

The Big Push Déjà Vu

By William Easterly

A Review of Jeffrey Sachs, *The End of Poverty: Economic Possibilities for Our Time*, Penguin Press: New York, 2005

Journal of Economic Literature
Vol. 44, No. 1, March 2006

Jeffrey Sachs is the economics profession's leading advocate of mega-reform. Whether it is stabilization of hyperinflation in Bolivia, shock therapy to leap from Communism to capitalism in Poland and Russia, or a "Big Push" to end world poverty, Sachs' recommendation throughout his career has been to do it fast, do it big, do it comprehensively, and do it with lots of Western money.

Sachs' approach, as set out in vivid detail in his fascinating new book, raises an interesting debate for economists about the merits of "the Big Push" vs. incremental reform. This carries on the debate begun 15 years ago about shock therapy vs. gradualism in the ex-Communist countries. It taps into a long-standing intellectual debate about social change in general, dating at least as far back as Edmund Burke's critique of the French Revolution. Burke preferred gradual reform to revolution, just as in the 20th century Karl Popper argued for "piecemeal democratic reform" as opposed to "utopian social engineering." Earlier in the 20th century, there was a debate about planning versus markets.¹

This debate is particularly relevant for economic development, where "utopian social engineering" has attracted more intellectual support than in other fields of economics. Because the tragedy of the world's poorest peoples is so heart-breaking, an appropriately large response is more appealing in development economics than in more emotionally neutral areas like, say, the efficiency of the stock market. The Big Push appeals because it seems to promise a quick end to

¹ A recent treatment of economic reform, in light of this intellectual tradition is MacMillan (2004), who discusses "shock therapy" in particular. MacMillan is one of those who inspired me to go back and read Popper's writings.

the tragedy. Perhaps it is also seductive to us as economists because it suggests our analysis and recommendations can have a large effect. As Sachs says: “I have also gradually come to understand through my scientific research and on the ground advisory work the awesome power in our generation’s hands to end the massive suffering of the extreme poor...” (p. 2)

To unleash this power, Sachs proposes the “Big Push” for poor countries. The principle element in the Big Push would be a doubling of foreign aid, to about \$100 billion a year, then nearly doubling again by 2015. Foreign aid would fill a “Financing Gap” between what a country needs and what it can afford on its own, making it possible for each of the poorest countries “to break out of the poverty trap and begin growing on its own” (p. 250).

Another big element in ending the poverty trap is a comprehensive package of interventions covering virtually all of the needs of poor people. This is because Sachs sees specific areas of under-investment as particularly critical, like insufficient spending on health and soil fertility. Sachs identified these interventions as part of his work leading the UN Millennium Project, which commissioned ten task forces that mobilized 250 experts. Sachs presents a 54-item checklist of barriers to development (p. 54) that must be overcome with the comprehensive package. In a separate report, the UN Millennium Project listed 449 interventions that it recommended to end world poverty (UN Millennium Project, Millennium Development Goals Needs Assessment). The book discusses many of these interventions in detail, many of which sound plausible: insecticide-treated bednets to protect children from malarial mosquitoes, fertilizer for crops, and health clinics. Sachs believes you must do everything to accomplish anything: “These interventions need to be applied systematically, diligently, and jointly since they strongly reinforce one another” (p. 208) and “success in any single area, whether in health, or education, or farm productivity, depends on investments across the board.” (p. 256)

Who would actually implement this package and how? This is really the critical part of the book, and here Sachs seems to back social engineering against Popper’s piecemeal democratic reforms. The book says “We need plans” (p. 227). Sachs many times seems to suggest that aid

agency officials and national government leaders should do planning from the center to make everything happen. Professor Sachs has subsequently objected to the characterization of his arguments as top-down planning, so I will give some quotes from his book that led many readers (including this reviewer) to this interpretation. In a section titled: "Planning for Success"

"The UN Secretary General...should oversee the entire effort...the secretary general...should ensure that the global compact is put into operation." (p. 269)

