

ECONOMICS DICTIONARY

Terms: 10

Syllabus 4.6:

Submariner Dictionary: Unit 5 (4.3, 4.5, 4.6 + 4.7)

Term	Definition note the use of key terms to explain the term	Diagram. Probably better to add by hand!	Example. Add examples as appropriate.
Term	Definition:	Diagram to use:	Example:
aid	aid is a critical concept as it connects with the main theme in this course: should governments or markets govern economic decision making? Aid then is the provision of assistance to a government in need of assistance in short and long run crisis situations	poverty cycle could be used if the aid is used to promote poverty reduction such as education and health projects	
aid and trade	could be translated as intervention or market but the aid and trade phrase puts a focus on the idea of support for crisis situation versus a trade or market based approach.	OECD plays a significant role here: Take a look here: OECD Glossary of Statistical Terms - Concessional loans Definition https://stats.oecd.org/glossary/detail.asp?ID=5901	several African regions have come together to form trade blocs in an effort to promote free trade. This is supported by economic theory in that free trade (e.g. trade with lower or no tariffs (tariff = indirect tax) boost economic growth. For example, look up any of the following: TFTA, EAC or Comesa BBC article Take a look here: http://www.bbc.com/news/world-africa-33076917
concessional long term loans	concessional long term loans represent efforts by DC's to support LEDC's with lower interest rate/cost loans and more favourable periods of repayment		this is concessional but it is a market based approach i.e. the loan has to be repaid

Term +Explanation**Diagram + Example**

grant aid	this refers to aid (instead of a loan) and the money is channelled into a specific aim/objective		grant aid is a non market based approach to development where poor countries receive method for limiting the effect of corruption which is a key reason why funds allocated for development are wasted.
			Take a look at this IMF report on grant aid: https://www.imf.org/external/pubs/ft/fandd/2004/09/pdf/clements.pdf
IMF	The International Monetary Fund (IMF) and the World Bank are institutions in the United Nations system. They share the same goal of raising living standards in their member countries. Their approaches to this goal are complementary, with the IMF focusing on macroeconomic issues and the World Bank concentrating on long-term economic development and poverty reduction.		see http://www.imf.org/en/About/Factsheets/Sheets/2016/07/27/15/31/IMF-World-Bank
NGO	A non-governmental organization (NGO) is a not-for-profit organization that is independent from states and international governmental organizations. They are usually funded by donations but some avoid formal funding altogether and are run primarily by volunteers.		see http://www.oecd.org/data/stats/officialdevelopmentassistance/definitionandcoverage.htm

Term + Explanation**Diagram + Example**

ODA	Official development assistance (ODA) is defined as government aid designed to promote the economic development and welfare of developing countries. Loans and credits for military purposes are excluded. Aid may be provided bilaterally, from donor to recipient, or channelled through a multilateral development agency such as the United Nations or the World Bank.		
project aid	Project aid involves the direct participation of the donors (DC's) in the design and the implementation of a developmental project.		
tied aid	Tied aid is foreign aid that must be spent in the country providing the aid (the donor country) or in a group of selected countries. A developed country will provide a bilateral loan or grant to a developing country, but mandate that the money be spent on goods or services produced in the selected country.		
World Bank	see IMF but note the focus is different		http://www.imf.org/en/About/Factsheets/Sheets/2016/07/27/15/31/IMF-World-Bank http://www.worldbank.org/

Term +Explanation**Diagram + Example**

4.6 - Role of Foreign Aid and Multilateral Assistance			
1. aid			
2. aid and trade (intervention or market)			
3. concessional long-term loans			
4. grant			
5. IMF			
6. NGO			
7. ODA			
8. project aid			
9. tied aid			
10. World Bank			