

Helping People Help Themselves:

From the World Bank To an Alternative Philosophy of Development Assistance

Front-matter + Chapter 1

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Bibliography

Foreword

This book starts with a quote from John Dewey defining what genuine help to others consists in (and which the author takes as the best one-sentence statement of the idea):

"The best kind of help to others, whenever possible, is indirect, and consists in such modifications of the conditions of life, of the general level of subsistence, as enables them independently to help themselves."

The book uses the interdisciplinary methodology of pointing to similar ideas expressed by a variety of other authors in different fields: management theory by Douglas McGregor; psychotherapy by Carl Rogers; community organizing by Saul Alinsky; community education by Paulo Freire; spiritual counseling by Søren Kierkegaard; and economic development by E. F. Schumacher and myself.

It is important to note the difference between help and perverse, dependency-creating alternatives to self-help. The task is to find forms of help that enable self-reliance and autonomy to come forward. It is time for deep organizational experimentation in the ways of development assistance. This can be done by reflecting on the ideas and proposals of the following people:

- ? Saul Alinsky, with regard to the community organization and the community;
- ? Paulo Freire, with regard to the relation of the educator and the peasant (or urban poor) community;
- ? John Dewey, with regard to the relation between teachers and learners;
- ? Douglas McGregor, with regard to the relation between managers and workers;
- ? Carl Rogers, with regard to the relation between therapists and clients;
- ? Søren Kierkegaard, with regard to the relation between teachers and learners;
- ? E.F. Schumacher, with regard to the relation between the development agency and the country; and
- ? My own work with regard to the relation between the development advisor and the government.

The aim in all these cases is to design improved or more autonomy-respecting methods of development assistance.

The proposals of all these persons are spelled out in detail in Chapter Five. The relation between my ideas and those of Paulo Freire is particularly close; so is his relation to Carl Rogers' client-centered therapy.

In the end, the book speaks of a series of ways in which development agencies can experience blocks to learning, and singles out the “long confrontation between man and a situation,” which, according to Camus, can be so fruitful for the achievement of genuine progress in problem-solving. This is the opposite of overconfidence in the solvability of all problems, which Flaubert attacked and named “la rage de vouloir conclure.”

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Preface

This book grew out of my collaboration with Joseph Stiglitz as one of his economic advisors and speech writers during his tumultuous tenure (1997-1999) as Chief Economist (and Senior Vice President) of the World Bank. One of the principal themes of the book, the idea of autonomy-respecting help (assistance that actually helps people to help themselves) was vigorously supported not only by Joe but by James Wolfensohn, the President of the Bank.¹ The idea was expressed as having the "country in the driver's seat" in the statement of principles called the *Comprehensive Development Framework* or CDF (Wolfensohn 1999a). I started writing a background paper to put together the intellectual history and support for these ideas for future Stiglitz speeches and then I got "carried away" resulting, years later, in this book.

I owe my biggest thanks to Joe for providing the intellectual stimulation and the organizational environment—indeed an oasis of critical thinking within the Bank—in order for these ideas to be formed and developed. It is important to understand some of the background to Joe's tenure at the Bank. By the early 1990s, Joe had secured a future Nobel Prize in Economics for his work in information economics (he got the prize in 2001 after leaving the Bank) and was already a legend in the community of academic economists. His first foray into the public eye was joining Clinton's first-term Council of Economic Advisors along with Alan Blinder and the Chair Laura Tyson. By the end of Clinton's first term, Joe was the Chair of the Council and was ready to work on an international scale.

James Wolfensohn, the President of the World Bank, had no love lost on economists. He felt he understood the real world economy as well as or better than academic economists but he didn't have all the formal training in Economics. Wolfensohn may have feared the fate of Diderot when debating the mathematician Euler in Catherine the Great's court. Against the atheist Diderot, Euler asserted " $(a + b^n)/n = x$, therefore God exists"—which left Diderot speechless and defenseless. Hence Wolfensohn wanted an economist of Stiglitz's stature at his side. After the untimely death of the previous Chief Economist Michael Bruno, Joe made the move in early 1997 over a few blocks from the White House to the World Bank.

At first Joe may have thought that this would be a time to work out the implications for development economics of his previous work in the economics of information. But events would soon overtake those ambitions. These were tumultuous years for the Bank. The protests against the international institutions such as the World Trade Organization (WTO), the International Monetary Fund (IMF), and the World Bank were building up. It was then clear at least to Joe that the post-socialist transition strategy based on much advice from Western economists was not going well particularly in Russia and the Former Soviet Union. And the East Asian financial crisis began to unfold.

Joe's WIDER Lecture in January 1998, *More Instruments and Broader Goals: Moving Toward the Post-Washington Consensus* (Chapter 1 in Chang 2001) squarely took on the "Washington Consensus" that had previously been the house-orthodoxy in the IMF and the Bank. Over the next two years, Joe took on one shibboleth after another in speeches given around the world.

¹ One of the bad habits I picked up in the World Bank was referring to it simply as the "Bank." Similarly, the International Monetary Fund or IMF is referred to as the "Fund."

Nine of the most important speeches are republished in Chang 2001, a collection entitled *Joseph Stiglitz and the World Bank: The Rebel Within*. The most barbed attacks were directed against the IMF and the U.S. Treasury where the chief antagonists were, respectively, Stanley Fischer and Larry Summers, both former Chief Economists of the Bank.

None of this was what Wolfensohn bargained for. Instead of being at Wolfensohn's side in the perpetual "management meetings" in the Bank, Joe seemed to always be on the road.² He had little real interest in the "inside game" in the Bank and he clearly relished the bully-pulpit side of the Chief Economist's job as well as talking directly to the leaders in the developing countries. But all this created considerable consternation in the Fund, in Treasury, and even in the Bank itself. Instead of public debate, the Fund and Treasury would express their displeasure directly to Wolfensohn. In the "front office" of the Chief Economist, we would get the expected phone call: "Please inform Mr. Stiglitz that Mr. Wolfensohn would like to have a word with him as soon as he returns from his trip." Joe would promise to be more diplomatic but his natural ebullience kept interrupting.³

I do not want to imply that it was all storm and strife between "Joe and Jim." Joe was an early collaborator in what Wolfensohn would see as his main intellectual contribution to the Bank and to development, the CDF. For instance, at a major conference in Seoul in February 1999 at which Amartya Sen as well as Wolfensohn and Stiglitz were to appear, Stiglitz's speech *Participation and Development: Perspectives from the Comprehensive Development Paradigm* (Chapter 7 in Chang 2001) gave public intellectual support to Wolfensohn's CDF. This was the sort of thing that Jim had hired Joe to do. On the flight together over to Seoul, Jim read Joe's speech and then scolded his own speech writer(s) saying that Joe's speech would make his look pale in comparison. At the podium the next day, Wolfensohn pointedly threw away his prepared talk saying he didn't have all the fancy stuff in Stiglitz's speech, and then he won over the audience with an impassioned off-the-cuff talk about the CDF. The "Joe-and-Jim show"⁴ worked well at times like those.

But that was not to last as the complaints mounted—principally from Fischer in the Fund and Summers at Treasury. Wolfensohn's first five year term as President expired a bit before

² As in the case of the Soviet Union, much insight can be gained into the Bank by listening to the jokes. In this case, the joke was: "What's the difference between Stiglitz and God?" Answer: "God is everywhere—including Washington."

³ The joke is that after Joe's last trip before his resignation, Joe was as usual called to Jim's office. Jim said: "Joe, you missed the last management meeting!"—to which Joe replied: "Jim, I certainly would have made it if I knew it was the Last Management Meeting."

⁴ One joke about the "Joe and Jim show" went as follows. Joe arrived to find the Bank divided into Operations types (represented by Jim)—who built "cathedrals in the desert"—and Research types (to be represented by Joe)—who built "castles in the air." As the protests mounted, the External Affairs (PR) Department decided to take a page out of Jimmy Carter's book and do a video of Joe and Jim building a house together to show the Bank doing good work. Jim would supervise and Joe was given a hammer and a box of nicely laid out nails. As the cameras rolled, Joe took out a nail and hammered it in and then took out the next nail and threw it away. After seeing this repeated several times, Jim intervened to ask why Joe was throwing away every other nail. Joe pointed out that if Jim had read any of Joe's papers then he would know that everything comes in two classes—and that those were the nails with the heads on the wrong end. Jim said: "Aha, now we see the superiority of the Bank's Operations people. We know there is nothing wrong with those nails; they are just for the opposite side of the house." The video was never released.

