

Helping People Help Themselves: Towards a Theory of Autonomy-Compatible Help

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"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."

John Dewey

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Abstract

If development is seen basically as autonomous self-development, then there is a subtle paradox or conundrum in the whole notion of development assistance: how can an outside party ("helper") assist those who are undertaking autonomous activities (the "doers") without overriding or undercutting their autonomy? This is the classic problem of "helping people to help themselves." This helping conundrum is the challenge facing a theory of autonomy-compatible development assistance, i.e., helping theory. Starting from a simple model of non-distortionary aid, we explore several themes of a broader helping theory and show how these themes arise in the work of various "gurus" in rather different fields such as John Dewey in pedagogy and social philosophy, Douglas McGregor in management theory, Carl Rogers in psychotherapy, Søren Kierkegaard in spiritual counseling, Saul Alinsky in community organizing, Paulo Freire in community education, and Albert Hirschman together with E.F. Schumacher in economic development. The fact that such diverse thinkers in different fields arrive at very similar conclusions increases our confidence in the common principles. The points of commonality are summarized as follows using the common framework of "helpers" trying to provide autonomy-compatible assistance to a certain set of "doers":

- help must start from the present situation of the doers—not from a "blank slate",
- helpers must see the situation through the eyes of the doers—not just through their own eyes,
- help cannot be imposed upon the doers—as that directly violates their autonomy,
- nor can doers receive help as a benevolent gift—as that creates dependency, and
- doers must be "in the driver's seat"—which is the basic idea of autonomous self-direction.

One major application of helping theory is to the problems of knowledge-based development assistance. The standard approach is that the helper or, in this case, knowledge-based development agency, has the "answers" and disseminates them *ex cathedra* to the doers. This corresponds to the standard teacher-centered pedagogy. The alternative approach of helping theory is the learner-centered approach of the active learning pedagogy. The teacher plays more the role of a midwife, catalyst, and facilitator to build learning capacity in the learner-doers so they can learn from any source such as their own experience, the teacher, or other sources of knowledge. Development assistance is further complicated by the local or tacit nature of much relevant knowledge. In addition to capacity-building, a knowledge-based development agency, e.g., a "knowledge bank," might function better not simply as a source of knowledge but as a broker connecting those who face concrete problems with those in similar situations who have learned how to address the problems.

The standard (implicit) model of an agency disseminating the answers is essentially a "church" model. Changing to the approach of helping theory entails changing the helping-agency itself from a church model to an organization that fosters learning internally as well as externally—like in a university where professors engage in learning and foster learning in students but where the organization itself does not adopt "Official Views" on the complex questions of the day. This means fostering competition in the marketplace of ideas within the organization and taking a more Socratic stance vis-à-vis clients who will then have to take responsibility for and have ownership of their own decisions.

Finally, helping theory is positioned in the tradition of Albert Hirschman's work by restating some of the themes in Hirschmanian terms. The Appendix gives an 8 x 5 table of quotations from the eight "gurus" on the five themes.

Intellectual Background

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 working on development, states that its "main aim is to help people to help themselves."¹ There is broad agreement—at least as a statement of high purpose—that helping people help themselves is perhaps the best ("best" in perhaps both a normative and practical sense) methodology for development assistance in the developing countries. That is our topic.

The main goal is the "doer" (e.g., person, group, or country) being "in the driver's seat" and actively helping itself. This is a central idea expressed in the World Bank's *Comprehensive Development Framework* (CDF).² If development is seen basically as autonomous self-development, then there is a subtle paradox or conundrum in the whole notion of development assistance: how can an outside party ("helper") assist those who are undertaking autonomous activities (the "doers") without overriding or undercutting their autonomy?³ How can a development agency actually help people help themselves—as opposed to giving various forms of unhelpful help? The topic is related to the presumption in favor of inclusion, popular participation, involvement, and ownership as well as the suspicion that externally applied "carrots and sticks" do not "buy" sustainable policy changes. Our approach uses the (Kantian) notion of autonomy [see Ellerman 1988] and has much overlap with Albert Hirschman's approach to development (see last section) and with Amartya Sen's emphasis on capabilities and agency.⁴

We cast a wide and vigorously multidisciplinary net to construct the intellectual background. Helping theory is approached by looking at the commonalities in quite different examples of relationships where one party, the "helper," is trying to help certain others, here called the "doers," to better help themselves. The target example of the helper-doer relationship is the relationship between a development agency and a client country but the theme is also explored in pedagogy, management theory, psychotherapy, community organization, and community education. The helper-doer relationships and prominent authors or "gurus" are (see Appendix for representative quotes):

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

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 increases our confidence in the common

¹ Oxfam 1985, 14.

² See Wolfensohn 1997, 1998, 1999a and 1999b and in Stiglitz 1998.

³ See Ellwood [1988] generally on the "helping conundrums."

⁴ Sen's notion of freedom in *Development as Freedom* 1999 is closely related to our notion of autonomy.

principles.⁵ The text is liberally sprinkled with quotations and footnotes so that the interested reader can follow the Ariadne's thread of the themes back into the original texts.

An Initial Look at Non-Distortionary Aid

Non-Distortionary Interventions

Our first task is to fix the sense of an intervention by the helper that most respects or is most compatible with the choices of the doer in certain simple models of the doer's decisions. The doer's decision-making is assumed to be given as a relationship between resources and decisions: given the resources available to the doer, the optimal decision is determined. An intervention by the helper is non-distortionary (ND) (a necessary condition for autonomy-compatibility) if it does not affect the relationship between resources and decisions although it may affect the resources. In other words, a ND intervention is one that does not change what the doer would do—given sufficient resources. In that sense, the intervention does not distort the original motivation of the doer.

This notion looks only to the mode of intervention by the helper, not to the preferences or choices. There is no assumption that the choices of the doer are in any sense autonomous, e.g., a monetary gift to a drug addict or an unrestricted grant to a country "addicted" to aid would be ND. Choices that are autonomous in the sense of being based on intrinsic or own-motivation will be considered later.

Moreover, "non-distortionary" is an autonomy-related characteristic of *interventions* by some human will (e.g., the helper), not natural events.

'The nature of things does not madden us, only ill will does', said Rousseau. The criterion of oppression is the part that I believe to be played by other human beings, directly or indirectly, with or without the intention of doing so, in frustrating my wishes. [Berlin 1969, 123]

Natural events on Crusoe's island might affect his choices but would not be classified as "interventions" at all.

If we think of the doer as a consumer allocating fixed income between goods, then a "lump-sum" income tax or subsidy would be an example of a ND intervention in contrast to an excise tax or subsidy attached to particular uses or goods. The relationship between income and consumer choices is the "income-consumption curve", so a ND intervention (e.g., a lump-sum change in income) is one that does not shift the income consumption curve.⁶

⁵ For instance, here is the helping conundrum that arises in education. 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]

⁶ In more general mathematical terms, suppose the decision problem is to maximize an objective function subject to some constraints. An intervention would then be "non-distortionary" if it relaxed or tightened some constraints but did not affect the first-order marginal conditions for optimization.

Let us now turn to yes-or-no decisions about undertaking a project or activity (e.g., making a certain reform). Given the relationship between resources and yes-or-no decisions, a ND intervention is one that affects the decision only by affecting the resources, not by changing the relationship between resources and decisions. For instance, an unrestricted grant of resources would be ND but aid with conditionalities would probably not be ND (unless the conditionalities were in effect vacuous). Non-distortionary aid might make a worthwhile project possible while distortionary aid aims to make some project "worthwhile."

Numerical Example: The development agency wants the doer to undertake a certain project where the doer lacks a necessary resource. The resource has a value of 75 which represents the alternative value of the resource without the project. There are two cases. In the 1st case (top row) the benefit of the project for the doer is 100, and in the 2nd case (2nd row) the benefit to the doer is 50 (although we could again take the total social gain as 100 so the agency would still have reason to give aid). If the agency charges 75 for the resource (say, with the cost paid out of benefits), the doer will undertake the project in the first case but not the second. But suppose the resource is given for free as aid. The resource-as-aid could be conditional on undertaking the project or could be unconditional. This generates a 2 x 2 table of possibilities.

| Table 1 | Conditional Aid | Unconditional Aid |
|---|---|--|
| Case 1: Benefit = 100 Resource = 75 | Project = Yes Gain = 100 Aid is "ND." (but condition is pointless) | Project = Yes Gain = 100 Aid is ND. Agency gives aid. |
| Case 2: Benefit = 50 Resource = 75 | Project = Yes Gain = 50 Aid would not be ND. Give aid or not? | Project = No Gain = 75 Agency would probably not give unrestricted aid. |

To make the comparison with the distortionary versus non-distortionary (lump-sum) taxes or subsidies, the conditional aid is like a distortionary subsidy to the yes-option but not to the no-option. The unconditional aid is a non-distorting lump-sum subsidy which could be applied to either option. The unconditional aid is thus ND but the agency would not give unconditional aid in the 2nd case since the doer would cash in the resource for a gain of 75 and the project would not be undertaken. The important case of distorting aid is the aid in the 2nd case (private benefit = 50) when the aid is conditional on undertaking the project. Then the conditionality "supplies motivation" to change the "no" to a "yes" and is thus distorting.

In the remaining instance of conditional aid in the 1st case, the aid is conditional but is ND because the condition does not actually change or distort the yes-or-no decision and is thus pointless. Thus the conditional aid is "fully effective only when it does not achieve anything... ."

[Hirschman 1971, 204] Indeed there might be a negative reactance effect on the part of the doer who bears the "insulting" conditionality to do what the doer wanted to do anyway. The controversy, however, centers on the clear case of distorting motivation (conditional aid in the 2nd case).

We have defined a ND intervention given the framing of a decision but much controversy arises from different interpretations or frames for a decision. An optimistic observer might picture the doer as being genuinely motivated to undertake a certain autonomy-enhancing action or reform, but that action requires a certain amount of money. Hence the helper might provide the money without strings attached as ND help and then hopefully the action would be undertaken.

A pessimistic observer might offer a different way to frame the situation that would give a different result. The doer is motivated to undertake the autonomy-enhancing action partly because otherwise the doer would suffer certain consequences of not reforming. When the helper offers the no-strings-attached aid, then the aid could be used to soften or avoid the adverse consequences so the doer is no longer as strongly motivated to undertake the action or reform.

In Case 2, the helper might be inclined to offer the aid conditional on taking the action, but then the aid is distortionary. The reform, which is typically hard to monitor, might not be performed very effectively since the doer is undertaking it only because of the "supplied external motivation"—not because of the doer's "own" motivation. Indeed, from a dynamic perspective, there is an incentive for failure so that the doer will still qualify for the aid the next time around.⁷ Charles Murray traces this failure to: "The Law of Unintended Rewards. Any social transfer increases the net value of being in the condition that prompted the transfer. ... The program that seeks to change behavior must offer an inducement that unavoidably either adds to the attraction of, or reduces the penalties of engaging in, the behavior in question." [Murray 1984, 212-5] In an actual situation, where the benefits are not directly observable, the helper may not know if Case 1 or 2 applied.

Taking an analogy between aid for reform and a wage for labor, it is useful to review the economic analysis of a wage increase in terms of a substitution effect and an income effect. The wage increase heightens the reward for labor so the substitution effect is an increase in labor offered. But if the labor is motivated to get income for other purposes, then the wage increase allows the same income to be received with less labor so the *income effect* is to decrease the labor offered. The two effects go in opposite directions so their relative strengths will determine if the labor offered increases (upward sloping supply curve) or decreases (backward bending supply curve).

Another useful model is the problem of *moral hazard* in insurance. The action or reform in this case is the set of precautions that one might take to avoid accidents. If those precautions are motivated by the adverse consequences of accidents that might otherwise happen and if those adverse consequences can be covered by insurance payments, then complete insurance would remove the motivation to take precautions. Thus insurance might increase the probability of accidents (since it removes the motivation for the "reform" of taking precautions) and that is called "moral hazard." On the moral hazard interpretation of Case 2, the unrestricted aid covers the downside of not taking the action so non-action becomes the preferred option.

⁷ Testimony to this incentive is given by the worry about "punishing" successful reformers by not renewing aid.

Let us return to the helping conundrum. If the doers have sufficient own-motivation to help themselves then non-distortionary aid to supply the means would indeed help the doers to help themselves. But if the doers are motivated to help themselves primarily in order to avoid certain adverse consequences and if unrestricted aid could itself alleviate those consequences, then the aid would subsidize the doers not helping themselves. Thus the aid agencies and international finance institutions "*should help finance the costs of change—and should not cover the costs of not changing.*" [Stern 2001]

Once the helping conundrum is understood, there are essentially two possible paths that helpers can take. One path might be called the direct or social engineering approach to "supply the motivation" to undertake the reforms by imposing the distorting conditionality in order to receive the aid. This is the most common approach in the "development assistance business." By supplying the motivation, the helper essentially takes over "the driver's seat" in a principal-agent relationship to distort the doers' motivation toward compliance and to monitor their compliance.⁸

The other path is our topic of helping theory, autonomy-compatible (e.g., non-distorting) modes of helping people help themselves. This path is more indirect; motivation is to be found and fostered rather than supplied by the helpers. Indeed, intrinsic, internal, or own motivation on the part of the doers could not, by definition, be "supplied" by the helpers. Bought virtue is faux virtue. If the doers are intrinsically motivated to undertake the action or project, then the external aid will be enabling rather than "motivating."

Intrinsic or Own Motivation

There is now a large body of literature in psychology, sociology, and organizational behavior on intrinsic and extrinsic motivation as well as the closely related notions of self-determination, autonomy, and internal locus of causality.⁹ Although considerations of intrinsic motivation have figured prominently in the Romantic critique¹⁰ of classical economics, the topic has until recently only received sporadic treatment in economics literature.¹¹ Bruno Frey's recent *Not Just for the Money* [1997] is the first book-length treatment of the topic of intrinsic motivation in the economics literature.

In the literature on aid for economic development, a substantial body of research now questions the effectiveness of conditionalities.¹² What is the distinction between genuinely wanting to change or only wanting to make certain changes because of various "carrots and sticks"? Conditionalities and aid provide only external or extrinsic motivation; genuine change requires a more intrinsic motivation.

An intrinsically motivated activity is an activity carried out by individuals for its own sake. The activity is an end in itself, not an instrumental means to some other end (such as satisfying biological needs or "tissue

⁸ It will be noted that we are unrealistically modelling the "doers" as a homogeneous group whereas much of the work in development assistance is in reinforcing the reform-oriented doers against the non-reforming doers within a government. This neglect of coalitional politics is deliberate. Outside a narrow category of stroke-of-the-pen reforms, more institutional reforms require a broader consensus and a deeper "buy-in" than can be provided with aid bribes.

⁹ See Deci and Ryan 1985, Elster 1983, Lane 1991, Candy 1991, Kohn 1993, and Deming 1994.

¹⁰ See, for example, Ruskin 1855 (1862), and for a recent broad approach, see Lutz 1999.

