Book Review

Is Foreign Aid Effective?—A Review of William Easterly’s

The White Man’s Burden

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Abstract

*This book review addresses the arguments against foreign aid that William Easterly sets forth in *The White Man’s Burden*. Specifically, it challenges Easterly’s distinction between “Planners” and “Searchers”, his support of homegrown solutions and criticism of the lack of feedback and accountability within aid agencies, and his skepticism of Western humanitarian intervention.*

Keywords

*Foreign Aid, William Easterly, *The White Man’s Burden*, IMF*

1. Introduction

In his critique of aid in *The White Man’s Burden*, William Easterly stumbles into the very trap he accuses international aid agencies and ivory tower economists of falling into: making grandiose generalizations. Though Easterly has sensible concerns about the historical efficacy of Western aid, his outright rejection of “Big Plans” ignores the successes of individual aid initiatives and draws an unrealistically sharp distinction between top-down and bottom-up reform. In the book, he attacks what he considers to be overly utopian pro-aid arguments, put forward by figures such as Jeffrey Sachs in *The End of Poverty* and Bono. However, embracing grand, utopian goals is not mutually exclusive with setting smaller, more feasible stepping stones—they can work in tandem. In spite of its flaws, *The White Man’s Burden* is an engaging and important read, and Easterly’s writing sparingly uses economic jargon, making it accessible for a layperson.

Easterly’s case against aid rests on the following arguments. The throughline of the book draws a distinction between “Planners” and Searchers, with the former believing in empty, top-down plans to “save” the poor, while the latter opt for specific, bottom-up solutions that respond to the needs of local citizens. The main difference between the two is the presence of feedback and accountability in Searchers, and the lack thereof in Planners. Easterly criticizes the narrative of a “Big Push” which

implies that countries are stuck in a poverty trap and require aid to take-off into long-term prosperity. His second argument challenges the myth that free markets can be successfully imposed from the outside, using numerous case studies to illustrate how markets are governed by complex interactions of social norms, institutions, legal customs, among other historical and regional factors. According to Easterly, foreign “Plans” fail to take these factors into account, while threatening to muddy the waters further by coming into conflict with existing networks and creating an undesirable “in-between” situation. He cites poor governance as a primary cause of poverty, stating “democracy works, but imposing democracy from the outside doesn’t” (Easterly, 2006, p. 116). In Chapters 8 and 9, Easterly accuses Western colonialism and military intervention of stunting development abroad, calling the leaders involved “Planners”.

Though Easterly is right to bring a degree of skepticism to Western aid initiatives, his wholesale rejection of foreign aid in favor of local solutions is unconvincing. While Easterly uses colorful and ingenious examples of successful “Search” initiatives in poor regions, he does not explain the contextual factors that made a particular initiative likely to occur and be successful. Broude is accurate in noting that “Searchers are never positively defined by Easterly, only negatively contrasted with Planners” (Broude, 2007). The reader is left with only an understanding of the possibilities of homegrown solutions, not their likelihood of success. Without a more detailed breakdown of what caused these initiatives to arise in the first place, his argument appears to cherry-pick positive examples, ignoring instances of failed or nonexistent “Search” efforts.

Easterly begins by opposing the narrative of the “Big Push”. He cites data from 1950 to 2001 showing that countries with below-average aid experienced similar growth rates as countries with above-average aid. The first problem with this approach is that by taking an average, he risks over-generalizing across different countries. Even if average rates of growth were similar during that period, Easterly himself acknowledges that some countries suffered significantly without aid. Chad experienced zero growth, while the Democratic Republic of the Congo had negative per capita growth. Easterly claims, “aid still has a role to play to help those unlucky enough to be born into a stagnant economy—even if it doesn’t help the overall economy escape stagnation” (Easterly, 2006, p. 40). Assuming aid leads to an increase in per capita income, the overall economy ought to improve, as economic growth is the aggregate of individual saving and spending. Second, it is unclear that causality was proven. The trend Easterly observes could reflect the fact that poorer countries tend to receive greater amounts of aid, so “above-average” aid recipients are more likely to have poor initial conditions which hinder economic growth.

Easterly’s second argument is that foreign aid is ineffective because market interactions and local norms are too complex. He argues that, given these intricacies, third-party aid agencies lack a proper understanding of how to reform the local economy or face accountability measures to ensure their aid initiatives meet locals’ needs. However, Easterly never explains how his touted “homegrown solutions” will successfully arise, beyond citing the poor’s “inventiveness”. It is precisely the combination of

social and political factors he mentions that make it difficult for an individual to start an organization or spur grassroots change; factors such as political corruption, ethnic tensions, market cheating, and illiteracy hamper local solutions. Easterly is fond of “trial-and-error” solutions, yet they are unlikely to occur in practice because poor individuals tend to be averse to costly initiatives with unguaranteed success rates, especially considering the potential financial losses and social stigma associated with a failed project. As a result, restoring order and enforcing democratic rules often requires external intervention; the weak social institutions that Easterly decries for hindering development are unlikely to suddenly reform themselves.

