

Improving Aid Effectiveness or Transforming the Global Capitalist System

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In the introduction to his article, “Aid, Development, and Education,” Klees (2010) poses the question, has the “hundreds of billions of dollars in international aid ... loaned to [or otherwise targeted to “assist”] developing countries through bilateral and multilateral mechanisms ... helped?” (p. 6). He then posits the question to be “too complicated to be well specified” for empirical study, in part because “there are a myriad of interactive factors that affect poverty and economic growth besides aid” and “international aid serves many [other] purposes.” After reviewing a set of recent books on aid (Dichter, 2003; Easterly, 2008; Moyo, 2009; Riddell, 2007) framed mainly by authors subscribing to a neoliberal capitalist perspective, Klees concludes by stating that “the best anyone can say is that the situation could have been a lot worse than it is now without aid.” Ironically, though, this conclusion may apply to: a) the quality of life for all human beings and/or b) the compensatory legitimization (Weiler, 1988) of the world economic system and national political economies.

I basically agree with Klees’ analysis of the issues and his critical review of these assessments of aid. However, I would take the critique further and promote a more radical – and, in my view, more humane – agenda for change. To begin with, I would problematize “development” much more than Klees does. Although the question he posed (above) is framed around the term “aid,” he appropriately includes the term “development” in the title of his article, given that most of the focus is on overseas or foreign development assistance. Klees does reference Frank’s (1967) critical analysis of the global economic system, but refrains from naming the system (Yates, 2003),¹ let alone calling for a transformation of global *capitalist* relations (e.g., Skocpol, 1977; Wallerstein, 1984). Instead, his argument could be (mis)interpreted as claiming that “poverty and inequality” result from – and are being reproduced by – neoliberalism.² I share Klees’ critique of neoliberalism, but would emphasize that it is only one of several ideologies (and associated policies and actions) which, historically, have been marshaled (with some success) to mobilize support for and demobilize opposition to the world capitalist system.³ Thus, in my opinion, we need to be very careful in using the term “development,” given that its meaning has been captured within a capitalist framework. One might want to try to rescue the term by referencing social democratic, socialist, eco-feminist, or sustainable, human rights-based development, but perhaps it is better to focus our attention and energies on transforming the unjust “capitalist” world system.⁴

In brief, capitalism refers to a mode of productive and attendant social relations in which the means of production are privately owned and the profits derived from the sale of the goods and services produced are privately accumulated. From a Marxist perspective, a fundamental contradiction of capitalism is that “although production is [increasingly] a social activity, the ownership and control of the means of production are privately concentrated” (Ginsburg, 1988, p. 8; see also Mao Tse-Tung, 1971). Because the logic of capitalism is capital accumulation (i.e., growth and concentration of capital via increasing profits or surplus value), there are systemic pressures against the needs of the majority of people being met. This results from “the restrictions

capitalism imposes on the individual and social consumption of the workers ... because the aim of capitalist production is to maximise surplus value, and this necessitates limiting the growth of real wages" (Democratic Socialist Perspective, 2006).

According to Marx (1875/1972, p. 388), there would be a quite different logic underpinning socialist or communist productive/social relations: "From each according to [one's] ability, to each according to [one's] needs."⁵ This logic or ethical stance, of course, is not limited to Marxism. For example, within the "Acts of the Apostles" in the *New Testament*, it is written that the apostles "sold their possessions and goods and distributed them to all, according as anyone had need" (Acts 2:45). More recently, the U.N. Declaration of Human Rights (1948) states that every person – "without distinction of any kind, such as race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or ... the political, jurisdictional or international status of the country or territory to which a person belongs" (Article 2) – has the rights to: a) "employment [with] ... just and favorable conditions of work ... [and] remuneration" as well as b) "a standard of living adequate for the health and well-being of [one]self and of [one's] family, including food, clothing, housing and medical care and necessary social services" (Article 25).⁶

