دن: ______ تاریخ: ______

Does Foreign Aid help to Achieve Economic Stability?

A- Introduction

Thesis statement: There is a negative relationship between foreign aid and growth. Foreign aid does not help to achieve economic stability because it is subjected to certain conditions. These conditions reflect motives of the donor.

B- Foreign Aid Does Not Help to Achieve Economic Stability

1- It creates a debt trap for recipent country.

2- It facilitates corruption by Influential elites.

3- It curbs growth of local industries.

4- It promotes social and political tensions in the recipent country

5- It facilitates Security and

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economic interest of donor countries

6- It influences the economy of recipient countries.

7- It affects the development of country through import libralization conditions.

~~8~~- It reduces savings of the recipent country as half of the loan goes to unnecessary imports.

8- It rises inflation rates due to condition of indirect taxes.

9- It creates gender and regional disparities in the donee country.

10- It hampers development as most of aid is given for military expenses.

11- It increases poverty further under the condition of removal of subsidies

C- Conclusion