

Does Health-targeted Aid Have a Positive Effect on Health in Developing Countries?

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Goal/Purpose:

The main goal of this project is to gain a better understanding of foreign aid in developing countries, particularly the health impact of health-targeted aid projects. Through this research, I hope to be able to determine whether or not health-targeted aid projects given by the United States, Europe, the World Bank, and other donors, actually have a positive impact on health in developing countries.

Importance of Project:

I believe that this research is extremely important to the field of international development. Recently in the international development arena there has been an increased focus on promoting health as a means of reducing poverty. Indeed, the United Nation's Millennium Development Goals as well as the Gates Foundation's focus on health are indicative of the new consensus that health is critical in reducing poverty. However, to date there has been little research done on the general health impact of health aid in aid recipient countries. The purpose of this project is to help us understand if health-targeted aid is actually making a difference. If it is, this is valuable information that development players can use to increase their efforts to promote health. However, if health-targeted aid as it is currently used is not making a difference, development players will have to rethink their strategy for health promotion in the developing world. Thus this project has the potential to make a very important contribution to the field of international development and international health specifically.

The Project:

We will study the relationship between health-targeted aid and health indicators in developing countries that receive the aid. We hypothesize that health-targeted aid has a positive effect on health indicators in recipient countries. We define health-targeted aid as projects which have the specific intention of promoting health, such as building hospitals, training physicians, immunization campaigns, etc. We will obtain the health-aid data from the PLAID (Project-Level Aid) database. The PLAID database is basically a collection of information on foreign aid projects given by multilateral institutions such as the World Bank, African Development Bank, Asian Development Bank, as well as bilateral aid donors such as the United States and Western European countries. Each aid project has been coded according to the specific type of project it is--thus enabling us to examine all health-targeted projects. We will use this data, along with health indicators in aid-recipient countries, to determine if health aid is effective in promoting health or not.

This project consists of several steps: 1) doing a thorough review of existing literature 2) collecting and organizing data 3) running regressions on the data 4) interpreting our results and writing our paper. First of all, we must do a comprehensive literature review in order to better understand what research scholars are currently doing on the subject. The literature review will give us a better idea of where gaps are in current understanding of foreign aid and health and provide us a framework on which we can build our hypothesis. Second, we must collect and organize all of the data which we will need to actually test our hypothesis. This consists of amalgamating health indicators such as mortality rates, under-5 mortality rates and life expectancy in aid recipient countries.

Additionally, we will need to collect data on economic and political indicators in order to control for such variables as wealth (GDP per capita) and level of government corruption (the Polity index).

The next step will be to organize the data into files in a statistical program, STATA, with which we will run

multiple regressions comparing health aid and the various health indicators in recipient countries. In order to take into account the fact that aid probably takes time to have a visible effect, we will lag the health indicators by 5 years, thus comparing health aid with health indicators 5 years later. These regressions will help us determine whether or not there is a significant correlation between health aid and the various health indicators. With this valuable information, we hope to be able to tell whether or not health aid is actually improving health or not. This leads to the fourth and final step; interpreting our results and finishing our paper. In the paper we will include our literature review, our hypothesis, methodology, experimental data, case studies, and conclusions.

This is a joint project with two other BYU students, Katherine Kitterman and Ashley Anne Mitchell. Although all three of us will have some involvement at each step of the project, each person will be assigned a specific role in the research process. As one with a strong background in foreign aid, international development theory, and international health, one of my roles will be to head the literature review. I will continue to research the current literature on foreign aid in order to establish a better framework on which we can build our own research. Specifically, I will look for additional development literature on foreign aid and its health effects. This is precisely where this research project seeks to fill the gap; little is known about how foreign aid affects health and hardly any research has been done on the health effects of health-targeted aid. After conducting a thorough review of past and current research, I will write up an overview of the current literature and incorporate it into the main body of our research paper.

In addition, I will be partly responsible for collecting and organizing all of the data that we need in order to test our hypothesis. I will obtain all of the data on health-targeted development projects given by multilateral and bilateral donors from 1980-2000 using the PLAID database. Additionally, I will find data on health, economic, and political indicators (infant mortality rates, GDP per capita, Polity index, measures of corruption/democracy, etc.) from various sources such as the World Development Indicators on the World Bank website, the IMF website, and the Polity index on the Center for International Development and Conflict Management's website. With this data we will be able to test our hypothesis using STATA.

