



Helping People Help Themselves:

From the World Bank to an Alternative Philosophy of Development Assistance

By David Ellerman

Foreword by Albert O. Hirschman

Publisher: University of Michigan Press

Publication date: April 2005

Helping People Help Themselves grew out of David Ellerman's ten years at the World Bank—and particularly out of his three years as advisor and speechwriter for Joseph Stiglitz during Stiglitz's tumultuous term as the Bank's Chief Economist. The book provides a structural critique of the World Bank's approach to development assistance—but the main purpose is to lay the intellectual foundations for an alternative approach. The book takes a broad interdisciplinary approach drawing from educational theory, management theory, community organizing, psychology, and philosophy. While many thinkers are discussed, there is a focus on eight individuals who have wrestled with the fundamental conundrum of trying to give external help that promotes (rather than thwarts) self-help. Those individuals are: Albert Hirschman, John Dewey, Paulo Freire, E. F. Schumacher, Douglas McGregor, Carl Rogers, Saul Alinsky, and Søren Kierkegaard. *Helping People Help Themselves* might be considered the companion

volume focusing on the World Bank to Stiglitz's *Globalization and Its Discontents* which focused on the IMF.

"Ellerman provides a compelling humanist understanding of how economic development aid can succeed, if only people and nations are enabled to help themselves."

— William Greider author, *The Soul of Capitalism: Opening Paths to a Moral Economy*

"A towering achievement. It outdoes Sen and Hirshman in its reach across economics, management theory, psychology, sociology, mathematics and philosophy. The result is a coherent alternative "way of seeing" the relationship between aid organizations based in rich countries and aid recipients based in poorer ones, and some practical suggestions on how to reengage the aid agencies more as "helpers" than as "doers". Along the way it fairly sizzles with insider insights into the workings of the World Bank."

—Robert Hunter Wade, Development Studies Institute, London School of Economics

Detailed Table of Contents

Foreword by Albert O. Hirschman

Preface

Chapter 1: Introduction and Overview

Helping People Help Themselves

The Fundamental Helping-Self-Help Conundrum

The Key Factor in Development Assistance: Autonomy-Respecting Help

Unhelpful Help

The First Don't: Don't Override Self-Help Capacity with Social Engineering

The First Form of Unhelpful Help

The Indirect Approach

The Second Don't: Don't Undercut Self-Help Capacity with Benevolent Aid

The Second Form of Unhelpful Help

The Time-Inconsistency Problem of "Gap-Filling Aid"

Relief Assistance as Generalized Moral Hazard

The Scylla and Charybdis of Development Assistance

Knowledge-Based Development Assistance

The Cognitive Dimension of Development Assistance

The Two Don'ts in Knowledge-Based Assistance

Socratic Approach to Doers' Active Learning

The Three Dos

The First Do: Start from Where the Doers Are

The Second Do: See the World Through the Doers' Eyes

The Third Do: Respect the Autonomy of the Doers

Eight Thinkers Triangulate a Theory of Autonomy-Respecting Help

Chapter 2: Internal and External Motivation: Beyond *Homo Economicus*

Towards a Critique of Agency Theory

Non-Distortionary Interventions

Non-Distortionary Taxes and Subsidies

The Common Pool Approach to Aid

Independence Today; "Supply Effect" Tomorrow

Independence and Moral Hazard

Commitment Mechanisms to Show Own-Motivation

Gaming the Safeguards

Internal and External Motivation

*Moving Beyond *Homo Economicus**

Foreground and Background

"Higher and Lower Selves"
Action = Behavior + Motive
By-Products Rather than Products of Choice
The Threat-to-Autonomy Effect
The Crowding-Out Effect
The "New Year's Resolutions" and Internalization Theories of Conditionalities
The Universal Solvent Fallacy in the Economic Design of Institutions

Chapter 3: The Indirect Approach

Introduction

The Indirect Approach in Strategy
The Indirect Approach in Biological Learning Mechanisms
The Indirect Approach of Selectionist Mechanisms

McGregor's Theory Y: A Prototype Indirect Approach

Step 1: Starting from the doer's problem
Step 2: Seeing the problem through the doer's eyes
Step 3: Helping the doer pursue own-ends to best solve the organizational problem
Step 4: Helping doer to implement, test, and refine the doer's solution
Step 5: Helping doer gain autonomy and take responsibility for solution

