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From aid to attraction: The effects of official development assistance and economic diplomacy on tourism flows to Turkey

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Abstract

This study examines whether official development assistance (ODA) functions as a channel of economic diplomacy by shaping tourism demand from recipient countries to Turkey. Using a panel dataset of 69 countries that received Turkish ODA between 2006 and 2020, inbound tourist arrivals to Turkey are employed as a proxy for tourism demand originating from aid-recipient economies. An augmented gravity model is applied to estimate the relationship, controlling for income levels, population size, exchange rates, geographical distance, trade agreements, and diplomatic representation. The results show a positive and statistically significant relationship between ODA and subsequent tourism demand. Specifically, an increase of US$1,000 in ODA to a recipient country is associated with approximately 87 additional tourist arrivals in Turkey the following year, ceteris paribus. This result is robust across alternative model specifications. The findings suggest that ODA may generate positive spillovers for Turkey beyond its developmental objectives. In particular, ODA appears to enhance destination awareness, strengthen bilateral relations, and improve perceptions of Turkey in recipient countries. These channels reduce informational and perceptual barriers and encourage cross-border mobility. In this context, ODA may complement trade diplomacy by fostering linkages in the services sector, particularly tourism.

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1. Introduction

One of the most significant international transfers since World War II has been official development assistance, also known as foreign aid or international aid, primarily from developed to least developed countries. The Marshall Plan was developed and implemented by the US to rebuild Europe's war-damaged economy and extend its influence in Europe. From 1948 to 1951, 16 European countries received approximately US$13.3 billion in aid from the United States, the equivalent of US$143 billion in 2017. This aid was primarily in the form of grants for commodity assistance (Tarnoff, 2018). These aids largely renovated Europe's postwar international order and set the groundwork for the European economy's growth between 1950 and 1980. Western European countries, on the other hand, are currently among the largest donors of foreign aid, accounting for 0.53 percent of their GDP (US$89.3 billion) in 2017. Emerging donors such as China and Turkey are contributing significantly to international efforts to ease the economic hardships of developing nations, alongside traditional donors such as Western Europe and the US. Turkey continued to lead the world in official humanitarian aid in 2018, offering 8.399 billion US dollars, according to the Global Humanitarian Assistance Report. In terms of official humanitarian aid as a percentage of national income, Turkey remained the "most generous country" in 2018, contributing 0.79 percent of its GNI. Turkey's figures for 2017 were 8.07 billion US dollars and 0.85 percent, respectively.

For aid to be categorized as official development assistance (ODA), the Development Assistance Committee must be satisfied, although the recipient nation and the nature of the ODA are left up to the donors' discretion. The OECD divides ODA into eight sectors or categories: social infrastructure, economic

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infrastructure, production, multisector, program assistance, debt relief, humanitarian aid, and unspecified. Apart from debt relief, which must take the form of financial flows, ODA in the remaining seven categories can be in the form of either financial flows or the transfer of goods and services from the donor to the recipient nation. Depending on the type of ODA, the economic effects on both recipient and donor countries may vary. However, taking ODA into account is a more accurate treatment in economic analysis because there are undoubtedly spillover effects between different categories.

There is little doubt that foreign aid contributed significantly to the post-World War II economic growth and social prosperity of Europe. The impressive economic growth in Western Europe since the 1950s can be credited to the effectiveness of foreign aid. However, there is discussion in the literature about whether current foreign aid from developed countries to developing countries meets the objectives of promoting economic growth and improving living conditions in recipient countries. Contrary to Europe in the 1940s and 1950s, developing nations have relied on foreign aid in recent decades primarily for the purpose of reducing poverty; as a result, the effectiveness of this aid is also dependent on how well recipient nations' macroeconomic and political institutions are performing. However, many developing nations lack effective institutions and good governance. In this study, we examine how subsequent bilateral trade, especially tourism trade between recipient countries and donor nations, affects the economies of donor countries. Although foreign aid is generally intended to benefit recipient nations, we explore three main mechanisms through which it may also influence donor-country economies.

