Transcending the Great Foreign Aid Debate:

Managerialism, radicalism and the search for aid effectiveness

By Nilima Gulrajani

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Abstract

The Great Aid Debate pits those who are radically opposed to foreign aid against those who champion its managerial reform to achieve greater aid effectiveness. This paper offers an analysis of this debate by introducing a heuristic distinction between aid 'radicals' and aid 'reformers'. The radical position is notable as it uncharacteristically unites neo-liberals and neo-Marxists against foreign aid, while reformers espouse the tenets of managerialism as an ideological and practical vehicle for aid's improvement. Radicals remain skeptical and suspicious of reformist managerial utopias, while aid reformers see little value to radical nihilism. This paper calls for an end to the Great Aid Debate by moving to a discussion of foreign aid that intertwines both radical and reformist perspectives. The 'radical reform' of foreign aid is both desirable and achievable so long as aid is re-theorized as a contested, commonsensical, contingent and civically oriented endeavor.

Introduction

A "Great Aid Debate" has played itself out in popular books on the *New York Times* bestseller list but has escaped close analytic examination, even as this debate increasingly impinges on public perceptions of foreign aid and real development policies. The Great Aid Debate centers on the contested value of foreign aid and the wider aid system as vehicles for achieving development. Whilst economists continue to debate the question of aid's impact on development as proxied by macro-level variables like growth, poverty and inequality, such conversations often degenerate into complex disagreements concerning the econometric analysis conducted to establish claims and positions. In contradistinction, the Great Aid Debate elevates and extends these concerns to the level of aid policy by asking whether aid is, on balance, a vehicle of harm or for good in developing societies. Although largely a normative clash, this has not prevented either side of this debate from harnessing a substantial evidentiary basis to support their respective claims.

This paper offers an analysis of this Great Aid Debate by introducing a distinction between aid 'radicals' and aid 'reformers'. This binary presentation of positions in the debate is offered as a stylized heuristic device that can nevertheless usefully tease out points of convergence and divergence within this debate. On one side are aid 'radicals,' a heterogeneous group of voices straddling the political spectrum who exhibit apparent convergence in their opposition to foreign aid, particularly the way such flows are organized, managed and delivered by aid agencies. On the other side, aid reformers represent many committed members of the development policy and academic community who believe managerial reform to the aid system is both possible and desirable for improved development outcomes. In the first and second sections, each of these positions is examined in more detail. While an ideological split defines the radical camp and suggests more diversity than perhaps one might first assume, reformers remain relatively united in their belief that business managerialism is the main vehicle for ameliorating foreign aid.

Once radical and reformist arguments are presented, section three asks whether there is a way to re-theorize aid and its administration such that it becomes less harmful than radicals suggest and more robustly improved than simplified managerial reforms imply. The excessive pessimism of aid radicals and the unwarranted optimism of aid reformers has to date limited a productive and pragmatic conversation on future directions for aid, raising questions about the value of the divisive Great Aid Debate. Ending the Great Aid Debate becomes a desirable possibility with the continuities and discontinuities that separate radicals and reformers made transparent. A way forward is offered by reconceptualizing foreign aid as an endeavor involving contested goals, commonsensical processes, contingent practices and civic values. If foreign aid is ever to be truly effective, what is required is no less than its radical reform.

Glass half empty: radical perspectives on aid

Criticisms of foreign aid as both a mechanism and administrative apparatus for achieving higher living standards in the developing world are not new. What is different with contemporary critiques is the extent to which these arguments have achieved prominence in the public domain. Nowadays, expressions of aid skepticism are both commonplace and a mainstay for a variety of professionals (including many former aid managers and bureaucrats). Nevertheless, the irony is that the radical perspective unites neo-Marxist and neo-liberal perspectives in denouncing foreign aid. Both sets of radicals now seem to agree that foreign aid is unnecessary at best, pernicious at its worst. Is this relatively downbeat assessment that emerges from highly divergent political starting points suggestive of a serious malaise with foreign aid? Or are there differences that distinguish their respective pessimism over the prospects for aid?