Each country should have 5 plans, including an "Investment Plan, which shows the size, timing, and costs of the required investments" (p. 273)

"Getting from here to there is a matter of routine planning, not heroics." (p. 274)

Each low income country should have the benefit of a united and effective United Nations country team, which coordinates in one place the work of the UN specialized agencies, the IMF, and the World Bank. In each country, the UN country team should be led by a single United Nations resident coordinator, who reports to the United Nations Development Program, who in turn reports to the UN secretary-general. (p. 285)

The book clearly does not advocate that any economy switch over to central planning as an economic system; Sachs is obviously a believer in free markets in general. Yet he argues in the book that free markets do not offer much hope for the poorest countries, and that a comprehensively planned set of interventions is needed to get the poorest one-sixth of humanity out of poverty.

Sachs and development economics

How are we to place Sachs' prescriptions for ending world poverty into the development economics literature? The first thing that stands out is how familiar Sachs' argument sounds. He is restating almost exactly the arguments of development economists made in the 1950s and 1960s, even using the same words. Then, as now, there were economists who advocated a "Big Push" to get countries out of a "poverty trap," foreign aid to fill the "Financing Gap," and action on all fronts through comprehensive "planning". To be sure, development economists at that time advocated far more state intervention in the poor economies than Sachs does now. Yet otherwise

the concepts are remarkably similar between then and now. The 1960 counterpart to Sachs' *The End of Poverty* was Walt Rostow's best-selling *The Stages of Economic Growth*, which argued that countries could emerge out of stagnation into self-sustained growth thanks to an aid-financed increase in investment. Over the intervening 45 years, many academic development economists abandoned these ideas as simplistic, realizing that economic development is a complicated interplay of markets (with many imperfections), politics, social norms, institutions, and government policies, social services, and microeconomic interventions. Nevertheless, the idea of an aid-financed takeoff into growth has maintained its appeal in the development policy community.

The second thing Sachs has in common with the generation of 50 years ago is to promise great results. Sachs certainly does promise a lot. Since Sachs is a gifted political campaigner as well as an economist, perhaps we can indulge a slogan that "we" will be able to "to heal a divided planet, to end the suffering of those still trapped by poverty, and to forge a common bond of humanity, security, and shared purpose across cultures and regions" (p.3).

However, Sachs reiterates the promises of great results so frequently that it seems to be more than political rhetoric. "The end of poverty is at hand – within our generation – but only if we grasp the historic opportunity in front of us." (p. 25) The "success in ending the poverty trap will be much easier than it appears" (p. 289) Referring to the old Enlightenment dream of world peace, democracy, and prosperity, Sachs says "many of its sweetest fruits are within our reach" (p. 352).

Big Solutions in other contexts

The book includes Sachs' successful experiences in Bolivia and Poland in stabilizing high inflation through "shock therapy." Here perhaps is a clue to the book's confidence in the power of policymakers. You *can* solve high inflation with some top-down actions by policymakers – fix the exchange rate and stop printing money. Unfortunately, the top-down

solutions do not translate well into fixing whole societies that are at one-sixtieth of US per capita income and with very different institutions, social norms, and economic arrangements.

The promise of a Big Solution to a very Big Problem is an outlier in the practice of economics, where usually economists study marginal changes to existing systems or policies to generate marginal improvements. No serious economist that I know of is proposing a Big Plan to triple US per capita income, or to end poverty in the US.

However, there are arguments in economics in favor of more comprehensive packages. The theorem of the second best says that we cannot know whether a partial movement towards a free market equilibrium will be beneficial. Coordination problems and models with multiple equilibria have attracted a lot of interest from economists over the past decades, although there has been much more theory than empirics.

It does make sense that one policy change will only be effective if other policies are satisfactory – for example, privatization without laws to enforce good corporate governance and property rights could back-fire. These arguments were particularly popular after the Berlin Wall fell and economists were called in to advise governments how to move from Communism to capitalism, which was when Sachs' shock therapy became famous.

