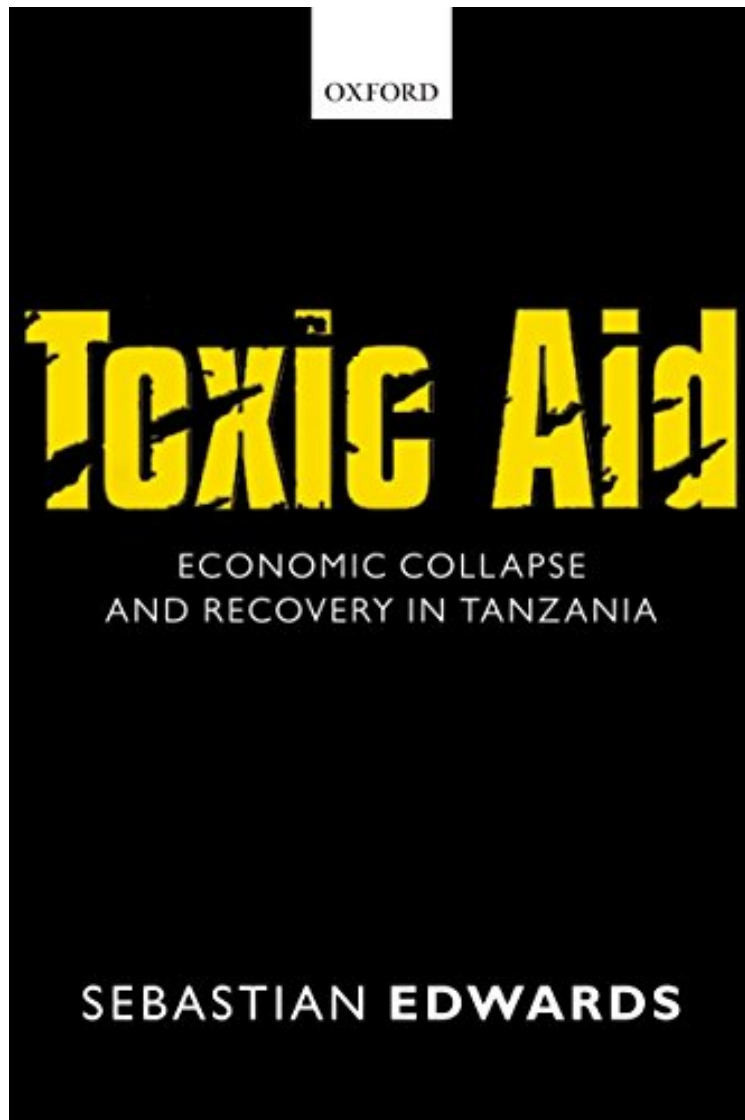


(Download ebook) Toxic Aid: Economic Collapse and Recovery in Tanzania

Toxic Aid: Economic Collapse and Recovery in Tanzania

Sebastian Edwards

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Sebastian Edwards : Toxic Aid: Economic Collapse and Recovery in Tanzania before purchasing it in order to gauge whether or not it would be worth my time, and all praised Toxic Aid: Economic Collapse and Recovery in Tanzania:

0 of 0 people found the following review helpful. A great book on the economics of developmentBy Ivan AlonsoThis is a great story about how things first went terribly wrong, but then at long last improved. Sebastian Edwards goes beyond the aggregate economic data to examine the policy choices that were made in the light of the intellectual history of development and aid, of the personalities involved and of the domestic and international political realities. One can see why policy mistakes persisted for so long and why there were false starts until some workable solutions

