Policy Analysis

Cato Institute Policy Analysis No. 273: Help or Hindrance: Can Foreign Aid Prevent International Crises?

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Executive Summary

Few programs have consumed as many resources with as few positive results as foreign aid. Since World War II the United States has contributed more than $1 trillion in assistance to other countries. Other nations and international aid agencies have provided more. Although individual development projects have no doubt worked, and humanitarian aid can help alleviate the effects of crises, there is little evidence that cash transfers do much to advance growth or stability in the developing world.

The failure of foreign assistance to meet its traditional goals has led to new justifications. A current favorite, especially of the Clinton administration, is that international financial aid can prevent social catastrophe. But almost every country that has suffered internal catastrophe collected abundant foreign aid beforehand. Foreign aid did not forestall catastrophe. To the contrary, in many countries it helped create and aggravate problems.

Decades of financial transfers have not fostered economic growth. Many nations have been losing ground. Seventy developing states are poorer today than they were in 1980, and 43 are worse off than they were in 1970. Aid levels do not correlate with economic growth.

To truly help poor nations, Washington should end government-to-government assistance, which has often buttressed brutal and venal regimes and eased pressure for reform, and drop its trade barriers, which now impede poor nations' participation in the international marketplace.

Introduction

Few programs have consumed as many resources with as few positive results as has foreign aid. Since World War II the United States alone has contributed more than $1 trillion (in 1996 dollars) in bilateral assistance to other countries. Other nations, directly and through such U.S.-funded multilateral institutions as the International Monetary Fund, the World Bank, and the United Nations, have provided hundreds of billions of dollars more.

Yet the recipients of that largesse have, by and large, failed to grow economically and develop democratically. In many cases, so-called aid has proved to be positively harmful, underwriting brutal dictators as they have pillaged their peoples; in other instances, Western financial flows have subsidized the creation of disastrously inefficient state-led development programs. Often, Washington and other sources of aid have backed regimes that were both corrupt and collectivist. [1]

Even many advocates of continued foreign assistance acknowledge the disappointing results of past policies. For instance, the U.S. Agency for International Development admitted in 1993 that "much of the investment financed by U.S. AID and other donors between 1960 and 1980 has disappeared without a trace." [2] U.S. AID administrator Brian Atwood says of the assistance to Zaire, "The investment of over $2 billion of American foreign aid served no purpose." [3]

Instead of dismantling failed programs and reducing ineffective aid flows, however, the Clinton administration has simply concocted new justifications for more of the same. The administration wants to increase total foreign affairs spending by $1.2 billion for fiscal year 1998. Warned Secretary of State Warren Christopher before he left office, "The biggest crisis we're facing in our foreign policy today is whether we will spend what we must to have an effective American foreign policy." [4]

One of the administration's most creative arguments is that assistance can forestall social collapse--the kind of disasters that occurred in Rwanda and Somalia, which triggered expensive American rescue efforts. In his 1997 state of the union address, Clinton claimed, "Every dollar we devote to preventing conflicts . . . brings a sure return in security and savings." [5] That has also been a consistent theme of Atwood as he has attempted to defend his program from proposed congressional budget cuts.

However, there is nothing in five decades of foreign aid experience to indicate that Washington has a unique ability to predict which nations are in the greatest danger of dissolving, let alone to use assistance to forestall such human catastrophes. To the contrary, most of the countries that have collapsed into chaos received significant amounts of aid over the years. Unfortunately, not only was that money used poorly, it often buttressed the very governments that were most responsible for the ensuing disasters.

The Long Failure of Foreign Aid

U.S. economic assistance comes in various forms--grants and loans for bilateral projects, primarily through U.S. AID, as well as credit from multilateral agencies, including the IMF, the World Bank, and such regional agencies as the African Development Bank, to underwrite borrower development projects and provide aid for "structural" economic reforms. Other forms of foreign assistance include security programs, disaster relief, and subsidized crop shipments (primarily Food for Peace). Although there is no doubt that some individual development projects have worked, and that humanitarian aid can help alleviate the effects of crises, there is little evidence, despite the presumption of the term "foreign assistance," that official cash transfers, whether bilateral or multilateral, actually do much to advance growth or stability in the developing world. [6]

The Clinton administration has admitted that the record of aid has not been altogether good. One recent task force reported that "despite decades of foreign assistance, most of Africa and parts of Latin America, Asia and the Middle East are economically worse off today than they were 20 years ago." [7] As a result, the administration cut off funding to some 50 nations, mainly because they are, like Zaire, abject failures. The administration was even more critical of U.S. AID as an organization. Said Atwood, "We were an agency on the road to mediocrity, or worse." [8] The result was an intense administration effort to "reinvent" the agency.

Unfortunately, there is little evidence that better targeting and management would enable foreign aid to assist poor nations in achieving self-sustaining economic growth. [9] Steady financial transfers have not stopped developing countries from stagnating economically; indeed, many nations, particularly in sub-Saharan Africa, have been losing ground economically. The United Nations Development Programme calls the 1980s the "lost decade" for many poorer states. [10] "Over much of this period," explains the international agency, "economic decline or stagnation has affected 100 countries, reducing the incomes of 1.6 billion people--again, more than a quarter of the world's population. In 70 of these countries average incomes are less than they were in 1980--and in 43 countries less than they were in 1970." [11]

International comparisons are obviously fraught with difficulty, but overall aid levels do not correlate positively with economic growth, and many of the recipients of the most foreign assistance, such as Bangladesh, Egypt, India, the Philippines, Sudan, and Tanzania, have been among the globe's worst economic performers. Of course, even a positive correlation would not be enough to prove that aid actually aids. The real issue is causation, and there is no evidence that aid generates growth.

Particularly impressive are studies by Peter Boone of the London School of Economics and the Center for Economic Performance. In an assessment of the experience of nearly 100 nations, he concluded that foreign transfers had no impact on investment levels in recipient countries. "Long-term aid is not a means to create growth," reported Boone. His results yielded "strong evidence against many poverty trap models which predict that aid transfers will allow countries to escape from a low income equilibrium or poverty trap." [12] Boone also reviewed the impact of foreign assistance on recipient regimes and found that aid most benefited local political elites. As he explained, "Aid does not promote economic development for two reasons: Poverty is not caused by capital shortage, and it is not optimal for politicians to adjust distortionary policies when they receive aid flows." [13]

Not only is there no positive correlation between aid levels and economic growth, but most recipients of assistance remain dependent on foreign transfers. As U.S. AID acknowledged in a detailed 1989 report, "Only a handful of countries that started receiving U.S. assistance in the 1950s and 1960s has ever graduated from dependent status." [14] Similarly, some countries have been on IMF programs for literally decades. [15]

Aid for Policy Change

The failure of foreign aid to meet its traditional goals has led to a search for new justifications. One is advancement of market-oriented policy reform. [16] Some skepticism about aid agencies' newfound commitment to the market is in order, however, given the fact that for years foreign aid subsidized governments that were both authoritarian and collectivist.

