Zabuli Center

BOOK REVIEW AND COMPARATIVE ANALYSIS

Rethinking Aid

A Critical Review of Dead Aid, The White Man's Burden, and The Bottom Billion

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CONTENTS

1. Introduction 1
2. Review of the Books 2
    2.1 Dead Aid 2
    2.2 The White Man's Burden 3
    2.3 The Bottom Billion 5
3. Conclusion 7
Bibliography 9

1. Introduction

The quest to achieve human wellbeing, prosperity, and social and economic development has been an important area of study for scholars and policymakers. Numerous state, governance, and economic systems have been presented by intellectuals and thought leaders as a remedy to poverty and underdevelopment, yet the world is still struggling to achieve a satisfactory level of human development. The post-World War II developed countries took it upon themselves to help the poor countries and people to emerge from poverty to economic stability, experience development, and well-being. Billions in aid have been offered through bilateral and multilateral means to the poverty-stricken countries and regions across the world in a bid to eliminate underdevelopment and poverty. However, billions of people, and almost one-fourth of the countries of the world, continue to remain stifled in poverty and underdevelopment.

Three books, by three scholars and researchers, debate the reasons for the continuation of the struggles of the poor even after a significant amount of financial and technical investments by the developed world. Dambisa Moyo in her book, ***Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa***, William Easterly in ***The White Man's Burden***, and Paul Collier in his ***The Bottom Billion*** present the argument that the traditional foreign aid has failed to help the countries emerge from extreme poverty and get on the road to development. They argue that the donor countries need to revisit their strategies to make the aid an effective response to poverty and underdevelopment. The authors suggest that the approach to planning, program development, aid distribution, and budget allocation should be revisited to enhance the effectiveness of the development interventions. The authors are skeptical of aid distribution in its current form and ask for a condition-based approach with greater focus on institutional development, good governance, and accountability.

2. Review of the Books

2.1 Dead Aid

The 2009 book by Zambian economist Dambisa Moyo presents a sharp critique of foreign aid in Africa (D. Moyo, 2010). She goes to the extent that, instead of helping Africa, the foreign aid has created a vicious cycle of dependency, bad governance, and corruption. In her opening chapter, she challenges the long-held belief that aid is the solution to the development challenges of Africa, and that providing foreign assistance would help Africa obtain its maximum potential and become a prosperous region. She argues that over a trillion US dollars have been invested in Africa, yet Africa remains poor, and living conditions continue to remain worse for most of the countries on the continent. However, Moyo remains fixated on counting the evils attached to the aid, including considering it an interest-driven investment by the donors and terming the aid sector an industry. However, she does not acknowledge the possible counterfactual. What consequences would the poor countries face in the absence of donor-funded interventions? As a result of UNICEF's donor-funded programs focused on child mortality, the global under-five mortality rate declined by 61 per cent, from 94 deaths per 1,000 live births in 1990 to 37 in 2023 (Child Mortality, 2025). An estimated 67% of the 38.4 million people living with HIV (PLWH) globally in 2021 were from Sub-Saharan Africa (E. Moyo et al., 2023). WHO has been leading the global response to the disease with the support of numerous donors (WHO, 2024).

The book also argues that aid encourages corruption and poor governance. She explains that Unconditional aid often ends up in the hands of corrupt leaders, who misuse it for personal gains or political patronage. She also highlights the moral hazard of the donor behavior that is focused on rewarding failing states with more aid. She argues that a continuous supply of aid to the states that are not able to make policy changes and bring about institutional reforms has added to the luxury of leaders to avoid difficult policy decisions, which has ultimately slowed down the reforms in the African countries. Given the argument, Moyo emphasizes that within a five to ten-year timeframe, provision of aid to the African countries should be phased out. She believes that this approach will prompt states to make drastic policy and institutional reform-related decisions that could spur development. Her idea of cutting off aid to the poor countries would stop the flow of easy resources, encouraging the countries to look for more indigenous and sustainable resources is shared by other practitioners too (Micheal, 2025).

