

## *CHAPTER ELEVEN*

# THE FUTURE OF WESTERN ASSISTANCE

*We shall not cease from exploration*

*And the end of all our exploring*

*Will be to arrive where we started*

*And know the place for the first time.*

T. S. ELIOT, "LITTLE GIDDING,"  
*FOURE QUARTETS*, 1943

**AS DEVELOPMENT WORKERS** Dennis Whittle and Mari Kuraishi once asked, what would the World Bank and IMF shock therapists advise if foreign aid were a country? They would probably abolish state ownership, do rapid privatization and downsizing, let the market work, and put an end to bureaucratic central planning. I would favor a more gradual approach, of piecemeal reforms for the troubled country of foreign aid.

Yes, there is still hope that Western assistance can help poor people in the Rest with some of their most desperate problems.

## *Official Aid*

A big problem with foreign aid has been its aspiration to a utopian blueprint to fix the world's complex problems. If you think I will now offer a utopian blueprint to fix aid's complex problems, then I have done a really bad job in the previous chapters at explaining the problems with utopian blueprints.

Still, I hope there are some useful lessons that could enable Western assistance to make incremental progress. If the utopian goal distracted attention away from holding aid agencies accountable for tangible outcomes, then step one is to give up the utopian goal. The utopian agenda has led to collective responsibility for multiple goals for each agency, one of the worst incentive systems invented since mankind started walking upright. There has also been the incentive bias toward observability, which has led to unproductive efforts at producing things that made a big

splash.

The utopian agenda has also led to an unproductive focus on trying to change whole political systems. The status quo—large international bureaucracies giving aid to large national government bureaucracies—is not getting money to the poor. Conditions on aid don't work to change government behavior.

When you are in a hole, the top priority is to stop digging. Discard your patronizing confidence that you know how to solve other people's problems better than they do. Don't try to fix governments or societies. Don't invade other countries, or send arms to one of the brutal armies in a civil war. End conditionality. Stop wasting our time with summits and frameworks. Give up on sweeping and naive institutional reform schemes. The aim should be to make individuals better off, not to transform governments or societies.

Once the West is willing to aid individuals rather than governments, some conundrums that tie foreign aid up in knots are resolved. Those so unlucky as to have warlords or kleptocrats as leaders will still be eligible for aid. The West can end the pathetic spectacle of the IMF, World Bank, and other aid agencies coddling the warlords and kleptocrats. It can end the paternalism and hypocrisy of conditionality. It can end the inherent contradiction between "country ownership" and dictating conditions from Washington.

Remember, aid cannot achieve the end of poverty. Only homegrown development based on the dynamism of individuals and firms in free markets can do that. Shorn of the impossible task of general economic development, aid can achieve much more than it is achieving now to relieve the sufferings of the poor.

Put the focus back where it belongs: get the poorest people in the world such obvious goods as the vaccines, the antibiotics, the food supplements, the improved seeds, the fertilizer, the roads, the boreholes, the water pipes, the textbooks, and the nurses. This is not making the poor dependent on handouts; it is giving the poorest people the health, nutrition, education, and other inputs that raise the payoff to their own efforts to better their lives. (Just like a National Science Foundation fellowship to get a Ph.D. once increased the payoff to my own efforts to pursue a career.)

I don't mean to imply that all aid should be for projects. Other areas of aid agencies' possible comparative advantage could include distilling practical knowledge on operating banking systems or stock markets, giving advice on good macroeconomic management, simplifying business regulations, or making piecemeal reforms that promote a merit-based civil service.

Unlike many other aid commentators, I am not saying that it is easy to implement these solutions, that my solutions will work, or even that these solutions are obviously right. No, no, and no. There are good reasons why these solutions are not happening already. It is partly because of the social complexity of making even simple interventions work—which will remain troublesome.

But it is also due to some factors that could be changed. It is partly because the rich countries don't care enough about making aid work for the poor, and are willing to settle for grand utopian Plans that don't work. It is partly because nobody is actually held accountable for making *this* intervention work in *this* place at *this* time. My suggestions here could be ludicrously misguided; they should be subject to skeptical examination and ex post facto evaluation just like everything else.