¹¹ See Titmuss 1970, Arrow 1972, Scitovsky 1976, Hirsch 1976, Sen 1982, Schelling 1984, Akerlof 1984, Hirschman 1992, Kreps 1997, and Prendergast 1999.

¹² See the discussion and references in World Bank 1998 and Killick et al. 1998.

deficits"). The factors that determine the meaning of "for its own sake" are usually based on the self-identity of the person or persons carrying out the activity. An intrinsically motivated activity might be accompanied by extrinsic motivators if the latter are not controlling and operate quietly "in the background," i.e., if they do not take over the locus of causality.¹³ For instance, professors typically pursue their professional work for its own sake even though there is a salary and other emoluments in the background. Indeed much of the story is concerned with the question of the locus of causality for an activity. Autonomous activity has an internal locus of causality. A bribe (carrot) or threat (stick) to get one to do what one would not otherwise do (given the resources) switches one from an internal to an external locus of causality (reverses foreground and background); the activity is then non-autonomous or heteronomous. The classical sins such as greed, envy, and pride could be rendered in this simple framework as the cancerous growth of extrinsic motivation into passions that take over the foreground of motivation.¹⁴

Much of what I will say about "internal" and "external" motivation will be a reformulation, if not a translation, of older philosophical concepts into "modern" psychological terminology [see Maslow 1968 for a recent version]. There is a very old philosophical theme, often associated with the Stoics, that divides the self into a higher, inner, and "noumenal" self or "soul" and a lower, empirical, and phenomenal self. The lower self is typically under the influence of the passions and irrational impulses and sees the world only darkly through a veil of opinion and prejudice while the higher self can at least potentially be free of being controlled these external influences, and can be guided by critical reason and motivated by autonomous volitions. Much of what will be said about "external motivation" can be taken a modern version of the influences of the lower self, while "internal motivation" represents the volitional side of the higher self.

The roots of intrinsic motivation such as an individual's self-identity (including the larger social units with which the person identifies) are typically not open to intentional and deliberate choice. One chooses according to who one is, but one does not directly choose who one is. These basic "preferences" can change but more as an indirect "by-product of actions undertaken for other ends" [Elster 1983, 43] than as the result of deliberate actions. For instance, one cannot simply decide to be "in love" and thus one cannot "buy love." This "can't-buy-love" situation limits the domain of the market and the reach of extrinsic motivators. "Carrots and sticks" might buy or induce compliant behaviors, but they cannot directly cause changes in the determinants of intrinsic motivation.

In economics, individual human action is modeled as the maximization of utility or preferences within constraints given by technique, institutions, and economic resources. "Utility" subsumes all as the common coin of human motivation. Since intrinsic motivation can be seen as another source of utility, why is it important to treat it separately? There are three broad categories of reasons: (1) extrinsic incentives and choice-determined characteristics are only "half of the story" so "economic" and "rational choice" approaches to institutional design will be somewhat incomplete, (2) a resentment or negative reactance to a threatened loss of autonomy may result from using extrinsic motivation to try to "take control" of a person's behavior (which in

¹³ See Deci and Ryan 1985 for the notion of locus of causality and Lefcourt 1976 for the notion of locus of control. We use the notions of having an internal locus of causality (or control), self-determination, intrinsically or own-motivated activity, and autonomy as being synonymous for our broad purposes.

¹⁴ See Hirschman 1977.

turn affects performance), and (3) extrinsic motivation may crowd out and eventually atrophy intrinsic motivation.¹⁵

Towards a Broader Helping Theory: Five Themes

The quintessential problem of autonomy-compatible intervention is how to "help people to help themselves." So far, we have used a simple one-dimensional model of help, namely giving a certain amount of aid in a "non-distortionary" manner (that is, "lump-sum" or unrestricted aid). Now we consider the general case of intervention which includes technical cooperation, dialogue, and capacity-building in addition to simple resource transfers. We leave behind simple precise models to develop five themes that describe autonomy-compatible help in a more general and realistic setting.

Theme 1: Starting From Where the Doers Are

A utopian social engineering approach tries to impose a clean model solution where, if necessary, the old solution is wiped away to make room for the new. To use a building metaphor, the old building is torn down to create a cleared space, a *tabula rasa*, upon which the new model building can be constructed. There is no need to take the characteristics of the old building into account—other than what is required to tear it down. The alternative non-utopian incremental approach would be to repair one part of the building at a time—which over time can still completely rebuild the building. To use a repairing the ship metaphor, the engineering approach would put the ship into dry dock so that standard techniques can be used to repair the ship independent of the conditions at sea. The incremental alternative is, according to Otto Neurath's metaphor, to "repair the ship at sea" taking into account the available techniques and the conditions at sea [See Elster et al. 1998]. Rebuilding the old, rather than destroying it to engineer a new model from the cleaned slate, is one way of introducing the theme of "starting from where the doers are." For the helpers to help the doers help themselves, the helpers have to design their assistance taking into account the current starting point of the doers, not an imaginary clean slate.

Theme 2: Seeing Through the Doers' Eyes

Since the goal is for the doers to help themselves, any assistance provided by the helpers needs to see the situation through the doers' eyes. The doers' actions will be guided by their knowledge, conceptual framework, values, and worldview, not those of the helpers. The strategy of help used by the helpers needs to be based on an empathetic understanding of the doers' viewpoint in order to be effective.

Theme 3: Helper Cannot Impose Change on Doers

This is the counter-thesis to the direct or social engineering approach. Transformative change comes from the internally motivated self-activities of the doers. Carrots and sticks (e.g., aid conditionalities) used by the "helpers" will distort the own-motivation of the doers, externalize their locus of causality, and may produce conforming surface behavior and cunning resistance rather than transformation.

¹⁵ Frey's "crowding-out effect" is what Lane 1991 calls the "hidden cost effect" following the idea of the "hidden cost of rewards" as in Lepper and Greene 1978.

Theme 4: Help as Benevolence is Ineffective

Autonomy-compatible assistance is neither an imposition (theme 3) nor a gift (theme 4). Benevolent charity helps people, but it does not help people help themselves. It promotes dependency, not autonomy. The helpers are self-satisfied that their charity is helping others, but the doers are in the humiliating and degrading position of not helping themselves with the resulting resentment and thwarted self-reliance.

Theme 5: Doers in the Driver's Seat

This central theme is simply a restatement of the goal of the assistance, to have the doers helping themselves. "Being in the driver's seat" is the metaphor for autonomous self-activity. The car metaphor comports well with the other four themes. The car must: (1) start its journey from where doer-driver is, (2) the vision of the road ahead is from the vantage point of the driver, (3) it would be folly for guides (or "backseat drivers") to grab the steering wheel and try to drive, and (4) being driven by someone else weakens self-reliance and self-esteem.

Helping Theory Applied to Development Assistance

Development Intervention as an "Agency" Relationship

We now focus on elaborating the five themes in the context of community and economic development. The assumed setting is now that of an external development organization (the "helper") trying to help economic development in a less-developed country (the "doers"). We are concerned with development projects that involve changing human institutions, not with physical construction projects. We begin with what might be the standard implicit or explicit model of the relationship between the development organization and the client country, namely the principal-agent or agency relationship [e.g., see Killick et al. 1998]. How can the development organization as principal, design a package of incentives—carrots and sticks—to induce the desired actions on the part of the client country as agent?

The economic theory of agency¹⁶ is one of the most sophisticated forms of the carrots-and-sticks engineering approach to human affairs so it will be worthwhile to examine it in a development context. For example, Killick [1998] applies agency language where an international financial institution (IFI) is the "principal" and the developing country is the "agent."

The first mistake in this approach is the model itself. In an agency relationship, "one person [the agent] acts for or represents another by [the] latter's authority" [Black 1968, entry under "Agency"]. Yet, the client country has no such agency relationship to the development organization; the client country does not have a legal or institutional role to act for or represent the development agency. In general, the creditor-debtor relationship is not, in the legal sense, a principal-agent relationship but is a more general contractual relationship. If we analogize with, say, the doctor-patient or lawyer-client relationship, then it is the other way around. If the development organization is seen more as a "doctor for countries" in a doctor-patient relationship, then it

¹⁶ The phrases "principal-agent relation" and "agency relation" have been imported into economics [see Ross 1973, Stiglitz 1974, Campbell 1995] from legal theory but are then used to denote contractual relationships that are not agency relations in the original legal sense. Agency relations tend to arise from large asymmetries in knowledge and monitoring ability so the principal cannot contractually specify the detailed actions of the agent (e.g., doctor or lawyer). Instead the agent takes on a legal or institutional fiduciary role involving the trust to "act for or in the interest of" the principal. Since information is always imperfect and each party to a contract would like to influence the behavior of the other concerning unspecified actions, economists have applied the "agency" phraseology to the general economic theory of contractual incentives.

should be noted that the doctor is ordinarily considered the agent,¹⁷ not the principal. The doctor or the lawyer is supposed to use specialized expertise and knowledge in the interests of the patient or client by the latter's authorization.

Leaving aside the tellingly mistaken characterization of the relationship, the development agency might be viewed as a doctor, therapist, teacher, or helper who would promote certain changes in the patient, client, learner, or doer. The standard tools are economic incentives such as loans on favorable terms or grants, both only if certain conditions or "conditionalities" are satisfied. Here we see the second dubious assumption in the standard relationship between development agency and client country—namely the assumption that the desired changes (e.g., institutional development) are the objects of direct choice rather than the indirect "by-products of other actions." There are, of course, certain stroke-of-the-pen reforms that are within the domain of a government's deliberate action (e.g., striking down a tariff, setting exchange rates, changing tax rates).

Institutional reforms lie at the opposite end of the simplicity-complexity spectrum by comparison with currency devaluations: they are not for the most part amenable to treatment as preconditions; donor agencies are liable to have difficulties in keeping track of the extent of compliance; and such reforms are often imperfectly under the control of the central authorities, take time, typically involve a number of agencies and are liable to encounter opposition from well-entrenched beneficiaries of the *status quo*. [Killick et al. 1998, 40]¹⁸

The institutions, not to mention the mindsets, norms, and culture, of a country are based in part on the country's collective self-identity. To metaphorically carry over the notions of intrinsic and extrinsic motivation from an individual to the collectivity of people who make up a country, we might say that the culture and basic institutional habits are expressions of "intrinsic motivation" based on the country's self-identity. Short-term behaviors can be "bought" with sufficient extrinsic incentives to temporarily override the more intrinsic incentives of governmental policy-makers, but that by itself is not transformative in the sense of changing the institutional and cultural roots of long-term behavior.

The standard model of development "assistance" tends to be heteronomous, and therein lies its ineffectiveness. Long-term economic transformation grows, in the last analysis, out of autonomous activity. One way or another, a country must find the internal loci of causality necessary for autonomous development. External development assistance—to "do no harm," not to mention to be effective—must be autonomy-compatible.¹⁹

Theme 1 Applied: Starting from Present Institutions

To be transformative, a process of change must start from and engage the present endowment of institutions. Otherwise, the process will only create an overlay of new behaviors that is not sustainable (without continual bribes or coercion). Yet this is a common error.

¹⁷ See Arrow 1963 or Pauly 1980.

¹⁸ See Israel [1987] for a specificity spectrum much like this simplicity-complexity spectrum.

¹⁹ Previous (non-mainstream) work in the direction of autonomous and self-reliant development includes Goulet 1971, Kohr 1973, Galtung et al. 1980, Gran 1983, Kortjen and Klaus (eds.) 1984, Verhagen 1987, Rahman 1993, Eade 1997, Carmen 1996, Uphoff et al. 1998, Black 1999, and Carmen and Sobrado 2000.

An unwillingness to start from where you are ranks as a fallacy of historic proportions;.... It is because the lesson of the past seems to be so clear on this score, because the nature of man so definitely confirms it, that there has been this perhaps tiresome repetition throughout this record: the people must be in on the planning; their existing institutions must be made part of it; self-education of the citizenry is more important than specific projects or physical changes. [Lilienthal 1944, 198]

There a number of reasons why development interventions are often not designed to begin with existing institutions. Revolutionaries and reformers oriented towards utopian social engineering [see Popper 1962] aim to wipe the slate clean in order to install a set of "ideal" institutions. Any attempt to evolve out of the current "flawed," "retrograde," or even "evil" institutions is viewed as only staining or polluting the change process. For instance in the transitional economies such as Russia, the "leap over the chasm" imposed by institutional shock therapy fell far short of the other side since people "need a bridge to cross from their own experience to a new way." [Alinsky 1971, xxi] It will take the country much longer to climb out of the chasm than it would have taken if a bridge over the chasm had been built incrementally in the first place.

In spite of a rather "moralistic" outlook, Woodrow Wilson nevertheless made a case for an incremental approach in his first inaugural address.

We shall deal with our economic system as it is and as it might be modified, not as it might be if we had a clean sheet of paper to write upon; and step by step we shall make it what it should be, in the spirit of those who question their own wisdom and seek council and knowledge, not shallow self-satisfaction or the excitement of excursion whither they cannot tell.²⁰

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

The primary causes of extreme poverty are immaterial, they lie in certain deficiencies in education, organization, and discipline.... Here lies the reason why development cannot be an act of creation, why it cannot be ordered, bought, comprehensively planned: why it requires a process of evolution. 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 the momentum of bottom-up involvement in "flawed" reforms and top-down imposition of what reformers see as "model" institutions, the "start from where the doers are" principle would argue in favor of using knowledge and experience to work to improve "flawed reforms" using the bottom-up approach to transformation—rather than throwing it overboard in favor of utopian social engineering based on the false hope of imposed "first best models."²¹

²⁰ Quoted in Braybrooke and Lindblom 1963, 71-2 in the context of their treatment of "disjointed incrementalism." Also quoted in Hirschman 1973, 249.

²¹ For recent literature on institutional reforms in a world of "second bests," see Komesar 1994 and Rubin 1996.

Theme 2 Applied: Seeing the World Through the Eyes of the Client

If a utopian social engineer could perform an "institutional lobotomy" to erase the present institutions, then development advice would not need to be tailored to present 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-compatible 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 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 apply the adult's viewpoint to offer guide posts. Similarly, in Carl Rogers' notion of client-centered therapy, the counselor needs to enter the "internal frame of reference of the client" in order that assistance can be given that respects and relies upon the actual capacity of the person.²²

In the context of adult transformation, how does the educator/investigator find out about the client-student's world? That is the role of Freire's notion of dialogue. In the non-dialogical notion of education, the teacher determines the appropriate messages to be delivered or "deposited" in the students, as money is deposited in a bank. Instead of ready-made best-practice recipes, Freire, like Dewey, saw the educational mission as based on posing problems, essentially the problems that were based on the students' world.