Stiglitz's three year term as Chief Economist was to end in January 2000. There were unconfirmed rumors that Stiglitz's non-renewal "was the price demanded by the US Treasury for its support for an extra term for Mr Wolfensohn as President of the World Bank." (Chang 2001, 3) But it was clear anyway that Joe and the Bank had arrived at a parting of the ways so Joe resigned shortly before his term expired.⁵

In Joe's years at the Bank, he represented many of the aspects of autonomy-respecting help developed here such as the basic idea of giving the best arguments on all sides of a question to the counterparts in a developing country so that they could make their own decisions in an informed way. This is in contrast to the usual Bank procedure of trying to give them "the answers" buttressed by an intimidating barrage of one-sided arguments and biased statistics. In the course of the book, this idea is developed into the theme that the Bank in its cognitive role as the "Knowledge Bank" should take a cue from universities and other scientific institutions and not have "Official Views" on complex questions of knowledge.

Out of my ten years at the World Bank, the years spent with Joe were my glory days helping him to be "the rebel within"⁶ the development establishment challenging the tenets of the Washington consensus. As Joe's advisor, I had the leeway to play the gadfly or attack-dog role making many of the points contained in this book while still within the Bank. In Joe's post-Bank book, *Globalization and Its Discontents* (2002), he applied his critical analysis more to the IMF than the World Bank. I will try to correct that imbalance here.

I am grateful to James Wolfensohn, now in his second five-year term as President of the World Bank, for taking the initiative to develop the CDF—even if, for the reasons developed in the book, the ideals usually became a travesty when they were processed and implemented by the bureaucracy of the Bank. Jim supported the writing of the book to provide intellectual support for the CDF principles and he looked at several drafts as the work progressed. After seeing an early first draft, he at one point asked me for the then-current draft to see how it was going. I visibly paused, thought for a moment, and then said somewhat apologetically "But I am afraid that as the book has developed, it has become clear that the Bank is not exactly the institution to implement your CDF principles." He straightened up, squared his shoulders, looked me straight in the eyes, and said "You're telling ME that!" While he would probably not agree with my rather negative conclusions about the Bank and my call for alternatives, I felt from that moment on that we at least had a certain "mutual understanding." Although my personal views of his leadership at the Bank are quite positive, the rather fatal structural flaws of the Bank (see last chapter) were there before he came and will, in spite of his best efforts, remain after he leaves.

I am also grateful to Nicholas Stern, Joe's successor as Chief Economist. Very soon after Nick took the job, he was introduced to an early version of this book when Jim Wolfensohn gave him a copy for comments. Nick read in it without at first noting the author and his response was the start of our positive relationship over the next two years and our mutual appreciation of interdisciplinary scholarship. Joe and Nick had first met doing post-doctoral research in Kenya

⁵ For Joe's Farewell Party, his staff put together a "Top Ten" list of reasons why he resigned. The top reason was "He had just seen one too many 'hot Summers' in Washington."

⁶ I contributed to five out of the nine speeches selected for the volume *Joseph Stiglitz and the World Bank: The Rebel Within* (Chang 2001) representing Stiglitz's years in the Bank.

and had been the best of friends ever since then. While they see the world in much the same way, their organizational styles were almost diametrical opposites. Nick is the consummate organizational manager and Joe, well, was not.⁷ Nick kept me on as advisor until the expiration of my fixed-term contract⁸ but more as a backroom philosopher than as a frontline gadfly or attack dog. That was fine with me since I had a book to finish and I was by then covered with the isolating "antibodies" that protect the Bank against "alien germs" that by some accident got inside the system.

I greatly appreciated the support of my many colleagues in the Chief Economist's front office. From my critical viewpoint, it was an ideal job in the Bank since one got to review, evaluate, and criticize the operational and research work of the Bank. In an organization notorious for its factoid-plus-banal writing style, I tried to write memos and reviews that would be both vivid and stimulating in the hope that they would actually be read. In any case, the content of those internal critiques is the basis for the case study of the Bank developed throughout this book.⁹ Halsey Rogers played an important role as my "adversarial-helper." When I played the Devil's advocate role vis-à-vis the Bank, he played that role vis-à-vis me (which was not always the same as defending the Bank). In an organization where open debate is not a big part of the culture (although the Bank is a raucous debating society in comparison with the intellectual lockstep of the IMF), this proved to be an important help which often saved me from wasting time analyzing a caricature of Bank policies.

Prior to my five years as economic advisor in the Chief Economist's front office, I worked for five years as a project manager in the educational or training wing of the Bank known then as the Economic Development Institute (and now as the World Bank Institute). I was originally recruited to EDI and the Bank by Vladimir Kreacic. He went on from EDI to return to Operations (the lending part of the Bank) where he showed that one could do excellent work¹⁰ in the Bank in spite of the Bank. Our boss in EDI was Xavier Simon who exemplified the management theory of McGregor's Theory Y advocated here—get the best people who are intrinsically motivated to do the job and then give them the freedom and support they need to do the job. All of them shaped my years in EDI as a tremendous learning experience—which is the basis for Chapter 6.

Over the decade at the Bank, I have been lucky to meet many people who understand how to "help people help themselves" and who have been able to do so even while working in the Bank. Generally speaking, these were people who had matured and gained experience in development before joining the Bank and who then carved out a niche to do good work on their own.

⁷ When Joe got the Nobel Award, his exstaff put together another "Top Ten" list of reasons "Why Joe Got the Nobel Prize in Economics" and the top reason was "Because there is no Nobel Prize in Organizational Management."

⁸ Joe had renewed my three year fixed term contract while he was Chief Economist; I was never a regular "tenured" Bank staff member.

⁹ Many of the original memos are posted on my website www.ellerman.org under the heading "Notes, Memos, and other Rants from the World Bank."

¹⁰ The partnership with Gheorge Efros in Moldova was particularly fruitful (see Ellerman and Kreacic 2002).

Unfortunately their work is more the exception than the rule.¹¹ My general conclusion—that an organization of some 8,000 people working a few blocks from the White House will not, on the whole, help people in developing countries to help themselves—should not be seen as detracting from the worth or significance of their work.

For intellectual style and content (chapter 9) as well as for the Foreword, I owe an obvious debt to Albert Hirschman. He has always been the master of letting each problem determine which intellectual discipline should be brought to bear—rather than trying to fit each problem to the Procrustean bed of one's intellectual formation. In the world of ideas, trespassing is a virtue, not a vice. In a conscious reference to his *Essays in Trespassing* (1981), my last book was entitled *Intellectual Trespassing as a Way of Life* (1995), and I tried to use that style here in a strategy of intellectual triangulation. The basic ideas of autonomy-respecting assistance arise across fields in the helping relationships of teaching, managing, counseling, and organizing as well as in providing development assistance. By liberally snatching testimony for these ideas from the different fields, I have tried to weave together a fabric that has some coherence and strength.

And finally, Vlasta Radan, has given me the benefit—whether I asked for it or not—of her sardonic insights based on her life in the former Yugoslavia and on her empathetic observations of life in the developing countries on the receiving end of today's "development assistance."

¹¹ The managers who rise through the ranks (particularly VPs) often were in the "Young Professionals" (YP) program. The YPs form an elite corps in the Bank which can only be likened to the Janissaries in the Ottoman Empire (see Coser's 1974 study of the Janissaries and of other "Patterns of Undivided Commitment"). They were "kidnapped" out of (graduate) school and then raised up in the "Sultan's Palace" so they had the total allegiance necessary to be the "elite managers" in the "Empire" and so they literally knew of no other way of doing things.

