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# Development assistance and sustainable development: A critical assessment

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## Abstract

Sustainable development is currently said to be an overriding development goal, also for development assistance. It requires new approaches that challenge not only economic rationality but also bureaucracies in ways that encourage political pluralism and the participation by civil society. As the gap between rich and poor increases and as the pressures on already strained systems constantly increase, the legitimacy of the development industry has increasingly been called into question. Development processes are nonlinear 'open' systems that are extremely fluid, in which continuous learning is the *sine qua non* of being able to respond and intervene effectively. But superficial learning is common within the development industry, because real learning implies change and challenge, and many development failures are due to institutional rather than technical problems. Somehow, agencies and managers have largely allowed the indications of new and better approaches or opportunities go undetected. They seem not to understand that building people's capacity to learn and make connections becomes more important than accumulating information about lessons learned in the past, and that it is more important to target interesting (positive or negative) experiences for learning instead of 'averaging' experience across the board. A revamping of policies is urgently needed. This paper tries to provoke a more productive discussion about development assistance which goes beyond pervasive blind faith and thoughtless mantras and discusses some ideological and structural foundations that have prevented the development industry from making progress towards sustainable development. It analyzes what can be done and asserts that it is clear that, if sustainable development is to be supported and realized, it has to be built on the consent and support of those whose lives are affected. Promoting sustainability and understanding and tackling the roots of poverty is a challenge that requires unlocking material resources and allowing people to take part in social, economic and environmental decision making. There is a need to draw on more diverse perspectives and to cut across sectoral boundaries to counter the monovalent approaches that have dominated mainstream development assistance practice. To that end, there is a dire need develop frameworks that can help actors understand the real meaning of sustainable development.

## Keywords

Sustainable Development, Poverty, Rhetoric, Organizational Learning, Social Learning, Development Assistance, Complexity, Uncertainty, Dogma, Paradigms

## 1. Introduction

The focus of this paper is on the conceptual and empirical problems related to sustainable development that arise in the analysis of administrative and political reforms imposed on developing countries, and their impact on economic and social development. The application of these reforms to developing economies has been actively pursued, particularly

by aid donors, with the World Bank as the primary promoter, but there has hardly been any independent evaluation of their effectiveness, let alone of their economic and social effects. This is astonishing since the dominant economic reform model is itself a contested conceptual model, which even in developed economies has produced a contested literature of evaluation and appropriateness. Despite these disputes, it is this model which is being 'transferred' to developing

economies through aid programs and by imitation. This is serious, as postponing the rectification of how we live together on this planet could foreclose the opportunity for sustainable development (Lautensach and Lautensach, 2013).

Sustainable development is currently said to be an overriding development goal. However, it is a widely used, but poorly understood concept. Therefore, we need to clarify our position about this concept and about the issues to be dealt with.

It has been given its most well-known and comprehensive definition by the Brundtland Commission (1986) [The World Commission on the Environment and Development] as "...development that meets the needs of the present without compromising the ability of future generations to meet their own needs"

For the purpose of this paper, we can specify it a bit and adopt the following statement as a basis for the analysis: "Sustainable development means ensuring dignified living conditions with regard to human rights by creating and maintaining the widest possible range of options for freely defining life plans. The principle of fairness among and between present and future generations should be taken into account in the use of environmental, economic and social resources" (SFSO, 2001).

The aspiration of sustainable development challenges us as individuals and groups in how we manage our needs and wants, and how we organize and manage resource use that goes with it. We need to ponder on questions about fairness, solidarity, justice, egoism and altruism, and also inquire into the meaning and dignity of human life. Framing sustainable development in terms of quality of life introduces the subjective and objective dimensions of human well-being and invites a truly transdisciplinary approach. It has an intergenerational and international dimension: people should act here and now in such a way that the conditions for a (decent/high) quality of life elsewhere and later are not eroded (de Vries, 2012). The poor performance of development aid in this respect seems to be a chronic problem, and it is urgent to find ways to guide the development industry onto a more sustainable path.

Since at least the 1960s, development assistance has been subject to increasing criticism. The main focus of this criticism has been the discrepancy between high investment and the meager results achieved in the form of sustained development. Development assistance has also been criticized for operating under a questionable premise. Underdevelopment was seen as an essentially economic issue and, hence, susceptible to well-placed economic interventions. It was further assumed that donors should supply all of the capacities for development that were lacking in a particular country (Mawdsley, 2012). The stated goals of the development aid generally emphasized poverty reduction through economic growth. Poverty provided the motive while economic growth was the remedy of choice. It is fair to say that these programs represented a figment of development aid, efforts to alleviate an objectionable situation without too much concern about the long term implications that may

eventually create even worse problems over time. This raises the question how so many well-paid, highly educated experts could persist in recommending such erroneous courses of action while any substantial progress towards sustainability newer showed up (Raskin et al., 2002).

