

RELEASE IN FULL

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**From:** Mills, Cheryl D <MillsCD@state.gov>  
**Sent:** Tuesday, April 14, 2009 11:09 PM  
**To:** H  
**Subject:** FW: Dead Aid

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**From:** Stremiau, Matthew H  
**Sent:** Monday, April 13, 2009 3:44 PM  
**To:** Mills, Cheryl D  
**Cc:** Slaughter, Anne-Marie; Toiv, Nora F  
**Subject:** Dead Aid

Cheryl,

I know the book Dead Aid well. The ideas are not new. They are essentially the same ones that Bill Easterly has proposed in his two books: The Elusive Quest for Growth and White Man's Burden. The essential argument is that a top-down, "big-plan" approach to foreign assistance – the Jeff Sachs' approach - has not worked in the past and will not work in the future.

Both Easterly and Moyo argue for a bottom-up approach that supports overall economic growth. They emphasize expanding access to capital markets and low-cost financing, promoting better governance and accountability, policy reform to enhance foreign investment, and support for market-driven social entrepreneurs.

I will give Nora a couple of articles for you to take home and look at. One of them, by Paul Collier, offers a strong alternative to the USAID approach of funding small holder farmers. The other is by Dambisa Moyo and will give you an overall flavor of her perspective.

Matt