

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.*"<sup>38</sup> 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.<sup>39</sup>

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.'"<sup>40</sup>

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.<sup>41</sup> 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."<sup>42</sup> 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.

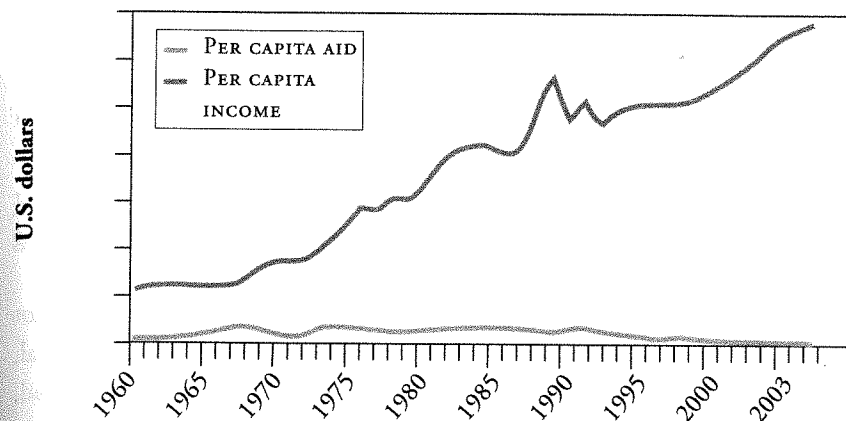
Poor people have already accomplished far more for themselves than the Planners have accomplished for them, as we will see in a chapter on "home-grown development." Although the West could help alleviate more of the poor's sufferings if it relied more on Searchers in aid agencies and those on the ground 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."<sup>43</sup> 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