The development industry at large has regarded the World Bank, since its inception, as the most important multilateral player in the development field and the trendsetter to slavishly follow. Therefore, most of what has happened in the development industry can be explained when one scrutinizes the activities of the World Bank. Already in 1967, the 'father of development economics' Alfred O. Hirschman (1967) delivered biting criticism of World Bank practices. He thereby tried to transform the *Weltanschauung* of the Bank and the Bank's approach to project design, management and appraisal. The Bank flatly rejected the criticism and said they had rather wanted Hirschman to analyze the Bank's projects without any revolution in perspective, and to work on making the Bank's project design and management somehow more measurable, predictable, and possibly replicable (Alacevich, 2012).

The persistence of the old development aid paradigm, even in the face of accumulating evidence of its limitations, is a reflection of the extent to which it has become the untouchable corner stone of the current frameworks and methodologies that dominate problem identification and solution processes within the World Bank and the development industry at large. Rather than presuming a common destiny, it involves what Garret Hardin has characterized as "lifeboat ethics," which divides the world into survivors and non-survivors, and sees first to maintaining the comfort and security of the survivors.

There were some early, well-known published writers on learning process approaches to development projects, such as Korten (1980) and Rondinelli (1983). However, their contributions have not informed the development much. Individuals and organizations are selective in what they learn. Attention is focused in some directions and not others.

Korten identified two potential barriers to learning process approaches. One is the bureaucratic imperative to move large amounts of money when in fact a learning process approach requires only small amounts at the beginning, for pilot projects. The second is the nature of established planning and budgeting procedures. Rondinelli provided an exhaustive examination of the reasons why control oriented, top down, long range, detailed planning of development projects do not work. His critique is of interest because of its very strength. If the methods and their attendant assumptions are so flawed, then a pertinent question is why they are so prevalent and persistent. Rondinelli's answer was that the survival and proliferation of the dated methods was associated with a multi-dimensional form of fitness, at the psychological, social, administrative and political level. Fitness with needs of intended beneficiaries did not appear to have been so important.

The last few years of the 1980s saw a dramatic transformation in the environment-development debate. All

of a sudden the phrase “Sustainable Development” had become pervasive. It had become the watch-word for international aid agencies, the jargon of development planners, the theme of conferences and learned papers, and the slogan of developmental activists. It seemed poised to become the developmental paradigm of the future (Lele, 1991), and by now, a wide range of nongovernmental as well as governmental organizations have embraced the concept of sustainable development as their paradigm of development. A number of case examples indicate, however, that there seems to be a lack of consistency in its interpretation. Its current formulation by the mainstream development aid establishment contains significant weaknesses. These include an incomplete perception of the problems of poverty and confusion about the role of economic growth and about the relationship between sustainability and participation. These weaknesses can easily lead to inadequacies and contradictions in policy making and the delivery of development aid and, if they are not satisfactory dealt with, sustainable development is in real danger of becoming a cliché -- a fashionable phrase that everyone pays homage to, but nobody cares to define.

Problems are neither isolated to any particular sectors nor disciplines, and outcomes tend to be unpredictable in many different ways. These emergent phenomena have clearly demonstrated that there is a critical gap between the current reality of implementation practice on the ground and the kind of interventions needed to actually improve the livelihoods of people. It needs to be understood that aid generally is a relationship business. The relevance, quality and effectiveness of interventions depend on constructing and maintaining trustful and productive relationships among the stakeholders. If we continue to allow ourselves to be guided by theories that have hardened into fossilized dogma, instead of spending time and energy on thinking through the conditions that foster such productive relationships as drivers for development, the results will turn out to be rather limited.

Maybe new donor countries can help find the way, for example Brazil: Unlike the situation in Northern governments, the relevant and proven development expertise exists within the Brazilian state and its various agencies. Where Northern development agencies focus on devising and proposing ideas that might work, the Brazilian approach is an attempt to translate policies and programs that have worked in Brazil to a different political, economic and cultural context. Thus, Brazilian programs work and therefore offer valuable lessons for other developing countries (Garcia, 2012). What especially sets Brazil apart from Northern counterparts is that the provision of development assistance offers significant benefits in terms of building up international bureaucratic experience inside the country (Burgess, 2014).