To illustrate, one can conceive of capitalism as structured similarly to the goals and rules of the Milton Bradley board game "Monopoly."⁷ The goal for individual players is to accumulate as much property and other assets as possible. One wins the game when other players have no assets or give up because their chances of acquiring assets seem too limited. There are no rules that require sharing resources or the benefits of such, though rules do not proscribe players from making loans or even outright cash transfers or grants to each other, sometimes done as an act of human kindness or merely to prolong the game. In a sense, the game can be summarized as "from each according to one's ability (or luck), to each according to one's greed."⁸

How would the game, which I will call "Utopia," be structured if it were based on the logic or ethic referenced above: "from each according to one's ability, to each according to one's needs?" To start with, the goal of this game would not be to accumulate property and other assets (i.e., capital), but to identify and mobilize all players' abilities to participate collectively in determining the needs of various people (e.g., based on a human rights framework), to develop the "needed" kinds of goods/services and policies, and to engage in practices that guarantee an equitable and appropriate distribution of goods/services and realization of rights. Notice that in the game of "Utopia," meeting other players' needs and insuring their rights would not be left to an afterthought, an act of kindness, or a desire to prolong the game. Instead, such actions constitute the core – the goals and rules – of the game.

Imagine how this game might be translated into the real world of human action. Pursuing the "Utopian" game of life would entail working collaboratively, but likely also struggling to focus local, national, and global political, economic, and cultural systems to determine and to meet human needs. In this reality some of what is termed "development assistance" or "aid" – helping people to meet their needs and realize their rights – would become core activities of the system rather than voluntary, supplementary, or compensatory actions when wealthy individuals, groups, or nations were so inclined or thought such actions were in their best interest. That is, to reference a term Freire (1970) used in discussing the paternalism of social welfare programs, we would do away with "false generosity."

Another implication of this Utopian version of human experience is that attention would be focused on the private sector, not as a model but as a site for analysis and struggle – to focus

local, national, and multinational corporate activity so that it would help to meet human needs and realize human rights. One of my concerns about the debates regarding aid effectiveness, including the contribution by Klees, is that corporations are not included in the picture. Klees and others note that a sizeable proportion of the relatively limited proportion of wealthy countries' GDP devoted to aid ends up purchasing goods and services from for-profit and non-profit entities in these countries. However, one also needs to examine how the everyday actions of multinational corporations, for example, reinforce or contradict the stated "development" goals of bilateral and multilateral international donor organizations. This would offer a more complex and accurate picture of the workings of the world system than is provided by a focus on government actions only. Attention to multinational corporate activity may be especially important, in that at least in the mid-1990s it was estimated that "more than a quarter of the world's economic activity ... stems from only two hundred corporations, while approximately one-third of world trade takes place among different units of a single global company" (Braun, 1997, p. 143).

Some readers may think proposals for 'socializing' the responsibility and benefit of economic activity are too radical to be considered in the current situation. If so, this would indicate that neoliberal and other pro-capitalist ideologies are functioning well, foreclosing alternative discourses, let alone actions. Such readers, however, might be interested to learn about two recommendations made by one of the neoliberal economists whose book Klees discussed. In her provocatively titled volume, *Dead Aid*, Moyo (2009) calls for ending bilateral and multilateral aid programs and basically subjecting those living in poor countries to the "invisible hand" (Smith, 1776/1976) of the market. For instance, she states that "it should come as no surprise that the ... prescriptions are market-based, since no economic *ideology* other than one rooted in the movement of capital and competition has succeeded in getting the greater number of people out of poverty, in the fastest time" (Moyo, 2009, p. 145; emphasis added). Whether one agrees or not with her conclusion, however, it is interesting that she also recommends what I would term socializing the risks, responsibilities, and benefits of a) individuals taking out loans for micro-enterprises and b) nations taking out loans to move on their 'development' agendas.