could be implemented. It is a fascinating story, told with deep knowledge and passion by a great economist. 0 of 0 people found the following review helpful. The book is very insightful and the review on ...By CustomerThe book is very insightful and the review on was as eloquent and helped me to make the decision to buy3 of 3 people found the following review helpful. Lessons on economic development far beyond the Tanzanian experienceBy An international readerIf you are really interested on why some nations fail while others succeed, you must read this book. Sebastian Edwards delights us with an outstanding book on the Tanzanian experience with foreign aid. The book is what a case study shall really be and Edwards does it masterfully. The lessons go far beyond Tanzania and the realm of foreign aid and, most revealing, are applicable to any developing nation or emerging-market economy for that matter. The book directly addresses the core issues of financial aid to any developing economy. The main message that unravels from this case study is that there is no panacea on achieving economic growth, stability and development. The journey through Tanzania's experience with foreign aid has important lessons for international organizations such as the World Bank and United Nations and many NGOs. More specifically, Edwards follows a historical approach to review Tanzania's experiences with foreign aid, showing that the effectiveness of development policies (including foreign aid programs) is largely determined by idiosyncratic features of a nation. An important feature that separates Edwards' analysis from many other studies is that it is largely substantiated not only on an account of facts but also supported by a detailed examination of data and an deep understanding of institutions, especially the political system, the legal framework, the cultural realm of its people, its history and the main actors. Moreover, he clearly shows that these factors are not time-invariant so that policy must adjust to a changing environment. Thus, it naturally follows that no development policy can be expected to yield expected results when these factors are not seriously taken into account. It is not only a matter of incentives or of correcting market failures that determines economic efficiency and policy effectiveness. No one shoe fit all. It just a matter of hard work and getting hands dirty to come up with the relevant information. Even some Nobel Prize economist frequently jump to conclusions on the basis on casual observation and superficial economic and political reasoning, before any true diagnosis when questioning policy or making prescriptions. Needless to say, despite policymakers' good intentions and incentives, they also fail in evaluating the (unintended) consequences of their actions. Paying close attention to country-specific features to make a proper diagnosis for policy recommendations is the main lesson from Tanzania's experience as presented by Edwards. Regardless of whether one is an economist or policymakers of a given persuasion (market-oriented vs interventionist, liberal or conservative), the author makes perfectly clear that a throughout examination of history, data and institutions cannot be overseen when coming to policy design. Good, effective, successful policymaking requires a serious examination of the relevant aspects that determine policy outcomes, especially in regard to fostering economic development, as demonstrated by Edwards in the case of Tanzania's experience with foreign aid. Finally, the book is written in a clear and fluent prose that makes easy to follow the arguments without any loss of analytical rigor, while addressing what otherwise would be hard to follow and intricate ideas. I am not surprised the author is also a successful novelist. Enjoy the ride.

For many years Tanzania was the darling of international aid agencies. During the 1970s it received more assistance per capita than any other nation in the world. And yet, the economy performed dismally: growth was negative, exports collapsed, and poverty increased massively. In the mid 1980s, however, the international community changed tacks and developed an approach based on conditionality and 'program ownership'. Since 1996 the country has grown steadily, and social conditions have improved significantly. This book provides an economic history of Tanzania, since independence in 1961. It covers the policies of African Socialism and the Arusha Declaration, the collapse of the early 1980s, the rocky relationships with the IMF, and the reforms of the 1990s and 2000s.

"Opposing sides on foreign aid fiercely debate whether it spurs growth or actually does harm. Sebastian Edwards' fascinating tale of aid in Tanzania suggests it can do both. He reminds us that the more recent success of aid and reform in Tanzania is undoing the disaster caused by aid's decades-long support of domestic tyranny and corruption. A must-read for both sides of the aid debate, or for all those who simply care about poverty." -- William Easterly, New York University and author of *The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor*"Brilliant analysis from one of our leading thinkers on economic development. Edwards places the experience of Tanzania in the broader and continuing debate about the effectiveness of foreign aid. His sober and thorough dissection of the historical record leads to a powerful conclusion: the international assistance provided from 1961 to 1981 proved highly toxic, but outside support subsequently became more constructive. This controversial volume will become a must read for anyone concerned with prosperity and stability around the world." -- Simon Johnson, former chief economist of the International Monetary Fund and author of the best-seller *13 Bankers*"Tanzanian economic policies resulted in a disaster of monumental proportions, aided and supported by most of the foreign aid community through the first several decades. Edwards provides an excellent insightful, balanced, and well-documented analysis of the economy's implosion, its turnaround in policies and performance, and the role foreign aid providers played in the debacle and the recovery. This first-rate book should be required reading for all those interested in development

policies and African economic development. It also provides an invaluable overview for those non-specialists wanting to learn more about the Tanzanian experience." -- Anne Krueger, Johns Hopkins University