## 2. Aims and Scope

This paper represents an effort to ‘confront reality’ in a way that enhances insight. It attempts to offer an alternative

story to the glossed and whitewashed official account. Few areas of social policy are so susceptible to ideology, fads and dogma as development assistance. That’s why we have to cut through the prevailing hype and fuzzy thinking and distinguish between ideas that have sound empirical support, and those, for which the evidence of effects is a long way from promising benefits. A basic starting point is that development aid should promote sustainable development. Therefore Agenda 21 is important in that it points at two issues of special interest; firstly an autonomous technology oriented development which is getting out of hand, and secondly the absence of equity considerations in development planning. In addition, the paper presents some moments in debates about development assistance and identifies the tensions, ambiguities and challenges that have been demonstrated. In arguing that perspectives are important for integrating insights and interventions beyond disciplinary or sectoral boundaries, some of the limitations, dangers, and challenges are discussed. In particular, the paper highlights the problems arising from simplistic and blind application of the panaceas, and ‘fashions’ that have come to dominate the development discussion and practice over the past decades. It discusses the prospects of informed and nuanced debate on development assistance for sustainable development, and suggests that we have a long way to go before we can reasonably expect sensible debates to take place. It deplores the ideological and political gulf that continues to separate ‘radicals’ who believe in human resources and the ‘mainstream’ that contends that current concerns are exaggerated and can be overcome by ‘more of the same’ with a whiff of more technology and some ingenuity. It finds little common ground or reconciliation in the conflict, and that raises important questions about the trustworthiness of scientific evidence, the difficulties of prediction, the limits of debate, and the ills of partisan infighting. A number of core challenges are identified, centered on the need to inject a more thorough-going analysis into the debate, and some essential differences between current management approaches, and those required for successful development assistance, are specified and discussed.

## 3. The Broader Picture

The world is changing fast, something that has resulted in new opportunities for some, but has created new difficulties for many others: particularly the poorest and most marginalized. The international donor community has pledged to make poverty history but, unfortunately, this promise has turned out as rather vacuous and we have experienced numerous failures in development aid projects. For instance, the World Bank, which has greatly influenced development policy over the past 50 years, has admitted that the practice of development assistance, that they have promoted, has rightly been cast in doubt because of the poor results in terms of ‘sustainable outcomes’ (World Bank, 1998).

Up until the 1960s project appraisal and evaluation had remained a somewhat marginal topic in the World Bank. The Bank was accustomed to making ex-ante evaluations of the “soundness” of projects – soundness being the jargon of those times – and was satisfied as long as its loans were repaid by the recipient countries. No systematic evaluation of Bank-financed projects or assessment of their success (or lack thereof) had been put into place.

In 1967, Alfred O. Hirschman published his groundbreaking volume, *Development Projects Observed* (1967), which emerged from his study of a series of World Bank projects in the mid-1960s, and served as the first attempt to establish project evaluation as a standard practice in the development field. The Bank, Hirschman wrote, should avoid the “air of pat certainty” that emanated from project prospects and instead expose the uncertainties underlying them, exploring the whole range of possible outcomes. Moreover, the Bank should take into account the distributional and, more generally, the social and political effects of its lending. However, his results were rejected, in particular due to Hirschman’s insistence on uncertainty as an important structural element in the decision-making process. That did definitely not fit in well with the operational drive of Bank economists and engineers.

On the other hand, numerous studies have shown that as concepts like Total Quality Management, Lean Management, Knowledge Management, etc. have spread as organizational ‘fashions’ to businesses around the world, they have entered public institutions, among them development aid organizations, with a delay of two to three years. These concepts seem to have been rather loosely coupled to organizational practice, which means that the adoption of them is not explained by their higher efficiency, but rather by the attempt of organizations to achieve more legitimacy in their environment by adopting a new fashion. Unfortunately, it is not just isolated development assistance organizations that will change from one program orientation to another; rather, nearly all development assistance organizations will quickly follow what a vanguard organization like the World Bank does (Kühl, 2009).

25 years ago, Schneider (1988) noted that development aid was still based on methods that have long been criticized for a near-systematic reliance on large industrial projects based on Western models that are totally alien to local needs and requirements and tend to benefit only a small minority of a country’s population. This fundamental misunderstanding of the real needs of developing countries has generated an amplification of the widening disparity between rich and poor (ibid.). His words indicate that there has been a widespread negligence of the important distinction between systemic and non-systemic interventions. Systemic interventions are tasks that need to take account of the complexity of the ‘target system’. Non-systemic interventions are those that do not have to do that, such as simple construction tasks. This distinction clarifies the importance of a differentiation and separation of groups of interventions that call for different management approaches.

First, there are interventions that lend themselves to in-depth analysis and the elaboration of solutions by professional experts. Second, there are interventions that squarely confront the limits of expert advice. Here, attempts to assume the role of expert – who conceives ways to change or ‘improve’ a complex system – may even be counterproductive. Neglecting this crucial differentiation is one of the most frequent reasons for management failures (Huppert, 2009).

The outcomes of development aid interventions seem hardly to have improved since Schneider made his observation. Moyo (2009) argues that aid has not merely failed to work; it has compounded Africa’s problems. She claims that developing countries in Africa would have been better off, had they received no development aid at all. Her position finds support from Edward Jaycox (1993), the World Bank’s former vice president for Africa, who claimed that reliance on foreign technical assistance not only does not solve problems, but it is “a systematic destructive force which is undermining the development capacity of Africa.”