Let me now turn to the recommendations that Klees makes in his article in this issue of *CICE* – both in relation to aid and development in general and with reference to education more specifically:

- *Much more money is needed.* I agree, but efforts should be made to transform the global political economic system so that human needs and human rights are the main focus, rather than some proportionate compensatory measure. Moreover, this applies both to funds that now flow through bilateral and multilateral development assistance channels and to how economic enterprises operate.
- *Disburse some of that money directly to the poor.* I agree, although it is important to change the nature of the "game." As those of us who have played in marathon sessions of "Monopoly" games know, even if all players start out with the same resources at the beginning of each game, the goals and rules of the game lead to a conclusion: a "winner" (with most or all of the property and other assets) and "losers" (with zero or limited property and other assets). I suspect that, although it would be an interesting experiment to annually (re)distribute resources equally to all people in the world, under the current "rules of the game," by the end of each year everyone's needs would not be met and everyone's rights would not be realized.
- *Real and strong participation should be the fundamental basis for governance.* I agree, but would add that such governance should focus on the economy as well as the polity. As noted, I view

collective decision making as critical in relation to determining and meeting needs.

- *Replace the World Bank and the IMF.* Perhaps it would be too naïve to consider trying to transform these two Bretton Woods institutions as well as the World Trade organization, which has the potential (because of the General Agreement on Trade of Services) to impact many aspects of human activity, including culture and education (Ginsburg et al., 2005). Would it be possible to envision, let alone accomplish, a transformation of global institutions, which were not only more democratic in their functioning but also profoundly focused on meeting human needs and realizing human rights?
- *There are development priorities that might be agreed upon.* Although I am not proposing we approach the social problems that face humanity in a compensatory “aid” framework, I agree with Klees that we need to focus government, NGO, and private sector activity so that it has a (positive) impact on the poor. Likely, some educational and other assistance may be needed so that the currently more advantaged populations actively and effectively engage in actions that support (and do not contradict) the goals of meeting human needs and realizing human rights.⁹ I would argue similarly for emphasizing gender, giving attention to the needs and rights of girls as well as boys, while helping both genders develop capacities and commitments for meeting all people’s needs. Of course, I agree with Klees that we need to “go to scale,” but on global as well as national levels and in relation to actions of governments and economic enterprises. I also agree with Klees regarding the importance (not adequately articulated above) of considering issues regarding the environment as well as peace and conflict, both of which relate directly to human needs.
- *Use human rights as a framework.* As sketched above, I view a human rights framework as an important starting point (see also Ginsburg et al., 2010). This includes Article 26 of the *UN Declaration* (United Nations, 1948), which grants to “all peoples and all nations” the right to free and compulsory “education...at least in the elementary...stage” as well as the availability and merit-based access to “technical and professional education...and higher education.”¹⁰ Here I should note that although I understand the arguments that under existing arrangements higher education may have more private/individual than public benefits, I would argue that funding for higher education, which prepares individuals to function in a system focused on meeting human needs and realizing human rights (rather than on an individual student’s future status and remuneration), raises a different set of issues.¹¹
- *More research is not needed.* I share Klees’ view that “doing research” should not be “another excuse for inaction,” but I believe more action research and decision-oriented research will be needed. Such inquiry would not be done by “external” agents to identify the problem, but undertaken by local, national, and global actors as they seek to identify needs and evaluate (in a formative sense) efforts to meet the needs and realize the rights of all people.

It may take a few years, I say optimistically, to change the game (including its goals and rules) from “Monopoly” capitalism to a socialist, religious, or ethical “Utopia.” I wish I could be as sanguine as Klees seems to be that the 2008 global financial crisis has wiped away the ideological and repressive apparatuses (see Althusser, 1971) that have tended to limit thoughts and actions aimed at fundamentally changing the global economic system. While clearly a significant development, this most recent crisis is but one in a long history of crises. Moreover, the thoughts and actions of millions of people who were suffering economically and otherwise before 2008 are testimony to the fact that it may take more than experiencing a problem to be willing and able to identify and

work to fix its source. As Yates (2003) comments:

The ... view that workers' consciousness will [necessarily] become more radical as a result of economic crises provides a very mechanistic view of people's thoughts and actions. Unemployment is as likely to make people drink heavily or hate themselves as it is to make them revolutionaries. A crisis might make people susceptible to right-wing propaganda, more willing to bash immigrant workers than to organize with them. It is wise to remember that the 1930s gave us fascism as well as radical communism. (p. 193)

Indeed, recent developments provide support for Yates' analysis, while at the same time emphasizing that the contradictions of capitalism – and the crises that arise because of them – potentially provide the space for recognizing the source of the problem (capitalism) and joining with others to construct a different global political economy (Ginsburg, 1988). However, this does not happen easily or automatically. The point is not to sit around waiting for radical change to happen, but to engage in social movements as well as struggles in everyday work and life (Ginsburg and Cooper, 1991). Thus, while some efforts should be directed in the short term to improve the effectiveness of "development aid," even such actions should be animated by concerns toward – and a focus on – transforming the global capitalist system.

