

CHAPTER ONE

PLANNERS VERSUS SEARCHERS

*Take up the White Man's burden—
In patience to abide,
To veil the threat of terror
And check the show of pride;
By open speech and simple,
An hundred times made plain,
To seek another's profit
And work another's gain.*

*Take up the White Man's burden—
The savage wars of peace—
Fill full the mouth of Famine,
And bid the sickness cease.*

RUDYARD KIPLING,
"THE WHITE MAN'S BURDEN," 1899

UNITED KINGDOM CHANCELLOR of the Exchequer Gordon Brown is eloquent about one of the two tragedies of the world's poor. In January 2005, he gave a compassionate speech about the tragedy of extreme poverty afflicting billions of people, with millions of children dying from easily preventable diseases. He called for a doubling of foreign aid, a Marshall Plan for the world's poor, and an International Financing Facility (IFF) against which tens of billions more dollars toward future aid could be borrowed to rescue the poor today. He offered hope by pointing out how easy it is to do good. Medicine that would prevent half of all malaria deaths costs only twelve cents a dose. A bed net to prevent a child from getting

malaria costs only four dollars. Preventing five million child deaths over the next ten years would cost just three dollars for each new mother. An aid program to give cash to families who put their children in school, getting children like Amaretech into elementary school, would cost little.³

Gordon Brown was silent about the other tragedy of the world's poor. This is the tragedy in which the West spent \$2.3 trillion on foreign aid over the last five decades and still had not managed to get twelve-cent medicines to children to prevent half of all malaria deaths. The West spent \$2.3 trillion and still had not managed to get four-dollar bed nets to poor families. The West spent \$2.3 trillion and still had not managed to get three dollars to each new mother to prevent five million child deaths. The West spent \$2.3 trillion, and Amaretech is still carrying firewood and not going to school. It's a tragedy that so much well-meaning compassion did not bring these results for needy people.

In a single day, on July 16, 2005, the American and British economies delivered nine million copies of the sixth volume of the Harry Potter children's book series to eager fans. Book retailers continually restocked the shelves as customers snatched up the book. Amazon and Barnes & Noble shipped preordered copies directly to customers' homes. There was no Marshall Plan for Harry Potter, no International Financing Facility for books about underage wizards.⁴ It is heartbreaking that global society has evolved a highly efficient way to get entertainment to rich adults and children, while it can't get twelve-cent medicine to dying poor children.

This book is about that second tragedy. Visionaries, celebrities, presidents, chancellors of the exchequer, bureaucracies, and even armies address the first tragedy, and their compassion and hard work deserve admiration. Many fewer address the second tragedy. I feel like kind of a Scrooge pointing out the second tragedy when there is so much goodwill and compassion among so many people to help the poor. I speak to many audiences of good-hearted believers in the power of Big Western Plans to help the poor, and I would so much like to believe them myself. I often feel like a sinful atheist who has somehow wound up in the meeting of the conclave of cardinals to choose the successor to the saintly John Paul II. Where there is a lot of consensus for Big Plans to help the poor, the audience receives my doubts about

these plans about as well as the cardinals would receive my nomination of the pop singer Madonna to be the next Pope.

But I and many other like-minded people keep trying, not to abandon aid to the poor, but to make sure it reaches them. Rich countries have to address the second tragedy if they are going to make any progress on the first tragedy. Otherwise, the current wave of enthusiasm for addressing world poverty will repeat the cycle of its predecessors: idealism, high expectations, disappointing results, cynical backlash.

The second tragedy is due to the mistaken approach that traditional Western assistance takes toward world poverty. So has this book finally found, after all these years, the right Big Plan to reform foreign aid, to enrich the poor, to feed the hungry, and to save the dying? What a breakthrough if I have found such a plan when so many other, much smarter, people than I have tried many different plans over fifty years, and have failed.

You can relax; your author has no such delusions of grandeur. All the hoopla about having the right plan is itself a symptom of the misdirected approach to foreign aid taken by so many in the past and so many still today. The right plan is to have no plan.

Planners' Failure, Searchers' Success

Let's call the advocates of the traditional approach the Planners, while we call the agents for change in the alternative approach the Searchers. The short answer on why dying poor children don't get twelve-cent medicines, while healthy rich children do get Harry Potter, is that twelve-cent medicines are supplied by Planners while Harry Potter is supplied by Searchers.

This is not to say that everything should be turned over to the free market that produced and distributed Harry Potter. The poorest people in the world have no money to motivate market Searchers to meet their desperate needs. However, the mentality of Searchers in markets is a guide to a constructive approach to foreign aid.

In foreign aid, Planners announce good intentions but don't motivate anyone to carry them out; Searchers find things that work and get some

reward. Planners raise expectations but take no responsibility for meeting them; Searchers accept responsibility for their actions. Planners determine what to supply; Searchers find out what is in demand. Planners apply global blueprints; Searchers adapt to local conditions. Planners at the top lack knowledge of the bottom; Searchers find out what the reality is at the bottom. Planners never hear whether the planned got what it needed; Searchers find out if the customer is satisfied. Will Gordon Brown be held accountable if the new wave of aid still does not get twelve-cent medicines to children with malaria?

A Planner thinks he already knows the answers; he thinks of poverty as a technical engineering problem that his answers will solve. A Searcher admits he doesn't know the answers in advance; he believes that poverty is a complicated tangle of political, social, historical, institutional, and technological factors. A Searcher hopes to find answers to individual problems only by trial and error experimentation. A Planner believes outsiders know enough to impose solutions. A Searcher believes only insiders have enough knowledge to find solutions, and that most solutions must be homegrown.

