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The Millennium Development Goals: Changing the Way We Do Development

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THE MILLENNIUM DEVELOPMENT GOALS: CHANGING THE WAY WE DO DEVELOPMENT

A thesis submitted to
Regis College
The Honors Program
in partial fulfillment of the requirements
for graduation with Honors

By

Chelsea Coalwell

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PERSONAL INTRODUCTION

In the past year, I have been fortunate enough to encounter poverty not only in the pages of the books I have read, but also in the real life experiences I have had. The most formative of those experiences included a week spent in the Dominican Republic and a summer in rural South Africa. Though it is often difficult to find words which might adequately describe these experiences, I can safely say that they were life changing. Both trips to the developing world allowed me to experience, if only for a brief time, how so many others in the world live today. I discovered that in many ways their lives are not all that different than our own. While people may live without running water or air conditioning, they still have cell phones and Facebook. They may walk miles from their village to another and yet they have satellite television in their homes. More important than their surprising similarity to the developed world in their use of technology is their common humanity. Though they are often thought of as removed from ourselves, because they have been labeled with a different socio-economic status, these impoverished people are people just like us. They are mothers and fathers, sons and daughters, sisters and brothers. They fill many of the same social roles that we do and in some ways they do this more openly then many of us in the developed world would.

I witnessed numerous instances of individuals who owned next to nothing sharing openly with their neighbors. From simply sharing a meal or offering a ride to taking in an orphaned child, these individuals reached out to their community. Beyond that, they welcomed me and my fellow travelers into their homes. In the Dominican Republic,
Leonarda, Oliver and Yolanie became my family and though I had only known them for a few days, it felt like we had been family for years. In South Africa my host family was quite different and yet I still felt welcomed by the community. My host siblings and the neighborhood boys treated me as if I was one of their own and even took me to their hidden soccer pitch where most Americans did not go. Thanks to the generosity of those I spent time with abroad, it still feels like I have family there. In a way, these experiences have not only taught me about what true poverty is, but they have also made poverty personal. To me, poverty is no longer a myriad of statistics and disconnected stories, poverty is what is happening to Oliver and Yolanie; it is how Trudy, Tilda, Ian, Roger and S’bu live. Poverty for me has a name and a face and a connection to my heart. In this way, my experiences motivate me to do something about it. If I choose to ignore the problem, I will be really ignoring all those people who were so welcoming and generous to me and that is something I simply cannot do.

Of course, I recognize that not everyone has had these personal experiences with the developing world. I know then that while my experiences motivate me, such reasons are not as compelling for the developed world at large. I also must recognize that those emotional connections may someday fade. I have found that the longer I am here at home in the United States, the easier it becomes to look at poverty apathetically. It is not that I do not remember those who impacted my life so deeply, but rather that those memories become fewer and further between the farther away I am from those original experiences. I think Paul Collier said it best, “We need compassion to get ourselves started and enlightened self-interest to get ourselves serious” (Collier TEDTalk). With
Collier’s words in mind, it becomes obvious to me how important it is to find additional reasons for caring and motivation for doing something about poverty. As I know from my brief study of politics and philosophy, there are many reasons why individuals in the developed world should care about the poverty which exists in the developing world. These reasons span from national security concerns to a moral obligation and everything in between. In my time at Regis, I have encountered the metaphors of Peter Singer and the economist’s approach of Jeffery Sachs. I have also read the work of their critics Andrew Kuper and William Easterly. I have weighed the possibility of their proposals and considered the possibility of many others. Ultimately, for me, the most influential writer on the topic of poverty has been John Rawls.

I admit that my experiences in developing countries allowed me the opportunity to truly appreciate the rarity of my station in life. The statistical probability of my birth into a middleclass American family was unlikely to say the least. As is the common understanding, I simply won the lottery of life. These sentiments are echoed by Save the Children’s powerful campaign entitled “The Lottery of Life” which demonstrates the statistical probably of being born in each country and necessarily different types of opportunities or hardships. Save the Children’s campaign is a sincere representation of how one might honestly think about their relationship with the impoverished. This is a relationship which I believe John Rawls explores well throughout his works.

John Rawls pushes us to consider justice and poverty in light of the possibility that we might have just as easily been born into an entirely different situation. The possibility that we might have been born into a life of poverty should then make it easier
for us to imagine ourselves in their shoes. Rawls bases his arguments on the “original position” and “veil of ignorance” as outlined in *A Theory of Justice* written in 1971. Rawls himself explains the original position as a way to “set-up a fair procedure so that any principles agreed to will be just” (Rawls 104). He goes on to explain that the original position is achieved when individuals operate behind the veil of ignorance. The veil of ignorance requires that, “they do not know how various alternatives will affect their own particular case and they are obligated to evaluate principles solely on the basis of general considerations” (Rawls 104). These individuals are able to work toward general considerations because, “no one knows his place in society, his class position or social status…his intelligence and strength, and the like” (Rawls 104). We can apply the framework of Rawls to the existence of poverty because theories such as his are meant to make the individual approach the issue in a removed and general manner. This moves the individual closer to the understanding that, had our luck been different, we might have been in their position rather than our own. With this knowledge, individuals may put themselves in the shoes of the impoverished and consider how they might want to be treated if that had been their lot in life. Looking at life in this way should create a more objective approach to poverty and help individuals remove their selfish considerations from the equation.

While it may seem like an impractical approach to understanding poverty, Rawls does not actually suggest that all individuals could or should exist in the original position at one specific time. He states, “the original position is not to be thought of as a general assembly which includes at one moment everyone who will live at some time” (Rawls
Rather it is meant to “be interpreted so that one can at any time adopt its perspective” (Rawls 105). While Rawls recognized that we may never actually realize the original position, because we cannot truly put ourselves behind a veil of ignorance, such a fact does not prevent us from venturing to adopt such nuanced perspectives. In fact it is necessary to do so because, “Rawls does not condemn self-interest; he simply argues that people can be objective in formulating principles of justice only when they ignore the interests attached to their particular role in society” (Clark 96). Just as Rawls does not condemn self-interest, he does not dictate the outcome of viewing poverty through the veil of ignorance. It is possible then that individuals might use the veil of ignorance to make arguments against helping the impoverished. While this is possible, I prefer to use a Rawlsian perspective for ensuring justice and equity for all.

In using a Rawlsian framework to conclude that equity is important, I might be lead to Thomas Green’s notion of economic chivalry which leads individuals to give up any sense of “entitlement” (Menkiti 37). This economic chivalry may present itself today in matters of charity which many people participate in regularly around the world by giving money or performing civic duties. It also might be found the large gestures such as Bill Gates and Warren Buffet’s Giving Pledge which asks billionaires to give away half their wealth to philanthropic efforts in their life time. This type of giving is powerful not because of the amount of money that might be given, but because individuals are choosing on their own to contribute rather than being required to do so.

Though such possibilities may seem unrealistic, for Rawls this realization has always been a “real possibility” (Weithman 123). Some even identify his work as
creating “realistic utopias” (Koukouzelis 842). Rawls would like to pursue the ideal of ensuring equity around the world through individual and governmental action brought on by a shift in how we view the world. By using the veil of ignorance or appreciating our luck in the lottery of life, we should be motivated to do something about poverty. These adjustments in how we view the world foster an appreciation for our station and remove the concern for individual gain which is so prominent in our society.

Thus, my motivation in writing this thesis and working with those in the developing world comes not only from the relationships I have formed abroad, but it is also grounded in the philosophy of John Rawls. Some may criticize Rawls perspective and proposals, but for me, his work makes solid sense. Rawls takes the complicated and messy world of development and boils it down to the one point; if we were in their shoes, we would hope that someone would help us too. This thesis of course addresses the larger picture of development and aid work. Though it may not seem as directly effecting individuals living in poverty, changes in the development field at large have significant impact on the individuals which we are attempting to help. In this way, the success or failure of the Millennium Development Goals has become personal. It matters not only to the future of development work, but to the actual lives of Oliver, Yolanie, Trudy and Tilda.
CHAPTER 1: A HISTORY OF AID

Any discussion of the current manifestations of development assistance necessarily begins with a solid understanding of development work and aid during the proceeding century. Though it is true that, “the origin of large-scale aid transfers date as far back as the nineteenth century,” (e.g. US food aid in 1896) many modern conceptions are based strictly on post World War II considerations (Moyo 10). These considerations ignore not only the aid given in the nineteenth century but also the early twentieth century, including the British Colonial Development Act of 1929 (Moyo 10). While those early forms of aid may be interesting to study, because they are often forgotten, they bear little weight how the aid system looks today. Their neglect does not negate their importance, but it does remove them from the necessary realm of consideration. Thus we shall begin our assessment of the history of aid beginning in the 1940s.

