

# Book: dead aid by dambisa moyo book review example

[Technology](#), [Development](#)



## **Assignment Questions**

### **Question one**

According to Moyo, there are three categories of aid namely, charity-based aid, emergency or humanitarian aid and systematic aid. The author focuses on the systematic aid, which is the sum, total of grants and concessional loans that is given by the donor country to the recipient country (Moyo, 2009). It is a loan from the government of a developed country to the government of the developing country or from international financial institutions such as World Bank and IMF to the government of the developing countries. This type of aid is the most damaging and it has detrimental effects to the development of the African countries. This is because it does not have long impacts on the recipient countries, and most of the time it is misused by leaders.

### **Question two**

According to the author, rent-seeking is an economic term that is used to refer to graft or corruption. The aid encourage rent-seeking by giving African leaders free money with no recourse. They can use that money in unproductive ways without facing any penalty. Because of this arrangement, many African leaders tend to use aid money to satisfy their greed since there no fear of losing an office or even going to jail. The donors have negative incentive structure that does not encourage African leaders to use aid given to them in a responsible manner.

### **Question three**

Moyo argues that foreign aid bring conflict in Africa as people compete to seize power in order to gain access to aid wealth. She gave the example of Sierra Leone where conflict broke as different groups fight to gain access to power, which will enable them to gain control of the unlimited foreign aid. Countries like DRC has found themselves in endless civil war as different label groups compete for resources, some of which are in form of foreign aids from different donor countries. This explains why internal conflicts are common in most of the African countries.

### **Question four**

According to the author, good governance and democratization process have greatly contributed to the success of some African countries such as Botswana and Namibia. Foreign aid contributes only to a small percentage of Botswana's economic growth. She also argues that the country has experienced good governance for successive terms that has contributed to its economic growth.

### **Question five**

Moyo does not agree with “ glamour aid” and actually she criticizes it together with the increased moral campaigners particularly in the music and movie industry. She argues that rarely does one see African elected leaders being consulted by the donors on what should be done or what may actually work in solving African development problems (Grier, 2010). The role is so important yet it has been left to the musicians and moviemakers who reside far away from Africa. She contends that involving African elected leaders in

deciding how the aid will be spent is a key strategy for appropriate use of that aid.

### **Question six**

Moyo seems to be an admirer of china and devote an entire chapter of the book to discuss the benefits of the Chinese investments. According to her, the intention of the Chinese investment is to benefit Africa, and different from western aid that continues to make it poor and over dependent. China has been a key source of FDI, which is required to propel growth in the African economies. The increased trade between china and African countries is also promoting growth in many African countries. She seems to brush aside the environmental and humanitarian concerns arising from Chinese activities in Africa. She does not also raise concern over Chinese business practices such as underbidding local business and not hiring local people in their projects. She argues that that the move of china support rogue and corrupt African leaders cannot be compared with western support for notorious despots and plunderers.

### **Question seven**

Improving trade ties between the African countries is likely to increase their GDP. Moyo postulates that increased trade flow between African countries and china will help them to reduce poverty. She uses Zambia as an example where trade flows between china and Zambia accounted to about 10% of the country's GDP. However, the trade should be two-ways where African countries import and export goods to china and other developing economies.

She argues that the trade flow is sustainable and if improved, it will help countries to develop without foreign aid.

### **Question eight**

Bad aid argument from Moyo can help to explain why poverty level has not significantly improved over the decades despite increased flow of developmental assistance. Although Moyo does not show how increased aid is related to the actual welfare improvement among the recipients, aid can only help to reduce poverty if it is invested in real visible projects (Ashta, 2013). It is possible that development assistance has continued to flow among the poor in the United States, yet the way they spend that money is not reducing their poverty level. According to Moyo, African states have continued to receive foreign aid, but their leaders tend to misuse it, hence realizing insignificant economic growth.

### **References**

Ashta, A.(2013). Book Review: Dead Aid: Why Aid Is Not Working and There Is Another Way for Africa by Dambisa Moyo. In: Strategic Change, 22(1-2), 121.

Grier, B.(2010). Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa. In: The Journal of African American History, 95(2), 282.

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