Chapter 1: Introduction and Overview

Helping People Help Themselves

The World Bank, the leading multilateral development agency, begins its Mission Statement with a dedication to helping people help themselves, and Oxfam, a leading non-governmental organization (NGO) working on development, states that its "main aim is to help people to help themselves."¹² Perhaps the most successful example of development assistance in modern history was the Marshall Plan which "did what it set out to do—help people help themselves" (Stern 1997). American official assistance to developing countries began with Harry Truman's "Point Four" program in 1949 which was conceived as a worldwide "program of helping underdeveloped nations to help themselves."¹³

John Dewey gave perhaps the best statement of the theme:

The best kind of help to others, whenever possible, is indirect, and consists in such modifications of the conditions of life, of the general level of subsistence, as enables them independently to help themselves. (Dewey and Tufts 1908, 390)¹⁴

The idea and the rhetoric of "helping people help themselves" has been with us throughout the postwar period of official development assistance. For instance, we are all familiar with the ancient Chinese saying that if you give people fish, you feed them for a day, but if you teach them how to fish—or rather, if you enable them to learn how to fish—then they can feed themselves for a lifetime.¹⁵ There is broad agreement—at least as a statement of high purpose—that helping people help themselves is the best methodology for development assistance in the developing countries as well as for other types of helping relationships.

Yet, in the course of this book, I will argue that the notion of "helping people help themselves" is in fact a deep conundrum far more subtle than is realized by the many development agencies that routinely use the slogan. Indeed, most of the "helping people help themselves" rhetoric from the development agencies simply takes the idea as being the same as "helping people." There is little or no suspicion that most "help" is in fact unhelpful in the sense of overriding or undercutting self-help and is thus quite antithetical to helping people help themselves. Thus much of our discourse must be negative—showing how most help is actually unhelpful in fostering "people helping themselves." On the positive side, genuine help is not something that can be done in a direct frontal way or mounted like an engineering project. You cannot force a person to act spontaneously. You cannot externally supply motivation to a person to act on their own motivation. This is often indicated with metaphors like "pushing on a string" or "leading a horse to water but cannot make him drink." But the failure of direct frontal help does not mean that external help is impossible. Genuine help is a far more humble and subtle activity that enables

¹² See www.worldbank.org and Oxfam 1985, 14.

¹³ Truman 1956, 227. Quoted in Dichter 2003, 286.

¹⁴ In the Preface to their book, Dewey and Tufts identify which author wrote which chapter. All the quotes from Dewey and Tufts are from the chapters by Dewey.

¹⁵ Note the rephrasing which replaces the people from being passive recipients of "teaching" to being active learners with some facilitation or help from others.

self-help in an indirect manner. Our task is to lay the intellectual foundation for the alternative methodology of development assistance that genuinely helps self-help.

The continuing inability of the major development agencies to understand the subtlety of helping people help themselves is evident in the repeated and increasingly frenetic calls for "massively increased aid" and "redoubled efforts" to push through more programs to "help" reach the periodically announced development goals.¹⁶ In a historical perspective, international development assistance has only been a major official organized effort since the end of World War II. It has not been an outstanding success.¹⁷ To some extent this is not surprising since the development of whole societies must surely be one of the most complex tasks facing humanity. It far outstrips the complexity and difficulty of building developmental infrastructure such as highways, power plants, and airports. Dreams that economic development could be engineered in the sense of conquering smallpox or putting someone on the Moon have remained dreams. Indeed, I will argue that it is not even the same type of task; it is not a task of engineering written large at the level of a society ("social engineering").

The failure is not for lack of money. While one can easily argue that many rich countries have been less than generous in their development aid, I will argue that the failure has not been one of insufficient benevolence. The current calls for pouring more money into the conventional channels of development assistance are, unfortunately, not a solution and are not even a move in the right direction.¹⁸ Indeed the approaches to development assistance either as a task of social engineering or as an exercise in benevolent aid are part of the problem, not part of the solution. Many of the current forms of assistance not only are ineffective but tend to perpetuate if not exacerbate the problems of development.

I will take a different approach arguing that the problems lie not in the details of the development models nor in the content of the conditionalities imposed by development agencies but in the whole mode and philosophy of development assistance. The intellectual strategy is, in part, to look at the great historical thinkers who have wrestled with the basic conundrum of helping self-help and then to adapt and carry over their ideas and recommendations to development assistance. The results show a strong affinity with the seminal contemporary work in development of Albert Hirschman and Amartya Sen.

This approach exploits the fact that similar subtleties and difficulties occur in all fields of human assistance—in education broadly construed, management, psychology, and social organizing as well as in economic development. For instance, just as most "development assistance" is in fact unhelpful to self-help, so most schooling has little to do with real education in the sense of awakening and enabling a person's intrinsic thirst for learning. Various thinkers have wrestled with these parallel problems in all areas of human endeavor. Hence my methodology is to

¹⁶ The latest are the Millennium Development Goals or MDGs. See the World Bank's site: www.worldbank.org. The suggestions for changing development assistance to reach the MDGs run the whole gamut from more money to still more money.

¹⁷ See Easterly 2001 and Dichter 2003 generally and Van de Walle 2001 specifically on Africa.

¹⁸ The "business" of development assistance is to be distinguished from humanitarian disaster relief. The latter always has a valid claim but should nevertheless be administered in ways that do not undercut development, e.g., should be limited in time and should maximally involve the victims of disasters in the reconstruction of their lives.

"triangulate" on the problems and solutions by bringing out the parallels between the fields in spite of much difference in the terminology and in the particulars. Workers in one vineyard can be heartened when they see workers in other vineyards facing similar problems and perhaps making some progress. Learning to translate between fields—giving due weight to differences—can be a powerful engine of discovery, and it is an engine that we will try to exploit.

Across the fields, helping or assistance is a relationship between those offering assistance in some form, the helper or helpers, and those receiving the assistance, the doer or doers.¹⁹ The helpers could be individuals, non-governmental organizations (NGOs), or official bilateral or multilateral development agencies, and the doers could be individuals, organizations, or various levels of government in the developing countries. The relationship is the helper-doer relationship.

The Fundamental Helping-Self-Help Conundrum

In every parent-child, teacher-student, manager-worker, or, generally, helper-doer relationship, there is the frustration of the helper wanting the doers to do something—and wanting them to do it for the doer's own reasons. Whatever cajoling, enticements, rewards, or bribes might be offered by the helper will only supply external reasons. Yes, the doers might be induced to go through the motions in this way, but that is not the desired internally-motivated performance. That frustration on the part of the helpers frames our basic problem.

The assumed goal is the doers helping themselves—autonomous development on the part of the doers.²⁰ The problem is how can the helpers "supply" help that actually furthers rather than overrides or undercuts the goal of the doers helping themselves. This is actually a paradox or conundrum; if the helpers are supplying help that directly influences the doers, then how can the doers really be "helping themselves"? Autonomy cannot be externally supplied. And if the doers are to become autonomous, then how can external helpers have any direct influence? This paradox of supplying help to self-help, "assisted self-reliance,"²¹ or assisted autonomy is the *fundamental conundrum* of development assistance. David Korten terms it the "central paradox of social development: the need to exert influence over people for the purpose of building their capacity to control their own lives." (Korten 1983, 220) And Julie Fisher (1993, Chapter 8) elaborates on this conundrum as the "central paradox of social development."²² Thomas Dichter refers to the "Classic development dilemma—how can you help people become self-sufficient?" (Dichter 2003, 271)

I have promised to emphasize the parallels between fields. The helping conundrum is always present wherever there is a helper-doer relationship. For instance, it is fundamental not just to social development but to education where it occurs in various forms as the "learning paradox."

¹⁹ Doing includes thinking; "doer" is not juxtaposed to "thinker." Instead, the "doers of development" (Wolfensohn 1999b) actively undertaking tasks are juxtaposed to the passive recipients of aid, teaching, or technical assistance. See Holt 1976 for an example of the "doer" terminology in the helper-doer relationship.

²⁰ While our focus is not on *personal* self-help, some of the self-help literature has a similar perspective; see Deci 1995 for a treatment similar in spirit to this book and see Combs et al. 1971 or Egan 1990 for excellent overviews and bibliographies.

²¹ The phrase is from Uphoff, Esman, and Krishna 1998.

²² The phrase was from McClelland 1970.

This learning paradox was clearly posed by the early twentieth century Socratic-Kantian Leonard Nelson:

Here we actually come up against the basic problem of education, which in its general form points to the question: How is education at all possible? If the end of education is rational self-determination, i.e., a condition in which the individual does not allow his behavior to be determined by outside influences but judges and acts according to his own insight, the question arises: 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. (Nelson 1949, 18-9)

The philosopher, Gilbert Ryle, gave a particularly clear statement of the same conundrum or paradox in education.