First, one immediate justification is that foreign aid is often tied to conditions requiring recipient countries to purchase goods and services from donor countries (Brech & Potrafke, 2014). This may lead to a transfer paradox, in which foreign aid ultimately flows back to donor countries through increased exports to recipient nations (López, 2018). Such aid-induced economic linkages may also strengthen subsequent bilateral trade flows, including tourism-related exchanges, between donor and recipient countries. Second, foreign aid may generate welfare effects if it leads to income redistribution in recipient countries, thereby increasing consumption demand, including for tourism services. Demand for tourism typically exhibits an income elasticity greater than one, meaning that increases in income result in proportionally larger increases in tourism demand (Song, Wong, & Chon, 2003). Third, foreign aid may also influence bilateral economic relations through non-income mechanisms. For instance, individuals in developing countries may be more likely to travel to or engage in business with donor countries due to strengthened social and economic ties.

The strength and scope of bilateral trade between countries is also determined by economic diplomacy. Almost every country in the world engages in some form of economic diplomacy to improve its trade relations with other nations. The building blocks and drivers of a country's economic diplomacy include its economic ministries, foreign ministry, trade and investment agencies, and chambers of commerce. According to Abuseridze, Paliani-dittrich, Grasis, Alaverdov, and Linde (2022), developing countries utilize economic diplomacy to advance international trade, boost foreign direct investment, and promote tourism. As a developing country, Turkey recognizes the importance of economic diplomacy. The Foreign Economic Relations Board of Turkey (DEİK) is responsible for Turkish economic diplomacy, including identifying business opportunities domestically and internationally, fostering trade relations, and connecting the Turkish business community with its counterparts in partner countries. DEİK has 149 business councils around the world, which actively participate in Turkey's economic diplomacy efforts. It also organizes annual forums and summits on regional business and investment, such as the Turkey-Africa Business Summit.

We extend earlier studies by establishing a link between tourist outflows and ODA inflows, thereby examining the impact of ODA on inbound tourism in donor countries. Turkey is often considered among the more generous ODA donors relative to its ODA/GNI ratio and provides a substantial share of its aid in relatively unconditional forms. While unconditional aid may weaken traditional transfer-paradox mechanisms, it may also strengthen the relationship between ODA disbursement and inbound tourist flows from recipient countries by enhancing goodwill between donor and recipient nations.

The relationship between economic diplomacy, official development assistance (ODA), and tourism has received limited attention in the academic literature. This study addresses this gap by examining how ODA and economic diplomacy influence tourism demand from aid-recipient countries to Turkey. We specifically investigate whether ODA generates positive spillovers for donor countries through increased inbound tourism, thereby contributing to a better understanding of the economic returns to development assistance and bilateral engagement.

The remainder of the paper is structured as follows: Section 2 reviews the relevant literature, Section 3 presents the data and methodology, Section 4 discusses the empirical results, and Section 5 concludes with policy implications.

2. Review of Related Literature

2.1. The Impact of ODA on Recipient Economies

The impact of ODA on recipient nations has been extensively studied. Using ODA as an explanatory variable, researchers have attempted to measure its effect on recipient countries' growth rates and trade capacity. According to Burnside and Dollar (2000), ODA has a positive impact on economic growth in

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countries with relatively strong governance. They showed that recipient countries with sound economic policies, such as fiscal, monetary, and trade policies, benefit the most from foreign aid in terms of economic growth. Hansen and Tarp (2001) also found a positive association between foreign aid and economic growth, although they acknowledged that their results are sensitive to the model's included factors. Similarly, Driffield and Jones (2013), using a standard growth model, found that the economic impact of ODA, FDI, and remittances depends on the institutional quality of the recipient country.

One of the main goals of ODA is to promote the welfare and economic progress of developing countries, and bilateral trade between donor and recipient countries plays an essential role. Consequently, studies examining the effect of ODA on recipient countries' exports have produced inconsistent findings. Some studies suggest that there is little evidence that ODA increases recipient country exports. Nowak-Lehmann, Martínez-Zarzoso, Herzer, Klasen, and Cardozo (2013) argued that the positive effects of ODA might be offset by a decline in recipient countries' savings or by a negative impact on the real exchange rate. However, using a gravity model with 184 countries, Pettersson and Johansson (2013) demonstrated a positive association between ODA and recipient exports. Similar results were reported by Helble, Mann, and Wilson (2012) regarding Aid for Trade, which is included in ODA and consists of infrastructure and technical assistance for trade. Furthermore, Helble et al. (2012) found that aid has a stronger positive effect on recipient countries' exports than on their imports.

