

On Development Programs of Foundations and Other Aid Agencies

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July 2002

The Basic "Helping Self-help" Conundrum

There is a fundamental conundrum built into the helping (helper-doer) relationship and it is the basic problem that confounds so many well-meaning attempts to be effective in the aid business (e.g., World Bank and other multilateral and bilateral agencies) and the philanthropy sector (e.g., foundations and charities).

The conundrum is that of "helping people help themselves" or "helping self-help." If the doers are really helping themselves, then the helpers may not be having an obvious, demonstrable, or measurable effect on the outcomes. Thus the helpers will have a hard time convincing their bosses of the measurable results of their help. If, however, those helpers are in the driver's seat generating demonstrable outcomes to satisfy their organizational demands for "making a difference" and "having an impact," then it is very likely that the "doers" are "just passengers" not exercising much self-help. The doers are probably operating more in an aid-seeking mode going along for the well-lubricated ride.

This conundrum is at the heart of the aid and philanthropy business, and I fear that fundamental progress depends on a very clear understanding of the contradiction. An appreciation of the conundrum goes back at least to the Taoist doctrine that the wise ruler rules in such a way that when the people prosper, they will say "We did it ourselves." It goes back to Socrates who deliberately refrained from giving out answers—claiming what we now call "Socratic ignorance"—and instead tried to indirectly (e.g., through questioning and irony) to spur a learning process so that when the doer learned, it would be the doer's own knowledge, not second-hand beliefs borrowed from Socrates. It goes back to Kierkegaard's theme (drawing directly and explicitly on Socrates) that there is no objective or outside road to subjective or inside change. And it comes out in various ways today in the popular "self-help" literature such as Stephen Covey's principle [1990] that there is no outside-in road to inside-out change.

Can Moving Money Buy Inside-Out Change?

Instead of brutally confronting the helping-self-help conundrum, aid agencies and foundations tend to think that there is some way—with more intelligent listening, better partnerships, enforcing clearer output-based conditionalities, and the like—that they can escape the conundrum and use their money to bring about inside-out change.

The foundations, like the various aid agencies in the international arena, are basically money-moving machines, and money is the quintessential outside-in motivator. Thus the money-moving agencies are particularly ensnared on the horns of the fundamental dilemma—the more direct effect they try to have, the more they crowd-out, suffocate, and falsify any budding inside-out motivation in the people supposedly being "helped to help themselves"—and the more they

* The findings, interpretations, and conclusions expressed in this paper are entirely those of the author and should not be attributed in any manner to the World Bank, to its affiliated organizations, or to the members of its Board of Directors or the countries they represent.

will elicit aid-seeking motives, relax the pressure to reform based on pressing problems, and reinforce the disabling belief systems that the way for the doers to solve their problems is to get outside aid. Giving out more and more fish is not the way to help people learn to fish for themselves. Thus instead of fostering self-help, the money-moving machines foster learned disability and aid addiction [See Van de Walle 2001 for the story in Africa]. That tends to be the outcome when money is the leading edge of development assistance.

A general theory of how the "helping professions" (e.g., doctors, nurses, lawyers, psychologists, teachers, ministers, aid workers, and social workers in general), each with its cartel of professional associations, can counterproductively generate "needs" to be administered to by the "helpers" and thus lead to learned disability was pioneered by Ivan Illich [1972, 1976, 1978a, and particular "Disabling Professions" in 1978b] and has been further developed by John McKnight [1995] using the notion of "disabling help." All those who make their living in the helping professions are in the paradoxical position of working to eliminate their own jobs—at least insofar as they actually try to help people help themselves. Regardless of the proclaimed goals, the brute economic fact is that the helping professions need neediness, disability, incapacity, and helplessness, and this fact is not lost on the burgeoning bureaucracies of the aid industry. It should thus come as no surprise when again and again "helpers" use "giving-fish" strategies that tend to perpetuate the continuing need for helpers rather than "help the doers learn how to fish" strategies that will foster the doers' autonomy.¹

