

# Health, Development, and Human Rights

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## Foreign Aid as Investment in Growth

As you read the material for the next class, keep the questions below in mind. To answer these questions you will have to reflect critically on what you have read and possibly re-read important passages. Keep in mind that there are two basic kinds of information that you need to look for in the readings:

1. What are the main points or conclusions that an author accepts with respect to a particular issue?
2. What are the reasons, important considerations, and evidence that lead the author to accept that conclusion?

For our purposes, *it is information of the second sort that will be our primary concern* since our most basic task is to *evaluate the reasons and evidence* that are offered to support accepting one possible conclusion about an issue, rather than another.

Although I strongly suggest that you write out brief answers to these questions, you do not have to turn in written responses. You do, however, need to be prepared to speak intelligently to these issues in the next class meeting.

### Readings

- William Easterly, *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*, Chapter 2.

### Questions

1. William Easterly believes that most traditional views about how foreign aid is supposed to work originate with the Harrod-Domar model. What is this model, and what links does it make concerning aid, investment, and growth? What types of aid does it encourage?
2. How does Easterly show that the empirical data fails to support the Harrod-Domar model?
3. According to Easterly, what contentious presumptions does the Harrod-Domar model make, and why do these presumptions most likely explain why the empirical data fails to support this model?