

Tracking Chinese aid to Africa

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Is a fancy new school in an African government official's hometown a coincidence, or evidence of systematic favouritism in the distribution of aid?

Quite possibly the latter, say researchers who have analysed how Chinese aid funds are distributed in Africa, testing the hypothesis that China's approach to aid makes it particularly vulnerable to such abuse.

In their paper "Aid on Demand: African Leaders and the Geography of China's Foreign Assistance", the researchers from Monash University,

College of William and Mary, Heidelberg University, University of St Gallen and AidData look at where aid funds go at the sub-national level. This analysis was made possible through a recent effort at AidData to sub-nationally georeferencing Chinese development finance activities from 2000 to 2012.

China prides itself on using a demand-driven process to meet aid needs but Dr Paul Raschky from the Monash Centre for Development Economics and Sustainability said its reputation for not interfering in the domestic affairs of countries receiving aid could put it at increased risk of exploitation.

The study of 12 years of data for a large number of African countries receiving aid showed that leaders' birthplaces received more funding than other areas.

"When provided with the discretion to do so, many African leaders allocate substantial additional resources to their home constituencies, to the detriment of citizens with greater economic needs," Dr Raschky said.

The research raised broader questions about the degree to which inefficiency in the allocation and use of public resources affected development goals such as economic growth and poverty reduction, and these will be investigated in future studies.

A related goal was to gain better understanding of whether Chinese aid was more or less effective than Western aid.

Dr Raschky cautioned that despite empirical evidence showing that Chinese aid money was particularly vulnerable to regional favouritism, things could be different at the stage of project implementation.

"Chinese aid money often does not leave Chinese hands, and China

sometimes controls management after the project has been completed," he said.

"This could mean that Chinese aid may be less prone to corruption than Western aid at the later stages of the aid cycle."

More information: The paper is available online:
[aiddata.org/sites/default/file ... reign assistance.pdf](http://aiddata.org/sites/default/file...reign_assistance.pdf)

Provided by Monash University

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