

## Aid, Institutions and Development

New Approaches to Growth, Governance and Poverty

## Ashok Chakravarti

Senior Adviser on Democracy and Governance, USAID/Bearing Point, South Sudan. He was formerly an Adviser to the United Nations and a Visiting Fellow at Oxford University, UK

**Edward Elgar** 

Cheltenham, UK . Northampton, MA, USA

## Contents

List of figures and tables Preface		vii viii
1	Introduction	1
	Rationale of overseas development assistance	5
	Quantitative overview	7
2	Institutions, governance and growth	11
	Economic and social policies	13
	The role of the state	16
	Empirical evidence on governance	21
	External shocks	24
	The East Asian experience	26
	New paradigms for development	31
3	The nature and content of aid	38
	Aid and growth	38
	Aid, investment and consumption	44
	The content of aid	47
	Project and programme aid	48
	Technical assistance	53
	Non-governmental organizations	70
	Overall impact	73
4	The role of donors and recipient responses	74
	The World Bank and the International Monetary Fund	. 74
	The relevance of second-best approaches	84
	Knowledge creation	92
	Attitudes of donor staff	99
5	Inequalities, economic growth and poverty reduction	105
	Selectivity and sovereignty	105
	Inequalities and poverty reduction	110
	The Comprehensive Development Framework	120

6	New strategies for aid and development	125
	Poverty reduction strategies	125
	Governance and political reform initiatives	140
	Other bilateral donors	154
7	The way ahead	158
	Private investment	159
	A new Development Compact	162
	Some proposals for change	168
References		173
Index		184