Above all, this book is not a Plan. It points instead to the Searchers with knowledge of local conditions, experimental results from interventions, and some way to get feedback from the poor, who will find out (and are already finding out) all the variable and complicated answers of how to make aid work.

I will plunge recklessly ahead with some suggestions, just because the current system is

unacceptable. This book has presented some historical lessons that could guide the Searchers.

Fix the incentive system of collective responsibility for multiple goals. Have individual accountability for individual tasks. Let aid agencies specialize in the sectors and countries they are best at helping. Then hold the aid agencies accountable for *their* results by having truly independent evaluation of their efforts.

Perhaps the aid agencies should each set aside a portion of their budgets (such as the part now wasted on self-evaluation) to contribute to an international independent evaluation group made up of staff trained in the scientific method from the rich and poor countries, who will evaluate random samples of each aid agency's efforts. Evaluation will involve randomized controlled trials where feasible, less pure statistical analysis if not, and will at least be truly independent, even when randomized trials and statistical analysis are not feasible. Experiment with different methods of simply asking the poor if they are better off. Mobilize the altruistic people in rich countries to put heat on the agencies to make their money actually reach the poor, and to get angry when the aid does *not* reach the poor.

With specialization on a small number of tasks and the fear and reward induced by independent evaluation, maybe agents of aid will be willing to keep exploring different means of fixing a problem, such as malnutrition, until they get it working. Agents of aid can experiment with different delivery mechanisms: an NGO, private firms, social entrepreneurs who scout out ways to help the poor, maybe even a decently functioning local government agency. Specialization on modest tasks and evaluation for whether you have accomplished them will transfer power from Planners to Searchers.

Although I think the existing bilateral or multilateral aid agencies and poor-country governments have done a bad job, they might be able to perform better once they are held accountable. Official aid agencies and national government bureaucracies should remain on the list of possible vehicles for delivering development services. Again, all that matters is what works to get help to the poor.

How to fix the bias toward observability? If you evaluate tangible results, won't that just increase the bias toward doing things that are observable? Here I think we need a healthy dose of pragmatism. It is hard to think of any incentive system that is going to successfully reward invisible effort toward producing invisible outcomes. Give it up. A cow will always be a cow. Instead try to find where useful interventions intersect with observability. Let international aid agencies go ahead and do the observable things, but make sure that the evaluators hold these agencies accountable for getting results for the poor with those things. The evaluators will give zero marks for empty public gestures such as summits and frameworks.

In making these reforms, there are many pitfalls. Reformers have to gird themselves for all the ways the wily aid bureaucracies will appear to be making the necessary changes while preserving the politically powerful status quo. The aid bureaucracy is marvelously skilled at adopting the rhetoric, if not the substance, of any criticism directed its way. Indeed, the aid agencies claim they are already adopting the approach of "managing for results."

Yet another report has shown up on my Web browser, "Managing for Development Results, Principles in Action: Sourcebook on Emerging Good Practice," prepared in April 2005. The unnamed authors call themselves the "Joint Venture on Managing for Development Results for the DAC Working Party on Aid Effectiveness and Donor Practices." Their work is "back-ground information" that is "Forwarded to High-Level Forum on Aid Effectiveness."

Just how much the aid industry still does not *get* the flaws of top-down planning and collective responsibility is shown in how the sourcebook team describes development agencies as already "managing for results": "Development agencies are creating results-based country assistance

strategies in close dialogue with each other and with national governments. During this process, multiple agencies negotiate a process for working together to support country outcomes.<sup>1</sup>

There is also the risk that aid agencies will do “cream skimming”—that is, selecting the most promising projects in order to show results, possibly even ones the government would have done on its own without aid. When agencies do this, their aid frees up government resources to be spent on something bad, like the army. This “fungibility” of aid money is something that aid analysts worry about, but perhaps is less of a worry when there are so many things failing. At least make sure that the cows deliver the cream.

The obstacles to reform are formidable. Still, we can try to think of creative aid mechanisms toward addressing the problems, over and above the specialization and evaluation that I discuss here. Many good-hearted people are searching for solutions to the problems of the world’s poor, much closer to the bottom than the experts at the top. From some of these efforts, new and promising ideas will emerge, and some are already emerging.

