



"Without fear and without favour"

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Poor Africans will foot the bill while the aid debate rages

From Mr Ejeiome Elohio Oloho.

Sir, Dambisa Moyo's book *Dead Aid* has sparked an important and interesting debate at a time when both donor and recipient countries are struggling to cope with the impact of the current global economic and financial crisis. Your recent articles ("Opposition builds to Zambian economist who challenges the liberal aid establishment", May 23, and "Africa doesn't have to grovel to the west" January 31) show why Ms Moyo's stance has riled pro-aid activists but also drawn much support from conventional aid opponents.

Both groups ought to ponder over a few facts. First, aid, much like tax, was invented in the context of war: tax was originally conceived as a way of making all citizens pay for war; while aid was designed essentially to support the reconstruction and development of devastated European countries in the aftermath of the second world war.

Second, just as the share of national tax dedicated to war has shrunk over time, so has the share of aid devoted to development – the pristine purpose of development aid. This is a problem.

For instance, about 40 per cent of the annual aid to Africa is devoted to technical co-operation, developmental food aid, emergency aid, grants for debt forgiveness and assistance channelled through non-governmental organisations. This should be a cause for reflection, especially when one recalls the observation in the 2005 Report of the Commission on Africa that "Africa was blighted by lack of capacity". The question, today, is how much institutional, technical and managerial capacity is development aid building in Africa. For all that, aid is saving lives in Africa.

Third, there are considerable differences among pro-aid activists and aid opponents, as there are between the two groups. Each group has at least two schools of thought. Among aid activists, the two schools consist of those that are deeply empathetic to relieving the pains of poverty and responding to humanitarian emergencies, and those who strongly believe that aid can and should support conflict-affected and other developing countries.

Among the aid opponents, the two schools of thought consist of those

that argue that aid is inherently inefficient and prone to waste, and those that argue that aid deepens dependency and encourages poor governance. It produces the latter outcomes because aid reduces the fiscal covenant between the leaders and the people, as accountability is pivoted towards donors rather than the citizens.

The arguments by Ms Moyo in her book and interviews put her in the latter school. Her arguments also have a nationalistic flavour to them, which is why they have struck a responsive chord with a segment of African leaders and people.

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From Mr Pietro Calice.

Sir, That the scarcely original and questionable arguments included in Dambisa Moyo's book *Dead Aid* are being used to mount a worldwide anti-aid campaign is not surprising ("Aid opponent spreads theory far and fast", May 23).

It would not be the first time that

an intellectual contribution ends up influencing foreign aid commitments. Ten years ago, an academic study investigating the relationship between aid and economic growth by two World Bank economists, A. Craig Burnside and David Dollar, found that aid works only in the presence of "good" policies, where good stands for orthodox macroeconomic and trade policies.

These findings were questioned in academic circles, but the paper was nonetheless passed from one media report to another, eventually becoming a policy outcome. In the subsequent years, donors' money was preferentially given to countries with "good" policies.

Now that the donor community is struggling with its rotten public finances, and aid budgets have been slashed, the opportunity to aid, intellectual opposition to aid, stemming from an African woman, is too good to be missed. Unfortunately, it is the poor Africans who will ultimately foot the bill.

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