

The Aid Debate: Beyond the Liberal/Conservative Divide

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Towards the end of the twentieth century a sickness struck the world. Not everyone died, but all suffered from it. The virus which caused the epidemic was called the 'liberal virus.' (Amin, 2003, p. 6)

Recent works that assess whether development has been well-served, or served at all, by international aid, are overwhelmingly pessimistic in their assessment and in favor of the market as the antidote to international aid (Klees, 2010). Three of the books reviewed by Steve Klees – Easterly (2006), Moyo (2009), and Dichter (2009) – conclude that the market is a more potent mechanism for alleviating poverty and ensuring development than are aid institutions. These writings reflect the normalization of the neoliberal logic that endorses a market solution to all socio-economic issues and argues for private capital to stimulate economic development in the Third World. The underlying assumption is that economic growth and private enterprise will have spillover effects on social life and assure improvements in health and education indices, a sort of lateral version of the "trickle down" of modernization theory. While this assumption is not new and represents classic liberal thinking, the neoliberal logic inserts an additional twist and endorses private entrepreneurship and quasi-market behavior in social sectors of education and health to substitute for state and international aid investments.

As Klees states at the outset, to find this view expressed by development experts is hardly surprising. To extend Klees' argument about the ascendancy of the neoliberal perspective over the last three decades, I would append three moments that have been instrumental in mobilizing neoliberalism as the new "common sense": i) the fall of communist states and the "end of history" that anointed western "free market" ideology as the heir apparent of a new post-cold war geopolitics; ii) the capitulation of Third World and post-socialist states to neoliberal policy regimes; and iii) the success of the "neocon" propaganda campaign that equates markets with democracy. Klees provides a faithful review of the perspectives of the five authors and rightly situates their work as representing one of two main theoretical / political frameworks: the neoliberal and the liberal. He also identifies a third political framework, the progressive, with which he is aligned and that he finds rather scarce in the scholarship on international aid. However, I find that in his essay Klees does not adequately compensate for this lacuna; his essay focuses on the neoliberal and liberal frameworks that represent the mainstream view on aid, but offers very little elaboration of the progressive perspective that Klees endorses.

My interest in this essay therefore is to extricate the progressive perspective (as defined by Klees) from its premature burial and elaborate on progressive analysis on the future of aid and development. I do this by first parsing the very category of "progressive" and contend that its typical usage within U.S. political discourse obfuscates rather than clarifies political analysis. I build on this point to argue that the ways in which the "progressive" perspective is circumscribed in Klees' essay and within general U.S. political debate rules out Left critiques of international aid and the alternatives proposed from within this framework. Finally, I outline some recent policy actions and people's struggles in different parts of the Third World that illustrate a Left

perspective on aid and development quite distinct from the liberal progressive critiques that we have on the table thus far.¹

It should be abundantly clear by now that my response is not as an opponent of Steve Klees, a scholar whose work instructs and inspires my own, and a colleague whom I deeply respect, admire and value. In fact there is very little I disagree with in terms of the content of his essay. My concern is with what he excludes and elides that unfortunately is not specific to his essay but refers to a more general condition of political debate in this country. My participation in this debate is as an ally, that is, as a colleague who shares membership in the same progressive camp that Klees identifies with in his essay. Thus my critique is not directed at the neoliberal camp, a task that Klees, Samoff, Stromquist, Arnove, and many others in and outside our field have accomplished admirably. Rather, I wish to engage my fellow “progressives” who eschew the market as a solution to the unrelenting poverty, impoverishment, and marginalization of people in the Third World and who seek more humane and efficacious solutions to these pressing development issues.

Restating the Terms of the Debate

The mainstay of my critique is the manner in which the categories of conservative, liberal, and progressive are deployed as distinct and oppositional positions on aid and development, when in actuality these positions may share a lot in common and even converge in their responses to specific situations of international development assistance. The case of U.S. intervention and aid in Afghanistan presents us with a classic instance of the convergence among these three positions. Along with neoconservatives, one finds self-identified liberals, progressives, and leftists supporting the war and aid effort in Afghanistan in defence of women’s rights and democracy.² Left theologian McCarraher (2010) puts it succinctly when explaining why President Obama was widely perceived as progressive and even, on occasion, a leftist by the U.S. electorate and intelligentsia:

Liberalism – or *progressivism*, an utterly empty word that mashes together a lot of very different tendencies on the Left – is now more than ever the left wing of capitalism, the same benediction of capitalist property relations but with a renovated racial and sexual politics. (McCarraher, 2010, italics in the original)