### ***Making PROGRESA***

Fifty-year-old Emma García cooks about 250 tortillas a day for her extended family in her smoky dirt-floor kitchen in Buenavista, Mexico. About sixty-two poor and malnourished families live in Buenavista, in the state of Michoacán, with no paved roads, no running water, and no sanitation. The only economic activity in the village is subsistence farming. Children are kept out of school to work in the fields; those who do go to school have trouble concentrating on anything other than their empty stomachs.

In 1997, the Mexican deputy minister of finance, a well-known economist named Santiago Levy, came up with an innovative program to help people like Emma García. Called PROGRESA (Programa Nacional de Educación, Salud y Alimentación), the program provides cash grants to mothers *if* they keep their children in school, participate in health education programs, and bring the kids to health clinics for nutritional supplements and regular checkups. Since the Mexican federal budget didn’t have enough money to reach everyone, Levy doled out the scarce funds in a way that the program could be scientifically evaluated. The program randomly selected 253 villages to receive the benefits, with another 253 villages (not yet getting benefits) chosen as comparators. Data were collected on all 506 villages before and after the beginning of the program. The Mexican government gave the task of evaluating the program to the International Food Policy Research Institute (IFPRI), which commissioned academic studies of the program’s effects.

The academic findings confirmed that the program worked. Children receiving PROGRESA benefits had a 23 percent reduction in the incidence of illness, a 1 to 4 percent increase in height, and an 18 percent reduction in anemia. Adults had 19 percent fewer days lost to illness. There was a 3.4 percent increase in enrollment for all students in grades one through eight; the increase was largest among girls who had completed grade six, at 14.8 percent.<sup>2</sup>

More anecdotally, people in Buenavista have noticed the difference. Emma García says that she can feed her children meat twice a week now to supplement the tortillas, thanks to the money she receives from PROGRESA. Schoolteacher Santiago Días notices that attendance is up in Buenavista’s two-room schoolhouse. Moreover, Días says, “because they are better fed, the children can concentrate for longer periods. And knowing that their mothers’ benefits depend on their being at school, the children seem more eager to learn.”<sup>3</sup>

Because the program was such a clearly documented success, it was continued despite the voters' rejection of the longtime ruling party in Mexico's democratic revolution in 2000. By that time, PROGRESA was reaching 10 percent of the families in Mexico and had a budget of eight hundred million dollars. The new government expanded it to cover the urban poor. Similar programs began in neighboring countries with support from the World Bank.<sup>4</sup>

The lesson for aid reformers is that a combination of free choice and scientific evaluation can build support for an aid program where things that work can be expanded rapidly. The cash-for-education-and-nutrition segment in itself could be expanded, with suitable local adjustments, to more countries and on a much larger scale than it is now.

### *Helping Children Learn in Kenya and India*

Education promoters have offered a bewildering variety of interventions to educate children: abolishing school fees, providing uniforms, building classrooms, hiring more teachers, training teachers, providing free meals at school, making children healthier with free medicine, providing textbooks and flipcharts, offering remedial education, awarding prizes to teachers whose students perform well, and handing out vouchers for private schools. In the typical utopian program, everything is done at once and it is impossible to learn what works and what doesn't.

Fortunately, some Searchers for solutions have taken a different approach. They study each intervention in isolation, identifying its effects relative to a control group that did not get the intervention. Esther Duflo of MIT and Michael Kremer of Harvard are pioneers in this approach to development. One researcher studying a project in Western Kenya found that attendance at preschool programs was 25 percent higher when a free breakfast was provided, and test scores were higher even though the meals cut into instruction time.

Did textbooks raise students' performance? More research in the same district in Kenya found that those students who were in the upper 40 percent of the class did have an improvement in test scores after getting textbooks. How to reach the other 60 percent of students? One bright idea was to use flip charts, which were thought to be easier to follow for less literate students. Unfortunately, the same careful research found that flip charts had no effect on test scores. The research giveth, and the research taketh away.