Horta (2006) adds that, unfortunately, a critical piece is missing in the efforts by the international community to aid Africa. Donor governments have not asked why the World Bank and other aid institutions have failed so badly on the African continent and what needs to change to ensure that the much needed debt relief and fresh infusion of development funds will help reduce the poverty facing much of the continent.

Unfortunately, these comments about development assistance in Africa are most likely to be equally valid all over the developing world. For instance, the Operations Evaluation Department of the World Bank found, in its evaluation of development effectiveness in 2004 (OED, 2005), that social development programs, intended to address the priority needs of the poor, do not always reach the intended beneficiaries and that, in some cases, poverty has grown worse in the context of World Bank-financed projects. The report states, “The Bank...has yet to translate its social development themes into practical operations on a significant scale.” This conclusion is disconcerting, given that poverty alleviation has been the World Bank’s overarching, stated, mission for several decades.

The prospects for betterment seem bleak. Mawdsley et al. (2014) gives a rather discouraging report from the Busan 2011 High Level Forum on development aid. The authors state that Busan was repeatedly pitched as representing the end of the aid effectiveness agenda, and a fresh start in the pursuit, more broadly, of ‘development effectiveness’, which means a broader focus on ‘development finance’ together with a growing re-validation of and focus on economic growth as the fundamental driver of ‘development’. There was no interrogation as to why targets had not been achieved, no frank discussion of obstacles to change, and many commentators expressed concerns that the outcome of the Busan meeting actually hampers a real shift away from Western hegemony over aid governance.

#### 4. Problem Analysis

Economics has increasingly faced escalating complaints about the quality of its product (Mohan Goel, 2013) and economics as idea and science has come to clearly demonstrate its failure to address the endless theme of sustainable development. To put greed and individualism as overarching methodological principles across all matters has become an obsession with economists. Still, the development aid industry has largely been influenced by economic thinking, and development assistance has suffered from a problematic dominance of a market-oriented neoclassical approach to poverty alleviation (see, e.g., [www.wider.unu.edu](http://www.wider.unu.edu)). Development assistance management dates back to the 1950s and is, historically, embodied in an entrenched inclination towards a managerialist, technocratic, and instrumental approach that is impregnated with embedded faith in instrumental rationality, objectivity, reductionism, and expectations about universal validity. As Kanbur (2002) says: "Development economics nowadays is mainstream economics applied to poor countries". This shows a neglect of the key issue that sustainable development calls for more than economic and technical adjustments. It is vital to work out how we can make the technology, together with social learning and social change, bring our patterns of production, reproduction, and consumption into concert with the capacity of the ecosystem to perform life-giving functions over the long run (Pezzoli, 1997).

The study of development has, like economics, mainly proceeded within a linear paradigm, and development has been treated as a reasonably predictable activity that should respond to laws of universal applicability. Fashions in development have come and gone but the persistence of determining laws of general applicability has endured. This pandering to a truncated and reductionist representation of the reality of developing countries, has turned the study of development assistance into a miserable state.

When Alfred Hirschman evaluated the World Bank planning performance (Hirschman, 1967), he found a phenomenon that he named 'the hiding hand'. His observation was that World Bank staff was uncomfortable with uncertainty, which prevented them from making precise calculations. Thus, they pretended that there was no uncertainty related to their projects (it was taken care of by the 'hiding hand').

The writings of Rostow (as reported by Willis, 2005) have been fundamental to the development discourse since World War II. They viewed development "as a process...defined in relation to modernity and Rostow's model, termed 'modernization theory', found its way into the philosophical approach to welfare enhancement of the development industry. For instance, economic transformations, what has been described in the West as modernization, are, in fact, simply a shift from the community realm to that of the market, and Stiglitz (2002) argues that the single-minded faith in the potential of this model to lift the world's populations out of poverty has actually increased inequality,

dismantled livelihood systems, contributed to a sense of powerlessness and eroded cultural heritage. Obviously, development aid has sponsored loads of selected grand policies and major infrastructure projects which beamed universalistic elite designed aid packages at nations with diverse problems, potentialities and constraints. The development industry seems to agree with McCloskey (2006), who argued that capitalism actually promotes virtuousness. In particular, she said, it promotes the virtues of prudence, temperance, justice, courage, faith, hope, and love. Also Storr (2009) argued; "the market is a moral space. The virtuous succeed in the market and the market makes actors virtuous. As such, the market is a moral training ground where participants are encouraged to love one other, to have faith, to be of good courage, to hope for a brighter tomorrow, to follow just rules of conduct, and to exercise restraint and to be prudent....the market does not corrupt our souls, it improves them".