Endnotes

1. As Yates (2003, p. 33) observes, "our economic system is seldom called by its proper name. We hear of the market economy or the free enterprise system, neither of which tells us what we need to know."
2. I draw this conclusion based on the way Klees frames his overall argument and because he identifies "neoliberal policies" as the focus of the "challenge[s] by individuals, organizations, social movements, and left-of-center governments." In terms of such challenges, one might instead frame such efforts as challenging global capitalist relations (e.g., see Brecher et al., 2000; Danaher and Burbach, 2000).
3. For similar reasons, I reinterpret Hanf et al.'s (1975, p. 68) conclusion that "formal education in Africa and Asia in its present form tends to impede economic growth and promote political instability; in short, education in Africa and Asia today is an obstacle to development." Certainly, there were – and still are – problems with education in Africa and Asia and other regions of the world, but we need to understand these problems at least in part as resulting from the fact that the education systems have been constructed within – and with at least some attention to serving the 'needs' of – the global capitalist system.
4. Here I should note, with caveats, my agreement with Wallerstein (1984, p. 35) that "there are today no socialist systems in the world-economy any more than there are feudal systems because there is only one world system. It is a world-economy and it is by definition capitalist in form." This is not to suggest that national and subnational initiatives were – and are – being undertaken to carve out some counter-hegemonic space, and that some of these efforts are informed by Marxist or socialist ideas/practices.
5. In the same writing, Marx (1875/1972) indicates that under socialism the dictum would likely be different, from each according to one's ability, to each according to one's "contribution."
6. Note that we may need to reconsider some of the economic rights enshrined in this Declaration, given that they reflect a commitment to, or at least a compromise with, capitalism. For example, Article 17 stipulates the right to "own property alone as well as in association with others."
7. A different conception of capitalism is provided by another board game, "Class Struggle."

“The object of the game is to win the revolution ... Until then, classes – represented by different players – advance around the board, making and breaking alliances, and picking up strengths and weaknesses that determine the outcome of the elections and general strikes which occur along the way” (Ollman, 1978, p. 1).

8. The radical economist Yates (2003, p. 161; emphasis added) explains that neoclassical economists “claim to show that an economy [i.e., capitalism] based on *self-interest* will be one that satisfies society’s most pressing needs and does so better than other systems ... [and] studies have shown that students who take a course in economics [normally monopolized by neoclassical economists’ ideas] are more likely to behave *selfishly* than those who have not.”
9. In this sense, at least during a transition away from the existing system, Freire’s (1970) ideas for a “pedagogy of the oppressed” would likely need to be complemented by Curry-Stevens’ (2004) proposals for a “pedagogy for the privileged.”
10. In addition to education, and the economic rights referenced earlier, attention should be given to *political/civil rights* (e.g., not to being “subjected to torture or to cruel, inhuman or degrading treatment or punishment” [Article 5]; “equal protection of the law” [Article 7]; “a fair and public hearing by an independent and impartial tribunal” [Article 10]; “take part in the government of [one’s] country, directly or through freely chosen representatives” [Article 23]) and *social/cultural rights* (e.g., “freedom of thought, conscience and religion” [Article 18]; “freedom of opinion and expression ... and to seek, receive and impart information and ideas through any media and regardless of frontiers” [Article 19]; “freely participate in the cultural life of the community, ... enjoy the arts, and ... share in scientific advancement and its benefits” [Article 27]).
11. However, unless – and until – resources are (re)distributed on an annual basis to all people, I believe that subsidies for attending higher education programs should be based on financial need, with the poorest benefiting from free or even compensated enrollment.

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