In India, another program to help poorly performing students hired remedial education assistants from the communities to tutor the students. The students in Mumbai and Vadodara got two hours a day of tutoring from the assistants. What were the results? This program did increase test scores, with the most dramatic results among those students who had been doing worst prior to the program. The researchers estimated that the program of hiring remedial education workers from the community achieved ten times the results of hiring more conventional teachers for the same cost.

Another promising idea was to improve teacher incentives. An experiment in Western Kenya had parent groups give prizes to teachers whose students performed the best on standardized tests. Test scores of students covered by the program initially rose, but subsequent monitoring of these students found that they quickly regressed back to the same level as those students not covered by the program. Teachers were apparently "teaching to the test," with no lasting impact on student performance.<sup>5</sup>

The lesson of all this research is that some equally plausible interventions work and others don't. Aid agencies must be constantly experimenting and searching for interventions that work,

verifying what works with scientific evaluation. For learning to take place, there must be information. The aid agencies must carefully track the impact of their projects on poor people using the best scientific tools available, and using outside evaluators to avoid the self-interest of project managers.

### ***What Works?***

MIT professor Abhijit Banerjee gives other helpful examples besides those already mentioned that have been verified as cost-effective uses of foreign aid: deworming drugs; dietary supplements such as those for iron, vitamin A, and iodine; education in using condoms and treating other sexually transmitted diseases to slow the spread of AIDS; indoor spraying to control malaria; fertilizer subsidies; vaccination; and urban water provision.<sup>6</sup> None of these are keys to development according to some utopian scheme; they are just modest interventions that make people's lives better.

Other evidence on what works has come from cross-country comparisons of country practices and certain outcomes. And not all piecemeal interventions are for social services and projects. James Barth of Auburn, Gerard Caprio of Williams College, and Ross Levine of Brown University found strong association between banking regulations that force banks to disclose accurate, timely, comparable information on their finances and the level of banking development in a country. They controlled for possible reverse causality and found that the result still held. Contrary to the widespread view that tough official bank supervision is needed to protect savers from rogue banks, they found a *negative* relationship between powers of bank supervisors and development of a healthy banking industry (also controlling for possible reverse causality). If you want to promote healthy banking, which is an ingredient in enabling the poor to help themselves through credit, then these statistical associations point you in the direction of regulating information disclosure rather than having powerful official bank supervisors.<sup>7</sup>

Experiments and statistical analysis are a long way short of a panacea for effective aid. There is also development problem solving that is more like learning to sail than testing a theory of fluid dynamics. Aid agencies must let their staff gain experience in a particular local setting on a particular problem, and then let the experienced staff decide on the ground what is working and what is not. Instead, we see aid bureaucracies shifting staff around before they can gain enough experience, with the result that those agencies are full of generalists without local or specialized knowledge.

How can aid agencies acquire the incentive to do scientific evaluation, statistical analysis, and on-the-ground learning? For many efforts, you can survey the intended beneficiaries—the poor—before and after every project, along with a control group that did not benefit from the project. Disclose publicly all efforts and outcomes. Let a community of observers who care—from both donor and recipient countries—hold the agencies responsible for outcomes. Increase the pressure of free speech and democracy on aid agencies by having vociferous advocates for the poor who practice science rather than public relations. Have rich-country politicians realize that a negative evaluation of a particular aid effort is a learning opportunity, not an excuse to cut foreign aid.

### ***Your Ideas Are Crazy, but Are They Crazy Enough?\****

On New Year's Eve, December 31, 2004, in Washington, D.C., Dennis Whittle and Mari Kuraishi got married at the stroke of midnight. The wedding was a charming blend: Shaker hymns, a Unitarian minister, Mari's very proper Japanese mother, Dennis's good-old-boy Kentucky father, and the joint

giving away of the bride by an international assortment of their friends and relatives.