Columbia University professor and director of the United Nations Millennium Project Jeffrey Sachs is an eloquent and compassionate man. I am always moved when I listen to him speak. Unfortunately, his intellectual solutions are less convincing. Professor Sachs offers a Big Plan to end world poverty, with solutions ranging from nitrogen-fixing leguminous trees to replenish soil fertility, to antiretroviral therapy for AIDS, to specially programmed cell phones to provide real-time data to health planners, to rainwater harvesting, to battery-charging stations, to twelve-cent medicines for children with malaria—for a total of 449 interventions. Professor Sachs has played an important role in calling upon the West to do more for the Rest, but the implementation strategy is less constructive. According to Professor Sachs and the Millennium Project, the UN secretary-general should run the plan, coordinating the actions of officials in six UN agencies, the UN country teams, the World Bank, the International Monetary Fund, and a couple of dozen rich-country aid agencies. This Plan is the latest in a long string of Western plans to end poverty.

So for the twelve-cent medicines, the Planners are distracted by simultaneously doing the other 448 interventions; they don't have enough local in-

formation to know how many children in each locale have malaria and how many doses of medicine are needed at each of the myriad health clinics; they don't have agents motivated to get those doses there; the local health workers are poorly paid and poorly motivated; many different aid agencies are doing many different interventions on the health system and on malaria; nobody knows who or what to blame if the twelve-cent medicines are out of stock in the local health clinic and do not reach the dying children; and the local parents don't even have a way of communicating to the Planners whether the medicines have reached them.

Searchers have better incentives and better results. When a high willingness to pay for a thing coincides with low costs for that thing, Searchers will find a way to get it to the customer.

The market rewarded book retailers, wholesalers, and publishers who got Harry Potter to those fanatically awaiting the latest installment on July 16, 2005. Those retailers, wholesalers, and publishers have a strong incentive to have Harry Potter always in stock. Myriad children's book authors search for compelling characters and narratives that will attract readers and earn them income. When J. K. Rowling, a Scottish single mother on welfare, hit upon the story of a teenage wizard who triumphs over evil, she became one of the richest women in the world.

Searchers could find ways to make a specific task—such as getting medicines to dying children—work if they could concentrate on that task instead of on Big Plans. They could test whether a specific task had a high payoff for the poor, get rewarded for achieving high payoffs, and be accountable for failure if the task didn't work. We will see some areas where Searchers have already achieved tangible benefits, but they have had little chance to deliver in the area of global poverty because foreign aid has been dominated by the Planners.

The Planners have the rhetorical advantage of promising great things: the end of poverty. The only thing the Planners have against them is that they gave us the second tragedy of the world's poor. Poor people die not only because of the world's indifference to their poverty, but also because of ineffective efforts by those who do care. To escape the cycle of tragedy, we have to be tough on the ideas of the Planners, even while we salute their goodwill.

Big Problems and Big Plans

Almost three billion people live on less than two dollars a day, adjusted for purchasing power.⁵ Eight hundred and forty million people in the world don't have enough to eat.⁶ Ten million children die every year from easily preventable diseases.⁷ AIDS is killing three million people a year and is still spreading.⁸ One billion people in the world lack access to clean water; two billion lack access to sanitation.⁹ One billion adults are illiterate.¹⁰ About a quarter of the children in the poor countries do not finish primary school.¹¹ So Amaretech is enslaved to a load of firewood instead of playing and learning in a school yard.

This poverty in the Rest justifiably moves many people in the West. The Western effort deploys a variety of interventions besides foreign aid, including technical advice and lending from the International Monetary Fund and the World Bank, the spread of the knowledge of capitalism and democracy, scientific interventions to cure disease, nation-building, neo-imperialism, and military intervention. Both the Right and the Left participate in this effort.

Who is "the West"? It is the rich governments in North America and Western Europe who largely control international agencies and the effort to transform poor nations. Although, over time, some non-Western nations (Japan) and professionals from all over the world have also become involved.

The tragedy of the poor inspires dreams of change. President James Wolfensohn of the World Bank put on the wall of the lobby of the World Bank headquarters the words OUR DREAM IS A WORLD FREE OF POVERTY. He has written about this dream with inspiration and eloquence:

*If we act now with realism and foresight,
if we show courage,
if we think globally and
allocate our resources accordingly,
we can give our children a
more peaceful and equitable world.
One where suffering will be reduced.*

*Where children everywhere
will have a sense of hope.
This is not just a dream.
It is our responsibility.¹²*

In the world's capital, New York, the United Nations had an inspirational dream of its own at the start of the new millennium. It got "the largest-ever gathering of heads of state" to promise "to eradicate poverty, promote human dignity and equality and achieve peace, democracy and environmental sustainability."¹³

Political leaders from around the world specifically agreed then on the Millennium Development Goals (MDGs). The eight MDGs for 2015 are (1) eradicate extreme poverty and hunger, (2) achieve universal primary-school enrollment, (3) promote gender equality and empower women, (4) reduce child mortality, (5) improve maternal health, (6) combat HIV/AIDS, malaria, and other diseases, (7) ensure environmental sustainability, and (8) develop a global partnership for development. These are beautiful goals.

At Davos in January 2005, British prime minister Tony Blair called for "a big, big push forward" in Africa to reach the Millennium Development Goals, financed by an increase in foreign aid.¹⁴ Blair commissioned a "Report for Africa," which released its findings in March 2005, likewise calling for a "big push."