Intrinsic Motivation and Theory Y

Chapter 4: Indirect Approaches: Intellectual History

Introduction

Taoist Antecedents

The Socratic Method

The Path of Stoicism

Learning in Neo-Platonism

The Learning Paradox and Augustine

Rousseau's Copernican Revolution in Pedagogy

John Dewey and the Active Learning Pedagogy

Carl Rogers' Non-Directive Therapy

Søren Kierkegaard and Ludwig Wittgenstein on Indirect Communication

Gilbert Ryle and Michael Polanyi on Uncodified Knowledge

Gandhi and Satyagraha

Summary of Common Theme: B-ing and Non-B-ing

Chapter 5: Autonomy-Respecting Development Assistance

Development Intervention as a Principal-Agent Relationship

First Do: Starting from Present Institutions

Second Do: Seeing the World Through the Eyes of the Client

First Don't: Transformation Cannot be Externally Imposed

Second Don't: Addams-Dewey-Lasch Critique of Benevolence

Third Do: Respect Autonomy of Doers

Chapter 6: Knowledge-Based Development Assistance

The Standard Methodology and Its Problems

The Standard Theory-in-Use

The Volitional and Cognitive Sides of Helping Theory

Ownership Problems

Self-Efficacy Problems

Cognitive Dependency Problems

Examples of Building "In-capacity"

Core Courses

Training of Trainers

Training Networks

Fees For Service

Evaluations

Public Relations and Other Influence Activities

Economic and Sector Work: A "Jobs Program" for Bank Economists

External Aid Agencies Co-opting Local Talent
Unsustainable Missionary Outposts

Types of Development Knowledge

Universal versus Local Knowledge
Codified versus Tacit Knowledge

Cargo Cult Reforms: "Where is the road that leads to cargo?"

Knowledge Assistance: Brokering Between Experiments, Not Disseminating Answers

Chapter 7: Can Development Agencies Learn and Help Clients Learn?

Introduction: A "Church" versus a Learning Organization

Roadblock to Learning #1: Official Views as Dogma—with Examples
Roadblock to Learning #2: Funded Assumptions as Dogma
Roadblock to Learning #3: "Social Science" as Dogma
Roadblock to Learning #4: The Rage to Conclude

The Open Learning Model

Competition and Devil's Advocacy in the Open Learning Model

Devil's Advocacy and Countervailance
The General Case for Devil's Advocacy
Problems in Implementing Devil's Advocacy
Devil's Advocacy as the Qualitative Version of the Opportunity Cost Doctrine
Evaluation = Retrospective Devil's Advocacy
Variations: Adversarial Legal Process, The Loyal Opposition, Separation of Powers, and Civil Society

Non-dogmatism and Socratic Ignorance in Organizations

Rethinking the Agency-Country Relationship

Chapter 8: Case Study: Assistance to the Transition Countries

The Challenge of the Transition

The Privatization Debates: Did History have a "Timeout" under Communism?

Voucher Privatization

The Ideas Behind the Scheme
The "Arguments" for the Scheme

Voucher Privatization was a Political Strategy

Institutional Shock Therapy versus Incrementalism

China: An Incrementalist Transition

Why an Incrementalist Approach Might be Successful

The Lease Buyout Counterfactual

Closing Remarks on the Transition Case Study

Chapter 9: Hirschmanian Themes of Social Learning and Change

Introduction

The Balanced Growth Debate

Conditionality-Based Development Aid: The New "Big Push"

Unbalanced Growth Processes

Cognitive Side of Unbalanced Growth

Bridges to Other Thinkers

Herbert Simon's Theory of Bounded Rationality
Charles Lindblom's Theory of Incrementalism and Muddling-Through
Burton Klein's Vision of Dynamic Economics
Jane Jacobs' Vision of Development
Donald Schön's Theory of Decentralized Social Learning
Everett Rogers' Theory of Decentralized Innovation and Diffusion
Just-in-Time Inventory and Continuous Improvement Systems
Charles Sabel's Theory of Learning by Monitoring

Parallel Experimentation as a Basic Scheme for Learning Under Uncertainty

Chapter 10: Conclusions

Concluding the Example of the World Bank

Can the World Bank Change?
Structural Problem #1: Monopolistic Power

Structural Problem #2: Affiliation with United States' Policies and Interests
Structural Problem #3: Money is Not the Key to Development Assistance
Structural Problem #4: Working Through Governments that are Part of the Problem
Structural Problem #5: Tries to Control Bad Clients Rather Than Exit Relationship
A Modest Proposal for the World Bank: Decentralization with Extreme Prejudice

Concluding Remarks

Appendix: Eight Thinkers on the Five Themes

First Do: Starting From Where the Doers Are

Second Do: Seeing Through the Doers' Eyes

First Don't: Don't Try to Impose Change on Doers

Second Don't: Don't Give Help as Benevolence

Third Do: Respect Autonomy of the Doers

Bibliography

David Ellerman was the advisor and speech-writer for Joseph Stiglitz during Stiglitz's three years as Chief Economist of the World Bank. Prior to the World Bank, Ellerman taught at various universities in a number of fields. Currently, he is a visiting scholar in the Philosophy Department of the University of California at Riverside.

Cloth: 0-472-11465-4

354 pages, 6 x 9

\$65.00 / £ 37.00

Available at better bookstores online.