Such statements may have been correct for the capitalism of the 18<sup>th</sup> century. Today, however, the truth seems to be the opposite. Thus, there is a good reason not to simply put your trust in business. And that's because there are too many times where companies are rewarded by the market for following business models that are either inherently unsustainable, or at the very least have built-in perverse incentives to disregard the needs of sustainability. When the incentives are poorly aligned, the majority of businesses will, in general, simply follow the incentives. Some will do so deliberately and cynically, others more in a state of denial. But they'll do it (Baker, 2013). As Heidegger put it: "The biggest threat to our wellbeing is thoughtlessness, specifically the thoughtlessness associated with 'modernity' and 'metaphysics'." The World Bank's and the International Monetary Fund's (IMF) highly specified structural adjustment and stabilization programs are notable, recent examples of such thoughtless, linear thinking (Rihani and Geyer, 2001).

Zoellick (2012) states that developing countries have not been seen as the World Bank's clients or partners – but rather as objects of "structural adjustment" policies. He thinks that a reversal of this would be a sensible step. This notion may seem obvious, but it represents an important shift of mindset that is difficult to bring about. Zoellick also argues that finance alone is rarely the answer and that the Bank has served as a purveyor of prescriptions rather than as a seeker of solutions. If the best textbook solution does not fit a client's political economic context, the Bank has not helped solve the problem. Further, it has also been a problem that public policy assessments often are distorted by intellectual debates, political positioning, and current ideological fashions. International organizations in particular can become so self-absorbed with process and discussions that they overlook the vital role of effectiveness.

Jim Yong Kim (2013), Zoellick's successor as World Bank President admits that the Bank has been working in areas in which others are better, entered projects for the sole purpose of meeting volume targets for the year, taken on projects just to plant a flag on the ground, and has tolerated behavior that promotes individual interests over the common good.

Until recently, culture has been a topic of limited concern to economists confronted with poverty reduction (Sen 2004). Social and cultural dimensions of essential phenomena have allegedly been devoid of context-specific meaning and variation in dominant economic discourses. It has not really been understood that poverty reduction interventions are not confined to material impacts, but also influence sociocultural relationships (Alkire, 2004). Criticism should be lodged against international development institutions related to their failure to consider culture because staff did not accurately understand cultural influences and made inaccurate assumptions about behaviors or values and also their habit to neglect the unforeseen negative impact of a poverty reduction intervention on culture (ibid.). This criticism underscores the practical necessity of integrating a cultural perspective into poverty reduction strategies. The development industry does not yet seem to understand that the opportunity to exercise one's culture is increasingly appreciated as an essential component of an individual's well-being. It is from this perspective that Sen (2004) calls for a more profound attention to the cultural dimension of poverty reduction. From a practical point of view, this means that we should link sustainable development to the aspirations of human beings for a good quality of life while respecting the plurality of worldviews. However, the economists' scepticism of the role of culture tends to be reflected in the outlooks and approaches of institutions like the World Bank.

In the market, everything can be priced, which means that what cannot be priced, like various forms of *communal transactions*, is silenced. Such things represent irrationalities, frictions, hindrances, or 'externalities' to a system that is otherwise efficient (Gudeman, 2005). Douglas (1986) rhetorically asks if development policies should aim at restructuring societies in the name of the market, or if, instead, emphasis should be placed on community – on strengthening the value domain of the base in order for people to become innovators.

Also, bringing the subject of income inequality into the mainstream debate is not easy, but not as difficult as getting agencies to do something sensible about it. The reason is that income inequality is endogenous to our capitalist system. But taken to extremes it can become pernicious. It does this by undermining progress in health standards, educational attainment levels, economic stability, and the social cohesion needed to keep our system adaptable and responsive to shocks (Magnus, 2014). As conservatism is not an ideology associated with analyses of poverty, inequality is simply seen as a problem of unintended consequences. Defenders of the free economy will argue that market transactions are, in the normal case, positive sum games: transactions entered freely benefit both parties, since otherwise the parties would not agree to them. The result may be an unequal distribution of rewards. However, inequality is nothing to bother about since it is neither the aim nor the norm, but simply the unintended by-product of our free agreements.

This stance is especially tragic for the poor, who are often harmed by half-baked interventions. For example, when it

became independent in 1957, Ghana was as well off as South Korea. However, misguided western-influenced aid interventions, intended to make the nation self-sufficient and to eradicate poverty, put it at an enormous disadvantage. As a result, the gross national incomes per head of the two nations in 2011 at purchasing power parity were \$1.8k and \$30.3k respectively (O'Hara, 2013).

Karl Marx said it all a century and a half ago. His predictive powers haven't been covered in glory, but his analysis of the driving forces and tensions in capitalism were pretty prescient. He also observed that "accumulation of wealth at one pole is, therefore, at the same time accumulation of misery..... at the opposite pole" (McCloskey, 2011).