Gordon Brown and Tony Blair put the cause of ending poverty in Africa at the top of the agenda of the G8 Summit in Scotland in July 2005. Bob Geldof assembled well-known bands for "Live 8" concerts on July 2, 2005, to lobby the G8 leaders to "Make Poverty History" in Africa. Veterans of the 1985 Live Aid concert, such as Elton John and Madonna, performed, as did a younger generation's bands, such as Coldplay. Hundreds of thousands marched on the G8 Summit for the cause. Live 8's appeals for helping the poor and its dramatizations of their sufferings were moving, and it is great that rock stars donate their time for the needy and desperate.

Yet helping the poor today requires learning from past efforts. Unfortunately, the West already has a bad track record of previous beautiful goals. A UN summit in 1990, for example, set as a goal for the year 2000 universal

primary-school enrollment. (That is now planned for 2015.) A previous summit, in 1977, set 1990 as the deadline for realizing the goal of universal access to water and sanitation. (Under the Millennium Development Goals, that target is now 2015.)¹⁵ Nobody was held accountable for these missed goals.

In July 2005, the G8 agreed to double foreign aid to Africa, from twenty-five billion dollars a year to fifty billion for the big push, and to forgive the African aid loans contracted during previous attempts at a "big push."

The current enthusiasm for big plans got new life with the the "war on terror." After defeating Saddam Hussein's army, President George W. Bush enthused in a graduation ceremony at the Coast Guard Academy in May 2003: "These goals—advancing against disease, hunger and poverty . . . are . . . the moral purpose of American influence. . . . President Woodrow Wilson said, 'America has a spiritual energy in her which no other nation can contribute to the liberation of mankind.' In this new century, we must apply that energy to the good of people everywhere."¹⁶ The new military interventions are similar to the military interventions of the cold war, while the neo-imperialist fantasies are similar to old-time colonial fantasies. Military intervention and occupation show a classic Planner's mentality: applying a simplistic external answer from the West to a complex internal problem in the Rest.

Similarly, the aid-financed Big Push is similar to the early idea that inspired foreign aid in the 1950s and 1960s, when central planning and a "Big Push" were all the rage. This legacy has influenced the planning approach to economic development by the World Bank, regional development banks, national aid agencies such as the United States Agency for International Development (USAID), and the United Nations agencies. At first, these agencies called for the planning of poor countries' economies. Later they shifted toward advocacy of the free market for these countries, yet in many ways the agencies themselves continued to operate as Planners (and still today, the UN, World Bank, and IMF advocate a kind of national plan they call a Poverty Reduction Strategy Paper).

Jeffrey Sachs wrote a fascinating book in 2005 called *The End of Poverty*. He sees the world's poor as caught in a "poverty trap," in which poor health, poor education, and poor infrastructure reinforce one another. But there is hope from a Big Plan. "Success in ending the poverty trap," Sachs writes in the book, "will be much easier than it appears."

But if rich people want to help the poor, they must face an unpleasant reality: If it's so easy to end the poverty trap, why haven't the Planners already made it history?

The Backward Question That Cripples Foreign Aid

How can the West end poverty in the Rest? Setting a beautiful goal such as making poverty history, the Planners' approach then tries to design the ideal aid agencies, administrative plans, and financial resources that will do the job.

Sixty years of countless reform schemes to aid agencies and dozens of different plans, and \$2.3 trillion later, the aid industry is still failing to reach the beautiful goal. The evidence points to an unpopular conclusion: Big Plans will always fail to reach the beautiful goal.

I am among the many who have tried hard to find the answer to the question of what the end of poverty requires of foreign aid. I realized only belatedly that I was asking the question backward; I was captive to a planning mentality. Searchers ask the question the right way around: What can foreign aid do for poor people?

Setting a prefixed (and grandiose) goal is irrational because there is no reason to assume that the goal is attainable at a reasonable cost with the available means. It doesn't make sense to have the goal that your cow will win the Kentucky Derby. No amount of expert training will create a Derby-winning race cow. It makes much more sense to ask, "What useful things can a cow do?" A cow can nicely feed a family with a steady supply of milk, butter, cheese, and (unfortunately for the cow) beef. Of course, you could win the Kentucky Derby if you had a championship-caliber horse, but this book will review the decades of experience that show aid agencies to be cows, not racehorses.

Likewise, we will see in this book that aid agencies cannot end world poverty, but they can do many useful things to meet the desperate needs of the poor and give them new opportunities. For example, instead of trying to "develop" Ethiopia, aid agencies could devise a program to give cash subsidies to parents to keep their children in school. Such a program has worked

in other places, so it could take children like Amaretech out of the brutal firewood brigade and give her hope for the future. But right now much aid goes astray because we keep trying to train the aid agency cow to win the Kentucky Derby.

Searchers look for any opportunity to relieve suffering—e.g., the cash-for-school program—and don't get stuck on infeasible objectives. One of the key predictions about Planners that we will see confirmed over and over in this book is that they keep pouring resources into a fixed objective, despite many previous failures at reaching that objective, despite a track record that suggests the objective is infeasible or the plan unworkable. We will see that Planners even escalate the scope of intervention when the previous intervention fails. They fail to search for what *does* work to help the poor. The second tragedy continues. Yet Searchers in aid are already finding things that help the poor, and we will see that they could find many more if the balance of power in aid is shifted from Planners to Searchers.