The results of past policy-oriented lending are not much cause for confidence. Many governments simply are not interested in policy reform. Some of them want their countries to develop but are unwilling to pay the political price for adopting the policies necessary to do so. Others treat ideological objectives as paramount. Still others are simply most interested in staying in power. One need not be a reflexive critic of government to recognize that such regimes are an impediment to development. Writes Alan Carter of Heythrop College in London, "Third World states are neither the instruments of international capital nor of an indigenous bourgeoisie, but are rational actors who will industrialise their economies when practicable, but who often find it in their interests to be accomplices in the dependent development or even underdevelopment of their own economies." [17] In such cases, he warns, "aid primarily serves to prop up regimes that are complicit in the exploitation of their people and the destruction of their environment." [18] Unfortunately, that has been the experience of the IMF and the World Bank, which have for years supposedly been underwriting policy "reform" around the world. Yet most governments have simply taken the money and run, causing those taxpayer-funded organizations to extend new loans. [19]

Aid can inhibit the commitment to reform of even more responsible governments. Warns Cindy Williams of the Congressional Budget Office, "Without reform, however, aid can reinforce policies that do not further development." [20] By masking the pain of economic failure, development assistance allows borrowers to delay reforms, worsening the underlying problem. "Scarcity of resources" in such cases "is good for reform," writes Dani Rodrik of Columbia University. [21] Necessity, brought on by the failure of collectivist and populist economics, almost always drives the reform process. Observed U.S. AID, "Few people, least of all politicians, embark on a deliberate course of change without being motivated by some significant political or economic crisis. The simple fact behind most subsequently successful economic policy is the failure of the one that preceded it." [22] Surely that is the lesson of Russia, where aid has acted as a subsidy for the Yeltsin government, irrespective of its economic policies. The only colorable justification for those payments is that they keep Boris Yeltsin in power, not promote capitalism.

Preventing Crises: The Newest Justification

Even newer is the argument that Western financial transfers can be used to prevent social catastrophe, the veritable implosion of entire nations. In June 1994 a State Department spokesman announced that President Clinton had instructed U.S. AID to "start putting together a socioeconomic and political early warning system, to identify the vulnerabilities" of weak developing states, and to "start putting some resources behind them." [23] Atwood has called this mission "crisis prevention." [24] He has gone on to advocate "preventive investment" in "nation building." [25] He wants the agency to make special efforts to anticipate crises and handle transitions, "to help nations move progressively away from crisis and toward sustainable development." [26]

Others have made much the same argument. Sens. Nancy Kassebaum (R-Kans.) and Richard Lugar (R-Ind.) defended additional contributions to the International Development Association, a World Bank affiliate, on the basis that "a modest investment in development through IDA" will be less than "the costs of humanitarian relief and peacekeeping operations that follow failed regimes and weakened economies." [27] Tom Getman of the Christian relief organization World Vision advocates foreign aid as a means of combating "political and economic instability and regional conflicts." [28] Peter Bell of CARE, another humanitarian group, complains that "the world's wallet says refugee camps are better business than nation-building." He goes on to insist that "we must recognize the value of dollars to prevent conflicts." [29]

Sadako Ogata, the UN high commissioner for refugees, has also suggested using aid to forestall crises. She advocates being as concerned about the possible creation of refugees as about actual refugees. In 1995 her organization asked, "What might have happened in Rwanda if the estimated $2 billion spent on refugee relief during the first two weeks of the emergency had been devoted to keeping the peace, protecting human rights and promoting development in the period that preceded the exodus?" [30]

The Myth of Lack of Aid

That question is impossible to answer with certainty, but the answer is probably "nothing." Rwanda did not go unaided before imploding. Between 1971 and 1994 that nation received $4.7 billion in foreign assistance from the United States, the multilaterals, and European nations. In fact, almost every country in crisis received abundant outside transfers from a variety of sources before disaster struck. Over the same period Sierra Leone received $1.8 billion, Liberia $1.8 billion, Angola $2.9 billion, Haiti $3.1 billion, Chad $3.3 billion, Burundi $3.4 billion, Uganda $5.8 billion, Somalia $6.2 billion, Zaire $8.4 billion, Sri Lanka $9.8 billion, Mozambique $10.5 billion, Ethiopia $11.5 billion, and Sudan $13.4 billion. Through 1991, Yugoslavia received $530 million; through 1994, the territory had received $6.1 billion (see Table 1 and Appendix).

Table 1
Aid, 1971-94 (millions of nominal dollars)

Recipient Nation	U.S. Aid	Total International Aid	Annual Average
Angola	117	2,865.8	119.4
Burundi	139	3,354.2	139.8
Chad	239	3,281.6	136.7
Ethiopia	999	11,528.6	480.4
Haiti	1,425	3,120.7	130.0
Liberia	639	1,795.0	74.8

Mozambique	625	10,465.7	436.0
Rwanda	416	4,660.0	194.2
Sierra Leone	172	1,770.6	73.8
Somalia	1,591	6,212.6	310.6
Sri Lanka	1,076	9,808.7	408.7
Sudan	1,676	13,419.3	559.1
Uganda	295	5,798.8	241.6
Yugoslavia*	-291	529.9	25.2
Zaire	529	8,416.6	350.7

Source: Organization for Economic Cooperation and Development, Geographical Distribution of Financial Flows to Developing Countries (Paris: OECD, various years).

*Data through 1991. Including aid flows through 1994 to the states that made up the former Yugoslavia, total U.S. aid amounts to -$250 million, total international aid amounts to $6.1 billion, and the annual average is $253.6 million.

Although those aid flows varied in importance to their recipients, in no case were they unimportant. In some years assistance accounted for 10 percent of the gross domestic product of Sri Lanka and Zaire, 20 percent of the GDP of Rwanda, 25 percent of the GDP of Uganda, and 30 percent of the GDP of Burundi. Between 1970 and 1994 aid was 10 percent of Haiti's GDP, 15 percent of Burundi's and Rwanda's, and nearly 20 percent of Chad's.

In none of those cases did foreign assistance forestall catastrophe. Moreover, few nations in Africa, irrespective of aid levels, have escaped social breakdown. Conflict and economic decline have resulted in tens of thousands of refugees fleeing Gambia, Mali, Mauritania, Niger, Senegal, Togo, and Western Sahara, as well as the states listed above.

Complex Domestic Factors Cause States to Fail

Obviously, there are numerous reasons why so many nations, including some in Southeast Asia and the Transcaucasus as well as those mentioned above, suffer so. Angola has been brutalized by a long civil war and military intervention by Cuba; only recently has the conflict moved toward resolution. Burundi and Rwanda have been rent by cycles of tribal violence, the genesis of which was colonial policies that favored one tribe over another. Chad has endured civil war and outside intervention by Libya. Ethiopia has suffered through three disasters: Marxist revolution, war with Somalia, and a separatist campaign by Eritrea. Haiti has spent most of its history under repressive authoritarian rule. Liberia, Mozambique, Sierra Leone, Sri Lanka, and Yugoslavia have undergone the ravages of particularly bitter civil wars. Somalia was victimized by a Western-backed strongman who proved unable to defeat either Ethiopia or indigenous guerrillas; when his rule collapsed, so did central authority, as competing clans struggled for control. Sudan has been rent by conflict between Muslims, Christians, and animists for decades. Uganda disintegrated under the effects of misrule by the grotesque Idi Amin, followed by domestic insurgency and outside intervention. Zaire had the misfortune to be an artificial state created for Belgian colonial interests and born of civil strife. Rebellion, UN intervention, and authoritarian rule by the egregiously corrupt Mobutu Sese Seko have sent that country spiraling into chaos.

However similar the general causes of those and other examples of economic and political collapse, the individual circumstances varied greatly by country. Few of the problems were amenable to outside intervention; in none of those cases was inadequate international aid the determining factor. Of course, had those nations been capable of better using capital, foreign transfers might have been of more use. But precisely because they are not capable of using capital to advantage, past aid has been wasted, as would have been any additional transfers as part of an "early warning system."

Aid Helped Cause Breakdown

Indeed, foreign aid almost certainly helped create and aggravate problems in Ethiopia, Somalia, Sudan, and Zaire, in particular, by subsidizing dictators whose rules proved especially disastrous. Among the most important causes of social division and catastrophe is what has been called "the overpolitisized state." [31] Yet government-to-government aid only strengthens overpoliticized states.

