

On Aid For Africa

Overcoming The Challenges & Realizing The Opportunity

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September 13, 2016 Picture: Mike Hutchings/Reuters.

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Rising Tide: A Case for Lifting All Boats?

The tide has turned against aid to Africa. Dambisa Moyo and Andrew Mwenda argue that aid is often counter-productive; undermining the incentive for governments to develop and provide public goods that their citizens demand. [1], [2], [3], [4], [5] Rather, they think governments become beholden to the aid industry. The arguments against aid to Africa are not new. Many have worried about aid spurring corruption and undermining private sector development. If governments do not have an incentive to prioritize a good business climate and people cannot compete with free goods, there is little prospect for growth. [6], [7], [8]

It is important not to downplay the scale or significance of the challenges for aid in Africa. Corruption is, for example, widespread and can undermine aid programs. [9] The former president of Malawi, Bakili Muluzi, is still embroiled in a court case accused of stealing \$12 million in aid. [10] Many other rulers, whose governments have received a lot of aid in recent decades, are also notoriously corrupt. [11], [3] It is also easy to find examples of terrible aid programs. In some cases, people have been forcibly resettled to make way for large infrastructure projects that have not brought the intended benefits. [12] In others, aid has funded programs to reorganized agricultural systems with disastrous consequences. [12] In yet others, governments have manipulated aid organizations into supporting politically-motivated relocation programs resulting in massive suffering and death. [9], [13]

Still, there is reason to try hard to help those in need; doing so is necessary to fulfill individuals' human rights. The obligations human rights generate are justified because such rights protect individuals' ability to live minimally good lives. [14] What do I mean by minimally good lives? We can get a sense for what makes lives minimally good by considering what those about whom we know little – say, newborn infants – will need to reach the lowest level of flourishing. Fortunate individuals may not be willing to trade their lives for minimally good ones, but there must be no serious reason to doubt that minimally good lives can be happily lived. This approach to figuring out what makes lives minimally good suggests such lives have something objectively valuable in them. It is not enough that people value the things in their life; we must respect individuals' autonomy, differences, and the way they value. In any case, I think we all have a reasonably good sense for what it is for a life to go well or badly and it is this understanding that lets us register misfortune.

Why should we grant human rights that protect individuals' ability to live minimally good lives? Although I cannot fully defend the idea here, what I think is this. Everyone's life is equally valuable. No one has to suffer or die young from lack of basic goods like food, water, or medicine through no choice of their own. Although some of us are given a much larger share of the earth's resources to use when we are born (or manage to secure a large share through hard work), we cannot

accumulate so much that others are not able to secure enough. Even if we do not have to help people live good lives, there is some threshold below which we should not let anyone fall.

But can aid work? To make the case for aid to Africa, despite the challenges it must overcome, we must at least have some reason to think aid can be successful. Moreover, to really help people, we need to know when, if ever, aid works. So let us turn to the evidence about aid's impact now.

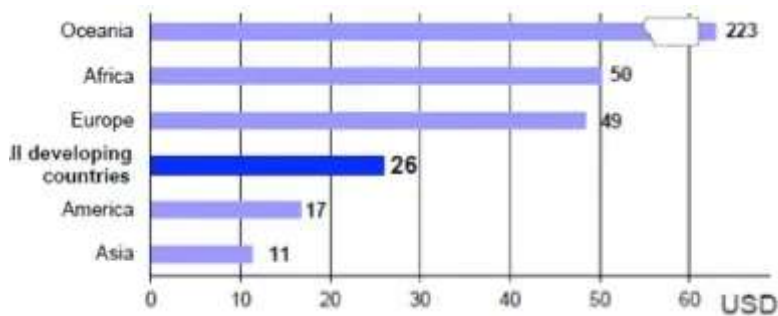
Aid to Africa: The Definition of Success?

What one thinks of aid's success in Africa will depend on what qualifies as "aid" and what counts as "success". Often "aid" is taken to be synonymous with Official Development Assistance and many suppose "success" means economic development or growth, even though much of this assistance is not intended to promote development. Military aid to middle income countries will qualify as aid on this definition. [15] Official Development Assistance can also include low interest loans that are tied to all kinds of political and economic conditions. Moreover, historically, many argue that aid has been given to advance colonial interests. [16], [17] Some even suggest that we are guilty of portraying ourselves as generous benefactors while stealing the continent's resources. [18]

Whether or not Official Development Assistance increases growth may depend on what policies and institutions (amongst other things) are in place. [19], [20], [21], [22] Some believe good institutions are important for growth and poverty relief, while others argue that good institutions are not necessary for, and may even hinder, aid's effectiveness. [23], [24], [25], [26], [27] Yet others contend that things like climate (being close to the equator) are more important and can help explain why aid seems to work only in some places. [22]

The mixed empirical evidence may reflect the fact that the incentives aid creates vary and may not always have an impact. [28] Aid does create an incentive for governments to become corrupt and divert resources, but it also creates an incentive for governments to effectively help the poor (so as to secure more aid). Moreover, honest governments may not act on the incentives aid creates for corruption. Consider an analogy. If I give a mother of a hungry child some money for food, I create an incentive for her to steal the money and use it for herself as well as to help the child. She can always ask me for more money (whether or not her child remains hungry). It is an open question whether or not I will give her more money for food or something else. But if the mother genuinely cares for her child, she will use the money to provide food (unless something else more important is at stake – e.g. the child may need medicine more than food). What aid will do for development is not obvious.

