

A Comment on 'The White Man's Burden' by William Easterly

Robert Picciotto

King's College, London

A great book is trying to get out of the current version...

- It would be shorter, more inspiring and less disputatious.
- It would avoid humorous asides that often sound nasty
- It would not pander to the aid critics of the radical right and the loony left ...

This means that it would be a book that is ***lean and not mean*** instead of ***mean and not lean***.. Unfortunately such a book would probably not sell...

Five useful themes

- Global poverty is a scandal
- Aid can work
- Aid quality matters more than aid quantity
- Aid is most effective when it is innovative and provides incentives for change
- The aid industry must reform

Easterly is right to:

- debunk aid effectiveness research built on cross country regressions
- remind readers about the perils of externally induced policy reforms
- describe development as a microeconomic phenomenon
- puncture the exaggerated claims of aid advocates

Unfortunately, he goes further and..

- provides comfort to the miserly approach to development of most OECD countries
- perpetuates unhelpful myths about the development enterprise
- keeps silent about the distorted non aid policies of donors that help keep poor countries poor

Aid volumes are not large

- \$2,300 billion in fifty years is less than \$9 per capita per year
- Targeted to the 3 billion poor living on less than \$2 a day: about 4 cents per capita
- This means a large bottle of coca cola every month...
- US military expenditures are twenty times larger than all OECD aid

“Imagine there is no country...”

John Lennon

- Poverty has declined from 67% to 53% of the population between 1981 and 2001
- Life expectancy rose from 55 years in 1970 to 64 years in 2000
- Infant mortality dropped from 107 per thousand in 1970 to 58 in 2000
- Literacy rose from 53% in 1970 to 74% in 1998
- Chronic malnutrition 35% to 17% in the same period..
- Aid did not do it all but it helped

It may be fun to take on Jeff Sachs, Bono and Sharon Stone...but

- What is wrong with making aid 'cool' once again?
- Why not dream about 'a world free of poverty'?
- Why ridicule millennium development goals that reflect universal human aspirations?
- Isn't the 'making poverty history campaign' a simple case of 'thinking globally and acting locally'?

Government is the problem; private agents are the solution...

- Is this always true?
- What about fragile states where one third of the poor live?
- Is the voluntary sector accountable?
- Is small always beautiful?
- The evidence: short shelf life, heavy transaction costs, no evaluation
- Hence, modest overall impact ... unless up-scaled with official aid support.

Development needs searchers as well as planners

The 'white revolution' in India; the Grameen Bank in Bangladesh; the Progreso program in Mexico combine piloting (searching) with up-scaling (planning).

The lesson of development experience is clear:

SEARCH FIRST... PLAN NEXT...

The dog that did not bark: development beyond aid

- Aid (\$77 billion, 2003) matters but it is not enough...
- Merchandise exports (\$1,996b, 2003) = 26 times aid levels
- Remittances (\$117b, 2003) = 70% more than aid and growing.
- FDI (\$233b) = 3 times aid levels
- Cost of global warming to developing countries: 4-22% of GNI vs. 7% aid

WHAT NEXT?

- Looking ahead, I wish William Easterly would move beyond his aid bashing phase and apply his ferocious debating skills and his sharp analytical mind to the non aid dimensions of the relations between rich and poor countries. This is where the true challenge of development cooperation lies in the 21st century.