Radicals on the right

Radicals on the right are strident in their criticisms of foreign aid. Many have catapulted to public attention via bestsellers written by economists like Bill Easterly's *The White Man's Burden* and Dambisa Moyo's *Dead Aid*. These radicals maintain that not only does aid fail to achieve its developmental aims, it creates dependencies that keep

countries poor and worsen the burden of poverty. Aid crowds out investment by hindering the operation of free markets, encourages corruption and fosters reliance on foreign munificence to the detriment of self-help and innovation. The aid industry stands accused of having concentration ratios that approximate a cartel and the planning mindsets of Communist apparatchiks. Public bureaucracies are lambasted for the way they have administered foreign assistance using the slow cumbersome and inefficient command-and-control approaches of state "planners". Planning mentalities dominate the donor industry, and while this is claimed to be inefficient and ineffectual, it keeps the industry and its elites in business.

Setting a beautiful goal such as making poverty history, the Planners' approach then tries to design the ideal aid agencies, administrative plans, and financial resources that will do the job. Sixty years of countless reform schemes to aid agencies and dozens of different plans, and \$2.3 trillion later, the aid industry is still failing to reach the beautiful goal. The evidence points to an unpopular conclusion: Big Plans will always fail to reach the beautiful goal. vi

Their call to arms involves dismantling public aid architectures in favour of creating aid businesses reliant on the nimble "searching" of bargain-hunting venture capitalists looking for their next investment opportunity. Vii In this way, Easterly believes there is greater scope for such reinventing the aid system than his counterpart Moyo who calls for nothing less than the "death" of aid. Viii Moyo seeks to end the myth that aid is effective or can ever be made effective and recommends starving the bureaucracies that sustain the Western aid industry that are both unproductive and harmful. Replacing aid with market-based policies can address the root causes of poverty deriving from lack of access to capital and inadequate trading opportunities. An aid-free solution to the problem of under-development in Africa thus relies on a combination of open trade policy, microfinance, bond market financing and Chinese investment.

Radicals of the left

As contemporary criticisms by economists like Easterly and Moyo raise our doubts about the efficiency and effectiveness of foreign aid, there is a tendency to gloss over critical perspectives in development studies situated in neo-Marxist anthropological

and sociological traditions that share the former's aid skepticism but lack their public profile. Inspired by the social theory of Michel Foucault, this group argues that the discourse of under-development that is expounded by the aid industry represents poor countries and their citizens as hapless subjects in need of Western assistance, advancement and modernity as they are incapable of directing their own social and political transformation. The neo-colonial business of aid silences the autonomy and agency of local communities and citizens by the power of its representation and maintains the status quo of under-development. Development discourses strip the problems of poverty of intractable political content in order to portray the technical efficiency and efficacy of the foreign administrative apparatus. The mission of poverty reduction justifies the existence, interventions and perpetuation of the aid industry and its elites who depend on foreign aid as a source of power. Via aid planning, an effective network of power is established over subalterns in the South.*

Development planners seek administrative legibility out of situations of social and political complexity and, in doing so, implicitly subscribe to high modernist notions of progress as both feasible and achievable. Aid defers rather than creates opportunities for the sustainable eradication of poverty as it distracts attention from the structural, capitalist sources of under-development. As a result, neo-Marxian radicals recommend looking beyond development, advocating the dissolution of aid planning architectures and aid experts and celebrating indigenous social movements and local practical knowledge. This 'post-development' position is also shared by a subset of organizational studies scholars who theorize the negative consequences of the modernism implicit in contemporary understandings of international development management. This school of 'critical development management' views the idealized application of modernist management to questions of development, especially via the administrative apparatus constituted by foreign aid, as fundamentally pernicious to the interests of those who believe in emancipatory development and democratic organization.

Radical continuities and discontinuities

While there have been attempts to counter the left wing radical critique that all aid is an object of oppression^{xv} and right wing radicalism that aid must exclusively choose between planning hierarchies and free markets (with positive emphasis on the latter)^{xvi} there has been little or no work to date exploring how these two 'radical' perspectives on foreign aid relate to each other and how their joint pessimism might be transcended.

Across the neo-liberal and neo-Marxist radical divide, there are numerous shared criticisms. First, in both schools of thought it is the politico-administrative system within which foreign aid is situated that is blamed as a source of failure. Both variants of radicalism converge on the limitations of the planning processes within the aid industry that either prevents foreign aid from achieving its stated goals or else worsens the status quo of under-development. Post-war aid architectures are claimed to have universally failed to achieve their goal of removing poverty and kick-starting industrialization in newly independent states. Secondly, the aid industry is understood to be a global hegemonic complex that cultivates peripheral states dependent on benevolent interests in the global core. Dependency effects are felt at the citizen-level and limit possibilities for agency, entrepreneurship and empowerment. Thirdly, the aid apparatus that has justified its own existence in terms of the reduction of poverty does not adequately target or stridently alleviate the institutional sources of under-development, for example the inequalities within the global capitalist system or the asymmetries governing international trade policy. Lastly, the aid industry survives by ensuring sustainable demand for its expertise and services, in other words its existence is predicated on the continuation of poverty and under-development.

