

Dambisa Moyo was no doubt an excellent student. Unfortunately, she is a product of the conventional economics curriculum, which is great if one is to embark on a career at the World Bank or Goldman Sachs. She attempts a radical critique of 'aid' but sadly she is not up to the task, her noble intentions notwithstanding.

'Dead Aid' is written in the same style as World Bank 'reports' and is extremely boring. Moyo seems to be speaking only to her 'peers' (at the World Bank, or Goldman Sachs). She lends a lot of credence to a long list of 'experts' from the bank (Jared Diamond, Paul Collier, Dani Rodrik, Przeworski, Bill Easterly, Clemens, Hadji Michael, Reichel, Djankov, Romalho, Burnside, Dollar, Mancur Olson, etc.) whose works are by and large inconsequential (lacking comprehension of the real world) and at times even ridiculous. They are all very good at developing 'models' whose conclusions are as senseless as their original premise. She only seems to be familiar with a few blinkered development theorists, like David Landes, whose 'revelations' are at best trivial (he concludes, for example, that 'aid' tends to benefit a small elite minority). The key question – still unanswered – remains: What strategic political aim does this aid serve?

A critique of aid can only be conducted within the framework of political economy. Moyo clearly abhors this framework, which she considers to be 'ideological', and thus 'non-scientific'. She seems to miss the fact that the issue is about 'capitalist markets' (based on the valorisation of capital), and not 'markets' per se. She also seems to believe firmly in ideological flights of fancy in which capital-driven growth benefits everybody (what is good for Goldman Sachs is good for everyone).

Her so-called 'apolitical' stance is incredibly naive. One of many examples is her reference to Lumumba as a 'communist leader' (p. 44 in the French edition). This may be believable, but only to the average television-dulled citizen of the US. An African with even the most fleeting interest in the history of liberation struggles on the continent would balk at this.

With regard to the economic success of 'emerging powers' – China in particular – Moyo adopts the World Bank ideology that this is purely as a result of 'opening up' (to foreign capital and markets). She does not realise that China's current success is a product of the radical Maoist revolution that it went through. She cannot understand that China's refusal to accept the commodification of the land as a necessity (p. 216, French edition) – a view that she and every other liberal economist who ignores history has adopted – is the very basis of its success. Historically, European capitalism was based on private ownership of agricultural land, and the dispossession of peasants thereof. This process was aided by the massive waves of migration to the Americas. The people of Asia and Africa could not possibly emulate this migration unless they had access to five Americas to absorb their rural populations. At most, this 'classic' capitalist approach could succeed in

## A Misguided Critique of Aid

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**Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa**

by Dambisa Moyo

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creating a lumpen proletariat, inhabiting a world of slums. Did this at any point cross Moyo's mind? One could come up with many other examples of her ignorance and lack of judgement in this book. Moyo encourages African countries to further 'open up' to international capital – as if they were not already extremely exposed to this. (China, on the other hand, exercises more stringent financial controls than any African country). She has considerable faith in the external indebtedness caused by the transfer of state obligations to global financial markets. She also seems to believe in credit-rating agencies, all of which are linked to global financial oligarchies. Moyo ignores the fact that, within the historical capitalist context, external debt has always been a form of pillage ('of primitive accumulation'), as any historian of the Ottoman Empire or Latin America would tell you. She does admit, with worrying naiveté, that the debt repayment rates imposed on countries of the South are much higher than those of the dominant countries of North! But even this realisation still does not lead her to explore questions of political economy and external debt.

Moyo rails at protectionism by Northern countries, which poses a major obstacle to Africa's agricultural exports. But she does not question the validity of the defunct theory of 'comparative advantage'.

In her historical analysis of aid, Moyo does not manage to go beyond the oft-repeated descriptive view of it as a succession of 'types': aid for 'industrialisation' (1960s), followed by aid for 'poverty eradication' (1970s), then aid contingent upon 'structural adjustment' (1980s), and finally aid based on 'good governance and democratisation' (since 1990). She does not interrogate the link between this evolution of aid and the strategic response by imperialist capital to the needs of the time. It is only by exploring this issue of political economy that one understands the perpetuation of aid, and Moyo is unable to do this.