## 5. The Misleading Rhetoric

To understand the root of the problem, one can turn to some wisdom of the past. Thoreau (1863) said that "In our science and philosophy, even, there is commonly no true and absolute account of things. The spirit of sect and bigotry has planted its hoof amid the stars". Keynes (1936) argued that "The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else....." George Orwell (1946) was a bit more harsh when he asserted that "We are all capable of believing things which we know to be untrue, and then, when we are finally proved wrong, impudently twisting the facts so as to show that we were right. Intellectually, it is possible to carry on this process for an indefinite time: the only check on it is that sooner or later a false belief bumps up against solid reality, usually on a battlefield." Tukey (1962) adds that "Far better an approximate answer to the right question that is often vague, than an exact answer to the wrong question, which can always be made precise".

These observations are rather pertinent, and there is no doubt that there are important obstacles to new thinking, and that the historic and systemic failure of the development industry to 'fix' chronic underdevelopment puts it in the challenging position of having both to renew and reinvent its discourse and practice enough to make people believe that a change has, in fact, taken place and to make these adjustments while maintaining intact the basic structure of the status quo on which the development industry depends. The focus is on avoiding challenging the status quo too much, or questioning oneself or the international system. To help save its face, the development industry has cultivated a vast ideological vocabulary to confuse, conceal and mystify the objectives of development assistance. Sadly, numerous intellectuals have readily colluded and contributed to this obscurantism. This explains why we have seen, over the past 50 years, a rich parade of successive development trends (Chambers, 2010). Along with new directions, there frequently comes a catchy new terminology to describe it. But whatever the terminology used, words alone are not effective as aid (Lappé et al., 1981).

The rhetorical trick used by the World Bank and some other major actors is to demonstrate their awareness of the meaning of concepts like ‘sustainable development’, and then go ahead and employ them at will. This way, concepts have lost any radical or critical edge that they might once have had – rather as a bee’s life is doomed once it has lost its sting (Eade, 2010). This kind of distortion of good ideas and innovative practices means that they are lifted out of the political and historical context, in which they evolved, and transformed into formulas that are ‘mainstreamed’. This usually involves divesting the idea of its cultural specificity, its political content, and generalizing it into a series of rituals and steps that simulate its original elements, but lack the transformative power of the real thing. It is bleached away from them by the formalities of power or the forgetfulness of conventional wisdom. Thus, when good ideas – evolved to address specific development challenges – are altered into fashion accessories, or mere buzzwords, invoked in order to negotiate bureaucratic mazes, the use of a concept such as ‘sustainable development’ is not only drained of any remaining political content, but may actually end up crushing local initiatives to actually pursue it in its true meaning (Eade, 2010).

During the last two decades of the last century, we also experienced what has been termed the triumph of neoliberalism, a new doctrine which overturned the statist development orthodoxy in favor of a set of universal prescriptions, which amount to the construction of a legitimizing’ ideology to support capitalist expansion while concealing the problems created by capitalism itself (Cammack, 2002). This transformation is vividly defended by means of a mainstream development discourse absorbing and adapting radical alternatives to create a constantly shifting orthodoxy (Schuurman, 1993). It represents some kind of conservatism, which is not an ideology associated with analyses of poverty. Its dictionary definition is resistance to change, and those resistant to change are most happy with the status quo, and unlikely to be in poverty.

Thus, the development industry, far too often, indulges in approaches based on ideological, pre-conceived narratives rather than evidence. Here, the advocates—convinced that they already know all the answers—can merely urge more dedication to the “right” steps. However, development assistance is an activity in which there is a serious need for conceptual clarity. Much too often, rigidity in project design, pace and processing has, as evidenced above, led to an inability to cope with reality and to adjust effectively to changing circumstances.

## 6. Fundamentals of Possible Solutions

There is a dire need to alert the development industry to the necessity to avoid taking existing policy preferences for granted in any given field of development, to be ready to acknowledge, and learn from, successes and failures on the

ground, and to be willing to change preconceptions (and policies) in accordance with these real effects. We must do something about the absence of adequate evaluative analysis and information which, according to an uneasy conviction, allows practitioners to essentially make political choices between ideological alternatives, rather than rational, informed choices between differing sets of technical managerial principles. We must change what Braithwaite (1999) characterizes as ‘a world where people try to escape from traditional forms of political accountability and actors work defensively to avoid blame, instead of creatively seizing responsibility for achieving valued outcomes’. Many analyses of the planning process have shown that there are individual and organizational incentives to simplify the management of activities, ignoring any diversity that may exist in practice. The problem then is to find and support countervailing influences that might increase willingness to bear those costs. Sustainable development requires responsible action and new approaches that challenge not only economic rationality but also bureaucracies, in ways that encourage political pluralism and the participation by civil society in the management of productive and vital development processes (Leff 1993).

Brazil provides some guidance about needed changes. What especially sets Brazil apart from Northern counterparts is that the provision of development assistance offers significant benefits in terms of building up international bureaucratic experience inside the country.