The post World War II era of aid owes its beginnings to the United Nations Monetary and Financial Conference, better known as the Bretton Woods conference, of 1944. Though the war was still raging on in Europe, all major allies met in Bretton Woods, New Hampshire to “help create a more stable international economic system after the war” (Moss 118). This conference included the creation of not only The International Bank for Reconstruction and Development (IBRD), later know as the World Bank, but also the International Monetary Fund (IMF). While controversy remains over the practices and effectiveness of these organizations, there is no denying their
importance and influence. Of course, controversy around these organizations arose many years after their creation and it is then important to examine how their original intentions compare to their current manifestations.

The World Bank Group, as we know it today, was founded around the IBRD which originally lent money to “middle-income countries” as it still does. Though IBRD continues to serves its original function, it is now only a part of what the World Bank does. The World Bank has, since its inception at Bretton Woods, expanded to include the International Development Association as well as gained affiliations with the International Finance Corporation, Multilateral Investment Guarantee Agency, and the International Centre for Settlement of Investment Disputes (Moss 124-125). In a similar fashion, the IMF originally provided “countries with short-term loans when they face an immediate crisis” (Moss 125). Beginning in the 1970s, the IMF also started issuing “medium-term loans” to countries which need considerable support. The introduction of medium-term loans has moved the IMF away from its original role of providing assistance only in times of emergency. These changes in practice for the World Bank and IMF are often blamed for the shortcomings of the current aid system. Some even point to the expansion of the IMF and World Bank as the sole cause of their impending failure. These criticisms primarily come from those individuals concerned with the effects of debt on development. In many cases, loans are given to countries which would have previously not have qualified for loans; countries which will most certainly be unable to repay the loans for a number of reasons. Even though such criticisms of the current
structures are strong, the role which they have played in the last sixty years of development is still extremely important.

Being formed prior to the end of World War II allowed the World Bank and IMF to provide assistance immediately following the conclusion of the war. Of course, the assistance provided at that time was heavily supported by the United States. Following the destruction of Europe during World War II, both organizations launched aid efforts to assist in the rebuilding of a number of European states. These efforts manifest themselves in a reconstruction loan of $250 million issued to France in May of 1946. The following year, loans were also provided to the Netherlands, Denmark and Luxembourg (Moyo 11). It is this type of aid, large scale giving in the form of loans, which we often think of today. And yet Dambisa Moyo points out that the loans immediately following World War II were issued not to completely undeveloped nations, but to nations which had established governments and institutions (Moyo 11). In this light, it is easy to see a clear distinction between the loans issued to European countries in the late 1940s and the type of loans issued to developing nations today. In the modern context, the World Bank and IMF most often make loans to struggling, unstable governments with few established institutions. These developing countries use the money for a variety of things, but very few use them for physical rebuilding projects like Europe did following the war. Using such loans to build a nation from the ground up often leads to a number of problems, including the increased possibility of corruption and misuse of funds or a resistance to repay loans taken out under previous governments. As we continue to examine the current aid system, such shortcomings will become more
apparent. Of course, many of these problems were likely unforeseen in the development of the original World Bank and IMF during the 1940s.

Though the World Bank and IMF were pivotal in beginning the rebuilding of Europe after the war, it quickly became apparent that something more was necessary. As the 1940s came to an end, the United States government became increasingly worried about the influence of the Soviet Union over Western Europe. In response to this concern, the Marshall Plan, created by Secretary of State George Marshall, was developed and successfully implemented throughout Western Europe (Hook 53). Thanks in part to the aid given by the Marshall Plan, $12 billion by 1951, Europe was “exceeding their prewar production by 25 percent” (Hook 54). The success of the Marshall Plan led to the conclusion, “investment capital was critical for economic growth” (Moyo 13). Such a conclusion continues to shape the face of aid today and it is often applied to situations which do not even resemble the position of Europe post World War II.

By the mid-1950s the first large scale implementation of aid in Europe appeared successful. This success allowed governments and international organizations to turn their focus to the plethora of recently independent countries. In many cases, Europe’s economic recovery went hand in hand with the release of former colonies. These colonies no longer benefitted their western counterpart and thus they were granted independence. In quick succession, colonies gained their independence throughout the 1950s and into the 1960s. The first to do so was Sudan in 1956, followed by Ghana in 1957. By the end of the 1960s the majority of Sub-Saharan Africa was free of colonial rule (Moss 27). The influx of former colonies, now independent and looking for models
upon which to base their new governments, quickly became a major concern for the United States.

The United States was primarily concerned with, “the introduction of Soviet and Chinese communism into developing areas…U.S. leaders worried that the heads of poor countries might decide that the potential benefits of communism outweighed its social costs” (Hook 74-75). Just as the concern for Soviet influence existed in vulnerable Europe during the 1950s, it was now appearing across the globe as newly independent and continually poor countries considered options for development. This communist threat loomed large as the Cold War continued to mature. In many cases, aid became simply another weapon in the United States’ arsenal against the expansion of communism. The scramble for allies in the “third world” largely dictated the actions of the international aid system. Many new countries already struggled with legacies of “poverty, illiteracy, and disease” and using them as pawns in the struggle between democracy and communism only compounded their problems (Hook 76).

At this time, the United States became interested in one region in particular, Latin America. A series of revolutions in the late 1950s demonstrated to U.S. policy makers the potentially dangerous instability of the region. It quickly became a fear that Latin America might be a “potential foothold for communism in the Western Hemisphere” (Hook 84). The United States fear of communism in the developing region led to considerable micromanaging of development which created a tension between the countries. The United States stressed the importance of development even though Latin Americans were already “increasingly aware of the problems of development” on their
own and had become “convinced that it must act vigorously to solve them” (Urquidi 136). Through conferences, Latin Americans developed the Organization of American States (OAS) and other regional organizations. They also formulated development plans including the Act of Bogota which demonstrated a Latin readiness to confront the existing development issues. Unfortunately not all countries in the region supported these economic methods of development, but some rather sought revolution as a quick catalyst for change. Concern for the lack of agreement and progress led the United States to become increasingly and directly involved in the area.

It appears that foreign involvement in Latin American issues alienated more countries then it actually helped. Failed attempts in Cuba and other countries created resentment and mistrust toward the United States. As a response, the United States vowed to provide “foreign assistance to improve living standards of Latin America” in an attempt to improve its image (Hook 87). This foreign assistance took the form of the Alliance for Progress under the Kennedy administration. Admittedly, the Alliance was not entirely about improving U.S. image, but a consideration for image was present. Other image conscious policies from around the same time, such as the development of the Peace Corps, also demonstrate this (Powelson 236). That is not to say that image conscious policies are bad, but rather it demonstrates the complicated nature of development politics. Regardless of the image consideration, the Alliance for Progress manifest itself in a variety of ways. The overall focus of the Alliance became an emphasis on “the twin goals of economic development and social progress” (Gordon 11). These goals were to be met by the implementation of a “continued effort on Latin
American export prices and…a new coffee agreement which could be enforced through import quotas by the consuming nations” as well as the urging of “Europe to adopt more liberal trading policies for Latin America” (Rodgers 38). For the most part, the efforts of the Alliance fell into monetary and fiscal policy rather than aid, but the aid was still to come.

United States invested foreign aid in “fields of high priority” such as manufacturing, mining, commerce, and finance. These investments were intended to improve the region’s economic situation (Gordon 10). The financial support was not intended to provide everything necessary for development, but to give Latin America a hand up and allow them to pursue “self-help.” By the mid-1960s, “economic progress of the region as a whole has been disappointing” even with the implementation of the Alliance and foreign assistance (Edelmann 258). One explanation for the failure of these attempts is grounded in the assertion that it was the method of implementation which failed. It was obvious that progress would be slow and as Victor Alba commented in 1964, “the United States has become impatient and has decided to do the whole job itself” (Alba 134). U.S. impatience with progress made by Latin Americans helping themselves and a heavy U.S. hand in development efforts damaged Latin American buy-in and brought development in the region with U.S. support to a halt.

The example of foreign assistance and aid in Latin America during the late 1950s and early 1960s is not unique. Around the globe, assistance was being provided, but mostly without regard for the opinions of those receiving the aid. Massive amounts of money flowed into unstable areas. In most cases, this aid money went to infrastructure
projects, including a number of roads, railways, and airports. The increase in infrastructure turned out to be minimal, but the cost of such infrastructure was substantial and not to be forgiven by the organizations or countries which loaned it (Moyo 15). Thus, developing countries began taking on debt as they tried to build their countries from nothing. This debt was not an immediate problem, but rather, it became a problem as governments were unable to, or refused to, repay their loans. In order for international financial organizations to be self-sustaining, their loans must be returned so that they might loan that money to another country in need. In this way, the lack of loan repayment has become one of the greatest downfalls of the international aid system. The worst part is that virtually nothing can be done about it. International organizations such as the IMF and World Bank have no substantial enforcement power over the countries which they loan to. Often, the government which accepted the loan is no longer in power only years down the line and new governments rarely feel responsible to pay for the actions of the governments which came before them. Some suggest debt forgiveness is necessary to give developing countries a new start, while others worry this will encourage developing countries to take advantage of the system.

