Towards a *Theory* of Unhelpful Help

Institute for Advanced Studies in the Humanities
Bad Homburg, Germany
June 2009

David Ellerman
University of California at Riverside
(World Bank retired)
www.ellerman.org

Overview

- After WWII, 60 years of official development assistance—not a success story.

- Where development is most successful, e.g., East Asia, it is largely a product of autonomous effort with international agencies playing little role, and

- Where agencies have the most influence, e.g., Africa, development efforts have been least successful.

Why the persistent failures?

- Such persistent failure calls not for just more examples and anecdotes about failed assistance.

- It calls for a *theory,* a theory about why development assistance has had such a dismal record.

- I will try to outline such a theory—and to relate that theory to similar problems across the other applied human sciences.

Helping People Help Themselves

- Most everyone in development assistance agrees with the norm: it is best to "help people to help themselves".

- Everyone agrees with Chinese proverb: "Best not to give out fish but to teach people how to fish (or help them learn how to fish)".

- But then many development agencies, e.g., the World Bank, do almost the *opposite* and simply describe it with "correct" rhetoric.

- Hence to develop a theory, we must focus on the negative—"unhelpful help"—since "everyone agrees" with the positive norm of "helping people help themselves."

- Hence our title: "Towards a *Theory* of Unhelpful Help".

Why autonomy-respecting help is so hard: The Fundamental Conundrum

- *Fundamental Conundrum* of "externally-assisted self-help":
  - How can external influence by the helper make the doer more autonomous or independent of external influence?
  - Same Fundamental Conundrum occurs across fields of human endeavor: education, psychology, economics, politics…
  - Interdisciplinary approach to see how this conundrum is faced across the human sciences.

Fundamental Conundrum in Education

- Fundamental conundrum is clearest in education.

- "How can we affect a person by outside influences so that he will not permit himself to be affected by outside influences? We must resolve this paradox or abandon the task of education." (Leonard Nelson, 1949. *Socratic Method and Critical Philosophy*. New York: Dover, 18-9)

- "If we ask how the teacher-learner roles differ from those of master and slave, the answer is that the proper aim of teaching is precisely to affect those inner processes that…cannot in principle be made subject to external control, for they are just, in essence, the processes germane to independence, to autonomy, to self-control." (David Hawkins, 2000. *The Roots of Literacy*. Boulder: Univ. Press of Colorado, 44)

Development as Socal Learning

- Development is learning writ large, i.e., social learning.

- Hence this theory carries over the fundamental conundrum in education to development assistance.

- Basic debates in development assistance—as in education—revolve around and around the basic conundrum of "outside-in" help to "inside-out" change.

History of educational theories about active learning and autonomy

- Socrates: Socratic ignorance, and teacher as midwife not the father of learning;

- Neoplatonists including Augustine;

- Rousseau's Copernican revolution in pedagogy;

- Kantian themes about autonomy and constructivist theory of the mind;

- John Dewey: main modern active learning and constructivist educational theorist.

Bad and Good Metaphors for Learning

Bad Metaphors (Outside-in)	**Good Metaphors** (Inside-out)
Mind as passive mirror of knowledge	Mind as active lamp of knowledge
Mind as wax tablet on which knowledge is stamped	Mind as a fountain out of which knowledge comes
Knowledge poured into mind like water into a bucket	Knowledge grows in mind like a seed properly nurtured
Knowledge transmitted from teacher to student	Knowledge awakened in learner by teacher as midwife

Abrams, M.H. 1953. *The Mirror and The Lamp: Romantic Theory and the Critical Tradition*. London: Oxford University Press.

Chomsky, Noam 1966. *Cartesian Linguistics*. New York: Harper & Row.

Stop Teaching; Foster Self-Learning

- "If you teach a man anything he will never learn it" (George Bernard Shaw)

- "Fundamentally the staff man…must create a situation in which members of [line] management can learn, rather than one in which they are taught…" (Douglas McGregor)

- "He who wants to teach a truth should place us in the position to discover it ourselves" (José Ortega y Gasset)

- "You don't just tell people something; you find a way to use situations to educate them so that they can learn to figure things out themselves" (Myles Horton)

Helping Relations: Helper-Doer

Thinkers who faced the conundrum in different fields:

- Education: Teacher-Learner (Dewey, Freire)

- Management: Manager-Worker (McGregor)

- Psychology: Therapist-Patient (Carl Rogers)

- Community: Organizer-Community Group (Alinsky)

- Counseling: Counselor-Acolyte (Kierkegaard)

- Development: Agency-Government (Hirschman, Schumacher)

Much help is unhelpful: overrides or undercuts capacity for self-help or autonomy.

