



# Helping People Help Themselves: Autonomy- Compatible Assistance

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David P. Ellerman



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Operations Evaluation Department  
Partnerships & Knowledge Programs (OEDPK)  
Email: [ecampbellpage@worldbank.org](mailto:ecampbellpage@worldbank.org)  
Email: [eline@worldbank.org](mailto:eline@worldbank.org)  
Telephone: 202-473-4497  
Facsimile: 202-522-3125

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Director-General, Operations Evaluation:	<i>Robert Picciotto</i>
Director, Operations Evaluation Department:	<i>Gregory Ingram</i>
Task Manager:	<i>Nagy Hanna</i>



# Preface

Despite the potential benefits of globalization and technological change, world poverty has increased and growth prospects have dimmed for developing countries during the 1980s and 90s. The Comprehensive Development Framework (CDF) was launched by the World Bank in January 1999 in response to these difficult circumstances. It has evoked considerable interest throughout the development community as an approach that can address the increasingly intertwined challenges faced by development practitioners. Its basic elements are not new. What is new is their joint articulation as a framework to guide development assistance. The first point is that development constraints are structural and social, and cannot be overcome through economic stabilization and policy adjustment alone—they require a long-term and holistic vision of needs and solutions. Second, policy reform and institutional development cannot be imported or imposed; without domestic ownership, reforms and investments are not sustainable. Third, successful development requires partnership among government, local communities, the private sector, civil society, and development agencies. And fourth, development activities must be guided and judged by results.

In this context, the *1999 Annual Review of Development Effectiveness* (ARDE), authored by Nagy Hanna under the guidance of Robert Picciotto, set out to examine development experience through the lens of CDF principles. A number of papers were commissioned to support the ARDE by providing in-depth review of evaluation and research findings that assess the relevance of the CDF principles and constraints as well as promising approaches to their implementation.



# Introduction

If development is viewed as autonomous self-development, there is a subtle paradox in the very notion of development assistance: how can an outside party (the “helper”) assist those who are undertaking autonomous activities (the “doers”) without overriding or undercutting their autonomy? This is the classic problem of helping people help themselves, one of the central themes of the Comprehensive Development Framework (Wolfensohn 1997, 1998, 1999a, 1999b; Stiglitz 1998). There is a constellation of related themes such as the presumption in favor of inclusion, popular participation, involvement, and ownership as well as the suspicion that externally applied carrots and sticks do not “buy” sustainable policy changes (World Bank 1998).

This chapter proposes an intellectual framework for some of these themes, especially the notion of the country being “in the driver’s seat” and actively helping itself.<sup>1</sup> The chapter explores several themes of a theory of autonomy-compatible assistance, drawing on work across a range of fields—John Dewey in pedagogy and social philosophy, Douglas McGregor in management theory, Carl Rogers in psychotherapy, Saul Alinsky in community organizing, Pablo Freire in community education, and Albert Hirschman and E.F. Schumacher in economic development. The such diverse thinkers in diverse fields arrive at very similar conclusions increases our confidence in the common principles. The points of commonality might be summarized as follows:

- Help must start from the present situation of the doers—not from a blank slate.
- Helpers must see the situation through the eyes of the doers—not just through their own eyes.
- Help cannot be imposed on the doers—that directly violates their autonomy.
- Doers cannot receive help as a benevolent gift—that creates dependency.
- Doers must be in the driver’s seat—which is the basic idea of autonomous self-direction.

## Intrinsic Motivation

The role of the mind in economic development is increasingly recognized.<sup>2</sup> There is now a considerable body of literature in psychology, sociology, and organizational behavior on intrinsic and extrinsic motivation and on the closely related notions of autonomy, self-determination, and internal locus of causality.<sup>3</sup> An intrinsically motivated activity is an activity done for its own sake, not as an instrumental means to some other end. An intrinsically motivated activity might be accompanied by extrinsic motivators as long as they remain in the motivational background and do not become the primary motives for

the action. For instance, professors typically pursue their professional work for its own sake even though they also receive a salary. A “bribe” such as aid conditioned on doing what a country would not ordinarily do establishes an external locus of causality and the activity becomes nonautonomous.

Until recently the considerations of intrinsic motivation have received only sporadic treatment in the economics literature.<sup>4</sup> In the literature on aid for economic development, a substantial body of research now questions the effectiveness of conditionality.<sup>5</sup> What is the distinction between genuinely wanting to change and wanting to make certain changes only because of various carrots and sticks? Conditions and aid provide only external or extrinsic motivation; genuine change requires a more intrinsic motivation.

The elements that determine intrinsic motivation are typically not open to deliberate choice. One chooses according to who one is, but one does not directly choose who one is. These basic “preferences” can be transformed, but more as a “by-product of actions undertaken for other ends” (Elster 1983, 43) than as a result of deliberate actions. For instance, one cannot simply decide to be “in love” and so one cannot “buy love.” This can’t-buy-love situation limits the domain of the market and the reach of extrinsic motivators. Carrots and sticks might buy or induce compliant behaviors, but they cannot directly induce changes in the determinants of intrinsic motivation.

Economic models do not usually distinguish between extrinsic and intrinsic motivation. Models consider individual human action as the maximization of utility or preferences within constraints given by technique, institutions, and economic resources. Utility subsumes all as the common coin of human motivation, and yet the variables represented in typical economic models refer primarily to extrinsic motivation (money and commodities). Even though intrinsic motivation can be seen as another source of utility, there are at least three reasons why it is important to treat it separately: extrinsic incentives and choice-determined characteristics are only half the story, so rational choice approaches to institutional design will be incomplete; negative reaction (“reactance”) to a threatened loss of autonomy may result from using extrinsic motivation to control a person’s behavior (which in turn affects performance); and extrinsic motivation may crowd out and eventually reduce intrinsic motivation.<sup>6</sup>

# Toward a Theory of Autonomy-Compatible Assistance: Five Themes of Assisted Autonomy

External interventions or interactions tend to rely on extrinsic motivators to elicit “appropriate” behavior. But this need not be the case. Indeed, much of the subtlety of human interaction and thus of institutional design lies in forms of interaction that operate through an individual’s intrinsic motivation and thus do not displace their internal locus of causality.<sup>7</sup> These forms of external intervention and interaction are said to be “autonomy-compatible.”