Early in his essay Klees (2010) remarks that “these paradigms are more continuous and overlapping than mutually exclusive” (p. 15), a feature that is not predetermined or natural but needs to be historicized. The term progressive performs precisely the work of allowing a wide umbrella, under which distinct strands of the ideological spectrum can gather and claim allegiance to notions of justice, equality, and democracy while remaining vague about what exactly each of these mean and for whom. An ironic politics unfolds where the term progressive means “something roughly leftist, roughly liberal, and roughly radical, all at the same time” (Shah, 2009). Shah (2009) explains the use of progressive in this particular way as “uniquely American” and not common to other parts of the world.³

The term “progressive” makes it impossible to distinguish between liberal and left, and this confusion is evident in Klees’ essay when he concludes that “Riddell and Ellerman proceed from a predominantly liberal perspective, although both have some progressive elements” (p. 16). This elision has several troubling implications: first, it perpetuates the illusion that conservatism is the opposite of liberalism; and second, it forces a false rapport between liberalism and Left

politics. In her masterful critique of liberalism, Brown (2002) clarifies that "liberalism is not a political position opposite to conservatism but a political order that replaces Tudor monarchy rooted in explicit class privilege with modern democratic constitutionalism rooted in abstract individualism" (p. 5). Further, liberalism is contrary to Left politics in that the former suppresses the question of distribution because of "the effects of the depoliticized status of political economy in liberal orders" (Brown, 2002, 7). The Marxian emphasis on the distribution of power and resources is conspicuously absent from liberalism's emphasis on social equality and the equal distribution of individuals' rights, a distinction that disappears when liberalism subsumes the Left under the label of progressivism (Shah, 2009). This distinction along with the depoliticization of political economy produces qualitatively different responses to the dependencies and inequalities that are embedded in the aid relation.

Both Riddell's *Does Foreign Aid Work?* and Ellerman's *Helping People Help Themselves* are good examples of what separates liberal analysis from left analysis. For reasons of space, I will discuss Ellerman to illustrate my case. Ellerman's use of the categories of "helpers" and "doers" invites us to imagine a fictional world of "do-gooders" (helpers in his language) and enterprising poor individuals (doers) that the invisible hand of democracy will bring together. Here development is envisioned almost as a marketplace that brings together helpers and doers in some kind of natural confluence. Through the use of apolitical categories such as "helpers" and "doers," Ellerman presents us with a liberal populist fantasy where structures, classes, institutions, and historical power relations melt away. In other words, Ellerman's formulation depicts the depoliticized political economy that is foundational to liberal political thought (see Brown, 2002). Moreover, Ellerman's liberal conception is not very different from Easterly's more explicit neoliberal recommendation that "[A]gents of assistance have to have incentives to search for what works to help the poor" (Easterly, 2006, p. 382). This is another instance of democracy construed as a market where agents (or "helpers") can be incentivized to work for the benefit of the poor. Both authors seek to transcend the realities of international political economy by calling for direct relations between "developers" and the "poor" mediated by market rules of demand and supply or individual good will.⁴

Change within the liberal perspective turns out to be what Eagleton (2003) calls "the present plus more options" (p. 7).⁵ Riddell and Ellerman's recommendations fall within this ambit in their calls for greater "involvement and participation of recipients in decisions," "transparent criteria," "alternative distribution mechanisms," "improvements in coordination," "codes of conduct," and "incrementalism and self-help," even as they warn us that many of the present policy reforms echo exactly these objectives but accomplish very little by way of real change. Direct cash transfers advocated as a progressive measure may provide some succor to poor households, but these too, I argue, are not directed towards nurturing a left politics and are part of a liberal framework of distributing largesse to individual households. Direct cash transfers construe the poor primarily as consumers in a market economy whose poverty may be eased by allowing for slightly better access to the market. Insofar as development and well-being are tied to an individual's participation in the market, integrating poor people into the dominant neoliberal capitalist economy is a predetermined outcome of such schemes. In other words, the terms of the (neo)liberal economy are not contested; rather, the demand is for a share of its provisions.⁶ Direct cash transfers favoured by progressives is indicative of liberalism constituting the outer limits of progressive politics in this country, a distinction once again clarified by Brown (2003):

Indeed, much of the progressive political agenda in recent years has been concerned not with democratizing power but with distributing goods, and especially with

pressuring the state to buttress the rights and increase the entitlements of the socially vulnerable or disadvantaged: people of color, homosexuals, women, endangered animal species, threatened wetlands, ancient forests, the sick, and the homeless. (as cited in Shah, 2009)⁷

My argument thus far has been to show how the term “progressive” concedes ground to liberal and neoliberal perspectives and renders the Left perspective unintelligible and ambiguous, and perhaps even out-dated and irrelevant. Assimilating the Left within the progressive exempts us from engaging with the Left position as a distinct, substantial, and promising way forward on issues of aid and development. By way of conclusion, I briefly outline the perspectives and analysis on aid and development from a Left perspective that are part of the contemporary political scenario.

