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Lost in the tropics: Sachs' misguided African geography

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The debate on aid to Africa continues. This column argues that it is bad governments and institutions that cause poverty, not bad geography. Making sure aid reaches the poor will often mean not giving it to poor governments.

Jeffrey Sachs' [recent Vox column](#) continues the debate on aid to Africa that was originally prompted by Dambisa Moyo's book *Dead Aid*. I will let Dr Moyo defend herself against specific criticisms, but Sachs unveils such a strange geographic theory of Africa's poverty, with strong implications for aid policy, that I am forced to respond.

It's nice to move back to doing what professors are supposed to do – examining other professors' ideas on their own merits, [not attacking their persons](#). Sachs is an inspirational and hard-working intellectual, just one whose ideas on Africa happen to be sometimes totally wrong and other times only seriously wrong.

One sign of serious trouble with Sachs' theory is that it violates Occam's Razor – make the theory as simple as possible, but no simpler. Another way to put it is beware of explanations containing too many "ifs", "buts" and "except fors". Sachs starts off by saying that being in the tropics is bad for development. (He gave a very terse summary in [his Vox column](#); I am here drawing from his articles, e.g. Sachs, Gallup and Mellinger, 1999, Sachs, Faye, McArthur and Snow, 2004, and Sachs and Gallup, 2001 to articulate more fully his geographic story).

Isn't rapidly growing India also in the tropics? Yes, but they have snowmelt-fed irrigation instead of rain-fed agriculture. Isn't rich Singapore also in the tropics? Yes, but they are coastal instead of landlocked. Don't Latin America and Asia also have tropical diseases like malaria, just like Africa? Yes, but they have a better kind of mosquito. So a region will be poor *if* they are tropical, *if* rainfed, *if* landlocked, and *if* they have the wrong mosquitoes – which, yes, fits many African countries. The reason for Occam's Razor is that with enough Ifs, Buts, and Excepts you can fit *any* theory to any set of facts. If I am a balding,

grey-bearded, bespectacled, white male economic development professor residing in Greenwich Village, I will write a post on Occam's Razor – yes, that theory also fits the facts.

The other problem with Sachs' geography story is that it has already been refuted by other economists. The consensus among several prominent academic papers is that destructive governments rather than destructive geography explain the poverty of nations. Acemoglu, Johnson, and Robinson (2006), Easterly and Levine (2003), and Rodrik, Subramanian, and Trebbi (2004) all tested the geography story against the institutions story and came down on the side of institutions.

Geography may have had some influence on history, but through institutions – good government spread along lines of migration and communication through most temperate regions more easily than it did to tropical regions. The latter were also victims of colonialism (and in Africa's case, the [slave trade](#) as well, which goes some way to explain bad government in Africa today).

So Robert Mugabe was a lot worse for Zimbabwe than the Anopheles mosquito. Corruption is more fatal for oil-rich Nigeria and Angola than latitude. Health is determined more by public actions against disease than by species of parasite. Other factors that Sachs mentions, such as illiteracy and poor infrastructure, are also symptoms of bad government services.

Of course, it is a lot easier to justify giving a lot of aid to African governments if they are helpless victims of geography rather than (mostly) just being – bad governments. Is this why Sachs continues to insist on a bizarre geographic theory of Africa's poverty and is oblivious to the bad governments that many courageous African dissenters have fought at great sacrifice?

I don't have enough evidence to test any one theory of Sachs, but I know it makes for bad aid policy. My point is simple – make sure that aid reaches poor people. This usually means it should not go to poor governments.

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On June 2nd, 2009 [jan.dehn](#) says:

There is strong intuitive and emotional appeal in Bill Easterly's call for aid to be targeted at the poor. Targeting aid at the poor probably stands a better chance of success than the many alternative recipes for allocating aid, which are inevitably based on incredible kitchen-sink growth regressions embedded with aid variables. Still, despite my sympathy for Easterly's line of reasoning, I find myself much more attracted to Dambisa Moyo's main argument, which, sadly, has been lost in the heated debate about whether to abolish bilateral aid. Her really big call is not so much that aid must go than the fact that aid can never be a sustainable solution to poverty: Only private sector jobs can ever guarantee sustainable improvements in living standards in developing countries. Aid can provide some help to some poor some of the time, it can never produce a comprehensive and sustainable solution. Besides, aid creates massive misallocation of resources, crowding out, and vested interests akin to those we associate with protected agricultural businesses in the US and EU. If we start from the observation that only private sector jobs can lay the foundations for the eradication of poverty then it suddenly becomes clear that the solution has to lie with the private sector,

not the public sector. This is where the debate should be. Insisting on changes to the defunct aid model when the private sector still remains so marginal in the discussion is akin to insisting on weeding the garden when the house is burning down!