

Determinants of Foreign Aid to Africa: A Comparison of the United States and China*

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This paper analyzes the determinants of U.S. and Chinese foreign aid allocation to Africa. Our analysis shows that strategic interests play a bigger role in China's aid allocation decisions than any other factors. We find robust evidence that U.S. aid responds positively to recipient needs, improvement in human rights, control of corruption, sound government regulations and policies, and political instability. These results are significant even after controlling for U.S. strategic interests. Our findings are important for evaluating the different foreign aid strategies applied to Africa by the United States and China.

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