Why was shock therapy in the ex-Communist countries so disappointing, with output collapses, high inflation, and political backlash? It turned out in the ex-Communist countries not to be feasible to do all the possible complementary reforms at once. There was a similar failure in developing countries with the attempt by the IMF and World Bank to implement comprehensive “structural adjustment.”

The relevant choice turned out to be between a Big Partial Reform and a small partial reform. The Big Partial Reforms failed on an equally Big scale. Gradualism and incremental reform has more appeal now after the chastening experience of “transition economics” and “structural adjustment”, as well as the consistent failure of Big Push economics in foreign aid to poor countries.

Why are comprehensive Big Reforms not advocated in rich countries? In rich countries, the small partial reforms have been the source of progress over time, and economists studying rich countries sensibly stick to such marginal improvements rather than Big Reforms.

Sachs' theory of aid and the poverty trap

Nevertheless, Sach argues forcefully that the poor countries badly need a Big Push. The intellectual foundation for this is the idea of the "poverty trap." Sachs has many ideas on how the poverty trap happens. I highlight three that are familiar, because development economists first highlighted them almost half a century ago. The first is that poor people do not save enough:

When people are ... utterly destitute, they need their entire income, or more, just to survive. There is no margin of income above survival that can be invested for the future. This is the main reason why the poorest of the poor are most prone to becoming trapped with low or negative economic growth rates. They are too poor to save for the future and thereby accumulate the capital that could pull them out of their current misery. (pp. 56-57)

Sachs' second reason for a poverty trap "is a demographic trap, when impoverished families choose to have lots of children." (p. 65) Population growth is so high that it outpaces saving (which was already too low, according to the first reason).

The third element in the poverty trap is a nonconvexity in the production function. Sachs suggests there are increasing returns to capital at low initial capital per person (and low income per person):

An economy with twice the capital stock per person means an economy with roads that work the year round, rather than roads that are washed out each rainy season; electrical power that is reliable twenty-four hours each day, rather than electric power that is sporadic and unpredictable; workers who are healthy and at their jobs, rather than workers who are chronically absent with disease. The likelihood is that doubling the human and physical capital stock will actually more than double the income level, at least at very low levels of capital per person. (p. 250)

Sachs gives the example of a road with half of the road paved and half impassable due to missing bridges or washed out sections. Repairing the impassable sections would double the length of road, but would much more than double the output from the road. "This is an example of a threshold effect, in which the capital stock becomes useful only when it meets a minimum standard." (p. 250)

These three mechanisms have been prominent in the development policy community because they seem to create a simple way in which aid can break the poverty trap. The role of foreign aid is to

increase the capital stock enough to cross the threshold level: “if the foreign assistance is substantial enough, and lasts long enough, the capital stock rises sufficiently to lift households above subsistence... Growth becomes self-sustaining through household savings and public investments supported by taxation of households.” (p. 246)

The poverty trap story is theoretically intriguing and may well give insights into poor development outcomes. There is a large literature discussing evidence for poverty traps (see the excellent survey by Azariadis and Stachurski 2004, who point out the difficulty of drawing unambiguous conclusions about the existence of poverty traps).² I concentrate more narrowly on whether aid has had the effects that the Sachs poverty trap model would predict.

The main prediction is that aid would have large and positive growth effects in poor countries. Decades of research on aid and growth has failed to generate evidence for this prediction (I summarize some of this research in Easterly 2003). The big stylized facts certainly do not support the prediction that aid has big growth effects, helping countries to escape from poverty traps: (1) aid has been highest as a percent of income in Africa, but African growth is lowest of any continent, (2) aid has risen over time as a percent of income in poor countries, but their growth rate has fallen over time.