How can one person teach another person to think things out for himself, since if he gives him, say, the new arithmetical thoughts, then they are not the pupil's own thoughts; or if they are his own thoughts, then he did not get them from his teacher? (Ryle 1967, 112)

Or again, the philosopher of science and education David Hawkins has outlined the conundrum in education that his daughter called the "central paradox of social development" (Fisher 1993).

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. (Hawkins 2000, 44)

This educational conundrum is the pedagogical version of the general helping-self-help conundrum. Over the years, the seemingly endless debates about aid, help, assistance, and capacity-building keep circling around and around the helping-self-help conundrum in development assistance.

There is a "dangerous bend"²³ in the road here that requires special caution. This is a book about development assistance, the helper-doer relationship in development, but the methodology is, in part, to look at the helping conundrum in other fields to get insights into development aid. Thus when education is being examined in Dewey, Ryle, or Hawkins, this is not about "education in development." It is about the helping conundrum in the helper-doer (teacher-learner) relationship in education as an engine of discovery and understanding about the similar helper-doer relationship in development assistance.

²³ The Bourbaki series of books in mathematics have the practice of marking a particularly difficult or tricky point with the S-shaped symbol from a dangerous bend road sign printed in the margin of the book.

The Key Factor in Development Assistance: Autonomy -Respecting Help

Comment is required at this point about the assumed notion of "development." Growth or increases in wealth (say, in the sense that could come from discovering oil or other natural resources) is not the goal; the goal is development as freedom or autonomy in the sense of the capabilities approach (e.g., Sen 1999; Nussbaum 2000; Alkire 2002) of having the capability and know-how to satisfy one's own needs.²⁴ But in the idea of development-as-autonomy, there is both autonomy as an end and as a means. In Sen's terms, freedom has both a constitutive and an instrumental role. This dual role of autonomy might be related to the old discourse about the "key" factor in economic development.

In the over half-century of development economics, there has been a parade of "key" factors in development. The initial key was capital formation, particularly the infrastructural capital of transportation, power, and communication networks. After much expensive disappointment, the emphasis shifted to education (formation of "human capital"), health, and the satisfaction of basic needs. Without pretending to cover all the development fads, lately there has been an emphasis on governance (e.g., corruption), the atmospherics of the business climate, and the background institutions of a country. Frustration with attempts to specify the key elements has also resulted in vaporous affirmations that "everything is important." But from the viewpoint of development assistance, this focus of development economics on the key elements is "asking the wrong question."

Development agencies do not do development; at best they do development assistance. Perhaps an analogy with the Heisenberg uncertainty principle would be useful. Scientists who work at the atomic level do not have direct contact with the quantum reality; they only have contact with quantum realities as affected by their measurements. In a similar manner, we might say that the development agencies or, more generally, the helpers are not the doers of development. The helpers are involved only through a helper-doer relationship. Thus the question of whether this or that factor is key for the doers is *not* the first question *for the helpers*.

According to the helper's latest theory of the key factor (capital, education, institutions, business climate,...), the helpers might override or undercut the will of the doers in order to substitute their own will and to thus push the "doers" in the direction of that "what." But this defeats the instrumental role of autonomy on the part of doers. The helpers cannot substitute for it.²⁵ Thus the first question for the helpers is not the "what" for the doers (which will surely vary from case to case), but the "how" for the helpers in their helper-doer relationship. And that question *does*

²⁴ For the parallel point in the management literature, see Ackoff 1977, 1986, or 1994 on the distinction between growth and development. It is less a matter of what one has than what one can do—given the material means to do it. Since one cannot transfer the capability to do something as one can transfer wealth, we see immediately the fallacy in many notions of development assistance (e.g., as the *transfer* of resources and knowledge). See Kohr 1973 on "development without aid."

²⁵ Many helpers seem to use an implicit model of something like "vaccinating children" as the paradigm of development assistance. It is not important whether the "vaccination" is done autonomously or not—but that it is done. Or if the model is that of an expert doctor intervening to perform an operation, then the patient may be (or might as well be) unconscious. The important thing is to "get it done" and then people will supposedly be better off. And the helpers will have the moral satisfaction of having "made people better off." A cruder metaphor would be herding cattle or sheep through a narrow chute so they have to jump into a dip vat. The parasites (e.g., ticks) are killed just as well if the animals go willingly or have to be forced.

have an answer; the key "how" is autonomy-respecting help—for the helpers to help in a way that respects, fosters, and sustains the autonomy of the doers. "Help" that defeats the instrumental role of autonomy on the part of the doers is "unhelpful." When the doers have the will, there is a way; the best role for the helpers is to indirectly enable and expedite that way, not to try to substitute their will for that of the doers.

Unhelpful Help

There are many strategies for development assistance that may supply "help" in some form but actually do not help people help themselves. The forms of help that override or undercut people's capacity to help themselves will be called "unhelpful help." There are similar critiques of "help [that] does not help" which emphasize the demeaning psychological effects of most help (e.g., Gronemeyer 1992). The late Ivan Illich developed 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 counter-productively generate "needs" to be administered to by the "helpers" and thus lead to learned disability (Illich 1972, 1976, 1978a, and particular "Disabling Professions" in 1978b). These ideas have 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. Hence a minimal requirement on a helping organization is that it views success in the helping relationship as implying a time-limited engagement. Schools that never graduate their "pupils" cannot be counted as a success. The helping professions are often organized so that they need neediness, disability, incapacity, and helplessness for the continuation of their own livelihood. In spite of the "helping self-help" rhetoric, "helpers" are often driven by their own organizational imperatives to use "giving-fish" strategies that tend to perpetuate the continuing need for helpers rather than "learn-how-to-fish" strategies that will foster the doers' autonomy—and that will, by the same token, remove the source of income for the helpers.

There are two different ways that the helper's will can supplant the doer's will to thwart autonomy and self-help:

- 1) the helper, by social engineering, deliberately tries to impose his will on the doer, or
- 2) the helper, by benevolent aid, replaces the doer's will with her will, perhaps inadvertently.

"Override or undercut" are shorthand for these two conceptually distinct "yin" and "yang" forms of unhelpful help (which may be combined as when benevolence hides the desire to control).²⁶ The two forms of unhelpful help seem to be accompanied by two different types of mental images of the "doers" in the eyes of the helpers. Social engineering is required when the doers are seen as going headstrong along the wrong path (perhaps for corrupt reasons) and recalcitrant to follow what the helpers see as the right path. Benevolent aid is sponsored by the imagery of

²⁶ Albert Memmi found essentially the same two forms of an unhelpful helper-doer relationship. In the social engineering case, the "helper" is the dominator or colonizer while the "doer" is the subjugated one or the colonized (Memmi 1967). In the case of "oppressive benevolence" (to use John Dewey's phrase), the "helper" is the provider and the "doer" is the dependent (Memmi 1984).

the "doers" or recipients as being helpless and thus unable to follow the right path. The two forms of unhelpful help lead to the "Two Don'ts."

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

The First Form of Unhelpful Help

The "overriding" form of unhelpful help is a form of social engineering. Today the intellectual basis for social engineering is usually neo-classical economics. The "helpers" supply a set of instructions or conditionalities about what the doers should be doing and they supply the external carrots and stick "motivation" to follow the blueprint as various forms of aid to *override* the doers' own motivations. If we use the metaphor of the doers as trying to work their way through a maze, then the helpers as social engineers see themselves as helicoptering over the maze, seeing the path to the goal, and supplying directions ("knowledge") along with carrots and sticks ("incentives") to override the doers' own motivation and push the doers in the right direction. The social engineering approach has had many critics starting with Adam Smith.

The man of system? seems to imagine that he can arrange the different members of a great society with as much ease as the hand arranges the different pieces upon a chessboard; he does not consider that the pieces upon the chessboard have no other principle of motion besides that which the hand impresses upon them; but that, in the great chessboard of human society, every single piece has a principle of motion of its own, altogether different from that which the legislature might choose to impress upon it. (Smith, 1969 (1759), 342-3).