On the other hand, perhaps it would not be surprising if Official Development Assistance does not have a large impact on growth. Although aid is a great portion of some countries' revenues, Official Development Assistance amounts to only about US\$50 per person per year, [29] and much more leaves the continent illicitly than it receives in aid. [18] African debt repayments are staggering [See Ngosso for a discussion of African debt]. Unfair trade agreements suppress tax and wage rates and limit access to developed country markets and essential medicines and technologies. Skilled workers in which many African countries have invested significantly often migrate to secure better job prospects abroad [See Blake for a discussion of "brain drain"], and these countries must pay many costs from climate change that they have not caused. [18] At least, it would not be surprising if aid did very little to improve African countries' overall economic status.



[2013 Net Official Development Assistance Per Person in United States Dollars] [30]

If we are concerned about fulfilling individuals' human rights, however, it is reasonable to say aid is successful insofar as it helps people live minimally good lives even if it does not promote overall development. After all, countries' gross domestic product can rise even if the poor are getting poorer as long as the gains to the rich or middle class exceed the losses to the less well-off.

It is clear that many aid programs make a difference in the lives of many people on the continent and around the world. Perhaps some of the best examples are of programs that promote public health. [29] The eradication of smallpox is, in my opinion, a strong contender for the greatest thing to have happened to humanity and it was largely aid-driven. Smallpox killed about 300 million people in the 20th Century alone. A third of those infected died from the disease. It was endemic in more than 50 countries killing between 1-2 million people every year. [31] The Smallpox Eradication Unit at the World Health Organization funded largely by the US provided vaccines and international donors together gave US\$98 million to eradicate the disease. [32], [33] Until recent aid-funded efforts contained the polio epidemic to just a few countries, it also crippled and killed millions every year.

Moreover, the past 15-20 years has seen incredible growth of new aid organizations promoting health like The Global Fund to Fight AIDS, Tuberculosis and Malaria and the Global Alliance for Vaccines Initiative (GAVI) that have saved millions of lives. [29], [34] The Global Fund estimates that it has saved 17 million lives, and GAVI reports that it helped save 7 million. [35], [36] Consider just our efforts to combat malaria, TB and HIV/AIDS. A new Global Health Impact model supported by a coalition of academics and civil society members from around the world estimates that, in 2010, pharmaceuticals alone alleviated approximately 36% of the burden of these diseases; saving the equivalent of about 76 million lives. [37], [38] Much of this improvement was funded by foreign aid. [39]

[Official Development Assistance Commitments for Health in United States Dollars billions using 2012 exchange rates and prices: Dotted lines indicate 3 year moving averages] [30]

Furthermore, there is good evidence that programs providing everything from education to fertilizer help people on every continent including Africa. [40], [41], [42], [43], [44], [45], [46], [47] Some of these program evaluations are even experimental or quasi-experimental. In experimental studies, programs are evaluated using randomized controlled experiments that are just like clinical trials for new medicines. Subjects are randomly assigned to experimental or control groups and only those in the experimental group receive aid. That lets researchers evaluate the true impact of aid in the context. Quasi-experimental studies attempt to control for random variation that might be mistaken for success in other ways. There is even evidence that many good programs can be replicated and scaled up widely. [48] It is possible to imagine much more wide-scale experimental evaluation of aid programs and policies; even beyond the country-level. [48]

[Percentage of Official Development Assistance by Sector in Africa: 1988-2012, 3 Year Average Commitments] [30]

So, it should be clear that aid is often successful and important for protecting human rights. Amongst other things, to live minimally good lives people need adequate food, water, shelter, education, healthcare, and social and emotional support. Experimental evaluations show that many of the programs described above help people secure these things.

The Definition of Success: Realizing Aid's Promise

Understanding what counts as 'aid' and 'success' is not only important for making the case for aid to Africa; it is also important for realizing aid's promise. The idea that we must help everyone live minimally good lives can help us understand what we really need to do to aid others. People do not just need "material aid ... delivered with indifference to ...suffering, perhaps out of expectation for reciprocity"; when misfortune befalls us, "we need our suffering to matter to others..." [49]

In *Valuing Freedoms*, Sabina Alkire provides a beautiful example of how aid can work to help people live better lives. When Oxfam International wanted to help some poor rural women create a business that would help them provide for their families, program officers had to decide whether to help the women farm goats, bananas, or roses. Although goats or bananas might have been more lucrative, Oxfam listened to the women who wanted to sell roses to members of their local community to use in religious shrines. Because Oxfam recognized the importance of meaningful work, the women said their aid not only helped them meet their basic needs but gave them a sense of dignity. [50] Aid should spring from a desire to help others live minimally good lives and achieve this end. It is only when we understand what matters that we can reasonably hope to achieve it.

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Moreover, in considering institutional quality, there is also what economists call an "endogeneity" problem: Aid may impact institutional quality just as institutional quality impacts aid. Although there are ways of trying to deal with this problem, it is hard to figure out what is causing what.