

## 1. Introduction

Our aim here is to elaborate on how government policy decision can influence Human Development Index (HDI). We follow a large strand of the Public Economy field, and relate to the recent literature unravelling outer, and national interventions in terms of economic and social outcomes.

Relying on the World Bank dataset and on a sample of 163 countries over the period 1990-2018, we find that Official Development Aid, official assistance, and FDI have no significant beneficial effect on HDI measures. Whereas internal factors contribute to the same indicator such as an increase in education or government expenditures, gross capital formation, economic growth or a reduction in income inequality all consistently improve the HDI ranking.

## 2. Theoretical background

The last decades have seen official development aid (ODA), and foreign direct investment (FDI) scale in importance from developed countries, and new donors such as China (see World Bank Development Indicators database, and Strange *et al.* [1]). Be it in bilateral or multilateral inflow forms, measurement of aid effectiveness, and fungibility have been scrutinized, and the concept of “conditionality” has been extensively used in scientific literature as well as in international agencies (Svensson [2]; Lessmann, and Markwardt [3]).

Accordingly, we may consider aid as prevalent for development and economic growth in terms of needs and amount allocated (see Alesina, and Dollar [4]; Chauvet, and Meslé-Somps [5]; or Tezanos *et al.* [6]).

However, development projects, and aid ineffectiveness have been brought to light. Foreign aid appears to be triggering inconsistent economic development and welfare improvement in recipient countries (Fleck, and Kilby [7]; Wagner [8]; Dreher *et al.* [9]; or Zardoub, and El Abed [10]).

While many internal and external factors have been identified as explanatory for aid allocation, and effectiveness, we will restrain our scope of study on budgetary and fiscal issues. We categorize relevant factors in three categories: institutional quality, policy decisions, and economic conditions.

### 2.1 Institutional quality

Conceptually, “institution” refers to political institutions, specifically democracy and governance quality. Notably, institutions matter for aid allocation, its fungibility, and rent-seeking activities (Kanmas and Sarantides [11]; Roessler [12]).

In the Indian context, Prakash *et al.* [13] emphasize the detrimental effects that incompetent and corrupted incumbents have in regions where failing or ineffective institutions (political and judicial) fail to enforce rigorous controls over officials.

Similarly, the absence of controls and conditionality give ground to rent seeking, and aid diversion to African leaders’ families, and jurisdiction of birth or neighbouring regions of the

Chinese aid allocation. This can be explained through the political survival approach; leaders adopt this behaviour on pure electoral and support-building purposes (Dreher *et al.* [9]).

On the donor side, Alesina and Dollar's [4] seminal work showed how allocation choices differed based upon specific considerations; namely, democratic regimes mattered more to the United States, whereas Nordic countries relied more on democratic institutions. This "democratic preference" has, however, been contradicted by Alesina, and Weder [14]- non-democratic regimes receive just as much aid.

Still in the United States, Fleck, and Kilby [7] highlight how partisanship leads US aid allocation: Democrats have a democratic institution and needs-based approach, while Republicans are driven by mercantilist interests.

## **2.2 Policy decisions**

Policy commitments and binding aid allocations would be key elements in understanding aid inflows, and their effective allocation (Svensson [2]). Policy decisions on infrastructure and essential public goods provision would also be explanatory of economic gains.

In emerging democracies, redistributive fiscal policies can be used as a regime stabilizer to contain political unrest. Kanmas, and Sarantides [11] add this institutional setting, which highlights that in this particular context, also characterized by poorly developed institutions, fiscal policies are used to reduce the Gini coefficient.

Subsequently in the development of recipient countries, institutions, policies, and legal controls guaranteeing law enforcement rules, economic openness or liberty become a prerequisite to attract FDI as well as achieve a certain level of economic development. (Svensson [2]; Anwar, and Cooray [15]; Pham, and Pham [16]; and Hammani *et al.* [17]).

## **2.3 Economic conditions**

Economic development is a determinant of aid effectiveness to trigger or spur economic and social development, i.e. aid below or above country-specific GDP thresholds are ineffective in order to initiate or stimulate economic growth. Aid fungibility then decreases as a result (Wagner [8]; Roessler [12]).

The literature explains that economic development and effective public institutions are required to develop economic activity and provide public goods to the population.