In contrast with the antidialogical and non-communicative "deposits" of the banking method of education, the program content of the problem-posing method—dialogical par excellence—is constituted and organized by the students' view of the world, where their own generative themes are found. [Freire 1970, 101]

Yet often to development "professionals, it seems absurd to consider the necessity of respecting the 'view of the world' held by the people." [Freire 1970, 153-4]

[D]evelopment experience has shown that when external experts *alone* acquire, analyze, and process information and then present this information in reports, social change usually does not take place; whereas the kind of "social learning" that stakeholders generate and internalize during the participatory planning and/or implementation of a development activity *does* enable social change. [World Bank 1996, 5]

²² Maurice Friedman [1960] emphasizes the importance of seeing through the eyes of the other in Buber's notion of dialogue. "The essential element of genuine dialogue ... is 'seeing the other' or 'experiencing the other side.' [87] This 'inclusiveness' is of the essence of the dialogical relation, for the teacher sees the position of the other in his concrete actuality yet does not lose sight of his own. [177] Particularly important in this relationship is what Buber has variously called 'seeing the other,' 'experiencing the other side,' 'inclusion,' and 'making the other present.' This 'seeing the other' is not ... a matter of 'identification' or 'empathy,' but of a concrete imagining of the other side which does not at the same time lose sight of one's own." [188-9]

Theme 3 Applied: Transformation Cannot be Externally Imposed

Externally applied carrots and sticks can only be applied to behavior within the scope of deliberate action. Transformation is the indirect byproduct of one's authentic activities, not the direct object of choice. External incentives can buy "loving behavior," "assertions of belief," or "gestures of faith"—but being in love, believing in a principle, and having a faith all come by the "grace" of transformation, not by the vagaries of consumer choice.

This much seems clear: effective change cannot be imposed from outside. Indeed, the attempt to impose change from the outside is as likely to engender resistance and barriers to change, as it is to facilitate change. At the heart of development is a change in ways of thinking, and individuals cannot be forced to change how they think. They can be forced to take certain actions. They can be even forced to utter certain words. But they cannot be forced to change their hearts or minds. [Stiglitz 1998]

The idea that one person cannot simply change a judgment or preference at the behest of another has an old and venerable tradition. Indeed, Martin Luther's principle of liberty of conscience was one of the root principles of the Reformation and one of the main sources of the theory of inalienable rights (which placed limits on the reach of the market). It is impossible for a person to alienate his decision-making power to the Church on matters of faith.

Furthermore, every man is responsible for his own faith, and he must see it for himself that he believes rightly. As little as another can go to hell or heaven for me, so little can he believe or disbelieve for me; and as little as he can open or shut heaven or hell for me, so little can he drive me to faith or unbelief. [Luther 1942 (1522), 316]

Authorities, secular or religious, who try to compel belief can only secure external conformity.

Besides, the blind, wretched folk do not see how utterly hopeless and impossible a thing they are attempting. For no matter how much they fret and fume, they cannot do more than make people obey them by word or deed; the heart they cannot constrain, though they wear themselves out trying. For the proverb is true, "Thoughts are free." Why then would they constrain people to believe from the heart, when they see that it is impossible? [Luther 1942 (1522), 316]

Development agencies that try to "buy" policy changes "cannot do more than make people obey them by word or deed; the heart they cannot constrain, though they wear themselves out trying."

The opposite to an agency's autonomy-compatible interaction with a client is a heteronomous (external compulsion) intervention based on the theory that the coerced client will then "see the light" and continue along the reformed path without further externally applied "carrots or sticks." This might be called the "bait and switch theory." External incentives ("bait") will lead to a transformation and switch-over to something akin to intrinsic incentives that will thereafter suffice. This strategy is not impossible but it is unlikely to lead to sustainable changes.

Moreover, the method of awakening and enlisting the activities of all concerned in pursuit of the end seems slow; it seems to postpone accomplishment indefinitely. But in truth a common end which is not made such by common, free voluntary cooperation in process of achievement is common in name only. It has no support and guarantee in the activities which it is supposed to benefit, because it is not the fruit of those activities. Hence, it does not stay put. It has to be continually buttressed by appeal to external, not voluntary, considerations; bribes of pleasure, threats of harm, use of force. It has to be undone and done over. [Dewey and Tufts, 1908, 304]

Development agencies often have a short time horizon so they tend to interpret the purchased outward performance as evidence for sustainable change and long-term transformation. Thus the bait and switch theory is constantly pseudo-verified and reapplied again and again by a development agency—much as a manager may "buy" outward obedience in the "spot market" for compliant behaviors and then interpret that as successful organizational development or capacity-building.

Moreover, we have noted that the attempt to buy or force transformation with "carrots and sticks" can lead to the threat-to-autonomy effect—a negative reactance, resentment, and pushback. Dewey noted that extrinsic incentives administered in a controlling manner would arouse the "instincts of cunning and slyness." [1916, 26] McGregor saw that such incentives would lead to "passive acceptance" at best and more likely to "indifference or resistance." [1960, 68]

Eventually the reliance on external "carrots and sticks" or "bait" can induce the atrophy effect when the original intrinsic motivation dries up and the party becomes an aid-dependent "marionette" responding only to external strings—a condition perhaps approximated in some aid-dependent countries. In this case, the "bait-and-switch" strategy ends up being all bait and no switch.

Nor is it only a problem in incentives. Similar problems arise concerning the cognitive (as opposed to incentive) elements in the client country's or doer's decision-making. The imposition of "beliefs" in the form of "best practice" recipes can temporarily override local judgment but will probably not lead to any sustainable change in conviction. This carries us to the activist pedagogy and the reasons why the Socratic guide or Deweyan teacher does not simply give the "answers" (even assuming the "answers" are available).

Learning is *not* finding out what other people already know, but is solving our own problems for our own purposes, by questioning, thinking and testing until the solution is a new part of our lives. [Handy 1989, 63]

Through direct observation and structured experiments, the learner is guided to actively rediscover and reappropriate knowledge with ownership—which at the same time will be adapted to local circumstances. This pedagogy puts the learner in the active role, i.e., "in the driver's seat."

Theme 4 Applied: Addams-Dewey-Lasch's Critique of Benevolence

We have focused mostly on how the help might not be autonomy-compatible by being an imposition that is controlling. However, there is also a "soft" form of control through "gifts," paternalism, and benevolence that is

perhaps even more insidious.²³ How can we differentiate those forms of help that are compatible with the autonomy of the beneficiary from those forms that are paternalistic and controlling? John Dewey developed a critique of oppressive benevolence, and Christopher Lasch juxtaposed the "ethic of respect" to the "ethic of compassion" [Lasch 1995].

Dewey's thinking about the controlling aspects of paternalistic employers was prompted by the Pullman Strike of 1894 and by the critique of Pullman's paternalism in the Chicago reformer Jane Addams' essay "A Modern Lear" [1965], an essay that Dewey called "one of the greatest things I ever read both as to its form and its ethical philosophy." [quoted by Lasch in Addams 1965, 176]

As its title suggests, Addams's essay was based on an extended analogy between the relationship between King Lear and his daughter Cordelia and that of Pullman and his workers. Like Lear, Addams suggested, Pullman exercised a self-serving benevolence in which he defined the needs of those who were the objects of this benevolence in terms of his own desires and interests. Pullman built a model company town, providing his workers with what he took to be all the necessities of life. Like Lear, however, he ignored one of the most important human needs, the need for autonomy. [Westbrook 1991, 89]

Jane Addams' Hull House in Chicago was one of the leading examples of settlement houses in the turn-of-the-century settlement movement [see Davis 1967]. The settlement workers by living with and working with the poor tried to use an ethic of respect in contrast to the ethic of benevolence exemplified by the charity organizations of the day. Respect, starting with the self-respect of the poor, is related to their working to improve their own affairs, not being a target for "betterment."

Self-respect arises only out of people who play an active role in solving their own crises and who are not helpless, passive, puppet-like recipients of private or public services. To give people help, while denying them a significant part in the action, contributes nothing to the development of the individual. In the deepest sense it is not giving but taking—taking their dignity. Denial of the opportunity for participation is the denial of human dignity and democracy. It will not work. [Alinsky 1971, 123]

Dewey developed at some length his critique of "oppressive benevolence." According to Westbrook, Dewey held that

self-realization was a do-it-yourself project; it was not an end that one individual could give to or force on another. The truly moral man was, to be sure, interested in the welfare of others—such an interest was essential to his own self-realization—but a true interest in others lay in a desire to expand their autonomous activity, not in the desire to render them the dependent objects of charitable benevolence. [Westbrook 1991, 46-7]

²³ In addition to being wary of "Greeks bearing gifts," Thoreau noted "If I knew for a certainty that a man was coming to my house with the conscious design of doing me good, I should run for fear that I should have some of his good done to me." [See Carmen 1996, 47]

Too often social workers and reformers treated the poor as an inert or wayward mass to be improved or bettered. An incapacity for beneficial self-activity was assumed to be part of the poor's condition so reformers would treat them accordingly.

The conception of conferring the good upon others, or at least attaining it for them, which is our inheritance from the aristocratic civilization of the past, is so deeply embodied in religious, political, and charitable institutions and in moral teachings, that it dies hard. Many a man, feeling himself justified by the social character of his ultimate aim (it may be economic, or educational, or political), is genuinely confused or exasperated by the increasing antagonism and resentment which he evokes, because he has not enlisted in his pursuit of the "common" end the freely cooperative activities of others. [Dewey and Tufts 1908, 303-4]

Aid granted out of benevolence 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 may create a "moral hazard" situation to weaken reform incentives and attenuate efforts for positive change [see Maren 1997]. "*It tends to render others dependent*, and thus contradicts its own professed aim: the helping of others." [Dewey and Tufts 1908, 387] This is the self-reinforcing cycle of "tutelage"²⁴ and dependency. Thus an autonomy-compatible interaction would work to establish the conditions "which permit others freely to exercise their own powers from their initiative, reflection, and choice." [Dewey and Tufts 1908, 302]

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]²⁵

Otherwise the prayer of a freeman would be to be left alone, and to be delivered, above all, from "reformers" and "kind" people. [Dewey 1957, 270]

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 (quite aside from any non-benevolent self-serving motives of the developed countries). Surely the Marshall Plan, in many ways, provided a model for later development efforts. Yet it too contained the seeds of moral hazard. Robert Marjolin, the French architect of the Marshall Plan, noted in a 1952 memo that continuing American aid 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

²⁴ In 1784, Immanuel Kant wrote a short but influential pamphlet *What is Enlightenment?* "Enlightenment is man's release from his self-incurred tutelage. Tutelage is man's inability to make use of his understanding without direction from another. Self-incurred is this tutelage when its cause lies not in lack of reason but in lack of resolution and courage to use it without direction from another. *Sapere aude!* 'Have the courage to use your own reason!'—that is the motto of enlightenment." [See Schmidt 1996]

²⁵ This is perhaps the best one-sentence version of helping theory. All quotations from Dewey and Tufts [1908] are from the chapters written by Dewey.

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]

Fortunately the demands made by the Korean War resulted in the winding down of American aid. If the industrial countries of western Europe faced moral hazard problems in the short-lived Marshall Plan, one can understand the extent of the problem in developing countries that face well-established professional aid-providers in the developed countries who need to constantly reinvent ways to "move the money" in order to justify their own jobs with the accompanying prestige, salary, and benefits.

Theme 5 Applied: Applying An Activist Philosophy of Social Learning

This central theme of "country in the driver's seat" results from applying the activist philosophy of education to social learning. Instead of being externally imposed, transformation can only come from within as a result of activities carried out by an individual—or a larger organization, government, or country. Thus any intervention on the part of the development agency should be autonomy-compatible. While compliant behavior can be elicited from the outside, a country must "be in the driver's seat" in order to undergo a sustainable transformation. Similarly, "ownership" of an outcome comes from the outcome being the fruits of the activities of the individual, organization, or country, not from being a gift or an imposition.²⁶ Development assistance should focus on changing the institutional matrix of policy-making (i.e., the local "intrinsic motivation") which is a more subtle and longer term affair, indeed a "by-product of other actions." Social learning resulting from an active learning strategy will cut deeper into the institutional matrix than will passively acquired doctrines.

If the client country should take the initiative and be in the driver's seat then how should a development agency initiate a project? One strategy is expressed in Schumacher's favorite slogan "Find out what the people are doing and help them to do it better" or in the slogan "Only jump on board moving trains." Look for the positive changes already starting to take place in the underlying institutions (a "moving train") and then apply development incentives ("jump on board") to strengthen those pre-existing tendencies. The development aid should not be controlling in the sense that the train should be moving anyway (i.e., by virtue of the country's "own motivation"). That is, the "moving train" should not be extrinsically motivated as a means to get the aid. If no trains are moving, then motion induced by "bribes" is unlikely to transform the underlying institutions.

²⁶ Success for a leader or, in general, a helper may be paradoxical in the sense that the helper creates the situation where the doers take success as *their* own accomplishment [see Edmunson 1999 for a practical overview of such paradoxes]. Charles Handy notes these results after the doers internalize the activity as their own. "Internalization ... means that the individual recipient of influence adopts the idea, the change in attitude or the new behaviour, as his own. Fine. He will act on it without pressure. The change will be self-maintaining to a high degree. ... The successful psychotherapist is the one whose patients all believe they cured themselves—they internalized the therapy and it thereby became truly an integral part of them. Consultants suffer much the same dilemma of the psychotherapist—the problem of internalization. If they wish the client to use the right solution with full and lasting commitment then they must let him believe it is *his* solution." [1993, 145] This echoes the notion of the Taoist ruler who governs in such a way that when the task is accomplished, the people will say "We have done it ourselves." [Lao-Tzu, *Te-Tao Ching*, Ch. 17]

There is a real danger that a development intervention, instead of acting as a catalyst or midwife to empower change in an autonomy-compatible manner, will only short-circuit people's learning activities and reinforce their feelings of impotence. The external incentives may temporarily overpower the springs of action that are native to the institutional matrix of the country, but that will probably not induce any lasting institutional reforms. As these reforms were externally imposed rather than actively appropriated by the country, there would be little "ownership" of the reforms. Compliance might be only perfunctory; the "quick" transplant might soon wither and die—to then be "reinstalled" in an "improved" form by the next generation of agency task managers.

Knowledge-Based Development Assistance: Methodology

The Standard Theory-in-Use

The problem is that of a development agency trying to help some group, the "doers of development,"²⁷ in need of development assistance (e.g., policy-makers and government officials in a developing country). The agency is attempting to provide knowledge-based assistance (in contrast to only financial or material aid). One prominent case in point is the vision of the World Bank operating as a knowledge bank.

The main problem in knowledge-based development assistance is the standard, default, or naive 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 trainees. That methodology is taken as so obvious that the focus is simply on how to "deliver" the knowledge, how to "scale up" the knowledge transmission in the client country, and how to measure and evaluate the impact of these efforts.

This "standard view" of knowledge-based development assistance is based on the pedagogy which sees the learners as essentially passive containers into which "knowledge" is poured. It is the theory that Paulo Freire called the "banking" theory since teaching was seen as depositing knowledge into a bank account [1970]. The standard theory is also captured by the old Chinese metaphor of help as "giving out fish."