Dennis and Mari are intellectual as well as romantic partners. They come into this story because of the innovative ideas to which they are devoting their non-wedding hours. They decry the central planning approach of the international aid system and have come up with some practical steps to make it act a little bit more like a free market, making the system match the free-market rhetoric of some of its participants.<sup>8</sup>

They suggest a marketplace instead of central planning, a kind of eBay meets foreign aid. They see three types of actors: (1) social entrepreneurs close to the poor who propose projects to meet their needs; (2) individuals and institutions with technical and practical knowledge, and (3) donors who have funds they want to give away. The current system has huge bureaucracies under (3) doing central planning of (1) and (2). Dennis and Mari envision instead a decentralized market in which each category has many players who seek out players in the other categories and spontaneously form matches (another possible metaphor: aid's version of an online dating service). Projects would compete for funds, technical specialists would compete to be hired, and donors would compete to get results, and thus attract even more funds. All of the players would build reputations based on their past performance delivering results. Players would interact through personal meetings, telecommunications, and the Internet (much like the business networks described in chapter 3). The trust necessary for successful relationships would be built through repeated interactions. Dennis and Mari have put together an Internet platform and a company that would facilitate these matches, called GlobalGiving.com. They summarize their vision:

*The number of potential participants on the project design, funding, and implementation sides have all dramatically risen over the past decades. Official agencies, foundations, and even private companies that want to combat poverty abroad, assist with HIV/AIDS projects or invest in schools in developing countries all have no place to “shop,” so to speak, for projects. On the other side of the equation, people with projects cannot find donors.... GlobalGiving.com...treats foreign aid and philanthropy like a marketplace, where donors and recipients come together to exchange information and resources.... [R]ecipients post projects that need funding, and individual and institutional donors can provide anywhere from a few dollars to thousands of dollars to the projects they find most worthy.*

This decentralized approach would avoid the coordination problems. It would bypass the narrow administrative funnel in the recipient government through which official aid must pass. It would avoid the strategic manipulation of aid by donor governments and the corruption of recipient governments.

How does this work in practice? Take the schoolteachers in Coimbatore, India, who noticed that their girl students often left school after puberty and thought of a possible solution. As *BusinessWeek* tells the story:

*The teachers posted a small, bedraggled project on GlobalGiving—so tiny, in fact, that it initially embarrassed Whittle.... The project ad read: “New Toilet Block for School. \$5,000.” Within a few weeks, four donors from around the U.S., including a writer from New York City*

*and a banker from JP Morgan, put up the money. In less than three months, the school had its own separate toilet block for girls; the donors had thank-you letters and photos from the kids. Turns out the teachers had guessed right: The girls were dropping out in droves because of the embarrassment they felt once they started menstruating and had no private facilities. Now, two years later, 100 of them have stayed in school because of this tiny addition.<sup>9</sup>*

Remember the networks that substituted for missing institutions to make markets possible, in chapter 3? Think of the power of networks in foreign aid. If local social entrepreneurs, development workers, and rich-country donors were tied together in a network based on repeated interactions, the networks of relationships could find the local social entrepreneurs—like Patrick Awuah, the founder of Ashesi University in Ghana—who had good projects and good reputations. The local social entrepreneurs would be completely in charge, motivated only by the rewards of good reputation if they did deliver results to the poor and the threat of a lost reputation in the network if they didn't.

Think of the potential for creativity if thousands of potential donors, project proposers, technical advisers, and advocates for the poor were freed from the shackles of the large centralized bureaucracy and could find solutions that worked on the ground. This is not a panacea for redesigning all of foreign aid; it is just one promising experiment in how aid could reach the poor.

### ***Development Vouchers***

Let's keep getting crazy about market mechanisms. Suppose we issue development vouchers to target groups of the extreme poor, which the poor could redeem at any NGO or aid agency for any development good they wanted—for example, vaccinations, life-saving drugs, a health worker's visit, an improved cookstove, textbooks, seeds, fertilizer, or food supplements. The official aid agencies would set aside some of their money for an independent "voucher fund" separate from the agencies. The poor would choose both the goods they wanted and the agency they wanted to deliver the goods and would give their vouchers to that agency. The agency could then turn in the vouchers to the voucher fund for real money to cover the costs of providing the development services.

Since the poor would be choosing which agency would deliver the goods, the agencies would feel competitive pressure to deliver results. They would feel cost pressures the way private firms do, trying to deliver more for less. (One study estimates that the least-efficient donor delivers one square meter of primary school space in Guinea for \$878, while the most efficient can do the job for \$130.<sup>10</sup>) The aid agencies would be forced to act as social entrepreneurs, trying to offer innovative services that would prove attractive to the poor. Any agency that was not delivering what the poor wanted would see its budget go down, as it turned over money to the voucher fund but none of the vouchers came back. The poor would be firmly in charge, giving feedback on what they did and did not want from the aid agencies.

