

Introduction

We live in a culture of aid.

We live in a culture in which those who are better off subscribe – both mentally and financially – to the notion that giving alms to the poor is the right thing to do. In the past fifty years, over US\$1 trillion in development-related aid has been transferred from rich countries to Africa. In the past decade alone, on the back of Live 8, Make Poverty History, the Millennium Development Goals, the Millennium Challenge Account, the Africa Commission, and the 2005 G7 meeting (to name a few), millions of dollars each year have been raised in richer countries to support charities working for Africa.

We are made to believe that this is what we ought to be doing. We are accosted on the streets and goaded with pleas on aeroplane journeys; letters flow through our mail boxes and countless television appeals remind us that we have a moral imperative to give more to those who have less. At the 2001 Labour conference, the UK's Prime Minister of the time, Tony Blair, remarked that 'The State of Africa is a scar on the conscience of the world', and that the West should 'provide more aid' as, thus far, amidst the multiple problems facing Africa, the continent had received inadequate amounts of aid.¹

Deep in every liberal sensibility is a profound sense that in a world of moral uncertainty one idea is sacred, one belief cannot be compromised: the rich should help the poor, and the form of this help should be aid.

The pop culture of aid has bolstered these misconceptions. Aid has become part of the entertainment industry. Media figures, film stars, rock legends eagerly embrace aid, proselytize the need for it, upbraid us for not giving enough, scold governments for not doing enough – and governments respond in kind, fearful of losing

popularity and desperate to win favour. Bono attends world summits on aid. Bob Geldof is, to use Tony Blair's own words, 'one of the people that I admire most'. Aid has become a cultural commodity.

Millions march for it.

Governments are judged by it.

But has more than US\$1 trillion in development assistance over the last several decades made African people better off? No. In fact, across the globe the recipients of this aid are worse off; much worse off. Aid has helped make the poor poorer, and growth slower. Yet aid remains a centrepiece of today's development policy and one of the biggest ideas of our time.

The notion that aid can alleviate systemic poverty, and has done so, is a myth. Millions in Africa are poorer today because of aid; misery and poverty have not ended but have increased. Aid has been, and continues to be, an unmitigated political, economic, and humanitarian disaster for most parts of the developing world.

How this happened, how the world was gripped with an idea that seemed so right but was in fact so wrong, is what this book is about. *Dead Aid* is the story of the failure of post-war development policy.

Step by step it will dismantle the assumptions and arguments that have supported the single worst decision of modern developmental politics, the choice of aid as the optimum solution to the problem of Africa's poverty. The evidence is as startling as it is obvious. It will contrast countries which have rejected the aid route and prospered with others which have become dependent on aid and been trapped in a vicious circle of corruption, market distortion and further poverty – and thus the 'need' for more aid.

Others before me have criticized aid. But the myth of its effectiveness persists. *Dead Aid* will offer a new model for financing development for the world's poorest countries: one that offers economic growth, promises to significantly reduce African poverty, and most importantly does not rely on aid.

This book is not a counsel of despair. Far from it. The book offers another road; a road less travelled in Africa. Harder, more

demanding, more difficult, but in the end the road to growth, prosperity, and independence for the continent. This book is about the aid-free solution to development: why it is right, why it has worked, why it is the only way forward for the world's poorest countries.

PART I

The World of Aid