Practices which began in the 1960s clearly continued and expanded throughout the 1970s. Due to the 1973 oil embargo, “the price of petrol quadrupled…oil-exporting countries deposited additional cash with international banks, which in turn eagerly sought to lend this money to the developing world” (Moyo 15). Substantial increases in funds threw the global economy into a period of turmoil and unpredictability. In this unstable economic system, aid organizations were forced to reassess the focus of their work.
In most cases, the focus turned to the poor. Aid was no longer about large infrastructure projects, but rather, “projects in agriculture and rural development, social services (including housing, education and health), mass inoculation programmes, adult literacy campaigns, as well as food for the malnourished” (Moyo 16). Of course, we must not forget that regardless of which form it takes, aid requires money, money which must come from somewhere and eventually be repaid. Judging by the amount of money flowing into developing countries during the 1980s, the international aid system seemed to forget they were dealing with real money. In fact, aid and assistance given only increased throughout the 1980s as policymakers believed they had the solution to poverty. In this way, the 1980s were characterized by large investments in the developing world without any indication of large scale improvements. For this reason, the 1980s are sometimes referred to as “the lost age of development” (Moyo17).

Though the 1980s are often characterized by a lull in development progress, they also witnessed significant changes to the international aid system. During the 1980s, the Cold War began to cool down and this change forced a reevaluation of aid efforts. While aid had primarily been driven by the intent to gain third world allies, it no longer held that motivation. A prime example of this change took place in Somalia during the late 1980s and early 1990s. As David Halberstam puts it, “the importance of Somalia had been for a time, for reasons that had absolutely nothing to do with the quality of life for the people there, greatly inflated by the Cold War” (Halberstam 248). As Cold War tensions cooled during the 1980s, the strategic importance of Somalia declined. This allowed the United States to reconsider its relationship with General Mohamed Siad Barre as his regime
continued their oppressive behavior and obvious human rights violations. The reconsideration led to a significant reduction of financial support to Somalia by the late 1980s under President Ronald Regan. Still, the relationship between Somalia and the United States did not entirely dissipate after the completion of the Cold War (Hook 223).

By 1991, Somalia had erupted in chaos with the overthrow of Barre and the beginning of a war over successors. The civil war which ensued led to the deaths of 300,000 people from starvation and put 2 million more in danger (Hook 223). The sheer amount of destruction and death warranted action from the United Nations and by 1992 the UN imposed an embargo on weapons and military equipment entering Somalia. At this time, the UN also “asked all parties to commit to a cease-fire and to allow undisturbed continuation of humanitarian assistance” (Sitkowski 99). It was steadily becoming clear in the United States that the need for humanitarian relief could no longer be ignored. “Human rights groups and some members of Congress” called for more action from the United States specifically (Hendrickson 23). These calls were answered with the Bush Sr. administration’s support of the United Nations Operation in Somalia (UNOSOM I). The official American commitment under UNOSOM I was Operation Provide Relief “a short term humanitarian airlift of food aid” in August of 1992 (Scott 334).

As the year dragged on, an increasing amount of footage of “starving mothers and children” was broadcast to the American public. These broadcasts ensured, “the policy was driven largely by the power of images…the danger was that the roots of the policy were not deep; it was impelled more by emotion than the forces that usually created
foreign policy” (Halberstam 250). Such pressures began to weigh on the Bush administration as the conflict continued. Barre had been unofficially replaced in the capital city, Mogadishu, by General Mohammed Farah Aideed who it became obvious was just “one warlord replacing another” (Halberstam 250). Aideed’s reign over the city and warlords in other parts of the country allowed the humanitarian crisis to continue. In the United States, there continued to be an increased pressure from outside and inside the government to take stronger action. Colin Powell advocated for the intervention and, “believed that as many as half a million Somali lives could be saved.” He outlined a plan including that, “Americans could protect themselves with a limited but adequate force…and by keeping the mission limited and clearly defined, in time it could be turned over to the UN, thereby enabling the Americans to get out quickly” (Halberstam 251).

Powell’s plan obviously made saving Somali lives a priority while at the same time retaining concern for American forces. The humanitarian nature of the mission would necessitate a concern for Somalis, but it would not do so at the risk of seriously endangering U.S. forces.

In total, 27,000 troops were sent “equipped for combat” but with the intention “to provide order and food” (Hook 223). It was expected to be a quick mission, President Bush even predicted, “that the troops would probably be home before Clinton’s inauguration.” And yet, it became increasingly obvious that if the troops left, the state would fall back into chaos (Hendrickson 25). To make matters worse, it became obvious “in 1993 the UN changed its mission from one of humanitarian relief to one of rebuilding Somalia’s political and economic structures” (Hook 223). Humanitarian efforts had
become secondary and new nation building efforts had taken the focus. The new nation building efforts were considerably more dangerous for U.S. forces and these efforts ultimately resulted in the deaths of a number of American soldiers. Such deaths quickly turned public and governmental favor against the conflict. Calls for the immediate withdrawal of all forces began pouring in. As some would describe it, “it was a tragic example of the fickle quality of foreign policy arrived at because of images, in this case, images of starving people, which can quickly be reversed by a counterimage, that of a dead body being dragged through a foreign capital” (Halberstam 262). Clinton noted on October 7, 1993 “it is not our job to rebuild Somalia’s society or even to create a political process that can allow Somalia’s clans to live and work in peace…the Somalis must do that for themselves” (Scott 345).

The most immediate outcome of the failure in Somalia was a “reluctance to intervene in later humanitarian crises, including the 1994 genocide in Rwanda and Burundi.” The Rwandan genocide ultimately resulted in the deaths of 80,000 Tutsis and the fleeing of a million Hutus to surrounding countries. Mass displacement from the conflict later led to even more deaths from “starvation, cholera, dehydration and exhaustion” (Hook 224). Though the United States and UN eventually apologized for the lack of action in such genocides, the lesson to be more cautious about humanitarian intervention had been learned. There was increased discrimination between which humanitarian efforts could be accomplished with little to no nation building and which could not. Most simply, nation building was not within the realm of the American government or international organizations to provide. These conclusions highlighted the
tension between the United States and the UN when it came to international intervention. While the U.S. had originally supported UN efforts in the region, by the end of the conflict the U.S. was heavily criticizing the organization for becoming excessively involved in peacekeeping missions that were beyond their ability to execute.

As illustrated in Somalia, the 1990s were characterized by an unsettled tension between wanting to provide humanitarian relief and being burned by those efforts. At the same time, the 1990s was also the first decade in a long time which was not influenced directly by Cold War competition. This lack of competition became clear as, “aid to low-income countries declined precipitously in the mid-1990s” (Moss 117). The reduction in aid and the damaging outcomes of failed efforts in Somalia left aid efforts floating in an unsure time. The desire to help for humanitarian reasons remained but reluctance to act also remained having seen how humanitarian efforts could go wrong (Moss 117). By the end of the 1990s, countries and international organizations were caught up in the questions of governance and strategy recent efforts and failures had brought to the forefront (Moyo 25-26). A general sense of a lack of progress, regardless of the amount of aid given in previous decades led to “the onset of donor fatigue in the latter part of the decade” (Moyo 25). Such fatigue continued to characterize the international aid system through the end of the 1990s and into the 2000s.

This consideration for the history of development brings us to the beginning of the new millennium. The 2000s are an intense turning point for development work. The realization that an assessment of the aid system, and a reformulation of approach to
development, is necessary weighs heavily in those first years. Significant change to the system can be seen in the adoption of United Nations Millennium Declaration of 2000.
CHAPTER 2: THE MILLENNIUM DEVELOPMENT GOALS

The turn of the millennium ushered in a new era of aid and development work. Unsuccessful humanitarian missions of the 1990s had demonstrated to the United Nations, and the world, a need to reevaluate and refocus efforts in international development. The conflict in Somalia and the mission’s subsequent failure highlighted the complexity of issues to be faced in the developing world. More nuanced understandings of these complexities strongly shaped the new approach to development which the United Nations would adopt in September of 2000. At the Millennium Summit in September 2000, world leaders gathered to address global poverty. At the summit, 189 countries voted to ratify the Millennium Declaration, the main product of the summit itself. In signing the Millennium Declaration, heads of state were thereby, “committing their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets” (un.org).

This “new global partnership” became defined by the focus areas and goals outlined in the Millennium Declaration. The original resolution contained a number of relatively ambiguous goals which attempted to encapsulate all of the perceived areas of possible need in development. Since that original summit, the goals have been boiled down to what is known today as the Millennium Development Goals (MDGs). While most individuals concerned with development refer to the general title of each goal, for
example: “Goal 1: Eradicate extreme poverty and hunger,” each MDG includes several sub-targets that better define exactly how each goal will be achieved.