Ownership Problems

In accordance with the principle of people owning the fruits of their labor,²⁸ the doers will have ownership when they are in the driver's seat (indeed, the description as "doers" would not be accurate if they had a passive role). In the standard view of knowledge-based assistance, the helpers are teachers or trainers taking the active role to transmit "knowledge for development" to the passive but grateful clients. "Development" is seen almost as a technical process like building an airport or dam with the agency having "technical social engineering knowledge" to be transmitted to the clients.

Since this "knowledge for development" is offered below cost or for free as a "global public good," it is quite tempting for the developing countries to accept this sort of knowledge-based development assistance. There are even positive incentives such as extensive travel, pleasant accommodations, generous *per diems*, salary supplements, and other vacation-like benefits offered to those who cooperate to undergo the training. From the supply side of training, management pushes task managers to "show results"—particularly results that can be observed and evaluated back at headquarters (such as the head count in training programs). The task

²⁷ See Wolfensohn 1999.

²⁸ See Ellerman [1992] for a development of that principle as a theory of property appropriation.

managers need to show that they have "given out a certain number of fish" or, even better, that they have helped set up a "fish distribution system" to scale up the delivery of the knowledge to the client country. Thus the managers need to "take ownership" of the process of assistance in order to "show results" and the clients are agreeably induced to go along.²⁹ This is tutelage, not active learning; it develops dependency, not autonomy or self-direction.

Self-Efficacy Problems

The standard view of delivering knowledge for development leads to an impairment in the self-confidence, self-esteem, and self-efficacy of the clients. The message behind the "main messages" is that the clients are unable to organize their own learning process and to find out these things in their own way. They need to be "helped"—to be shown the way. But the way in which the standard methodology "shows them the way" only reinforces the clients' passivity and perceived lack of self-efficacy.

Economists think of an "externality" as an effect that one party has on another outside of a market interaction. But there is another use of the word "externality" in psychology that is also relevant. "Externality" is the psychological condition of seeing whatever happens to oneself as having external causes. The locus of control over one's life is external; one's own actions are seen as being ineffectual. At best, there is only a highly circumscribed sphere of personal or mental life where one might be able to exercise some internal locus of control. Externality leads to a condition of learned helplessness, apathy, and fatalism. In contrast, "internality" is the condition of seeing one's actions as having a real effect—of having an internal locus of control over what happens to oneself.³⁰

The conditions of externality and internality each tend to be self-reinforcing. Externality leads to resignation and fatalism so individuals will not make a concerted effort to change their condition, little will thus change, and their fatalism will be confirmed in a continuing vicious circle. If, however, individuals believe their efforts will make a difference, then they are more likely to make a concerted effort and thus they are more likely to succeed so their internality may be confirmed in a virtuous circle.

The poor already have a history of ineffectual action to better their condition, so any kind of assistance that reinforces that perceived inability to help themselves is simply the wrong kind of assistance, no matter how "well-intended."

Cognitive Dependency Problems

Self-efficacy or the lack of it is usually considered as a matter of volition but a similar problem arises with cognition. A party might lack self-confidence in their own intelligence, judgment, and other cognitive skills in addition to lacking self-confidence about the efficacy of their actions. In an extreme state of dependency, they might be like a marionette not only in their "actions" but also in their opinions, views, and "knowledge." This

²⁹ McClintock [1982] tells the story in a broader historical context that "as passionate causes wracked human affairs,...people found it hard to maintain restraint, they ceased to be willing merely to help in the self development of their fellows; they discovered themselves burdened, alas, with paternal responsibility for ensuring that their wards would not falter and miss the mark....Pressures—religious, political, social, economic, humanitarian pressures—began to mount upon the schools, and it soon became a mere matter of time before schools would be held accountable for the people they produced." [60; quoted in Candy 1991, 32]

³⁰ See Chapter 14 on "Localness" in Senge 1990; Chapter 9 on "Self-attribution: market influences" in Lane 1991; or Bandura 1995.

cognitive aspect of dependence is clearly very relevant to understanding the detrimental forms of "knowledge-based development assistance."

With the standard methodology of knowledge-based assistance, the "best learners" are often the most marionette-like (or perhaps simply the most ambitious) trainees who quickly learn the new jargon to parrot the main messages. Those "best learners" are then qualified to staff the local missions or missionary outposts that are the staging areas and repeater stations for scaling up the transmission of the main messages to others in the target population—all in the name of "capacity building." Those local mission organizations might also be the gatekeepers for other aid and resources flowing from the development agency to the client country.

The cognitively dependent recipients of the main messages will also play a role in perpetuating the dynamics of stifling critical reason in favor of bureaucratic "reason" in the development agencies. As such clients have become cognitively dependent, they would be distressed if they should hear the "authorities" arguing among themselves about "development knowledge" and development strategies. They are accustomed to being told the "best practices" to follow, so it weakens their faith in the prestigious authorities with the global purview to determine "best practices" if there is any public disagreement. How can the patient have faith in the doctors if the patient is exposed to arguments among the doctors about the best treatment?

Moral Hazard Problems

The problem of reinforcing a perceived lack of cognitive and volitional self-efficacy is closely related to what are called the "moral hazard" aspects of traditional aid and charity. The possibility of moral hazard arises when people are shielded from the effects of their own actions as when over-insurance leads people to act carelessly failing to take normal precautions.

Benevolent charity in the form of knowledge-based assistance as well as other forms of charity softens the incentives for people to help themselves. If one analogizes between "taking normal precautions to prevent accidents" and "taking normal actions to help oneself" then morally hazardous over-insurance is analogous to forms of assistance that soften the incentives of self-activity and impair autonomy. 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 is not optimal; it amounts to throwing out the baby of risk pooling and diversification in order to get rid of the bathwater of moral hazard. Nor is there any first best solution of complete insurance without moral hazard. There are partial solutions in the form of co-payments and deductibles so that the insured party retains some risk and thus incentive to take normal precautions.

In a similar manner, the extreme of "no assistance" could be seen as the limit case of autonomy-compatible assistance. It certainly "solves" the problem of softened incentives for self-help but it foregoes forms of positive assistance that might be autonomy-compatible. The idea of co-payments carries over to the idea of partially matching funds from the clients as a commitment mechanism to show that they are committed on their own account to the learning programs. The idea of deductibles carries over to the concept of second-stage funding where the doer shows commitment by funding the first stage of a project.

Types of Development Knowledge

Universal versus Local Knowledge

So far the focus has been on the standard methodology of knowledge-based assistance (transmitting development knowledge from agency to clients) and how that methodology undercuts the ownership, self-efficacy, self-direction, and capacity-building efforts of the developing countries. The standard methodology is, however, also flawed in its implicit assumptions about the nature of crucial development knowledge.

Can a money bank also function as a "knowledge bank"? Money travels better than knowledge. General knowledge is knowledge that holds across countries, cultures, and times; local knowledge takes account of the specifics of place, people, and time. "Every man is mortal" is general knowledge, while "Every vegetarian is a foreigner" is local knowledge in Mongolia. A "best practice" might work well in some countries but fail miserably when recommended in other contexts. One size may not fit all. In questions of institutional development, it is very difficult to know *a priori* just how general is a "best practice." Global "best practices" usually need to be locally reinvented.

The significance of this point of view is that contrary to the simplistic use of the term by many economists, there is, in principle, no such thing as diffusion of best practice. At best, there is only the diffusion of best practices, practices that evolve in the course of their diffusion. Contrary to popular wisdom, there are times when it pays to reinvent the wheel! [Cole 1989, 117]

Prudent counsel is to scan globally for best practices but to test them locally since local adaptation often amounts to reinventing the "best practice" in the new context. Scan globally; reinvent locally. Many foreign experts have painfully discovered that the "devil is in the (local) details." It is the local component of knowledge that requires adaptation—which in turn requires the active participation of those who know and understand the local environment. Local adaptation cannot be done by the passive cognitively dependent recipients of "development knowledge"; it must be done by the "doers of development" in the course of their self-activity.

There are two points here that need to be teased apart: the necessity that knowledge be made locally applicable and that the adaptation be done by the local "doers of development" (not given as a gift or imposed as a conditionality from the outside). It is by the local selection, assimilation, and adaptation of knowledge that local doers "make it their own." Even by taking a machine or device apart and putting it back together again, one can more "make it one's own" even if there is little adaptation or redesign. Thus it is not a matter of being "open" or "closed" to outside knowledge (as in much of the globalization debate); it is a matter of being open to outside knowledge in a way that reaffirms one's autonomy. For Gandhi, this was intellectual *swaraj* (self-rule or autonomy). "I do not want my house to be walled in on all sides and my windows to be stuffed. I want the cultures of all lands to be blown about my house as freely as possible. But I refuse to be blown off my feet" [Quoted in Datta 1961, 120] Only by remaining "on one's feet" from an intellectual standpoint can the local doers have the self-confidence to select, assimilate, and adapt the external knowledge—instead of being overwhelmed and rendered intellectually dependent and subservient.

Considerable effort is required to adapt development knowledge to local conditions and culture. Policy research institutes (think tanks) are examples of local institutions that can play that important role. In the

developed countries, think tanks have proliferated and have become important agents to introduce and adapt new policy initiatives. Think tanks or similar research institutions are no less needed to transplant social innovations to new contexts. The Japanese use a metaphor based on the gardening technique called *nemawashi* of slowly preparing and wrapping each root of a tree in order to transplant it.³¹ The chances of a successful transplant are much larger than if the tree is pulled up in one place and planted in another.

When advocating a certain type of organization (e.g., local policy research institutes), it is necessary to indicate what is *not* being advocated. In the relationship between the center (e.g., multilateral development agency) and the periphery (e.g., developing country), there may be certain organizations in the local country that are "legitimized" not by their role in the country but by their role as local gatekeeper for the central authority. The center judges the local organization by its ability to faithfully clone or parrot the "universal" messages from the center, not by the organization's ability to adapt the experiences of others to the local situation and to thus earn an embedded legitimacy in the country.

If anyone in the center should doubt the applicability of the central messages, then the local accommodating elite will always be more than willing to supply positive "local feedback" about the applicability of the central messages—which also serves to vouchsafe the intermediary role of the local counterpart elite as "gatekeepers" for the resources and influence emanating from the center. This mutual reinforcement locks in the relationship so the center ends up having little transformative effect on the more embedded and indigenous local structures, all the while receiving positive feedback on "the wonderful job it is doing." In some cases, the international agency even hires (directly or through the local counterpart) a public relations firm to publicize "Potemkin villages" so that the rest of the world will also hear about "the wonderful job it is doing."

Those in the center who are legitimated in their expertise, prestige, and privileges by the "universality" of their messages are disinclined to recognize limitations or subtleties in the local applicability of their "technical expertise." Novel complexity, genuine uncertainty, conflict of values, unique circumstances, and structural instabilities are all down played or ignored since they might diminish the perceived potency of the center's expertise and undercut the client's faith in that potency. The client often wants the child-like security and comfort of being in the hands of the professional expert who will solve the perplexing problems.³² Thus the center and periphery may well agree on establishing a "transmission belt" between the "wholesale" source and the local "retailers" for all the universal expert messages and best practice recipes, i.e., the standard knowledge-transmission methodology. These are some of the strong institutional forces to under-appreciate the subtleties of local knowledge, to hamper the growth of autonomous client ownership, and to stymie the development of indigenous local knowledge institutions.

Codified versus Tacit Knowledge

Explicit or codified knowledge is knowledge that can be spoken, written, and codified to be saved on a computer disk or transmitted over a telephone line. But we know more than we can say. We know how to ride a bike, to recognize a face, or to tell a grammatical sentence in our native language, but we would be hard put to turn this knowledge into explicit or codified knowledge to archive in a database for dissemination over the Internet. Michael Polanyi [1962] pioneered the distinction between tacit (or personal) and explicit

³¹ See Morita 1986, 158.

³² See Schön's treatment [1983] of the technical expert in contrast with reflective practitioner.

knowledge in philosophy of science, and the distinction has since proven important to understand problems in the transfer of technologies, not to mention the "transfer" of institutions.³³

There is much more to a technological system than can be put in an instruction book. The same holds *a fortiori* for "social technologies" or institutions. In a codified description of a "best practice" case study, the uncoded tacit knowledge is often "the rest of the iceberg."³⁴ Some tacit knowledge might be transformed into codified knowledge [see Nonaka and Takeuchi 1995] so that it could be transferred by conventional methods. But the remaining tacit knowledge needs to be transmitted by special methods such as apprenticeship, secondments, imitation, twinning relations, and guided learning-by-doing. These methods of transferring tacit knowledge will be called "horizontal" methods of knowledge transfer—in contrast to "vertical" methods where knowledge can be codified, transmitted to a central repository or library, and then retransmitted to students.

The tacit component in local or general development knowledge is best learned through "horizontal" methods such as study tours, cross-training, and twinning. International development agencies have the perspective to know the success stories and thus to fruitfully play a match-making, facilitating, and brokering role in horizontal learning—not a training role.

Implications for “Knowledge Bank” as Storehouse or as Brokerage

A development agency as a knowledge bank faces a choice; should it pursue the *library-storehouse model* or the *knowledge-brokerage model*? In the brokerage model, knowledge still needs to be catalogued but it is primarily the second-order knowledge of where to find the how-to knowledge. To analogize with web terminology, the storehouse model stores the documents while the broker model stores the pointers. Since the storehouse model focuses on documents, it specializes in codified knowledge available at the agency while the broker model focuses on codified pointers to sources of knowledge and experience (which could be codified or tacit) throughout the world (including the agency itself). In terms of pedagogy, the storehouse model sees the agency as the teacher transferring knowledge from its storehouse to the passive student/client. The broker model sees the client in the more active role of scanning for knowledge and relevant experience, and the agency in the more intermediary midwife role of assisting in that search by helping to frame the questions and apply experience in locating relevant sources.

The difference between the models should not be overdrawn. The storehouse model would not suppress other knowledge sources or rule out referrals, but there is a very real difference in emphasis. It will make considerable difference which model is the actual working model providing the strategic direction for the development agency as a knowledge bank. But the approach of bureaucratic reason is to "do both models" and thus to poorly implement the difficult brokerage model which does not glorify the role of "experts" in the center.

³³ See Ryle 1945-6 for the earlier distinction between knowing how and knowing that, Oakeshott 1991 for a treatment of practical knowledge versus technical knowledge, Schön 1983 for a related treatment of professional versus instrumental knowledge, Marglin 1990 on *techné* versus *epistémè*, and Scott 1998 on *metis* versus *epistémè/techné* (see p. 425 on the terminological differences with Marglin's usage).

³⁴ Even the codified part may suffer from the "*Rashomon* effect" described in Schön 1971.

As the information revolution rolls into the 21st century, codified knowledge will more and more approximate the theoretical limit of a free non-rivalrous good. Clients will have access to vast storehouses of codified knowledge, and the agency's own storehouse will increasingly pale in comparison. The scarce knowledge will be that of the reflective and experienced practitioners wherever they are around the world. On the broker model, the knowledge bank would be a central clearing house in that subtle form of professional expertise (which cannot be downloaded over a phone line). It would play a key global role in putting those who have acquired practical development knowledge at the disposal of those who are willing and able to learn.