Individual vouchers would not work with development services that had to be chosen collectively to benefit a group, such as roads, health clinics, boreholes, or schools. We could think of vouchers being given to a village rather than to an individual to cover such goods. The villagers could then vote on how to spend the vouchers, so the feedback would be at the village level rather than the individual level. Again, the aid agencies would find out how well they were doing at

satisfying the poor based on how many village vouchers they attracted. The vouchers would at long last provide a “market test” and a “voter test” to the aid agencies.

Giving vouchers to the poor may be the stupidest idea ever, except for all the ideas that have already failed in foreign aid. Both the GlobalGiving and the voucher schemes should be treated as experiments that have to be tested to see whether they work. They should be tried on a small scale. Again, let me say that I do *not* have the next utopian scheme to fix aid, because there isn’t any. We would have to scrutinize these schemes for results just like we do conventional aid schemes. Do the players in GlobalGiving have the right incentives to give the poor what they need? Could it work on a larger scale than its present modest incarnation? Are voucher markets going to be efficient for small transactions?

We have seen that markets and democracy (such as a village voting on vouchers) require many conditions to work well. One worry is that local elites could cheat the poor by buying up all their vouchers or votes and pursuing projects for the benefit of the elites. We really don’t know, but the instinct that something like a market could make aid work better sounds promising.

One idea that is too quickly dismissed is for foreign aid to just give cash grants targeted to the poorest people. This would be the purest solution to letting the poor choose for themselves what they needed. Although there are many potential pitfalls, it’s surprising that aid agencies have not experimented with this approach in any serious way. This would be a promising area in which to do a randomized controlled trial.

Rachel Glennerster of the MIT Poverty Action Lab and Michael Kremer of Harvard have another promising idea to give foreign aid in a way that promotes results. They suggest creating a fund that would make an advance-purchase commitment to whoever succeeded in developing a vaccine against malaria. This would remedy the incentives that led to the present pitifully inadequate R&D on malaria. We could think of expanding this idea to other areas of foreign aid. Have worldwide or regional competitions for effective aid projects and programs, with large rewards to be given to the agencies, NGOs, or individuals that an independent panel judged as having designed the most effective aid programs, as measured by results.

### ***Feedback from the Poor***

If the main problem with foreign aid is the lack of *feedback* from the poor themselves, and *accountability* to these same poor, then why not attack the problem directly? The World Bank produced a fascinating three-volume publication called *The Voices of the Poor*, from which I have drawn some of the country examples in this book. Why not give the poor voices on whether aid is reaching them?

Americans fought a revolution on the principle of “no taxation without representation.” Could Americans and other parts of the West extend that principle to the Rest: “no intervention without representation”? (And I hope I have made clear that nonrepresentative tyrants from the Rest cannot provide such “representation.”) Westerners: don’t do things to or for other people without giving them a way to let you know—and hold you accountable for—what you have actually done to or for them.

Is aid reaching the poor? Well, let the agents of foreign assistance ask them. Evaluation efforts could include surveys of the poor. Just ask them if they got what they most needed and if they are better off because of an aid intervention, and hold the aid agencies accountable for the results. Hold

surveys of the population's well-being both before and after the aid program, to compare the results on specific outcomes.

The main mechanism for feedback and accountability for public services in the West is democracy. Could aid agencies find democratic mechanisms for local communities to vote on what services and projects they wanted? Could independent local watchers make sure the goods actually arrived and delivered what the agencies promised? Myriad volunteers such as local college students could simply monitor a sample of potholes, missing textbooks for schoolchildren, or out-of-stock drugs in health clinics. They could make the call to the responsible party to repair the pothole, supply the textbooks, or restock the drugs. Publicize the results and thus put pressure on the aid donors and their local partners. It is strange that aid agencies talk so much these days about "good governance" in the recipient countries without worrying about "good governance" of their own aid projects.

Aid could better utilize one group of agents who do have an incentive to find things that please the customers: private firms. For example, private firms could provide services that reach the poor, function as watchers, provide funding for poor entrepreneurs, and train aid workers to think like Searchers for customer satisfaction.