The eight major goals include: 1. Eradicate extreme poverty and hunger; 2. Achieve universal primary education; 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 (www.un.org). Listing these broad MDGs serves to create a general sense of the areas of focus. These areas of focus define the new direction of development efforts significantly better than in previous eras of aid. While these broad goals help define the general direction of development effort, it is still necessary to examine each goal in detail. The broad goals do not adequately explain what the United Nations is proposing be done in each area. In some cases, the goals may be misleading, but the sub-targets reduce the ambiguity. With this in mind, we must consider each Millennium Development Goal in its entirety, including the sub-targets. The following goals and sub-targets appear as seen below on the United Nations website.

**Goal 1: Eradicate extreme hunger and poverty**

- **Target 1.A:** Halve, between 1990 and 2015, the proportion of people whose income is less than $1 a day
- **Target 1.B:** Achieve full and productive employment and decent work for all, including women and young people
- **Target 1.C:** Halve, between 1990 and 2015, the proportion of people who suffer from hunger

The first goal hopes to reduce the number of people living below the $1 per day poverty line and may do this by improving employment numbers. Unemployment pays a
significant role in why there are still individuals living on less than $1 a day. If unemployment is reduced, the likelihood of people living below that poverty line is likely to reduce as well. Hunger is included in this goal, because hunger is frequently tied to unemployment and poverty. Of course, unpredictable environmental issues (such as drought) or conflict displacements also play a role in creating issues of extreme hunger.

**Goal 2: Achieve universal primary education**

Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

The primary focus of the second goal is to ensure at least minimal education for children around the world. It is generally agreed upon that improving education is an important part of any development plan. Improvement of education quality and accessibility can empower a generation to help themselves out of poverty. With an education, individuals become able to secure the type of “productive employment” which goal one hopes to achieve. It is also important that there is a focus on education of both males and females and this emphasis will be carried through goal three, which promotes gender equality.

**Goal 3: Promote gender equality and empower women**

Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015

Concern for gender equality begins in equal access to schooling, as goal three notes. Once females have missed out on the opportunity to receive equal schooling to their male counterparts, they will be behind for the rest of their lives. Thus, it is important not only for intellectual equality, but also for empowering women as children, that access to education is available to both sexes. Though it may appear that this is an easy goal to
achieve, cultural norms and expectations often influence such gender inequality. These accepted norms may be a significant barrier in achieving success of the third Millennium Development Goal. That is not to say that it cannot be done, but that rather, it will be more difficult then we might like to hope.

Goal 4: Reduce child mortality
Target 4.A: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate

Child mortality in developing countries is distressingly high for a number of reasons. There is a general lack of access to healthcare prior to the birth and following the birth. Often, mothers live far away from the nearest clinic and thus access to even the most basic of care is a major problem. The lack of healthcare leads to a lack in “essential skills and basic health knowledge” which are required for raising healthy children. The United Nations is focused on increasing health knowledge in order to reduce the number of avoidable child deaths. Along with this education should be education on HIV/AIDS as it can be transmitted between an HIV positive mother and her child.

Goal 5: Improve maternal health
Target 5.A: Reduce by three quarters the maternal mortality ratio
Target 5.B: Universal access to reproductive health

As the United Nations states, “maternal mortality remains unacceptably high” and “most maternal deaths could be avoided” (www.un.org). Most maternal deaths happen during child labor due to a lack of “skilled assistance” during delivery. This lack of assistance may be a problem of distance between an expectant mother and a clinic or hospital.
Rural communities are often unprepared to deliver babies and goal five seeks to address this problem.

**Goal 6: Combat HIV/AIDS, Malaria and other diseases**
- Target 6.A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS
- Target 6.B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it
- Target 6.C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases

For a number of reasons, millions of people die each year from preventable diseases. The lack of information or misconception about how HIV/AIDS is transmitted allows for the disease to continue to be contracted by millions every year. Similarly, malaria and other diseases (such as Polio) have the potential to be managed and even eradicated, but lack of information and lack of resources to provide medicine allow the problem to perpetuate across the developing world. Large numbers of preventable deaths greatly affect developing communities by removing individuals from the workforce and creating large numbers of orphans. Diseases also contribute to hunger problems as expanding families with limited income are unable to afford enough food for orphaned family or community members. It is additionally important to consider how the cultural acceptance of disease and shortened lifespan might affect motivation to self-betterment through education or entrepreneurship.

**Goal 7: Ensure environmental sustainability**
- Target 7.A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources
- Target 7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss
Target 7.C: Halve, by 2015, the proportion of the population with sustainable access to drinking water and basic sanitation
Target 7.D: By 2020, to have achieved significant improvement in the lives of at least 100 million slum dwellers

Though goal seven is focused on a variety of environmental issues, the most important of these may be access to clean drinking water. There are a number of water borne illnesses which may be avoided by simply establishing a system of providing clean drinking water and sanitation. If access to drinking water is accomplished, there should be a positive impact on the reduction of child mortality as well as an improvement of global health in general. In addition to the importance of having access to clean drinking water, goal seven is also important for its environmental sustainability intentions. There are many examples around the world of environmental degradation problems which only make poverty worse. Goal seven attempts to lessen these problems in order to help alleviate poverty.

**Goal 8: Develop a global partnership for development**

Target 8.A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system
Target 8.B: Address the special needs of least developed countries
Target 8.C: Address the special needs of landlocked developing countries and small island developing states
Target 8.D: Deal comprehensively with the debt problems of developing countries
Target 8.E: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries

Goal eight addresses a number of the larger, long-term concerns for the progress of development. Though goals one through seven may immediately improve the lives of those in developing countries, goal eight aims to create long-term systemic change which
may eventually reduce the need for such development assistance as outlined in goals one through seven. By improving the financial system and reducing debt, goal eight sets countries up to begin improving their economies on their own and relying less on other countries or organizations.

In some ways, the Millennium Development Goals give very specific recommendations for how the United Nations will, and how individual organizations and governments should, approach development efforts. This is especially important considering what President Barack Obama said at the Development Summit in 2010. President Obama made clear “just as this work cannot be done by any one government, it can’t be the work of governments alone. In fact, foundations and private sector and NGOs are making historic commitments that have redefined what’s possible” (Obama 4-5). This emphasis on development efforts being much larger than the United Nations or governments alone illustrates the need for flexibility in the Millennium Development Goals. In any collaborative effort, each contributing member most likely approaches the same problem differently and, in order for this to work, there must be some flexibility in the goals. Whereas flexibility or vagueness may have appeared as a weakness of the MDGs before, it now seems to benefit the cause. The guideline-like nature of the MDGs has allowed a number of organizations and nations to use these goals as a way of structuring their own work. As Jeff Raikes, CEO of the Bill and Melinda Gates Foundation, noted in 2009, “the MDGs set the clearest health and development agenda the world has ever had” (Bill and Melinda Gates Foundation – 2009 Annual Report 1).
Though there have been times in which focus on the Millennium Development Goals has waned, the ability of non-governmental organizations to use the MDGs as a guideline has helped to keep it as the focus of development work. Such support has lead the MDGs to become the guideline for an entire development community rather than let them fade away unaccomplished. Melinda Gates, and many other philanthropists, economists, and entrepreneurs have recently looked to the Millennium Development Goals for guidance. One particular example of this would be the TEDxChange which happened in the fall of 2010. The Bill and Melinda Gates Foundation organized TEDxChange in conjunction with TEDtalks, known for their focus on creating a dialogue in the development and scientific communities and sharing ‘ideas worth spreading”. The proceedings of the TEDxChange were watched by thousands of people around the world interested the progress toward achieving the goals. If the MDGs are going to be met by their original deadline of 2015, then international support at this scale is extremely important. Though such international interest may not lead to everyone working on development in the same way, it will at least lead to a stronger focus in the community. Ultimately it seems that this type of focused effort is really what the United Nations was hoping for in 2000 when the Millennium Development Goals were first created. This intentionality of creating global guidelines is understandable especially considering the sporadic and other self-serving development efforts of the 1990s.

While an agreed upon approach may be strengthening the direction of development work across the board, there is still much concern for the amount of progress actually being made. Starting as early as 2005, predictions were being made
that Africa would fall short of achieving the MDGs. At the Annual World Bank
Conference of Development Economics, Zia M. Qureshi stated, “most developing
countries are not on track to meet the Millennium Development Goals. The income
poverty goal is likely to be met at the global level, but Africa will fall well short”
(Qureshi 223-255). William Easterly provides a strong response to Qureshi’s assessment
of the lack of progress. Easterly’s contention is that the Millennium Development Goals
are “unfair to Africa.” This concern that they are unfair to Africa comes from his
understanding that, “the MDGs are poorly and arbitrarily designed to measure progress
against poverty and deprivation” which does not make efforts in Africa look good (“How
the MDGs are Unfair” 26).