Knowledge-Based Development Organizations

Introduction: A "Church" versus a Learning Organization

In the modern world it is now commonplace to accent the importance of "intellectual capital" and "knowledge management." Most organizations want to be seen as "learning organizations." Yet many old habits persist that are directly opposed to learning and to the advancement of knowledge. The new rhetoric of "learning" is applied as a veneer onto a church-like organization proselytizing its own dogmas.

We have so far considered questions about the methodology of knowledge-based development assistance and the subtleties introduced by different types of development knowledge. Now we focus on the organization or agency involved in knowledge-based development assistance.³⁵ How can such an agency function as a learning organization? The question will be approached by considering some of the major roadblocks in the way of organizational learning.

Roadblock to Learning #1: Branded Knowledge as Dogma

To put it simply, the basic problem is that in spite of the espoused model of a "learning organization," the theory-in-use of a development agency is often a model of a "development church" giving definitive *ex cathedra* "views" on all the substantive questions. As with the dogmas of a church, the brand name of the organization is invested in its views. Once an "Official Agency View" has been announced (substitute for "Agency" the name of the relevant development institution), then to question an Agency View is an attack on the Agency itself and on the value of its franchise, so new learning at the cost of old Agency Views is not encouraged. Thus when licensing an Agency View, the authorities need to have what Milton called the "grace of infallibility and incorruptibility"³⁶ since any subsequent "learning" would be tantamount to disloyalty.

When the Agency takes Official Views, then the discussion between the agency staff and the clients is a pseudo-dialogue since the agency staff are not free to unilaterally change Official Views (just as missionaries are not free to approve local variations in Church dogmas) or to get a project approved that departs substantially from those views. The slogan is something like: "Give the clients an inch of nuance, and they'll take a mile of status quo." [Kanbur and Vines 2000, 101] The clients are like Henry Ford's Model T customers who were free to choose any color so long as it was black. The clients who wish to receive assistance are free to "learn" and to "make up their own minds" so long as they do so in conformity with Official Views.

³⁵ See also Ellerman 1999.

³⁶ See Morley 1928, 218.

There is little motivation for the staff to actively appropriate or understand any deeper rationale for the Views since they must espouse the Official Views to the clients in any case. The views are generally not those that the individual staff members individually decided upon based on evidence or argumentation. In project design, the herd instinct takes over. If a project manager designs a project in conformity with Official Views and the project fails, then the individual could hardly be faulted for being a good team player. If a project of "deviant" design should by some happenstance be approved and then fail, then the culpability of the individual project manager would be inescapable. If, on the other hand, the deviant project showed signs of succeeding, then this recognition would be opposed by the higher-ups who determine the Official Views and by the other project managers who are well-accustomed and "committed" to doing projects in the approved way. Any evidence of success would need to be double or triple checked by researchers selected by the higher-ups. If, after all this, the success was undeniable, then it was doubtless due to some unique unreplicable circumstances so the higher-ups would in their wisdom see no reason to modify the Official Views.

Publicly-aired debate within the Agency on its Official Views is to be frowned upon. The reasoning is standard: parents should not argue in front of the children; doctors should not debate in front of the patients. The church model fits perfectly with the standard default methodology of knowledge-based development assistance. The Agency has the best "knowledge for development" and it is to be transmitted through various forms of aid-baited³⁷ proselytization to the authorities in the developing world.

A university is ideally an open learning organization which does not set itself up as an arbiter of truth, but as an arena within which contrary theories can be examined and can collide in open debate. When an agency takes Official Views on questions or considers its views as branded knowledge, then the genuine collision of adverse opinions and the rule of critical reason will tend to give way to the rule of authority and bureaucratic reason within the hierarchy of the organization (e.g., the "Soviet Theory of Genetics" or the "University of Utah Theory of Cold Fusion"). The authorities in the organization naturally decide the Official Views of the organization and would tend to shut off or "embargo" any feedback loops that might question the previous "Official Views" and thus might subtract from the "franchise value" of the "brand name." Learning from errors which involves changing "Official Views" and modifying "branded knowledge" is minimized so the organization tends to function more as a secular church than as an open learning organization—regardless of the espoused theory.

The church model of proselytizing directly contradicts autonomous or self-directed learning in the client countries. The project manager from the agency wants the clients to "learn" so long as they learn "the right thing." The gardener wants only her own seeds to grow; all else are weeds. Any genuinely self-directed learning process in the client country might veer off in the "wrong direction" which the project manager could not support. The project manager would return to headquarters as a failure without a project. Therefore the flow of knowledge must be managed. The clients must be kept from being distracted by non-sanctioned opinions. Knowledge-based development assistance should not transmit unsound views to the clients. The standard methodology is thus a corollary of the church model.

Roadblock to Learning #2: Funded Assumptions as Dogma

Why is it so necessary for a development agency to take an Official View on the One Best Way to solve a development problem? One common answer is that a development agency is not a university; the agency puts

³⁷ "[E]laborate arrangements should be made to divorce the exchange of opinions about suitable economic policies from the actual aid-giving process." [Hirschman 1971, 211]

money as loans or grants behind projects based on various assumptions. University professors do not "put their money where their mouth is" so they are free to debate questions forever. Once an agency has committed significant resources to certain assumptions, then it is time to "fall in line" and support the funded assumption.

There are obvious bureaucratic reasons why individual project managers and their superiors would like a funded project assumption to be treated as "gospel" but they are not reasons why the whole institution should take such a stand. The commitment of funds and prestige even seems to alter perceptions.³⁸ For instance, subjective assessments of winning probabilities tend to increase after bettors at a race track have placed their bets. But horses do not run faster when bets are riding on them. Theories are corroborated by evidence, not by commitments of funds. Many businesses have come to grief because managers would not revisit strategies after initial costs were sunk. In view of the record of international development aid, there is little support for the similar practice of seeing project assumptions as hardening into gospel because of the commitment of funds.

Roadblock to Learning #3: "Social Science" as Dogma

Today, "science" has long since replaced religious authority (the "Church") as the source of dogmas that one can appeal to without further reason or corroboration. That style of argumentation completely misrepresents the scientific method, not to mention the role of critical reason, but it is none the less quite common. The all-too-human factors that previously led to an appeal to church dogma have not suddenly disappeared in today's scientific age so one should expect the appeal to "science" to be thoroughly abused. This is nowhere more true than in the social sciences [see Andreski 1972]. Economics is the "rooster ruling the roost" in the social sciences, so one should expect much to be passed off in the name of "economics." Yet many of the theses imposed by bureaucratic power as the "Truths of Economics" would not pass without serious challenge in any open scientific forum—particularly when one goes beyond academic model building to policy applications.³⁹

It is particularly unfortunate when a Tayloristic "One Best Way" (OBW) mentality creeps into development policy-making in the name of "science." The problems of the developing and transition countries are much too complex to yield to formulaic "best practices" and "magic bullets." Many different approaches need to be tried on an experimental basis, so when a major development agency stakes its reputation on the "One Best Way" then the development effort as a whole is impoverished.

Roadblock to Learning #4: The Rage to Conclude

Hirschman has often noted the problems created in developing countries by the tendency that Flaubert ridiculed as *la rage de vouloir conclure* or the rage to conclude.⁴⁰ But the same attitude is rampant in development agencies. Indeed, this is another self-reinforcing lock-in between development agencies and their client countries.

³⁸ When predictions fail, then skewed perceptions and rationalizations are a likely outcome. See Festinger et al. 1956, Festinger 1957, Part II in Lane 1991, and Elster 1983. See Akerlof and Dickens 1982 for an economic treatment of cognitive dissonance.

³⁹ One example that springs to mind is the role in the Russian reform debacle of the Harvard economic *wunderkinder* and the western agencies all of whom "of course" knew how to "install" the institutions of a market economy.

⁴⁰ See Hirschman 1973, 238-40.

[Policy-makers] will be supplied with a great many ideas, suggestions, plans, and ideologies, frequently of foreign origin or based on foreign experience. ...Genuine learning about the problem will sometimes be prevented not only by the local policy-makers' eagerness to jump to a ready-made solution but also by the insistent offer of help and advice on the part of powerful outsiders.... [S]uch practices [will] tend to cut short that "long confrontation between man and a situation" (Camus) so fruitful for the achievement of genuine progress in problem-solving. [Hirschman 1973, 239-40]

The questions that face development agencies about inducing economic and social development are perhaps the most complex and ill-defined questions facing humankind. Donald Schön [1971, 1983] noted the novel complexity, genuine uncertainty, conflict of values, unique circumstances, and structural instabilities that plague such problems of social transformation and that preclude definitive blueprint solutions. Yet one must marvel at the tendency of the major development agencies to rush forward with universal⁴¹ "best practices"—a tendency based not on any methods resembling social science but on a bureaucratic need to maintain elite prestige by "having an answer" for the client. In contrast, every field of science is populated by competing theories, and scientists do not feel the need to artificially rush to closure just to "have an answer."

Consider, for example, the complex problem of fighting corruption. Economists might approach the topic by trying to minimize government-imposed discretionary regulations which present rent-seeking opportunities to officials who might offer to relax a restriction for appropriate consideration. Accountants might emphasize transparency and uniformity of data and the independence of auditing. Civil servants might emphasize codes of ethics, organizational morale, and disclosure requirements. Lawyers might encourage civil discovery procedures and criminal sanctions. Others will promote a free and independent press, a high standard of public ethics, and a vigorous civil society. There are clearly many ways to approach the topic and there seems to be no One Best Way so a multi-pronged approach seems advisable. Yet the dogmatic mentality might express alarm and dismay when different groups from an international development agency take different approaches to fighting corruption and these different views are aired at international conferences. Why can't the international agency "get its act together" and tell the client the One Best Way to address the problem?

When journalists try to "build a story" by pointing out differences within a development agency, then agency bureaucrats should point out to the opportunistic journalists the necessity of the open clash of adverse opinions to intellectual advance (with references to Mill's *On Liberty*). They should point out that the real story is the intellectual honesty and integrity of an agency that would have such open discussions that are the lifeblood of intellectual and scientific progress. Instead PR-oriented bureaucrats are more typically alarmed at the lack of "coordination of messages" and rededicate themselves to better vetting the public statements of agency officials and researchers, a tragi-comic effort usually carried out in the name of "quality control." How can the passive dependent clients put themselves in the hands of the international experts if the latter cannot agree on the One Best Way to fight corruption or to address other complex development issues?

⁴¹ The universal suggestion that everyone wears a three-piece suit still requires local tailoring or adaptation to each person's size and shape—and this is the fallacy in the argument that an agency does not recommend a "universal recipe" because it recognizes the need to local adaptation.

The church approach has implications for the question of client-centered versus paternalistic approaches to client learning. What would be "wrong" with two different parts of an international development institution expressing at an international conference two different views on a complex question? What would be "wrong" with the listeners or readers realizing that affiliation with an elite institution is not the touchstone of truth just as publication in an elite journal is not the imprimatur of infallibility? Indeed, such a realization might have the rather positive effect of leading the listeners or readers to think the matter over themselves and thus to take some responsibility in forming an opinion for themselves.⁴² In short, it would foster active learning rather than promote passive acceptance of the "truth" promulgated by a church-like organization. Why should the organizations so fear such an outcome all in the name of "quality control"?

Often the argument is that "Yes, there are doubts and differences within the Agency, but the Agency must show a united front in order to steel the resolve of the clients trying to implement a difficult program of social and economic change." Perhaps the clear resolve of the Agency's Official View and the possibility of aid conditioned on acceptance of that View will tip the domestic balance in a developing country and bring the internal advocates of that view to power. Firstly, this argument implicitly assumes a Jacobinic (or market-Bolshevik) rather than adaptive and experimentalist strategy of change. Yes, a Jacobinic strategy does assume a fanatical resolve that cannot publicly entertain doubts, but that is one of the many problems with that philosophy of social change. An adaptive, experimentalist, or pragmatic approach requires no such certitude and indeed it welcomes a variety of parallel experiments in various regions or sectors to see what works (e.g., as in the Chinese reforms).⁴³ Secondly, this argument assumes that the government is deriving its reform motivation from the Agency, not from within—an assumption that by now requires no further comment. Thirdly, while Hirschman notes that this imagined sequence is not impossible, "it is our conviction that this picture of program aid as a catalyst for virtuous policies belongs to the realm of rhapsodic phantasy." [1971, 205]

The Open Learning Model

Surely much has been learned about economic development. What is wrong with espousing the best practices from successful development as well as promoting the underlying guiding principles? Should international development organizations just be agnostic on the questions of development and treat all opinions as having equal weight? To approach these questions, it is useful to consider the methodology of science. Science as a loosely structured international open learning organization is hardly agnostic in any given area. All opinions are not given equal weight. Certain theories are the "received" or current theories in a field. The difference from a "church" lies in the methodology used to sustain or overturn the hypotheses. In mathematics, it is proof, not authority, that is the basis for theorems. In the empirical sciences, hypotheses are developed on the basis of intellectual coherence and factual cues, and are then openly subjected to experiments that can be intersubjectively verified and reproduced.

⁴² Some of the best computer-based training programs have "experts" popping up on the screen giving contradictory advice. "In other words, the program communicates that there's not always one right answer. It invites trainees to learn to use their own judgment rather than rely on someone else's—especially when the someone else isn't as close to the situation as you are. Organizations today are facing increasingly complex situations where there are many possible answers. Traditional training that insists on right and wrong answers disempowers the individual—it robs people of their decision-making ability." [Schank 1997, 24]

⁴³ See Rondinelli 1983 on an adaptive approach.

This methodology of science shows, at least in general terms, how an open learning model of a knowledge-based development agency might operate. The important thing to teach a client country is not the "Truth" but the active learning methodology to find and corroborate or disprove "truths" (i.e., hypotheses and theories). For instance, if a knowledge-based development organization wants to promote the OBW of reforming or changing certain institutions (e.g., the "best" model of fighting corruption or the "best" form of privatization), then it should be willing to share the source of that "knowledge," to promote some experiments in the country to corroborate such a hypothesis or to validate a local adaptation, and to encourage horizontal cross-learning from similar experiments documented in the organization's knowledge management system—all before the reform is accepted as a "blueprint" for the country as a whole. The message to policy-makers is:

To the best of our accumulated experience (which we deem to call "knowledge"), here is what works best in countries like yours. Why don't you study these principles together with their corroboration to date (best practice success stories), take a look at these case studies, contact these people who designed those reforms, set up horizontal learning programs with those best practice cases, and try some experiments to see what works in your own country? After carrying out this learning process on your own, you might call us back if you feel we could help by partially but not wholly funding the reform program you have decided upon.