2.2. Donor Economy and Official Development Assistance

To examine ODA from the perspective of donor countries, studies have investigated how ODA affects donor economies, particularly their exports to recipient countries. As previously noted, there are several reasons why providing ODA to developing countries may increase exports from donor countries, especially when ODA is contingent on recipients purchasing goods and services from the donor. Official development assistance can take the form of goods and services produced in donor countries and delivered to recipients. Consequently, exports from donor countries to recipient countries tend to increase. Since most of these exports are goods, they have a negligible impact on the tourism industry. Nevertheless, ODA provided during calamities or financial crises can create a sense of obligation toward the donor. Recipients often express gratitude through various channels, and the transfer of foreign aid frequently generates such a goodwill effect.

Arvin and Baum (1997) demonstrated that consistent amounts of untied aid from donor countries to recipient countries are necessary to generate goodwill effects. In other words, these effects depend more on a steady flow of untied aid than on the total amount of foreign aid. Several studies have sought to estimate the impact of ODA on donor exports. For instance, Wagner (2003), using a dataset of 19 donor countries, observed that, depending on the estimation method, US$1 of aid can generate US$0.73–2.23 in exports from donor countries to recipient countries. Similarly, Swiss ODA to 95 recipient countries yielded $0.59 in short-term returns and $1.73 in long-term returns through exports (Lopez, Bianchi, & Chen, 2023). Moreover, these returns vary depending on the recipient countries, models, and estimation techniques.

3. Methodology and Theoretical Framework

The gravity equation is a widely used econometric model for analyzing bilateral trade flows between countries. Analogous to Newton's law of gravity in physics, the model posits that trade between two countries is directly proportional to their economic mass, typically measured by GDP, and inversely proportional to the geographical distance between them. Early contributions to the development of the gravity model were made by Tinbergen (1962) and Pöyhönen (1963), who formalized the equation as follows. In this study, the gravity model provides a natural framework to examine how official development assistance influences tourism flows from recipient countries to Turkiye, treating tourism demand as a form of economic exchange between nations.

$$\text{Bilateraltrade}_{ijt} = \frac{\text{GDP}_{it} * \text{GDP}_{jt}}{D_{ij}} \quad (1)$$

Using this theoretical background, we modelled tourism flows between Turkey and aid recipient countries as:

$$\text{Tourism}_{ijt} = \frac{\text{GDP}_{it} * \text{ODA}_{jt}}{D_{ij}} \quad (2)$$

$$\text{Ln}(\text{Tourism}_{ijt}) = \alpha_0 + \beta_1 \text{Ln}(\text{GDP}_{it}) + \beta_2 Ln(\text{ODA}_{jlt}) + \beta_3 \text{Ln}(\text{D}_{ij}) + \varepsilon_{ij} \quad (3)$$

α_1, $\beta 1$ and $\beta 2$ stand for the coefficients of the parameters to be estimated. Equation 3 is the main gravity model equation where tourism is expected to be a positive function of income and ODA, and a negative function of distance.

3.1. Data and Source

We constructed a panel dataset comprising official development assistance (ODA), indicators of tourism demand, and a set of macroeconomic variables relevant to tourism service consumption to assess the impact of Turkish ODA on Turkey's tourism exports. The main dependent variable is visitor arrivals from ODA recipient countries, which serve as a proxy for Turkey's tourism exports. Data on tourist arrivals were

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obtained from the Ministry of Culture and Tourism, while data on Turkish ODA, the main independent variable, were sourced from the OECD database.

We controlled for a range of factors that may influence tourism demand. First, we included GDP and population of recipient countries to capture origin country characteristics. These data were obtained from the World Bank Development Indicators. In addition, since travel costs affect tourism flows, we accounted for geographical distance and exchange rates; both exchange rate data and macroeconomic indicators were sourced from the World Bank Development Indicators. Distance was used as a proxy for travel costs between Turkey and ODA recipient countries. Finally, we included two additional variables free trade agreements and the presence of Turkish business consulates in recipient countries as dummy variables to capture the effects of Turkey's economic diplomacy on tourism flows.