The quintessential problem of autonomy-compatible interaction is how to help people help themselves. The notion of an autonomy-compatible intervention has a whiff of paradox since it is an external intervention that somehow does not override the internal locus of causality. If the helper has a significant impact, to what extent are the doers really “helping themselves,” or if they are really helping themselves, what is the role of the would-be “helpers”?<sup>8</sup>

There is a similar root problem or paradox in pedagogy; if the teacher “gives” the knowledge to the student, then the student probably has little understanding or “ownership” of the knowledge, but if the student actively rediscovers and appropriates the knowledge as his or her own, then the knowledge does not “come from” the teacher.

To give a common framework to the discussion of a first party helping a second party to help themselves, the first party is called the “helper” and the second party is the “doer” or “doers” who are to be “helped to help themselves.” Examples of helper-doers relationships include the relationships between teacher and learners, development agency and client country, community organizer and community, therapist and clients, and enabling manager and workers (McGregor’s Theory Y manager). We seek in each case the principles enabling the helper to lend assistance in a way that is most compatible with the autonomy of the doers. The *paradoxes of assisted autonomy* are the basic conundrums that arise when the helper attempts to help the doers help themselves.

- **Theme 1: Helper Has to Start Where the Doers Are.** A utopian social engineering approach tries to impose a clean model solution, wiping away the old solution if need be to make room for the new. Using an architectural metaphor, an old building is torn down to create a cleared space, a *tabula rasa*, for constructing the new building. The alternative, nonutopian incremental approach would be to repair one part of the building at a time, ending eventually with a completely rebuilt building. Rebuilding the old, rather than

destroying it to engineer a new model on the cleaned slate, is one way of introducing the theme of starting where the doers are. To help the doers help themselves, helpers have to design their assistance based on the current starting point of the doers, not an imaginary clean slate.

- **Theme 2: Helper Has to See Through the Doers' Eyes.** Since the goal is for doers to help themselves, helpers providing assistance need to see the situation through the doers' eyes. The doers' actions will be guided by their own knowledge, conceptual framework, values, and worldview, not those of the helpers.
- **Theme 3: Helper Cannot Impose Change on Doers.** Transformative change comes from the internally motivated activities of the doers. Carrots and sticks used by the helpers will stifle the self-motivation of the doers and produce only superficially conforming behavior, not transformation.
- **Theme 4: Help as Benevolence Is Ineffective.** Autonomy-compatible assistance is neither an imposition (theme 3) nor a gift (theme 4). Benevolent charity helps people, but it does not help people help themselves. It promotes dependency, putting doers in the humiliating position of not being able to help themselves and leading to resentment and thwarted self-reliance.
- **Theme 5: Doers Must Be in the Driver's Seat.** "Being in the driver's seat" is a metaphor for autonomous self-activity and can be extended to the other four themes: (1) the car must start its journey from where the doer-driver is; (2) the vision of the road ahead is from the driver's vantage point; (3) it would be folly for guides (or "backseat drivers") to grab the steering wheel and try to drive; and (4) being driven by someone else weakens the driver's ability to get there alone.

# Autonomy-Compatible Development Assistance

These five themes can now be elaborated in the context of economic development, specifically projects that involve changing human institutions

## Development Intervention as an Agency Relationship

The standard model of the relationship between development organization and client country is that of the principal-agent relationship (see Killick 1998). How can the development organization as principal design a package of incentives to induce the client as agent to take the desired actions?

The phrases “principal-agent relation” and “agency relation” have been imported into economics (see Ross 1973) from legal theory but are used to denote contractual relationships that are not agency relations in the original legal sense. Agency relations tend to arise from large asymmetries in knowledge, so the principal cannot contractually specify the detailed actions of the agent. Instead, the agent takes on a legal or institutional fiduciary role involving the trust to act for or in the interest of the principal. Since information is always imperfect and each party to a contract would like to influence the behavior of the other concerning unspecified actions, economists have applied the agency terminology to the general economic theory of contractual incentives. For example, Killick (1998) applies agency language to the relationship between an international financial institution (principal) and a developing country (agent).

The first mistake in this approach is the model itself. In an agency relationship, “one person (the agent) acts for or represents another by (the) latter’s authority” (Black 1968, entry under “Agency”). The client country has no such agency relationship, no legal or institutional role to act for or represent the development agency. In fact, if anything, it is the other way around. If the development organization can be viewed as a professional providing expert advice for developing country clients, then by analogy with a doctor-patient or lawyer-client relationship, the development organization is the agent, not the principal, and the developing country is the principal (see Arrow 1963 or Pauly 1980). The lawyer or doctor is expected to use specialized expertise and knowledge in the interests of the client by the client’s authorization.

Leaving aside the tellingly reversed characterization of the relationship, the development agency might be viewed as a doctor or helper who would promote certain changes in the patient or doer. The standard tools are economic incentives such as grants or loans on favorable terms, both provided only if certain conditions are satisfied. Here we see the second dubious assumption in the standard relationship between development agency and

client country—the assumption that the desired changes (such as institutional development) are the objects of deliberate choice rather than by-products of other actions.<sup>9</sup>

Institutional reforms lie at the opposite end of the simplicity-complexity spectrum by comparison with currency devaluations: they are not for the most part amenable to treatment as preconditions; donor agencies are liable to have difficulties in keeping track of the extent of compliance; and such reforms are often imperfectly under the control of the central authorities, take time, typically involve a number of agencies and are liable to encounter opposition from well-entrenched beneficiaries of the status quo (Killick 1998, 40).

The main determinants of economic development lie deep in the institutional infrastructure and cultural makeup of the country.

A country's institutions (and its mindsets, norms, and culture) are based in part on its collective self-identity. The culture and basic institutional habits can be viewed as expressions of intrinsic motivation based on the country's self-identity. Short-term behaviors can be “bought” with sufficient extrinsic incentives to temporarily override the more intrinsic incentives of governmental policymakers, but that is not transformative in the sense of changing the institutional and cultural roots of long-term behavior. Long-term economic transformation grows, in the final analysis, out of autonomous activity.

