



# Dead Aid

Reviewed by Samira Hassan

Author: Dambisa Moyo

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Dambisa Moyo is a native Zambian. She has a degree from Harvard and a Doctorate from Oxford, and she has worked for the World Bank and at Goldman Sachs. *Dead Aid* is her first book.

*Dead Aid* is a controversial new exploration of the aid industry in Africa. It has been hailed by Kofi Annan as “a compelling case for a new approach in Africa. Her message is that ‘Africa’s time is now’. It is time for Africans to assume full control over their economic and political destiny. Africans should grasp the many means and opportunities available to them for improving the quality of life.”

Coming at a time where there is a growing criticism of the aid industry and its failed outcomes, *Dead Aid* will certainly add to the current debate. But Moyo goes a step further and contends that aid to Africa has not only failed in its targeted solutions, but has actively contributed to poverty and the failure of African nations to become economically viable and successful. Africa has become aid-dependant and addicted, to the detriment of responsible governance and economic growth.

Moyo also criticizes “glamour aid” and the rise of moral campaigners, especially in the movie and music industry. “Scarcely does one see Africa’s elected officials or those African policy makers charged with the development portfolio offer an opinion on what should be done, or what might actually work... This very important responsibility has, for all intents and purposes and to the bewilderment and chagrin of many Africans, been left to musicians who reside outside Africa.” (p.27).

The main argument of *Dead Aid* is that aid is the fundamental cause of poverty in Africa, because it removes incentives among policymakers and within society. It makes governments less accountable to their citizens and has led to civil wars and corruption. Aid has propped up dictatorships and sheltered governments from often disastrous governance decisions.

The solution? Moyo advocates stopping aid funding over the course of five years. *Dead Aid* argues that Africa should rather look to international bond markets, foreign direct investment (the Chinese, in particular); pushing for free trade and encouraging microfinance innovations, such as the group borrowing pioneered by the Grameen Bank in Bangladesh.

The book is written simply and it is easy to understand, yet coming at it as a layperson, I found myself wishing that there was more detail or explanation of Moyo’s assertions. For instance, much is made of the fact that aid has not worked in Africa, but there is really not much detail as to why this is so, beyond laying the blame on corruption, and inadequate distribution policies. If this is the case, surely a consideration of how these might be

tackled is warranted. And if aid were cut off, what would the likely outcomes be?

More simply, a clear definition of aid would have been helpful. Other than giving a brief criticism, Moyo does not target humanitarian or charitable aid, but rather focuses on bilateral and multilateral aid, defined as “the sum total of concessional loans and grants”(p.9). Unfortunately as a non economist, I am unsure of precisely what that actually means. Does this include health and education aid? Local development grants? None of this is made clear.

On the question of governance I was also confused. Moyo describes in some detail the corrupt regimes that have been propped up by aid but she assures us blithely that cutting aid will somehow assure good governance. Why would this be so? There are many examples of repressive and corrupt governments in countries not dependant on aid. Furthermore, she states that cutting off aid would also somehow lead to fewer wars and military coups. Why? Surely most wars and military coups are about resources and mineral wealth?

Moyo is an obvious admirer of China and its “new multi-pronged assault on Africa” (p. 104). A whole chapter of the book is devoted to China and the benefits of Chinese investment. For Moyo any concern about the Chinese and the possible repercussions of such investment is merely seen as western hypocrisy. Humanitarian and environmental concerns are also brushed aside. She asserts that:

“Many Africans scoff at the notion that westerners should be outraged by Chinese implicit support for Africa’s corrupt and rogue leaders. It is, after all, under the auspices of Western aid, goodwill and transparency that Africa’s most notorious plunderers and despots have risen and thrived”. (p.108).

That may well be so, but I am strangely unconvinced that corrupt leaders supported by investment are better for Africa than those supported by aid.

And if the aim is to benefit Africa, then surely serious consideration must be given to Chinese business practices such as not hiring locals and underbidding local business.

There is no doubt that developmental aid to Africa has been mismanaged and squandered. Moyo tells us that over one trillion dollars of aid has been given to Africa since World War One, yet sub-Saharan Africa remains the poorest region in the world, with little to show in terms of economic growth. There is obviously a need to tackle the problem, and find viable long term solutions. Whether you agree or disagree with Moyo, her book is an important step in furthering a very important dialogue.