Even the most humanitarian sounding aid--so-called Food for Peace shipments--can accelerate social breakdown. Onetime relief worker Michael Maren criticizes a decade of assistance to Somalia. Of Western humanitarian personnel he writes, "Separately we'd arrived at the conclusion that the relief program was probably killing as many people as it was saving, and the net result was that Somali soldiers were supplementing their income by selling food, while the [Western Somali Liberation Front]--often indistinguishable from the army--was using the food as rations to fuel their attacks into Ethiopia." [32] At the same time, food assistance discouraged local production and enhanced the central government's control over the people. [33] Then, after the Barre government finally collapsed, Western assistance worsened the chaos by enriching the local militias and discouraging local reconstruction efforts. [34]

At best, advocates of aid can argue that they would do better this time, that now that the Cold War has ended, there is less pressure to use assistance as de facto bribes to assorted dictators. However, the bulk of aid to most Third World nations has always been economic, not security. Between 1971 and 1994 the United States provided barely one-fifth of the total assistance received by Somalia. The rest was economic assistance from a variety of sources--the multilaterals and the European governments, in particular. During the same period Rwanda received more from IDA alone than from the United States; Burundi collected 3.6 times as much from IDA as from Washington. In short, the problem with past aid to failed states was not that it was overly oriented toward political purposes. The problem was, rather, that international financial transfers turned out not to be aid at all.

What Causes Development

In the end, poor countries are largely responsible for their own destinies. Experience has demonstrated that sound domestic policies, not foreign aid, are what generate economic growth. [35] The West's dramatic escape from poverty has always been a good place to start in attempting to understand development. The rapid economic and social progress of Europe, during which people first rose out of the dismal poverty that characterized most of human history, occurred largely in countries that had a specific kind of regime--classical liberalism--which generally allowed markets to operate, respected the rule of law, protected private property, and permitted economic competition. [36] That experience has been repeated more quickly and spectacularly in East Asia, where it has taken but a generation or two for desperately poor nations to be included among the world's most successful economies. (That is not to say that the British or German, let alone the Japanese or South Korean, experiences were laissez faire. Rather, all broadly relied on market forces, despite varying degrees of government economic involvement.)

What was true of Great Britain, the United States, Japan, and South Korea is also evident in today's successful developing states. Perhaps the best broad-based study of economic policies over the last two decades is Economic Freedom of the World: 1975-1995, by economists James Gwartney, Robert Lawson, and Walter Block. They created an index of 17 variables to measure economic freedom, as well as three alternative summary indexes. Ranked highest were Hong Kong, Singapore, the United States, and New Zealand. At the bottom came numerous African and a handful of Latin American countries. Most improved between 1975 and 1990 were Chile, Iceland, Jamaica, Malaysia, and Pakistan. [37] The researchers found that economic policies matter. Obviously, the results for individual countries may be affected by many factors, but the overall result is compelling. Explain the authors, "No country with a persistently high economic freedom rating during the two decades failed to achieve a high level of income. In contrast, no country with a persistently low rating was able to achieve even middle income status." [38]

Similar are the results of the *1996 Index of Economic Freedom* by Heritage Foundation analysts Bryan Johnson and Thomas Sheehy. Although their study offers somewhat less systematic international comparisons, it reaches the same conclusions. Johnson and Sheehy explain that their analysis "demonstrates that economic freedom is the single most important factor in creating the conditions for economic growth and prosperity." [39] Their data also demonstrate that the countries that place the greatest reliance on open markets consistently have the highest growth rates.

Domestic Factors Are Most Important for Growth

Studies by other analysts and organizations reach the same general conclusion. Researchers at Cornell University and the Organization for Economic Cooperation and Development have used a computable general equilibrium economic model in an attempt to measure the impact of different policy measures. Market-oriented reforms in exchange rate, fiscal, and monetary policies all improve economic growth rates. [40] Benefits tend to flow to poorer, rural residents; urban elites who were enriched through political manipulation of the economy are usually the biggest losers. [41]

A decade ago Union College economists E. Dwight Phaup and Bradley Lewis surveyed a dozen Third World "winners" (with average annual growth rates exceeding 6 percent) and a score of "losers" (average annual growth rates below 2.2 percent). [42] The two groups' average annual growth rates were 7.7 percent and 1 percent, respectively. Phaup and Lewis concluded, "It would appear that whether [less developed countries] are winners or losers is determined mainly by their domestic economic policies. Resource endowment, lucky circumstances, former colonial status, and other similar factors make little difference in the speed with which countries grow economically. The results of domestic policy choices pervade every economic area." [43]

More recently, Mancur Olson Jr., of the Center for Institutional Reform and the Informal Sector at the University of Maryland, came to the same conclusion. He reported that such factors as access to knowledge and capital cannot explain the relative income differences among nations. "The only remaining plausible explanation is that the great differences in the wealth of nations are mainly due to differences in the quality of their institutions and economic policies," he explained. [44] He found that poorer nations with the best economic policies consistently grow the fastest.

Phaup and Lewis relied in part on a detailed World Bank study, published as part of the *World Development Report 1983*. The bank assessed the relative economic distortions in 31 primarily developing nations and found that countries with the least interference with the marketplace had annual growth rates twice as high as those of nations with the most inefficient policies. The more market-oriented countries also enjoyed far greater domestic savings, additional output per unit of investment, and increases in both agricultural and manufacturing output. [45] Explained the study, developing nations that introduced fewer "distortions" into their economies--particularly price controls, import restrictions, interest rate limits, and similar policies--did better, while "those countries with the worst distortions experienced significantly lower domestic saving and lower output per unit of investment, thus leading to slower growth." [46] The bank estimated that inefficient intervention could cut annual GDP growth by as much as 2 percent. [47]

U.S. AID has reached similar conclusions. [48] Particularly important, in its view, were open trade policies--more outwardly oriented countries grew nearly four times as fast as more protectionist states. [49] The agency also pointed to the friendliness of the investment climate to domestic and foreign business alike. The difference in average annual per capita growth between the most open economies and the least open economies was seven percentage points. [50] Finally, the agency called "the level of distortion between domestic and international prices . . . another good aggregate indicator of economic policy." [51]

Specific Experiences

Those general assessments are reinforced by the results of narrower studies of different regions and nations. For example, David Osterfeld reviewed the economic impact of a range of variables: corruption, food, foreign aid, migration, multinational corporations, population, and resources. His conclusion was that development occurred most quickly in an "enabling environment" in which the rule of law was stable, property was protected, political power was decentralized, and most of the economy was private. [52] Sustained economic development is possible, he explained, but "the principal obstacle is an environment that penalizes individual initiative, is hostile to private ownership, discourages saving and investment, and severely restricts the operation of the free market. Accordingly, development will not occur in the absence of radical changes in the politico-legal frameworks now existing in most of the countries in the so-called Third World." [53]

Numerous examples support his thesis. The East Asian economic powerhouses of today--Hong Kong, Japan, Singapore, South Korea, and Taiwan--were much poorer than such Latin American countries as Argentina after World War II. Of the many differences between those regions, the most important was the economic model adopted. Latin America firmly embraced inward-looking policies that set up trade barriers and promoted domestic industries through an array of state subsidies and other privileges. The nations of Africa, the poorest on the globe, followed Latin America into the abyss of collectivist development strategies. After initially experimenting with Latin American-style protectionism, East Asia, in contrast, chose various forms of capitalism. [54]

The city-states of Hong Kong and Singapore possess little other than open economic markets. [55] They have developed nonetheless. Resource-rich countries like Mexico and Zaire have, in contrast, struggled economically for decades. States as varied as Argentina, Brazil, India, and Tanzania failed to prosper so long as they emphasized state-led development plans; all four have since adjusted their policies, leading to greater economic progress. A variety of World Bank studies of Africa has illustrated the problem of foolish policies. [56] A 1993 bank review of the adjustment experience of 18 developing countries, *Boom, Crisis, and Adjustment*, found that good policies, especially freer trade and macroeconomic stability, were important for economic success. [57] In its *World Development Report 1995* the bank compared the experiences of Ghana, Malaysia, and Poland. The respective governments employed very different development strategies, and, not surprisingly, the bank reported that "the result has been wide differences in economic growth rates and labor outcomes," with market-oriented policies winning. [58]

Obviously, every country is the beneficiary or the victim of unique circumstances, and that makes any one pairing suspect. Nevertheless, the experience of all countries presents a consistent picture--one that is particularly telling when cultural groups are divided, as they have been in China, Germany, and Korea.