The reason that this unfair picture of Africa matters is because “the MDGs were
meant as a major motivational device to increase development efforts in and on behalf of
poor countries” (“How the MDGs are Unfair” 26). Easterly admits that the MDGs were
motivational in the beginning, but his fear comes from the supposed lack of achieving the
MDGs as making “Africa [look] worse than it really is.” Doing this may be detrimental
to future development efforts as people become discouraged by news of lacking progress.
As Easterly explains, “It generates a more negative picture than is justified. It turns some
success into failures. The negative picture matters because it is demoralizing to African
leaders and activists, and because it might have real consequences for things like private
foreign investment to reinforce the stereotype that “Africa always fails’’” (“How the
MDGs are Unfair” 33). Reinforcing this stereotype may be very harmful to the ability of
Africa to foster international support in the future. It seems then that the effects of the
Millennium Development Goals have become more complicated than originally intended. The goals began as a motivator, but may not serve that purpose as long as they are used for assessment as well. Additionally, the dynamics which have been created by organizations treating the goals simply as guidelines while continuing to address poverty in their own manner are also interesting. It is important then, in moving forward, to examine where development work has gone since the signing of the Millennium Declaration in September of 2000.
CHAPTER 3: POST 2000 – CHANGES IN DEVELOPMENT APPROACHES

While the Millennium Development Goals cannot be held entirely responsible for the changes which occurred throughout the development system following their creation in 2000, there is evidence that their creation played a very significant role. Admittedly, some organizations which have become the foremost actors today began before or at the same time as the MDGs were created. In those cases, it seems to suggest only that the entire world, not just the United Nations, was ready for a change in the way development business was done. Those organizations which acted simultaneously to the United Nations were already motivated and most likely the MDGs simply gave their work more structure and direction. Of course, for those who were not already thinking in these ways, the MDGs acted as a catalyst for action.

Upon the creation of the Millennium Development Goals in 2000, there was, as economist Jeffery Sachs notes, “a palpable sense that this time- yes, this time- they [the MDGs] just might be fulfilled” (Sachs 213). This faith in the MDGs encouraged Sachs as he took on the role of Secretary-General Kofi Annan’s special advisor on the Millennium Development Goals in 2002. While working for the United Nations and the Earth Institute at Columbia concurrently, Sachs advocated for a dramatic increase in aid as means of eradicating poverty and fulfilling the MDGs. While Sachs was often disappointed with the level of commitment from those who had agreed to the Millennium Declaration, he was “pleased to hear” that the United States would agree to contribute
$15 billion over five years to fighting AIDS in Africa which was the amount of money he had recommended in 2001 (Sachs 220).

Throughout the early 2000s, Sachs and other economists continued to advocate for an aid-based approach to development. For several years, this belief in aid dominated development efforts. By the middle of the decade, criticisms of aid began to rise. Not only did some like author of Dead Aid, Dambisa Moyo, question the negative impacts of aid in general, but economists like William Easterly questioned the level of accountability and stewardship being practiced. Within a few years, these criticisms led to the creation of several new approaches for addressing the problems of development. These approaches may be easily broken into two general categories; those who focus on entrepreneurship/economics and those who advocate for a better use of aid. Of course, these two categories are not mutually exclusive and quite often they share characteristics. In either of these approaches, there is a greater focus on intentionality and responsibility in development work. These approaches have encouraged the development community to better honor the aid which is used and to also avoid the use of aid when possible.

**Economics and Entrepreneurship Approach**

*William Easterly: Accountability*

The first to criticize Jeffery Sachs and the aid approach of the early 2000s was fellow economist and former World Bank employee, William Easterly. Easterly is best known for his 2006 bestselling book, *The White Man’s Burden (Why the West’s Efforts to Aid the Rest Have Done So Much Ill and So Little Good)*, which is viewed as a direct
response to Sachs’s work published a year earlier, *The End of Poverty (Economic Possibilities of Our Time)*. While William Easterly is definitely critical of the work of Sachs, particularly the policies he advocated for while working with the United Nations, this was not his entire focus. Rather, Easterly is more broadly concerned with the methods used by the entire development community, including his former employer, the World Bank. One can see then, that while it may appear, and as it often portrayed (especially as a marketing strategy), that Sachs and Easterly are polar opposites in their opinions on development, this may not be true. It does seem that Sachs was carried away by the excitement of possibilities following the creation of the Millennium Development Goals. In this excitement he advocated for large amounts of aid, but he did not throw accountability by the wayside in exchange for that providing aid. Of course, from solely reading Easterly’s criticism it may appear that way.

With that in mind, it is important to think of William Easterly’s concerns about the direction of development as not necessarily a straightforward critique of Jeffery Sachs, but rather a questioning of the entire system which Sachs just happens to be a part of. In moving forward then, it is more important to examine the critiques and the solutions which William Easterly offers in response to the efforts made prior to 2005. It is also important to note that other economists, including Dambisa Moyo, began voicing their criticisms at this time as well. Moyo, being originally from Africa herself, offered a different view of aid and development assistance on the continent. Her critique is even broader then Easterly’s as she questions whether aid in general has helped or hurt Africa. While Moyo’s focus is significantly different then Easterly’s, at the core, they are both
questioning the traditional understanding that putting enough money on any problem should solve it. This is not to say that they might agree to some aid being given, but both are very concerned with the focus in the early 2000s on distributing large sums of money. The primary focus of Easterly’s work is to promote better accountability. Having worked at the World Bank, Easterly had seen his fair share of lack in accountability. The problem being that there really is no particular power charged with holding organizations or agencies accountable if they fail to do something. He argued, that especially in the international organizations like the World Bank, there was more focus on how much money was going out then on getting results. Easterly’s primary concern then with the lack of accountability was the amount of money being wasted in the process of attempting to do development work. It is this kind of untracked wastefulness which Dambisa Moyo might argue is hurting Africa rather than helping it. Not only did this lead Easterly to advocate for better monitoring and evaluation, but also gathering feedback from those receiving the aid. If organizations were not being held accountable by any international body, then they should be held accountable by the people they are supposed to be helping. Plus, by asking for feedback and actually listening to the people in need, aid becomes much less of a top-down system and more of a cooperative effort. It is this cooperative effort and the admittance that the impoverished probably know better what they need then we do, that has also defined many other organizations in the latter part of this decade.

The way in which William Easterly describes this problem is the tension between what he calls “planners” and “searchers”. In The White Man’s Burden, he says this about
planners, “A planner thinks he already knows the answer, he thinks of poverty as a technical engineering problem that his answers will solve.” He says of searchers, “A searcher admits he doesn’t know the answers in advance; he believes that poverty is a complicated triangle of political, social, historical, institutional, and technological problems. A searcher hopes to find answers to individual problems only by trial and error experimentation” (Easterly 6). Though the title of planners and searchers does not apply exclusively to one group or another, Easterly concludes that most outsiders who attempt to solve poverty are planners. The other side of that conclusion is that most searchers can be found in the impoverished themselves. He says, “the poor are their own best searchers” (Easterly 27). Easterly reaches this conclusion, and the conclusion that searchers are the true solution to poverty, because he believes in the poor helping themselves. He does not reject that the developed world can assist in this type of development, but still encourages development to come from within. This sentiment is not solely unique to William Easterly and it may be found in ideology of other individuals who arose around the same time.

Jacqueline Novogratz: Entrepreneurship

One such individual who also supports the idea of entrepreneurs from within developing countries solving poverty for themselves is Jacqueline Novogratz. Novogratz is best known for founding the Acumen Fund and her bestselling book published in 2009, The Blue Sweater. In many ways, her work has redefined how many new organizations approach development. Though she shares some of the same concerns as William
Easterly, primarily that accountability counts and incentives matter, her approach to development is slightly different (Novogratz TEDTalk). While Easterly’s theories and ideas for approaching poverty in some cases come from real life experiences in the developing world, his work often speaks from a further removed, academic understanding; as to be expected from a professor of economics and former World Bank economist. Novogratz on the other hand, speaks frequently of her trial and error experiences in working with women in developing communities in Africa, because that is what she has spent much of her life doing.

In lectures, Novogratz often gives examples of individuals working hard to help themselves and these examples come from her time spent in those regions. She learned the hard way when working with a group of women to start a business, how important their feedback and buy-in was. The women’s knowledge of local traditions and needs qualified them better to help themselves than Novogratz herself. Novogratz noticed that allowing the women to do things their way and to do it on their own empowered the women and emboldened the community. The sense of ownership created impacted to community much more positively then if someone had simply come in and told them exactly what to do.

Novogratz’s conclusion then is that we, the outsiders, may be the catalysts for change. We may help bring out ideas or provide the tools necessary, but we are not telling them what is best for their development. We act as guides and supports without getting in the way of their creativity. These ideas are embodied in the rise of Asset Based Community Development which has grown significantly in popularity over the last
decade. Admittedly this faith in the poor helping themselves is not unique to Novogratz. As previously mentioned, Easterly believes firmly in the work of what he calls “searchers.” These searchers may appear as enlightened development workers who recognize the importance of such practices as Asset Based Community Development, or as it is for Easterly, they may directly be the poor themselves. The poor may not necessarily need an outsider perspective to realize what they want to do, but rather they might just need outside resources to set their plan into motion.

