The Journal of Peace Studies
http://dx.doi.org/10.14363/kaps.2016.18.2.143

Official Development Assistance and Economic Growth in East African Countries*

Robert Suphian**
Institute for Euro-African Studies, Hanyang University, Korea
Sung-soo Kim***
Institute for Euro-African Studies, Hanyang University, Korea

Abstract

Tanzania, Uganda and Kenya have been receiving larger amount of official development assistance (ODA) compared to the rest of the East African Community countries. Therefore this study aims at assessing the impact of ODA on economic growth for to those three East African Community countries for the last 35 years from 1980-2014. The study employed the autoregressive distribution lag (ARDL) approach geared by Eviews9 application software for all estimations with the inclusion of other important independent variables like terms of trade, foreign direct investment, education and health. All countries' ODA estimated results confirmed to have positive and significant effect on their economic growth. Just in the short run, ODA flowing to Kenya and Uganda proved to have a negative significant effect on the economic growth. However in the long run both countries' ODA effects were positive. Tanzania had a significant positive effect for short and long run. In line with ODA, education and health found to have positive significant short and long run effects on the economic growth of East African countries. However in the previous years the human development factors were negatively affecting the growth, therefore the reverse suggested signs of improvements in the human development.

Keywords: Economic growth, ODA, Terms of trade, FDI, Education, Health

*This revised work was supported by the National Research Foundation of Korea Grant funded by the Korean Government (NRF-2013S1A2A3044457)
** Robert Suphian (PhD), First Author and Researcher at Hanyang University Institute for Euro-African Studies, email: reshaki@hotmail.com
***Sungsoo Kim (PhD), Corresponding Author and Professor at Hanyang University, Director of Institute for Euro-African Studies and, email: skim14@hanyang.ac.kr