However, Moyo does not acknowledge that while policy formulation and institutional reforms are the bedrock of socio-economic development, implementation of the policies will always require financial resources and technical expertise, something that is limited in supply to the economically

poor countries. Banerjee and Duflo strongly believe that poverty is not just about money, but a range of interconnected challenges, including poor health, inadequate education, and lack of access to credit. The two scholars, learning from Randomized Controlled Trials (RCTs) that they applied to different contexts, believe that small interventions can have a big impact, including informing policy decisions (Banerjee & Duflo, 2012). In the meantime, the likes of Paul Collier agree that the traditional approach to providing aid is not working; he stays short of cutting the supply of aid. Collier rather emphasizes that providing strategic aid tied to performance could help the countries stuck in a poverty trap to gradually get on to road to development (Collier, 2009).

Moyo sees trade, foreign direct investment, microfinance, and remittances as alternatives to aid for achieving sustainable development in Africa. In doing so, she has a full chapter dedicated to the Chinese model of assistance, an investment-driven model in Africa. Moyo's idea is supported by Collier, too, as he emphasizes preferential trade agreements for the poorest in the world, special treatment for them in the global market to help them remain competitive, and promotion of foreign investment. However, for all this to happen, a conducive investment environment, evidence-based policy formulation, and qualified human capital must exist in a society. In the meantime, before qualifying the Chinese investment model as the best alternative, there is a need for research and evidence. The Chinese debt-trap has been a major discussion point over the last decade or so among scholars. Some see a gigantic investment in large infrastructure projects in countries of strategic interest to China as a trap that leaves indebted countries vulnerable to Chinese influence (Chellaney, 2017). Hence, one could argue that it is too early, and there is little empirical research available on the model to qualify it as the best. Additionally, associating poverty reduction with mega infrastructure development, something that China does, is a rather reductionist analysis of a larger problem that has its roots in underdeveloped human capital, bad governance, policy and legislative gap, weak political and civil society structures, geopolitical realities, and, of course, the infrastructure.

Overall, the book is provocative with its arguments having the strength to make the donor community revisit its strategies. Also, it challenges the traditional thinking and status quo vis-à-vis foreign aid. Regardless of its oversimplification of the impact of aid on Africa, Moyo has succeeded in this book to become a strong wake up call for the donors and the aid agencies.

2.2 The White Man's Burden

The White Man's Burden is a 2006 book authored by the economist and former World Bank advisor William Easterly. The book is among the series of scholarly works that have emerged in the early 2000s, critiquing the traditional approach to donor aid funding. The main thesis of the

book is that Western foreign aid has failed to reduce poverty because of its top-down approach. He argues that the bureaucracies in the donor governments and multilateral organizations impose grand development schemes without being accountable to the people they are trying to help. He calls the group leading this effort as planners. In his view, a viable response to the local needs that could ensure sustainable progress comes from local actors whom Easterly terms searchers who find practical, bottom-up solutions tailored to the local needs (Easterly, 2006). Easterly's thesis is aligned with that of Moyo in one particular aspect, and that is the inability of the current aid regime to effect change in poor societies. However, unlike Moyo, instead of cutting off the aid, he advocates for the localization of aid with tailor-made responses directly linked to the needs rather than ready-made responses with a one-size-fits-all approach.

The book has touched on nuances with empirical data and case stories while presenting his argument. Easterly highlights a major issue in planning and programming where the donors and multilateral organizations, such as the United Nations and the World Bank, impose their models on all countries. He explains that every context, and sub-context within a broader context, is different, complicated, and dominated by diverse socio-political complexities of its own. Hence, responding to the local needs requires locally developed responses. In his argument, he remains aligned with Banerjee and Duflo on RCTs, an approach piloted, researched, and generalized. He also questions the "Big Push" theory, which suggests that large-scale aid can propel poor countries out of poverty. He argues that this approach oversimplifies development and ignores the complex political, social, and economic factors at play. The evidence does not support the idea that massive aid injections lead to sustained growth. Afghanistan and Iraq are cases of such failures where the massive investment did not propel the countries to prosperity. Instead, it promoted corruption and a war economy (Steve, 2021). Similarly, Easterly criticizes the reforms imposed on the countries from outside, such as by the International Monetary Fund (IMF) and the World Bank, which often lack ownership and local responsiveness, leaving them a mere tick-the-box effort instead of a genuine reform. Easterly makes a strong argument that markets are too complex to be centrally planned and that interventions often have unintended negative consequences. The strength of the book remains his balanced and objective criticism instead of presenting radical ideas.

