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Good Intentions

How Big Plans in Foreign Aid Yield Little Results

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Posted: Tuesday, May 30, 2006

BOOK REVIEWS

The Weekly Standard

Publication Date: June 5, 2006



The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good

By William Easterly

Penguin, 2006. 448 pp., \$27.95

Last January, representatives of more than fifty countries and nearly a dozen international organizations gathered in London for a conference on the future of Afghanistan. In addition to speeches by global leaders like Kofi Annan, and newspaper headlines about the billions of aid dollars pledged, the summit produced an ambitious, five-year plan for Afghanistan--a collective declaration that promises the disbandment of militias, sharp cuts in opium production, improvements in educational access for the disabled, and a 20 percent reduction in the number of chronically poor female-headed households, among many, many other goals.

Reading the Afghanistan Compact, it's hard not to be taken in by its breadth of vision. As one of the poorest places on earth--ranked 173rd out of 177 countries in the U.N. Human Development Index, alongside the likes of Guinea-Bissau and Burundi--not to mention a frontline state in the war on terror, Afghanistan cries out for international assistance to tackle its countless problems. And what better way to help that unfortunate country than with a big, multilateral, Western-financed plan?

Not so fast, warns William Easterly, professor of economics at New York University and fellow at the Center for Global Development, who has produced a provocative, fascinating book, arguing that the single greatest mistake in foreign aid over the past five decades has been its obsession with "Big Plans" that attempt to solve all of a poor country's problems in one fell swoop.

Easterly is an intellectual in the tradition of Edmund Burke, Friedrich von Hayek, and Michael Oakeshott, respectful of the complexity of societies and profoundly skeptical of elaborate, top-down schemes to make them anew. Government works well, he observes, when there is accountability, which in turn requires a clear and observable relationship between efforts and results. But because poverty in any given developing country is a tangle of myriad political, economic, social, and historical factors, the link between what an individual aid agency is doing and its goal of spurring growth is intrinsically vague. In other words, by trying to take responsibility for everything, big plans end up ensuring that they are responsible for nothing.

In the absence of good metrics by which to grade themselves, aid agencies (like bureaucracies everywhere) tend to latch onto bad ones. Witness, for instance, the proliferation of glitzy, media-friendly summits and the emphasis on the volume of aid being spent rather than its real world impact. "Aid agencies," Easterly writes, "skew their efforts toward visible outcomes, even when those outcomes have a lower payoff than less visible interventions."

Big plans are also inimical to the bottom-up feedback that good governance depends on. Aid agencies, after all, answer to the governments of the developed countries that fund them, rather than the poor people they are intended to help. Thus, it should come as no surprise that "aid agencies are rewarded for setting goals rather than reaching them, since goals are observable to the rich-country public while results are not."

But just because economic development depends on the "bottom-up emergence of complex institutions and social norms that are difficult for outsiders to understand, much less change," that's not to say Easterly is in favor of doing away with foreign aid. On the contrary, the challenge, he argues, is to shift its emphasis away from millenarian schemes and toward "modest interventions that make people's lives better." As *The White Man's Burden* insists, the task is "not to abandon aid to the poor, but to make sure it reaches them."

In practice, this means that development agencies should "focus on narrow, solvable problems" in areas where the relationship between inputs and outcomes is more straightforward, such as health, electrification, water, and piecemeal

policy reforms. Easterly also offers a handful of provocative ideas geared toward improving accountability and feedback, such as an escrow account that would fund independent evaluations of aid projects, and development vouchers for communities of the extremely poor, which could be redeemed for services from NGOs and aid agencies. "The most important suggestion is to search for small improvements, then brutally scrutinize and test whether the poor got what they wanted and were better off, and then repeat the process."

As much as is possible for a book describing gut-wrenching poverty and human misery, *The White Man's Burden* is actually a very fun read. Books about the plight of Africa and development economics tend to be tedious affairs, weighed down by sanctimony and self-importance, not to mention plain bad writing. Thankfully, Easterly is as engaging and entertaining as he is cerebral, and his book crackles with combative, often cheeky, prose. He is keenly aware that outrage is better communicated by blistering wit than by angry tirades or glib moralizing.