Toward a Left Critique of International Aid

There are several references scattered through Klees’ essay that speak to a Left position on aid. In particular, he agrees with Samoff (2009) that the aid system’s “essential role is not to achieve publicly stated objectives but rather to maintain a global political economy of inequality” (quoted in Klees, 2010, p. 16). To counteract the structural inequities secured by international aid, Klees calls for a transformative politics that is rooted in “widespread collective action” (p. 16). I could not agree more, though I would argue his recommendations remain faithful to a liberal perspective on aid and development and do not articulate a transformative politics. To each of Klees’ four recommendations I would attach the following caveats that offer a distinctly Left perspective on aid and development. None of these are of course exhaustive of a Left politics, but are meant merely to illustrate the distance between a liberal approach and a Left approach to aid and development.

1. *Debt cancellation and reparations:* In addition to more aid, we need to support political campaigns that call for debt cancellation and a boycott of the foreign debt that is crushing Third World economies. The most recent such call for unconditional debt cancellation has come from a national alliance of political parties, trade unions, and NGOs in Pakistan that oppose more aid as the answer to Pakistan’s economic and humanitarian crisis. The national campaign that held mass rallies in the major cities of Pakistan in September this year also demanded that the government refuse any further loans and only accept grants for infrastructure building

Following the January 2010 earthquake in Haiti, there have been similar calls for Haiti’s debt to be cancelled. A 2004 World Bank/IMF study found that in countries receiving debt relief, poverty reduction initiatives doubled between 1999 and 2004. To cite but a few examples from the report, Tanzania used savings to eliminate school fees, hire more teachers, and build more schools, Burkina Faso drastically reduced the cost of life-saving drugs and increased access to clean water, and Uganda more than doubled school enrollment (see jubileeusa.org).

2. *Right to livelihood:* Instead of channeling cash directly to poor households, conditional or otherwise, states need to institute a national policy that guarantees livelihood and employment to poor households. In 2005, under the constitutional directive of the Right to Work,⁸ the Indian government enacted the National Rural Employment Guarantee Act that entitles every rural household a minimum of 100 days of employment a year at statutory minimum wages. The details of the Act were formulated in consultation with social movement organizations and Left development economists who inserted terms such as “meaningful employment” and “community development works” into the terms of the Act. Coupled with

the Right to Information Act (2005) and social audits where locals examine state allocations and expenditures for rural development programs in their areas, the national employment program has facilitated collective action where locals identify areas of village development on which to work and receive public remuneration for these.⁹

In contrast, direct cash transfers continue to privilege the market and individual responsibility, that is, risk is upon the individual beneficiary to make best use of this meager resource. It does not entail state provision for development works, nor does it foster collective action. It is therefore not surprising that Moyo, a neoliberal economist would enthusiastically endorse conditional cash transfers. We live under conditions of predatory capitalism that sanctions “accumulation by dispossession” where the poor are increasingly disposable labor and can be expunged from the economy. The profitability of natural resources such as minerals, oil, water and land are infinitely greater, a reality that is lived by many in Africa, the Middle East and Asia. When the material basis for a decent livelihood and a life of dignity cease to exist, to what ends would the poor utilize their cash benefits? A national public works program like the one I describe above aims to provide stable incomes to poor households and generate collective action on development.

3. *Social movements:* Participation, I agree, is basic to democratic governance, but here again Klees leaves out mention of social movements that are essential to building robust democracies. The state or other institutions of development are sites where the poor can contest and shape development perspectives only on the basis of strong and dynamic social movements that include labor unions and other mass organizations. Klees recognizes that participation prescribed by official aid institutions is most often instrumental and superficial. It is unclear however how “real and strong participation” in governance can be realized without support for social movements and movement organizations. Social movements and people’s organizations are the only viable mechanisms through which political participation can be mobilized and are necessary elements for a substantive democracy. Whether it is the international Campaign for the Abolition of Third World Debt, the National Rural Employment Guarantee Program in India, or Citizen Schools in Porto Alegre (referenced by Klees), these have come into being on the basis of strong organizing by people’s organizations from the grassroots level to national and international campaigning. Commitment to participation therefore implies solidarity with progressive social movements and people’s struggles to advance conditions for genuine people’s participation in governance and policy making. With increasing reliance on subcontracting to NGOs and private agents, participation in the aid industry is today a highly profitable business. People’s participation is often a mere formality or performance. Therefore one has to look beyond the aid infrastructure for meaningful self-organizing efforts among labor groups, women’s groups, urban dwellers, peasants, teachers, political parties, indigenous struggles, and community organizations, and support these efforts without co-opting them into the aid infrastructure.
4. *Bank of the South:* Aid has served as a vital tool of foreign policy since the Bretton Woods Institutions came into existence. The powerful mandate and operating structures of the World Bank and the IMF need drastic reform but just as important we need different lending institutions that will shift the balance of power between donor and recipient countries. The Bank of the South, founded in 2009 last year with \$20 billion in start-up capital by seven South American countries is a modest but important initiative to establish a regional development bank that will serve its member countries. It repatriates the capital reserves of these countries that are in the IMF, World Bank and other foreign banks to a development bank established and