Setting goals may be good for motivation, but it is counterproductive for implementation. The free market operates without fixed specific goals, only general goals (e.g., businessmen making profits, consumers achieving satisfaction). *The Art of What Works* is a marvelous book by Columbia Business School professor William Duggan. He quotes Leonardo da Vinci: "As you cannot do what you want, / Want what you can do."¹⁷ Duggan points out with numerous examples that business success does *not* come from setting a prefixed goal and then furiously laboring to reach it. Rather, successful businessmen are Searchers, looking for any opportunity to make a profit by satisfying the customers. They evaluate the chance of reaching many different goals and choose the one that promises the highest expected benefit at the lowest cost (in other words, the highest profits). Book publishers did not fixate on the goal of selling books about teenage wizards until after J. K. Rowling found a way to please customers with such a book.

Bill Duggan gives the example of Ray Kroc. Kroc was a salesman peddling the Multimixer, a machine that mixes six milkshakes at a time. His original idea was to sell as many Multimixers as possible. In 1954, he visited a restaurant called McDonald's in San Bernardino, California. He noticed that the McDonald brothers kept eight Multimixers operating at full capacity around the clock. At first, he wanted to recommend their methods to his other clients

increasing the demand for his Multimixers. But then he changed his mind. He saw that preparing hamburgers, fries, and milkshakes on an assembly-line basis was a way to run a successful chain of fast-food restaurants. He forgot all about the Multimixer, and the rest is a history of Golden Arches stretching as far as the eye can see. How many Ray Krocs has foreign aid lost by its emphasis on plans?

Getting Bed Nets to the Poor

At the World Economic Forum in Davos in 2005, celebrities from Gordon Brown to Bill Clinton to Bono liked the idea of bed nets as a major cure for poverty. Sharon Stone jumped up and raised a million dollars on the spot (from an audience made up largely of middle-aged males) for more bed nets in Tanzania. Insecticide-treated bed nets can protect people from being bitten by malarial mosquitoes while they sleep, which significantly lowers malaria infections and deaths. But if bed nets are such an effective cure, why hadn't Planners already gotten them to the poor? Unfortunately, neither celebrities nor aid administrators have many ideas for how to get bed nets to the poor. Such nets are often diverted to the black market, become out of stock in health clinics, or wind up being used as fishing nets or wedding veils.

The nonprofit organization Population Services International (PSI), headquartered in Washington, D.C., gets rewarded for doing things that work, which enables it to attract more funding. This makes it act more like a Searcher than a Planner. PSI stumbled across a way to get insecticide-treated bed nets to the poor in Malawi, with initial funding and logistical support from official aid agencies. PSI sells bed nets for fifty cents to mothers through antenatal clinics in the countryside, which means it gets the nets to those who both value them and need them. (Pregnant women and children under five are the principal risk group for malaria.) The nurse who distributes the nets gets nine cents per net to keep for herself, so the nets are always in stock. PSI also sells nets to richer urban Malawians through private-sector channels for five dollars a net. The profits from this are used to pay for the subsidized nets sold at the clinics, so the program pays for itself. PSI's bed net program increased the nationwide average of children under five sleeping

under nets from 8 percent in 2000 to 55 percent in 2004, with a similar increase for pregnant women.¹⁸ A follow-up survey found nearly universal use of the nets by those who paid for them. By contrast, a study of a program to hand out free nets in Zambia to people, whether they wanted them or not (the favored approach of Planners), found that 40 percent of the recipients didn't use the nets. The "Malawi model" is now spreading to other African countries.

The Washington headquarters of PSI, much less the Davos World Economic Forum, did not dictate this particular solution. The local PSI office in Malawi (which is staffed mostly by Malawians who have been with the program for years) was looking for a way to make progress on malaria. They decided that bed nets would do the job, then hit upon the antenatal clinic and the two-channel sales idea. This scheme is not a magical panacea to make aid work under all circumstances; it is just one creative response to a particular problem.

Philosophy of Social Change

The debate between Planners and Searchers in Western assistance is the latest installment in a long-standing philosophical divide in Western intellectual history about social change. The great philosopher of science Karl Popper described it eloquently as "utopian social engineering" versus piecemeal democratic reform.¹⁹ This is pretty much the same divide as the one Edmund Burke described in the late eighteenth century as "revolution" versus "reform" (the French Revolution was a bloody experiment in utopian engineering). Social engineering experiments have been applied since then in such diverse contexts as compulsory resettlement of Tanzanians into state villages and Communist five-year plans to industrialize in the Soviet Union and Eastern Europe. Ironically, social engineering surfaced again as "shock therapy" in the transition from communism (after the five-year plans had failed) to capitalism, which eschewed the alternative of "gradualism." Social engineering showed up in Africa and Latin America in the eighties and nineties as IMF/World Bank-sponsored comprehensive reforms called "structural adjustment." Military intervention to overthrow evil dictators and remake

other societies into some reflection of Western democratic capitalism is the extreme of contemporary utopian social engineering. The plan to end world poverty shows all the pretensions of utopian social engineering.

Democratic politics is about searching for piecemeal solutions: a local group engages in political action to campaign for a missing public service, such as trash collection; and a politician recognizes an opportunity for political gain from meeting these needs and winning over this particular group.

Even when our politicians are not exactly the sharpest tools in the shed, rich democracies somehow work. Political scientist Charles Lindblom in a classic article described rich-country politics as the "science of muddling through." He noted that in rich democracies "actual policy practice is a piecemeal process of limited comparisons, a sequence of trials and errors followed by revised trials, [and] reliance on past experience."²⁰ In other words, politicians in rich countries are Searchers at home.