One could illustrate using World Bank ("Bank") experience since it is the leading international finance institution (IFI) and a trendsetter for the development finance and aid industry. The Bank started after WWII with financing civil engineering projects to build infrastructure in developing countries. Soon diminishing returns set in (only so many airports or dams are needed) and the private sector proved quite capable of providing infrastructure finance so the Bank turned to what is broadly called "policy-based lending." That is how the World Bank started its career as the "Vatican"²⁷ in the religion of social engineering.²⁸

The object of the lending was the reform of what today we would call the "software" of the society, the departments of government, the educational and health care systems, the institutions of business, environmental safeguards, transportation and communications systems, and so forth. The primary external incentive is the loan money with development-oriented easy repayment terms that put the costs of the lending well into the future beyond the political horizons of developing country governments. The "teeth" are in the loan terms and conditions which are called "conditionalities." There might be well over a hundred specific conditionalities or a smaller number of multi-part or general conditionalities. Many loans are only released in a series of payments or tranches to the country, and in theory the country has to be making progress on

²⁷ And all who have visited the main building in Washington will recognize the magnificent atrium as the secular equivalent of St. Peter's Cathedral in the Vatican.

²⁸ See Part Two of Hayek 1979 for an intellectual history of the secular religion of social engineering that predates the modern form of social engineering based on the content and prestige of economics.

the conditionalities in order to keep the loan money flowing.²⁹ The structural adjustment programs particularly in Africa were the most notorious examples of attempted social engineering using development lending as the instrument.³⁰ Since the countries most in need of development assistance are the least likely ones to pay off the loans, ever larger loans are necessary to create the illusion that the country is staying current in paying off its old loans. Hence once a country starts down that path, it seems to be locked into that course.

The social engineering vision is that "development" can be "done" through a series of projects and programs incentivized by development aid (loans and sometimes grants) and executed according to the instructions or plans laid out in the conditionalities with detailed technical assistance provided by visiting experts. Where there are "good" and "bad" factions in the government, the mental imagery in the agency is that a timely intervention (with a lot of money) can "tip the balance" in favor of the "good guys" and push the government "over the hump" so that deep-lying institutional change will then take place. Where multiple agencies operate in a country, there needs to be "donor coordination" to better channel the government in that right direction. No matter what reasons the opposition had against the changes before, they now have one more, namely that making the changes is kowtowing to an external influence. Hence it is even more likely that the reforms will be perfunctorily implemented or sabotaged and thus short-lived.

There is another reason why this mode of operation by exerting increasing control over the borrowers is built into the organizational structure of the IFIs (e.g., World Bank and regional development banks). As Albert Hirschman argued long ago (1970), there are two polar opposite ways to respond to deterioration in the quality of a relationship (e.g., helper-doer relation), namely exit (walk away) or voice (try to fix it). Commercial banks have no fixed relationship to their clients so they control risks by walking away from bad borrowers—which leaves the responsibility to make improvements in the hands of the borrowers. But the IFIs (global and regional development banks) have a fixed set of members whom they are organizationally obligated to at least minimally service as the members in a financial cooperative. Hence they will gravitate towards to opposite strategy to reduce risk, namely voice—try to better control and improve the doer-borrower.

Thus the social engineering approach of the IFIs is not just a gratuitous attitude adopted towards the client countries that can be changed by enlightened management. The social engineering vision of development assistance is entailed by the organizational structure of the IFIs. Yet, that social engineering approach to development assistance is the vision which has largely failed over the last half century. All the enlightened programs aimed at putting the doers "in the driver's

²⁹ I said "in theory" since it is only the money that moves that generates income for the IFIs so the interpretation of "sufficient progress" in satisfying the conditionalities is quite elastic in practice. This in turn allows would-be reformers who do not see beyond the conventional direct approach to say: "There is nothing wrong with the approach; we just need to be really tough in enforcing the conditionalities"—as if it were a question of getting the contractors to more closely follow the specifications in an engineering project. In cruder terms, it is as if the cattle or sheep were getting out of the narrow chute leading to the dipping vat—in which case the solution is to strengthen the chute to better channel their behavior.

³⁰ Over the years there has been a huge literature analyzing the World Bank by critics and by reformers suggesting how the elephant might learn to dance, e.g., Caufield 1996, Griesgraber and Gunter 1996, World Bank 1998a, Easterly 2001, and Pincus and Winters 2002.

seat" are labors of Sisyphus; the IFIs will always organizationally gravitate back to the strategy of better controlling their borrowers. Our job is to build the theory or intellectual basis for an alternative approach to development assistance—an approach that does not take the current structure of the IFIs and other development agencies as a given.

The Indirect Approach

The notion of autonomy-respecting assistance provides the clue to a new approach. Autonomous action is action based on internal or own motivation. Any action based on the externally supplied motivation of carrots and sticks would be heteronomous. Any attempt to "engineer" autonomous action with external carrots or sticks would be self-defeating; the means are inconsistent with the motive and thus defeat the end. The inability to externally motivate own-motivation harks back to the Socratic point about the unteachability of virtue.³¹ This problem is often illustrated using the pushing-on-a-string or horse-to-water metaphors; externally engineered pressures can "lead a horse to water" (and can remove the obstacles to drinking) but that sort of motivation cannot "make him drink."³²

The whole idea of engineering change with supplied motivation or incentives might be termed the "direct approach." That formulation then points to the alternative as being an *indirect* approach. The indirect approach to helping is not to *supply* motivation to the doers but to *find* and start with the existing own motivation of the doers and to supply help on that basis. Such help might take the form of changing the background constraints ("breaking barriers") and resources so that the doers are enabled to effectively act on the own motivations.

Such an indirect approach is greatly complicated by the organizational pressures on helpers by their helping agencies and by the gaming strategies on the part of doers who only seek the aid. Aid-seeking doers will try to fake or mimic own-motivation for real reforms so the helpers face a difficult task of judgment.³³ But the difficulties of judgment are little in comparison with the pressures to "move the money" in the lender and donor agencies. One would expect large "Type II errors"³⁴ particularly as the aid-seeking "doers" evolve better means of mimicry and the money-moving "helpers" supply more corroboration for the theory of cognitive dissonance (i.e., judgment bending to be more consonant with self-interest).³⁵ There is grave doubt that the development agencies with an organizational "business plans" based on providing aid by moving money could implement an autonomy-respecting indirect approach to development assistance. The agency must be able to say "No" without undercutting its own income. This is a paradigm example of where—beyond a certain point—the more powerful the agency is, the less likely it is

³¹ There is a corresponding cognitive point about the unteachability of significant truths: "A novel or a work of history in the humanistic sense does not and cannot directly teach truth or wisdom. It offers us a process, a series of events in our minds, which will tend to bring a responsive individual nearer to his own truth and his own wisdom by recognition or anticipation of his own experience." (Shattuck 1988, 144)

³² Kierkegaard uses a variation on the metaphor. The Socratic helper is like the driver of horses who can "help them by applying the lash" (Bretall 1946, 157) but cannot pull the load.

³³ Rousseau pointed out that the problem starts in child-rearing to "disentangle the secret intention which dictates the gesture or the scream." (1979 (1762), 66)

³⁴ In analogy with statistics, a "type II error" would be accepting a false-motive project whereas a "type I error" would be rejecting a true-motive project.

³⁵ See "Problems Encountered in Buying Virtue through Aid" in Hirschman and Bird 1971, 205-7.

to pursue the indirect methods required to fulfill its mission. More power and money for the helpers leads to less autonomy-respecting help to the doers. Thus for the direct approach, more is less. For the indirect approach, less is more.

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

The Second Form of Unhelpful Help

The second form of unhelpful help occurs when the helper undercuts self-help by inadvertently supplying the motivation for the doer to be in or remain in a condition to receive help. One prominent form is long-term charitable relief. The world is awash with disaster situations that call for various forms of short-term charitable relief. The point is not to oppose short-term relief operations but to understand how charitable relief operates in the longer-term to erode the doers' incentives to help themselves—and thus it creates a dependency relationship. Charity corrupts; long-term charity corrupts long term.³⁶ Such help creates a generalized form of "moral hazard"³⁷—instead of enabling self-help, it becomes a perverse dependency-creating alternative to self-help. Charitable relief in the longer-term is an "undercutting" form of unhelpful help.