Despite these shared criticisms by aid radicals, there is some reason to believe that the appearance of convergence is more than a little deceiving. Divergences between the two perspectives are perhaps greater than their shared radical concerns. For aid radicals of the left, aid is the source of concentrated oppressive power for both national and transnational elites that limits the possibility of emancipation of the sub-alterns aid claims to champion. For the radical right however, elites that represent market interests rather than the heavy hand of the state can be a source of prosperity as they usher in greater

opportunities for trade, financial investment and economic growth. Moreover, for neo-Marxists aid is a vehicle that strips the problem of poverty from its political causes and consequences in order to perpetuate the myth of quick achievable development wins and unproblematic modernization processes. This de-politicization of the poverty problem is, in fact, decidedly political as it entrenches the conditions of under-development and the power of elites. Radicals of the right may look beyond aid but they still see scope for apolitical technocratic development via trade policy, economic openness, voucher systems and micro-lending. These solutions subscribe to the tenets of free markets with little consideration of the political economy involved in their operation. In addition, aid radicals of the left understand the aid project as part and parcel of neo-liberal agendas serving the interests of capitalists while paying lip service to social justice and human rights concerns, the traditional mainstay of social movements and indigenous knowledge. Meanwhile, for those on the right, aid sustains cumbersome and inefficient donor bureaucracies that contribute to the overall lack of performance of the industry. The aid industry approximates an anti-competitive cartel and possesses an anti-market bias that stifles innovation and accountability. By contrast, radicals of the left are not concerned by the lack of efficiency within aid planning but by the way planners orders realities in ways that preserves the power, authority and governmentality of the state.

If aid management is oppressive for the radical left then, it is inefficient and ineffectual for the radical right. If aid effectiveness requires more market-based solutions and mentalities for those on the right, for the left it is only social movements' commitments to justice and their embedded local knowledge that can bring about the dramatic transformation needed to address the conditions of under-development. It would thus seem that the differences that distinguish right and left wing aid radicals are more significant than may first appear. Nonetheless, their ultimate conclusion concerning the value of foreign aid is identical, namely that it is an ineffectual vehicle for generating development that is not only harmful but also expendable.

Glass half full: reforming aid for greater effectiveness

While there are numerous responses to the radical critique of aid, all of them commonly converge on ways to improve the ways aid is organized, managed and delivered in order to enhance its development impact. Contemporary aid reformers represent a long line of figures since US President Harry Truman first committed in 1949 to support an administrative and professional space called 'foreign aid'. As disappointment with aid's achievements has ebbed and flowed, so too have ideas around how to reinvigorate it to achieve the ambitious vision Truman first proposed for "improvement and growth of underdeveloped areas". A veritable industry now exists that produces reports and guidelines on how to make aid more effective, a lucrative multi-million-dollar sector sustaining the livelihoods of government officials, civil society organisations, academics and consultants alike. **xviii**

With some notable exceptions, xix most contemporary aid reformers share an ideal of improvement that borrows from managerial logics. Managerialism is defined as a "set of beliefs and practices, at the core of which burns the seldom-tested assumption that better management will prove an effective solvent for a wide range of economic and social ills". XX While managerialism shares with the concept of 'technocracy' a belief in the possibility of planning for positive change, technocracy is more specifically a reference to Weberian bureaucratic systems. XXXI In contrast, managerialism is premised on the inherent inadequacies of traditional public administration and advocates the insertion of business logics into public affairs. XXXII A characteristic feature of managerialism is thus a relatively uncritical acceptance of corporate management in all administrative contexts.