Easterly's argument has also been echoed by other authors. Barnet and Walker highlight the issue of centralization and the lack of accountability of the aid agencies, explaining: "That failure owes in large part to the influence of a tight-knit group of elite players that can be described as the Humanitarian Club: an organized and hierarchical network of states, donors, international organizations, and nongovernmental organizations that centres on the UN system (Barnett & Walker, 2015).

Like Moyo, Easterly discusses how foreign aid can inadvertently strengthen corrupt regimes. He argues that aid can reduce the pressure on governments to be accountable to their citizens, as they become reliant on external funds. A lot of evidence can be found in the aid-dependent countries like Afghanistan and Iraq, where public accountability remained at a minimum as the authorities did not find themselves accountable to the people. As a solution to the problem, Easterly advocates for an indigenously developed response to the local problems as a cost-effective and impactful approach to development.

While Easterly identifies major flaws in the traditional approach to development, his constant focus remains at the local level. There is ample evidence that in the absence of accountable and efficient governance, policy regimes that contribute to the development of a conducive environment for economic development and legal frameworks promoting the rule of law, the small-scale responses to the local needs may not bring about long-term, sustainable change. Acemoglu and Robinson make a strong case for inclusive institutions that promote participation, protect property rights, and uphold the rule of law, leading to prosperity as the source of economic development and prosperity (Acemoglu & Robinson, 2012).

Considering that international development is all about learning from the successful, making use of external experts in the absence of local capacities, and replicating the best practices, an inward-looking approach by Easterly looks incomplete. The book offers strong evidence-based arguments on reversing the top-down approach; however, it does little to propose a middle ground that connects the top-down and bottom-up approaches. Lack of an integrated approach looks like Easterly is going from one extreme, top-down, to another extreme, bottom-up approach.

2.3 The Bottom Billion

Paul Collier has concentrated on one billion of the poorest people residing in 58 countries across the world in his groundbreaking work, The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It (Collier, 2009). In his work, he is not particularly focused on foreign aid the way Moyo and Easterly have studied the subject, he makes strong assertions about the donor funding that links his work to the subject of this review.

The book presents four key issues, termed as poverty traps, namely: (1) conflict, (2) natural resources, (3) landlocked and bad neighbours, (4) bad governance and small countries. He offers a comprehensive overview of each of the traps, starting with conflict. He argues that civil wars are both cause and consequence of poverty. He suggests that conflicts have to be brought to an end in these countries, and post-conflict reconstruction should be initiated by the international donors to help the countries gain stability. Dwelling on Dutch disease, Collier has identified corruption and rent seeking in countries with natural resources that have undermined democracy and

accountability, leaving these countries with a wealth of resources struggling for economic survival. Stressing the importance of geography, Collier highlights that landlocked countries without good infrastructure and access to coastal trade routes struggle to grow. His final assertion is that Poor governance leads to corruption, economic mismanagement, and weak institutions. For all of these traps to be surpassed, Collier believes the bottom billion needs external assistance.