### Applying the Five Themes of Assisted Autonomy

The standard model of development “assistance” tends to be nonautonomous, which is the root of its ineffectiveness. One way or another, a country must find the internal motivation necessary for autonomous development. For external development assistance to “do no harm”—not to mention to be effective—it must be autonomy-compatible. To explore this notion the chapter looks next at the five themes of assisted autonomy in the context of economic development.<sup>10</sup>

**THEME 1 APPLIED: STARTING FROM PRESENT INSTITUTIONS.** To be transformative, a process of change must start from the present endowment of institutions. Otherwise, the process will create only an overlay of new behaviors that is not sustainable (without continual bribes or coercion). Yet this is a common error.

An unwillingness to start from where you are ranks as a fallacy of historic proportions; It is because the lesson of the past seems to be so clear on this score, because the nature of man so definitely confirms it, that there has been this perhaps tiresome repetition throughout this record: the people must be in on the planning; their existing institutions must be made part of it; self-education of the citizenry is more important than specific projects or physical changes (Lilienthal 1944, 198).

There are a number of reasons why development interventions are often not designed to begin with existing institutions. Revolutionaries and reformers oriented toward utopian social engineering (see Popper 1962) aim to wipe the slate clean in order to install a set of “ideal” institutions. Any attempt to evolve out of the current “flawed,” “retrograde,” or

even “evil” institutions is viewed as polluting the change process. For instance, in the transition economies such as Russia, the “leap over the chasm” imposed by institutional shock therapy fell far short of the other side since people “need a bridge to cross from their own experience to a new way” (Alinsky 1971, xxi). It will take a country much longer to climb out of the chasm than it would have taken to incrementally build a bridge over the chasm in the first place.

Despite a rather moralistic outlook, Woodrow Wilson made a case for an incremental approach in his first inaugural address:

We shall deal with our economic system as it is and as it might be modified, not as it might be if we had a clean sheet of paper to write upon; and step by step we shall make it what it should be, in the spirit of those who question their own wisdom and seek council and knowledge, not shallow self-satisfaction or the excitement of excursion whither they cannot tell (Quoted in Braybrooke and Lindblom 1963, 71–2).

Similar considerations argue for an evolutionary and incremental strategy in poor countries rather than trying to “jump” to new institutions.

The primary causes of extreme poverty are immaterial, they lie in certain deficiencies in education, organization, and discipline.... Here lies the reason why development cannot be an act of creation, why it cannot be ordered, bought, comprehensively planned: why it requires a process of evolution. Education does not “jump”; it is a gradual process of great subtlety. Organization does not “jump”; it must gradually evolve to fit changing circumstances. And much the same goes for discipline. All three must evolve step by step, and the foremost task of development policy must be to speed this evolution (Schumacher 1973, 168–9).

Given a choice between the momentum of bottom-up involvement in “flawed” reforms and top-down imposition of what reformers see as “model” institutions, the start-from-where-the-doers-are principle would argue in favor of using knowledge and experience to work to improve flawed reforms using the bottom-up approach to transformation—rather than throwing it overboard in favor of utopian social engineering based on the false hope of imposed first-best models.<sup>11</sup>

**THEME 2 APPLIED: SEEING THE WORLD THROUGH THE EYES OF THE CLIENT.** If a utopian social engineer could perform an institutional lobotomy to erase present institutions, development advice would not need to be tailored to present circumstances. Generic advice would suffice. But failing that, it is necessary to acquire a deeper knowledge of present institutions. This is done, in effect, by learning to see the world through the eyes of policymakers and other people in the country.

An autonomy-compatible interaction between teacher and student requires that the teacher have an empathetic understanding with the student in order to effectively use superior knowledge to help the student. This help does not take the form of telling the student the answer, but of offering guidance. The teacher, according to Dewey’s theory, must be able to see the world through the eyes of the students and within the limits of their experience and at the same time apply the adult’s viewpoint to offer guide posts.<sup>12</sup> In the context of adult transformation, how does the educator find out about the students’ world? That is the role of Freire’s notion of dialogue. Instead of ready-made best-practice recipes Freire, like

Dewey, saw the educational mission as posing problems, essentially the problems that were based on the students' view of the world, where their own generative themes are found (Freire 1970, 101).

Yet often to development "professionals, it seems absurd to consider the necessity of respecting the 'view of the world' held by the people" (Freire 1970, 153-4).

Development experience has shown that when external experts *alone* acquire, analyze, and process information and then present this information in reports, social change usually does not take place; whereas the kind of "social learning" that stakeholders generate and internalize during the participatory planning and/or implementation of a development activity *does* enable social change (World Bank 1996, 5).

**THEME 3 APPLIED: IMPOSING CHANGE EXTERNALLY IS NOT TRANSFORMATION.** Carrots and sticks can be applied only to behavior within the scope of deliberate action. We choose according to our preferences and beliefs, but we do not directly choose our preferences or beliefs. Transformation is the indirect by-product of authentic activities, not the direct object of choice. External incentives can buy "loving behavior," "assertions of belief," or "gestures of faith"—but falling in love, believing in a principle, and having faith all come only by the "grace" of transformation.

This much seems clear: effective change cannot be imposed from outside. Indeed, the attempt to impose change from the outside is as likely to engender resistance and barriers to change, as it is to facilitate change. At the heart of development is a change in ways of thinking, and individuals cannot be forced to change how they think. They can be forced to take certain actions. They can be even forced to utter certain words. But they cannot be forced to change their hearts or minds (Stiglitz 1998).

The idea that a person cannot simply change a judgment or preference at the behest of another has an old and venerable tradition. Martin Luther's principle of liberty of conscience was one of the root principles of the Reformation and one of the main sources of the theory of inalienable rights (which placed limits on the reach of the market).

Furthermore, every man is responsible for his own faith, and he must see it for himself that he believes rightly. As little as another can go to hell or heaven for me, so little can he believe or disbelieve for me; and as little as he can open or shut heaven or hell for me, so little can he drive me to faith or unbelief (Luther 1942 [1522], 316).

Authorities, secular or religious, who try to compel belief can only secure external conformity.

Besides, the blind, wretched folk do not see how utterly hopeless and impossible a thing they are attempting. For no matter how much they fret and fume, they cannot do more than make people obey them by word or deed; the heart they cannot constrain, though they wear themselves out trying. For the proverb is true, "Thoughts are free" (Luther 1942 [1522], 316).