While managerialism has been part of American administrative ideology for nearly a century, it gained new force on both sides of the Atlantic beginning in the early 1970s as a way to downsize the sluggish and inflexible administrative systems of the state. This was initially in the context of demands for cost-reduction and efficiency enhancements to the public sector that fanned out across the world as a global principle of government reform. The term 'New Public Management' (NPM) highlighted the similarity of the neo-liberal administrative doctrines applied to domestic public sector

reform in all of these countries and increasingly to the international and non-governmental administrations of development. xxvi

As will be demonstrated, contemporary aid reformists have been some of the most optimistic adherents to managerial logics and their application to aid administration and planning as a way to coax improvement and higher performance. In other public sector contexts, it has already been shown that there are flimsy empirical foundations for advocating managerialism as a platform for reform. xxvii Managerialism stands accused of assuming high levels of equivalence between public and private realms that discounts the conflicting goals characteristic of public environments; xxviii of being applied dogmatically and by centralizing control in a manner can be inherently anti-democratic; xxix of replacing civic virtues, moral purposes and public service sentiments with substantive procedures of management motivated by efficiency; xxx of creating new hierarchies and systems of authority with a powerful managerial elite at its apex; xxxi of introducing generic "cookbooks of action" that are often not tailored to local circumstances; xxxiii and of generally producing outcomes in contrast to original claims and objectives. xxxiii Our taken-for-granted belief in managerial proverbs in the public sector remains robust despite such countervailing evidence because it is perceived as a legitimate framework governing corporate excellence that has universal application elsewhere. Managerialism serves as a powerful contemporary ideology whose influence in the public contexts of international development is exercised through the prospect of enhancing aid effectiveness. What follows is an exposition of how managerialism infiltrates reformist positions within the Great Aid Debate and generates proverbs concerning the way to achieve aid reform.

The goal of corporate-style administrative modernization in aid

Managerialism has its eye on achieving a state of improvement and modernization to public administrative systems. It attributes the need for improvement to ever-changing and fast-paced external environments where reform is immanent and inevitable. The underlying untested assumption is that public bureaucracies are poorly performing in

such environments and can be formally restructured along the lines of the private sector in order to generate efficiency and results. Organizational legitimacy is increasingly obtained by the adoption of business logics, even if sometimes their pursuit can distract from the real achievement of desired results. This risks administrative reform becoming an end itself, driven by a normative doctrinal consensus on the superiority of business planning.

Aid reformers assume a teleological orientation towards the desired state of foreign aid improvement, where the design and purpose of reform is oriented to administrative modernization of the aid apparatus in line with corporate best practice. The justification for continuous improvements to foreign aid is reliant on a rhetorical idiom of aid's failures and imminent crises xxxvii that together threaten the fragile livelihoods of the world's poor. The motif of failure and crisis as illustrated in the quote below drives the momentum to reform and ameliorate foreign aid in the image of the corporate sector.

Many would argue that the over \$1 trillion given in aid to developing countries over the past half-century has failed---or at best has not produced results. Development challenges are daunting and vast. [...] Half the world population lives on less than \$2 per day. One billion people cannot even sign their own name. [...] We argue that bringing a few market elements into traditional structures of foreign aid might remedy some of the shortcomings of today's bureaucratic and sluggish aid system. *xxxviii*

Aid reformers remain confident that the administrative improvement of foreign aid is simply a matter of transferring corporate know-how into traditional public bureaucracies. The dominant economic metaphors of comparative advantage, strategic niches and lower transaction costs inspire common sense understandings and intuitions concerning the superiority and appropriateness of business logics as vehicles for the administrative modernization of aid agencies. These logics are defined by their commitment to business flexibility, de-concentration, innovation, entrepreneurship and flat networks, all of which are attributes commonly associated with the private sector. Managerialism cultivates corporate doctrines as a legitimate way to both justify and frame reforms in aid administration.

The scientific process of aid management

Managerialism is an ideology that assumes corporate doctrines operate as a proven science that can objectively, orderly and causally steer changes in the foreign aid apparatus. Rational science is the presumed systematic application of falsifiable management principles—rather than proverbial statements—to achieve the goal of modernization. Managerialist prescriptions are presented with trans-scientific language that emphasizes scientific certainty and universal applicability even when scientific emergence and experimentation is untenable or uncertain. It is in this sense that managerial argumentation is informed by Enlightenment understandings of rational science.