Furthermore, the Brazilian government conducts its development co-operation activities in such a way that Brazil aims to be more responsive in its development co-operation, addressing specific requests from partners rather than proposing activities.

BNDES (The Brazilian National Bank for Economic and Social Development) has become an important source of financing for infrastructure projects in Latin America and increasingly in Africa, offering interest rates and terms not available to partner governments otherwise forced to use global financial markets. Thanks to not caring about the DAC rules on concessional financing, BNDES financing represents a significant saving for the recipient and sometimes allows the pursuit of infrastructure projects that would otherwise be impossible.

Brazil has also been involved in efforts to create a BRIC bank, bringing together Brazil, Russia, India and China, to create a development-financing alternative to the World Bank group and thus not dominated by the US and Europe (Ranganathan, 2012). The BRIC bank represents an active involvement in an approach which deeply questions the power relationships established by the Bretton Woods institutions and a willingness to search out alternatives in an area that has previously been almost exclusively occupied by the North.

As the perceived complexity of development assistance has increased substantially. Learning is considered to be an essential component of organizational effectiveness within all units of the development industry. However, the mechanisms



for managing such learning are rarely incorporated into the structures of large organizations. Thus, we need to move towards sparking a more productive (and inclusive) discussion about development assistance – usually the domain of technical specialists – which moves it beyond pervasive blind faith and thoughtless mantras. That calls for system structures which facilitate local level decision making through exchange and bargaining processes involving many minds, and able to gain full advantage of the creative potentials of the system's many members. Thus, social learning is not primarily depending on analytical method, but rather organizational process.

It is also essential to develop and apply an analytical framework of complexity thinking to support explanation and understanding. Within this framework, the dynamism, unpredictability, and dramatic changes observed across complex systems should not be considered surprising, but as a normal part of social and political life. From a management perspective the central challenge of social transformation then becomes how to build into large bureaucratic development organizations a capacity for innovative learning that can lead to a fundamental reorientation in their purposes and modes of operation.

Few areas of social policy are so susceptible to ideology, fads and dogma as development assistance. That's why we have to be more careful in screening proposals about development assistance and distinguish between ideas that have sound empirical support, and those for which the evidence of effects is a long way from offering benefits. Development is an evolution from simple to complex in terms of technical and managerial skills and of social-cultural connections and institutions. The concept of sustainable development supposedly combines the ideas of a process that can be continued and is growing in complexity and maturing towards some emerging fulfilment, which is neither optimal nor static. Supporting sustainable development is, therefore, as much about providing a framework for thinking and talking about it as it is about pursuing a reductive explanation of its foundations. The problems of our economic, social and political lives have become complex and intertwined. Such problems call for a focus on learning processes as the underlying concept of sustainability, where social learning as the foundation of sustainability is based on complementary and participatory relationships between the good things of life. In this kind of social order, ethics and markets, choices and preferences, models and variables, the individual and the collective, are embedded relational entities (Holton, 1992; Parson and Smelser; 1956).

The key to social learning is not analytical method, but organizational process; and the central methodological concern is not with the isolation of variables but with effectively engaging the necessary participation of system members in contributing to the collective knowledge of the system and in generating policy choices. The most adequate planning approach is probably an incrementalist one, involving successive approximation, through trial and error. Such a process can be created if large complex development

programs are disaggregated into smaller and smaller components. Within such a diversity, it is expected that there would be more tolerance of local failure, and thus more likelihood of learning. For success, there needs to be variation – as any process of adaptation and evolution must include sources of innovation and diversity, an appropriate fitness function which distinguishes good changes from bad on some implicit path to desirable outcomes, and the system must be able to fail safely.

In addition, there needs to be systems for effective selection which causes good changes to succeed and reproduce and suppresses bad changes, tight feedback loops that facilitate rapid experiential learning, and broad sets of agents should be engaged to ensure that reforms are viable, legitimate, relevant and supportable. The participants must be given space to experiment and engage in 'positive deviance'. The key is to liberate people from the conventional requirements to follow a preconceived plan (Barder, 2012).

The cultural dimension of development requires closer scrutiny in development analysis. It is important to investigate the different ways - and they can be very diverse - in which culture should be taken into account in examining the challenges of development (Sen, 2012). It is important to acknowledge that the economic models are abstract. They are not so often translated into the reality of the people. So the conventional economic perspective which says that faster economic growth is what will reduce poverty has it exactly the wrong way round. Reducing poverty is what will increase economic growth. As Barder (2009) says, a focus on poverty reduction through economic growth makes donor ignore addressing the causes and symptoms of poverty. The reality of this problem is an important issue for practitioners as well as researchers in their considerations of the way aid systems work.