Burke and Popper recognized the economic and political complexity of society. That complexity dooms any attempt to achieve the end of poverty through a plan, and no rich society has ended poverty in this way. It is only when rich-country politicians gaze at the non-voters in the rest of the world that they become Planners. This is another clue to the likelihood of planning: outsiders are more likely to be Planners, while insiders are forced by their fellow insiders to be Searchers.

Feedback and Accountability

Two key elements that make searches work, and whose absence is fatal to plans, are feedback and accountability. Searchers know if something works only if the people at the bottom can give feedback. This is why successful Searchers have to be close to the customers at the bottom, rather than surveying the world from the top. Consumers tell the firm that "this product is worth the price" by buying it, or they decide the product is worthless and return it to the store. Voters tell their local politician that "public services suck," and the politician tries to fix the problem.

Lack of feedback is one of the most critical flaws in existing aid. It comes about because of the near-invisibility of efforts and results by aid agencies in

distant parts of the world. The rest of the book explores how to begin addressing this flaw, from employing local "watchers" of aid projects to doing independent evaluation of those projects.

Of course, feedback works only if somebody listens. Feedback without accountability is like the bumper sticker I once saw on an eighteen-wheeler: DON'T LIKE MY DRIVING? CALL 1-800-SCREW-YOU. Once Searchers implement the results of a search, they take responsibility for the outcome. Profit-seeking firms make a product they find to be in high demand, but they also take responsibility for the product—if the product poisons the customer, they are liable, or at least they go out of business. A political reformer takes responsibility for the results of the reform. If something goes wrong, he pays politically, perhaps by losing office. If the reform succeeds, he gets the political rewards.

Although all governments include bureaucracy, in well-developed democratic governments, the bureaucrats are somewhat more specialized and accountable for specific results to the citizens (although God knows they try hard not to be). The bureaucrats gradually make improvements through what Lindblom called "disjointed incrementalism." Active civic organizations and political lobbies operate from the bottom up to hold leaders and bureaucrats accountable, correcting missteps and rewarding positive ones. Rich voters complain if municipal trash collectors don't pick up their discarded shipping boxes after Amazon delivers Harry Potter; politicians and bureaucrats have political incentives to correct any breakdown in trash collection. Feedback guides democratic governments toward supplying services that the market cannot supply, and toward providing institutions for the markets to work.

At a higher level, accountability is necessary to motivate a whole organization or government to use Searchers. In contrast, Planners flourish where there is little accountability. Again, outsiders don't have much accountability, and so they are Planners; insiders have more accountability and are more likely to be Searchers.

We will see some of the helpful changes that can happen in aid when accountability is increased, shifting power from Planners to Searchers. Aid agencies can be held accountable for specific tasks, rather than be given the weak incentives that follow from collective responsibility for broad goals.

Aid workers now tend to be ineffective generalists; accountability would make them into more effective specialists.

To oversimplify by a couple of gigawatts, the needs of the rich get met because the rich give feedback to political and economic Searchers, and they can hold the Searchers accountable for following through with specific actions. The needs of the poor don't get met because the poor have little money or political power with which to make their needs known and they cannot hold anyone accountable to meet those needs. They are stuck with Planners. The second tragedy continues.

Why Are Planners So Popular?

In any human endeavor, the people paying the bills are the ones to keep happy. The big problem with foreign aid and other Western efforts to transform the Rest is that the people paying the bills are rich people who have very little knowledge of poor people. The rich people demand big actions to solve big problems, which is understandable and compassionate. The Big Plans at the top keep the rich people happy that "something is being done" about such a tragic problem as world poverty. In June 2005, the *New York Times* ran an editorial advocating a Big Plan for Africa titled "Just Do Something." Live 8 concert organizer Bob Geldof said, "Something must be done; anything must be done, whether it works or not."²¹ Something, anything, any Big Plan would take the pressure off the rich to address the critical needs of the poor. Alas, if ineffective big plans take the pressure off the rich to help the poor, there's the second tragedy, because then the effective piecemeal actions will not happen.

The prevalence of ineffective plans is the result of Western assistance happening out of view of the Western public. Fewer ineffective approaches would survive if results were more visible. The Big Plans are attractive to politicians, celebrities, and activists who want to make a big splash, without the Western public realizing that those plans at the top are not connected to reality at the bottom.

Popular books, movies, and television shows are full of plotlines that feature a hero, the chosen one, who saves the world. The Harry Potter series is

ROBERT OWEN, 1857

amuse and govern the human race in perpetual progressive-prosperity—without war... these results may now, for the first time in the history of the world, be accomplished”

“when... they shall have imbibed the spirit of universal love and charity... then will be the direct path to the permanent superior happiness of our race... be attainable”

“these results may now... be accomplished... with far less difficulty and in less time than will be imagined”

“all the petty isolated schemes hitherto proposed by well-intentioned but inexperienced and short-sighted reformers will be abandoned as useless for the ultimate objects to be attained”

Unfortunately, the new fondness for utopia is not just harmless inspirational rhetoric. The setting of utopian goals means aid workers will focus efforts on infeasible tasks, instead of the feasible tasks that will do some good.

JEFFREY SACHS, 2005

history” (p. 347) “our breathtaking opportunity... [is to] spread the benefits of science and technology... to all parts of the world... to secure a perpetual peace...” (pp. 351–52).