The post hoc justification of certain kinds of aid reforms as scientific best practicexli notwithstanding limited and contested evidentiary bases best illustrates the infiltration of managerialist ideology into the development space. To illustrate this, consider the widely cited study suggesting that aid works in good institutional and policy environments that has been relied upon to justify the World Bank's decision to allocate aid financing on the basis of recipient rankings on international benchmarks of good governance. xlii Burnside and Dollar's findings and the aid policy prescriptions on selectivity that resulted have been widely disputed by many econometricians operating within the same economic 'scientific' canons as the authors. XIIII Nevertheless, this dispute has done little to temper enthusiasm for policies that selectively allocate aid according to the strength of national governance systems. An entire new area of research now builds on Burnside and Dollar's contested findings and ranks donor agencies according to their implementation of aid selectivity. xliv This latter body of research, presenting itself as the scientific assessment of donor performance, firmly anchors aid selectivity as a best practice principle guiding aid agency reform, even where this representation remains a controversial and stylized understanding of the original study. xlv The academics and policy makers involved in advancing reform prescriptions are relying on the apparently incontrovertible logic of deductive rational science to support specious claims about the determinants of aid effectiveness and donor performance. Aid reformers come to see scientific certainty in managerial prescriptions and scientific predictability in expected

responses that sit comfortably with their desire for social order and control. This lulls reformers into believing that improved aid outcomes are within easy reach and jeopardizes the search for the true drivers of improvement.

Aid reform via abstract practices

The corporate and scientific ideology of managerialism provides the basis for a managerial practice that derives its power from its universal applicability. This drives managerialism to embrace abstract practices, tools and techniques that seek to simplify complexity in order for processes portable and generalizable. The term 'abstract' refers to the ways in which specific knowledge of local contexts and lived experience is reduced and systematized by master-chefs into "cookbooks of action". These cookbooks are intended as explanatory frameworks that can replicate outcomes across time and space. Meanwhile, the master-chefs comprise a new professional class in the public sector whose authority rests on their claims to management expertise. The rise of master's degrees in development management and the phenomenal of the development consulting industry is testimony to the efforts being made to cultivate this new class of professional aid managers. These 'abstract' managerial practices and their champions both risk becoming anti-democratic elements within the aid apparatus to the extent that they provide new opportunities for social control that can bypass citizen input and involvement.

The growth of performance measurement and management systems (PMMS) and monitoring and evaluation professionals in aid agencies illustrate the widespread belief that abstract practices in aid are vehicles for enhanced results. 'Results-based management' is increasingly prevalent in the aid sector; some examples include targets like the Millennium Development Goals or Paris Declaration on Aid Effectiveness indicators, global rankings assessing everything from transparency, competitiveness and human development and intelligence gathering activities to assess aid agency employee performance, project disbursements and value for money. While PMMS systems are expected to drive performance in foreign aid by motivating desired actions, promoting learning, enhancing efficiency and improving transparency and accountability, their

weaknesses suggest a more treacherous route to results. Not only do they tend to simplify highly complex dynamics into numeric indicators that may not capture reality in a reliable, unbiased, parsimonious and meaningful manner, they can also shift power dynamics and courses of action in insidious ways. li It remains a continuous challenge to attribute changes in indicators directly to particular activities and actions. Meanwhile, a managerial professional class emerges and challenges the authority of those with more embedded and embodied forms of knowledge that arguably have more direct relevance for the search for results. PMMS tend to cause distortions that can shift incentives and drive out concerns over processes and quality. PMMS systems are not simple thermometers that objectively take performance readings over time. Rather, they are more like Swedish saunas that "give temperature to a body" by altering the contexts within which performance is being measured. lii Nevertheless, the optimism of those seeking reform and improvement of aid management, coupled with the institutional imperatives of demonstrating aid performance in some scientifically quantifiable way analogous to the private sector, ensures continual reliance on abstract practices and professionals.

Efficiency and impartiality as values in aid

Managerial approaches define good administration in terms of efficiency. While efficiency may be valuable if it allows for the satisfaction of a greater number of wants given the same stock of resources, reformers tend to forget this is the ultimate purpose of efficiency. Instead efficiency travels as a powerful corporate metaphor of unquestioned and unanalyzed administrative good, even if it comes at the expense of other societal wants. To the extent that managerialism privileges the value of efficiency without an in-depth understanding of citizen wants and the purposes of public service contexts, the pursuit of efficiency makes little sense except as the blind emulation of business practice. Efficiency imperatives dominate reform agendas within aid agencies, best illustrated perhaps in terms of administrative cost reduction efforts. Reducing administrative costs is the holy grail of aid reform and donor performance is now comparatively assessed on the basis of this quantitative metric. Iiv And yet, economists acknowledge both the patchy data on aid's administrative costs and the lack of accepted definition of what constitutes

these costs both of which make comparative assessment tenuous. Moreover, cost reduction is often undertaken without a clear understanding of tradeoffs in terms of opportunities gained or lost. The premise is simply that "in line with best practices, most agencies agree that extreme overhead costs should be avoided." Efficiency would seem to remain a cherished managerial value among aid reformers.