There are highly specific interventions—which might be called the "vaccinating children" model—where the giving-fish direct methods can "work" in some sense.² The intervention is seen essentially as the helpers delivering a commodity or service to the more or less passive doers. To get it done, one just needs to enforce specific output-based conditionalities (aid based on "vaccinating X children"). Many development practitioners indulge in a refined form of self-delusion by flooding their minds with such vaccinating-children models as if they were universal instead of rather special cases. Most real development work is concerned with the deeper questions of social change, capacity-building, culture, and sustainability where the "vaccinating-children" type of interventions are ineffective, if not counterproductive.

One discourse, which pushes in the direction of the vaccinating-children model of intervention, argues that some countries are so incapacitated by geography, climate, and disease (e.g., AIDS and malaria), that development assistance must take the form of disaster relief. Any attempt to focus development assistance on a longer term strategy of "people learning how to fish" is met with emotional and demagogic children-are-dying appeals that assistance should take the form of

¹ There are analogous arguments concerning the helpers who are driven by the moral satisfaction of being benevolently charitable. Jane Addams and John Dewey developed that argument using the notion of "oppressive benevolence." [See Lasch 1995; Ellerman 2001]

² See Israel [1987] who developed a "specificity spectrum" where the changes that can be made by discrete interventions, e.g., price liberalizations or tariff reductions, were at the high end of the spectrum. Toward the other end of the spectrum are the rule-of-law reforms that are like icebergs where the specific part ("passing the law") is only the part showing above the water. Below the water-line are the longer term changes in culture and behavior that do not follow automatically from "passing the law" (a common delusion) and cannot simply be decreed or required by conditionalities. These institutional reforms need to be based on broad-based own-motivated change in a large number of people. Attempts to short-circuit the process with bribes or arm-twisting are unsustainable and may well lead to counterproductive resentment.

quick "deliveries of still more fish" (particularly from the rich countries). Many development agencies, already frustrated and pressured by the ineffectiveness of their money-moving strategies, may be quite willing to give in to these appeals to recast development assistance even more in the model of disaster relief—as if the reason for the development failures of the past is that the rich countries have not given out enough fish and the poor countries have not received enough fish. After all, "giving out fish" is one thing the agencies know how to do.

While the world has disasters aplenty, the general recasting of development assistance in the mold of disaster relief would only aggravate the real problems of capacity-building and sustainable social change. If the purpose is helping people to help themselves (rather than to sustain or increase the demand for "helpers"), then an accelerated direct approach of money-led assistance is ultimately a self-defeating strategy. Like shining a flashlight to get a better look at darkness, the approach dispels the goal.³ Shining an even brighter light—like the recent calls of the aid industry to double official aid—would not only not solve the problem but would tend to aggravate the problems of smothering self-help initiatives in favor of money-seeking and corrupt development projects and would reduce reform pressures by funding symptomatic relief of pressing problems (again, see Van de Walle 2001 and the references therein).

Reforms carried out by doers as a means to the end of getting aid money (which has all sorts of "side-benefits") are unlikely to succeed or be sustained. Reforms should grow out the doers' own-motivations as determined by questions of identity, culture, and history where any monetary aid from helpers has only the role of a means—a means that merely enables the doers to do better what they were already trying to do for their own reasons.⁴ Bold increases in aid money will tend to override any budding own-motivation on the part of the doers and will tend to inspire "reforms" that are only means towards the end of getting the aid. The basic problem of past development assistance failures lies in the social engineering mentality that money can buy inside-out change, a mentality that reasons if past amounts of monetary aid have failed, then vast increases will be necessary to "overcome obstacles" and to engineer outcomes such as the Millennium Development Goals.

Foundation Strategies for Community Development

Any direct checkbook-in-hand foundation approach to community development will tend to elicit grant-seeking behavior on the part of poor people or resource-starved communities. Ironically the best approach may be indirect where the checkbook is kept out of any direct interactions.