“The world community has at its disposal the... human courage and compassion to make it happen” (introduction to *Millennium Project Report*, January 2005)

“success in ending the poverty trap will be much easier than it appears” (p. 289)

“to do things piecemeal is vacuous” (*Washington Post*, March 27, 2005)

“Even more to the point, success in any single area, whether in health, or education, or farm productivity, depends on investments across the board” (p. 256)

Desperate Needs

The effort wasted on the plans is all the more tragic when we consider some of the simple, desperate needs of the poor, which Searchers could address piecemeal. In a typical country in Africa, one third of the children under five have stunted growth due to malnutrition. A group of women in Nigeria report that they were too weakened by hunger to breast-feed their babies. Throughout Africa, there is a long “hungry season,” when the stores from the last harvest run out and the new crop becomes available. Even in a more prosperous region such as Latin America, one fifth of the children suffer from malnutrition. Malnutrition lowers the life potential of children and makes them more vulnerable to killer diseases. As a woman in Voluntad de Dios, Ecuador, put it, children get sick “because of lack of food. We are poor. We have no money to buy or to feed ourselves.”²³

In Kwalala, Malawi, wells break down during the rainy season because of lack of maintenance. Villagers are forced to take their drinking water from the lake, even though they know it is contaminated with human waste from the highlands. This practice causes diseases such as diarrhea and schistosomiasis.²⁴ Schistosomiasis is caused by parasitic worms passed along through contaminated water; it causes damage to the lungs, liver, bladder, and intestines.²⁵

An old man in Ethiopia says: “Poverty snatched away my wife from me. When she got sick, I tried my best to cure her with tebel [holy water] and woukabi [spirits], for these were the only things a poor person could afford. However, God took her away. My son, too, was killed by malaria. Now I am alone.”²⁶

Surveys of Brazilian *favelas* find terrible sewage problems. In Nova California, “The sewage running in front of the houses causes disease, and no one can stand the smell. When it rains, it comes in the front door, and one has to take everything up off the floor.” In Vila União, “In the winter, the sewers overflow and the streets flood, to say nothing of the mosquito invasion. And here in the *favela* some houses do not have toilets, so people use the street.” In Morro da Conceição, sewage causes the children to get sick and creates “a terrible smell.”²⁷

Chinwe Okoro, twenty-six, lives in the farming village of Okpuje, in

southeastern Nigeria. Chinwe's widowed mother cut his schooling short so he could contribute to the family income from farm jobs and harvesting oil palm. Besides oil palm, Okpuje also produces cassava, yam, and handicrafts. Bad roads out of the village make the cost of transport of local goods to the market about five times higher than it would be with good roads, lowering Chinwe's income and opportunities. The isolation caused by bad roads makes health workers and teachers reluctant to accept postings in Okpuje. I have been on corrugated, potholed, and muddy roads in Africa, and they are indeed agony. The villagers also must travel on the bad roads to get water, since the thirteen-year-old local well broke down four years ago and hasn't been repaired. Women and children walk up to eight kilometers to get spring water; some travel twenty-two kilometers on the bad roads to the nearest town to buy water.²⁸

Some success stories show that aid agencies can make progress on problems like these. There have been successful programs feeding the hungry, which means children have been able to get food in Voluntad de Dios, Ecuador. Success on expanding access to clean water helped the villagers of Kwalala, Malawi. In Mbwadzulu, Malawi, in fact, the drilling of two new boreholes has allowed villagers to discontinue using polluted lake water, and has led to a decline in cholera.²⁹ The Ethiopian man's tragedy could have been avoided with cheap medicines. Brazilian *favelas* could get proper sanitation; in fact, there has already been progress there on sanitation compared with a decade ago. The isolation of Okpuje, Nigeria, could be alleviated by building and maintaining a good road. Broken-down wells can be repaired in Kwalala and Okpuje. Aid agencies could do much more on these problems if they were not diverting their energies to utopian Plans and were accountable for tasks such as getting food, roads, water, sanitation, and medicines to the poor.

White Man's Burden: Historical Cliffs Notes

As the example of Robert Owen shows, the fondness for utopian solutions to the Rest's problems is not new—it is a theme throughout the history of the West and the Rest. The Big Plans that would one day become foreign aid

and military intervention appeared as early as the eighteenth century. Most accounts stress an abrupt transition from colonialism to foreign aid and benevolent military intervention, and of course there were major changes in the attitudes and policies of the West. Yet it is instructive also to see the themes that persist. From the beginning, the interests of the poor got little weight compared with the vanity of the rich. The White Man's Burden emerged from the West's self-pleasing fantasy that "we" were the chosen ones to save the Rest. The White Man offered himself the starring role in an ancien régime version of Harry Potter.

The Enlightenment saw the Rest as a blank slate—without any meaningful history or institutions of its own—upon which the West could inscribe its superior ideals. As the Comte de Buffon put it, "It is through the European that civilization arrives . . . precisely because of their superiority, the civilized peoples are responsible for an evolving world." The Marquis de Condorcet said, "These vast lands . . . need only assistance from us to become civilized."³⁰

Even when making beneficial piecemeal reforms, such as the British antislave trade campaign in the late eighteenth and early nineteenth centuries, white arrogance was not going to disappear anytime soon. British Tory Sir Robert Peel said in a speech in June 1840 that unless whites stopped the slave trade, they never would convince Africans "of the superiority of their European fellow men."³¹

As one of the leaders of the antislavery movement, William Wilberforce, subsequently said about India, "Must we not then . . . endeavour to raise these wretched beings out of their present miserable condition?"³² James Mill in 1810 said, "For the sake of the natives" in India, the British could not "leave them to their own direction."³³

Even the Berlin Conference of 1885, which divided Africa among European colonizers—who resembled children scrambling for candy as the piñata breaks open—included some altruistic language. The signatories were to "aim at instructing the natives and bringing home to them the blessings of civilization."³⁴

A rare dissenter, Mark Twain, satirized the civilizing effort as of 1901: "The Blessings of Civilization . . . could not be better, in a dim light. . . . With the goods a little out of focus, they furnish this desirable exhibit: Law and

an underdeveloped country should have . . . an overall integrated national plan . . . under the encouraging and congratulating applause of the advanced countries." Myrdal used dramatic language in favor of such plans, language that echoes today's (italics in original): "*The alternative to making the heroic attempt is continued acquiescence in economic and cultural stagnation or regression which is politically impossible in the world of today.*"³⁸ Amen to that, except that the heroic plan failed to end economic stagnation or even to realize its potential to address simpler needs.