Another reason efficiency-values dominate in foreign aid is they present the veneer as being beyond political and social biases. This semblance of neutrality is another important value for aid reformers. Managerialism draws a sharp dividing line between management and politics, and in doing so privileges impartiality as a dominant value of administration. It is in the realm of politics that political leaders set directions and steer decisions based on normative judgments. Managers, meanwhile, are expected to concentrate on achieving the public will expressed by political leaders by simply executing their directives. ^{Ivi} This separation forms the foundation for the classic dichotomy in public administration between the administrative and political spheres. ^{Ivii} Nevertheless, it is now widely acknowledged that administrative practice cannot maintain the impartiality implied by this dichotomy. There have been few coherent prescriptions to keep political actors from involvement in implementation issues. ^{Iviii} Meanwhile, public managers can also be entrepreneurial actors involved in goal setting and political management. ^{Iix} The result is that the politics/administration dichotomy is increasingly rejected and the political nature of all management recognized. ^{Ix}

Nevertheless, aid reformers widely subscribe to reforms meant to remain beyond political dynamics. Consider the way the 'aid effectiveness' agenda is framed by the 2005 Paris Declaration of Aid Effectiveness. Aid effectiveness has taken on a specific and dominant meaning under this Declaration where the prescriptions for better delivery and management of foreign aid are divorced from political dynamics and relations that impinge, for better or worse, on aid. The Declaration defines aid effectiveness in terms of five principles captured in twelve indicators: aid recipients exercising leadership over development policies and strategies and leading coordination (*ownership*), donors basing their support on recipients' systems and priorities (*alignment*), reducing the transaction costs of donor interventions (*harmonization*), introducing PMMS mechanisms (*results*-

based management) and ensuring commitment and respect between donors and recipients (mutual accountability). The Declaration presents the challenge of aid effectiveness as a matter of techno-administrative implementation rather than a problem deriving from the power and politics within which all aid relations are situated, including donor-aid recipient relations, donor-donor relations and local political dynamics. The paris Declaration indicators has been subject to political interference by both donors and recipients, suggesting monitoring and evaluation is never a straightforward and exclusively a-political matter. The Paris Declaration may thus represent an "unhelpful" ideal of how aid could be better managed as it appears to exaggerate the ease with which aid can be reformed to deliver development outcomes. Recent evaluations of the Paris Declaration of Aid Effectiveness confirm this assessment, critiquing its framing as a "technical agreement" rather than a "political agenda for action" with scant attention paid to the "wider political, economic and social contexts in which aid operates". The paris Declaration of the "wider political, economic and social contexts in which aid operates".

Overall, the diversity of arguments in favour of aid reform masks their shared faith in the tenets of managerialism for increasing foreign aid's effectiveness. The ideology and practices of managerialism inspire a number of proverbs about the ways better management can improve foreign aid. The reformist agenda is shaped by enthusiastic support for transposing corporate-style administrative modernization into aid agencies. Management processes are assumed to be a product of uncontestable rigorous scientific investigation rather than the result of normative acceptance and collective wisdoms. Interventions themselves rely on abstract practices supported by a managerial class who possess skills that are supposed to be both learnable and universally applicable. The values of managerialism assume that impartiality and efficiency are necessary requirements for improving aid's impact. Overall, aid reformers are optimistic about the simplicity, feasibility and desirability of managerial prescriptions to ameliorate foreign aid. Attempts to achieve a more 'Enlightened managerialism' do little to temper this conviction. The future for foreign aid burns bright so long as managerial prescriptions are enacted and implemented.