The most important thing is to get away from the model of "teaching" as the transmission of knowledge from the development agency to the developing country. In a slogan: "Stop the teaching so that the learning can begin!" As George Bernard Shaw put it: "if you teach a man anything he will never learn it." [1962, 174] Ortega y Gasset suggested: "He who wants to teach a truth should place us in the position to discover it ourselves." [1961, 67] To impose a model without this local learning process would be to short-circuit and bypass the active learning capability of the local policy-makers, to substitute authority in its place, and thus to perpetuate the passivity of tutelage.

Competition and Devil's Advocacy in the Open Learning Model

How can a large bureaucratic agency advance from the church model towards an open learning model? One way is for the agency to take some of its own medicine in the sense of fostering competition in a marketplace for ideas within the agency.⁴⁴ For instance, the defendant's right to an attorney in an American courtroom takes away from the prosecutor the monopoly right to present evidence and arguments. A judge may not go to the jury before both sides of the arguments have been heard, and a patient should not go to surgery before getting a second opinion. Even the Roman Catholic Church, when considering someone for sainthood, has a "devil's advocate" (*Advocatus Diaboli*) to state the other side of the story. A development agency should not pretend to greater authority or infallibility when it canonizes a good practice success story as the OBW.

Thus devil's advocacy might not only be tolerated but fostered in a development agency functioning as an open learning organization.⁴⁵ The political scientist Alfred De Grazia recommends such a countervailance system as

⁴⁴ This is expressed in the "marketplace of ideas concept—the proposition that truth naturally overcomes falsehood when they are allowed to compete.... The belief that competing voices produce superior conclusions [is]... implicit in scientific reasoning, the practice of trial by jury, and the process of legislative debate." [Smith 1988, 31].

⁴⁵ Devil's advocacy [see Schwenk 1984] is interpreted broadly to include a number of related techniques to better elicit the main policy alternatives. A *Cassandra's advocate* [Janis 1972, 217] is a person who emphasizes alternative interpretations of data and focuses on all the things that can go wrong ("Murphy's Law-yer"). The *Rashomon* effect [see Schön 1971, 210] illustrates that the same set of circumstances and events can be interpreted very differently by different people. Discussion

a part of any large bureaucracy. "The countervailors would be a corps of professional critics of all aspects of bureaucracy who would be assigned by the representative council of an institution to specialize as critic of all the subinstitutions." [1975] This idea goes back to the role of Socrates in Athens as a gadfly.

For if you kill me you will not easily find a successor to me, who, if I may use such a ludicrous figure of speech, am a sort of gadfly, attached to the state by God; and the state is a great and noble horse who is rather sluggish owing to his very size, and requires to be stirred into life. I am that gadfly which God has attached to the state, and all day long and in all places am always fastening upon you, arousing and persuading and reproaching you. [*Apology*, 30-1]

Devil's advocacy might provide a constructive alternative in addition to negative criticism of the proposed policy. In economics, the opportunity cost doctrine evaluates an option by comparing its value to the value of best alternative. If plan B is the best alternative to plan A (and the plans are mutually exclusive), then the opportunity cost of choosing plan A is the value foregone by not choosing plan B. Plan A is preferable if its value exceeds its opportunity cost (assuming both can be quantitatively measured). The application of the opportunity cost doctrine requires the analysis and evaluation of the best alternative—and that is the more general role of devil's advocacy even when quantitative values are not available. By eliciting plan B, devil's advocacy generalizes the opportunity cost doctrine from cost-benefit analysis to general policy analysis. In a rivalrous market or in a multi-party democracy, competition provides the B plans so organizational devil's advocacy could be seen as an attempt to provide benchmark competition within an organization.

The general case for a more systematic devil's advocate or countervailance role in an organization is much the same as the case for genuine debate and open discussion. The *locus classicus* for that argument is John Stuart Mill's 1859 essay *On Liberty*. If little is known on a question, then real debate and the "clash of adverse opinions" are some of the best engines of discovery. If "partial truths" are known, then the same is necessary to ferret out a clearer picture and to better adapt theories to new and different contexts. Mill argued that even in cases of settled opinions, debate and discussion serve to disturb the "deep slumber of a decided opinion" so that it might be held more as a rational conviction rather than as an article of faith.

So essential is this discipline to a real understanding of moral and human subjects, that if opponents of all important truths do not exist, it is indispensable to imagine them, and supply them with the strongest arguments which the most skillful devil's advocate can conjure up. [Mill 1972, 105]

Non-dogmatism and Socratic Ignorance in Organizations

I have argued that organizational learning can best take place if open competition, devil's advocacy, and the collision of ideas is allowed instead of being suppressed in favor of an outward show of allegiance to Official Views. This openness is now taken for granted in the institutions of higher learning as well as in the informal communities of the scientific disciplines but many development agencies still operate outwardly on the basis of the church model regardless of the espoused theory.

organized as a debate between the proposed policy and the best alternative has been called the *dialectical method* [see Schwenk 1989; or Tung and Heminger 1993]. *Multiple advocacy* [Haas 1990, 210] and *double visioning* [see Schön 1983, 281] refers to the practice of not only allowing but fostering the presentation of two or more policy options.

I now turn from that class of competition- or rivalry-based arguments to a different type of argument against having Official Views in an organization aspiring to be a learning organization and aspiring to fostering learning in its clients. We are accustomed to themes developed both volitionally (changing the world to agree with a desired representation) and cognitively (changing a representation to agree with the world). One theme was that the helper should not impose actions on the doers. In the cognitive version of that theme, the helper needs to refrain from trying to teach or impose a certain representation or view on the doers.⁴⁶ That will call for the helper to display a non-assertiveness, non-dogmatism, cognitive humility,⁴⁷ tolerance, "egolessness,"⁴⁸ or Socratic ignorance.⁴⁹ This Socratic humility or ignorance is the cognitive counterpart to the forbearance of material assistance in a way that would undercut the volition of self-help on the part of the doers.

Towards an Open Learning Agency and Autonomy-Compatible Assistance

The idea that a development agency has to always have an Official View (rather than house competing views) is about as scientific as the "scientific" socialism of the Communist Parties of the past. John Dewey quotes the English Communist John Strachey's statement that the communistic parties' "refusal to tolerate the existence of incompatible opinions ... [is] simply asserting the claim that Socialism is scientific." Dewey goes on to comment that it "would be difficult, probably impossible, to find a more direct and elegantly finished denial of all the qualities that make ideas and theories either scientific or democratic than is contained in this statement." [1939, 96] Critical reason and scientific methodology go in quite the opposite direction of fostering the

willingness to hold belief in suspense, ability to doubt until evidence is obtained; willingness to go where evidence points instead of putting first a personally preferred conclusion; [and] ability to hold ideas in solution and use them as hypotheses to be tested instead of as dogmas to be asserted;...[Dewey 1939, 145]

This part of the scientific attitude is translated into the policy domain with such suggestions as multiple advocacy [Haas 1990, 210] and double visioning [see Schön 1983, 281]. It is not some wanton perversity that prevents this scientific attitude from being implemented in a large organization such as a major development agency. There are quite human impulses that push for conformity and rigidity.

To hold theories and principles in solution, awaiting confirmation, goes contrary to the grain. Even today questioning a statement made by a person is often taken by him as a reflection upon his integrity, and is resented. For many millennia opposition to views widely held in a

⁴⁶ The Socratic-Kantian Leonard Nelson emphasizes this aspect of the Socratic process of instruction. "Philosophical instruction fulfills its task when it systematically weakens the influences that obstruct the growth of philosophical comprehension and reinforces those that promote it. Without going into the question of other relevant influences, let us keep firmly in mind the one that must be excluded unconditionally: the influence that may emanate from the instructor's assertions. If this influence is not eliminated, all labor is vain. The instructor will have done everything possible to forestall the pupil's own judgment by offering him a ready-made judgment." [Nelson 1949, 19]

⁴⁷ "But all true effort to help begins with self-humiliation: the helper must first humble himself under him he would help, and therewith must understand that to help does not mean to be a sovereign but to be a servant, that to help does not mean to be ambitious but to be patient, that to help means to endure for the time being the imputation that one is in the wrong and does not understand what the other understands." [Kierkegaard in: Bretall 1946, 334]

⁴⁸ Davenport and Prusak 1998, 113.

⁴⁹ "True Socraticism represents first and foremost an attitude of mind, an intellectual humility easily mistaken for arrogance, since the true Socratic is convinced of the ignorance not only of himself but of all mankind. This rather than any body of positive doctrine is the contribution of Socrates." [Guthrie 1960, 75]

community was intolerable. It called down the wrath of the deities who are in charge of the group.... Baconian idols of the tribe, the cave, the theater, and den have caused men to rush to conclusions, and then to use all their powers to defend from criticism and change the conclusions arrived at. [Dewey 1939, 146]

If development agencies are to promote knowledge-based development as education writ large, then they might learn organizational lessons from educational institutions such as universities about the need to foster open debate and competing theories within the organization. The scientific method demands no less.

If the development agency can move beyond the church (or science-as-dogma) model to an open learning model, then it can also move from the standard knowledge transmission-belt methodology towards autonomy-compatible knowledge-based development assistance.

The aim of teaching is not only to transmit information, but also to transform students from passive recipients of other people's knowledge into active constructors of their own and other's knowledge. The teacher cannot transform without the student's active participation, of course. Teaching is fundamentally about creating the pedagogical, social, and ethical conditions under which students agree to take charge of their own learning, individually and collectively. [Elmore 1991, xvi]

That activist pedagogy adapted to developing countries as the learners would constitute autonomy-compatible knowledge-based development assistance.

Revisiting Hirschmanian Themes of Social Learning and Change

Reframing the Debate about Conditionality

In these last sections, the task is to map helping theory back into the Hirschmanian approach to development. Conditionality on development loans or donor grants are much like the plan specifications in a model of centrally planned and socially engineered reforms. In the literature on aid for economic development, a substantial body of research now questions the effectiveness of conditionality in policy-based lending such as structural adjustment loans (SALs).⁵⁰ The doubts apply less to the "pro forma," "stroke-of-the-pen," or price-based conditionality than to those aimed at institutional reforms. In the face of these doubts, what is to be done?

Some practitioners plod onward thinking that they only need to make conditionality "tougher" and more "performance-based." Such practices do little to address some of the basic reasons for the ineffectiveness. Tougher performance-based conditionality do not solve the basic motivational problem. This may seem strange from the narrow economic viewpoint, e.g., agency theory. Doesn't the carrot of aid provide the motivation? In psychological terms, the problem is that the aid only provides extrinsic motivation. Real reforms beyond the stroke-of-the-pen variety will usually require some own-reasons or more intrinsic motivations for successful implementation. Otherwise there is only the motivation to make the minimal outward changes to get the aid. In addition, there is a negative reactance against the attempt to externally

⁵⁰ See the discussion and references in Mosley et al. 1991, World Bank 1998, and Killick et al. 1998.

impose changes. Making conditionalities "tougher and more performance-based" does not even attempt to solve these underlying motivational problems.

Another approach to the doubts about aid-baited conditionalities is to emphasize that aid works best in countries that have good policies and that aid is largely wasted in countries with poor policies. In light of the doubts about conditionalities turning around poor policies, it is suggested that aid should be focused where it is most effective independent of conditionalities, i.e., on the countries with good policy environments. This might be interpreted as suggesting a good-policy screen as one large *ex ante* or 'front-loaded' conditionality so that other conditionalities are not needed thereafter. But this would more finesse the problem than solve it. The problem is the social learning process to get a country from poor policies to better policies. This one-big-carrot approach has the same if not worse motivational problems as the many-small-carrots approach. Moreover it is doubtful that it would be sustained under real world conditions of partial fulfillment. If the list of good policies was partly but not completely fulfilled, then strong political and disbursement pressures would build (from both sides) to give at least "half a carrot" and we are in effect back to the many-small-carrots approach.

Aid agencies have their preconceptions of "virtue" in the sense of good policies. They try to "buy virtue" by imposing conditionalities on program aid geared to "virtuous behavior" defined by various outward acts of allegiance to and implementation of "good policies." But if we take "virtue" as being defined not just by behavior but also by the right internal motives, then aid can only buy a faux virtue. Such aid pushes the external motive of receiving the aid into the motivational foreground and thus establishes external control—the lack of autonomy.

Autonomy-compatible aid would remove impediments and thus enable "virtuous action" where the internal motive was already present in accordance with the idea of finding out what people are already motivated to do and helping them do it better.⁵¹ "In these situations, the donor would set himself the task of rewarding virtue (or rather, what he considers as such) *where virtue appears of its own accord*."⁵² This leads straightaway to the "paradox" that aid is only autonomy-compatible when it does not do what is conventionally taken as a major purpose of program aid—to tip the balance of motives in favor of reforms and good policies.

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

Moreover, once it is known that "virtue" is being rewarded by the donor, then mimicry in the form of "virtuous behavior" may be elicited in order to also be rewarded. This supply effect of such externally motivated mimicry greatly complicates the provision of aid.

External interventions by other people intended to change a person's behavior pose a threat to autonomy. The threat-to-autonomy or reactance effect results from using external motivators—carrots and sticks—to shift the

⁵¹ " The first task is to study what people are already doing...and to help them do it better....

The second task is to study what people need and to investigate the possibility of helping them to cover more of their needs out of their own productive efforts." [Schumacher 1997, 125]

⁵² Hirschman 1971, 204. Italics added.

locus of causality from internal to external. The effect shows itself in a poor quality and low effort performance, in sullen and perfunctory behavior fulfilling the letter but not the spirit of an agreement, and perhaps even in the urge to defiantly do the opposite just to show one's autonomy.⁵³ Hirschman refers to these effects as the "hidden costs" [1971, 207] of program aid while Lepper and Greene [1978] called them the "hidden costs of rewards."

In the aid context, "good policies" bought by conditioned aid are usually not effective. If the policies adopted by the government were distorted by aid conditionality, then the policies would tend to be

adopted by aid-hungry governments in spite of continuing doubts of the policy makers themselves, resistance from some quarters within the government, onslaught against the "deal" from the opposition, and general distaste for the whole procedure.

Naturally, doubts and reservations are not voiced at the moment of the aid compact; hence the delusion on the part of the donor that there has been a full meeting of minds. But soon after virtue has been "bought" through aid under these conditions, the reservations and resistances will find some expression—for example, through half-hearted implementation or sabotage of the agreed-to policies—and relations between donor and recipient will promptly deteriorate as a result. [Hirschman 1971, 205]

The debate about conditionalities is to some extent ill-posed. In 'psychological' terms, the question is how to best indirectly foster the country's own motivation for reforms as opposed to the agency theory question of how to best impose carrots and sticks (extrinsic motivation) to promote reforms. Where are the possible reforms that have some rootedness or embeddedness in the country and are not in response to an offer of assistance? The best way to assure that a reform project has some "intrinsic motivation" or rootedness is not to start a project but to *find* it.⁵⁴

I began to look for elements and processes...that *did* work, perhaps in roundabout and unappreciated fashion. [T]his search for possible *hidden rationalities* was to give an underlying unity to my work. ...[T]he hidden rationalities I was after were precisely and principally *processes of growth and change already under way* in the societies I studied, processes that were often unnoticed by the actors immediately involved, as well as by foreign experts and advisors. [Hirschman 1984, 91-3]

With this reframing, the conditionality debate joins an older debate between balanced and 'unbalanced' notions of growth.