He suggests, for example, that judging aid by the total amount of money given to poor countries is a little like telling moviegoers that *Catwoman* (voted worst film of 2004) wasn't really so bad because, after all, it cost a whopping \$200 million to make. In the pathology of aid, he quips, "the rich people who pay for the tickets are not the ones who see the movie."

That's not to say there aren't chinks in Easterly's armor. According to *The White Man's Burden*, the obsession with grandiose social engineering and big plans is a peculiar Western fixation, a reflection of "white arrogance." But as Easterly well knows, political elites in developing countries have been equally willing to buy into the dream of a top-down, comprehensive transformation of their societies, especially in the aftermath of decolonization. Easterly acknowledges at several points the capacity of governments in Africa, Asia, and Latin America for corruption and venality, but he fails to mention the extent to which leaders like Julius Nyerere and Kwame Nkrumah were just as easily seduced as Western intellectuals by myths like the "poverty trap" and the "Big Push."

Nor were the World Bank and the Agency for International Development alone in peddling these dubious theories. As Easterly himself detailed in his previous book, *The Elusive Quest for Growth*, early development economics was heavily influenced by the perceived success of Stalin's crash industrialization program in the 1930s, and throughout the Cold War, the Soviet Union was aggressively pushing its economic ideology across the developing world. Although inconvenient for the purposes of Easterly's title, utopian social engineering schemes have proven appeal across ethnic, racial, and cultural lines.

Easterly is also less convincing in his criticism of Western military intervention, which he singles out as the epitome "of what this book argues you should not do--have the West operate on other societies with virtually no feedback."

On the one hand, Easterly deserves praise for acknowledging that foreign aid and military intervention are two sides of the same coin: Both are fundamentally about leveraging national power to affect the internal conditions of a foreign society. In addition, he's right to point out the hypocrisy of liberals and conservatives alike in blindly embracing one approach and skeptically rejecting the other: "The Left likes the idea of a big-state led effort to fight global poverty. The Right likes the idea of benevolent imperialism to spread Western capitalism and subdue opposition to the West."

But at times, Easterly paints with too broad a brush, especially in his assertion that "military interventionists are inherently Planners." In fact, no. In villages in rural Afghanistan, American soldiers meet with local leaders, listen to their requests, and implement small-scale, quick-impact projects, such as digging wells, building schools, or providing medical care for basic ailments. In many respects, the U.S. military in Afghanistan is closer to Easterly's vision of how foreign assistance should work than the aid bureaucrats in Kabul who complain that the soldiers' modest projects haven't been sufficiently pre-programmed into national development strategies.

It's too bad Easterly didn't apply his ideas about aid to military intervention: Namely, that there are limits to its ability to transform a foreign society, but that it is also capable of accomplishing certain discrete and valuable objectives--if wielded wisely. The ouster of the Taliban could no more have been accomplished through foreign aid than the elimination of malaria can be carried out with F-18s. But both are decent, progressive objectives to be touted by anyone who cares about helping people in the developing world.

There are other quibbles, such as Easterly's disregard for the importance of U.S. military aid and security guarantees in development success stories like Taiwan, Turkey, South Korea, and postwar Japan, or his diktat against "bossing around" bad governments when diplomatic and economic pressure has, in many instances, played a helpful role in managing transitions from autocracy to democracy, from Chile to South Africa. But these are small indiscretions set against a much larger accomplishment: *The White Man's Burden* is a bold and valuable book that deserves to be read far beyond the development policy priesthood.

Indeed, as the American role in Afghanistan makes clear, the line between defense and development is fuzzier today than at any point since the height of the Cold War. Forty years ago, the central front for American security interests still lay in industrialized Europe and East Asia. Now the center of gravity has shifted decisively into the developing countries of the Middle East, Africa, and Asia, while the Bush administration has articulated a grand strategy explicitly predicated on their political and economic liberalization.

As policymakers contemplate how to pursue this U.S. interest, they would do well to read Easterly's work. You need not accept all of his arguments to realize that *The White Man's Burden* is one of the smartest books in a long time to consider

both the potential, and the limitations, of outside intervention in the developing world. There are few more important questions in foreign policy today, and no better guide than William Easterly in exploring them.

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