Thus a person's sentiments and beliefs are not subject to choice on the marketplace. Development agencies that try to "buy" policy changes "cannot do more than make people obey them by word or deed; the heart they cannot constrain, though they wear themselves out trying."

An externally forced intervention, based on the theory that the coerced client will then see the light and continue along the reformed path without further externally applied incentives, might be called the bait and switch theory. External incentives (bait) will lead to a transformation, inducing the client to switch over to something akin to intrinsic incentives that will thereafter suffice. This strategy is not impossible but it is unlikely to lead to sustainable changes.

Moreover, the method of awakening and enlisting the activities of all concerned in pursuit of the end seems slow; it seems to postpone accomplishment indefinitely. But in truth a common end which is not made such by common, free voluntary cooperation in process of achievement is common in name only. It has no support and guarantee in the activities which it is supposed to benefit, because it is not the fruit of those activities. Hence, it does not stay put. It has to be continually buttressed by appeal to external, not voluntary, considerations; bribes of pleasure, threats of harm, use of force. It has to be undone and done over (Dewey and Tufts, 1908, 304).

Development agencies often have a short time horizon, so they tend to interpret the purchased outward performance as evidence of sustainable change. Thus the bait and switch theory is falsely "verified" and reapplied again and again. In fact, however, the attempt to buy or force transformation can provoke resentment and pushback. Dewey (1916, 26) noted that extrinsic incentives administered in a controlling manner would arouse the "instincts of cunning and slyness." McGregor (1960, 68) saw that such incentives would lead to "passive acceptance" at best but more likely to "indifference or resistance." Eventually the reliance on carrots and sticks or bait can induce an atrophy effect. Any original intrinsic motivation dries up, and the doer becomes an aid-dependent marionette responding only to external strings.

There is a closely related problem where the incentive of receiving aid corrupts motivation (in the sense of changing originally intrinsic motivation into extrinsic motivation). Aid programs usually start with a mental model where the beneficiaries are independently (i.e., with their own motivation) undertaking a development project—but they have a resource gap. Hence aid is made available to enable the project to go forward. But then over the course of time, the availability of such aid creates a "supply response" in the sense of inducing projects motivated primarily by the desire to receive aid. The aid transformed a situation where the projects had intrinsic motivation (were ends being done for their own reasons) into a situation where the projects are means to receive aid. The original model of "independently given" projects no longer applies, but the aid usually continues (due to "success" in funding more projects) even though such projects are quite likely to fail.

There is thus always the need to "sterilize the emission" of an aid offer to neutralize the supply response—so that the aid is enabling (autonomy-compatible) but not controlling or "motivating." One standard mechanism is the requirement that the beneficiaries themselves put up a certain percentage of the resources (although this requirement is commonly

“gamed” by placing the project within the context of larger already-funded activities or by allowing contributed “time” to count). A variation is to only “jump on board moving trains” in the sense of only providing second-stage aid so that the beneficiaries would have to undertake the start-up by themselves. Another strategy is to make the aid something that cannot be applied for so that aid could only come to the recipients “out of the blue.”

Nor is it only a problem of incentives. Similar problems arise concerning the cognitive elements in the client country’s decisionmaking. The imposition of “beliefs” in the form of best practice recipes can temporarily override local judgment but will probably not lead to any sustainable change in conviction. This carries us back to the activist pedagogy and the reasons why the Socratic guide or Deweyan teacher does not simply give the answers (even assuming that the “answers” are available).

Learning is *not* finding out what other people already know, but is solving our own problems for our own purposes, by questioning, thinking and testing until the solution is a new part of our lives (Handy 1989, 63).

Through direct observation and structured experiments, the learner is guided to actively rediscover and reappropriate knowledge with ownership and adaptation to local circumstances. This pedagogy assumes an active role for the learner, who can be said to be in the driver’s seat.

**THEME 4 APPLIED: EMPLOYING ADDAMS-DEWEY-LASCH’S CRITIQUE OF BENEVOLENCE.** Help that is not autonomy-compatible is not always imposed. There is also a soft form of control through gifts, paternalism, and benevolence that may be even more insidious.<sup>13</sup> How can forms of help that are compatible with the autonomy of the beneficiary be differentiated from forms that are paternalistic and controlling? Dewey developed a critique of oppressive benevolence, and Christopher Lasch (1995) contrasted the “ethic of respect” and the “ethic of compassion.”

Dewey’s thinking about the controlling aspects of paternalistic employers was prompted by the Pullman Strike of 1894 and by the critique of Pullman’s paternalism in the Chicago reformer Jane Addams’s essay “A Modern Lear” (1965). Addams’s essay was an extended analogy of Pullman’s relationship with his workers to King Lear’s relationship with his daughter Cordelia.

Like Lear, Addams suggested, Pullman exercised a self-serving benevolence in which he defined the needs of those who were the objects of this benevolence in terms of his own desires and interests. Pullman built a model company town, providing his workers with what he took to be all the necessities of life. Like Lear, however, he ignored one of the most important human needs, the need for autonomy (Westbrook 1991, 89).

Jane Addams’s Hull House in Chicago was a leading example of settlement houses at the turn-of the century (see Davis 1967). Settlement workers lived and worked with the poor, replacing the ethic of benevolence applied by the charity organizations of the day with an ethic of respect, based on the poor working to improve their own affairs, not being a target for “betterment.”

Dewey developed at some length his critique of “oppressive benevolence.” According to Westbrook, Dewey held that

Self-realization was a do-it-yourself project; it was not an end that one individual could give to or force on another. The truly moral man was, to be sure, interested in the welfare of others—such an interest was essential to his own self-realization—but a true interest in others lay in a desire to expand their autonomous activity, not in the desire to render them the dependent objects of charitable benevolence (Westbrook 1991, 46-7).