3.2. Model Estimation

We considered Turkish inbound tourism as part of Turkey's service exports and therefore employed a model based on global trade theories, particularly the gravity model of trade. The gravity model is suitable because it accounts for both the economic size and the distance between countries to explain bilateral trade flows. The foundational work of Anderson and Van Wincoop (2003), who developed a method for consistently and efficiently estimating such models, often underpins modern applications of the gravity model. Recently, the gravity model has been widely used to examine how official development assistance affects exports from donors to recipients or vice versa (Nowak-Lehmann et al., 2013; Pettersson & Johansson, 2013). Since Turkiye is the country exporting tourism services to recipient countries, we modified the model to better capture its empirical relevance.

$$Tourism_{it} = \alpha + \beta_1 ODA_{it} + \sum_{k=1}^{k} \beta_{k+1} (X_{kit}) + \varepsilon_{i,t} \quad (4)$$

Where $Tourism_{it}$ denotes the number of tourists arriving in Turkiye from aid recipient country i in period t. The ODA_{it} represents the amount of official development assistance provided by Turkiye to recipient i in period t. Although ODA may enhance household income in recipient countries, its welfare effects are not immediately reflected in tourism consumption, as travel typically requires planning.

Finally, X_{kit} denotes a set of control variables specific to recipient countries that may affect tourism flows to Turkiye. In particular, X_{kit} includes the recipient country's GDP per capita at PPP ($GDP\ percapita_{it}$) in US dollars, population ($population_{it}$), and annual exchange rate ($exchange_{it}$) against the dollar, all in period t. We used the dollar against the recipient country's currency since tourists mainly use the dollar to buy goods and services in Turkiye.

Additionally, it includes the dummy variables, FTA_{it} and $Busines_consulate_{it}$ to capture the effects of free trade between the recipient country i and Turkiye, and the economic diplomacy of Turkiye in period t, as well as the variable distance in kilometers ($distance_i$) between the geographic centers of the recipient country i, and Turkiye.

While some coefficients are theoretically well-defined, others may be ambiguous and context-specific to Turkiye as a donor country. For example, the coefficient of GDP per capita is expected to be positive and significant, as a higher income level increases both trade and tourism demand. The effect of population, however, is ambiguous. On the one hand, a larger population may increase tourism demand due to a higher number of potential travelers. On the other hand, highly populated countries are not necessarily wealthier, which may weaken this relationship. Therefore, the overall effect of population on tourism demand remains uncertain.

Distance is expected to have a negative or possibly insignificant effect on tourism demand, as greater distances generally increase travel costs. However, advancements in air transportation have substantially reduced and stabilized travel costs over time, potentially weakening the impact of distance. The exchange rate is expected to have a negative effect, as a depreciation of the origin country's currency against the U.S. dollar reduces residents' international purchasing power, making travel abroad, including to Türkiye, more expensive and thereby lowering tourism demand. In line with the traditional gravity model, trade facilitators and economic diplomacy variables are expected to have positive and significant effects.

We first estimate Equation 4 using the pooled ordinary least squares (OLS) method. OLS is commonly employed to obtain initial estimates of coefficients in panel data models. However, these estimates may be biased, as pooled OLS ignores unobserved heterogeneity across countries. To address this issue, fixed effects and random effects models are also estimated. Furthermore, appropriate tests are conducted to determine whether one-way or two-way fixed and random effects models are more suitable.

3.3. Cointegration and Unit Root Test

To ensure that all variables are stationary, we begin by conducting panel unit root tests. Specifically, the Fisher and Im–Pesaran–Shin (IPS) tests are employed, as they are suitable for unbalanced panel data (Choi, 2001; Im, Pesaran, & Shin, 2003).

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Table 1 reports the results of the unit root tests. The findings indicate that all variables are stationary at levels, as the test statistics are significant for both the IPS and Fisher tests, with the exception of lnexchange. After taking the first difference, lnexchange becomes stationary.

We further examine the long-run relationship between lntourist and lnODA using the Westerlund cointegration test. The results, presented in Table 2, reject the null hypothesis of no cointegration, indicating that lntourist and lnODA exhibit a significant long-run equilibrium relationship.

Table 2 presents the results of the Westerlund panel cointegration test. The four reported statistics (G_t ,G_a, p_t *and* p_a), consistently show statistically significant values across all specifications, with p-values close to zero. These results strongly reject the null hypothesis of no cointegration.