Yin and Yang of Unhelpful Help

- "Yang" or "masculine" or "overriding" form of unhelpful help is <u>Social Engineering</u>.

- "Yin" or "feminine" or "undercutting" form of unhelpful help is <u>Benevolent Aid</u>.

Unhelpful Help #1: Social Engineering

- "Overriding" form of unhelpful help.

- Mental model of Helper helicoptering over maze supplying motivation and directions to doers in maze.

- Helper as social engineer (usually an economist) supplies plan, and

- Helper supplies "motivation" to follow plan.

- Doers' own plans & motivation overridden.

- Alternative to social engineering is more indirect approach.

Example: Advice to post-socialist transition

- Classic critique of social-engineering: Edmund Burke, *Reflections on the French Revolution: In a letter intended to have been sent to a gentleman in Paris,* 1790.

- Modern critique of social-engineering: Ralf Dahrendorf, *Reflections on the Revolution in Europe: In a letter intended to have been sent to a gentleman in Warsaw*, 1990.

- Ralf Dahrendorf: "There is no greater danger to human liberty than dogma, the monopoly of one group, one ideology, one system. …[We] have to work by trial and error within institutions…"

- Jeffrey Sachs (referring to Dahrendorf): "If instead the philosophy were one of open experimentation, I doubt that the transformation would be possible at all, at least without costly and dangerous wrong turns." *Poland's Jump to the Market Economy*, 1993, p. 5.

Does Economics Understand Incentives?

- "If economists understand anything, they understand incentives." (World Bank economist)

- No! Basic problem is not only overemphasizing pecuniary motivation but ignoring the *source* of the motivation—external or internal.

- Over-estimation of monetary incentives would be the occupational disease of economists—if it were not their occupation.

Importance of "Source" of Influence

- Concepts such as coercion or oppression require *human* sources. Crusoe had many tough circumstances but no coercion or oppression.

- "'The nature of things does not madden us, only ill will does', said Rousseau. The criterion of oppression is the part that I believe to be played by other human beings, directly or indirectly, with or without the intention of doing so, in frustrating my wishes." (Isaiah Berlin, 1969. *Four Essays on Liberty*. Oxford: OUP, 123)

- "Hunger and cold cause misery, but men do not revolt against winter or agitate against the desert." (Richard H. Tawney, 1964. *The Radical Tradition*. New York: Minerva Press, 102)

- "In this sense 'freedom' refers solely to a relation of men to other men, and the only infringement of it is coercion by men. This means, in particular, that the range of physical possibilities from which a person can choose at a given moment has no direct relevance to freedom." (Friedrich Hayek, 1960. *The Constitution of Liberty*. Chicago: University of Chicago Press, 12)

Examples: Non-directive Intervention

- Hume, Kant, and Hayek emphasize end-independence of rules for just conduct. Like providing "fuel and oil for a machine, the operation of which is not controlled by the [provider]" (Michael Polanyi)

- Mary Parker Follett's "law of the situation."

- "… divorce the exchange of opinions about economic policies from the actual aid-giving process" [Hirschman]

- Contrast with: results-based management, performance-based pay, conditionality-based aid, and other constantly "rediscovered" fads.

Standard Economic Approach: Agency Theory

- Social-engineering economist—representing the "principal" —structures the incentives (carrots & sticks) for "agents" to follow.

- If correctly designed, then, by pursuing their own self-interest, agents will fulfill the purpose of principal (modulo asymmetric information).

- One basic flaw in agency theory is the *external source* of the incentives to the agent.

- Autonomy-respecting help must be consistent with internal sources of agent-doer's motivation.

"Can't buy love": Engineered motivation is inauthentic

- Genuine reform project = project + own motivation

- Inauthentic aid-seeking project = "project" + external motivation (to get aid).

- Loans or Aid with Conditionalities ("carrots & sticks") supplies external motivation & hi-jacks own motivation.

- No outside-in motivation for inside-out change: Kierkegaardian metaphors like trying to shine a light on darkness.

- Therefore, genuine projects must be found & cannot be created by aid.

Threat-to-Autonomy Effect

- Where project has own motivation, using salient external aid to take over motivational foreground takes away autonomy.

- Own-motivation to clean up yard + threat from lawn-nazis = 2 reasons to clean up? —or negative reactance to hi-jacked motivation?

- This is "hidden costs of rewards" = big mystery to standard economic approach.

- Even if country has own-motivation for reforms, WB has conditionalities "just to be sure."

