Inhalt: Warum ist Entwicklungshilfe in der Vergangenheit gescheitert, und welche Lösungen gibt es für die Zukunft? Der Autor erläutert die aktuelle Debatte aus drei verschiedenen Blickwinkeln und bewertet den Nutzen der darauf aufbauenden Trends: Die Millennium Villages der UN, die Randomized Controlled Trials sowie den Mythos des Freihandels als Lösung für Entwicklung.

Felipe Alexander Dunsch

Conflicting Strategies to Enhance Foreign Aid Efficacy in Africa

The Millennium Villages, Randomized Trials and Free Trade

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Introduction

In his inaugural address on January 20th 1949, newly re-elected US-President Harry S. Truman laid out his vision to help the world's least fortunate in what later became known as the "Point Four Program":

"[W]e must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas. More than half the people of the world are living in conditions approaching misery. Their food is inadequate. They are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to them and to more prosperous areas. For the first time in history, humanity possesses the knowledge and skill to relieve suffering of these people. The United States is pre-eminent among nations in the development of industrial and scientific techniques. The material resources which we can afford to use for assistance of other peoples are limited. But our imponderable resources in technical knowledge are constantly growing and are inexhaustible." (Truman 1949)

Today, more than 60 years after Truman spoke these famous words on Capitol Hill, more than $2.3 trillion (Easterly 2005b) have been spent in development aid by developed countries around the world. Despite this tremendous amount of money, it remains disputed whether aid is effective. Especially worrying is the state of Sub-Saharan Africa (SSA), where more than $1 trillion has been disbursed in the past 50 years (Taylor 2005).\footnote{According to common conventions, whenever "Africa" is mentioned in this book, it refers to Sub-Saharan Africa (abbreviated SSA).} Despite recent progress, it remains the poorest region in the world, where in some parts people are worse off today than they were during the 1970s. Thus, being pessimistic seems easy: Still, close to half of Africa's population lives on less than one Dollar a day, the World Bank's threshold for extreme poverty. Life expectancy is low, adult literacy poor and democratization of the continent has been slow (Moyo 2009, pp. 5-6). Of all regions, SSA faces the largest obstacles for development which also explains the regional focus of this work. This book seeks to bring light to the discussion about aid efficacy. It attempts to classify the numerous different explanations for aid inefficiency of the past. In a second step, it clusters arguments for three specific strands of thought that aim to overhaul current aid practices.

Chapter 1 presents some key trends for Sub-Saharan Africa's present socio-economic state of development. ENSuingly, the book will introduce three strands of thought on development aid that are represented by the authors Jeffrey Sachs, William Easterly and Dambisa Moyo who, through their pointed style of argument, emerged as front-runners, epitomizing three paradigms of theorizing about
development in the present day. Jeffrey Sachs is the Director of Columbia University's Earth Institute. Sachs is the mastermind behind the Millennium Villages Project and serves as a Special Adviser to UN Secretary General Ban Ki-Moon. Sachs became known to a wide audience through his book "The End of Poverty" (2005) which was a New York Times Bestseller. As an economic adviser for post-communistic countries in the 1990s, he advocated the "shock-therapy approach" from communism to free market capitalism. His assessments are still criticised heavily by adversaries.

William Easterly is a professor of economics of high renown at NYU and Sachs's fiercest contemporary critic. He eschews Sachs's "big push" dogma while favoring a step-by-step incremental aid approach that is preceded by sound empiricism.

Dambisa Moyo is a Zambian economist and author. Her book "Dead Aid" (2009) caused a stir in the aid world. It openly voices the concern that aid is detrimental to development. Before writing her best-selling book she worked for Goldman Sachs and the World Bank.

Chapter 2 heuristically contrasts the different diagnoses of aid inefficacy and lasting poverty in Africa by the aforementioned authors. Chapter 3 then probes three different practical strategies derived from the diagnoses to enhance practice and thinking of development cooperation. These are the Millennium Villages Project (MVP), a research method known as "randomized field experiments" (RFEs), and the promise of extended international trade for SSA. These three strategies were chosen due to their controversial nature as well as the fact that all strategies are already being implemented to a certain degree. Therefore, next to normative claims, empirical results can be scrutinized here. Whenever possible, this work attempts to illuminate the underlying (development)-theoretical groundings that respective claims explicitly or implicitly refer to. The leading question guiding the reader through the book should be:

How do differing identifications of foreign aid's past inefficiency compare and are the derived strategies valuable to enhance knowledge about – and practice of – development cooperation for Africa?

2 The terms randomized field experiment (RFE), randomized controlled trial (RCT) and randomized trial (RT) are used interchangeably throughout this book.