Foreign Aid and Poverty Reduction in Afghanistan

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Abstract

The role of foreign aid in economic growth, poverty reduction, and its impact on human development in developing countries has been a matter of debate among economists. Authors have reached different views on the impact of foreign aid on economic growth, poverty reduction, and human development in developing countries. Afghanistan is one of the countries in the world that relies heavily on foreign aid. Foreign aid has always played an important role in the history of Afghanistan. Especially, after the collapse of the Taliban regime in 2001, the international community recognized the fact that a stable Afghanistan would contribute to peace and stability in this region of the world. At this point, the international community decided to help Afghanistan promote economic growth and reduce poverty. However, the impact of foreign aid on economic growth, poverty reduction, and the human development index is questionable.

This research proposal is submitted for a PhD dissertation at Ruhr University, IEE. It analyses the impact of foreign aid on poverty reduction with a special focus on the human development index in Afghanistan and tries to answer the question regarding the effectiveness of foreign aid on human development in Afghanistan using quantitative and qualitative methods of research.