Don't Try to Give "Motivation" to Doers—Find Doers Who Already Have Own-Motivation

- "In these situations, the donor would set himself the task of rewarding virtue ... where virtue appears of its own accord." (Albert Hirschman)

- "Find out what the people are trying to do and help them to do it better." (Fritz Schumacher)

- "[Management's] task is to provide an appropriate environment–one that will permit and encourage employees to seek intrinsic rewards *at work.*" (Douglas McGregor)

- "When we confuse a physical with an educative result, we always lose the chance of enlisting the person's own participating disposition in getting the result desired, and thereby of developing within him an intrinsic and persisting direction in the right way." (John Dewey)

Unhelpful Help #2: Benevolent Aid

- "Undercutting" form of unhelpful help. Aid Addiction.

- Charity corrupts; long-term charity corrupts long term. "Oppressive benevolence" (John Dewey)

- Self-help undertaken to avoid negative or get positive outcomes is undercut by benevolent aid which allows doers to directly avoid negative or get positive results without developing self-help capacity.

"Development Aid" as Moral Hazard

- <u>Insurance</u>: moral hazard softens the incentives to take normal precautions.
  - Partial Cure: co-pay & deductibles help to motivate investment to take precautions.
- <u>Development</u>: Aid softens the incentives for self-help.
  - Partial Cure: substantial matching or first stage funding requirement (so help is only 2nd stage) show own-motivation.

"Doing Good"

- Much of today's "development aid" is really just humanitarian relief—which often undercuts capacity development.

- Many public campaigns, e.g., by celebrities, is really disaster relief and worsens "moral hazard."

- And much "poverty alleviation," e.g., remittances from labor migration, is not developmental.

Albert Hirschman on Alternative Indirect Approach

- Critic of Social Engineering = "Big Push" Balanced Growth Plans 1940s-50s

- Alternative: Unbalanced growth driven by endogenous linkages and pressures.

- Rage to Conclude vs. Social Learning process

- Helper as Reformmonger:
  - Find where virtue is afoot on its own.
  - Supply advice & aid to modestly help without overriding or undercutting endogenous connections, linkages, and forces. i.e., catalyze endogenous linkages to spread changes.

An Alternative Approach for Today

- Global networks of smaller agencies in contrast to today's large powerful agencies. Good examples:
  - Global Development Network: http://www.gdnet.org/
  - Global Urban Observatory Network (GUONet).
- Basic idea is to assist development-as-social-learning.
- Money not the focus of development assistance so it will not drive agendas of developing countries. Smaller agencies cannot dominate but can be very selective.
- Promote experiments, find where "virtue is afoot" and help it indirectly whether or not it goes through central government. Indeed, municipal governments are often better targets of aid.

Two Social Learning Models

■ Center-Periphery or Hub-Spokes model

- Center does learning & decides policies

- Disseminates answers to periphery

- Evaluation checks implementation & impact of central policy.

■ Decentralized Social Learning Model

- Foster local experiments & self-learning

- Identify local successes and broker peer-to-peer cross-learning & local reinvention of successes.

- Benchmarking between actual projects rather than impact evaluation comparing project to counterfactual of doing nothing.

- See work by Donald Schön, Everett Rogers, or Charles Sabel.

Decentralized Social Learning Projects

- Center sponsors contest to "solve problem."
- Local entities voluntarily enter contest to give "best practice"
- Entries must publicly state "theory" so others can see & learn.
- Entries must agree to be judged by benchmarks.
- Winners get "block grant" in addition to their required local matching resources.
- Center sponsors horizontal learning between laggards & leaders.
- Benchmarks ratchet up performance stds as learning goes on.
- Repeat as needed.

Resistance to Social Learning Model

- Implies some restraint on part of Center not to decide "the one best way" and then impose it.

- How can Center justify itself if it "doesn't know the answer"

- Parallel experimentation involves direct comparison (benchmarking) between actual experiments.

- Center prefers "impact evaluations": "Is *our* project better than nothing? Yes! Therefore continue the project."

Impact of Internet

- New possibilities as never before for strengthening horizontal peer-to-peer network connections, not just spokes connected to hub.

- Comparable effect of printing revolution on science taking off in Renaissance:
  - Wider dissemination of ideas and knowledge of experiments.
  - Could compare (or benchmark) different ideas and experimental results by putting them side by side.

- Internet enables similar revolution today—a network of local development agencies involved in decentralized social learning.

- Alternative to today's dysfunctional development aid system.

The End

Lecture based on book:

Helping People Help Themselves:

From the World Bank to an Alternative Philosophy of Development Assistance.

Foreword by Albert O. Hirschman,

University of Michigan Press, 2005.

WWW.Ellerman.org