



FREIBURGER WIRTSCHAFTSWISSENSCHAFTLER e.V.

Absolventenvereinigung



The Needy Donor: An Empirical Analysis of India's Aid Motives

Andreas Fuchs

Universität Heidelberg



Abstract:

It is puzzling to note that India, which has a large domestic constituency of impoverished population that suffers from underdevelopment, chronic poverty and mal-governance, is emerging as an important aid donor. With the intension to learn why poor countries such as India provide foreign aid, this paper is the first to analyze econometrically India's aid allocation decisions. First, we make use of panel data on 118 developing countries on the number of trainee slots allotted to and utilized by partner countries under the Indian Technical and Economic Cooperation (ITEC) program during the period 1996-2005. Second, we utilize cross-sectional data on aid commitments by the Ministry of External Affairs and the Export-Import Bank of India to 128 developing countries in US dollars obtained from AidData during the period 2005-2010. Finally, we compare India's bilateral aid allocation with that of other donors to examine if India is any different. Our findings show that India's aid allocation decisions are largely driven by commercial and political self-interests.

Mittwoch, 18. Januar 2012, 18.15 Uhr
Raum 2330, Kollegiengebäude II