Many development interventions operate in the space between certainty and chaos: the complexity zone in which in which adaptive approaches are not only effective but essential. In such a non-linear world, the challenge is to tread a careful path avoiding narrowly reductionist approaches to results without surrendering to excessive pessimism about our ability to learn and adapt. Here, the development community has much to learn from other fields in which thinking about complexity is further advanced. The complexities and uncertainties of the human adventure are becoming such that insights from everywhere are needed to deal with them if we are serious about the aspiration to improve quality of life (development) that endure (sustainable). A transdisciplinary approach is called for, in which the quantitative and the qualitative, the natural and the social and also theory and practice (or science and policy) are reconciled and creatively combined. The aspiration of sustainable development challenges us as individuals and groups in how we manage our needs and wants *and* how we organize and manage resource use that goes with it. We need to ponder on questions about fairness, solidarity, justice, egoism and altruism, and also inquire into the meaning and dignity of human life (de Vries, 2012). 'Science must be

connected to the political agenda for sustainable development . . . and research itself must be focused on the character of nature-society interactions, on our ability to guide those interactions along sustainable trajectories, and on ways of promoting the social learning that will be necessary to navigate the transition to sustainability' (Kates *et al.*, 2001).

Capitalism is both the most creative and most destructive system of economic organization. Built upon the maximum returns on investment for capital and the maximization of self-interest on behalf of economic individuals, it needs some checks to serve us well. Thus, there is a necessity of decentralized self-governing institutions that uphold a notion of humanity, virtue and reciprocity in the governance of the economy and the state. That could provide for a need for what the American sociologist Antonovsky (1993) named "generalized resistance resources". These are the important biological, material and psycho-social resources which enhance resilience and make it easier for people to perceive their lives as understandable, manageable and meaningful. They can also help people create networks that can assist them in getting access to money, support from friends and family, knowledge, experience, intelligence and self-esteem. These could, as Antonovsky suggests, also promote a stable set of answers to problems of daily life. If people have access to such resources, it will help them construct coherent life experiences on which to build future success.

## 7. Conclusions

The persistence of the old development aid paradigm, even in the face of accumulating evidence of its limitations, is a severe problem that needs serious attention. Understanding and tackling the challenge of sustainable development requires a new paradigm based on unlocking material resources and allowing people to take part in social, economic and environmental decision making. Agenda 21 is the major call to action for sustainable development. It is strong in its requirement for equity and democracy as key pillars of sustainable development. To promote such a development, there is a need to build capacities at the individual, institutional, coalition/network and systems levels. For this to be successful, there is a need to design initiatives to build trust, foster democracy, and promote inclusive socioeconomic growth. In such efforts, civil society and civil society organizations (CSOs) are key vehicles. They also provide a means of organizing, influencing and engaging with government and other service providers who hold power, influence and decision-making roles over policy and service provision. They can hold governments and other service providers to account to make sure that they fulfil their duties and deliver their promised level of services.

Civil society can also play an important role by providing minority ethnic groups with a political voice which would not otherwise be available in the commonly found majority-dominated official political process. Participation by civil society, thus, acts as something of a safeguard against

government arbitrariness, providing minority interests with an incentive to comply with the rules in the hopes that the future development will be more nearly congruent with their wishes. This is in line with the suggestions from Antonovsky about "generalized resistance resources".

There is also a need for transdisciplinary approaches, which means acknowledging the expertise of lay participants and the engagement of all participants in learning exercises reflecting the linkages between possible management actions and their own values, and in addition, there should be a transparent mechanism for stakeholders to assist in setting priorities across proposed alternatives, and to have direct input into the design of those actions designated as most significant. Meaningful involvement requires more than an invitation to participate. There is much to suggest that a change in talk can precipitate dramatic social change, that it simultaneously reflects and affects changes in culture, and that it is, generally, neither important nor possible to disentangle rhetoric from culture. If development assistance fails to help ensure that the destabilizing social, political and environmental stresses are addressed in the critical years ahead, the dream of a culturally rich, inclusive and sustainable civilization may become elusive, and we will most probably be heading for a looming, impoverished, mean and destructive future.

The prospects for betterment seem bleak unless we make a concerted effort to overcome the tendency for planning to be purely design-led, and to find an approach that moves from technical hubris to wider social, economic, and environmental concerns. New political narratives are necessary to identify where developing societies should go, and we need a shift to a measurement system focused on the well-being of current and future generations; toward broader measures of social progress. Thus, we must persuade development professionals to free themselves of pre-conceived narratives and simplistic thinking, and the development industry definitely needs a better vanguard than the World Bank.

At the root of sound policy decisions, we find common sense, good judgment, and willingness to learn. Thus, agencies must be made to emphasize qualitative guidance for how to think clearly and make smart choices rather than to occupy staff with quantitative analysis to make an optimum decision. It is on the ability to manage such learning as a conscious purposeful activity that human society desperately depends in order to negotiate successfully the transformation to a livable and sustainable future. One relevant process that we have to face in order to learn to learn is learning to unlearn. In other words, we have to admit that our current knowledge does not help us to cope with the problems that we are facing.

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