Aid granted out of benevolence, without carrot or stick, reinforces a lack of self-confidence and may create a moral hazard situation that weakens reform incentives and attenuates efforts for positive change (see Maren 1997). “*It tends to render others dependent, and thus contradicts its own professed aim: the helping of others*” (Dewey and Tufts 1908, 387). This is the self-reinforcing cycle of tutelage and dependency.<sup>14</sup> An autonomy-compatible interaction would instead work to establish the conditions that:

permit others freely to exercise their own powers from their initiative, reflection, and choice....The best kind of help to others, whenever possible, is indirect, and consists in such modifications of the conditions of life, of the general level of subsistence, as enables them independently to help themselves (Dewey and Tufts, 1908, 302, 390). Otherwise the prayer of a freeman would be to be left alone, and to be delivered, above all, from “reformers” and “kind” people. (Dewey 1957, 270)

**THEME 5 APPLIED: EMPLOYING AN ACTIVIST PHILOSOPHY OF SOCIAL LEARNING.** The central CDF theme of the country in the driver’s seat is the application of the activist philosophy of education to social learning. Because transformation can come only from within, through activities carried out by an individual, organization, government, or country, any intervention by a development agency should be autonomy-compatible. While compliant behavior can be elicited externally, only a country in the driver’s seat can undergo a sustainable transformation. Similarly, ownership of an outcome comes only when it results from self-directed activities, rather than a gift or imposed activity.<sup>15</sup> Development assistance should focus on changing the institutional matrix of policymaking (the local intrinsic motivation), which is a more subtle and longer term affair, a by-product of other actions.

What does this mean for the way a development agency initiates a project? One strategy is expressed in Schumacher’s favorite slogan, “Find out what the people are doing and help them to do it better.” Development assistance should look for positive changes that are already beginning in the underlying institutions (“moving trains”) and then apply development incentives to strengthen those tendencies.

Where no promising beginnings are in evidence, any change induced by bribes is unlikely to transform the underlying institutions. An education-based strategy may lay a better foundation for sustainable change than purchased demonstration projects. Policy advice from development professionals anxious to show their expertise and backed by conditions on lending risks undermining people’s incentives for developing their own capacities and weakening their confidence in finding their own solutions. There is little or no

ownership of such externally imposed reforms. Compliance might be only perfunctory; the quick transplant might soon wither and die—to be replanted in an “improved” form by the next generation of development professionals anxious to show their “improved” expertise.

# Autonomy-Compatible Structures in Organizational and Technological Design

The design of organizations and technologies can influence the degree of autonomy-compatible behavior open to people (doers) working in those organizations or using those technologies.

## Pay as Informational Feedback or Pay as Control

One important motivator is remuneration. Economics uses the concept of *homo economicus* when intrinsic motivation has little or no role and so “economistic” reasoning applies without modification. Rude forms of physical labor (such as that typically performed in prisons or workhouses) are an example. But wages have a limited reach.

A high wage will not elicit effective work from those who feel themselves outcasts or slaves, nor a low wage preclude it from those who feel themselves an integral part of a community of free men. Thus the improvement of this element in the supply of labour is an infinitely more complex and arduous task than if it depended upon wage alone, but at the same time a task more possible of fulfillment by an impoverished world (Robertson 1921, 244, quoted in Whyte 1955, 5).

The concern in this section is with the areas of social interaction where intrinsic motivation can be expected to be important, where man does not live by bread (or compulsion) alone.

It is not a simple matter of choosing between economic rewards and intrinsic motivation; they can be complements (rewards can work with intrinsic motivation) rather than substitutes (work against it). Economic rewards and external interventions more generally can have two types of effects: *controlling*, which tend to displace and thus substitute for the internal locus of causality, and *enabling* or *informational*, which do not challenge an internal locus of causality and are thus complementary and autonomy-compatible.<sup>16</sup>

One strategy for limiting the hidden costs of pay is to make it relatively noncontingent on performance and to move it into the motivational background by emphasizing other, more intrinsic sources of workplace motivation, such as pride in accomplishment, professional self-esteem, and dedication to the collective work of the firm. In McGregor’s Theory X (essentially “economic man”), the ability to vary economic rewards is the primary means used by management to exercise authority and control. Yet in areas where intrinsic motivation is important, McGregor wondered whether marginal variations in pay (merit increases controlled by managers) would have a “fraction of the incentive value that op-

portunities for increased satisfaction of social, ego, and self-actualization needs would have” (1960, 96). When an “equitable salary structure furnished the major economic rewards,... our attempts to get greater ‘productivity’ *through the use of small increments of economic reward within such a structure* have not been particularly effective” (p. 99).

Deming’s “New Economics” (1994) recommends substituting an equitable salary for piece rates, commissions, and pay for performance. For instance, in the large Japanese-style firm, workers advance on the basis of seniority and competitively established rank, with motivation coming in the dual currency of money and socially recognized pride of accomplishment. The greater stability of pay and employment and the much smaller top-to-bottom pay differentials than in a typical large U.S. firm indicate a much larger role for intrinsic motivation in the Japanese-style company.

### Organizational Design: Enabling or Controlling

The distinction between pay as controlling or supportive (enabling, informational) and therefore conflicting with or reinforcing intrinsic motivation and autonomy needs to be applied more broadly as well. Consider the use of computer systems and information technology. Will the increased access to information provided by the new technologies be used to allow people to do their *own* job better or to allow others to better control how people do their jobs?

McGregor (1960, 160) analyzes this question using the principle of self-control or autonomy. Information provided back to managers should be designed to allow them to do their work better (Theory Y manager), but should not be broken down to allow them to better control subordinates. The subordinates, in turn, should have the data to do their own jobs better but not to control their subordinates. The manager should have summary data that can signal when something is going wrong in the organizational unit. The response should not be to find the culprit but to turn to subordinates for help in solving the problem. If workers have the data for monitoring their own jobs, they will be able to spot and correct the problem. In this manner, each level in the bureaucracy maintains some measure of self-control and autonomy without being distrustfully second-guessed by supervisors.

McGregor applies the same principle to the line-staff relationship. Staff groups (engineering, accounting, personnel) are supposed to supply professional help to all levels of management, not just to the unit to which they directly report. Yet if they are to have a professional relationship with, say, line managers at different levels, they should not be put in a position to help one client control others. The principle of self-control means that the information and advice generated by the professional staff should be used by managers to do their jobs better, not to control others.