Yet, foreign aid has a beneficial effect on growth rate owing to an increase in public spending and investment; which in turn lead to tax reduction (compensated by an increase in physical capital and better investments) and then an improved economic environment favorable to launching economic development. (Pham, and Pham [16]).

Economic development leads to monetary poverty reduction in aided countries, more than it reduces poverty as measured by the Multidimensional Poverty Index (Santos *et al.* [18]). This phenomenon can be explained across a broad range of policies that require deployment to alleviate poverty as measured through multiple criteria.

However, donors suffer from a bias in their allocation as they preferably allocate their ODA to poorer or more populous countries, contrary to the findings of Kilby, and Dreher (2010) [19]. Poorer (in terms of GDP *per capita*) countries are unable to overcome the “poverty trap”.

This purely economic environment is also central in explaining the FDI-attractiveness of a country; namely, FDI is channelled to countries where *market size* measured as the GDP-FDI ratio is more important, and where judicial and business environments are more open to launching or developing new businesses or industries (Hammami *et al.* [17]).

Contrary to these conclusions, Doucouliagos, and Paldam [20], and Zardoub, and El Abed [10] conclude that despite the mainstream assumption that aid contributes to growth, ODA has no statistically significant effect. For Wagner [8], aid-GDP ratio thresholds define an upper-limit to the absorptive capacity of aid in recipient countries. According to his studies, positive marginal returns of aid to growth are more prevalent in least developed countries, acting as a buffer against external shocks.

### 3.Methodolody

#### 3.1 Data

To consider the effects that ODA and institutional elements have on HDI improvement, we use data from the World Bank World Development Indicators (WDI), and combine them with the United Nations Development Programme’s Human Development Index (UNDP) – that is the only variable coming from a different source than the WDI. As it stands, economics, welfare-related, policy-related, and other variables are drawn from the WDI.

We restrained our scope of analysis to countries for which HDI, ODA, and official aid data were available and for the time period during which HDI had been calculated.

Eventually our dataset comprises 163 countries over the period 1990-2018. We reckon, however, that some countries lack HDI and other measures, accounted for as “zeros” in our database.

#### 3.2 Empirical protocol

We present here our preliminary results using a simple model, testing whether ODA, and official assistance influence the current HDI level. To develop this model, we rely on the following contributions: Roessler [12], Kanmas and Sarantides [11], Santos *et al.* [18]. We also make use of the fruitful contributions and remarks of Alesina and Dollar [4], Fleck and Kilby [7] or Hammani *et al.* [17]. The model is presented as follows<sup>1</sup>.

$$\begin{aligned}
 HDI_{i,t} = & \alpha_0 + \alpha_1 GDP\_gwth_{i,t} + \alpha_2 Ext\_debt_{i,t} + \alpha_3 Gov\_expd_{i,t} + \alpha_4 Inc\_ineq_{i,t} + \\
 & \alpha_4 B\_dependency_{i,t} + \alpha_3 Health\_exp_{i,t} + \alpha_3 Educ\_exp_{i,t} + \alpha_3 ODA\_Assist_{i,t} + \alpha_3 FDI_{i,t} + \\
 & \epsilon_{i,t}
 \end{aligned}
 \tag{1}$$

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<sup>1</sup> Variable definitions can be found in Appendix 1

We run OLS and panel regressions on this database with both random and fixed effects.

In a second time, we test an alternative model where gross capital formation and economic openness are taken into account and several variables are modified. Here, we take GNI growth *per capita* as an explanatory variable instead of GDP *per capita* to account for all the wealth generated by the residents of a country and any foreign inflow generated by nationals. Our model takes the following form:

$$\begin{aligned} HDI_{i,t} = & \alpha_0 + \alpha_1 GNI\_gwth_{i,t} + \alpha_2 Trade_{i,t} + \alpha_3 Poverty_{i,t} + \alpha_4 B\_dependency_{i,t} + \\ & \alpha_5 Gov\_expd_{i,t} + \alpha_6 K\_form_{i,t} + \alpha_7 Health\_exp_{i,t} + \alpha_8 Educ\_exp_{i,t} + \alpha_9 ODA\_Assist_{i,t} + \\ & \alpha_{10} FDI_{i,t} + \alpha_{11} Grants_{i,t} + \varepsilon_{i,t} \end{aligned} \quad (2)$$

#### 4. Results

From our OLS regression, we find that GDP *per capita* has the largest, and most significant effect on HDI improvement, followed by the reduction of income inequality. Unsurprisingly, education and government expenditures (both insignificant) are positively associated with HDI increases. The result regarding the small marginal effect health expenditures have can be explained through the concentration of healthcare facilities, and their access.