The radical reform of foreign aid

The contemporary Great Aid Debate features a lively, if somewhat unproductive, polemic that pits those who radically denounce foreign aid against those who advocate greater focus on its managerial reform. To the extent that either perspective engages with the other, aid radicals remain skeptical of reformist managerial utopias, while aid reformers denounce the nihilistic critique of radicals. Rather than collaborating on a joint project, each side seems to talk past each other in ways that limit the possibility of aid's radical reform. Assessing the relative strength of each perspective and declaring 'winners' and 'losers' of such a pitted and intractable division is ultimately a normative, and a moot, point. The question that does, however, need to be asked is whether there is a way to re-theorize aid and its administration such that it becomes less harmful than radicals suggest and more robustly improved than simplified managerial reforms imply. If such a possibility exists, the value of the divisive Great Aid Debate can at least be called into question.

Ending this debate becomes a decided possibility with the continuities and discontinuities that separate aid radicals and reformers now made transparent. Attempts to rebuild the credibility and effectiveness of foreign aid require tackling head-on the criticisms of aid radicals, particularly those common to the wide spectrum of political views spanned by the radical perspective. In other words, the re-invention of foreign aid should address *shared* radical concerns with aid's failure to achieve its goals and in may cases exacerbate under-development, its inculcation of dependency, its limited focus on the structural causes of poverty and its tendency towards self-preservation of the industry. At the same time, re-theorizing foreign aid should avoid unwarranted and uncritical faith in the tenets of managerialism as the exclusive administrative strategy of reform and improvement. The future of aid can therefore be one where there is a deep commitment to direct engagement and action to address under-development by embracing alternatives to managerialism while still avoiding the pitfalls identified by radicals. This 'radical reform' of foreign aid demands the reformulation of its goals, processes, practices and values in order to theorize development as a non-managerial practice. A foreign aid that intertwines both radical and reformist perspectives is one that considers itself as a

contested, commonsensical, contingent and civically oriented endeavor. Such a reconceptualization pushes the Great Aid Debate beyond its current impasse.

Contestable goals: A radically-reformist foreign aid does away with fixed goals and singular prescriptions and embraces aid giving as an act of political contestation rather than planned social engineering. Radicals who claim that aid has not achieved its goals ignore the fact that goal definitions in development are both disputed and dynamic. Goals like poverty reduction in fact remain deeply controversial, notwithstanding the use of language that appears to offer the semblance of coherence and acceptability. lxvi Moreover, the objectives of aid change as the meaning of development shifts; aid that seeks to pursue development in terms of industrialization is a different beast from aid that seeks to pursue human development, national accumulation or political emancipation. lxvii Aid reform cannot be conceived as the singular transposition of corporate templates into the public sector as if this were the only organizational algorithm in existence. Creating all organizations in the mirror image of private corporations does not recognize that humans can coordinate their activities and achieve collective goals via a huge variety of organizational templates inspired by everything from chess clubs to virtual terrorist networks. lxviii The dogmatic search for singular administrative solutions in foreign aid is ultimately part of its problem. lxix Accepting the contestability of aid's goals and its reform objectives requires a reconceptualization that embraces political pluralism and greater uncertainty in aid management. The natural state of foreign aid is characterized by tension and flux. What is required from aid is an ability to steer through morasses of contradictory and evolving objectives while still holding on to a (contested) desired ends. The aid system may thus be made more productive by facilitating disagreement and debate rather than consensus and coherence. lxx Solutions exist where conflicts begin.

Commonsensical processes: Aid radicals criticize foreign aid for not eliminating the structural causes of poverty, while aid reformers assume there exists a scientifically proven process by which aid can deliver development outcomes. This debate can be addressed by having both sides converge on practical rationality as the underlying process involved in foreign aid. Unlike the search for universal falsifiable propositions,

practical rationality recognizes that accomplishing goals must encompass elements of common sense, experience and judgment. Practical rationality copes with problems pragmatically based on what is possible given existing constraints rather than exclusively relying on the logic of hypo-deductive science. Adopting pragmatism as a process would encourage more humility on the part of aid reformers regarding the effective scientific linkages between aid and development, and expand acceptance that the robustness of the link may depend on the exercise of idiosyncratic judgments within specific situations. Practical rationality would also demand greater consideration to which varieties of capitalism might best tackle the root causes of poverty rather blindly rejecting the notion of capitalist development entirely or expressing dogmatic faith in the false truths of neoliberal prescriptions. Pragmatism avoids the pitfalls of both rational science and irrational ideology.