The same principle—that staff provides help for self-control only—applies to what is usually called “coordination,” but which means policing the organization with respect to policy and procedures. Help can consist in informing an individual that he is out of line, or that a contemplated action would be in violation of policy—*but with the full understanding by both parties that the staff member will not report his knowledge or opinion to anyone else* (McGregor 1960, 169)

If these confidences are not respected, the professional staff's coordination role will come to be seen more as a policing one, to the detriment of their professional-client relationships.

Adler and Borys (1996) have developed a rich theory of two types of bureaucracy, enabling and coercive. As with McGregor's Theory X and Theory Y managers, the question is whether the formalization of procedures in a bureaucracy enables people to control their jobs better or to be better controlled and coerced by others.

Whether the impact of formalization on employees' attitudes is positive or negative is, we argue, a function of whether that formalization enables employees better to master their tasks or functions as a means by which management attempts to coerce employees' effort and compliance (Adler and Borys 1996, 61).

A controlling organizational environment assumes that employees lack commitment to organizational goals, and thus formalized "coercive procedures are designed to force reluctant compliance and to extract recalcitrant effort" (Adler and Borys 1996, 69). This hardly promotes goal congruency among employees but rather creates a vicious circle of distrust leading to more distrust. Production processes are designed by engineering experts to minimize the opportunity for shirking and to lessen the need for judgment and skill. Workers are not expected to contribute to preventing or repairing breakdowns (as management fears they will opportunistically use the occasion for shirking)—that is the province of specialized technicians. Thus processes are designed to be as foolproof as possible, to minimize workers' discretionary control and the need for their commitment.

Autonomy can be based on intrinsic motivation or on identification with once external goals that have been internalized. An enabling organizational environment assumes some socialization into the goals of the organization, which sets off a trust-breeds-trust virtuous circle. "When organizational goals are salient to the employees, employees no longer experience formal procedures for routine work as a negation of individual autonomy but as a valuable means to a desired end" (Adler and Borys 1996, 80). Then responsibility can be delegated and processes can be designed that ask workers to use their judgment and skills and provide greater control over the operation and repair processes.

## **Technology Design: Enabling or Controlling**

Adler and Borys (1996) compare questions of organizational design to technology design, which draws on the notion that a formal organization is a type of social technology. The interface between a human user and a technology is not a given; it can be designed to enable and empower users (the technology becomes a tool) or to deskill and foolproof the users' (workers') role so that cheaper and less skilled labor can be used.

According to one rationale, the user is a source of problems to be eliminated; according to the other, the user is a source of skill and intelligence to be supported. In one, labor is a source of error and the goal of design is to get the operator out of the control loop; in the other, equipment is seen as inherently limited and the goal of design is (to) ensure the operator can intervene effectively to rectify problems (Adler and Borys 1996, 68).

An example of this contrast is the design of photocopying machines. One approach was to idiot-proof as much as possible and to call for a specialized technician when anything goes wrong. That deskills users in the operation of the machine and disables them even in the case of minor malfunctions such as paper jams. In the “design for usability” strategy for Xerox copiers, the technology was layered so that users could form a mental model of the topmost transparent layer of the technology such as the paper path (see Rheinfrank, Hartman, and Wasserman 1992). When the paper jammed, the user was empowered to fix the problem rather than passively wait for a technician.

Shoshana Zuboff (1988), in her influential study of the new information technologies, distinguishes between automating and “informating.” Automation using the new computer technologies tends to be computer-age Taylorism.

Just as Taylor wanted to systematize the knowhow that was “in the worker’s head,” so process engineers and managers discuss establishing the basic algorithms to duplicate “what an operator does in his head.” Automation also shares the same goal as Taylorism—to establish managerial control over a knowledge domain that serves as the basis for a division of labor that is minimally dependent upon the skills and disposition of a (shrinking) work force (p. 303).

Contrary to much technological fatalism in the popular literature, however, computer technologies need not lead to cyber-Taylorism. In the informing strategy, computers are used to display system status information and to generate options so that users can apply their intelligence and experience to make final decisions (instead of being programmed out of the control loop).

The informing process makes that knowledge explicit: it holds a mirror up to the worker, reflecting what was known but now in a precise and detailed form. In order to reappropriate that reflection, the worker must be able to grapple with a kind of knowledge that now stands outside the self, externalized and public. Intellectual skill becomes the means to interact competently with this now-objectified text, to reappropriate it as one’s own, and to engage in the kind of learning process that can transform data into meaningful information and, finally, into insight. (Zuboff 1988, 304)

There is clearly a close connection between the two opposing strategies—enabling and controlling—for organizational design and for technology design. Just as Theory X assumptions could lead to a self-reinforcing cycle of distrust and demotivated work, so

In organizations characterized by such an interlocking set of assumptions and self-fulfilling prophecies, designers find it difficult to operate with anything but a deskilling/idiot-proofing assumption

By contrast, in organizations that have established a different set of assumptions to guide management-employee relations, work design and equipment design take on a quite different logic and the business payoff can be enormous. By building a context of mutual commitment, employees and managers can use technology to enhance user capabilities rather than to deskill—to “informate” rather than to “automate” tasks (Zuboff 1988) (Adler and Winograd 1992, 7).

# Knowledge-Based Development Assistance

When a development agency seeks to provide knowledge-based assistance (as well as financial or material aid) to the “doers of development” (policymakers and government officials; see Wolfensohn 1999), the standard theory in use (regardless of the espoused theory) is that the agency has development knowledge in the form of answers encapsulated in standard core courses that need to be taught, transmitted, and transferred to the target population of trainees. That methodology is taken as so obvious that the focus is simply on how to deliver the knowledge, how to scale up the knowledge transmission in the client country, and how to measure and evaluate the impact of these efforts. A prominent example is the vision of the World Bank as knowledge bank.

In examining some of the problems with this standard view, it is important to consider how this view came to dominate practice despite sometimes very different statements of espoused theory, to see why the reality falls so far short of the rhetoric.

## Ownership Problems

In the standard view of knowledge-based assistance, the helpers are teachers or trainers actively transmitting knowledge for development to passive but grateful doers (clients). Development is seen almost as a technical process like building an airport or dam, with the development agency having technical social engineering knowledge to be transmitted to the clients.

