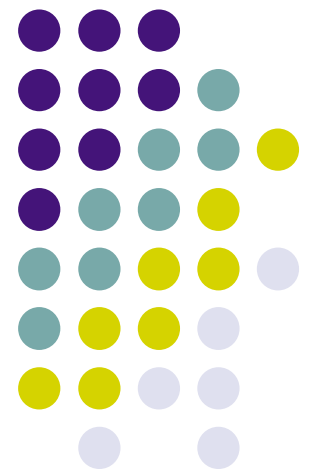


US Aid: Generous or Stingy?

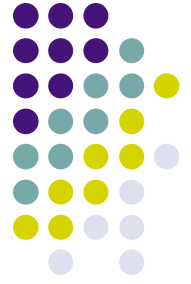
Steve Radelet

Center for Global Development

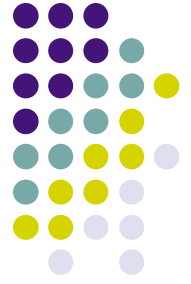
January 13, 2005



Basic Aid Data (2003): Official Flows



- Global official development assistance (ODA) from major donors: \$69 billion
- US: \$16.3 billion – the largest
- 25% of the total
- US constitutes 40% of total donor income
- 0.15% of US income – 22nd
- Assistance to other countries (e.g., Israel, Russia) – not considered development assistance - \$1.5 billion.



Official data – Private flows

- US private aid: \$6.3 billion
- USG data reported to the OECD
- Underestimated for all countries:
 - Not all organizations respond
 - Some categories omitted: volunteer time

US Official Development Assistance (ODA), 2003

USG data published by the OECD



	Billion \$	% of US income	Donor ranking
Government Development Assistance	16.3	0.15	22nd

Source: www.oecd.org/dac/stats/dac/dcrannex

US Official Development Assistance (ODA), 2003

USG data published by the OECD



	Billion \$	% of US income	Donor ranking
Government Development Assistance	16.3	0.15	22nd
Private Contributions	6.3	0.06	5th

Source: www.oecd.org/dac/stats/dac/dcrannex

US Official Development Assistance (ODA), 2003

USG data published by the OECD



	Billion \$	% of US income	Donor ranking
Government Development Assistance	16.3	0.15	22nd
Private Contributions	6.3	0.06	5th
Total	22.6	0.21	19th

Source: www.oecd.org/dac/stats/dac/dcrannex

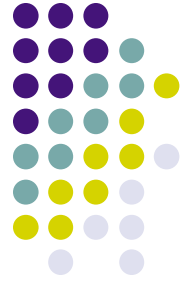
US International Assistance to Developing Countries, 2000 (Adelman estimates)



	Billion \$
Government Development Assistance	9.9
Other Government Assistance	12.7
Private Contributions	17.1
Remittances	18.0
Total	57.7

Source: Carol Adelman, "The Privatization of Foreign Aid," *Foreign Affairs*, November/December 2004.

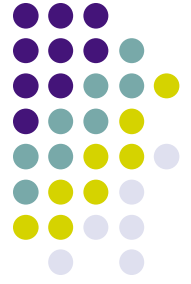
“Other government assistance” - \$12.7 billion



- \$12.7 billion = International operations budget
\$22.6 b – ODA \$9.9 b
- Includes:
 - foreign military financing and other security assistance: \$5.4 billion
 - State department operations and buildings: \$3.9 b
 - Foreign information and exchange activities: \$0.8 b

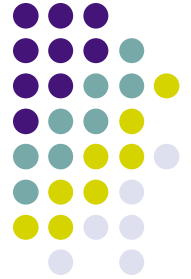
Source: http://www.gpoaccess.gov/usbudget/fy02/sheets/fct_1.xls

Private Contributions: \$17.1 billion



- Not fully documented
- Counts assistance to non-developing countries
- Possible double-counting:
 - CARE: 60% from the US government
 - CRS: 78% from USG
 - Corporate donations to charities?

Remittances: \$18 billion



- Important
- But not aid or charity
- Like all private flows, an important but only partial substitute for official development assistance

Summary: dollars, shares, and rankings



	Total (bill)	Share of US income	Donor ranking
Government ODA	\$16.3	0.15%	22nd

Summary: dollars, shares, and rankings



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Summary: dollars, shares, and rankings



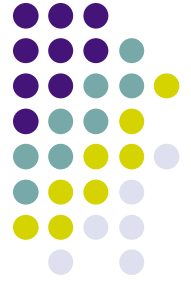
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ODA + Adelman private (\$17.1 b) no adjustment to other countries	\$33.4	0.30%	15th

Summary: dollars, shares, and rankings

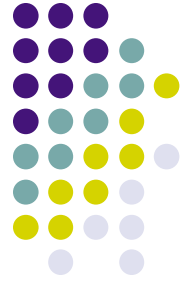


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ODA + Adelman private (\$17.1 b) no adjustment to other countries	\$33.4	0.30%	15th
ODA + Adelman private (\$17.1 b) + remittances (\$18 b), no adjustment to other countries	\$51.4	0.47%	9th

The US makes other contributions to development

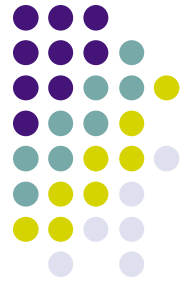


- Security
 - Technology
 - Investment
 - Trade
 - Migration
 - Environment
-
- CGD/Foreign Policy “Commitment to Development Index:” US Ranks 7th



Asking the right question

- US giving as a share of income or our ranking relative to other donors misses the main point:
- Do you do enough in developing countries to achieve our own goals?



Does aid help?

- Aid is not the most important element for sustained economic development.
- Policies, institutions, and commitment of citizens and leaders of developing countries.
- But aid can help low-income countries achieve sustained growth and development.
- Korea: 1955-1972 aid of almost \$100/person
- Botswana: 1965-1995: aid of \$127/person

Net Resource Flows* to Developing Countries (Billion US\$)



	1990	2002
All Developing Countries		
Official flows	63.4	34.3
Private flows	55.4	155.3
Total	118.8	189.6
Middle income countries		
Official flows	29.2	8.6
Private flows	41.5	146.0
Total	70.7	154.6
Low income countries		
Official flows	34.2	25.7
Private flows	13.9	9.3
Total	48.2	35.0

* in this table net resource flows include technical cooperation and short-term debt flows. Source: World Bank, *Global Development Finance*, 2004.

Remittances to Developing countries, 2002



	\$ billion
All developing countries	\$88.1
Middle income countries	\$62.4
Low income countries	\$25.7
Sub-Saharan Africa	\$4.1