Hirschman's Theory of Unbalanced Growth

From the earliest postwar discussions of growth, it seemed clear that developing countries were caught in many vicious circles of poverty and that coordinated actions along a broad front—a big push—might be

⁵³ "Whatever task is not chosen of man's own free will, whatever constrains or even only guides him, does not become part of his nature. It remains forever alien to him; if he performs it, he does so not with true humane energy but with mere mechanical skill." [von Humboldt 1963, 47]

⁵⁴ Note the contrast with the project manager in the agency who wants to show his boss that he "made a difference" by *starting* a project in the country.

necessary to exploit the many mutually supporting complementarities and to thus escape the low-level trap. Formal growth models emphasized the efficiency properties of balanced growth paths and development planning models also reinforced the mental image of coordinated action across sectors. All of these fell into the general category of balanced growth models.

All the balanced growth models suffered from the same problem of in effect assuming that which needed to be developed. A country with the wherewithal to carry out a coordinated 'big push' of across-the-board developmental actions would already be well on its way to development (particularly in terms of capability), not languishing in a low-level poverty trap. These models also made the more subtle but equally if not more dubious assumption that all the relevant agents in a country would simultaneously undergo the required social learning and transformations of habits that would be required for the big push to succeed (as if a school of fish would altogether decide to jump out of the water and become a new species of amphibians). That is not how social learning tends to take place.

Albert O. Hirschman⁵⁵ was one of the few voices dissenting from the then near-litany of balanced growth, big push, and national planning models: "if a country were ready to apply the doctrine of balanced growth, then it would not be underdeveloped in the first place." [1961 (1958), 53-4] In terms of the conditionalities debate, if a country could actually fulfill the typical "Christmas tree" of conditionalities attached to multilateral lending, then it would not be in a low-level developmental trap in the first place.

In contrast to the balanced growth approach, Hirschman developed a theory of unbalanced growth which might usefully be viewed as a theory of social learning and social change.⁵⁶ In the 1961 preface to the paperback edition of *The Strategy of Economic Development*, Hirschman restates the essential point of the theory.

True, automotive vehicles are not much good without highways and modern highways are rather useless without vehicles. But this does not mean that the only or even the best way in which we can develop our transportation system is by expanding simultaneously and evenly both the automotive industry and the highway network. Why not take advantage of the stimulus that is set up by expansion of the one toward that of the other? In other words, I do not deny by any means the interrelatedness of various economic activities of which the balanced growth theory has made so much. On the contrary, I propose that we take advantage of it, that we probe into the structure that is holding together these interrelated activities. As in the atom, there is much energy here that can be and is in fact being utilized in building up economic development nuclei. *Later on* these nuclei look as though they could never have been separated even for a single instant when in actual fact they might never have been assembled had not a sequential solution, i.e., an unbalanced growth sequence been found, by accident, instinct, or reasoned design. To look at unbalanced growth means, in other words, to look at the dynamics of the development process *in the small*. But perhaps it is high time that we did just that. [Hirschman 1961, viii-ix]

⁵⁵ The *locus classicus* is his 1958 *The Strategy of Economic Development* but see also Streeten 1959 as well as a few of Hirschman's self-subverting caveats in chapter 3 of *A Propensity to Self-Subversion* [1995].

⁵⁶ See for instance Schön 1994.

The emphasis on the "dynamics of the development process *in the small*" has not been well received by university economists devising formal macroeconomic models of growth⁵⁷—nor by those who try to apply these models in the work of multilateral development institutions.

Learning and change is driven by problem-solving. Not all problems can be attacked at once so attention and aid is first focused *in the small* on the sectors or localities where some of the preconditions are in place and *where initiative is afoot on its own*. The initial small successes will then create pressures through the forward and backward linkages to foster learning and change that is nearby in sectorial or locational terms—all of which might lead to a growth pole or local industrial district. The successes when broadcast horizontally to those facing similar problems will start to break down the paralyzing beliefs that "nothing can be done" and will thus fuel broader initiatives that take the early wins as their benchmark. Unlike a model that assumes large-scale organized social action directed by the government under the pressure of external conditionalities, the parties are responding to local pressures and inducements from their economic partners or to opportunities revealed by others in a similar position.

One thing leads to, induces, elicits, or entrains another thing through chains of "tensions, disproportions, and disequilibria." Hirschman at one point refers to the principle of unbalanced growth as "the idea of maximizing induced decisionmaking" [1994a, 278]. The problem-solving pressures induced by unbalanced growth will call forth otherwise unused resources and enlist otherwise untapped energies. As a project moves from one bottleneck and crisis to another (in comparison with the smooth planned allocation of resources in a project), then "resources and abilities that are hidden, scattered, or badly utilized" [1961, 5] will be mobilized. Hirschman [1984, 95] notes the connections with Cyert and March's notion of "organizational slack" [1963] based on Herbert Simon's theory of "satisficing" [1955], with Nathan Rosenberg's theory [1969] that technological innovation is strongly influenced by "inducing" or "focusing" events such as strikes and wars, and, above all, with Harvey Leibenstein's theory of X-inefficiency [1966, 1980]. Israel [1987] addresses these issues under the notion of "competition surrogates."

One can draw analogies to the process of individual learning. Suppose one takes a static snap-shot of a person's beliefs before and after learning some new and complex interconnected subject matter. The older set of beliefs might have certain self-reinforcing properties. It might at first seem difficult to change one part of the set of beliefs since one would then have some cognitive dissonance with the remaining older beliefs. One could imagine simply changing all the beliefs at once to arrive at a new self-reinforcing set. But that is rarely how learning takes place. Against the forces of self-preservation of the "whole cloth" of older beliefs, there are the incentives to solve problems for which the old beliefs might be inadequate. Change might start *in the small* where problem-solving progress might be made by unraveling and changing some of the beliefs. But now the interconnections can help to unravel the older cloth. "Bottlenecks" or inconsistencies will appear between the old and new beliefs, and problem-solving pressures will be transmitted forwards, backwards, and sideways to adjust other beliefs. "One thing leads to another" and eventually the person will arrive at a new set of interconnected beliefs.

⁵⁷ "In effect, Hirschman said that both the theorist and the practical policymaker could and should ignore the pressures to produce buttoned-down, mathematically consistent analyses and adopt instead a sort of muscular pragmatism in grappling with the problem of development. Along with some others, notably Gunnar Myrdal, Hirschman did not wait for intellectual exile: he proudly gathered up his followers and led them into the wilderness himself. Unfortunately, they perished there." [Krugman 1994, 40]

Now consider the viewpoint of the knowledgeable outsider, a "teacher," who understood all along the problem-solving superiority of the new set of beliefs. Why couldn't she just give a "core course" to impart the new knowledge to the student and thereby save the pupil all the time, energy, and pain of "learning the hard way"? Carrots and sticks, aid and conditionalities, could even incentivize the "learning process." While a veneer of some "knowledgeable behaviors" might be incentivized—particularly in "good students"—by such carrots and sticks, learning that transforms older beliefs does not take place in that manner. In order for learners to have an "ownership" of new knowledge and for the new knowledge to have a transformative effect, the knowledge must be more the fruits of the learner's own activities. Such knowledge comes out of a constructivist active learning process, not out of a pedagogy of the teacher imparting, transmitting, disseminating, or pouring new knowledge into passive students. With a constructivist pedagogy, the teacher is more a coach, guide, and midwife helping the learners in a more indirect manner to help themselves.

Hirschman uses the metaphor of a jigsaw puzzle for the set of problems facing a developing country [1961, 81-2]. One could imagine a rather superhuman act of putting all the pieces together at once to solve the puzzle. Indeed don't those who have seen and studied seemingly similar puzzles put together elsewhere have that knowledge? That is the comforting fantasy of those who promote integrated and balanced reform programs. Do all these things together (so that it looks like the "picture on the puzzle box") and you will have solved your problems! But for the variety of reasons outlined above, countries cannot just solve all their problems at once. They must start with a few pieces that fit together and try to work outward to find other pieces that fit. Not all starting points are equal. Certain pieces of the puzzle may have nearby connections that allow building that part of the puzzle quickly—as opposed to parts whose solution might give little insight or impetus to solving the nearby parts. Perhaps someone who has seen similar puzzles solved would be a good coach to suggest promising starting points or fruitful directions for progress. No doubt it would be helpful to study the "picture on the box." But the actual solving of the puzzle is a piecemeal process starting in one or more propitious places and working outward through fruitful linkages to finally arrive at the new overall configuration.

The Hirschmanian unbalanced growth approach to institutional change is an alternative to the planning approaches that try to "do everything at once" for fear that piecemeal attempts will fail (as they undoubtedly might). That is why it is important to choose the "pieces" of the piecemeal or incremental approach quite carefully.

A comprehensive attack on all the problems faced by an institution cannot hope to achieve "final" results in a specified time. Instead, a few aspects can be identified on which progress is feasible given the general operational level of the institution, and the program can concentrate on those aspects for a reasonable period, say, three years. After that, the progress that has been made will have ripple effects on other parts of the institution. At that point a new program can be designed that takes account of the new realities—including changes in personnel—but that focuses on another limited number of objectives. In sum, comprehensiveness in scope and in time should be abandoned in institutional development efforts, and a partial, cumulative, and highly focused approach pursued. [Israel 1987, 200]

As social learning processes develop largely on the basis of their own released energies, new demands will be made on the center or government to reform institutions, to provide infrastructure, and to clear away impediments,⁵⁸ and that in turn will spur further progress on the ground.

There are many well-known public or semipublic goods of this sort, from power, transportation, and irrigation to education and public health. Often designated as "infrastructure," as though they were preconditions for the more directly productive activities, these goods have more usually been provided in response to urgent demands emanating from such activities and from their need for consolidation, greater profitability, and further expansion. [Hirschman 1981, 80-1]

These induced demands for reforms are quite different from the externally imposed conditionalities that stipulate certain reforms or from reforms given by the benevolent "grace" of the rulers.⁵⁹ In psychological terms, the domestic induced demands for reforms supplies the government with a more "intrinsic" motivation for reform in contrast to the "tough performance-based" carrots and sticks imposed by external development agencies and donors, and in contrast to gifts from benevolent benefactors. In making the reforms, the government is "in the driver's seat" and is doing its job of responding to its constituents, not just caving in to foreign pressures. It is not just playing another round in the aid game: "we will continue pretending to make the reforms so that you can continue pretending to be buying reforms with your aid."

Conclusion: The Two Paths

In conclusion, we return to the two paths that diverge from a recognition of the basic conundrum of helping people help themselves; how can external help support an internally-driven process without overriding or undercutting it? On the direct or social engineering path, the "helper" helps the doers by supplying distorted motivation (conditional aid) and "managed" knowledge (*ex cathedra* answers buttressed by biased information and one-sided arguments) to deliver (what the helper takes as) the right results. On the other indirect and autonomy-respecting path, the helper helps the doers to help themselves by supplying not "motivation" but perhaps resources to enable the doers to do what they were already own-motivated to do. On the knowledge side, the autonomy-respecting helper supplies not answers but helps build learning capacity (e.g., by enabling access to unbiased information and to hearing all sides of an argument) to enable the doers to learn from whatever source in a self-directed learning process.

Autonomy-compatible assistance cannot be reduced to a checklist or engineering plan to be enforced by well-designed carrots and sticks. Direct methods can help others, but they cannot help others to help themselves. That requires autonomy-compatible indirect methods on the part of the helpers and autonomous self-activity on the part of the doers. People need not only to "participate" but to be in the driver's seat in order to make

⁵⁸ Hirschman quotes approvingly a consulting engineer who suggests a road surface that would better elicit pressure for maintenance on the public works authorities. "We assumed that, with the increasing truck and bus industry in Columbia, local pressure would be applied to the Ministry of Public Works to repair the deep holes which will develop in cheap bituminous pavements if maintenance and retreatment is delayed, and that such pressure would be greater than if a gravel and stone road is allow to deteriorate." [1958, 143] This strategy might be compared in effectiveness to a "conditionality" toward the same end.

⁵⁹ See Powelson and Stock 1987 for case studies of successful reforms "by leverage" from below in contrast to reforms "by grace" from above that eventually failed.

their actions their own and to make their learnings their own. It is the psychological version of the old principle that people have a natural ownership of the fruits of their labor. The helpers can use indirect and autonomy-compatible enabling approaches to bring the doers to the threshold; the doers have to do the rest on their own and that is what makes it their own development.

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Appendix: Eight Authors in Search of Helping Theory

| Themes | Starting from where the doers are. | See through the doers' eyes. | Helper cannot impose change on doers. ('Neither an imposition,...') | 'Help' as benevolence is ineffective. ('nor a gift.') | Doers in the driver's seat. |
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| Author Helper-Doer | | | | | |
| Albert Hirschman Development Advisor-Govt. | "I began to look for elements and processes...that <i>did</i> work, perhaps in roundabout and unappreciated fashion. [T]his search for possible <i>hidden rationalities</i> was to give an underlying unity to my work. ...[T]he hidden rationalities I was after were precisely and principally <i>processes of growth and change already under way</i> in the societies I studied, processes that were often unnoticed by the actors immediately involved, as well as by foreign experts and advisors." [1984, 91-3] | "But word soon came from World Bank headquarters that I was principally expected to take, as soon as possible, the initiative in formulating some ambitious economic development plan that would spell out investments, domestic savings, growth, and foreign aid targets for the Colombian economy over the next few years. All of this was alleged to be quite simple for experts mastering the new programming technique: apparently there now existed adequate knowledge, even without close study of local surroundings, of the likely ranges of... all the key figures needed. ... My instinct was to try to understand better <i>their</i> patterns of action, rather than assume from the outset that they could only be 'developed' by importing a set of techniques they knew nothing about." [1984, 90-1] | "I reacted against the visiting-economist syndrome; that is, against the habit of issuing peremptory advice and prescription by calling on universally valid economic principles and remedies—be they old or brand new—after a strictly minimal acquaintance with the 'patient.'... I tried to identify progressive economic and political forces that deserved recognition and help. This position put me at odds with those who judged that the present society was 'rotten through and through' and that nothing would ever change unless everything was changed at once. But this utopian dream of the 'visiting revolutionary' seemed to me of a piece with the balanced growth and integrated development schemes of the visiting economist." [1984, 93-4] | "[T]hey will be supplied with a great many ideas, suggestions, plans, and ideologies, frequently of foreign origin or based on foreign experience. ...Genuine learning about the problem will sometimes be prevented not only by the local policy-makers' eagerness to jump to a ready-made solution but also by the insistent offer of help and advice on the part of powerful outsiders.... [S]uch practices [will] tend to cut short that 'long confrontation between man and a situation' (Camus) so fruitful for the achievement of genuine progress in problem-solving." [1973, 239-40] | "In recent years, the concept of <i>dependencia</i> —perhaps best translated as lack of autonomy—has been intensively studied in Latin America. ...With the brightest members of [Brazil's] younger generation almost all going abroad for graduate studies, they assume upon returning (if they return at all) that, having sat at the feet of true knowledge in the university of some advanced country, they no longer need to bother with what their elder compatriots have to offer as a result of experience and mature reflection. ...I was struck and disturbed by the prevalence, in Latin America, of a style of policy-making and problem-solving that ostensibly denied the existence or even possibility of a cumulative learning process. ...It is possible that this style...arises once again out of the lack of internal communication characteristic of countries that,... continue to rely in policy-making on economic and social ideas imported from |