For the 1960s (aid for 'industrialisation'), she only gives one example: The Kariba dam on the Zambezi river, which we know was built to provide energy to South Africa and Rhodesia, and not to industrialise Zambia (her own country). Let us consider the discourse on good governance, and the condemnation of corruption, which only serves to obfuscate the real issue: the social nature of power (I do not wish to revisit my previous writings on this subject). Once again, Moyo admits that there were considerable gains in the South despite an absence of democracy (here, Moyo cannot conceive of any other possible model than the Western blueprint consisting of multi-partyism and elections) and not because of this (p. 59 of the French edition).

There is nothing in this book that speaks to, or critiques, the central role of aid in the strategy of domination, pillage and exploitation by imperialist capital. Neither does she address the need for a 'different aid' based on the solidarity of peoples. Moyo offers a puerile explanation for the intransience of aid: The intense lobbying by those who benefit from it – tens of thousands employed by the World Bank, aid agencies, NGOs, etc. She does not consider that this lobby would not be as influential if the aid was not serving the needs of dominant capitalist interests. To find a true critique of aid, one would need to look elsewhere other than this poor work by Moyo. In this regard, I would recommend the work of Yash Tandon cited below.

My critique of aid as it is currently practised is based on my analysis of how it is used by the oligopolies that control globalisation, and that it is also the cause of Africa's exclusion and marginalisation. This exclusion is therefore in some way built into aid.

The politics of aid, the choice of its beneficiaries, the forms of intervention and its immediate objectives are inextricably linked to geopolitical considerations. Each region of the globe performs a unique role in the globalised liberal system. It is therefore not enough to simply focus on what these regions have in common (deregulation of exchange rates, privatisation and free movement of finances).

Sub-Saharan Africa has been fully integrated into this global system, and is in no way 'marginalised', as the perception goes. Foreign trade accounts for 45 per cent of the region's GDP, compared to 30 per cent for Asia and Latin America. Quantitatively speaking, Africa is therefore more integrated, albeit in a different way.

The geo-economics of the region are underpinned by two key types of products that define its positioning in the global system:

- (i) 'Tropical' agricultural exports: coffee, cocoa, cotton, groundnuts, fruit, palm-oil, etc.
- (ii) Fossil fuels and minerals: copper, gold, rare metals, diamonds, etc.

The first type offers a means of basic 'survival' for the local economy, beyond

that which is used for subsistence. These exports help finance the state's public expenditure, and the growth of the middle classes. This category is important to the local ruling class, but not to the dominant global powers. The second group of natural resources, on the other hand, attracts a lot more global interest. Today, it is fossil fuels and rare metals. In the future, the continent will be important for the development of agro-fuels, solar energy (when technology enables long-distance transportation thereof) and hydro-energy (again when it can eventually be exported directly or indirectly).

Already we are seeing a beeline towards rural lands earmarked for agribusiness. On this account, Africa offers unlimited possibilities. Madagascar is leading the way, having ceded vast areas in the west of the country. Congo's new rural code of 2008 was the brainchild of the Belgian government and the Food and Agriculture Organization (FAO). This new policy will open the way for massive exploitation of agricultural land, in the same way that the mining code allowed for the colonial plunder of the country's mineral resources. The rural inhabitants will pay the ultimate price. The misery that awaits them will no doubt attract more poverty-reduction aid programmes!

The new phase of history we are entering is characterised by intensifying conflict over the world's natural resources. The dominant powers seek to reserve the rights to Africa's natural resources (its 'useful' side), to the exclusion of the 'emerging powers', whose needs for these same resources continue to grow. The only guarantee that the dominant powers have of exclusive access is through political control, and reducing African countries to mere 'client states'. Foreign aid plays an important role in achieving and maintaining this.

In a way, one could then argue that the aim of aid is to corrupt the ruling elites. Aid (the donors would have us believe that they have nothing to gain from it!) has become an indispensable part of national budgets and plays an important political function. It is therefore important that this aid is not reserved for the exclusive use of the ruling elites in government. It must also benefit those in the opposition who may at some point take over the reigns of power. The role of civil society and NGOs is very central in this regard.

The case of Niger, which I have had occasion to study in detail, perfectly illustrates the link between strategic mineral resources (uranium), 'indispensable' aid, and the perpetuation of a client state.

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