Conclusion

Foreign aid has been tried and found wanting. Aid transfers have not promoted self-sustaining economic development in the Third World. There is no positive correlation between foreign assistance and economic growth, and there is little evidence of causation in those nations that have succeeded economically.

Naturally, advocates of aid are attempting to come up with new arguments for preserving their programs. But this attempt to put old wine into new wineskins--to offer new justifications for yesterday's failed policies--will not work. There is perhaps no greater tragedy today than that of the broken-down societies that dot the globe. But there is no evidence that increased aid flows can prevent such human catastrophes in the future. Indeed, abundant foreign assistance to brutal and venal governments in the past helped create today's tragedies.

The primary responsibility for development lies with Third World states themselves. Governments must create an economic environment in which people are free to be productive. The industrialized nations can help--primarily by doing no harm. Washington should end government-to-government assistance, which has so often buttressed regimes dedicated to little more than maintaining power and eased the economic pressure for needed reforms.

The United States and other developed countries should allow poorer nations to participate more fully in the international marketplace. The Congressional Budget Office has observed, "The broad economic policies of the major Western countries--trade policies, budget deficits, growth rates, and the like--generally exert greater influence on the economies of the developing countries than does aid." [59] Access to the markets of wealthier nations is particularly important for poorer states. The World Bank's J. Michael Finger figures that Western protectionism reduces the Third World's GNP by a full three percentage points, twice the amount of foreign aid now provided by the industrialized nations. [60]

Mass poverty, famine, and murder blight our globe. However, the understandable desire to do something should not become an excuse for maintaining the failed policies of the past. Foreign aid has not delivered self-sustaining economic growth or prevented the collapse of numerous poor societies into chaos over the past five decades. It will do no better in the future.

Appendix: Aid to Selected Countries

In the following appendix, U.S. AID = U.S. Agency for International Development, IMF = International Monetary Fund, IBRD = International Bank for Reconstruction and Development, IDA = International Development Association, UNDP = U.N. Development Programme, NA = not available, and dashes = 0. Amounts are net official development assistance in millions of nominal dollars. IMF figures are for Structural Adjustment Facility and Enhanced Structural Adjustment Facility transactions only; they do not include tranche withdrawals. Values for gross domestic product are from World Bank, *World*Data 1996: World Bank Indicators on CD-ROM* (Washington: World Bank, 1996). All other values are from Organization for Economic Cooperation and Development, *Geographical Distribution of Financial Flows to Aid Recipients* (Paris: OECD, various years).

Angola								
							Reg.	
		U.S.					Dev.	
Year	Total	AID	IMF	IBRD	IDA	UNDP	Banks	GDP
1970	-	NA	NA		NA		NA	NA
1971	-	-	-	-	-	-	-	NA
1972	-	-	-	-	-	-	-	NA
1973	0.2	-	-	-	-	-	-	NA
1974	0.4	-	-	-	-	0.1	-	NA
1975	4.8	-	-	-	-	0.7	-	NA
1976	38.5	-	-	-	-	5.5	-	NA
1977	47.7	-	-	-	-	24.6	-	NA
1978	47.0	1.0	-	-	-	2.6	-	NA
1979	47.1	2.0	-	-	-	2.7	-	NA
1980	52.6	7.0	-	-	-	4.1	-	NA
1981	61.0	5.0	-	-	-	6.0	-	NA
1982	60.0	4.0	-	-	-	4.8	-	NA
1983	76.2	2.0	-	-	-	5.3	-	NA
1984	93.2	7.0	-	-	-	3.4	-	NA
1985	91.5	7.0	-	-	-	4.3	-	NA
1986	131.1	7.0	-	-	-	6.1	-	NA
1987	135.0	6.0	-	-	-	6.9	0.9	NA
1988	158.9	6.0	-	-	-	5.1	5.1	NA
1989	170.6	1.0	-	-	-	6.7	4.4	NA
1990	269.6	1.0	-	-	-	8.5	16.0	NA
1991	279.7	10.0	-	-	-	14.8	4.8	NA
1992	351.2	3.0	-	-	5.7	13.2	2.0	NA
1993	298.0	14.0	-	-	9.7	3.9	1.0	NA

1994	451.5	34.0	-	-	33.3	2.0	0.1	NA
Total	2,865.8	117.0	-	-	48.7	131.3	34.3	NA
Yrly. avg.	119.41	4.88	-	-	2.03	5.47	1.43	NA

Burundi

							Reg.	
		U.S.					Dev.	
Year	Total	AID	IMF	IBRD	IDA	UNDP	Banks	GDP
1970	N/A	N/A	N/A	N/A	N/A	N/A	N/A	243
1971	21.7	1.0	-	-	0.5	3.2	-	253
1972	25.8	-	-	-	0.5	3.1	-	247
1973	26.8	-	-	-	0.2	3.8	-	304
1974	37.4	-	-	-	0.6	4.6	-	345
1975	48.1	1.0	-	-	0.3	7.8	-	421
1976	44.3	1.0	-	-	1.1	6.7	-	448
1977	48.0	1.0	2.4	-	2.5	7.1	1.1	548
1978	74.5	3.0	7.4	-	6.9	3.5	1.9	610
1979	94.8	2.0	7.4	-	11.3	4.5	0.9	782
1980	117.2	4.0	6.4	-	11.6	5.8	4.5	920
1981	122.0	7.0	0.1	-	10.4	6.7	1.8	969
1982	126.8	8.0	-	-	18.1	7.7	5.5	1,013
1983	140.0	7.0	-	-	27.2	7.8	6.6	1,083
1984	141.4	12.0	-	-	26.5	6.2	5.4	987
1985	142.7	9.0	-	-	17.7	6.5	10.3	1,150
1986	187.6	5.0	-	-	43.1	7.6	14.6	1,202
1987	202.2	4.0	-	-	40.5	5.0	19.9	1,131
1988	187.9	3.0	-	-	44.0	5.5	13.4	1,082
1989	198.1	3.0	-	-	45.0	6.2	8.9	1,114
1990	265.5	18.0	(0.8)	-	48.0	9.6	4.2	1,132
1991	259.1	6.0	5.8	-	39.0	13.9	18.2	1,167
1992	310.9	16.0	18.6	-	47.7	10.0	16.7	1,087
1993	218.4	18.0	(4.2)	-	34.6	6.5	23.0	948
1994	313.0	10.0	(6.2)	-	25.5	2.7	12.5	909
Total	3,354.2	139.0	36.9	-	502.8	152.0	169.4	20,095
Yrly. avg.	139.76	5.79	1.54	-	20.95	6.33	7.06	804

Chad

year	totaid	usaid	imf	ibrd	ida	undp	regdev	gdp
1970	N/A	N/A	N/A	N/A	N/A	N/A	N/A	329
1971	30.6	1.0	-	-	1.5	1.3	-	351