The significance of both group-mean (G_t,G_a) and panel (p_t *and* p_a) indicates robust evidence of a long-run equilibrium relationship between tourism and the explanatory variables. This suggests that, although short-term deviations may occur, the variables move together over time, supporting the validity of the long-run model specification.

$$\Delta Y_{it} = \delta_i' d_t + \alpha_i\left(y_{i,t-1} - \beta_i X_{i,t-1}\right) + \sum_{j=1}^{\rho i} \alpha_{ij}\Delta Y_{i,t-j} + \sum_{j=-qi}^{\rho i} \gamma_{ij}\Delta X_{i,t-j} + \varepsilon_{it} \qquad (5)$$

Table 1. Unit root.

Variable	IPS	fisher
lntourist	-4.75**	282.7**
LnGDP	-61.06**	849.7**
lnexchang	-18.77	640.8**
lnpop	-0.002**	1140.9**
lnODA	-10.38**	524.57**

Table 2. Cointegration test.

	Dependent Variable											
	Tourists		Tourists		Tourists		Tourists		Tourists		Tourists	
Statistic	Value	p-value	Value	p-value	Value	p-value	Value	p-value	Value	p-value	Value	p-value
Gt	-2.639	0.002	-2.98	0.000	-2.956	0.000	-2.647	0.001	-2.794	0.000	-3.13	0.000
Ga	-16.9	0.000	-21.4	0.000	-13.72	0.011	-19.07	0.000	-17.5	0.000	-21.6	0.000
Pt	-20.99	0.000	-25.51	0.000	-22.45	0.000	-25.15	0.000	-22.02	0.000	-25.9	0.000
Pa	-14.38	0.000	-17.71	0.000	-14.05	0.000	-17.07	0.000	-14.59	0.000	-18.2	0.000

Table 3 reports the results of the fixed and random effects tests. For the fixed effects model, the F-tests reject the null hypotheses of no individual effects, no time effects, and no joint effects, as all p-values are equal to 0.000. Similarly, for the random effects model, the LM tests reject the null hypotheses of no individual effects, no time effects, and no joint effects.

These findings indicate the presence of both individual and time effects in the panel data. The F-tests support the use of fixed effects over pooled OLS, while the LM tests suggest that random effects are preferable to pooled estimation. Therefore, Equation 1 is estimated using both one-way and two-way specifications.

Table 4 presents the results of the Hausman test. The chi-square statistic (2183.78) with a p-value of less than 0.01 leads to the rejection of the null hypothesis that the random effects estimator is consistent. This indicates that the random effects estimator is inconsistent due to the correlation between the unobserved effects and the regressors. Consequently, the fixed effects model is preferred for the empirical analysis.

Table 3. Test for two-way fixed and random models.

Fixed Effects Test	Random Effects Test
H01: Absence of individual and time effects	H01: Absence of individual effects
FH01(82,945) = 73.16	LM1 = 2693.89
ProbFH01 = 0.0000	ProbLM1 = 0.0000
H02: Absence of individual effects	H02: Absence of time effects
FH02(68,945) = 86.13	LM2 = 33.91
ProbFH02 = 0.0000	ProbLM2 = 0.0000
H03: Absence of time effects	H03: Absence of individual and time effects
FH03(14,945) = 25.15	LM = 2727.80
ProbFH03 = 0.0000	ProbLM = 0.0000

Table 4. Hausman specification test.

Hausman Test	
Chi-square test value	2183.78
p-value	0.0000

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4. Findings and Discussion

Table 3 shows that Turkish ODA is positively associated with tourist arrivals from recipient countries. This relationship is statistically significant at the 5% level in three of the five model specifications, indicating a positive and relatively robust effect of ODA on inbound tourism. As reported in column (4) of Table 3, an additional US dollar of ODA increases tourist arrivals to Turkey by approximately 0.087, ceteris paribus. In other words, an additional US$1,000 of aid is associated with an increase of about 87 tourist arrivals.

This finding suggests that Turkish ODA may enhance awareness of Turkey as a travel destination among recipient countries, generating a positive externality reflected in increased tourism exports. Consequently, the resulting expansion in tourism demand helps partially offset the fiscal costs associated with providing foreign aid. In this sense, the effective cost of ODA may be lower than its direct budgetary cost due to these positive spillover effects. These results are consistent with previous studies. For example, Lopez et al. (2023) find that Swiss ODA has a positive effect on tourism flows from recipient countries to Switzerland, particularly in relation to hotel arrivals.