**Muhammad Yunus: Micro-Lending**

While it may manifest itself slightly differently in application, micro-lending most definitely belongs in the same category of development approach as William Easterly and Jacqueline Novogratz. Since his 2006 Nobel Peace Prize win, Muhammad Yunus has surely become a household name. Yunus won the Nobel Prize for his unprecedented work in micro-lending which turned the world’s idea of lending on its head. Yunus had a simple idea to provide those who needed loans the most with those loans. For a number of reasons, the Grameen Bank model of lending worked and the poor in rural Bangladesh began to prosper. After seeing it work in Bangladesh, Yunus was very hopeful that this micro-lending approach would “translate across borders” (Elliott 36). He noted on a trip to a micro-lending project in Guatemala that “Their dreams and concerns – such as difficulties in marketing their products-were the same as those in Bangladesh” (Elliott 36). For several years, the international development community held the same hope that Yunus did. Micro-lending was held up as the final solution to jump starting development...
and many organizations adopted these methods. To many, it seemed that micro-lending truly was the answer, but concerns have recently begun to rise about its effectiveness. One possible explanation for the ineffectiveness of recent micro-lending attempts is that these attempts simply do not follow the original model of development closely enough. The original Grameen Bank was so successful, because it brought together the perfect combination of factors. Loans were primarily given to women who wanted to improve their lives and there was a heavy emphasis on community. The community as a whole was invested in the success of projects and the women held each other accountable for repaying their loans. In the beginning, loans were extremely small and provided just enough money to start something small which could grow into something bigger. Loans were not large enough to completely meet the women’s needs and thus they still had to work hard to reach their goals.

In the perfect world, micro-lending might still look like it did when Yunus began, but in reality, micro-lending has changed significantly. These changes and concerns prompted Vikas Bajaj’s recent article in the New York Times titled “In India, Micro-credit Has Suffered a Black Eye.” In his article, Bajaj describes the rising concern that micro-lending is actually hurting the poor rather than helping. New evidence shows, “most borrowers do not appear to be climbing out of poverty, and a sizable minority is getting trapped in a spiral of debt” (Bajaj 1). Such results were unexpected from the once promising world of micro-lending. Government involvement in micro-lending banks, including the order from Bangladeshi Prime Minister, Sheik Hasina Wazed, to fully investigate the Grameem Bank, dramatically impacted the number of loans being given
Thus, it seems that micro-lending in India, Bangladesh, and other parts of the world has taken a hit. With damaged confidence and the global community now questioning the strength of micro-lending, the future of this development technique remains unclear.

In addition to changes happening in the developing countries where micro-lending began, bigger changes are happening as micro-lending is expanded to the world. Such an example of this world-wide lending is that of Kiva.org which opened up micro-lending not only to more individuals in developing countries, but encouraged the involvement of individual donors from affluent countries. This access has significantly changed the incentives and responsibilities of those participating in micro-lending across the globe. Of course, Kiva is not alone in its approach to development, as there are many other organizations who still focus on the raising and lending of money as a solution to poverty.

**Responsible Aid Approach**

*Katherine Fulton: Online Philanthropy*

While proponents for a focus on entrepreneurship and ingenuity within developing countries received the most attention following the era of extensive aid, other methods also began to gain momentum in the mid 2000s. Most simply, the alternative method of development which also arose was nuanced version of aid-based development. These efforts were characterized by organizations which recognized the importance of courting the donor community while putting equal focus on perfecting the
implementation plans through continuous, intensive monitoring and evaluation efforts. In some ways, such organizations acted similarly to those of the early 2000s, but also vowed to pay closer attention to the effect such aid had on the receiving community.

The bridge between these two approaches may be found in the analysis of philanthropy provided by Katherine Fulton. In her speech *You are the future of philanthropy*, Katherine Fulton outlines the variety of approaches of philanthropy which exist today. Those possibilities include mass collaboration, online philanthropy marketplaces, aggregated giving, innovation competitions, and social investing. For Fulton, the Bill and Melinda Gates Foundation falls into the category of “aggregated giving.” While aggregated giving is important, especially on the scale which the Gates Foundation operates, there are other types of philanthropy which may have just as much, if not more, impact of development. Fulton’s perspective is that online philanthropy marketplaces are the way of development in the future. These market places, such as Kiva or Donors Choose, allow ordinary individuals to participate in development. No longer is philanthropy restricted to individuals with substantial wealth, but rather it is open to the public. If coordinated correctly, the amalgamation of many individuals contributions to development may make just as large of an impact as large foundations do.

In her examination of philanthropy, Fulton is primarily concerned with the source of the aid. She considers a variety of sources and her examination of online philanthropy marketplaces is mostly focused on the integration of individuals into development efforts. While this is important from an aid based understanding of development, Fulton does not
consider the effect of development work itself being done in an entirely different way. Though they are based on the same principles, Kiva.org and the Grameen Bank are significantly different approaches to solving poverty. The removed nature of Kiva.org allows micro-lending to be experienced by a wider audience, but it also changes the communal dynamics of the original micro-loans. These changes may be for better or worse, but regardless of outcome, it is important to recognize that there is a difference between the originally intended method of development and how it appears to the masses today. Philanthropy then from online marketplaces may be more complicated than meets the eye, but efforts which Fulton would categorize as “aggregated giving” are easier to accept and understand.

The Gates Foundation: Aggregated Giving

One of the most well known organizations using aid based development as their primary method of implementation is the Bill and Melinda Gates Foundation. The current manifestation of the Gates Foundation was formed in 2000 with the merging of several preexisting foundations and has really come into its own in recent years (Columbia Electronic Encyclopedia). The Gates Foundation supports a number of programs with a focus on global health, global development, and domestic education. More than half of their grants are directed at global health, which is no surprise considering the emphasis on health from the Millennium Development Goals.

An examination of the Gates Foundation’s guiding principles reveals the main focus of the organization. One of those guiding principles is, “Meeting our mission - to
increase opportunity and equity for those most in need—requires great stewardship of the money we have available” (www.gatesfoundation.org). This sentiment of stewardship has been echoed by other organizations and world leaders who have recently begun to appreciate the importance of such stewardship. At the 2010 Development Summit, President Barack Obama noted, “Guided by evidence, we will invest in programs that work; we’ll end those that don’t” (Obama 4). Bill Gates said himself, “We’re not giving money away…we’re working on world health, and we’re working with an incredible bank account” (Gross 50).

Their focus on stewardship of donations manifests itself in a variety of ways throughout the Gates Foundation. On their website, they admit to expecting a certain level of failure. They do not see these failures as complete wastes of resources but rather, they appreciate the importance of making bets “on promising solutions that governments and businesses can’t afford to make.” When these, “bets pay off, we have to adjust our strategies and share the results so everyone can benefit” (www.gatesfoundation.org). The Gates Foundation’s willingness to make adjustments is not simply found in their support of specific attempts to find better methods of development. They are also self critical of their own approach to the grant making process. Melinda Gates noted, “…years ago we got compliments about how fast we reviewed grants. Those grants were swift, but they were not all as effective as they could have been, I’d rather be a bit more methodical and effective” (Sellers 44). Melinda Gates expresses a dedication to ensuring money is spent effectively which did not exist in the early 2000s for most if not all organizations. Of course, these examples of stewardship may simply be just talk and little action. A
concrete example of the Gates Foundation’s dedication to such stewardship and responsibility of aid might then be helpful.

An example of Bill and Melinda Gates’ attention to success arises from the difficulty they had with one of their education initiatives. When it became clear that their efforts were not working to improve the education or success rate, the Gates Foundation got to work finding out why. “They spent more than a year analyzing what went wrong (and in some cases what went right)” (Wallis 2). Following this evaluation, they made changes and adjusted their plan and eventually achieved their desired success rate. If they had operated as some organizations do, it would have simply thrown money around without making real changes. Still, it is important to note that their evaluation showed more money was necessary; so, the Gates Foundation dedicated more money to the problem. Thus, we can see that the Gates Foundation recognizes the importance of funds while also focusing on the implementation. In this way, the Gates are dedicated to helping those in need by responsibly distributing money only when necessary and remaining focused on monitoring and evaluation efforts.

Having examined a number of newly formulated approaches to development work, it may appear that those approaches are divided. On the one hand there are those who focus on providing better, more responsible aid, while others focus less on aid and more on fostering entrepreneurship as a method of development. And yet, these approaches in many ways have more in common than one might expect. Both approaches demand more accountability and attention to responsible spending than previous approaches have, particularly in response to the hasty development efforts built
on the excitement of the creation of the Millennium Development Goals in the early 2000s. In this way, aid is not longer about simply getting money out there, but rather it is about ensuring the money which is distributed is given the support necessary for success. This support has increasingly been provided as the excitement about development begins to wear off the further we are from the introduction of the Millennium Development Goals. Organizations have begun to expect the long-term and complicated nature of development. Very few hope for simple answers or expect money to solve the problem. These developments have significantly impacted not only the methods of development work but also the outcome expectations for these efforts. Such improved understandings of the capabilities of an organization will allow those working in development to better appreciate the effort at hand. Having more realistic expectations drives development efforts themselves to be more realistic. In this new light, organizations have begun to critically examine their specific approaches to development as well as their monitoring and evaluation strategies.
CHAPTER 4: NEW DEVELOPMENT PRACTICES

As new and improved approaches to development have arisen, so have improvements to the methods of implementation. Regardless of whether organizations are focused on providing more responsible aid or fostering entrepreneurship, there has been a renewed focus on the intentionality of development work. Across the board, organizations are trying new practices in order to better serve the communities they work with and the donors who support them. These new practices show up in monitoring and evaluation efforts as well as the most basic interactions with those in poverty. While there are many different methods being tried today, several have come to the front as the most innovative and promising. Three of those methods including: running aid like a business, Asset Based Community Development, and Social Return on Investment while not entirely vetted may be an indication of the type of development practices we will see in the future.