The evidence that Jeffrey Sachs adduces for the poverty trap in *The End of Poverty* is from the period since 1980. This is indeed the period where the stylized facts are most consistent with a poverty trap, as the poorest countries had per capita growth around zero, in contrast to positive growth in richer countries. However, the poorest countries did have significant positive growth 1950-1980. To make things worse, the poorest countries were getting more in foreign aid as a percent of their income in the last 20 years, compared to the previous period. Foreign aid is supposed to be helping the poor countries escape from the poverty trap; hence the poorest countries in the recent decade should have

²Kraay and Raddatz (2005) have recently tested directly whether the savings and increasing returns mechanisms hold in the data. They point out that saving would have to follow an S-curve to generate a poverty trap, first increasing little with income, then increasing steeply, then flattening out again. They reject the S-curve in the data on saving and per capita income. They also fail to find evidence of the technological non-convexities that also are necessary to create the poverty trap. They conclude there is little evidence for a poverty trap based on these mechanisms.

been LESS likely to be stuck in poverty than the previous decades with lower foreign aid. In sum, the evidence for an aid-induced Great Escape from poverty is less than overwhelming.

Poverty traps vs. bad government

Sachs argues that it is the poverty trap rather than bad government that explains poor growth of low income countries over recent periods. For example, Sachs says “the claim that Africa’s corruption is the basic source of the problem {the poverty trap} does not withstand practical experience or serious scrutiny.” (p. 191)

Yet a large literature argues that bad institutions and policies ARE a part of the problem of low growth. Let us do a quick test of bad government against the poverty trap as a story for poor economic growth. The earliest rating we have on corruption is from 1984, from the International Country Risk Guide. We have a rating on democracy for the same year from a research project at the University of Maryland called Polity IV. Let’s take countries that have the worst ratings on both corruption and democracy, and call these countries “bad governments.” While poor countries did worse, it’s also true that the 24 countries with bad governments in 1984 had significantly lower growth 1985 to the present: 1.3 percentage points slower than the rest. There is some overlap between these two stories, as poor countries are much more likely to have bad government. So which is it, bad government or the poverty trap? When we control for both initial poverty and bad government, it is bad government that explains the slower growth. The coefficient on initial per capita is not significantly different from zero, once we control for bad government. This is still true if we limit the definition of bad government to corruption alone. The recent stagnation of the poorest countries appears to have more to do with awful government than with a poverty trap, contrary to the Sachs hypothesis.

Sachs is very insistent that bad government is not the problem in poor countries. This is an important part of his case for increased aid, in that he imagines skeptics asking “If the poor are poor because ... their governments are corrupt, how could global cooperation help?” (p. 226) He wants to reassure potential aid donors that “the poor ... are also ready to govern themselves responsibly, ensuring that any help that they receive is used for the benefits of the group rather than pocketed by

powerful individuals.” (p. 242) Even where he sees some corruption, he thinks more aid can solve the problem “Part of the corruption {in Kenya} is new and completely avoidable, but only if donors help Kenya to improve the functioning of the public administration...by the installation of computer systems, published accounts, job training and upgrading, higher pay for senior managers (p. 237)

Unfortunately, there is an extremely strong correlation between per capita income and corruption. Sachs classified countries as relatively well-governed if their corruption is low for their level of income, but this does not address the possibility that their income is low BECAUSE they are corrupt, as a large literature has argued. The causality between corruption and income is still hotly debated, but it seems foolhardy to simply dismiss corruption as a factor inhibiting development.

If corruption and other forms of toxic politics are a big part of the problem, then the solutions are going to be a lot more complicated than the top-down Big Push. We need to do serious political economy to get at the roots of poverty. We need to understand the actions and incentives facing very many actors. The response of aid donors is also of interest, as Alesina and Weder 2002 show that aid does not discriminate against more corrupt countries. Svensson 2003 finds that aid actually increases corruption in ethnically divided societies.

Development as a technical problem?