1972	30.9	1.0	-	-	0.6	1.6	-	411
1973	45.3	1.0	-	-	1.5	2.8	-	456
1974	78.8	6.0	-	-	2.4	4.1	-	459
1975	65.0	4.0	-	-	4.9	8.1	0.4	609
1976	62.3	5.0	-	-	3.6	7.0	1.6	610
1977	83.0	9.0	-	-	8.3	6.2	3.3	658
1978	119.0	12.0	6.8	-	7.0	3.2	5.0	784
1979	79.6	11.0	-	-	4.9	1.7	1.4	707
1980	35.3	6.0	-	-	0.4	0.8	1.7	727
1981	59.7	1.0	-	-	-	4.0	1.9	617
1982	64.7	4.0	-	-	-	3.1	0.5	587
1983	95.3	7.0	-	-	0.3	3.5	0.8	586
1984	115.2	11.0	-	-	0.9	5.1	5.2	647
1985	181.7	19.0	-	-	2.6	10.7	5.9	727
1986	165.0	10.0	-	-	8.0	16.2	2.3	752
1987	198.2	16.0	-	-	12.2	16.5	2.2	819
1988	264.4	20.0	-	-	34.0	15.5	2.4	1,044
1989	242.2	9.0	-	-	23.0	12.6	23.2	1,010
1990	316.5	18.0	8.3	-	44.0	14.0	23.9	1,213
1991	265.8	18.0	-	-	46.0	12.3	20.6	1,297
1992	240.8	24.0	-	-	32.4	10.2	18.1	1,310
1993	227.6	18.0	(1.7)	-	24.1	10.1	24.1	1,197
1994	214.7	8.0	(1.7)	-	36.1	7.4	19.7	910
Totals	3,281.6	239.0	11.7	-	298.7	178.0	164.2	18,817
Yrly. Avg.	136.73	9.96	0.49	-	12.45	7.42	6.84	753

Ethopia								
year	totaid	usaid	imf	ibrd	ida	undp	regdev	gdp
1970	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1971	47.1	23.0	-	-	3.7	6.0	-	N/A
1972	47.6	17.0	-	-	4.5	5.5	-	N/A
1973	66.8	19.0	-	-	8.6	7.3	-	N/A
1974	121.4	27.0	-	-	9.3	17.7	-	N/A
1975	134.6	25.0	-	-	18.6	19.4	-	N/A
1976	140.7	30.0	-	-	35.6	12.2	1.4	N/A
1977	114.1	10.0	-	-	33.0	14.3	1.3	N/A
1978	139.7	11.0	14.0	-	32.0	4.9	2.0	N/A
1979	174.4	12.0	10.6	-	46.7	7.6	4.2	N/A
1980	216.5	19.0	9.0	-	27.8	12.6	2.6	N/A
1981	249.4	2.0	0.1	-	28.1	22.5	10.8	5,179

1982	199.7	1.0	-	-	25.8	13.9	7.3	5,450
1983	343.8	6.0	-	-	41.1	8.3	11.6	6,058
1984	363.1	19.0	-	-	39.3	10.6	4.9	5,720
1985	714.7	143.0	-	-	48.0	19.4	17.1	6,696
1986	635.5	91.0	-	-	35.3	23.2	15.2	7,002
1987	633.5	5.0	-	-	81.8	28.8	23.4	7,488
1988	970.3	66.0	-	-	72.0	22.6	17.0	7,728
1989	749.1	23.0	(3.9)	-	66.0	19.0	27.5	8,151
1990	1,019.7	50.0	(1.1)	-	69.0	18.2	42.5	8,606
1991	1,097.7	88.0	(0.1)	-	54.0	16.0	40.9	9,573
1992	1,183.9	65.0	19.9	-	106.0	17.3	50.0	9,845
1993	1,094.6	125.0	29.6	-	224.9	17.0	117.1	6,101
1994	1,070.7	122.0	20.2	-	156.2	13.2	60.6	5,366
Totals	11,528.6	999.0	98.3	-	1,267.3	357.5	457.4	98,963
Yrly. Avg.	480.36	41.63	4.10	-	52.80	14.90	19.06	7,068.79

Haiti

year	totaid	usaid	imf	ibrd	ida	undp	regdev	gdp
1970	N/A	N/A	N/A	N/A	N/A	N/A	N/A	394
1971	6.2	4.0	-	-	-	1.8	0.2	445
1972	6.7	4.0	-	-	-	2.1	(0.3)	475
1973	8.2	4.0	-	-	-	3.3	-	569
1974	14.3	5.0	-	-	0.9	2.8	0.8	698
1975	59.3	11.0	-	-	9.4	8.4	14.6	722
1976	71.6	18.0	-	-	15.7	7.6	15.6	879
1977	86.3	28.0	2.4	-	13.7	6.3	21.3	988
1978	92.8	27.0	7.4	-	7.4	2.9	16.9	1,000
1979	92.6	28.0	7.4	-	8.2	6.5	15.9	1,119
1980	105.2	35.0	6.4	-	13.6	6.6	8.9	1,462
1981	106.9	40.0	0.1	-	15.9	6.7	10.0	1,469
1982	127.6	43.0	-	-	18.0	7.2	12.5	1,485
1983	133.7	42.0	-	-	25.6	5.3	14.9	1,630
1984	134.9	42.0	-	-	28.9	4.8	16.2	1,816
1985	152.7	56.0	-	-	21.8	4.1	10.7	2,009
1986	175.3	84.0	-	-	25.9	5.7	3.1	2,237
1987	218.0	93.0	-	-	45.6	5.8	2.4	2,161
1988	146.7	41.0	-	-	19.0	8.0	5.8	2,234
1989	200.8	68.0	-	-	10.0	8.6	9.9	2,513
1990	172.4	50.0	(0.8)	-	12.0	11.9	11.7	3,001
1991	181.9	66.0	(0.1)	-	8.0	7.2	6.7	3,441

1992	101.5	38.0	-	-	0.2	3.6	0.5	1,832
1993	123.8	57.0	-	-	-	4.9	-	1,455
1994	601.3	541.0	(7.6)	-	-	2.3	(15.5)	1,645
Totals	3,120.7	1,425.0	15.2	-	299.8	134.4	182.8	37,679.0
Yrly. Avg.	130.03	59.38	0.63	-	12.49	5.60	7.62	1,507.16

Liberia								
year	totaid	usaid	imf	ibrd	ida	undp	regdev	gdp
1970	N/A	N/A	N/A	N/A	N/A	N/A	N/A	408
1971	12.8	10.0	-	-	-	2.4	-	430
1972	13.1	10.0	-	-	-	2.7	-	467
1973	10.7	6.0	-	-	0.2	3.5	-	493
1974	15.6	5.0	-	-	2.3	4.3	-	618
1975	20.9	8.0	-	-	2.2	6.4	-	726
1976	27.0	15.0	-	-	1.8	3.9	-	762
1977	33.4	10.0	3.6	1.0	3.2	3.8	-	873
1978	48.0	10.0	11.2	0.7	3.5	1.7	-	944
1979	80.8	10.0	11.4	0.7	4.9	1.2	-	1,068
1980	97.9	32.0	9.6	0.7	4.9	1.5	-	1,117
1981	108.5	63.0	0.1	0.5	5.9	2.6	-	1,095
1982	108.9	62.0	-	0.3	7.5	3.2	-	1,122
1983	118.4	54.0	-	-	10.7	2.4	2.9	1,067
1984	133.2	84.0	-	-	14.6	1.6	3.7	1,094
1985	90.6	52.0	-	-	12.1	1.8	3.7	1,095
1986	97.3	48.0	-	-	10.6	2.2	3.7	1,085
1987	78.4	25.0	-	-	6.0	2.4	5.8	1,139
1988	64.8	22.0	-	-	1.0	2.9	2.6	N/A
1989	58.7	13.0	-	-	-	3.9	0.1	N/A
1990	112.1	19.0	-	-	-	2.7	32.4	N/A
1991	158.0	42.0	-	-	-	2.3	0.1	N/A
1992	119.5	10.0	-	-	-	2.1	-	N/A
1993	122.9	12.0	-	-	-	2.1	-	N/A
1994	63.5	17.0	(1.0)	-	-	1.8	-	N/A
Totals	1,795.0	639.0	34.9	3.9	91.4	65.4	55.0	15,603.0
Yrly. Avg.	74.79	26.63	1.45	0.16	3.81	2.73	2.29	866.83

