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                        Analysis of Collective Decision-Making: General
                        Foreign Aid
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                        International Public Goods
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                        Provision and Effects of Welfare Program
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                        Poverty & precarity
                        Finance
                        Social welfare & social services
                        Foreign aid
                        Budget planning and preparation
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                        Competition
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Nota di contenuto	Cover; Contents; 1 Introduction; 2 Donor Coordination in Practice: Fragmentation; Figures; 1 Number of Recipient Countries and Global Aid Budget Shares; 2 Global Aid Herfindahl Index; 3 Background Literature; 4 Model; 4.1 Donors Maximize Net Aid Impact; 4.2 Donors Maximize Relative Net Aid Impact; 3 Best-Response Functions with Identical Donors; 4.3 Introducing Fixed Costs; 4 Best-Response Functions with Non-Identical Donors; 4.4 Introducing More Recipients and More Donors; 5 Empirical Evidence; Tables; 1 Larger Donors vs. Smaller Donors; 5 Herfindahl Index and Relative Donor Size 2 Donor Ranking in Aid Selectivity3 Donor Selectivity and Herfindahl Index; 6 Conclusion; References; Appendix A; Proof of Proposition 1; Description of Best-Response Functions; Proof of Proposition 4; Appendix B; Table 4: Donor Selectivity and MLD; Table 5: Donor Selectivity and Theil Index
Sommario/riassunto	This paper shows that donors that maximize relative aid impact spread their budgets across many recipient countries in a unique Nash equilibrium, explaining aid fragmentation. This equilibrium may be inefficient even without fixed costs, and the inefficiency increases in the equality of donors budgets. The paper presents empirical evidence consistent with theoretical results. These imply that, short of ending donors maximization of relative aid impact, agreements to better coordinate aid allocations are not implementable. Moreover, since policies to increase donor competition in terms of aid effectiveness risk reinforcing relativeness, they may well backfire, as any such reinforcement increases aid fragmentation.