Running panel regression provides us with further insights. Indeed, a decrease in income inequalities has by far the largest effect on HDI improvement, followed by government and education expenditures (now both significant). We can interpret this result as an element corroborating the human capital theory, and theories legitimizing the welfare state. Additionally, this confirms why the HDI indicator was developed in the first place.

Ironically, FDI and ODA as well as assistance only have a minor effect on HDI improvement, and both display a non-significant coefficient at the usual confidence threshold. This supports the strand of literature concluding to overall aid ineffectiveness.

**Table 1 – Regression estimates of regression equation (1)**

|                     | SPECIFICATION                |                              |                              |                              |                              |                              |
|---------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                     | (1)                          | (2)                          | (3)                          | (4)                          | (5)                          | (6)                          |
|                     | Dependent variable: HDI      |                              |                              |                              |                              |                              |
| <i>GDP_gwth</i>     | 0,329 ***<br>(0,088)         | 0,329 ***<br>(0,099)         | 0,0833<br>(0,053)            | 0,0833<br>(0,054)            | 0,071<br>(0,053)             | 0,071<br>(0,051)             |
| <i>Ext_debt</i>     | 0,0000067 ***<br>(0,0000039) | 0,0000067 ***<br>(0,0000031) | 0,0000038 ***<br>(0,0000033) | 0,0000038 ***<br>(0,0000052) | 0,0000038 ***<br>(0,0000033) | 0,0000038 ***<br>(0,0000051) |
| <i>Gov_expd</i>     | 0,117<br>(0,101)             | 0,117<br>(0,132)             | 0,391 ***<br>(0,099)         | 0,391 ***<br>(0,243)         | 0,389 ***<br>(0,106)         | 0,389<br>(0,276)             |
| <i>Inc_ineq</i>     | 0,203 ***<br>(0,076)         | 0,203 ***<br>(0,062)         | 0,537 ***<br>(0,101)         | 0,537 ***<br>(0,163)         | 0,513 ***<br>(0,105)         | 0,513 ***<br>(0,187)         |
| <i>B_dependency</i> | -0,000026 ***<br>(0,0000079) | -0,000026 **<br>(0,000012)   | 0,0000071<br>(0,0000071)     | 0,0000071<br>(0,000010)      | 0,000012<br>(0,0000073)      | 0,000012<br>(0,000011)       |
| <i>Health_exp</i>   | 0,00025 ***<br>(0,000013)    | 0,00025 ***<br>(0,000012)    | 0,00013 ***<br>(0,000012)    | 0,00013 ***<br>(0,000017)    | 0,00011 ***<br>(0,000012)    | 0,00011 ***<br>(0,000016)    |
| <i>Educ_exp</i>     | 0,114 **<br>(0,045)          | 0,114 **<br>(0,045)          | 0,141 ***<br>(0,030)         | 0,141 ***<br>(0,029)         | 0,145 ***<br>(0,030)         | 0,145 ***<br>(0,030)         |
| <i>ODA_Assist</i>   | 0,000058<br>(0,000021)       | 0,000058<br>(0,000028)       | 0,000035 **<br>(0,000017)    | 0,000035 **<br>(0,000021)    | 0,000032 *<br>(0,000018)     | 0,000032<br>(0,000022)       |
| <i>FDI</i>          | -0,000021 ***<br>(0,0000064) | -0,000021 ***<br>(0,0000041) | 0,0000059<br>(0,0000052)     | 0,0000059<br>(0,0000061)     | 0,0000063<br>(0,0000052)     | 0,0000063<br>(0,0000062)     |
| <i>_cons.</i>       | 0,57 ***<br>(0,016)          | 0,57 ***<br>(0,020)          | 0,453 ***<br>(0,021)         | 0,453 ***<br>(0,047)         | 0,52 ***<br>(0,049)          | 0,52 ***<br>(0,049)          |

Notes:  
Independent variables estimates are followed by their standard error in brackets.  
(1) is OLS test; (3) is panel regression with random effects; (5) is panel regression with random effects. (2), (4) and (6) are the same tests using robust standard errors.  
\*\*\* p<0.01; \*\*p<0.05 per cent level; \*p<0.10.