Mozambique								
year	totaid	usaid	imf	ibrd	ida	undp	regdev	gdp
1970	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1971	0.2	-	-	-	-	-	-	N/A
1972	0.1	-	-	-	-	-	-	N/A

1973	0.1	-	-	-	-	-	-	N/A
1974	0.7	-	-	-	-	0.1	-	N/A
1975	21.6	-	-	-	-	7.6	-	N/A
1976	71.5	9.0	-	-	-	9.0	-	N/A
1977	80.5	8.0	-	-	-	9.8	-	N/A
1978	105.1	9.0	-	-	-	2.7	1.0	N/A
1979	155.8	19.0	-	-	-	4.0	0.4	N/A
1980	159.2	9.0	-	-	-	4.9	1.9	2,028
1981	143.6	6.0	-	-	-	8.0	1.6	2,031
1982	207.9	2.0	-	-	-	9.4	8.3	2,078
1983	210.9	13.0	-	-	-	7.4	1.7	1,861
1984	259.1	16.0	-	-	-	7.8	3.2	1,939
1985	300.1	47.0	-	-	5.0	8.4	8.7	2,563
1986	421.3	30.0	-	-	23.7	10.0	4.4	3,015
1987	650.8	55.0	-	-	48.8	7.7	7.3	1,353
1988	886.1	60.0	-	-	41.0	12.4	4.2	1,203
1989	820.5	34.0	15.6	-	50.0	14.3	16.8	1,330
1990	1,008.1	62.0	12.5	-	69.0	20.1	13.9	1,443
1991	1,072.6	60.0	41.7	-	56.0	23.1	13.8	1,433
1992	1,471.5	52.0	62.8	-	105.9	21.7	34.4	1,285
1993	1,187.7	61.0	15.4	-	93.0	16.0	37.9	1,467
1994	1,230.7	73.0	10.6	-	176.3	49.0	32.3	1,467
Totals	10,465.7	625.0	158.6	-	668.7	253.4	191.8	26,496.0
Yrly. Avg.	436.07	26.04	6.61	-	27.86	10.55	7.99	1,766.40

Rwanda								
year	totaid	usaid	imf	ibrd	ida	undp	regdev	gdp
1970	N/A	N/A	N/A	N/A	N/A	N/A	N/A	220
1971	25.3	1.0	-	-	0.2	2.0	-	223
1972	29.7	1.0	-	-	0.9	2.1	-	246
1973	38.8	-	-	-	2.4	3.3	-	290
1974	46.5	1.0	-	-	4.5	3.2	-	309
1975	91.2	3.0	-	-	4.6	5.6	1.1	568
1976	78.9	2.0	-	-	8.3	5.4	0.4	666
1977	95.7	3.0	-	-	9.4	6.4	2.1	771
1978	125.3	3.0	-	-	6.5	3.6	5.8	873
1979	148.3	5.0	7.5	-	10.9	4.4	5.1	1,036
1980	155.3	7.0	6.3	-	10.2	5.2	1.9	1,163
1981	153.7	10.0	0.1	-	7.8	9.3	1.7	1,321
1982	150.7	9.0	-	-	12.4	6.0	4.2	1,411

1983	149.4	10.0	-	-	17.9	6.3	9.2	1,507
1984	164.7	18.0	-	-	23.3	5.1	7.2	1,588
1985	181.4	15.0	-	-	29.2	8.4	5.4	1,715
1986	210.7	21.0	-	-	36.3	5.3	7.7	1,944
1987	244.8	14.0	-	-	38.4	7.6	20.6	2,152
1988	251.9	17.0	-	-	24.0	10.2	20.7	2,396
1989	235.1	9.0	-	-	26.0	9.0	16.4	2,410
1990	293.2	13.0	(0.8)	-	21.0	12.3	18.5	2,305
1991	363.6	27.0	11.9	-	47.0	12.8	10.9	1,687
1992	353.0	7.0	-	-	29.9	10.2	22.3	1,638
1993	358.2	26.0	-	-	36.6	6.7	7.2	1,494
1994	714.6	194.0	-	-	11.1	3.6	3.5	N/A
Totals	4,660.0	416.0	25.0	-	418.8	154.0	171.9	29,933
Yrly. Avg.	194.17	17.33	1.04	-	17.42	6.42	7.16	1,247.21

Sierra Leone								
year	totaid	usaid	imf	ibrd	ida	undp	regdev	gdp
1970	N/A	N/A	N/A	N/A	N/A	N/A	N/A	424
1971	10.4	4.0	-	-	0.1	1.7	-	418
1972	10.3	3.0	-	-	0.8	1.8	-	446
1973	14.2	2.0	-	-	4.8	2.0	-	480
1974	10.2	3.0	-	-	2.2	1.8	-	569
1975	18.0	4.0	-	-	2.4	4.1	-	673
1976	15.2	3.0	-	-	2.0	5.5	-	609
1977	25.8	4.0	3.1	-	2.0	3.1	-	637
1978	40.3	4.0	9.6	-	10.2	2.0	-	776
1979	53.2	6.0	9.7	-	2.1	2.8	0.1	982
1980	90.9	8.0	8.5	-	2.3	3.4	1.2	1,100
1981	61.2	8.0	-	-	2.4	4.2	2.2	1,188
1982	82.2	8.0	-	-	5.7	4.5	3.5	1,335
1983	66.0	10.0	-	-	6.5	3.0	1.6	1,486
1984	60.8	9.0	-	-	5.2	4.0	3.0	1,087
1985	65.9	10.0	-	-	9.1	4.7	1.6	1,315
1986	87.1	12.0	-	-	8.8	6.0	1.3	1,431
1987	68.4	12.0	-	-	2.2	6.0	-	553
1988	102.4	9.0	-	-	1.0	6.5	10.6	1,140
1989	101.0	11.0	-	-	-	7.7	0.6	949
1990	62.8	3.0	(2.4)	-	-	6.5	(0.3)	857
1991	104.9	8.0	(0.1)	-	-	5.0	5.4	755
1992	134.2	13.0	(3.2)	-	29.1	5.7	2.6	696

1993	208.7	8.0	-	-	34.7	5.9	24.0	732
1994	276.5	10.0	117.1	-	36.6	6.9	15.9	834
Totals	1,770.6	172.0	142.3	-	170.2	104.8	73.3	21,472.0
Yrly. Avg.	73.78	7.17	5.93	-	7.09	4.37	3.05	858.88

Somalia								
year	totaid	usaid	imf	ibrd	ida	undp	regdev	gdp
1970	N/A	N/A	N/A	N/A	N/A	N/A	N/A	323
1971	30.5	7.0	-	-	1.5	3.4	-	331
1972	23.6	3.0	-	-	1.2	4.1	-	417
1973	41.1	1.0	-	-	2.8	4.7	-	507
1974	81.5	-	-	-	6.6	5.1	-	468
1975	152.9	5.0	-	-	9.0	16.5	0.7	711
1976	104.9	2.0	-	-	6.7	14.7	1.4	807
1977	255.2	3.0	-	-	9.4	13.0	1.0	499
1978	N/A	N/A	N/A	N/A	N/A	N/A	N/A	565
1979	N/A	N/A	N/A	N/A	N/A	N/A	N/A	590
1980	N/A	N/A	N/A	N/A	N/A	N/A	N/A	604
1981	N/A	N/A	N/A	N/A	N/A	N/A	N/A	699
1982	462.1	32.0	-	-	16.5	6.5	7.0	774
1983	326.6	46.0	-	-	16.9	6.6	7.1	734
1984	363.0	51.0	-	-	20.2	7.2	6.1	788
1985	353.7	54.0	-	-	38.2	6.4	5.7	876
1986	511.4	82.0	-	-	46.0	7.9	9.1	930
1987	580.1	52.0	-	-	38.6	7.0	13.2	1,010
1988	433.2	22.0	-	-	22.0	9.7	3.6	1,038
1989	421.1	28.0	-	-	45.0	9.9	13.4	1,092
1990	494.4	72.0	-	-	32.0	8.8	19.1	917
1991	186.2	6.0	-	-	-	3.8	4.9	N/A
1992	652.6	306.0	-	-	-	2.7	0.1	N/A
1993	890.4	490.0	-	-	-	9.3	2.5	N/A
1994	537.8	350.0	-	-	-	12.4	1.5	N/A
Totals	6,212.6	1,591.0	-	-	275.4	98.2	93.3	14,680.0
Yrly. Avg.	310.63	79.55	-	-	13.77	4.91	4.67	699.05

