

**BOOK REVIEWS**

**Dambisa Moyo. *Dead Aid: Why Aid is Not Working and How There is Another Way for Africa* (London: Penguin, 2009).**

*Reviewed by Jacob Lisakafu\**

The question of foreign aid to developing countries particularly sub-Saharan Africa has generated a heated debate among scholars, policy makers and activists. The key question is whether foreign aid is really helping Africa or is doing more harm. While some argue that foreign aid promotes economic development, others maintain that it has little or no impact to the lives of most Africans. The *Dead Aid* by Dambisa Moyo is among the volumes at the centre of this debate. It explicitly holds that foreign aid is ineffective to Africa's economic development. Moyo introduces readers into the above mentioned never-ending debate about Africa's economic problems and failures. She is not only interested in the failure of the Western aid programme in Africa, but also in providing alternative sources of funding for Africa's economic development agenda which may reduce Africa's dependency on aid. In this respect she contends that her book provides a blueprint, a roadmap, for Africa to wean itself off aid (p.75).

The *Dead Aid* has ten chapters that are subdivided into two major parts. The first part has four chapters. The first two chapters offer definitions, descriptions and useful historical overview on the origin of foreign aid in Africa and the World at large. They also show how foreign aid policy frequently shifted from reconstruction agenda for infrastructural development of 1940-1960s to the aid strategy in 1970s-1980s, to the aid development agenda of 1990s focusing on support of policy reforms especially good governance. In these chapters Moyo highlights that despite of the efforts by the Breton Woods institutions to transfer larger-scale aid to

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Africa with different development policy, Africa's economic growth has been in a steady decline, poverty levels are on the rise and corruption is growing ever more pungent (p. 22). This means that aid to support governance reforms and to eradicate poverty in Africa have not been successful either.

Regardless of these failures, Western donors continue to flow aid to the African governments. The 2000s aid development agenda was marked by the commercialization of aid through various donors, policymakers, artists and musicians such as the Irish Musician Bono and highly rank religious leaders through live aid concert in the Public Square. All the groups call for more aid in Africa, in addition to the elimination of the current debt. She argues that this is not a viable solution however; it merely replaces old debt with new debt (p. 26-7). Moreover she posits that aid, whatever guise, is not working and for that matter is unproductive for Africa's development (p. 27-8). Chapters 3-4 constitute the main part of the book, that is, why aid is not working. These two chapters are highly provocative where the author precisely analyzes why aid is not working. Indeed, it shows how aid has become a silent killer of economic growth in Africa.

The second part of the book covers chapters 5-10. It presents detailed alternatives to fund economic development across poor countries. In this context Moyo suggests several alternatives for Africa to be aid-free (chapter. 5). First, African governments could find money for financing economic programmes through financial markets both internal and external ones (chapter. 6). Second, they should follow and attract the Chinese policy of larger-scale direct investment in infrastructure development in Africa (chapter. 7). Third, Africa should press genuine free international and regional trade for agricultural products (chapter. 8). Fourth, Africa needs to foster the spread of microfinance institutions like Asia and Latin America (chapter. 9). The final chapter analyzes how African countries can abandon foreign aid through voluntary way.

Much has been written about the cost of foreign aid and other negative effects and how it weakens governmental accountability, but the *Dead Aid* is one of the best books on these issues. All chapters are well written and interesting to read. I also find the book balanced in its assessments, avoiding both an apologist tone and all-too familiar foreign aid debate in Africa. The basic argument of Moyo's book is that aid is not working, and has not effectively promoted economic growth in Africa. In fact, according to Moyo aid is malignant; it is the problem (p. 47). She strongly opposes continuing

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pumping billions of foreign money into African countries each year in the form of cheap loans, grants and budget assistance. She argues, as foreign aid increases over time, Africa's growth has decreased with an accompanying higher incidence of poverty (p. 46). The author draws attention to how aid is not working over the past thirty years. The most aid-dependent countries have exhibited growth rates averaging minus 0.2 per cent per annum. According to Moyo, for the most countries, a direct consequence of the aid-driven interventions has been a dramatic descent into poverty (p. 46-7). Moreover, she contends that aid produces rampant corruption for most African governments. She argues that foreign aid props up corrupt governments-providing them with freely usable cash with severely impact in the development of civil institutions, the rule of law, small business etc (p. 49). Another key argument from this book is that there is a better alternative. Governments could find money for economic development through financial markets, both international and domestic. She suggests that in order to turn off the aid, governments can create phase-out programme with defined timeframe. I agree with several measures suggested by Moyo for a country to be free from foreign aid as highlighted before. Moreover I suggest that African countries urgently need to review and strengthening their tax regimes, including expanding tax base, identification of new sources of revenues, and amending laws aimed to limit tax exemption. The majority of African countries offer huge tax exemptions especially to foreign companies.

The book is not without limitations. Moyo puts all foreign aid in the same box. She fails to mention which specific aid should be cut-off. Using a one-size-fits-all approach, as Moyo does, is a pitfall. Not all aid is harmful. For example, aid funds for climate change and AIDS programmes are necessary. Another weakness of this book is indicated on page 59. The author claims that foreign aid foments conflict, with a good example from Sierra Leone. To my understanding this is not true due to the fact that the conflict in Sierra Leone is over natural resources primarily Diamond. Moyo admitted that the leaders of the Revolutionary United Front in the peace deal wanted the chair of the board controlling diamond-mining interests. Yet, during the civil war, the country did not receive aid from Western countries.

Besides these flaws, Moyo's work is a very useful piece for wide audience, particularly those who are searching for alternatives for Africa after the disappointment of the Western aid programmes. Moreover, for a deeper understanding of Moyo's book, one should also read Roger Riddell's 2008 volume entitled *"Does Foreign Aid Really Work"* printed by the Oxford

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University Press. The key question of Riddell's book is whether all different aid projects and programmes have led to development and poverty reduction at the aggregate level or otherwise. Moyo and Riddell's books can help to balance the contested debate on whether foreign aid is working or not, as well as to understand the overall assessment of aid debacle in Africa.