Running Aid like a Business:

Customer Feedback, Accountability, and Incentives

In *The White Man’s Burden*, William Easterly addresses the need to run aid more like a business. For him, this would mean focusing on “customer feedback, accountability, and incentives” rather than just distributing money or resources to those in need. Easterly’s proposal might manifest itself on a national level, but it is also meant to
be applied to even the smallest of communities. One of his primary concerns in all cases is to avoid the common “top-down” type of aid in the past. As we might see in a historical examination of aid, organizations traditionally decided what was best for developing countries without actually consulting the impoverished. It seems there is often the basic assumption that, because of our global position and academically educated perspective we know best what needs to be done. This assumption has led to a variety of organizations providing services which may not be wanted or supported by local communities. Large scale examples of this top-down thinking would include economic policies or incentives which we suppose will work, but have not tested in developing countries. Such policies come from organizations like the World Bank and IMF, who we already know have received their fair share of criticism for how they handle poverty.

On a more local, small scale, top-down initiatives often take the form of organizations distributing their decided solution to poverty. Such distributions include bed nets, clothing, vaccines, medical supplies and other items which community members would not make their first priority. That is not to say that these initiatives are not important, but without the support of communities, the resources often become misused and undervalued. In the long run, this leads to the waste of resources that might be better spent if community feedback was taken into consideration. It is for this reason, that William Easterly considers customer feedback to be so important. For him, the customer, in this case the poor, should always have a say in what is done for them. In normal economic interactions, customers give their feedback by buying one product over another. It does not function the same way in development assistance, because
individuals are often not empowered to express their needs. By making an active effort to collect feedback, we can learn what is and is not working and attempt to do a better job in the future with less resource waste.

In addition to his concern about feedback, he is also concerned with incentives. Easterly argues that by continuing to give the poor what we think they need for free we are actually hurting them, not helping them. One of his specific concerns addressed in *The White Man’s Burden* is the distribution of free bed nets. Many programs give bed nets away in high Malaria zones, but it is also in those areas that bed nets are most often misused. People use them for many other things than Malaria protection, because they did not have to pay for them and they know that they can probably get another for free anyway (Easterly 13-14). To solve this problem, Easterly thinks that we could very easily create a business which sells bed nets. The local people who sell the nets would have an incentive to keep them in stock, because they would make a profit and the people buying them would feel more responsible because they had to purchase them.

Following his example of the misused bed nets, Easterly paints a picture of an improving small town in Ghana which has avoided much of the top-down type of development. This town in Ghana for him is “not proof” but definitely a hopeful indication that running aid like a business does work (Easterly 33). In the town there are a number of projects which foreign donors have funded, but all of them have the buy-in from the community members. Most importantly, there is buy-in from the town’s chief who acts as a partner with these organizations. Throughout Easterly’s work, there are many examples of how running aid like a business has the potential to considerably
improve development progress. The town in Ghana is just one example of how customer feedback and the partnership of searchers rather than the dictation of planners may positively impact a community.

*Creativity and Positive Marketing*

Melinda Gates, co-founder of the Bill and Melinda Gates Foundation, also argues that the business world can led by example. Specifically, Melinda Gates is interested in translating the far reaching Coca-Cola Company’s success to changes in how we do development. In a 2010 TEDtalk, Gates outlined the potential in creativity which Coke brings to the table. She starts by asking, “If Coke can get there, why can’t the type of things necessary for real development work get there?” Here Gates refers to and quantifies the reach which Coke has into the global market. Thanks to its vast network of sellers from large chain-stores to local shop owners, Coke can be found in millions of remote villages around the world. The demand for Coke has created huge numbers of willing sellers who, as Easterly would expect, are drawn to the economic incentives of selling Coke. In this way, the distributors not only benefit the company, but also themselves. For Melinda Gates, the trick here would be to translate this network of distributors and the success of Coke to efforts in development work. This restructuring might manifest itself in a variety of ways, but ultimately it would rest in the buy-in of community members.

Of course, for Coke and for development organizations, it is not all about distribution, but also about advertising. Gates would hope that we may learn from
Coke’s positive marketing strategies, in particular she cites their recent “open happiness” campaign. In their marketing, this motto is paired with images which they have discovered signify “happiness” in personalized regions of the world. By personalizing their advertisements, Coke is able to reach a broader audience who feels like a part of the world which Coke is projecting.

In addition to the specialization of Coke’s marketing campaign, Gates wants us to learn the importance of using a positive message. With all of the challenges in development, it is easy to look at the glass half empty, but Gates argues that this is unproductive. To look at the negative side of a problem is not motivating to those working against it and it definitely is not motivating for the donor community. Donors are less likely to donate if they cannot see an end in sight. Thus, discussing poverty in a negative light simply adds to donor fatigue and it seems clear that donor fatigue is harmful to accomplishing the goal of development work as long as we agree that at least some funding is necessary. When advertising to the donor community, Gates says that we must talk about how far we have come and make a case that we are almost there. One specific example of this would be the Gates Foundation’s attempt to eradicate polio. As Gates notes, we are extremely close to eliminating polio, but we will be unable to make that final step if we run out of money like we are slated to in the next year. In order to prevent this from happening, Melinda Gates notes that it is necessary for their foundation to focus on the positive and to project that to the donors (TEDTalk-Gates). The importance of positive thinking goes beyond the eradication of polio and may be applied to any area of development work were donor support is necessary, but fatigue is common.
As Melinda Gates highlights in her lecture, we may learn a number of different strategies from the Coca-Cola Company. Concretely, these strategies would include better distribution, local buy-in, and advertising. We may at the same time, learn a more abstract lesson about the importance of creativity in development work. Even though we all know large corporations like Coke are successful, we often do not think their success and strategies are transferable to development work. It may seem like mentally we have drawn the line between for-profit and non-profit organizations, but this is unnecessarily so. Both types of businesses have ‘customers’ to serve and goods to be distributed. These similarities open the door for innovations and answers to be shared between the business world and the development world which may have more in common than previously thought. Most importantly, it seems that this type of unexpected innovation is what has become necessary to significantly further development efforts. It has become clear in the past ten years that the same old practices simply will not get the job done. The Millennium Development Goals were the beginning of this innovation and thinkers like William Easterly and Melinda Gates continue such efforts.

**Asset Based Community Development:**

Some very real examples of once abstract thinking have been readily accepted by the development community today. When developers began talking about Asset Based Community Development (ABCD), there was much reluctance to approach the problem in this way. Today, the majority of that reluctance has disappeared as more and more organizations accept the importance of integrating the poor into the process of
development. Just as Easterly was concerned with eliminating top-down development ideas, ABCD is interested in doing the same. ABCD also seeks to shake up the tradition of always looking at the negative and to begin by looking at the positive. While most development efforts begin with a “needs” assessment, ABCD begins with a “skills” assessment. For contrast, a needs assessment would examine what is lacking in a community or what outsiders and community members think the community needs before even attempting to look at what is already there. A skills assessment on the other hand, works through individual and group interviews, with translators, community members are asked to list their skills. In most cases, a list of common skills, such as cooking, childcare, bricklaying, food services, etc., is provided. At the end of each session, the community members are able to see how empowered they actually are. In addition to identifying their personal skills, participants are asked to identify the resources they see within their own community. These resources may be physical (water, trees, land) or personal (leaders, community groups).

The assessment does not end there. With the help of identified leaders in the community, the facilitators then develop resource maps. These resources maps show to the community how much they can actually help themselves. It makes community members see how empowered, and not dependent on aid, they are. While not every community member will have an idea for a new business or something they thing the community needs, many will be inspired to do something new. This inspiration, in conjunction with the resource map, can lead people to begin their own businesses, to
jump start their own local economy and to work with those who have helpful skills that they may not have known about before.

In this way, Asset Based Community Development offers individuals a new way to see their situation. The facilitators of this development do not dictate to individuals what should be done, but rather they act as the catalyst for such change. By seeing the situation in a new light, facilitators help those in the community to do the same and to feel inspired to do something about their situation. This type of development admittedly takes a long time. The assessment and resource mapping process may take months or years as relationships between the locals and the outsiders must be built. Simply giving the assessments can be difficult in places where the language barrier is thick. Once such an assessment is complete and community members have decided to pursue an idea, there may be more barriers to stand in the way. Local officials must be asked permission and resources must be gathered. That is not to say that Asset Based Community Development is not a solid solution to many problems of development, but rather that this type of development is no exception to the many barriers which exist in such realities.