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| | | | | | abroad. It is not an accident that the style is often abetted by the foreign expert who is one of its principal beneficiaries." [1973, v-vi] |
| John Dewey Teacher-Learner | "Is it the pupil's own problem, or is it the teacher's or textbook's problem, made a problem for the pupil only because he cannot get the required mark or be promoted or win the teacher's approval, unless he deals with it? ...Is the experience a personal thing of such a nature as inherently to stimulate and direct observation of the connections involved, and to lead to inference and its testing? Or is it imposed from without, and is the pupil's problem simply to meet the external requirement?" [1916, 155] | "When the parent or teacher has provided the conditions which stimulate thinking and has taken a sympathetic attitude toward the activities of the learner by entering into a common or conjoint experience, all has been done which a second party can do to instigate learning.... In such shared activity, the teacher is a learner, and the learner is, without knowing it, a teacher—and upon the whole, the less consciousness there is, on either side, of either giving or receiving instruction, the better." [1916, 160] | "We are even likely to take the influence of superior force for control, forgetting that while we may lead a horse to water we cannot make him drink; and that while we can shut a man up in a penitentiary we cannot make him penitent. ... When we confuse a physical with an educative result, we always lose the chance of enlisting the person's own participating disposition in getting the result desired, and thereby of developing within him an intrinsic and persisting direction in the right way." [1916, 26-7] | "To 'make others happy' except through liberating their powers and engaging them in activities that enlarge the meaning of life is to harm them and to indulge ourselves under cover of exercising a special virtue....To foster conditions that widen the horizon of others and give them command of their own powers, so that they can find their own happiness in their own fashion, is the way of "social" action. Otherwise the prayer of a freeman would be to be left alone, and to be delivered, above all, from "reformers" and "kind" people." [1957, 270] | "The essentials of the method are therefore identical with the essentials of reflection. They are first that the pupil have a genuine situation of experience—that there be a continuous activity in which he is interested for its own sake; secondly, that a genuine problem develop within this situation as a stimulus to thought; third, that he possess the information and make the observations needed to deal with it; fourth, that suggested solutions occur to him which he shall be responsible for developing in an orderly way; fifth, that he have opportunity and occasion to test his ideas by application, to make their meaning clear and to discover for himself their validity." [1916, 163] |
| Douglas McGregor Manager-Workers | "It is one of the favorite pastimes of headquarters groups to decide from within their professional ivory tower what help the field organization needs and to design and develop programs for meeting | "Perhaps the most critical point—and the one hardest to keep clearly in mind—is that help is always defined by the recipient. Taking an action with respect to someone because 'it is best for him,' or | "[The manager's] task is to help [workers] discover objectives consistent both with organizational requirements and with their own personal goals, and to do so in ways which will | "Management has adopted generally a far more humanitarian set of values; it has successfully striven to give more equitable and more generous treatment to its employees. It has signifi- | "The important theoretical consideration, derived from Theory Y, is that the acceptance of responsibility (for self-direction and self-control) is correlated with commitment to objectives. Genuine |

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| | <p>these 'needs.' ... If the staff is genuinely concerned with providing professional help to all levels of management it will devote a great deal of time to exploring 'client' needs directly, and to helping the client find solutions which satisfy him. Often the most effective strategy for this purpose is one in which the client develops his own solution with professional help." [1960, 168-9]</p> | <p>because 'it is for the good of the organization,' may be influencing him, but it is not providing help <i>unless he so perceives it.</i>" [1960, 163]</p> | <p>encourage genuine commitment to these objectives. Beyond this, his task is to <i>help</i> them achieve those objectives: to act as teacher, consultant, colleague, and only rarely as authoritative boss. He will not help them if he attempts to keep direction and control in his own hands; he will only hamper their growth and encourage them to develop countermeasures against him." [1960, 152]</p> | <p>cantly reduced economic hardships, eliminated the more extreme forms of industrial warfare, provided a generally safe and pleasant working environment, <i>but it has done all these things without changing its fundamental theory of management.</i> ... [The] assumptions of Theory X remain predominant throughout our economy." [1960, 45-6]</p> | <p>commitment is seldom achieved when objectives are externally imposed. Passive acceptance is the most that can be expected; indifference or resistance are the more likely consequences. Some degree of <i>mutual</i> involvement in the determination of objectives is a necessary aspect of managerial planning based on Theory Y." [1960, 68]</p> |
| Carl Rogers Therapist-Patient | <p>"I have not found psychotherapy or group experience effective when I have tried to create in another individual something that is not already there; I have found, however, that if I can provide the conditions that allow growth to occur, then this positive directional tendency brings constructive results." [1980, 120]</p> | <p>"This formulation would state that it is the counselor's function to assume, in so far as he is able, the internal frame of reference of the client, to perceive the world as the client sees it, to perceive the client himself as he is seen by himself, to lay aside all perceptions from the external frame of reference while doing so, and to communicate something of this empathic understanding to the client." [Rogers 1951, 29]</p> | <p>"The scientist with the divided sea urchin egg ... could not cause the cell to develop in one way or another, but when he focused his skill on providing the conditions that permitted the cell to survive and grow, the tendency for growth and the direction of growth were evident, and came from within the organism. I cannot think of a better analogy for therapy or the group experience, where, if I can supply a psychological amniotic fluid, forward movement of a constructive sort</p> | <p>"[A]ttempts to produce these changes <i>for</i> the community by means of ready made institutions and programs planned, developed, financed, and managed by persons outside the community are not likely to meet with any more success in the future than they have in the past. This procedure is psychologically unsound because it places the residents of the community in an inferior position and implies serious reservations with regard to their capacities and</p> | <p>"Individuals have within themselves vast resources for self-understanding and for altering their self-concepts, basic attitudes, and self-directed behavior; these resources can be tapped if a definable climate of facilitative psychological attitudes can be provided. ... These conditions apply whether we are speaking of the relationship between therapist and client, parent and child, leader and group, teacher and student, or administrator and staff."</p> |

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| | | | will occur." [1980, 120-1] "We cannot teach another person directly; we can only facilitate his learning.... 'You can lead a horse to water but you can't make him drink.'" [1951, 389] | interest in their own welfare." [Clifford Shaw quoted in Rogers 1951, 59] | [1980, 115] |
| Søren Kierkegaard Spiritual Teacher-Learner | "That if real success is to attend the effort to bring a man to a definite position, one must first of all take pains to find HIM where he is and begin there. That is the secret of the art of helping others. Anyone who has not mastered this is himself deluded when he proposes to help others." [Bretall 1946, 333] | "For to be a teacher does not mean simply to affirm that such a thing is so, or to deliver a lecture, &c. No, to be a teacher in the right sense is to be a learner. Instruction begins when you, the teacher, learn from the learner, put yourself in his place so that you may understand what he understands and in the way he understands it, in case you have not understood it before." [1946, 335] | "First and foremost, no impatience. If he [teacher] becomes impatient, he will rush headlong against [the other person's illusion] and accomplish nothing. A direct attack only strengthens a person in his illusion, and at the same time embitters him. There is nothing that requires such gentle handling as an illusion, if one wishes to dispel it. If anything prompts the prospective captive to set his will in opposition, all is lost." [1946, 332] | "If I [teacher] am disposed to plume myself on my greater understanding, it is because I am vain or proud, so that at bottom, instead of benefiting him, I want to be admired. But all true effort to help begins with self-humiliation: the helper must first humble himself under him he would help, and therewith must understand that to help does not mean to be a sovereign but to be a servant, that to help does not mean to be ambitious but to be patient, that to help means to endure for the time being the imputation that one is in the wrong and does not understand what the other understands." [1946, 334] | "For my own Error is something I can discover only by myself, since it is only when I discover it that it is discovered, even if the whole world knew of it before." [1946, 158] "The observer does not attain a result immediately, but must himself take pains to find it, and thereby the direct relationship is broken. But this breach is precisely the act of self-activity, the irruption of inwardness, the first determination of the truth as inwardness." [1946, 223] |
| Saul Alinsky Organizer-Community | "As an organizer I start from where the world is, as it is, not as I would like it to be. That we accept the world as it | "An organizer can communicate only within the areas of experience of his audience; otherwise there is | "If you respect the dignity of the individual you are working with, then his desires, not yours; his values, not yours; | "Self-respect arises only out of people who play an active role in solving their own crises and who are not helpless, | "After all, the real democratic program is a democratically minded people—a healthy, active, participating. |

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| | <p>is does not in any sense weaken our desire to change it into what we believe it should be—it is necessary to begin where the world is if we are going to change it to what we think it should be. That means working in the system." [1971, xix]</p> | <p>no communication. ... Through his imagination he is constantly moving in on the happenings of others, identifying with them and extracting their happenings into his own mental digestive system and thereby accumulating more experience. It is essential for communication that he know of their experiences." [1971, 69-70]</p> | <p>his ways of working and fighting, not yours; his choice of leadership, not yours; his programs, not yours, are important and must be followed; except if his programs violate the high values of a free and open society." [1971, 122]</p> | <p>passive, puppet-like recipients of private or public services. To give people help, while denying them a significant part in the action, contributes nothing to the development of the individual. In the deepest sense it is not giving but taking—taking their dignity. Denial of the opportunity for participation is the denial of human dignity and democracy. It will not work." [1971, 123]</p> | <p>interested, self-confident people who, through their participation and interest, become informed, educated, and above all develop faith in themselves, their fellow men, and the future. The people themselves are the future. The people themselves will solve each problem that will arise out of a changing world. They will if they, the people, have the opportunity and power to make and enforce the decision instead of seeing that power vested in just a few." [1969, 55]</p> |
| <p>Paulo Freire Educator-Community</p> | <p>"In contrast with the antidialogical and non-communicative 'deposits' of the banking method of education, the program content of the problem-posing method—dialogical par excellence—is constituted and organized by the students' view of the world, where their own generative themes are found." [Freire 1970, 101]</p> | <p>"I repeat: the investigation of thematics involves the investigation of the people's thinking—thinking which occurs only in and among men together seeking out reality. I cannot think <i>for others</i> or <i>without others</i>, nor can others think <i>for me</i>... The more educators and the people investigate the people's thinking, and are thus jointly educated, the more they continue to investigate. Education and thematic</p> | <p>"Unfortunately, those who espouse the cause of liberation are themselves surrounded and influenced by the climate which generates the banking concept, and often do not perceive its true significance or its dehumanizing power. Paradoxically, then, they utilize this same instrument of alienation in what they consider an effort to liberate." [1970, 66]</p> | <p>"[O]ppressors use the banking concept of education in conjunction with a paternalistic social action apparatus, within which the oppressed receive the euphemistic title of 'welfare recipients.' They are treated as individual cases, as marginal men who deviate from the general configuration of a 'good, organized, and just' society.... The solution is not to 'integrate' them into the</p> | <p>"Authentic liberation—the process of humanization—is not another deposit to be made in men. Liberation is a praxis: the action and reflection of men upon their world in order to transform it. Those truly committed to the cause of liberation can accept neither the mechanistic concept of consciousness as an empty vessel to be filled, nor the use of banking methods of domination (propaganda, slogans—</p> |

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| | | investigation, in the problem-posing concept of education, are simply different moments of the same process." [1970, 100-1] | | structure of oppression, but to transform that structure so they can become 'beings for themselves.' Such transformation, of course, would undermine the oppressors' purposes; hence their utilization of the banking concept of education to avoid the threat of student <i>conscientização</i> . " [1970, 60-1] | deposits) in the name of liberation." [1970, 66] |

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| Author Helper-Doer | | | | | |
| E.F. Schumacher Dev. Agency-LDC | "It is quite wrong to assume that poor people are generally unwilling to change; but the proposed change must stand in some organic relationship to what they are doing already, and they are rightly suspicious of, and resistant to, radical changes proposed by town-based and office-bound innovators who approach them in the spirit of: 'You just get out of the way and I shall show you how useless you are and how splendidly the job can be done with a lot of foreign money and outlandish equipment.'" [1973, 200] | "Who are the helpers and who are those to be helped: The helpers, by and large, are rich, educated (in a somewhat specialized sense), and town-based. Those who most need help are poor, uneducated, and rurally based. ... The methods of production, the patterns of consumption, the systems of ideas and of values that suit relatively affluent and educated city people are unlikely to suit poor, semi-illiterate peasants. Poor peasants cannot suddenly acquire the outlook and habits of sophisticated city people. If the people cannot adapt themselves to the methods, then the methods must be adapted to the people. This is the whole crux of the matter." [1973, 192] | "[If] the rural people of the developing countries are helped to help themselves, I have no doubt that a genuine development will ensue,... [But it] cannot be 'produced' by skilful grafting operations carried out by foreign technicians or an indigenous elite that has lost contact with the ordinary people. It can succeed only if it is carried forward as a broad, popular 'movement of reconstruction' with the primary emphasis on the full utilisation of the drive, enthusiasm, intelligence, and the labour power of everyone. Success cannot be obtained by some form of magic produced by scientists, technicians, or economic planners. It can come only through a process of growth involving the education, organization, and discipline of the whole population." [1973, 204-5] | "Nothing becomes truly 'one's own' except on the basis of some genuine effort or sacrifice. A gift of material goods can be appropriated by the recipient without effort or sacrifice; it therefore rarely becomes 'his own' and is all too frequently and easily treated as a windfall.... The gift of material goods makes people dependent, but the gift of knowledge makes them free—provided it is the right kind of knowledge, of course. ... This, then, should become the ever-increasing preoccupation of aid programmes—to make men self-reliant and independent by the generous supply of the appropriate intellectual gifts, gifts of relevant knowledge on the methods of self-help." [1973, 197] | "We should be talking about getting the people to use their own labor power, with their own intelligence (which is not incapable of picking up improved methods from outsiders), and their own local resources and materials to provide, in the first place, for their own fundamental needs, which are good, clothing, and shelter, and certain communal assets like roads, wells, and public buildings. " [1964, 370] "The alternative to coercion cannot be found when spiritual realities are dismissed as being of no account or treated as merely subservient to economic aims. It cannot be found when the people are considered as objects to be driven, cajoled, or manipulated. Perhaps the best—perhaps even the only—effective slogan for aid is: 'Find out what the people are trying to do and help them to do it better.'" [1964, 374] |