Throughout the book, the World Bank is the principal case study. The past practice of the Bank is best understood in terms of social engineering, the "overriding" form of unhelpful help. However, the history of the Bank over the last fifty years is strewn with some recurring failures particularly in sub-Saharan Africa. In the future, the Bank may be switching more to a disaster relief modality for man-made disasters, e.g., to help "drain the swamp" in collapsed or dysfunctional states as part of the "war on terrorism." Hence if the first form of unhelpful help has been its past, its future may be in the second form of unhelpful help.

All aid to adults based on the simple condition of "needing aid" risks displacing the causality. The working assumption is that the condition of needing aid was externally imposed (e.g., a natural disaster); the aid recipient shares no responsibility. But over the course of time, such aid tends to undermine that assumption as the aid becomes a "reward" for staying in the state of needing aid,³⁸ all of which leads to rent-seeking or creates dependency and learned helplessness.

While the World Bank is the main ideologue and practitioner of social engineering, it may now more and more make loans that are more akin to benevolent aid since that also "moves the money." The imagery is that the state of underdevelopment in some countries resembles an ongoing (man-made) "disaster" so some "disaster relief" is necessary from the development agencies to attend to the basic necessities in those countries. Jane Jacobs has noted the failures during the 70s of the World Bank "basic necessities" loans.

³⁶ "Large amounts of aid delivered over long periods, create incentives for governments and donors that have the potential to undermine good governance and the quality of state institutions." (Bräutigam 2000, 1)

³⁷ "Moral hazard" here refers to the opportunistic commissions or omissions by the doers because of an arrangement that protects them from the full consequences.

³⁸ Not surprisingly, the debate about moral hazard and dependency in international development assistance has strong parallels with the domestic debates about welfare reform, e.g., see Murray 1984 or Ellwood 1988 on the "helping conundrums". The philosophical analysis goes back at least to Rousseau's analysis in Book I and II of *Emile* of the potential change in causality in children crying: "The first tears of children are prayers. If one is not careful, they soon become orders. Children begin by getting themselves assisted; they end by getting themselves served." (1799 (1762), 66)

The policy has converted client countries into vast charity wards. While this may or may not be justifiable as philanthropy, it is not my definition of meaningful economic development. Nor is it what was ostensibly offered to poor countries, told as they were that money they borrowed to carry out World Bank programs was money to buy development of their economies. (1984, 91-2)

Today this type of "development aid as disaster relief" reasoning is even stronger due to the AIDS crisis. Over the course of time, this relief becomes the "unhelpful help" that undermines self-help.³⁹ The alternative is help based not on "needs" or "deficiencies" but on the active initiative to use existing capacities to address problems.⁴⁰

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

One standard scenario is that *given* a genuine self-help project with a resource-gap, then gap-filling aid enables the self-help project to go forward. This might actually happen when the project is motivated independently of the offer of aid. But as in the case of continuing charity, there is the time-consistency problem that the continuing offer of aid tends to make the motivation aid-driven. In the case of disaster relief, the continuing offer of aid takes the sting out of staying in a needful condition. While the needful condition was initially exogenous or independent of aid, staying in that condition may become an endogenous means for getting more aid. Unless gap-filling aid is rigorously time-limited, the continuing offer of aid leads to new "projects" that are partly incentivized by the aid offer. Instead of self-help projects *that were initially afoot on their own*, doers may create aid-seeking projects camouflaged in a rhetoric of self-help.

Relief Assistance as Generalized Moral Hazard

The First Don't dealt with social engineering as a form of unhelpful help that overrides (hopefully temporarily) any self-help capacity in order to get the doers to "do the right thing." The Second Don't deals with benevolent aid that, unless very temporary, will tend to undermine self-help capacity. Sometimes aid is sought by a country because of a self-perceived lack of efficacy. Aid granted out of benevolence, even without "carrots and sticks," has the adverse effect of reinforcing the lack of self-confidence and doubts about one's own efficacy. Eleemosynary aid to relieve the symptoms of poverty may create a "moral hazard" situation to weaken reform incentives and attenuate efforts for positive developmental change to eliminate poverty (see Maren 1997; Bräutigam 2000).

"Moral hazard" refers to the phenomenon where excessive insurance relieves the insured from taking normal precautions so risky behavior might be increased. The phrase is applied generally to opportunistic actions undertaken because some arrangement has relieved the doers from

³⁹ John Stuart Mill supported help "always provided that the assistance is not such as to dispense with self-help, by substituting itself for the person's own labour, skill, and prudence, but is limited to affording him a better hope of attaining success by those legitimate means. This accordingly is a test to which all plans of philanthropy and benevolence should be brought.... (Mill 1970 (1848) Book V, Chapter XI, §13) Note the similarity to the opening quotation from John Dewey.

⁴⁰ See, for example, the approach to community development in Kretzmann and McKnight 1993.

bearing the full responsibility for their actions. Benevolent help softens the incentives for people to help themselves.

In the insurance example, the limit case of no insurance (which means complete self-insurance) certainly "solves" the problem of moral hazard since the individual then has full incentives to take precautions to prevent accidents. Yet the "no insurance" option forgoes the benefits of insurance. There is no first-best solution of complete insurance without moral hazard but there are partial solutions in the form of co-payments and deductibles so that the insured party retains some risk and thus some incentive to make investments to take normal precautions (e.g., fire alarms or sprinklers).

In a similar manner, the conservative approach of "no assistance" could be seen as the "tough love" limit case of autonomy-respecting assistance. It certainly "solves" the problem of softened incentives for self-help but it foregoes forms of positive assistance that might be autonomy-respecting. If aid does not smother the incentives for self-help, then substantial matching payments or first stage funding by the doers are commitment mechanisms or ways of showing that they are committed *on their own* to the undertaking. This problem suggests the possibility that the post-WWII development assistance effort from the developed countries to the developing world has created a massive generalized moral hazard problem.⁴¹

Surely one bright spot was the Marshall Plan which, in many ways, provided a model for later development efforts. Yet it also contained the seeds of moral hazard. Robert Marjolin, the French architect of the Marshall Plan, noted in a 1952 memo that American aid continuing over a longer term could have precisely that effect.

Although American aid has been a necessary remedy over a period, and will continue to be for a time, one is bound to acknowledge that in the long run it has had dangerous psychological and political effects. ... It is making more difficult the task of the governments of western Europe trying to bring about a thorough economic and financial rehabilitation. The idea that it is always possible to call on American aid, that here is the ever-present cure for external payments deficits, is a factor destructive of willpower. It is difficult to hope that, while this recourse continues to exist, the nations of western Europe will apply, for a sufficient length of time, the courageous economic and financial policy that will enable them to meet their needs from their own resources without the contribution of external aid. (Quoted in: Marjolin 1989, 241)

However the demands of the Korean War and the lack of a permanent aid bureaucracy resulted in the winding down of American aid. If the industrial countries of West Europe faced moral hazard problems in the short-lived Marshall Plan, one can only begin to fathom the extent of the moral hazard problem today in developing countries that face well-established professional aid-providers in the developed countries who must constantly reinvent ways to "move the money"—moral hazard writ large. Today's aid business may therefore be a paradigm example of

⁴¹ Among development economists, the late Peter Bauer (1976, 1981, and 2000) developed these arguments about aid with particular force.

counterproductive dependency-creating practices that Ivan Illich wrote about across the various helping professions.

Money is a mixed blessing—to the extent that it is a blessing at all in development assistance. As long as money continues to be the leading edge of development assistance,⁴² then the problems of moral hazard will only be compounded. Whenever money becomes the leading edge of assistance, then the supply of aid seems to create and perpetuate the demand for it—which might be labeled as "Say's Law of Development Aid."⁴³ Aid that might in a few cases be autonomy-respecting assistance ends up "chasing its own tail" by funding needs or projects induced by the offer of aid—all to the detriment of building self-help capacity. What starts as the benevolent impulse thus becomes one of the major problems in the postwar effort toward capacity-building and development.