One key to getting communities organized and helping themselves is often an outside community organizer, animator, or facilitator (or small team of such organizers). It is important that the organizer does not, repeat *not*, bring money. Organizing efforts start with mobilizing the

³ To illustrate the self-defeating nature of using objective or outside-in approaches to subjective or inside-out change, Kierkegaard used stories of putting a cap on a certain type of elf [Kierkegaard 1989, 12, 468] or putting special armor on the god Mars [1992, 174] to see how they looked when, in each case, the act made them invisible.

⁴ "Perhaps the best—perhaps even the only—effective slogan for aid is: 'Find out what the people are trying to do and help them to do it better.'" [Schumacher 1964, 374]

community capabilities, functionings, and "assets" to see what people can do for themselves without significant external resources.⁵

On this strategy, if Foundation X funded an organizer or even a school or training facility for many organizers, then it is crucial that the organizers not be a conduit for the communities to have access to Foundation X's money. One strategy is to have a Chinese Wall between the Foundation X-supported organizer and Foundation X resources. Otherwise the community will constantly just "see" the organizer as a conduit for outside money.

In a similar manner, high officials in the World Bank or IMF flatter themselves that the rapt attention of government officials is focused on the latest dollop of policy advice being dispensed. Albert Hirschman has been quite eloquent on the separation and unbundling of aid from policy advice.

Paradoxically, therefore, program aid is fully effective only when it does not achieve anything—when, that is, no quid pro quo (in the sense of a policy that would not have been undertaken in the absence of aid) is exacted as the price of aid. [Hirschman 1971, 204]

Naturally, doubts and reservations are not voiced at the moment of the aid compact; hence the delusion on the part of the donor that there has been a full meeting of minds. But soon after virtue has been 'bought' through aid under these conditions, the reservations and resistances will find some expression—for example, through half-hearted implementation or sabotage of the agreed-to policies—and relations between donor and recipient will promptly deteriorate as a result. [205]

[I]t is our conviction that this picture of program aid as a catalyst for virtuous policies belongs to the realm of rhapsodic phantasy. [205]

[E]laborate arrangements should be made to divorce the exchange of opinions about suitable economic policies from the actual aid-giving process. [211]

Such irony!—the less the development advisor or community organizer is "helpful" in the sense of giving them money now, the more the helper could be genuinely helpful in the long run. What officials in the major money-moving machines of the development business can resist that temptation and enforce that self-discipline?

When and if the community does need to raise outside resources, then the organizer could help them raise funds from other foundations or government sources—but never from the sponsoring foundation. Will the foundations who want to do community development work understand the conundrum enough to be able to subject themselves to this sort of self-discipline?

There are other ways that an indirect approach might work. Look at the ways that the Highlander Folk School worked to foster community and labor organizing during the 50s and 60s in Appalachian communities and in the broader civil rights efforts in the South (see the autobiography of the founder, Horton 1998). In spite of the name "school", Highlander operated more as a place for community groups to come together to strategize, learn from each other, and

⁵ See McKnight 1995 and Kretzmann and McKnight 1993.

consult with the staff's experience. For instance, Rosa Parks had been to Highlander several weeks before the day when she held her seat on the Birmingham bus. And the Citizenship School Movement that spread spontaneously across the South to later feed the voting rights campaign in the Civil Rights Movement started with a Highlander project on the sea islands off the Carolinas. Highlander brought no money to help the people it helped, but it required money itself from various sources to keep operating.

Here again is a way that a foundation could indirectly support organizing in communities. If a Foundation X supported an urban or rural folk school, then again it would be imperative that it not be seen as a door into the foundation's vaults. This sort of light-touch intervention could create a resource for many communities without smothering self-help impulses in any of them.

There are many more ways to intervene helpfully⁶ but the key to keep in mind is the inherent limitation on using money to foster inside-out change. The real question is whether organizations ordinarily functioning as money-moving machines can—without major overhauls—sponsor indirect strategies where money is not the leading edge of the intervention? It's a fundamental question for the World Bank and other aid agencies.