Sri Lanka								
year	totaid	usaid	imf	ibrd	ida	undp	regdev	gdp
1970	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,296
1971	55.9	14.0	-	-	3.7	5.0	0.6	2,367
1972	58.0	17.0	-	-	2.9	3.8	2.2	2,554
1973	58.1	9.0	-	-	5.0	6.7	2.2	2,875

1974	80.5	7.0	-	-	10.9	6.1	2.8	3,574
1975	174.8	23.0	-	-	13.6	19.9	6.1	3,793
1976	165.9	26.0	-	-	5.0	24.9	4.3	3,590
1977	186.8	37.0	-	-	11.1	27.9	9.2	4,103
1978	323.9	41.0	50.8	-	11.2	4.8	24.0	2,733
1979	322.7	40.0	38.4	-	12.4	6.3	9.2	3,364
1980	442.6	55.0	32.7	-	19.7	7.7	5.8	4,024
1981	366.6	31.0	0.5	-	27.8	7.5	9.3	4,417
1982	416.7	49.0	-	-	53.6	7.9	16.8	4,911
1983	473.8	62.0	-	-	59.3	7.8	28.7	5,278
1984	467.8	76.0	-	-	79.3	6.6	26.2	6,005
1985	485.8	85.0	-	-	73.3	7.3	29.3	6,078
1986	570.3	66.0	-	-	84.3	7.7	39.3	6,517
1987	501.7	35.0	-	-	81.4	7.7	46.9	6,800
1988	598.3	41.0	-	-	55.0	8.7	62.9	7,127
1989	546.0	43.0	-	-	51.0	7.4	76.4	7,096
1990	729.9	75.0	56.5	-	123.0	7.7	112.4	8,140
1991	890.5	78.0	76.1	-	182.0	10.0	150.8	9,103
1992	638.0	52.0	157.7	-	68.4	12.3	129.9	9,859
1993	659.4	77.0	71.9	-	123.4	8.1	120.3	10,342
1994	594.7	37.0	67.5	-	70.6	6.2	89.2	11,715
Totals	9,808.7	1,076.0	552.1	-	1,227.9	226.0	1,004.8	138,661
Yrly. Avg.	408.70	44.83	23.00	-	51.16	9.42	41.87	5,546.44

Sudan								
year	totaid	usaid	imf	ibrd	ida	undp	regdev	gdp
1970	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,015
1971	10.5	(1.0)	-	-	0.2	9.9	-	2,175
1972	37.0	1.0	-	-	-	23.4	-	2,378
1973	45.7	1.0	-	-	1.4	19.6	-	2,562
1974	134.3	1.0	-	-	2.2	16.4	-	3,561
1975	298.4	-	-	-	15.1	32.6	-	4,317
1976	372.3	(1.0)	-	-	37.8	19.2	1.1	5,280
1977	228.4	-	-	-	25.3	26.5	-	6,685
1978	318.1	10.0	37.3	-	30.8	7.0	2.2	7,586
1979	560.5	23.0	28.3	-	26.4	7.3	0.3	7,567
1980	630.1	60.0	24.0	1.3	36.6	10.7	-	6,760
1981	680.4	64.0	0.4	5.7	64.8	25.4	1.0	7,903
1982	739.9	131.0	-	2.5	84.9	10.9	2.2	7,835
1983	956.5	158.0	-	2.3	55.0	7.3	2.4	7,589

1984	616.2	121.0	-	-	79.3	4.0	-	8,731
1985	1,128.6	346.0	-	-	36.1	5.2	2.6	10,284
1986	944.8	148.0	-	-	64.3	6.1	1.0	13,830
1987	898.1	103.0	-	-	59.6	2.4	5.3	16,268
1988	917.8	109.0	-	-	120.0	5.2	19.3	10,540
1989	772.9	110.0	-	-	81.0	12.4	24.6	10,884
1990	826.6	143.0	-	-	117.0	13.5	61.6	9,014
1991	880.9	85.0	-	-	70.0	28.6	54.6	7,310
1992	550.9	11.0	-	-	54.9	22.7	30.3	5,989
1993	457.9	21.0	-	-	69.6	15.9	16.6	N/A
1994	412.5	32.0	-	-	7.6	10.0	12.5	N/A
Totals	13,419.3	1,676.0	90.0	11.8	1,139.9	342.2	237.6	167,063
Yrly. Avg.	559.14	69.83	3.75	0.49	47.50	14.26	9.90	7,263.61

Uganda								
year	totaid	usaid	imf	ibrd	ida	undp	regdev	gdp
1970	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1971	31.9	5.0	-	-	8.1	3.5	-	1,430.0
1972	29.4	3.0	-	-	6.3	1.8	-	1,430.0
1973	14.8	2.0	-	-	2.7	3.0	-	1,790.0
1974	30.0	1.0	-	-	1.2	3.3	-	2,890.0
1975	38.8	-	-	-	2.8	5.8	-	3,400.0
1976	24.8	-	-	-	2.6	6.0	-	2,908.0
1977	21.9	-	-	-	1.0	4.9	-	3,628.0
1978	21.3	-	-	-	1.5	3.8	-	8,352.0
1979	42.3	-	-	-	1.0	3.6	-	9,269.0
1980	113.6	13.0	29.2	-	0.7	3.3	-	10,231.0
1981	135.8	8.0	0.1	-	12.4	13.9	1.1	2,840.0
1982	132.8	2.0	-	-	37.6	8.5	3.3	4,350.0
1983	136.7	4.0	-	-	27.6	6.6	3.6	1,840.0
1984	164.0	3.0	-	-	57.7	7.0	-	2,570.0
1985	183.8	5.0	-	-	91.3	8.3	0.7	3,450.0
1986	197.5	3.0	-	-	61.2	7.0	0.2	3,840.0
1987	278.8	14.0	-	-	110.6	8.8	0.9	4,300.0
1988	363.3	17.0	-	-	67.0	12.7	19.1	4,830.0
1989	405.4	20.0	-	-	91.0	15.6	21.4	4,640.0
1990	670.8	30.0	77.9	-	191.0	16.2	23.2	N/A
1991	666.8	35.0	78.1	-	135.0	17.1	24.2	2,873.0
1992	727.1	22.0	53.2	-	152.9	18.0	34.6	2,758.0
1993	613.9	57.0	(5.6)	-	135.1	14.6	32.5	3,162.0

1994	753.3	51.0	28.1	-	215.5	11.8	26.3	3,941.0
Totals	5,798.8	295.0	261.0	-	1,413.8	205.1	191.1	90,722.0
Yrly. Avg.	241.62	12.29	10.88	-	58.91	8.54	7.96	3,944.43

