); Bhandari, Dhakal, Pradhan and Upadhyaya (2007); Miquel-Florensa (2007); Kourtellos, Tan and Zhang (2007); Kimura, Sawada and Mori (2007); Pettersson (2007); Rao, Sharma and Singh (2007); Herbertsson and Paldam (2007); Hudson and Mosley (2007); Bobba and Powell (2007); Fielding and Knowles (2007); Elbadawi, Kaltani and Schmidt-Hebbel (2007); Dhakal, Rahman and Upadhyaya (2007); Loxley and Sackey (2008); Eris (2008); Alvi, Mukherjee and Shukralla (2008a); Alvi, Mukherjee and Shukralla (2008b); Ouattara and Strobel (2008); Rajan and Subramanian (2008); Fayissa and Nsiah (2008); Tan (2008).

Comments: Two sub-literatures within the AEL study aid by a highly structured mechanisms that are difficult to treat within the frames used. We have tried; but we fear that we have not been fully fair to these papers. They are:

The fiscal allocation mechanism is used in:

Franco-Rodriguez, Morrissey and McGillivray (1998), Franco-Rodriguez (2000), McGillivray (2000), Gomanee, Girma and Morrissey (2002), Morrissey, Osei and Lloyd (2002), Mavrotas (2002), McGillivray and Morrissey (2004) and McGillivray and Ouattara (2005).

Aid volatility is central in:

Lensink and Morrissey (2000) and Pallage and Robe (2001), Buliř and Hamann (2003, 2007). Chauvet (2005), Hudson and Mosley (2007) and Arellano, Buliř, Lane and Lipschitz (2008). Fielding and Mavrotas (2008).

Further, some of the papers use techniques that produce results that we have not managed to make comparable. This applies to:

Pallage and Robe (2001), Morrissey, Osei and Lloyd (2002), Mavrotas (2002) and Dovern and Nunnenkamp (2007).