With some fluctuations in intellectual favor since, these are the same ideas that inspire today's version of the White Man's Burden. A rare early dissenter was the Hungarian-British economist Peter Bauer, who four decades ago presciently predicted the failure of planning "development" through foreign aid.³⁹

The fallacy is to assume that because I have studied and lived in a society that somehow wound up with prosperity and peace, I know enough to plan for other societies to have prosperity and peace. As my friend April once said, this is like thinking the racehorses can be put in charge of building the racetracks.

The Poor Help Themselves

In his introduction to Sachs's *The End of Poverty*, Bono said, "It's up to us." Sachs writes of "our generation's challenge." Gordon Brown, in announcing his Big Push aid plan, saw himself telling Africans: "We have to say, 'We will help you build the capacity you need to trade. Not just opening the door but helping you gain the strength to cross the threshold.'"⁴⁰

The most infuriating thing about the Planners is how patronizing they are (usually unconsciously). Here's a secret: anytime you hear a Western politician or activist say "we," they mean "we whites"—today's version of the White Man's Burden. (This is not automatic for any Western effort to help the poor; there are other rich people who genuinely care about the poor and are not patronizing.)

Cameroonian lawyer and journalist Jean-Claude Shanda Tonme protested in a July 2005 *New York Times* Op-Ed column about the Live 8 concert organizers that "they still believe us to be like children that they must save, with 'their willingness to propose solutions on our behalf.'"

We will see in the rest of the book the refreshing changes that can happen once the patronizing mind-set is abandoned—from ending conditions placed on aid and IMF loans, to ending military interventions, to giving matching grants that increase the opportunities of individuals rather than coddle bad governments.

The world's poor do not have to wait passively for the West to save them (and they are not so waiting). The poor are their own best Searchers. While Western Planners were discussing whether to increase foreign aid by \$50 billion for all poor countries, the citizens of just two large poor countries—India and China—were generating an increase in income for themselves of \$715 billion every year.⁴¹ The Gang of Four—Hong Kong, Korea, Singapore, and Taiwan—went from third world to first over the last four decades. China, India, and the Gang of Four did this through the efforts of many decentralized agents participating in *markets* (the ideal vehicle for feedback and accountability) without significant Western assistance as a share of their income, with some efforts by their own governments (at their own top), and without the West telling them what to do. The developing countries that are in the bottom fourth in terms of aid receipts as a percent of their income have had no trouble achieving healthy growth rates, seeing a 2.5-fold increase in income over the last four decades.

Homegrown development does not always work, as the poverty and political chaos in various parts of the world shows. Yet even when national development fails, the poor are more resourceful than Planners give them credit for. In Ethiopia, Etenesh Ayele, thirty-eight, spent twelve years carrying firewood into Addis Ababa. Now she is trying to help women and girls like Amaretech. She runs the Association of Former Women Fuelwood Carriers, whose members teach girls so those girls can stay out of the firewood brigade. Etenesh Ayele and her colleagues also teach women alternative skills, such as weaving, and give them small loans for start-up capital. "Most women know how to weave but do not have enough money to buy materials," says Ayele, "so we provide that and we also help them with new and different designs so that they can sell the shawls and dresses that they make more easily."⁴² This association is no panacea—it still has not reached Amaretech—but it shows the kind of homegrown effort that foreign donors could support much more.

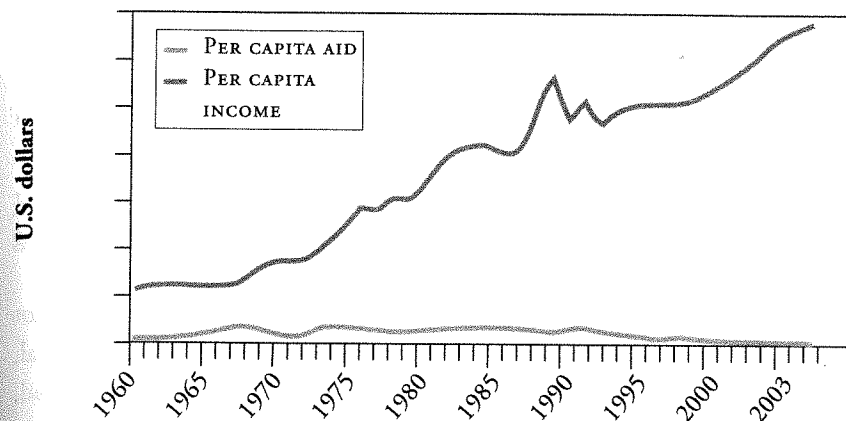
Poor people have already accomplished far more for themselves than the Planners have accomplished for them, as we will see in a chapter on "home-grown development." Although the West could help alleviate more of the poor's sufferings if it relied more on Searchers in aid agencies and those on the ground such as Etenesh Ayele, the West cannot transform the Rest. It is a fantasy to think that the West can change complex societies with very different histories and cultures into some image of itself. The main hope for the poor is for them to be their own Searchers, borrowing ideas and technology from the West when it suits them to do so.

