

International Consulting Economists' Association

Notice of Meeting

Tuesday 15th May 2018, 18h00 for 18h30

Does Foreign Aid Promote Growth? Evidence from Malawi

presented by

Robert Mwanamanga

The question on whether foreign aid promotes economic growth is a longstanding debate. Foreign aid takes many forms but this discussion focuses on Overseas Development Assistance (ODA); being funds transferred to poor-countries primarily to promote economic development. The presentation summarizes findings of OLS time-series analysis of aid- growth linkages for Malawi from 1960s to date. Overall, results suggest that aid exerts a negative impact on Malawi's economic growth. Importantly, the study distinguishes itself from the rest by testing this hypothesis on three distinct theoretical models to confirm whether model choice matters. Albeit, all models confirm the same by hinting that aid possibly increases government-consumption rather than promoting investments. The findings corroborate previous-studies that tend to associate aid with Dutch disease effects in African-countries.

In his talk Rob explores the theoretical basis for aid-growth linkages, examines some of the most common criticisms of aid, and provides a snapshot of aid and macroeconomic management in Malawi. This leads on to a look at some of the best practices of aid going on around the world and at the future of aid.

Robert Mwanamanga is a senior government economist in Malawi and first Head of the Aid Coordination Unit at the Ministry of Health. He is currently completing a Master of Public Policy at Oxford.

The paper will be available after the meeting on <http://www.icea.co.uk/archive>.

Future meetings dates and topics can be found at <http://www.icea.co.uk/whats-on>.

If you do not wish to receive such notices, please email secretariat@icea.co.uk

Venue: Art Workers Guild

The Art Workers Guild, 6 Queen Square, WC1N 3AT

(Turn left out of Russell Sq Station, then immediately left down Herbrand Street to Guilford Street.

Cross the road, turn left and then immediately right down an alley to Queen Square No. 6)

Charges (including drinks/refreshments): Members - £5; Non-members - £10; Students £2.50

NOTE: meetings last 1¼-1½ hours with an initial presentation by the principal speaker (or speakers) followed by questions and contributions from the floor. Further informal discussion may continue thereafter