Our previous results remain true, for the most part, except for the effect of government expenditures on HDI that is now negative and preponderant in explaining HDI evolution. Likewise, GNI growth benefits HDI, as did GDP growth in our first model.

Additionally, trade or economic openness is positively associated with economic and social progress, as are education expenditures and gross capital formation. This can be considered as a means of supporting liberalization policies, but we must add that ODA, assistance and FDI, whilst being statistically significant, have a marginally insignificant effect in our model.

Nevertheless, foreign aid grants appear to have a positive effect on HDI in our regressions. Hence, below or above a certain level of economic attainment, aid is ineffective and FDI should be subject to specific sectoral development strategies *ex ante* to reap its benefits in the recipient country's economy.

Paradoxically, we find poverty headcount to be positively associated with HDI improvement. This could be the result of a concentration of wealth or income at the top of the income distribution: growth benefits the richest and the poorest are left behind.

Government reliance on foreign sources of income strongly influences HDI, but the coefficients remain statistically insignificant.

**Table 2 – Regression estimate of regression equation (2)**

|                     | SPECIFICATION                |                              |                             |                             |                             |                           |
|---------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|
|                     | (1)                          | (2)                          | (3)                         | (4)                         | (5)                         | (6)                       |
|                     | Dependent variable: HDI      |                              |                             |                             |                             |                           |
| <i>GNI_gwth</i>     | 0,257 ***<br>(0,062)         | 0,257 ***<br>(0,071)         | 0,089 **<br>(0,044)         | 0,089<br>(0,066)            | 0,082<br>(0,044)            | 0,082<br>(0,066)          |
| <i>Trade</i>        | 0,096 ***<br>(0,0059)        | 0,096 ***<br>(0,0058)        | 0,100 ***<br>(0,0082)       | 0,100 ***<br>(0,035)        | 0,098 ***<br>(0,088)        | 0,098 **<br>(0,041)       |
| <i>Poverty</i>      | 0,112 ***<br>(0,022)         | 0,112 ***<br>(0,018)         | 0,078 ***<br>(0,016)        | 0,078 ***<br>(0,022)        | 0,079 ***<br>(0,016)        | 0,079 ***<br>(0,022)      |
| <i>B_dependency</i> | -0,000018 ***<br>(0,000015)  | -0,000018 ***<br>(0,000017)  | -0,000014<br>(0,000014)     | -0,000014<br>(0,000085)     | -0,000084<br>(0,000014)     | -0,000084<br>(0,000092)   |
| <i>Govexp</i>       | -0,059<br>(0,049)            | -0,059<br>(0,069)            | -0,161 ***<br>(0,054)       | -0,161 ***<br>(0,181)       | -0,18 ***<br>(0,056)        | -0,18<br>(0,190)          |
| <i>Kform</i>        | 0,057 *<br>(0,034)           | 0,057<br>(0,043)             | 0,077 ***<br>(0,031)        | 0,077 ***<br>(0,099)        | 0,083 ***<br>(0,031)        | 0,083<br>(0,102)          |
| <i>Healthexp</i>    | 0,0033 ***<br>(0,000012)     | 0,0033 ***<br>(0,000011)     | 0,00015 ***<br>(0,000011)   | 0,00015 ***<br>(0,000038)   | 0,00013 ***<br>(0,000011)   | 0,00013 ***<br>(0,000039) |
| <i>Eduexp</i>       | 0,094 ***<br>(0,034)         | 0,094 ***<br>(0,033)         | 0,133 ***<br>(0,027)        | 0,133 ***<br>(0,049)        | 0,138 ***<br>(0,027)        | 0,138 ***<br>(0,051)      |
| <i>ODAAssist</i>    | 0,000043 ***<br>(0,000042)   | 0,000043 ***<br>(0,000042)   | 0,000045 ***<br>(0,000038)  | 0,000045 ***<br>(0,000035)  | 0,000047 ***<br>(0,000038)  | 0,000047<br>(0,000039)    |
| <i>FDInet</i>       | 0,0000069 ***<br>(0,0000042) | 0,0000069 ***<br>(0,0000031) | 0,000014 ***<br>(0,0000041) | 0,000014 ***<br>(0,0000071) | 0,000014 ***<br>(0,0000042) | 0,000014 *<br>(0,0000079) |
| <i>Grants</i>       | 0,045 ***<br>(0,016)         | 0,045 ***<br>(0,016)         | 0,082 ***<br>(0,015)        | 0,082 ***<br>(0,037)        | 0,085 ***<br>(0,015)        | 0,085 **<br>(0,038)       |
| <i>_cons</i>        | 0,439 ***<br>(0,012)         | 0,439 ***<br>(0,015)         | 0,454 ***<br>(0,016)        | 0,454 ***<br>(0,044)        | 0,463 ***<br>(0,013)        | 0,463 ***<br>(0,046)      |