What about an approach of just responding to given local initiatives rather than trying to develop and drive the agenda? That is the operating mental model of many foundations and aid agencies; assume a "given" own-motivated project and then intervene to enable it to go forward.⁷ This can indeed work on day one, but not on day two; motives are twisted over time. If the helper intervenes out of the blue to support an existing local initiative, then it could be successful. But what about tomorrow? Once the word gets out that there is a large open checkbook in town, then all sorts of aid-seeking projects will be quickly generated and one will then no longer be responding to a given local initiative but with generating local pseudo-initiatives. To avoid that consequence, one needs to "sterilize" the announcement effect of the foundation's grant to the first initiative and that brings us back to the more subtle indirect methods designed to foster self-help (e.g., the Chinese Wall between a foundation-funded organizer and foundation-funding for the organized projects).

In the "Men in Black" movie(s), the protagonists use a "memory-eraser" instrument to blank the memories of alien encounters. Such an instrument would be useful to erase the memory of an encounter with a foundation or an aid agency "from another world" and thus to restore the initial conditions where people undertake community-building projects for their own intrinsic reasons. Then a foundation can again intervene to fund a genuine project rather than a money-seeking project. But lacking such an instrument, foundations and aid agencies spend much time trying to separate the genuine from the essentially money-seeking projects. And in a co-evolutionary process, the money-seeking projects evolve better and better mimicry to pretend to be genuine own-motivated projects. When the money-moving pressures on the side of the aid agencies meet the money-seeking mimicry on the part of the aid-seekers, then there tends to evolve a tacit social contract or "norm" of mutual self-delusion to lessen the cognitive dissonance on each side

⁶ See McKnight's work at: <http://www.northwestern.edu/ipr/people/mcknight.html>.

⁷ In spite of money being the quintessential outside-in motivator, this approach—by assuming "given" own-motivation for the project—tries to limit the role of money to an enabler role without it having a motivational role.

and to accommodate the needs satisfied on both sides by moving the money. Thus the aid business goes on and on being ineffective by sponsoring learned disability and aid addiction.

There are the time-honored methods of matching grants or topping-off grants where the doer's matching contribution is supposed to be sufficient to insure own-motivation rather than aid-seeking motivation. But this mechanism is often corrupted by the doers raising their "contribution" from other philanthropic sources or by the helper reducing the doer's "matching contribution" to something trivial. For instance, the World Bank sponsors and funds "social funds" in developing countries which operate with a 5.0% (not 50.0%!) so-called "matching contribution" from the communities being "helped" by the charity. A genuine 50%-from-own-resources matching requirement would not only help screen for genuine projects but would make it harder to use social funds as central government patronage and largesse to buy or reward local support. Moreover, it would tend to "reduce the quality" of the local infrastructure projects from the "Mercedes-Benz" version to the appropriate technology "Volkswagen" version where the local community would then have some capability to actually maintain and repair the infrastructure without seeking new external grants.

Knowledge and Learning Problems in Aid Agencies

Foundations and other aid agencies also have knowledge and learning issues. There is an institutionalized dishonesty built into aid agencies such as the World Bank and foundations. The boss does not want to hear bad news from the projects in his or her shop, the project managers do not want to hear bad news from their counterparts in the projects, and the people working in the projects do not want to give any bad news about the project. Thus there is a "reporting chain" with rose-colored glasses built into each link of the chain. The boss only sees the project through several pairs of rose-colored glasses—and, liking the rosy view, he or she has little motivation to "find fault" or "look for trouble" by getting an uncolored view.

The check against this institutionalized norm of dishonesty is supposed to be *ex post* evaluation with all its well-known problems. Whoever is paying for the evaluation from the organization is not going to want really bad news, and this fact is rarely lost on the evaluators who are keen to be rehired in the future.