**Monitoring and Evaluation - Social Return on Investment:**

Another innovative process which has just recently come to light, but still faces a number of challenges, is the Social Return on Investment (SROI) assessment. SROI is a relatively new and to some extent untested method of monitoring and evaluation. Most development organizations have some form of monitoring and evaluation plan, but this plan is unique in its approach to assessing outcomes. The SROI attempts to put a
numerical value to the “social” aspect of development projects. Such social outcomes were previously unaccounted for as they are primarily intangible. In the past, organizations were unable to put a numerical value to something like “improved self-esteem” or “increased sense of community” but SROI allows organizations to do this.

As it is in the developmental stages still the process is not entirely set, but SROI may include a number of steps. First an assessment of the development project is done: project example-improved soccer field at local high school. By talking to community members involved in the project or those who benefit from the outcome, basic information can be gathered. That information is then turned into measurable indicators. For the soccer field example, these indicators may include the number of hours the field is available to the community or the number of new teams which have been created since its completion. While most indicators may be concrete, some may be more abstract, like improved interest in school which would be measured by number of classes attended or improved self-confidence which may be measured by the number of students who have taken on leadership roles. The indicators are quantified in terms of amount, but their value remains unknown. To determine these values, value games must be played with a large number of community members, both with those involved in the project and those who were not involved.

To begin developing a value game, items with known values are collected. These items may include a loaf of bread, a cow, a car, or a variety of other things. Of course, cultural importance has to be taken into account when deciding such items. While a cow may technically cost less than a car, it may be culturally valued more. These types of
inconsistencies between cost and value will create problems later in the assessment.

Once an agreed upon set of values is determined, these items are written on cards. In order to limit the number of outside influences, the cards should all have the same layout including the name and a picture of the item, but no listed cash value.

In individual and group sessions, community members are asked to put the items in order of what they value most. For each round, participants are allowed to change the order of the cards as they are given one unknown value card which needs to be placed in the order. After the completion of a round, that unknown value card is taken away and replaced with a different unknown value. The game might look something like this: A community member has the known values of: a loaf of bread, a car, a cow, and a chicken. They also have a card for the unknown value of “one hour of play on an improved soccer field.” The community member must then rank the cards in order of their value. It basically asks them to decide whether one hour of play is worth that same amount as a loaf of bread, or whether it is worth more or less. Once the community members determine the value, this is recorded. After all sessions with community members are completed, facilitators find the average community value of the unknown values by comparing it against the cost of the known items which were also ranked. In theory, this gives organizations an idea of exactly how much impact a development project has had on a community and how much the community values that project.

Admittedly, this tool is not only labor intensive, but it is also not fully tested. There are many cultural inconsistencies to take into account. Not only are developing culturally neutral value cards difficult, as some communities might value something
sacred, like a cow, far beyond its technical cost value, but the same problems exist in assessing the value of intangible goods. In addition to the major issue of determining values fairly and accurately, there are a number of other problems in implementation including strong language barriers. Some ideas like ‘self-esteem’ or ‘empowerment’ are difficult to exactly translate. Without serious language training, which is time consuming, those administering the value games would be completely dependent on translators which can be difficult to find. While these challenges are significant, SROI has the potential to completely change how monitoring and evaluation is done in the future.

By reviewing these innovative approaches to development, we can see that change continues to remain on the horizon. There has been significant change in development efforts since the beginning of the 2000s and those changes will continue to arise. While some ideas may not stand the test of time, it is obvious that creativity and thinking outside of the box will be necessary in order for communities to overcome the challenges which have stood in the way of development for many, many years.
CONCLUSION:

Considering the state of many developing nations today, there is a very real possibility the Millennium Development Goals, especially in Africa, will be considered a failure by 2015. Besides the statistical data that suggests significant progress has been made, there are many other reasons why the MDGs should not be looked so harshly upon. While the Millennium Declaration set out to achieve eight specific goals toward eradicating poverty by 2015, it also was intended to motivate the development community to do something different, something more than had been done in the last century. The goals provided a renewed vision and structure which governments and non-governmental organizations alike could use to more constructively guide their efforts toward eradicating poverty.

After their creation in September of 2000, the immediate response to the Millennium Development Goals resulted in a focus on raising money to support development efforts. The focus on not only raising money, but spending money was arguably not a move in the right direction. In some cases, this focus on money was a significant setback, but also led to the response from which much innovation has come.

The counter-movements of development, calling for greater accountability and intentionality, have in recent years reduced the amount of resource waste in development efforts. This greater stewardship allows organizations to make great strides toward reducing poverty, but also opens possibilities for innovation in the field. In the past few
years, some of the greatest innovations in decades have been arisen to the development community. Upon finally realizing that the strategies of the 20th century did not work and would not work, the development community began seriously reevaluating how development work was to be done. It is these innovations which I believe will lead to the greatest success and progress in the coming years.

Of course, not all innovations are set up for success. Though the developers of Social Return on Investment (SROI) had the best of intentions, of all the new techniques, it is least likely to survive. There are too many complicating factors and difficulties in application. SROI struggles greatly to cross cultural borders where language and cultural understanding really do matter. My personal experience with SROI evaluations in South Africa affirms to me that this simply is not the right tool at the right time. Maybe with greater development and forethought about the variations in cultural interpretations it would work better. My concern for the lack of success with SROI is not to say that it may not develop into something more fitting for a global setting, but as it is right now, SROI is not ready to meet the needs of better monitoring and evaluation. Of course, this opens the door for even more innovation as monitoring and evaluation still remains one of the greatest struggles for the development community.

While it does seem that some techniques, like SROI, are not going to stand the test of time, there are many more which I do believe will be able to do so. In particular, the practice of Asset Based Community Development (ABCD) I believe has significant potential. ABCD is so counter to the traditional ideas of assessing need rather than assets that it has taken many years to begin catching on. While it has been slow in developing,
I would like to hope that ABCD will prove itself unavoidable for development organizations in the near future. Assessing assets not only reduces the likelihood of dependency on outside resources, but it also empowers a community.

This focus on community and individual empowerment is not just isolated to ABCD, but can be found in a number of the most promising development measures. From Jacqueline Novogratz to William Easterly and Muhammad Yunus there is a consistent theme of recognizing the need to empower the impoverished. Not only will ideas not stick if the community members have no buy-in, but those ideas from an outsider’s perspective are much less likely to address the real issues. No one knows more about poverty than the people who experience it and live it every day. So, why should they not be creating their own solutions to poverty? It has become clear that the top-down approach of poverty eradication from international organizations is not going to work. Easterly focuses on ‘searchers,’ Novogratz wants to listen to the people and let them make their own decisions and Yunus puts the money in the hands of people who need it most.

Though I endorse the efforts of those who support and empower the impoverished, I recognize that these approaches are also imperfect. These processes may take a long time to implement or they may over time break down. In that sense, it is not so much these specific individuals or approaches that I think will really make the difference, but rather the change in mind-set for the whole community. Admitting that we may not have all of the answers is really the first step in doing great development
work. Listening to those in need and thinking more creatively than ever before is what is really going to solve this problem long-term.

In the end, what is important is recognizing our common humanity. Poverty is not just their problem anymore, it is our problem. We must then be willing to truly give these marginalized people the time of day and recognize their needs, dreams, hopes, and fears. Ultimately, this is what I believe John Rawls’ theory does; allows for the voices of poor people to be heard in the process of policy making. Rawls opened my mind to considering the world in a different light. His work encouraged me to ask the question, “If I was in the shoes of the poorest people in the world how would I hope to be treated?”

Rawls is a great motivator in the way he encourages people to remove self-interest from the equation. He does this by persuading us to mentally stand behind the ‘veil of ignorance’ which removes all knowledge of our position in the world. Without knowing where we stand, we cannot be focused on protecting our own self-interests. If we do not know which decisions would best benefit ourselves then we are forced to choose a world that is more fair and just. The Rawlsian attempt to remove self-interest does not condemn self-interest all together, but, rather, addresses the concern that it may blind us to the injustices of the world. Once we open our eyes and see the world in this new light, we can get to work opening our ears to the impoverished and our minds to trying something new.

We know now that the same old approaches are not going to cut it. The introduction of the Millennium Development Goals, the immediate focus on raising aid money and the counter-reaction to that way of doing development work have brought us
to a new and improved development system. The system may not be perfect, but it is at least a step in the right direction. No one knows exactly where we will go in the coming years or how much progress will be made, but we at least know that the outlook is a little brighter. Though I may be alone in saying so, I firmly believe that we owe this brighter future to the Millennium Development Goals and the way in which they reinvigorated and excited the development community.
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