Another striking thing about Sachs’ presentation of the causes of poverty and the possible solutions is how little economics seems to be invoked in his analysis. We hear very little about incentives to invest and innovate, or to honor contracts and property rights, or to do political and economic reforms, for example, while we hear a lot about geography, agronomy, and medicine. Poverty to Sachs seems to be a technical problem that can be fixed with interventions from the natural sciences. He gives medicine as not just a solution in itself to many problems of the poor, but a model for all of development economics:

Development economics today is not like modern medicine, but it should strive to be so. It can improve dramatically if development economists take on some of the key lessons of modern medicine, both in the development of the underlying science and in the systematization of clinical practice, the point where science is brought to bear on a particular patient. (p. 75)

This emphasis on scientific and technical solutions to problems runs throughout the book:

“Household spraying, insecticide-treated bed nets, and antimalaria medicines all work in Africa just as they do in other parts of the world.” (p. 199) “Africa’s problems ... are ... solvable with practical and proven technologies.” (p. 208)

This portrayal of poverty as just a technical problem is at odds with the rich literature in economics and political science that stresses the *social* causes of poverty – bad institutions, bad politics, misguided policies, trading networks that exclude the poor, high transaction costs in markets, and ineffectual aid donors. Sachs does not clearly link his case for public action to either unleashing incentives to produce private goods or the need to provide public goods. He seems just as eager to intervene when the problem is a missing private good as when there is a missing public good.

The view that poverty is just a technical problem leads Sachs to administrative solutions to poverty. Much literature over the years have pointed out the problems with administrative plans to solve economic problems. There are at least three major classes of problems:

- (1) Plans can be decreed at the top, but must be implemented at the bottom – how to design principal-agent contracts to give good incentives for aid agency officials and government civil servants to do the interventions right and get results for the poor? This problem is particularly severe in foreign aid, when the actions at the bottom are often unobservable to the administrators at the top.
- (2) Administrators at the top do not have enough information about the realities at the bottom to design the right interventions in the right place at the right time. This problem is particularly severe in foreign aid, which gets little or no feedback from the voiceless poor.
- (3) Multiple goals and multiple agents weaken incentives for agents to deliver on goals.

Sachs does not address these problems. We hear nothing in the book about what incentives the international administrators and government civil servants will face to deliver and implement the foreign aid interventions that Sachs proposes. Decades of field experience amongst development practitioners suggest that implementation is very difficult and incentives can be very much askew. Filmer, Hammer, and Pritchett 2000 cite studies in Guinea, Cameroon, Uganda, and Tanzania, which estimated that 30 to 70 percent of government drugs disappeared before reaching the patients. In one low-income country, a crusading journalist accused the Ministry of Health of misappropriating \$50 million in aid funds. The Ministry issued a rebuttal: the journalist had irresponsibly implied the \$50 million went AWOL in a single year, whereas they had actually misappropriated the \$50 million over a three-year period. In a survey at government health centers in the Mutasa district of Tanzania, new mothers reported what they least liked about their birthing experiences assisted by government nurses. The poor mothers-to-be were “ridiculed by nurses for not having baby clothes (22 percent)...and nurses hit mothers during delivery (13 percent).” More systematically, Filmer, Hammer and Pritchett find no correlation between public health spending and health outcomes.

Actually, we can turn to Sachs’ own UN Millennium Project report for reports of weak incentives to deliver results. Cambodian teachers “supplement their income by soliciting bribes from students, including the sale of examination questions and answers....the end result is a high dropout rate.” Even among less venal civil servants, we hear that in Uganda “sanitation has been highlighted as a high priority in the sector plans of water, health, and education. Practically however, it is yet to clearly come out as a funding priority for any of them. In fact, by spreading out everywhere, it has received no attention anywhere!” As far as international and rich country aid agencies, accountability is so weak that foreign aid “is not evaluated or documented systematically for results.”