One of the fundamental truths that one can learn from economics is that people don't learn "hard truths" if there is no competition or hard-budget constraints. The physicist Max Planck noted that even physics only progresses funeral by funeral. And most companies (i.e., the people in them) only seem to learn painful truths bankruptcy by bankruptcy. Yet organizations like the World Bank and foundations have neither real competition nor a hard budget constraint. Thus one has the perfect environment for pseudo-learning which takes the form of constantly changing fads (even cyclical fads allowing for the new jargon each time around the cycle) in the dance of cover-stories obscuring the underlying norms of institutional dishonesty and almost schizophrenic (but nonetheless comfortable) self-delusion.

Abstractly, the answer is the continuous and contemporaneous exercise of critical reason (not just *ex post* evaluation) which is what is spurred by no-nonsense competition and a hard budget constraint in the economic sphere, by multi-party contested elections in the political sphere, and by the open contestation of knowledge in the scientific sphere which is made possible by not

mixing truth and power (e.g., by not having universities or governments "adopt" or espouse specific theories—such as adopting "Lysenkoism" as Soviet Science—since that would thereafter kill the open exercise of critical reason within those organizations).

Unfortunately it is hard to adopt these historically proven models for the learning of "hard truths" to inside unitary organizations. Organizations tend to be run as one-party systems where there is no institutionalized and protected exercise of a legitimate opposition function. The people that have the most power to change an organization have the least incentive. The age-old temptations of "one-party rule" are today fortified by the ever-improving public relations function which continually strives to manufacture the public perceptions of good work regardless of the reality. And, needless to say, the imperatives of a PR-driven organization are completely congruent with the institutional dishonesty of the aforementioned reporting chain of rose-colored glasses.

It is said that there can be "open discussion within the organization" but then once the organizational Official View is decided and announced to the outside world, then people have to "play with the team," "go along and come along" and so forth—and then the Soviet dynamics take over to suppress any internal criticism of "our Official View." "Doctors should not argue in front of the patients" so people in an organization should not "go public" to externally air any internal disagreements within ear-shot of the clients. And the boss who decided on the Official View can "take care of" any internal dissent to their Wisdom. Thus in spite of all the endless blather about "knowledge management" lately, few if any organizations have figured out how to implement within a unitary organization the most basic truths about learning from economics, politics, and science. Least of all the apex aid quasi-monopolies such as the World Bank and the IMF.

I don't have an answer, but in contrast to the KM literature about organizations, I think I see why "learning organization" tends to be an oxymoronic phrase. For years, I have tried to think through versions of a protected dissent function within an organization, a devil's advocate or gadfly role—just as some organizations now have an ombudsman role. But we have seen historically how hard it is to protect public dissent in authoritarian countries, and there seems to be little real reason to think that non-democratic unitary organizations would act any differently. If the devil's advocate was not suppressed by being "coated with antibodies" (in the manner that the immune system suppresses an alien germ) or being "shown the door" or "given the hemlock," then he or she could still be neutered to end up praising the leaders with faint damnation (a typical fate of evaluation departments).

In the case of foundations and some elite agencies, the inhibitions against real criticism may have less to do with authoritarianism and more to do with spoiling the highly collegial tacit contract and norm that "I won't publicly criticize your work if you won't criticize mine." In that brie-and-Chablis atmosphere, real criticism is hardly welcome. By "real criticism" I do not mean a boss dressing down a subordinate since that is not the source of organizational learning as determined by the bosses. To spur learning, the clash of adverse opinions needs to take place roughly between peers. And even when honest criticism is publicly voiced within an organization, one needs again to revisit the question of why anyone with power should heed the criticism if there is no hard budget constraint or competition.

I think the problem of the mechanism for the learning of hard truths is one of those problems that Fritz Schumacher [1977] called "divergent" since there is unlikely to be any final answer but only a continuous wrestling with imperfect attempts at solutions—not to mention contending with occasional denials by organizational leaders that there is any problem.

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