**Notes:**  
 Independent variables estimates are followed by their standard error in brackets.  
 (1) is OLS test; (2) is panel regression with random effects; (3) is panel regression with random effects; (4), (5) and (6) are the same tests using robust standard errors.  
 \*\*\* p<0,01; \*\*p<0,05 per cent level; \*p<0,10.

### 5. Conclusion

In this paper, we develop a model aimed at capturing policy decision and external budget components which could explain HDI improvement. We find ODA, assistance, and FDI are not explanatory of the HDI level, whilst expenditures in education and general government expenditures display the largest effects on HDI improvement.

Economic growth and integration in international value chains also seem to render benefits to the recipient country, parallel to Alesina and Dollar’s conclusion [4].

In accordance with the literature on this topic, our R-squared ranges from 25% to almost 40%. We find comparable results regarding aid effectiveness.

Drawing on this, we consider using new indicators such as alternative measures of budgetary dependency, for instance, the ratio of ODA and assistance on government expenditures. Moreover, institutional variables such as levels of corruption or democracy as well as other variables used by Roessler, which may prove relevant in future analysis [12].

Analogically, we relate to Kanmas and Sarantides inasmuch as some targeted expenditures are required to improve social condition, such as gross capital formation as shown in our model [11]. This supports Santos et al. who call for studying poverty reduction from a multidimensional perspective [18].

As our model shows, economic growth, reduction in income distribution as well as government and public sector investments are required to improve people’s living conditions.

Our preliminary results lead us to be somewhat cautious, but our findings suggest a daring conclusion, i.e. internal decisions, especially budgetary allocation matter more in terms of enhancing economic and social outcomes rather than opting for targeted foreign financial flows.

APPENDIX 1 – VARIABLE DEFINITION

| Variable name                     | Definition   | Unit                          |
|-----------------------------------|--|-------------------------------|
| <i>GDP_gwth<sub>i,t</sub></i>     | GDP growth rate per capita<br><i>Annual percentage growth rate of GDP per capita based on constant local currency. Aggregates are based on constant 2010 U.S. dollars. GDP per capita is gross domestic product divided by mid-year population. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.</i> | Annual %                      |
| <i>Ext_debt<sub>i,t</sub></i>     | External debt stocks<br><i>Total external debt is debt owed to non-residents repayable in currency, goods, or services. Total external debt is the sum of public, publicly guaranteed, and private non-guaranteed long-term debt, use of IMF credit, and short-term debt. Short-term debt includes all debt having an original maturity of one year or less and interest in arrears on long-term debt.</i>   | Current<br>US\$<br>per capita |
| <i>Gov_exp<sub>i,t</sub></i>      | General government final consumption expenditure<br><i>General government final consumption expenditure (formerly general government consumption) includes all government current expenditures for purchases of goods and services (including compensation of employees). It also includes most expenditures on national defence and security, but excludes government military expenditures that are part of government capital formation.</i>  | (% of<br>GDP)                 |
| <i>Inc_ineq<sub>i,t</sub></i>     | Income distribution inequality<br><i>Measure of the income inequality as calculated by the ratio between the income share held by lowest 10% over the income share held by highest 10%; this gives a rough measure of income concentration at the upper end of the income distribution.</i>  |                               |
| <i>B_dependency<sub>i,t</sub></i> | Government budgetary dependence from institutional foreign donors.<br><i>Ratio of the net official development assistance and official aid received over GDP. It represents the non-governmental source of funding available to the government, relative to the country's GDP. If we consider GDP as a rough measure of the revenue of a government, the higher the ratio, the more dependent the recipient country is as well as its government to public foreign aid in order to provide essential goods and services..</i>  | Current<br>US\$               |
| <i>Health_exp<sub>i,t</sub></i>   | Domestic general government health expenditure per capita.<br><i>Public expenditure on health from domestic sources per capita expressed in current US dollars.</i>  | Current<br>US\$               |
| <i>Educ_exp<sub>i,t</sub></i>     | Government expenditure on education<br><i>General government expenditure on education (current, capital, and transfers) is expressed as a percentage of total general government expenditure on all sectors (including health, education, social services, etc.). It includes expenditure funded by transfers from international sources to government. General government usually refers to local, regional and central governments.</i>  | Current<br>US\$               |