Consistent with theoretical expectations, the GDP of recipient countries has a positive and statistically significant effect on tourism demand, indicating that tourism behaves as a normal good that increases with income. In contrast, population is negatively associated with tourist arrivals. This may reflect heterogeneity across recipient countries, where larger populations do not necessarily translate into higher per capita tourism demand.

The effect of distance is not fully stable across specifications, possibly reflecting variation in geographical proximity between Turkey and different recipient countries. Finally, free trade agreements have a positive and significant impact on tourist arrivals. In a similar vein, the presence of Turkish business consulates plays an important role in facilitating tourism flows from recipient countries to Turkey.

Table 5. Comparison of estimates across models.

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)
GDP-lag	0.041***	0.007	0.005***	0.003	0.006	0.007*	0.007
	(0.004)	(0.005)	(0.001)	(0.005)	(0.005)	(0.004)	(0.004)
lnexchang	-0.088***	0.154***	-0.01***	0.442**	-0.096	0.083	-0.1*
	(0.018)	(0.052)	(0.003)	(0.192)	(0.063)	(0.047)	(0.049)
lnpop	0.04***	-0.001	0.004***	-0.003	-0.004	0	-0.002
	(0.008)	(0.007)	(0.002)	(0.007)	(0.006)	(0.007)	(0.006)
lndistance	-10.322***	-10.644***	-0.135***		10.186***	-10.563***	-10.665***
	(0.166)	(0.305)	(0.011)		(0.051)	(0.321)	(0.209)
FTA	0.202*	10.524***	0.018		0.946**	10.47***	0.914**
	(0.102)	(0.191)	(0.013)		(0.356)	(0.453)	(0.389)
Busine_consulate	20.854***	10.074***	0.362***		0.456***	10.139***	0.556***
	(0.252)	(0.078)	(0.019)		(0.106)	(0.189)	(0.133)
lnODA	0.088**	0.085***	0.009***	0.191***	0.015	0.087**	0.022
	(0.032)	(0.02)	(0.003)	(0.028)	(0.017)	(0.029)	(0.018)
Constant	16.134***	19.962***	2.842***	6.96***	0	19.595***	22.478***
	(1.462)	(2.35)	(.094)	(.943)	(0)	(2.973)	(1.582)
Observations	1034	1034	1034	1034	1034	1034	1034
Year Dummy					Yes		Yes

Note: Standard errors are in parentheses.
*** p<0.01, ** p<0.05, * p<0.1.
Column (1) represents the OLS model.
Column (2) represents the Maximum Likelihood model .
Column (3) represents Pseudo Maximum Likelihood.
Column (4) represents the Fixed effect model.
Column (5) represents the two-way fixed effect model.
Column (6) represents the random effect model.
Column (7) represents the two-way random effect model.

5. Conclusion

This study provides empirical evidence that official development assistance (ODA) has a significant and positive impact on tourism demand from recipient countries to the donor country. After controlling for key determinants of tourism demand, the results indicate that an increase of US$1,000 in ODA is associated with approximately 8.7 additional tourist arrivals in Turkey.

Two main mechanisms may explain this relationship. First, a reputational or goodwill channel may improve perceptions of the donor country in recipient nations, thereby encouraging travel. Second, the resource transfer effect of ODA may enhance the ability of certain groups in recipient countries to finance international travel. Together, these channels suggest that ODA generates positive spillovers for donor countries through increased inbound tourism.

Consistent with the literature, the GDP of recipient countries has a positive and significant effect on tourism demand, confirming that tourism behaves as a normal good. In contrast, population has a negative

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effect, which may reflect heterogeneity across recipient countries and the limited share of individuals with the financial capacity for international travel in lower-income economies.

Overall, the findings contribute to the literature by highlighting an often-overlooked benefit of foreign aid for donor countries. Specifically, ODA may strengthen bilateral economic relations by indirectly promoting exports through tourism flows. This suggests that the effective fiscal burden of foreign aid may be partially offset by positive externalities.

Despite these contributions, the study has some limitations. It does not account for sector-specific tourism flows, such as health or education tourism, due to data constraints. Future research could extend this analysis by examining the relationship between ODA and different segments of the tourism sector, providing a more comprehensive understanding of the channels through which foreign aid influences tourism demand.

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