We have to separate two questions that are usually lumped together: What can Western aid do? How can long-run prosperity be achieved in the Rest? This book is only about question one, except to argue that Western aid is *not* the answer to question two.

Question two is certainly worth asking! It will continue to be a fertile area of exploration for researchers and policymakers. For readers understandably impatient to answer the Big Question of "What can we do *now* to achieve prosperity?" let's just note that the previous fifty years of research have not yielded any simple answers. If there were such simple answers, there would be many more development success stories than there are now. There have been many little answers to particular parts of the Big Question, and further progress is likely to continue in the same way—not through a frontal assault on the Big Question. As Sir Francis Bacon said in the seventeenth century, "So it cometh often to pass, that mean and small things discover great better than great can discover small."⁴³ This book is about those little answers that can be implemented through Western aid.

One of those uncommon success stories was the country that registered the world's highest per capita growth rate from 1960 to the present. This country is not in East Asia; it is in Africa. Botswana registered 6 percent per capita growth over this period, a historically unprecedented number for so long a period. How much of Botswana's success was due to foreign aid? In the early years, per capita aid was a significant fraction of per capita income. But then aid declined while income soared (see figure 1). While aid may have played some formative role early in independent Botswana's history, the era of rapid growth soon made it an afterthought. Botswana was lucky to have rich diamond mines, but many other poor countries had natural resources

but squandered rather than developed them. What was more uncommon for a poor country was that Botswana embraced democracy.



Moving Forward

As for the actions of the West, asking the aid agencies and development workers to attain utopian ideals makes them much worse at achieving the doable things called for by the Searchers. It also makes them much less accountable for making specific things work, as the focus on the Big Goals of the Big Plan distracts everyone's attention from whether more children are getting twelve-cent medicines. Acknowledging that development happens mainly through homegrown efforts would liberate the agencies of the West from utopian goals, freeing up development workers to concentrate on more modest, doable steps to make poor people's lives better.

Idealists, activists, development workers of the world, you have nothing to lose but your utopian chains. Let's give more power and funds to the many Searchers who are already working in development. You don't have to immediately eliminate world poverty, bring world peace, or save the environment.

You just have to do whatever you discover works with your modest resources to make a difference in the lives of poor people.

If you want to work on issues at a higher level, there should also be Searchers for how to make piecemeal changes to the foreign aid system to give more power and money to the working-level Searchers. One piecemeal change is honest and independent evaluation of aid agencies, which would make possible rewards for finding things that work and redirection of money to do more of those things. Searchers could think of mechanisms to let the poor themselves show what they want most and what they don't. We will see that there is much scope for improvement just by having the West follow the rule "First do no harm." This book will offer plenty more suggestions for experimental improvements to Western assistance, but don't expect a Big Plan to reform foreign aid. The only Big Plan is to discontinue the Big Plans. The only Big Answer is that there is no Big Answer.

Only an elite few in the West can be Planners. People everywhere, not just in the West, can all be Searchers. Searchers can all look for piecemeal, gradual improvements in the lives of the poor, in the working of foreign aid, in the working of private markets, and in the actions of Western governments that affect the Rest. Many Searchers can watch foreign aid at work in many locales around the world and let their voices be heard when it doesn't deliver the goods. It is time for an end to the second tragedy of the world's poor, which will help make progress on the first tragedy. Searchers can gradually figure out how the poor can give *more* feedback to *more* accountable agents on what *they* know and what *they* most want and need. The big plans and utopian dreams just get in the way, wasting scarce energies. Can't the Searchers just look for how the agents of charity *can* get twelve-cent medicines to children to keep them from dying of malaria, *can* get four-dollar bed nets to the poor to prevent malaria, *can* get three dollars to each new mother to prevent child deaths, *can* get Amaretech into school?

SNAPSHOT: GHANA ACROSS A LIFETIME

A VOLKSWAGEN BEETLE CREEPS THROUGH a small town in Ghana along the road from Accra to Cape Coast. It is night. It is hot. The Beetle is small for its five passengers. The air smells of wood smoke. There are no streetlights. The driver—my father—picks his way through the Ghanaian walkers on the road. The car hits frequent potholes. Unlighted vehicles pass us going in the opposite direction. We come out of the town and are in the bush. The smells are now of tropical flowers. We come to the guesthouse where we will spend the night. The bungalow has no light. Somebody lights a kerosene lantern. The odor of kerosene drives out every other smell. For the rest of my life, whenever I smell kerosene, I think of Ghana. My brother, sister, and I stumble sleepily into the wooden guesthouse with verandas, a leftover from British colonizers. My nervous mother, to whom every blind curve in the road was an existential crisis, copes with tropical disorder. The bungalow has only one bedroom; the rest of us make do with sofas or chairs pushed together. We are skittish after sighting a few insects and even bats in the bungalow. We go to sleep anyway, to the rhythms of drums in nearby villages and surf on the nearby coast. My father is a biology professor at the University College of Cape Coast, Ghana, part of the American program to lend knowledge to the development of Africa. We are a family of five from Bowling Green, Ohio. We are white people and we have come to save you. I am twelve years old.

Thirty-five years later, I am again on the road from Accra to Cape Coast. I am a development economics professor, having spent many of the intervening years working on the quest to transform the poor countries of the world, sixteen of them working for the World Bank. Our car is bumping along on one of the worst roads I have ever seen; the donors are building a new road next to the wretched road. Our