Since this knowledge for development is offered below cost or at no cost as an international public good, developing countries are quite tempted to accept this sort of assistance. Other positive incentives are also offered to those who undergo training, such as travel abroad, pleasant accommodations, generous per diems, and other vacation-like benefits. On the supply side, management pushes task managers or trainers to show results—particularly results that can be observed and evaluated back at headquarters (such as number of trainees). Thus the managers need to take ownership of the process of assistance in order to show results, and the clients are agreeably induced to go along.<sup>17</sup> This is tutelage, not active learning; it develops dependency, not autonomy or self-direction.

## Self-Efficacy Problems

This standard view of delivering knowledge for development undermines the self-confidence and self-efficacy of the clients. The message behind the messages is that the clients are unable to organize their own learning process to find these things out in their own way. They need to be helped—to be shown the way.

In psychology *externality* is the condition of attributing what happens to oneself to external causes. Externality leads to a condition of learned helplessness, apathy, and fatalism. In contrast, *internality* is the condition of seeing one's actions as having a real effect—of having an internal locus of control over what happens to oneself<sup>18</sup>

The conditions of externality and internality tend to be self-reinforcing. Externality leads to resignation and fatalism. Individuals do not make a concerted effort to change their condition, so little changes, and their fatalism is confirmed in a continuing vicious circle. If, however, individuals believe that their efforts will make a difference, they are more likely to make a concerted effort and thus are more likely to succeed, and their internality is confirmed in a virtuous circle.

The poor already have a history of ineffectual action to better their condition, so any kind of assistance that reinforces that perceived inability to help themselves is simply the wrong kind of assistance, no matter how well-intentioned.

### **Cognitive Dependency Problems**

Individuals may lack self-confidence in their own cognitive skills in addition to lacking self-confidence about the efficacy of their actions. In an extreme state of dependency, they might be marionette-like not only in their actions but also in their knowledge and opinions. This cognitive aspect of dependence is clearly relevant to understanding the detrimental forms of knowledge-based development assistance.

With the standard methodology of knowledge-based assistance, the “best learners” are often the most marionette-like trainees who quickly learn to parrot the main messages. Those best learners are then qualified to staff the local missions that are the staging areas and repeater stations for scaling up the transmission of the main messages to others in the target population—all in the name of ‘capacity building.’ Those local mission organizations are sometimes also the gatekeepers for other aid and resources flowing from the development agency to the client country.

The cognitively dependent recipients of the main messages also help perpetuate the stifling of critical reasoning in favor of bureaucratic reasoning in development agencies. Cognitively dependent clients, accustomed to being told the best practices to follow, might be distressed to hear the authorities arguing among themselves about development knowledge and development strategies. How can a patient who overhears the doctors arguing about the best treatment have faith in them? Thus the complaints (real or imagined) of the cognitively dependent clients are used to keep any real debate about development strategies well behind the closed doors of the major development organizations. Only when sufficient agreement has been reached in a process of bureaucratic reasoning does an agreed-on policy go public and receive the financial and intellectual backing of the agency.

### **Moral Hazard Problems**

The reinforcing of a perceived lack of cognitive and volitional self-efficacy is closely related to the moral hazard aspects of traditional aid and charity. The possibility of moral hazard arises when people are shielded from the effects of their own actions, as when people who are overinsured act carelessly and fail to take normal precautions.

Benevolent charity softens the incentives for people to help themselves. The conservative and isolationist response to this moral hazard aspect of conventional aid is disengagement. Then the poor have no alternative except to help themselves. While this form of tough love might be a useful shock therapy to jar a country out of a state of dependency, the real goal ought to be to seek methods of assistance that are compatible with the autonomy of the clients—that help them help themselves.

In the insurance example, the limit case of no insurance (complete self-insurance) certainly “solves” the problem of moral hazard since the individual then has full incentives to take precautions to prevent accidents. Yet the no-insurance option is not optimal; it amounts to throwing out the baby of risk pooling and diversification in order to get rid of the bathwater of moral hazard. Nor is there any first-best solution of complete insurance without moral hazard. There are partial solutions in the form of co-payments and deductibles to “sterilize” the effect of the insurance on incentives, so that the insured party retains some risk and thus incentive to take normal precautions.<sup>19</sup>

Similarly, the extreme of no assistance could be seen as the limit case of autonomy-compatible assistance. It certainly “solves” the problem of softened incentives for self-help, but it forgoes forms of positive assistance that might be autonomy-compatible. The idea of co-payments and deductibles carries over to the idea of partially matching funds from clients to show their own commitment to the learning programs.



# Types of Development Knowledge

So far the focus has been on the standard methodology of knowledge-based assistance (transmitting development knowledge from agency to clients) and how that methodology undercuts the ownership, self-direction, and capacity-building efforts of developing countries. The standard methodology is, however, also flawed in its implicit assumptions about the nature of crucial development knowledge.

## Universal and Local Knowledge

Can a money bank also function as a knowledge bank? Money travels better than knowledge. General knowledge is knowledge that holds across countries, cultures, and times; local knowledge takes account of the specifics of place, people, and time. A best practice might work well in some countries but fail miserably in others. One size may not fit all. In questions of institutional development, it is very difficult to know ahead of time just how general is a best practice. Global best practices usually need to be locally reinvented.

The significance of this point of view is that contrary to the simplistic use of the term by many economists, there is, in principle, no such thing as diffusion of best practice. At best, there is only the diffusion of best practices, practices that evolve in the course of their diffusion. Contrary to popular wisdom, there are times when it pays to reinvent the wheel! [Cole 1989, 117]

Prudent counsel is to scan globally for best practices but to test locally since local adaptation often amounts to reinventing the best practice in the new context. Many foreign experts have painfully discovered that the devil is in the (local) details. It is the local component of knowledge that requires adaptation—which in turn requires the active participation of those who know and understand the local environment. Local adaptation cannot be done by cognitively dependent recipients of development knowledge; it must be done by doers of development in the course of their self-activity.