Lastly, I will research several case studies of developing countries that received health aid. Along with our quantitative results, we hope to be able to trace the causal process between health-targeted aid and health in several different case studies. I will select three health aid-recipient countries to study in detail. In this endeavor, I will research aid data for each specific country, government spending, government spending on health, health data (number of hospitals, physicians, clinics, disease prevalence, etc.), as well as other indicators for each country. In each case study I hope to be able to show how health-targeted aid has either been effective or ineffective in determining health outcomes. After completing these case studies I will write up my findings to be included with the final paper.

Anticipated Academic Outcome:

Not only do I anticipate receiving a valuable research experience, but we also plan on sharing our results with other scholars with an interest in foreign aid and health. We submitted an abstract of our paper and were accepted to present our paper at the annual International Studies Association convention in San Francisco this coming March. Additionally, we plan on submitting our paper to various academic journals such as International Organization and World Politics later on in the year.

Qualifications:

Health in the developing world is one of my main interests. As a pre-med student, I am greatly interested in becoming a physician who is involved in international efforts to promote health and eradicate poverty. My experiences working in hospitals in Mongolia and in a health clinic in Bolivia have helped shape my perspective and understanding of health needs and challenges in the developing countries. My study of foreign aid and international health has also provided me with a solid framework on which to pursue this research project. As a political science major with an international development minor, I have taken various classes relating to international development (International Political Economy, Political Economy

of Development, International Health, etc.) Political inquiry (PI Sc 200) also provided me with a foundation of research and writing skills which will be of great benefit to me in conducting this research. Additionally, I have worked for Dr. Nielson's PLAID project throughout the past year studying the health effects that different types of development projects have in aid recipient countries.

Project Timetable:

As we are scheduled to present our paper at the International Studies Association convention in San Francisco at the end of March, we anticipate finishing this project by mid-March, 2008. In order to meet this deadline, I have set several milestones to keep me on track. In order to stay on target, I will:

- 1) finish collecting all of the health aid and indicator data by the end of December,
- 2) complete the literature review by the end of January,
- 3) finish the country case studies by the end of February.

Fit With BYU's Mission:

One of the main aims of a BYU education is to promote learning and service. I believe that this research project is very much in harmony with this aspect of BYU's mission. This project will increase our understanding of whether or not health-targeted foreign aid projects are actually promoting help in developing countries. With this knowledge, we will be better able determine which types of foreign aid are most effective in eradicating poverty and helping the poor to improve their way of life. This is something that is very important to me. I believe that we have a moral obligation to help reduce suffering and alleviate the burden of poverty that so many people carry, particularly in poor countries. I truly believe that this research project can make a lasting impact on the international development community (NGOs, experts, development banks, foreign aid donor countries, philanthropists, etc.). It is my hope that our research findings will help to inform aid donors as they decide where to allocate their resources. I believe that if we continue to improve the effectiveness of foreign aid we have the potential to bless the lives of millions of people in the world.

Scholarly Sources:

Burnside, Craig, and David Dollar. 2000. Aid, policies, and growth. *The American Economic Review* 90 (September): 847-68.

Burnside, Craig, and David Dollar. 2004. Aid, policies, and growth: Reply. *The American Economic Review*

Croghan, Thomas W., Amanda Beatty, and Aviva Ron. 2006. Routes to better health for children in four developing countries. *The Milbank Quarterly* 84 (2): 333-358.

Easterly, William. 2003. Can foreign aid buy growth? *Journal of Economic Perspectives* 17, no. 3 (Summer) : 23-48.

Hanmer, Lucia, Robert Lensink, and Howard White. 2003. Infant and child mortality in developing countries: Analysing the data for robust determinants. *The Journal of Development Studies* 40 (1): 101-118.

There is a large amount of literature that focuses on determining the effects of foreign aid. Some scholars argue that foreign aid helps under certain conditions like good governance (Burnside and Dollar). Others argue that foreign aid does little to promote economic and social development (Easterly). We contribute to the debate by researching health aid and its effects on health.