

Use foreign aid to prevent catastrophe?

by [Tyler Cowen](#) on September 11, 2006 at 4:21 am in [Political Science](#)

Our research find that a 5% drop in per capita income due to drought increases the likelihood of a civil conflict [in African countries] in the following year by nearly one half. That's a very large effect.

...Currently, most foreign aid focuses on long-term investments in infrastructure of education but does little to deal with such short-term triggers of violence as drought or falling export commodity prices. But our research suggests a larger share of aid should aim to dampen the sharp falls in income that actually generate recruits for rebel movements.

That is from [Edward Miguel](#), p.14 of *Business Week*, edition of 18 September. My main worry is that these are the societies where foreign aid is least likely to find its way into the hands of the poor. In fact the distribution of the aid might, at the margin, make the plum of political power all the more appealing to would-be rebels. Keep in mind that many of these civil wars are led by elites, not the starving poor. (So what is the mechanism linking drought and conflict? Focality?) Nonetheless I am sympathetic with the basic idea that simply preventing catastrophe is often the best that aid can do.

Here are [links](#) to the guy's working papers and the data set for this paper.

Here is [Bill Easterly](#) on what the World Bank should be doing, namely focusing on modest and measurable projects, in the name of accountability. [Michael Kremer](#) argues the World Bank should support global public goods. Here are [other views](#), courtesy of New Economist blog.

 [2 comments](#)

[Robert Speirs](#) September 11, 2006 at 8:30 am

How exactly are aid agencies going to deal with catastrophes like drought without working with the kleptocratic tyrannies that run most of the places where such catastrophes occur? And what interest does the kleptocratic elite have in actually preventing or alleviating catastrophes when most of its wealth comes from Western aid payments stimulated by those catastrophes?

Anthony September 11, 2006 at 11:08 pm

So what is the mechanism linking drought and conflict? Focality?

1. Ease of recruiting cannon-fodder.
2. A drop of 5% income will cause some number of the elite to be impoverished.