

Aid Gives Poor Countries Weaker Governments

By [Angus Deaton](#)

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In Scotland, I was brought up to think of police as allies and to ask one for help when I needed it. Imagine my surprise when, as a 19-year-old on my first visit to the U.S., I was met by a stream of obscenities from a New York City cop directing traffic in Times Square after I asked him for directions to the nearest post office. In my subsequent confusion, I inserted my employer's urgent documents into a trash bin that, to me, looked a lot like a mailbox.

Europeans tend to feel more positively about their governments than do Americans, who view the failures and unpopularity of their federal, state and local politicians as commonplace. Yet Americans' various governments collect taxes and, in return, provide services without which they could not easily live their lives.

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Americans, like many citizens of rich countries, take for granted the legal and regulatory system, the public schools, health care and social security for the elderly, roads, defense, diplomacy and heavy investments by the state in research, particularly in medicine. Certainly, not all of these services are as good as they might be, nor held in equal regard by everyone; but people mostly pay their taxes and if the way that money is spent offends some then a lively public debate ensues. Regular elections allow people to change priorities.

All of this is so obvious that it hardly needs saying, at least for those who live in rich countries with effective governments. But most of the world's population does not.

In much of Africa and Asia, states lack the capacity to raise taxes or deliver services. The contract between government and governed — imperfect in rich countries — is often altogether absent in poor countries. The New York cop was little more than impolite, and busy providing a service. In much of the world, police prey on the people they are supposed to protect, shaking them down for money or persecuting them on behalf of powerful patrons.

Even in a middle-income country like India, public schools and public clinics face mass (unpunished) absenteeism. Private doctors give people what (they think) they want — injections, intravenous drips and antibiotics — but the state does not regulate them and many practitioners are entirely unqualified.

Throughout the developing world, children die because they are born in the wrong place; not of exotic, incurable diseases, but of the commonplace childhood illnesses that we have known how to treat for almost a century. Without a state that is capable of delivering routine maternal and child health care, these children will continue to die.

Likewise, without government capacity, regulation and enforcement do not work properly, so businesses find it difficult to operate. Without properly functioning civil courts, there is no guarantee that innovative entrepreneurs can claim the rewards of their ideas.

The absence of state capacity — that is, of the services and protections that people in rich countries take for granted — is one of the major causes of poverty and deprivation around the world. Without effective states working with active and involved citizens, there is little chance for the growth that is needed to abolish global poverty.

Unfortunately, the world's rich countries currently are making things worse. Foreign aid, transfers from rich countries to poor countries, has much to its credit, particularly in terms of health care, with many people alive today who would otherwise be dead. But foreign aid also undermines the development of local state capacity.

This is most obvious in countries, mostly in Africa, where the government receives aid directly and aid flows are large relative to fiscal expenditure. Such governments need no contract with their citizens, no parliament and no tax-collection system. If they are accountable to anyone, it is to the donors. But even this fails in practice because the donors,

who are under pressure from their own citizens and who rightly want to help the poor, need to disburse money just as much as poor-country governments need to receive it.

What about bypassing governments and giving directly to the poor? Certainly, the immediate effects are likely to be better, especially in countries where little government-to-government aid actually reaches the poor. And it would take an astonishingly small sum of money, about 15 US cents a day from each adult in the rich world, to bring everyone up to at least the destitution line of a dollar a day.

Yet this is no solution. Poor people need government to lead better lives. Taking government out of the loop might improve things in the short run, but it would leave unsolved the underlying problem. Poor countries cannot forever have their health services run from abroad. Aid undermines what poor people need most: an effective government that works with them for today and tomorrow.

One thing that we can do is to agitate for our own governments to stop doing those things that make it harder for poor countries to stop being poor. Reducing aid is one, but so is limiting the arms trade, improving rich-country trade and subsidy policies, providing technical advice that is not tied to aid, and developing better drugs for diseases that do not affect rich people. We cannot help the poor by making their already weak governments even weaker.

Angus Deaton, professor of Economics and International Affairs at Princeton University's Woodrow Wilson School of Public and International Affairs, is the author of *The Great Escape: Health, Wealth, and the Origins of Inequality*. © Project Syndicate

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