The Millennium Project is also a source of information about the lack of information facing planners. In the project's document where it tries to estimate the costs of all the 449 interventions that it recommends doing to end world poverty, it ran into some gaps:³

- “it is extremely difficult to predict the direction, let alone the magnitude, of the net impact of extending the coverage of interventions on marginal costs...there are only very few successful examples of large-scale scaling up of interventions in low-income countries.”
- In Uganda, “current coverage levels for antenatal care are difficult to estimate due to a lack of data and definitional problems.”
- In Cambodia, lack of data meant estimates of energy interventions were based on Bangladesh data. There was no data on Cambodian power generating capacity or usage, so all incremental demand was assumed to require new capacity.
- In Tanzania, “our results show that Tanzania needs at least \$1.1 billion over 2005-2015 to attempt to meet the gender goal. We recognize that gender data is to a large extent nonexistent, and that therefore these numbers probably underestimate the true cost of meeting the gender MDG.”
- There are 40 target areas where action is desirable but the project was unable to come up with a policy intervention. The intervention is either listed as “to be specified further” or there is no intervention listed at all and it is “to be specified” in the future.

The third problem with administrative action is when there are multiple goals and multiple actors. Principal-agent theory says that having multiple principals (equivalent here to multiple goals) weakens the incentives for the agent, since each principal try to get the agent to work on her goal and not on the others. Together, the principals tend to cancel each other out, so the agent is at best confused and demoralized, or at worst feels he can get away with doing little on *any* of the goals. When there are multiple agents, we have all the usual problems of collective action.

³ UN Millennium Project (2005)

Each agent hopes the others will expend effort, lessening the need for him to undertake costly effort. There is no way to hold any one agent accountable for action when everyone is collectively responsible.

One solution to this problem is to have a very powerful principal at the center assigning goals to actors. Sachs seems to lean in this direction when he calls for the UN Secretary General to coordinate the whole effort to end poverty, but the UN does not have political power over rich country governments, poor country governments, or even the World Bank and IMF, and there is no prospect of the UN getting such power (thank goodness). Sachs does not like this recommendation to any analysis of incentives facing aid actors. Anyway, a powerful principal at the center would run into problems (1) and (2).

The piecemeal approach

What is the alternative to the Big Push? Instead of setting utopian goals of ending world poverty, foreign aid could just concentrate on finding particular interventions that work and keeping those interventions going. Anecdotal evidence suggests piecemeal approaches to aid are more successful. A vaccination campaign in southern Africa virtually eliminated measles as a threat to kill children. Routine childhood immunization combined with measles vaccination in 7 southern African nations cut measles cases from 60,000 in 1996 to 117 in 2000. Donors collaborated on a program to wipe out river-blindness in West Africa starting in 1974, virtually halting the transmission of the disease. Eighteen million children in the 20-country area of the program have been kept safe from river-blindness since the program began. Another partnership amongst aid donors contributed to the near eradication of guinea worm in 20 African and Asian countries where it was endemic.⁴

More formally, Abhijit Banerjee and Rumin He 2004 list numerous piecemeal interventions that researchers have confirmed through scientific evaluation to be successful (at least in some times and places):

⁴ Levine et al. 2004.

- Subsidies to families for education and health inputs for their children (such as PROGRESA in Mexico)
- Reducing class size, remedial teaching, uniforms and textbooks, school vouchers
- Deworming drugs and nutritional supplements
- Vaccination, HIV prevention, STD management, Indoor Spraying for Malaria, Bednets
- Fertilizer
- Clean water

Of course, getting or keeping piecemeal approaches that work well would require improving incentives for aid agencies. Improved incentives might come from putting much more emphasis on independent evaluation of aid projects. Better incentives could come from devising means to get more feedback from the intended beneficiaries, holding aid agencies accountable when the feedback is negative. It seems more productive to focus on such critical incentive problems in foreign aid rather than promise the rich country public the end of world poverty.

If the Big Push will not generate development, are things hopeless for poor countries?