The Scylla and Charybdis of Development Assistance

The "benevolent" impulse to give charitable relief and the "enlightened" impulse to do social engineering are the Scylla and Charybdis facing the benevolent and enlightened leaders and staff of the development agencies. Several major difficulties lie in the path of autonomy-respecting help. The first difficulty to be overcome—the *pons asinorum* to be crossed—is the simple recognition of the pitfalls of social engineering on the one hand and of benevolent aid on the other hand.

Again and again, one finds social engineering blueprints to "do X" being defended by development agencies on the grounds that the doers should indeed "do X." But that is not the question. There seems to be little or no real recognition that if the doers "do X" only to satisfy conditionalities and thus receive aid, then the motive will falsify the action, the reforms will not be well implemented, and the policy changes will not be sustained. Hence all the arguments about the benefits of "doing X" miss the point. Paraphrasing Kierkegaard, it is not so much the "what" of reform that counts, but the "how"—if the reform is to take root and be sustainable.⁴⁴

And again and again, one finds benevolent aid being defended as "doing good" in the sense of "delivering resources to the poor" without any real recognition as to how this undercuts the incentives for developing self-reliance. All the arguments about the relief as being "help" miss the point. It is an unhelpful form of "help" that in the longer term undercuts capacity-building and autonomous development. Developmental processes are rooted in time, not in the ambitions of helpers in a rush to "do good."

The other major difficulty to be overcome is the gap between rhetoric and reality. Development agencies are quite adept at adopting the language of being against "charity," against "blueprint-driven social engineering," and being in favor of "helping people help themselves." Whole

⁴² One sees the evidence every day in calls by leaders of the development industry to "address" this or that development problem with \$X billions more funds—rather than undertaking the difficult and subtle reforms for a more effective approach where money has at most only a background role.

⁴³ The original "Say's Law" in economics is usually paraphrased "Supply creates its own demand."

⁴⁴ "All ironic observing is a matter of continually paying attention to the 'how,' whereas the honorable gentleman with whom the ironist has the honor of dealing pays attention only to the 'what'." (Kierkegaard 1992, 614) In our case, the "gentleman" is the conventional helper who focuses on getting the doers to do the right "what."

Public Relations Departments are devoted to the effort. The challenge is that it is a rather subtle matter to overcome the basic conundrum and to supply help in an indirect way that does not override or undercut the development of the capacity for self-help. Again and again, reborn managers in restructured agencies use recycled rhetoric to launch refurbished programs in social engineering or charitable relief or both.

Knowledge-Based Development Assistance

The Cognitive Dimension of Development Assistance

There are always two sides to a person's relationship with the world: the *volitional* side trying to get the world to correspond more to some prescriptive representation or model, and the *cognitive* side trying to get one's descriptive representation or model to correspond more to the world.⁴⁵ Most of our analysis is concerned with the volitional side of the helper-doer relationship (e.g., actions based on external motives versus those based on internal or own motivation) but sometimes the focus is on the cognitive side (e.g., beliefs based on compliance with external authority versus beliefs based on the exercise of critical reason and rational judgment). There is no question of separation; action should be guided by cognition, and cognition at best arises out of action (as emphasized by John Dewey). But on various occasions, it may add to clarity to make a parallel consideration of the volitional and cognitive sides of a question. For our main case study of the World Bank, the two dimensions are the Bank as a money bank and the Bank as the "Knowledge Bank."

The problems in aid-based assistance tend to be reproduced in their own way in knowledge-based assistance. The main problems lie in the standard theory-in-use (regardless of the "espoused theory") that the agency has "development knowledge" in the form of answers that need to be taught, transmitted, and transferred to the target population of doers. That methodology is taken as so obvious that the focus is simply on how to disseminate the knowledge, how to expand the scale of the knowledge transmission in the client country, and how to measure and evaluate the impact of these efforts. In the old Chinese metaphor, it is a matter of "giving out more and more fish."

The Two Don'ts in Knowledge-Based Assistance

The Two Don'ts in money-based aid are also reproduced in knowledge-based assistance. Conditionalized monetary aid tries to supply the motivation for the doers to do what the helpers consider as the right thing (i.e., the helpers try to "supply the right will" to the doers). The corresponding problem in knowledge-based aid is supplying biased information, partisan econometrics, and one-sided arguments to supply and induce "the right belief" in the doers (learners). Just as unconditional aid may be avoided for fear that the doers might not "do the right thing" so allowing the learners to hear all sides of a question or perform their own experiments may be avoided or discouraged for fear that the learners might not "draw the right conclusions." In both cases, *distortionary* help compromises the autonomy of the doers.

⁴⁵ Immanuel Kant emphasized the use of practical reason and critical reason giving rise, respectively, to autonomous will and autonomous reason. As Marx noted, there is both "describing the world" and "changing the world." In biology, organisms have sensory (afferent) and motor (efferent) systems.

The Second Don't focused on how charitable relief undercut the doers' incentives to develop the capacity to help themselves. The corresponding problem in knowledge-based assistance is that transmitting or disseminating "development knowledge" to the doers gives them only borrowed opinions, not knowledge, and undercuts the development of their own learning capacity.

That real education aims at imparting knowledge rather than opinion, that knowledge cannot be handed over ready-made but has to be appropriated by the knower, that appropriation is possible only through one's own search, and that to make him aware of his ignorance is to start a man on the search for knowledge—these are the considerations that govern and determine the Socratic method of teaching. (Versényi 1963, 117)

Socratic Approach to Doers' Active Learning

The alternative indirect approach in pedagogy as well as knowledge-based assistance starts with Socrates. Instead of "having the answers to be disseminated," Socrates displayed the "ignorance" or humility of knowing that he did not know. Instead of the teaching that put the learner in a passive role, Socrates proceeded by getting the learner to actively try to answer questions or resolve problems. Indeed, the key to the indirect approach is for the helper to facilitate the doer taking the active role ("being in the driver's seat").

It is rather difficult to imagine elite development agencies adopting this stance of Socratic humility and critical rationality even though it is central to the methodology of science (in contrast to the "closed society" of a church or party organization that "has the answers" and has the mission to disseminate the gospel). Applying a similar model to the dialogue between a development agency and a client country would require the agency to exercise Socratic restraint against the arrogant assertion of Official Views about development issues—perhaps the most complex issues facing humankind. If there are relevant grounds for any views preferred by agency officials, then such grounds should eventually emerge from the dialogue and the country's own learning experiences. Yet one should not underestimate the difficulties of implementing this sort of intellectual humility or Socratic ignorance on the part of elite development officials who justify their own prestige on the basis of their expertise. The more pretentious the agency, the less likely it is to pursue an indirect Socratic approach to cognitive capacity-building. Here again, less is more.

The volitional and cognitive dimensions of the Two Don'ts are summarized in the following table 1.1.

Table 1.1: Volitional and Cognitive Dimensions of Help

Help	Volitional Dimension	Cognitive Dimension
Unhelpful Help #1: Social Engineering	Helper providing "motivation" for doer to do the "right thing" (aid and conditionalities as "carrots and sticks")	Helper as authority teaching "right answers" based on one-sided arguments to passive doer (student) like "pouring water into a pitcher."
Unhelpful Help #2: Benevolent Aid	Helper provides aid to doer to "solve problem" by relieving symptoms until next time.	Helper giving "answers" to doer to save doer the trouble of learning and appropriating knowledge.

<p style="text-align: center;">Autonomy- Respecting Help</p>	<p>Enabling-helper searches for where "virtue is afoot on its own" in the small and catalyzes social and economic linkages to spread successes.</p>	<p>Socratic -Helper does not give answers but facilitates doers' own-learning (e.g., experiments) and then peer-to-peer learning between doers.</p>
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The Three Dos

The First Do: Start from Where the Doers Are

The *via negativa* of the Two Don'ts needs to be supplemented by Three Dos. Together the Two Don'ts and the Three Dos outline the alternative autonomy-respecting approach to both the volitional and cognitive sides of development assistance.

To be transformative, a process of change must start from where the doers are. Yet this is a common error. Reformers oriented towards utopian social engineering (see Popper 1962) aim to wipe the slate clean. In institutional terms, any attempt to transform the current "flawed," "retrograde," or even "evil" institutions is viewed as only staining or polluting the change process. In the debate about shock therapy in the transition economies, Jeffrey Sachs (1993) and others argued that slate-cleaning shock therapy was needed (doing everything quickly) since "you can't jump over a chasm in two leaps." But the leap of institutional shock therapy fell far short of the other side of the chasm since people "need a bridge to cross from their own experience to a new way." (Alinsky 1971, xxi) It will take the transition countries much longer to climb out of the chasm than it would have taken if a bridge had been built step by step.