"In this compelling and highly readable account of the Tanzanian experience, Sebastian Edwards exposes the facile debate over the question of whether foreign aid is harmful or beneficial. By distinguishing the approaches that have worked from those that have failed, Edwards demonstrates convincingly that the question cannot be answered unconditionally. This book should be required reading for all those interested how foreign aid can be used to achieve positive outcomes." -- Robert Lawrence, Albert L Williams Professor of International Trade and Investment, Harvard Kennedy School

"This book is a must-read for anyone interested in African economic development. Sebastian Edwards is an exciting new voice in the debate on foreign aid in Africa, and expertly uses the case of Tanzania to shed light on the good - and the bad - that aid can do. Employing the latest statistics, and drawing on his own extensive first-hand experience advising the Tanzanian government, Edwards weaves an engaging tale of failure and redemption in one of Africa's most intriguing nations. I look forward to recommending this book to my friends, colleagues and students alike." -- Edward Miguel, Oxfam Professor in Environmental and Resource Economics, Department of Economics, University of California, Berkeley, and author of *Africa's Turn*

"This engagingly written analytical narrative fills a gap in the literature on development. It goes inside a country that has experienced failure (Tanzania 1961-1981) and, plausibly, success (1996 to today). Edwards valuable interpretation of this case exploits his vast experience and his mastery of the scholarly literature. Regarding the controversy over does foreign aid work? he shows how the answer depends on the policies and probity of the countrys leaders." -- Robert Klitgaard, Claremont Graduate University and author of *Tropical Gangsters*

"In Tanzania global academic fashions have been atypically influential with both donors and governments. The resulting roller coaster is splendidly dissected in this important book." -- Paul Collier, Oxford University and author of *The Bottom Billion*

"Does foreign aid really help developing countries to develop? Or does it stand in the way of development by enabling corrupt and repressive regimes that pursue inappropriate economic policies? Sebastian Edwards important volume on Tanzania provides compelling answers. With carefully marshalled economic data, Edwards shows that foreign aid may have been a critical factor in enabling the government of Tanzania to pursue economically ruinous economic policies during the two decades following independence. Beginning in the early 1980s, however, pressure from the foreign aid community was at least equally important in convincing Tanzania to undertake needed and beneficial economic reforms and in providing resources to carry out these reforms." -- Michael F. Lofchie, Professor of Political Science, UCLA and author of *The Political Economy of Tanzania*

"... one of the most thorough and careful examinations of the subject of economic reform in Africa" -- *Foreign Affairs*

About the Author Sebastian Edwards, Henry Ford II Professor of Economics, Anderson Graduate School of Management, University of California, Los Angeles Sebastian Edwards is the Henry Ford II Professor of International Economics at the University of California, Los Angeles. He is the Co-Director of the National Bureau of Economic Research's 'Africa Project.' From 1993 to 1996 he was Chief Economist for Latin America at the World Bank. He has published 14 books, including two best-selling novels, and over 200 scholarly articles. He has been an advisor to numerous governments, financial institutions, and multinational companies. He is a frequent commentator on economic matters on CNN and other cable outlets, and his op-ed pieces have been published by the Wall Street Journal, the Financial Times, the Los Angeles Times, El Pais (Spain), La Vanguardia (Spain), and other newspapers from around the world. His latest book is *Left Behind: Latin America and the False Promise of Populism* (University of Chicago press, 2011). Professor Edwards received an MA in economics in 1978, and a PhD in economics in 1981, both from the University of Chicago.