A little bit of this is happening already, but not in any systematic way that aid agencies take seriously. Surveys, votes, and watchers are not always reliable, but on average they would be a big step forward from the accountability-free zone that aid agencies now enjoy.

### *Getting Back to Basics*

I don't think these crazy schemes should eliminate official aid agencies. These agencies could work much better if they had more modest agendas and were accountable for those agendas. Again, I emphasize that none of these suggestions is the Big Answer to world poverty, or even on how to fix foreign aid. The only Big Answer is that there is no Big Answer.

The basic principles are much easier to state than to make happen. Agents of assistance have to have incentives to search for what works to help the poor. If you want to aid the poor, then

- (1) Have aid agents individually accountable for individual, feasible areas for action that help poor people lift themselves up.
- (2) Let those agents search for what works, based on past experience in their area.
- (3) Experiment, based on the results of the search.
- (4) Evaluate, based on feedback from the intended beneficiaries and scientific testing.
- (5) Reward success and penalize failure. Get more money to interventions that are working, and take money away from interventions that are not working. Each aid agent should explore and specialize further in the direction of what they prove good at doing.
- (6) Make sure incentives in (5) are strong enough to do more of what works, then repeat step (4). If action fails, make sure incentives in(5) are strong enough to send the agent back to step (1). If the agent keeps failing, get a new one.<sup>11</sup>

It's so obvious, I'm embarrassed even to lay it out. But it's worth laying out only because it is the opposite of the present Western effort to transform the Rest.

Aid won't make poverty history, which Western aid efforts cannot possibly do. Only the self-reliant efforts of poor people and poor societies themselves can end poverty, borrowing ideas and institutions from the West when it suits them to do so. But aid that concentrates on feasible tasks will alleviate the sufferings of many desperate people in the meantime. Isn't that enough?

Think of the great potential for good if aid agencies probed and experimented their way toward effective interventions—such as saving the life of a child with malaria, building a road for a poor farmer to get his crops to market and support his family, or getting food and dietary supplements to people who would otherwise be stunted from malnutrition. Think of the positive feedback loop that could get started as success was rewarded with more resources and expanded further. Think of the increased support for foreign aid if rich people knew that an additional dollar of aid was an additional dollar to meet the desperate needs of the poorest people in the world.

### ***What Can You Do?***

The Planners have dominated the past generation of efforts of the West to help the Rest. The utopian Planners cannot transform the Rest—at least, not for the better. While the Rest is transforming itself the Planners' global social engineering has failed to help the poor, and it will always so fail. The Planners gave us the second tragedy of the world's poor, that twelve-cent medicines do not reach children dying of malaria, that four-dollar bed nets do not get to the poor to prevent malaria, that three dollars does not get to each new mother to prevent millions of child deaths. Planners made little progress on the first tragedy of the world's poor, that the poor suffer from many calamities that could be averted.

With this historical record, perhaps sixty years of Planners is enough. Maybe it is now time to give the Searchers a chance. Even though the biggest payoff comes from local Searchers who solve their own problems, Searchers from the rich West can do good, specific things for poor people. Searchers can make progress on the second tragedy, which would then make progress possible on the first tragedy. Let the Searchers try their hands at ways for the medicines, bed nets, and aid money to finally reach the poor.

What can you do? There is a role for everyone (both in the West and in the Rest) who cares about the poor. If you are an activist, you can change your issue from raising more aid money to making sure that the aid money reaches the poor. If you are a researcher or student of development, you can search for ways to improve the aid system, or for piecemeal innovations that make poor people better off, or for ways for homegrown development to happen sooner rather than later. If you are an aid worker, you can forget about the utopian goals and draw upon what you do best to help the poor. Even if you don't work in the field of helping the poor, you can still, as a citizen, let your voice be heard for the cause of aid delivering the goods to the poor. You citizens don't have to settle for the grandiose but empty plans to make poverty history. All of you can make known your dissatisfaction with Planners and call for more Searchers.

And could one of you Searchers discover a way to put a firewood-laden Ethiopian preteen girl named Amarech in school?