Similar considerations argue for an evolutionary and incremental strategy in poor countries rather than trying to "jump" to new institutions.

Education does not "jump"; it is a gradual process of great subtlety. Organization does not "jump"; it must gradually evolve to fit changing circumstances. And much the same goes for discipline. All three must evolve step by step, and the foremost task of development policy must be to speed this evolution. (Schumacher 1973, 168-9)

Given a choice between helpers using the momentum of bottom-up involvement in "flawed" reforms—and top-down social engineering of "model" institutions, the "start from where the doers are" principle (the First Do) argues for the former. Applied to technical cooperation, it would be better for the helpers to train local doers to do the job even if locals do it poorly at first so long as there is a learning mechanism—than for the helpers to do the job well but with little or no local capacity-building. Sometimes the best form of "training" is for the helper to broker horizontal learning between the would-be doers and those who have already successfully done it under similar circumstances. But, in any case, the organizational pressures on the helpers are to show their bosses that they "did it right" by, in effect, "doing it themselves."

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

Frustrated task managers in the World Bank have been heard to muse about "lobotomies" or "memory erasers" so that their recalcitrant clients could wake up the next day and start "doing

things in the right way." Then development advice would not need to be tailored to local circumstances. Generic advice would suffice; one message would fit all blank slates. But failing that, it is necessary to acquire a deeper knowledge of the present institutions. This is done by, in effect, learning to see the world through the eyes of the policy-makers and people in the country.

An autonomy-respecting interaction between teacher and learner requires that the teacher have an empathetic understanding with the student. If the teacher can understand the learning experience of the student, then the teacher can use his or her superior knowledge to help the student. This help does not take the form of telling the student the answer or solution, but of offering advice or guidance, perhaps away from a dead-end path, to assist the student to make "transitions and consolidations" (Hawkins 2000, 44) in the active appropriation of knowledge. The teacher, according to Dewey's learner-centered pedagogy, must be able to see the world through the eyes of the students and within the limits of their experience, and at the same time to lend the adult's viewpoint to offer guideposts. The great mathematician-teacher, George Polya, emphasized that the Socratic teacher could best foster active learning by asking questions, when necessary, that might have occurred to the student, not questions that show off the teacher's greater knowledge. The questions that involve seeing through the student's eyes and starting from where the student is were called "inside help" as opposed to "outside help."

Outside help has very little chance to be instructive—appearing out of the blue, as *deus ex machina*, it can easily be disappointing. Inside help may be the most instructive thing the teacher can offer; the student may catch on, he can realize that the question helps and that he could have put that question to himself by himself. And so the student may learn to use that question; the voice of the teacher may become for him an inner voice which warns him when a similar situation arises. (Polya 1965, 137)

Similarly, in Carl Rogers' notion of client-centered therapy (1951), the counselor needs to enter the "internal frame of reference of the client" in order that assistance can be given that respects the actual capacity of the person. These subtleties in the helping relationship will be explored in more detail later.

The Third Do: Respect the Autonomy of the Doers

The Third Do summarizes the overall goal of assistance to autonomous development. The tasks of development are fundamentally different from engineering tasks since they focus not on just changing the natural environment but on fostering change in people (i.e., beings capable of autonomy). This book explores a philosophy of autonomous development that provides intellectual background for ideas and themes⁴⁶ such as the theme of the developing country being "in the driver's seat" (autonomous) and self-reliantly helping itself. On the negative side, the suspicion is that externally applied "carrots and sticks" (conditionalities) do not "buy" sustainable policy changes or ownership. Phrases like empowerment, participation, inclusion, and involvement are all fine but tend to be abused to refer to the doers "participating" in a scheme being undertaken by the helpers. These fine phrases will not be heavily used here since

⁴⁶ See, for example, the Comprehensive Development Framework (CDF) outlined in Wolfensohn 1997, 1998, 1999a and 1999b and in Stiglitz 1998.

the focus is clearly on the doers taking the act role with the helpers having an indirect enabling role.

The Kantian notion of autonomy is emphasized here ("autonomy-respecting assistance") although the roots of the emphases on autonomous volitions and critical reason go back at least to Socrates.⁴⁷ One of the main themes is John Dewey's notion of active learning writ large and applied broadly to social, political, and economic processes. The broad theme is that people have a natural *ownership* of the results of their own activities (fruits of their labor) as opposed to what is done to or for them. This book develops this fruits-of-one's-labor idea in terms of *psychological* ownership.⁴⁸ The ideas arrived at here also have a considerable overlap with Amartya Sen's emphasis on capabilities, agency, and development as freedom (essentially "autonomy" in my vocabulary).⁴⁹ The philosophical congruence with Sen's ideas has increased the author's confidence in the approach taken here.

Eight Thinkers Triangulate a Theory of Autonomy-Respecting Help

The topic of "helping people help themselves" is approached by multi-disciplinary triangulation,⁵⁰ i.e., by looking at the commonalties in different examples of relationships where one party, the "helper," is trying to help or enable certain others, here called the "doers," to carry out some activity. The target example of the helper-doer relationship is the relationship between a development advisor or agency and a client country. The method is to look for wisdom about the helping relationship in pedagogy, management theory, psychotherapy, community organizing, and community education. Organized development assistance is a relatively new field of study arising only in the post-World War II period. Hence we turn to older thinkers in these other fields to extract their insights. Eight prominent and relatively modern thinkers are focused on to triangulate on a theory of autonomy-respecting help:

- ? Albert Hirschman on the relationship between a development advisor and government,
- ? E.F. Schumacher on the relationship between a development agency and country,
- ? Saul Alinsky on the relation of a community organizer to the community (or its peoples' organization),
- ? Paulo Freire on the relationship between an educator and a peasant (or urban poor) community,
- ? John Dewey on the teacher-learner relationship,
- ? Douglas McGregor on the (Theory Y) relationship between a manager and workers,
- ? Carl Rogers on the therapist-client relationship, and

⁴⁷ The self-help theme is ancient particularly as the idea that "The gods help those who help themselves" which is found in Aesop, Aeschylus, Sophocles, and Euripides (see Bartlett 1968). And the Koran attests that "Verily never will God change the condition of a people until they change it themselves, with their own souls."

⁴⁸ The principle that people should appropriate the (positive as well as negative) "fruits of their labor" (or expressed as the juridical principle that legal responsibility should be assigned according to *de facto* responsibility) has been developed at some length in Ellerman 1992 and 1995 (and in earlier journal articles cited therein such as Ellerman 1985, or, within a Kantian—"treating people as persons rather than things"—framework, Ellerman 1988b or Chapter 4 in Ellerman 1995).

⁴⁹ Sen's *Development as Freedom* (1999) gives a comprehensive review of this approach and Alkire (2002) gives a more recent treatment. See Sen 1982 and 1984 for earlier work.

⁵⁰ See Roe 1998 on using "triangulation" to approach complex policy issues.

? Søren Kierkegaard on the spiritual teacher-learner relationship.

Representative quotations on the five themes are gathered in the Appendix. The argument is not that all these relationships are the same, but that there are commonalities when the party in the "helper" role acts so as to help the parties in the "doer" role to help themselves. The fact that such diverse thinkers in different fields arrive at interestingly similar conclusions helps to triangulate the results and increases our confidence in the common principles.

This book is an essay in the human sciences where the emphasis is on the coherence of views expressed across a wide variety of disciplines and frameworks so interconnections will be emphasized. I have taken pains to mark my tracks, not cover them. The text is liberally sprinkled with quotations so that the interested reader can follow the Ariadne's thread of the themes back into the original texts. Often one needs a "handle" or "entering wedge" in order to understand as least a part of some thinker's works. The quotations may provide a bridge from this work into the works of the many authors who have explored these themes with more depth and supporting arguments in the various disciplines. The point is not to present pre-packaged solutions. By seeing a variety of approach roads, the reader may be helped to make the "transitions and consolidations" necessary to make the journey himself or herself.

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