Fortunately, the poor countries are making much progress on their own, without waiting for the West to give them a push. The market-driven growth of China and India, the movement towards democracy in Africa and Latin America (even amidst continued disappointing economic growth), not to mention the successes in East Asia, give signs of hope for homegrown development.

The dangers of hubris

Sachs writes eloquently about the needs of the poor, and that is enough by itself to read this book. Some of his descriptions of simple interventions that could make the poor better off are plausible, and indeed could form the basis for piecemeal reform.

However, Sachs' proposed Big Push should set off alarm bells about the dangers of hubris in economics. Indeed the description of how cheap and simple are the interventions that Sachs describes as not done yet is an indictment of the past performance of Big Pushes, in that they failed to find these interventions. The failures of past Big Pushes in foreign aid, the failure of

shock therapy in the ex-Communist countries, and the failure of IMF/World Bank structural adjustment almost everywhere suggests that Mega Reforms usually do not work out well.

I close with words of wisdom from two scholars who wrote about the dangers of hubris in social change. Karl Popper wrote in 1957:

The piecemeal engineer knows, like Socrates, how little he knows. He knows that we can learn only from our mistakes. Accordingly, he will make his way, step by step, carefully comparing the results expected with the results achieved, and always on the look-out for the unavoidable unwanted consequences of any reform; and he will avoid undertaking reforms of a complexity and scope which makes it impossible for him to disentangle causes and effects, and to know what he is really doing....Holistic or Utopian social engineering, as opposed to piecemeal social engineering...aims at remodeling the 'whole of society' in accordance with a definite plan or blueprint.⁵

Yale anthropologist and political scientist James C. Scott has a brilliant review of top-down plans in his 1998 classic *Seeing like a state*. He sums up the implications of his review for policy-making:

In an experimental approach to social change, presume that we cannot know the consequences of our interventions in advance. Given this postulate of ignorance, prefer wherever possible to take a small step, stand back, observe, and then plan the next small move.⁶

Small moves can cumulate into bigger benefits. Perhaps the rich country public will be more willing to increase aid when they see aid projects working well according to independent evaluation and feedback from the poor, as opposed to realizing once again that Big Pushes do not deliver on their utopian goals.

⁵ Popper 2002 (first published 1957), p. 61

⁶ Scott 1998, p. 345

Bibliography

- Alesina, Alberto and Beatrice Weder, "Do Corrupt Governments Receive Less Foreign Aid?" *American Economic Review*, September 2002, 92: 1126-37
- Azariadis, Costas and John Stachurski, Poverty Traps? In Philippe Aghion and Steven Durlauf, eds., *The Handbook of Economic Growth*, draft mimeo, 2004.
- Banerjee Abhijit V. and Ruimin He, Making Aid Work, M.I.T. mimeo, February 10, 2004
- Easterly, William. "Can Foreign Aid Buy Growth?", *Journal of Economic Perspectives*, Summer 2003
- Filmer, Deon, Jeffrey Hammer, and Lant Pritchett, Weak Links in the Chain: A Diagnosis of Health Policy in Poor Countries, *The World Bank Research Observer*, vol. 15, no. 2 (August 2000), pp. 199–224.
- Levine, Ruth and the What Works Working Group with Molly Kinder, *Millions Saved: Proven Successes in Global Health*, Center for Global Development Washington DC, 2004
- Kraay, Aart and Claudio Raddatz, Poverty traps, aid, and growth, World Bank mimeo, 2005.
- McMillan, John. *Avoid Hubris: And Other Lessons for Reformers*, Graduate School of Business, Stanford University mimeo, 2004
- Popper, Karl. *The Poverty of Historicism*, Routledge Classics: New York, 2002 (first published 1957)
- Scott, James C. *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed*, Yale University Press: New Haven, 1998
- Svensson, Jakob. "Foreign Aid and Rent-Seeking", *Journal of International Economics*, 2000, Vol. 51 (2): 437-461.
- UN Millennium Project, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*, Main Report and MDG Needs Assessment, United Nations: New York, January 2005.