In Chapters 3 and 4, Easterly criticizes structural adjustment loans and top-down political reform. Although he makes a strong empirical case against structural lending, his explanation of why outside democratic reforms are counterproductive is less convincing. He is thorough in describing the problems with democracy in poor regions, such as a lack of safeguards for minority rights and widespread corruption. Yet most citizens on the ground lack the ability to restructure autocratic institutions from within, and mass revolt often results in bloodshed. At the very least, aid agencies have the resources and influence to nudge political institutions in the right direction and fund local initiatives that uphold civil liberties. Dietrich and Wright found that “democratic aid” consistently strengthened democracy in Africa, resulting in greater electoral fairness, more incumbent turnover, and fewer term limit violations (Dietrich & Wright, 2012).

Easterly often misrepresents case studies of aid initiatives, overlooking their specific successes, while focusing on their failures. To support his thesis that aid is ineffective at improving public services, Easterly refers to the World Bank’s 1993 Social Action Program (SAP) in Pakistan, describing the project as “nearly a decade of failure” (Easterly, 2006, p. 137). However, the project did not fulfill expectations because it was poorly implemented, not because top-down interventions are inherently bad. More forceful implementation of SAP would generate more growth, not scrapping the program as a whole. Even if this was not the case, SAP cannot be deemed a complete failure, as it led to an “increase and protection of expenditures and the establishment of a sector wide approach to policy within the social sectors”, according to the Department for International Development (Thornton, 2000). Easterly’s example of the “local” construction of an effective water pipe in Ethiopia required funding from Water Aid, an international aid agency (Easterly, 2006, p. 237). Easterly criticizes the West’s interventions to reduce HIV/AIDS, arguing that funds from the President’s Emergency Plan for AIDS Relief (PEPFAR) were ineffectively spent on treatment and not prevention of the disease. In spite of this, PEPFAR is widely considered to be a success and is responsible for bringing life-saving treatment to 7.7 million people (Henry, 2015). Easterly may be correct that Planners tend to opt for treatment instead of prevention, yet limited solutions are preferable to no solutions.

The final blow Easterly deals against “Planners” is to oppose humanitarian intervention. He proclaims, “Military interventionists are inherently Planners; armies do not have Searchers” (Easterly, 2006, p. 312). He accuses interventionists of being plagued with the same problems as aid agencies: serving

Western interests, lacking adequate knowledge about local conditions, and skirting accountability. Easterly ought to be more charitable in describing foreign interventions, particularly peaceful interventions. Although the West may not have a nuanced or foolproof understanding of local conditions, governments and aid agencies can spot human rights abuses. Importantly, international bodies possess the resources to reduce individual suffering on a much larger scale than locals, who have limited wealth and political power. This is not a “patronizing” narrative, but a structural fact. The prolonged suffering in Rwanda in 1994 that Easterly mentions was due to a lack of Western intervention, not an excess of it. Furthermore, the West has a PR interest in deploying successful humanitarian interventions when possible. The UN frequently sends peacekeepers to post-conflict regions to monitor peace agreements, uphold elections, and provide information about local conditions. Taken as a whole, Easterly is correct to examine the West’s historical failures in carrying out military interventions. However, he exaggerates the harms of foreign intervention, overlooking legitimate peacekeeping missions.

Easterly is astute in pointing out that aid institutions are far from perfect. Quick solutions that promise to “solve” poverty are unlikely to work. For aid to effectively boost growth, it must be accompanied by bottom-up efforts to sustain a short-term inflow of money—and the two must operate in tandem, not in conflict with one another. This requires aid agencies to clearly communicate their objectives and be held accountable for individual failures. Aid agencies should be better informed; part of that calls for a shift in mindset, away from the all-knowing “Western savior complex” Easterly is right to denounce, to an openness to local perspectives, which should involve direct consultation with local stakeholders. Politicization of aid is a major concern; Easterly accurately points out that many Western nations tend to prioritize giving aid to political allies and often mandate that aid recipients use the funds to purchase the donor country’s exports. Yet this is not a problem inherent to aid, but rather a problem with how it is deployed, and by whom. Reforms can be made to harness the power of aid, not reject it entirely.

Easterly proposes sensible policy suggestions near the end of the book, such as making aid agents “individually accountable for specific, feasible areas of action to help poor people lift themselves up”, issuing rewards for successes and penalizing failures, and seeking feedback from aid recipients (Easterly, 2006, p. 362). His idea of an “independent evaluation group” is excellent; that way, aid agencies can be held accountable by an impartial, well-versed third-party. However, his suggestions share the same problem with his overall thesis—they are vague and not nearly as groundbreaking as he believes. Most economists vouch for accountability, including Sachs. Easterly’s suggestions are not mutually exclusive with top-down “Plans”; aid agencies can be reformed to be more specific, transparent, and accountable to local recipients.

The White Man’s Burden makes an audacious yet flawed case against foreign aid. Easterly falsely paints a choice between “Planners” and “Searchers”, when economic growth requires the cooperation of both. He provides vivid examples of local solutions, yet lacks convincing explanation for how they came about, instead cherry-picking favorable case studies. He ignores individual successes and failures

of aid in favor of a sweeping attack on top-down intervention. Considering his embrace of specific solutions, Easterly's blanket rejection of aid is ironic.

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