

David A. Crocker on Paul Collier's "Making Aid Smart"

The topic of what makes aid more effective is enormously important. I am a social-political philosopher, and my students often say, "Enough about goals, ends, and basic objectives! Let's find out about making aid more effective." Paul Collier's paper is an important contribution to that investigation.

Although aid effectiveness is important, it is good to recall how difficult it is to separate means from ends. Therefore, though Collier's paper focuses on effective means, he does occasionally make use of a conception of appropriate ends, as when he discusses what counts as success and what aid ought to be doing. In fact, poverty reduction, conflict resolution, peace, and democratization are mentioned at several points in the paper as worthy and important goals. I want to underscore the importance of keeping the question "Effective for what?" before us at all times.

Collier is quite right to warn us against two defective approaches. The first is a narrow focus on aid projects, whose criteria of evaluation often ignore long term effects, behavioral change, fungibility, and sustainability. I would also stress here, regarding behavioral change, that we keep the *human development* part of development always in front of us: what we are finally interested in is people—individuals and groups—having a better opportunity to lead decent lives. I would like to push our speaker at this point for leaving the notion of poverty reduction unclear, despite accomplishing much else in a short paper. There has been much recent work by the World Bank and various development scholars on what we should count as poverty. Should we, for example, focus on income poverty, or should we additionally (or instead) focus on other kinds of poverty—the deprivation of health, longevity, security, political participation, and the linkages amongst these? Clarifying our notion of poverty and its multiple dimensions allows us to determine more easily how effective we are in alleviating it.

Collier also rejects an approach to institutional reform that attaches strings or conditions, although he might say more about whether some strings are less indefensible than others. One of his arguments against conditionality is that it undermines "ownership." I return to this idea presently.

Collier's paper does a good job in giving us a disaggregated view of the aid enterprise. Rather than just talking about aid as such, he disaggregates three very different types of countries:

(1) The first type of country, Costa Rica might be an example, is poor but has an effective policy environment. (2) A second type, for example, Honduras, despite currently having poor policy environments has the potential for institutional reform, (3) A third type of country, perhaps Guatemala, is both terribly poor and has a hostile and unpromising policy environment. In this third type aid not only fails to do any good, but may become

part of the problem if it is hijacked by a ruling elite. My own work, increasingly in the area of transitional justice, focuses on how a new democracy—fragile and incomplete—responds to prior violations of human rights. This question, like the question of aid, depends on disaggregating types of nation states. For reckoning appropriately with past wrongs depends significantly on what the transition is from, and what the transition is to. It is one thing to make a transition to Mandela’s South Africa and another thing for a post-conflict country to have a military man like Pinochet calling the shots behind the democratic scene. Unless we disaggregate different sorts of countries, we have an insufficiently focused approach.

With respect to type 1 countries, I endorse Collier’s notion of targeting aid based on poverty *benchmarks*. His suggestion here is that if a policy maker or bureaucrat wants to target aid away from those countries with the most severe poverty despite good institutional environments, then the burden of proof regarding the aid allocation should lie with that policy maker or bureaucrat. This suggestion seems exactly right to me: finally and importantly, donors should aim for poverty reduction, and those donors who have alternative goals (many of which are worthy) should also have the burden of proof to demonstrate the worthiness of those goals.

Other goals, like conflict resolution, however, call for a very different portfolio of interventions, many of which are outside the typical aid portfolio. For example, truth commissions, trial and punishment, and reparation are often useful in reducing current conflict, or preventing its reemergence. In fact, these tools may be more than just backward-looking tools, but can also serve as forward-looking tools to enable a people polarized and suffering from recent conflicts to deal with the past and move forward. In this regard, I fully support Collier’s recommendation that aid be sequenced over a 10 year period to post-conflict but promising countries and that aid seek a role in conflict reduction.

With respect to type 2 countries, Collier aptly doesn’t give up on aid for these countries with ineffective institutions. Rather he shifts the topic from aid allocation in a narrow sense to institutional reform – so that someday aid may be used well. This move is important because we know that there are a lot of deprived people who need assistance but who are living in environments that would be poor candidates for reform via foreign aid. This institutional focus means, however, that Collier must say more about the ideal of ownership. What is ownership? What does it mean? And why is it important? How can it be institutionalized? An underlying theme in Collier’s paper is that development capacity should be “indigenized” so that people can help themselves rather than being seen as, in Sen’s phrase, “passive recipients of the benefits of cunning development programs.” (*Development as Freedom*, p. 11). Governments and civil society groups, including their hybrids, offer venues in which a country (or groups within a country) may be involved in making decisions that affect their own outcomes. There are, of course, many ways in which this can be done. My own interest here is in a kind of ownership

that is a kind of deliberative democracy. This deliberative participation could occur in a parliament, but often in a repressive government—like Guatemala—this is not possible. Civil society and non-governmental organizations, however, may offer an appropriate venue. By deliberative democracy, I mean, that kind of interchange between fellow citizens—and sometimes outsiders—about the most effective means of arriving at the most basic ends that these citizens set for ourselves. One claim to test out empirically is whether the ownership in the sense of deliberative democracy reduces the corruption that vitiates so much development aid.

Collier also recommends that development donors in type 2 countries lower their expectations and emphasize (a) demonstration projects – instead of wholesale institutional change – from which lessons can be learned, and (b) qualified domestic actors. One part of qualification is the ability to think critically in the face of “information cascades.” Local think tanks and universities have a particular responsibility to promote, what Jonathan Glover calls, “a culture of criticism,” which, for example, can puncture the myth that growing relative poverty entails increased absolute poverty. A good example of such an institution is Honduras’s think tank and advocacy group the Citizens Forum (*Foro Ciudadano*). If sometimes a tension exists between domestic “ownership” and demythologizing (“these are *our* beliefs”), that tension can best be eased by ongoing and vigorous public discussion. Aid may promote some civil society groups in contrast to other such groups and a government captured by special interests.

(3) The last part of Collier’s paper considers the role of aid in very hostile environments with bleak prospects in the short and middle term. Again he reminds us that there are still human beings who are suffering in these countries, and this happens because of incredibly bad governments and weak economies. How do we understand the role of aid in this context. Here Collier introduces the notion of an “independent service authority.” What does he mean? A group set up to be a wholesale facilitator of groups that promote basic capabilities, such as good nutrition or basic education. What are the weaknesses and the promise? Here, I think of my recent work in Yugoslavia on the role of the Soros/Open Society Foundation in setting up (rather than selecting from among) local information gathering and advocacy groups. There is, of course, danger with these groups; namely, they are often identified with foreigners and accused of selling out. There is also the opposite danger—these groups sometimes simply capitulate to the extant power structures and do not serve as an independent voice. Collier’s notion of an enclave (should we say “engaged” enclave?) seems to offer an promising method of avoiding these dangers.

I would like to close with a final comment on the role of ethical commitment in achieving such morally urgent goals as poverty reduction. Ethical commitment can serve as part of the approach to reduce the dangers of corruption and promote the well-being of aid “recipients.” This ethical commitment can be exercised inter alia by an appropriate choice of colleagues. It also can serve as a kind of internal moral incentive that

supplements and corrects the incentive of self-interest donor and “recipient” alike. Collier’s perceptive paper is suffused with such commitments. He should express them more explicitly in his important search for ways to make aid more effective.