THE IMPACT OF FOREIGN AID ON ECONOMIC GROWTH IN KENYA,  
(1981-2010)

ANDOLO DERRICK OCHIENG  
BACHELOR OF ECONOMICS & STATISTICS  
x75/23994/2009  
school of economics

A PARTIAL RESEARCH PROJECT SUBMITTED TO DR. ONGORO IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR TO RESEARCH PAPER (XEA 402)

JUNE, 2012
ABSTRACT

Foreign aid is thought to be an important element in economic growth in the developing countries. This paper analyzes the effects of foreign aid on the economic growth in Kenya. The study uses time series data in Kenya for the period 1981 – 2010. The hypothesis that foreign aid doesn’t promote economic growth in Kenya is also explored in this paper. As previous papers show mixed results of the same study but in developing countries, this study has a negative effect on economic growth in Kenya with foreign aid as a ratio of Gross Domestic Product.