The review of the book, particularly the section on traps and proposed responses to dealing with the traps widely remains very general. If the assertion of Easterly is anything to go by, Collier has looked at the issues with a very superficial lens, with a top-down approach. The Bottom Billion, in other words, gives a macro view of things, which can lead to a continuation of ignoring the nuances that exist on the ground. His assertion that outsiders should indulge in conflict resolution and even intervene militarily sounds a neo-colonial approach to dealing with conflict management, while he ignores the local agency, including the role of civil society, political parties, local reforms, and socio-political reconciliation. The examples of resolving conflicts from outside have failed time and again over the last three quarters of the century, starting from the Korean War, to Vietnam, Afghanistan, and Iraq. Also, the external development assistance has not produced results in Africa as Moyo has vehemently suggested. Nevertheless, the book gives a broad overview of the primary challenges generally faced by the most vulnerable communities.

Given that the whole thesis of Collier is built around providing external support to the countries in trouble, Collier considers foreign aid as an important resource for the development of the most vulnerable countries of the world. However, he coined the terms smarter aid and strategic aid for breaking the poverty traps. He proposes that donor countries should invest in post-conflict recovery in the conflict-affected countries, invest in policy environment improvement, and institution building. Again, in his proposal, he remains top-down in his response throughout the book. His view in the book is very much that of an economist, merely focused on economic development as a response to the development. He ignores the issue of social and political development that ensures civil liberties, political participation, and freedom of thought and speech, the foundation of human development. Amartya Sen, in his philosophical work, has argued in favour of human freedom, both as a means and an end of development (Sen, 2001).

Collier believes that foreign aid should be combined with the promotion of international trade for the states to achieve sustainable development. This is an idea that he shares with Moyo, seeking global assistance for the exports of the bottom billion while also asking for foreign direct investment. While theoretically this is a very good idea, the book does not look at the need for human capital required for export-quality production. Also, structural issues, policy gaps, legislative vacuums, infrastructure, access to credit, and energy are other major issues that are the pre-requisite of industrialization, which Collier does not consider and stops at presenting

preferential trade agreements and special treatment by the global market as a source of economic development.

Overall, Collier's work comes out to be a strong policy-oriented publication. It provides a strong basis for policy-level debates and discussions. However, given the bureaucratic attitude of the donor community with a top-down, I know it all behaviour, it may underplay local agency. Therefore, the book must be read in combination with the work of Moyo and Easterly.

3. Conclusion

The contribution of foreign aid to poverty eradication, economic and social development, and its positive and perverse effects have been a subject of debate among scholars for decades. Attribution of results has been a challenge for the development experts, while there remains a contrarian position asserting that, instead of helping, foreign aid has created dependency and paralysed local capacities to search for sustainable responses to their development needs. The contrarians have been confronted by the counterfactual argument crediting foreign aid for avoiding the worst of what is being faced by the poor countries. The phenomenon of underdevelopment is complex; the underlying causes of it are multiple and context specific. On the other hand, the underdeveloped societies are usually so fragile that one shock can challenge the gains made over the years, a reason for the rise in scepticism about the quality and quantity of the investment made in a certain context.

Given the complexities of context that foreign aid serves, there remains space for research, assessments, analysis, and scholarly debate. The authors of the three books look at the effectiveness of foreign aid from different perspectives, with one question in mind: whether foreign aid is working in its current form. All three agree that there is a need for strategizing foreign aid delivery to add to its effectiveness. It is a timely reminder for the researchers and donors to revisit the traditional approach to foreign aid and come up with a reform agenda that should consider the time-bound response to the local needs tied to a locally led and designed institutional reforms agenda, policy formulation, and public service delivery. The adaptive and flexible approach to development programming should be streamlined in foreign assistance to make the interventions a viable response to the local needs. Besides, the donor funding should be invested in identifying and strengthening the economic niche of the societies in order to promote economic alternatives for the target countries and communities.

Given the interrelation of the three books, it is recommended to start with the Bottom Billion to have a sense of policy-level understanding of the needs of the underdeveloped and poor countries. The reading should be followed by The White Man's Burden to understand the ground realities of

the implementation context. The disruptive, contrarian, and status quo-challenging The Dead Aid should be read last. Also, the arguments of the scholars will have to be contested against the position of some of the scholars cited in this article before a contract position is adopted vis-à-vis the foreign aid.

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