|                     |   |                 |
|---------------------|---|-----------------|
| $ODA\_Assist_{i,t}$ | <p><b>Net official development assistance and official aid received</b></p> <p>Net official development assistance (ODA) consists of disbursements of loans made on concessional terms (net of repayments of principal) and grants by official agencies of the members of the Development Assistance Committee (DAC), by multilateral institutions, and by non-DAC countries to promote economic development and welfare in countries and territories in the DAC list of ODA recipients. It includes loans with a grant element of at least 25 percent (calculated at a rate of discount of 10 percent). Net official aid refers to aid flows (net of repayments) from official donors to countries and territories in part II of the DAC list of recipients: more advanced countries of Central and Eastern Europe, the countries of the former Soviet Union, and certain advanced developing countries and territories. Official aid is provided under terms and conditions similar to those for ODA. Part II of the DAC List was abolished in 2005. The collection of data on official aid and other resource flows to Part II countries ended with 2004 data. Data are in current U.S. dollars.</p> | Current<br>US\$ |
| $FDI_{i,t}$         | <p><b>Foreign direct investment, net inflows</b></p> <p>Foreign direct investment refers to direct investment equity flows in the reporting economy. It is the sum of equity capital, reinvestment of earnings, and other capital. Direct investment is a category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy. Ownership of 10 percent or more of the ordinary shares of voting stock is the criterion for determining the existence of a direct investment relationship. Data are in current U.S. dollars.</p>  | Current<br>US\$ |
| $Trade_{i,t}$       | <p>Measure of trade openness</p> <p>Ratio of the sum of imports and exports of goods and services over GDP. It reveals to what extent the economy is linked or included in international trade channel without considering the actual stage of the value creation.</p>  | Current<br>US\$ |
| $K\_form_{i,t}$     | <p>Gross capital formation</p> <p><i>Gross capital formation (formerly gross domestic investment) consists of outlays on additions to the fixed assets of the economy plus net changes in the level of inventories. Fixed assets include land improvements (fences, ditches, drains, and so on); plant, machinery, and equipment purchases; and the construction of roads, railways, and the like, including schools, offices, hospitals, private residential dwellings, and commercial and industrial buildings. Inventories are stocks of goods held by firms to meet temporary or unexpected fluctuations in production or sales, and "work in progress." According to the 1993 SNA, net acquisitions of valuables are also considered capital formation.</i></p>  | % of GDP        |

|                               |  |                     |
|-------------------------------|--|---------------------|
| <i>GNI_gwth<sub>i,t</sub></i> | GNI per capita growth<br><i>Annual percentage growth rate of GNI per capita based on constant local currency. Aggregates are based on constant 2010 U.S. dollars. GNI per capita is gross national income divided by mid-year population. GNI (formerly GNP) is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees, and property income) from abroad.</i> | Annual %            |
| <i>Grants<sub>i,t</sub></i>   | Grants, and other revenue<br><i>Grants, and other revenue include grants from other foreign governments, international organizations, and other government units; interest; dividends; rent; required, nonrepayable receipts for public purposes (such as fines, administrative fees, and entrepreneurial income from government ownership of property); and voluntary, unrequited, nonrepayable receipts other than grants.</i>   | % of revenue        |
| <i>Poverty<sub>i,t</sub></i>  | Poverty headcount ratio at national poverty lines<br><i>National poverty headcount ratio is the percentage of the population living below the national poverty lines. National estimates are based on population-weighted subgroup estimates from household surveys.</i>   | % of the population |

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