controlled by South American nations. We need similar regional partnerships and institutions in the South to emerge that will correct the asymmetrical relationship between First and Third World countries.¹⁰

The four caveats I outline above help discern between a liberal perspective and a Left approach and also show the slippage on occasion between the liberal and neoliberal perspectives on the future of aid and development. The recent financial crisis in the U.S. gives us an invaluable opportunity to question whether sustainable development is a viable project under capitalist economic arrangements and whether participation in the global capitalist market can provide equitable opportunities and security for people in developed and developing economies. Ultimately, the Left perspective is premised on the hope that capitalism is not the outermost limit of social and political possibility and that something beyond capitalism is not only possible but also necessary for a just social and economic order. However, the triumph of liberalism symbolizes the impoverishment of a political vision that aspires to and fights for a system beyond global capitalism.

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Endnotes

1. Latin American dependency theorists and anti-colonial scholars were the first to develop a Left perspective on aid but after the 1980s their work became increasingly marginal within the U.S. academic context. The world context and postcolonial theory has evolved considerably from the time when their critiques were developed informed by the concept of decolonization. Given the persistence of structured inequalities at the geo-political level and within nations, Left analysis remains as relevant as in the early postcolonial period but one that accounts for a changed global environment.
2. Well known examples are the commentator and New York Times columnist Thomas Friedman and leftist journalist Christopher Hitchens. The entire progressive movement in the U.S. remains muddled in its position on the war in Afghanistan and Pakistan. While the Iraq war was framed as the “bad war” undertaken to defend U.S. national interests rather than putatively democratic ideals, the war in Afghanistan and Pakistan has been framed as a “good war.” Yet at his West Point speech in 2009, President Obama acknowledged that it is “national interests” that require escalation of U.S. military intervention in Afghanistan, and one has to look only at the map to realize that the war effort is for U.S. dominance in the region.
3. Shah (2009) locates this usage as an expression of anti-Marxist tendencies among the U.S. Left and the anti-communist McCarthy era politics when Marxists had to take refuge under the term progressive that accommodated a range of liberals, including free market libertarians and pro-state neoconservatives.
4. The question from a Left perspective would be: What if the poor agree that what works for them is a social movement to redistribute power and resources? Would that be an incentive for “helpers” to work with “doers” in this project?
5. The unfolding democracy movement in Egypt in early 2011 represents a tragic example of the liberal approach pitted against Left politics. The Egyptian government is desperately trying to work within a “present plus more options” approach and offering concessions, ignoring demands for economic and social justice, right to dignity, and freedom from fear of the state that protestors have consistently asserted as their human right.
6. “Resources redistributed to the poor can help re-direct the economy towards their needs and, when combined with job creation efforts, can help set up a self-sustaining system” (Klees,

- 2010, p. 18).
- 7. Here Butler's critique (and by extension mine) must not be misunderstood as representing an 'anti-state' position. Rather it is about how one engages with the state and whether the reforms provide a systematic and meaningful shift in the balance of power between the working poor and the ruling class, and encourages the formation of a collective consciousness and solidarity among the working poor, objectives that don't have a place within liberal and neoliberal policy frameworks.
 - 8. Article 39 of the Indian constitution urges the State to ensure that "citizens, men and women equally, have the right to an adequate means to livelihood." Further, Article 41 stresses that "the State, shall within the limits of its economic capacity and development, make effective provision for securing Right to Work..." .
 - 9. India's national rural employment guarantee program harkens to Roosevelt's New Deal program of the 1930s where, as a policy response to economic depression, people were employed on "public works" projects such as theaters, libraries, and parks.
 - 10. Of course regional alliances among countries of the South are no guarantee that neocolonialism and dependency will not structure these relations, especially given the rise of new centers of power in the South such as China, India and Brazil that may well have their own imperialist ambitions. Once again it is a dynamic social movement base in these countries that can challenge the imperialist aspirations of their leaders.

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