Yugoslavia								
year	totaid	usaid	imf	ibrd	ida	undp	regdev	gdp
1970	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1971	(3.8)	(11.0)	-	-	-	1.6	-	N/A
1972	35.2	7.0	-	-	-	1.4	-	N/A
1973	121.5	(41.0)	-	-	-	0.9	-	N/A
1974	63.8	(43.0)	-	-	-	1.3	-	N/A
1975	25.6	(31.0)	-	-	-	1.5	-	N/A
1976	31.2	(29.0)	-	-	-	1.7	-	N/A
1977	6.8	(39.0)	-	-	-	1.9	-	N/A
1978	(45.0)	(34.0)	-	-	-	2.3	-	N/A
1979	(29.2)	(27.0)	-	-	-	1.9	0.4	N/A
1980	(16.9)	(16.0)	-	-	-	1.7	-	N/A
1981	(14.8)	(9.0)	-	-	-	1.4	-	N/A
1982	(7.6)	(7.0)	-	-	-	0.9	-	N/A
1983	2.6	(7.0)	-	-	-	1.3	-	N/A
1984	2.9	(2.0)	-	-	-	1.1	-	N/A
1985	10.6	(2.0)	-	-	-	1.0	-	N/A
1986	18.6	-	-	-	-	0.7	-	N/A
1987	35.1	-	-	-	-	1.2	0.7	N/A
1988	43.9	-	-	-	-	1.8	3.1	N/A
1989	42.9	-	-	-	-	1.5	2.2	N/A
1990	47.7	-	-	-	-	1.3	2.2	N/A
1991	158.8	-	-	-	-	1.1	11.4	N/A
1992	1,475.1	1.0	-	-	-	0.2	94.6	N/A
1993	2,363.9	21.0	-	-	-	0.3	307.1	N/A
1994	1,717.2	19.0	-	-	40.1	0.7	284.2	N/A
Totals	6,086.1	(250.0)	-	-	-	30.7	705.9	N/A
Yrly. Avg.	253.59	(10.42)	-	-	-	1.28	29.41	N/A

Zaire								
year	totaid	usaid	imf	ibrd	ida	undp	regdev	gdp
1970	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,887
1971	108.7	12.0	-	-	2.1	8.3	-	5,606
1972	122.3	9.0	-	-	5.1	6.7	-	6,186
1973	139.1	4.0	-	-	6.8	6.9	-	7,886
1974	180.2	8.0	-	-	10.0	6.2	-	9,616

1975	204.6	4.0	-	-	11.5	7.7	-	10,258
1976	193.8	17.0	-	-	16.8	8.0	-	9,649
1977	259.4	24.0	14.1	-	32.3	9.7	-	12,340
1978	316.9	21.0	43.5	-	26.2	4.7	-	15,375
1979	416.4	44.0	44.3	-	26.3	5.7	-	15,066
1980	427.5	11.0	37.6	-	19.6	11.6	-	14,391
1981	393.6	21.0	0.5	-	17.1	10.2	0.5	12,535
1982	348.2	16.0	-	-	38.0	9.2	2.2	13,649
1983	314.5	23.0	-	-	42.2	5.3	3.4	11,004
1984	312.5	8.0	-	-	49.7	0.8	3.8	7,856
1985	324.2	38.0	-	-	57.4	7.6	11.3	7,193
1986	448.1	23.0	-	-	81.1	9.5	22.7	8,094
1987	626.9	40.0	-	-	211.8	7.6	29.6	7,660
1988	575.7	36.0	-	-	87.0	9.7	26.8	8,859
1989	638.4	53.0	-	-	89.0	11.0	30.3	8,769
1990	897.7	32.0	(4.6)	-	70.0	12.2	38.0	N/A
1991	476.2	42.0	(0.5)	-	63.0	11.5	22.3	N/A
1992	268.1	34.0	-	-	50.8	7.1	2.3	N/A
1993	178.2	8.0	-	-	45.1	6.5	0.6	N/A
1994	245.4	1.0	-	-	1.4	7.3	1.3	N/A
Totals	8,416.6	529.0	134.9	-	1,060.3	191.0	195.1	196,879
Yrly. Avg.	350.69	22.04	5.62	-	44.18	7.96	8.13	9,843.95

Notes

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[1]. For detailed critiques of the problems of foreign aid, see, for example, Doug Bandow, *The Politics of Envy: Statism as Theology* (New Brunswick, N.J.: Transaction Publishers, 1994), pp. 131-74; Perpetuating Poverty: The World Bank, the IMF, and the Developing World, ed. Doug Bandow and Ian Vásquez (Washington: Cato Institute, 1994); Doug Bandow, "A New Aid Policy for a New World," Cato Institute Policy Analysis no. 226, May 15, 1995; Patricia Adams, *Odious Debts: Loose Lending, Corruption, and the Third World's Environmental Legacy* (Toronto: Earthscan, 1991); Graham Hancock, *Lords of Poverty: The Power, Prestige, and Corruption of the International Aid Business* (New York: Atlantic Monthly Press, 1989); and Nicholas Eberstadt, *Foreign Aid and American Purpose* (Washington: American Enterprise Institute, 1988).

[2]. U.S. Agency for International Development, *Africa: Growth Renewed, Hope Rekindled: A Report on the Performance of the Development Fund for Africa 1988-1992* (Washington: U.S. Agency for International Development, 1993), p. 17.

[3]. Quoted in "Zaire: Reign of Error," *Online Focus*, December 26, 1996, transcript p. 4.

[4]. Quoted in Steven Lee Myers, "Christopher Sees Threat of Isolation via U.S. Cuts," *New York Times*, January 16, 1997, p. A7

[5]. William Clinton, "State of the Union Address," *New York Times*, January 5, 1997, pp. A20-A21.

[6]. Humanitarian aid can also worsen disasters. See, for example, Michael Maren, *The Road to Hell: The Ravaging Effects of Foreign Aid and International Charity* (New York: Free Press, 1997).

[7]. Quoted in Al Kamen and Thomas W. Lippman, "Task Force Favors Restructuring and Refocusing Troubled AID," *Washington Post*, July 3, 1993, p. A16.

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[9]. Which is not to underestimate the problems with the design and implementation of aid programs. Analyst James Bovard has reviewed the failure of manifold U.S. AID projects. James Bovard, "The Continuing Failure of Foreign Aid," Cato Institute Policy Analysis no. 65, January 31, 1986. Researchers Karl Borgin and Kathleen Corbett studied foreign aid projects in Africa and found that money is routinely spent on small, transitory projects; wasted on programs the Africans could undertake themselves; and used to subsidize small-scale ventures that contribute little to development and promote inappropriate forms of agriculture. Karl Borgin and Kathleen Corbett, *The Destruction of a Continent: Africa and International Aid* (San Diego: Harcourt Brace Jovanovich, 1982), p. 187.

[10]. United Nations Development Programme, *Human Development Report 1996* (New York: Oxford University Press, 1996),p. iii.

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[13]. Peter Boone, "Politics and the Effectiveness of Aid," National Bureau of Economic Research Working Paper 5308, Cambridge, Maryland, October 1995, p. 33.

[14]. U.S. Agency for International Development, *Development and the National Interest: U.S. Economic Assistance into the 21st Century* (Washington: U.S. Agency for International Development, 1989), p. 112.

[15]. Doug Bandow, "The IMF: A Record of Addiction and Failure," in *Perpetuating Poverty*, pp. 15-36.

[16]. See, for instance, Kenneth Lanza, "A.I.D. and Economic Policy," *North-South*, February-March 1994, pp. 34-38. Multilateral institutions like the World Bank have placed even greater emphasis on "adjustment" lending.

[17]. Alan Carter, "The Nation-State and Underdevelopment," *Third World Quarterly* 16, no. 4 (1995): 614.

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[19]. See Bandow, "The IMF," pp. 18-30; and Bandow, *The Politics of Envy*, pp. 167-73.

[20]. Cindy Williams, Statement on the Role of Foreign Aid in Economic Development before the Subcommittee on African Affairs of the Senate Committee on Foreign Relations, May 1, 1996, p. 17.

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[41]. Ibid., p. 47.

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