Contingent practices: Aid radicals are united in their assessment that aid fosters excessive reliance of aid recipients on external assistance and limits the agency of citizens. By re-configuring managerial aid practices so that they are both embedded in local realities and embodied in life experiences of those involved, it is possible to mitigate against the problems of dependency and disempowerment. Reducing the physical and psychological spaces between developers and those for whom development is sought by reducing remuneration differentials and recruitment criteria also illustrate how contingent approaches could transcend the disembodied nature of managerial aid practices. Participatory methods are a tentative step in this direction, though constant attention is needed to ensure these methods themselves do not become universal prescriptions to the problem of abstraction and reification in aid that reduces their transformative potential. [Exxiiii]

Civic values: To the extent that the aid industry has become a self-perpetuating one premised as it is on the continuation of poverty and under-development in order to justify its existence and its interventions, there has been a perversion of the democratic ethos and humanistic values originally intended as the inspiration of and motivation for foreign aid. Professionalization of the aid sector into a sizable industrial complex has

privileged managerial values of efficiency and impartiality at the expense of civic orientations and moral purposes. This turn of events is not unique to foreign aid; increasingly modern public administration is sacrificing the social meaning of the ends for the technical efficiency of the means. The future of aid must consider re-introducing public service orientations among aid professionals that challenge the instinct of self-preservation. Expressions of public service motivation via the administrative activism of aid personnel should not be sacrificed at the altar of economy and efficiency. Ixxiv

Re-theorizing foreign aid by centrally embracing contestability, commonsense, contingency, civic-mindedness is a feasible manner for reconciling perspectives on The Great Foreign Aid Debate. But why is this search for integration of the radical and reformist perspectives desirable? Why not let the radicals and reformers continue to work at cross-purposes, either denouncing or celebrating aid with unnecessary exaggeration? There are certainly normative reasons to want to see the backside of the Great Aid Debate. First, polarization of aid observers, researchers and practitioners split loyalties in such a way that limits the possibility for collective engagement across the radical-reformist schism. This restrains prospects of building foreign aid into a mechanism and apparatus that both satisfies the moral imperatives that motivate aidgiving and also targets the root causes of under-development. Transcending this debate can raise awareness of the serious problems that afflict foreign aid and its technoadministrative apparatus but not to the detriment of remedial actions and more effective alternatives. The responsibility of radical critique demands the contemplation of solutions in order to avoid complicity in maintaining the status quo of underdevelopment. lxxv A radically-reformist foreign aid is thus as desirable as it is possible.

Conclusions

The dilemma that faces the future of aid involves reconciling radical pessimism concerning foreign aid with reformers' optimistic managerial proverbs for aid effectiveness. Arguably to have any productive future, aid needs to be both sensitive to existing criticisms and concerns while still holding onto sensible possibilities for intervention and improvement. Taking this on board requires building bridges across each side in the Great Aid debate and turning foreign aid into a 'radically-reformist' endeavor.

To the extent that the future of aid is reframed as a radically-reformist engagement by which is meant one that is contested, commonsensical, contingent and civically oriented, an end to the Great Aid Debate may be in sight. Up until now, the excessive pessimism of radicals and the unwarranted optimism of reformers has restricted attempts to pragmatically shift courses with foreign aid in directions that stand a chance of achieving greater effectiveness as defined by both reformers and radicals. Too much aid criticism, however warranted, has done nothing to address the status quo for the bottom billion that is both real and immediate. Too much aid optimism has blinded us to stumbling blocks, instilled false hope and wasted resources. Rethinking foreign aid requires reconsideration of a theory of aid and its administration better suited to taking on board radical criticisms without giving up on the necessity for action and engagement upon which reformist arguments are predicated. Foreign aid needs to be informed by both a radical's sensitivity to aid's latent potential to do harm and a reformist's conviction in its potential to be made more effective. Minding, and then bridging, the gap between radicals and reformers is thus an important first step for moving towards a truly more effective aid.

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- ^x See A. Escobar, *Encountering Development: The Making and Unmaking of the Third World*, Princeton: Princeton University Press, 1995; G. Esteva, 'Development', in Wolfgang Sachs (ed.), *The Development Dictionary*, London: Zed Book, 1993, pp. 6-25; J. Ferguson, *The Anti-Politics Machine*, Minneapolis: University of Minnesota Press, 1994; G. Rist, *The History of Development: From Western Origins to Global Faith*, London: Zed Books, 2002.
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