There are two points here that need to be teased apart: making knowledge locally applicable and having local doers of development make the adaptations (rather than provide them as a gift or impose them as a condition from the outside). It is through local selection and adaptation of knowledge that doers make it their own. Thus it is not a matter of being open or closed to outside knowledge; it is a matter of being open to outside knowledge in a way that reaffirms autonomy. For Gandhi, this was intellectual *swaraj* (self-rule or autonomy). “I do not want my house to be walled in on all sides and my windows to be stuffed. I want the cultures of all lands to be blown about my house as freely as possible. But I refuse to be blown off my feet” (quoted in Datta 1961, 120). Only by

remaining on one's feet intellectually can local doers have the self-confidence to select, assimilate, and adapt the external knowledge—instead of being overwhelmed and rendered intellectually dependent and subservient.

Considerable effort is required to adapt development knowledge to local conditions and culture. Policy research institutes can help. In developed countries, think tanks have become important agents for introducing and adapting new policy initiatives. Think tanks or similar research institutions are also needed to transplant social innovations to new contexts. The Japanese use a metaphor based on the gardening technique called *nemawashi* of slowly preparing and wrapping each root of a tree before transplanting it (Morita 1986, 158). A successful transplant is much likelier than if the tree is simply pulled up from one place and planted in another.

When advocating a certain type of organization (such as local policy research institutes), it is also important to indicate what is *not* being advocated. In the relationship between the center (such as a multilateral development agency) and the periphery (a developing country), there may be organizations in the country that are legitimized not by their role in the country but by their role as local gatekeeper for the central authority. The center judges the local organization by its ability to faithfully parrot the “universal” messages from the center, not by the organization's ability to adapt the experiences of others to the local situation.

If anyone in the center should doubt the applicability of the central messages, the local accommodating elite will be more than willing to supply positive “local feedback”—which also validates the intermediary role of the local counterpart elite as gatekeepers for the resources and influence emanating from the center. This mutual reinforcement locks in the relationship so the center ends up having little transformative effect on indigenous local structures, yet all the while receiving positive feedback on the wonderful job it is doing.

Those in the center who are legitimized in their expertise, prestige, and privileges by the “universality” of their messages are disinclined to recognize limitations in the local applicability of their technical expertise. Novel complexity, genuine uncertainty, conflict of values, unique circumstances, and structural instabilities are all downplayed or ignored since they might diminish the perceived potency of the center's expertise and undercut the client's faith in that potency. The client often wants the childlike security and comfort of being in the hands of the professional expert who will solve the perplexing problems.<sup>20</sup> Thus the center and periphery may well set up a transmission belt for transferring the universal expert messages and best practice recipes between the “wholesale” source and the local “retailers.” These are some of the strong institutional forces leading to an underappreciation of the subtleties of local knowledge, impeding the growth of autonomous client ownership and the development of indigenous local knowledge institutions.

## Codified and Tacit Knowledge

Explicit or codified knowledge is knowledge that can be spoken, written, and codified to be saved on a computer disk or transmitted over a telephone line. But we know more than we can say. We know how to ride a bike or recognize a face, but we would be hard put to codify this knowledge and archive in a database for dissemination over the Internet. Michael Polanyi (1962) pioneered the distinction between tacit (or personal) and explicit knowledge

in philosophy of science, and the distinction has since proven important in understanding problems in the transfer of technologies and institutions.<sup>21</sup>

There is much more to a technological system than can be put in an instruction book. This is all the more so for social technologies or institutions. Some tacit knowledge might be transformed into codified knowledge (Nonaka and Takeuchi 1995) so that it could be transferred by conventional methods.<sup>22</sup> But the remaining tacit knowledge needs to be transmitted by special methods such as apprenticeship, imitation, twinning relations, and guided learning by doing. These are horizontal methods of knowledge transfer—in contrast to the vertical methods of codifying knowledge, transmitting it to a central repository or library, and then retransmitting it to students.

The tacit component in local or general development knowledge is best learned through such horizontal methods as study tours, cross-training, and twinning. International development agencies have the perspective to scan globally to identify the success stories and thus to fruitfully play a facilitating and brokering role in horizontal learning—not a training role.

Because of the tacit component in practical development knowledge, many of the real reasons for successes may not be captured in the codified knowledge of a best practice case study that might be written up and taught to the developing country (not to mention *Rashomon* effects, academic predilections, and ideological precepts in the best-practice case studies). For instance, government officials, legislators, and business people from an African country might better learn directly and horizontally from a nearby East Asian country that recently faced similar problems than from codified and stylized case studies from a development agency.

## Centralized and Decentralized Experimentation and Social Learning

A central organization often determines policy solutions and then faces the problem of translating the results to the peripheral units of the organization or to clients. The problems of center-periphery relation are described by Donald Schön (1971) in a context close to a development agency's work:

[The standard approach] treats government as center, the rest of society as periphery. Central has responsibility for the formation of new policy and for its imposition on localities at the periphery. Central attempts to “train” agencies at the periphery. In spite of the language of experimentation, government-initiated learning tends to be confined to efforts to induce localities to behave in conformity with central policy. Localities learn to beat the system. Government tends to bury failure or learn from it only in the sense of veering away from it. Evaluation, then, tends to be limited to the role of establishing and monitoring the extent of peripheral conformity with central policy (p. 177).

But social learning can take place in a decentralized, bottom-up manner. In large multiplant companies, innovation may take the form of new ways of socially organizing and structuring productive processes (quality circles, self-managed work teams). Separate plants might perform pilot experiments to find out what works and what doesn't. Headquarters frames the

experiments, detects the successes, and plays the knowledge-broker to help other plants cross-learn from the successful ones. Schön (1971) described a similar process between the central government and local units trying to carry out a certain social reform:

Government cannot play the role of “experimenter for the nation,” seeking first to identify the correct solution, then to train society at large in its adaptation. The opportunity for learning is primarily in discovered systems at the periphery, not in the nexus of official policies at the center. Central’s role is to detect significant shifts at the periphery, to pay explicit attention to the emergence of ideas in good currency, and to derive themes of policy by induction. The movement of learning is as much from periphery to periphery, or periphery to center, as from center to periphery. Central comes to function as facilitator of society’s learning, rather than as society’s trainer (pp. 177-78).

Social learning is often very different from laboratory learning. Novel complexity, genuine uncertainty, conflict of values, unique circumstances, and structural instabilities all argue against laboratory conditions for discovery and learning. Decentralized experimentation with centrally sponsored framing and quality benchmarking followed by cross-learning in the periphery is a more appropriate model than classical normal science research at a central facility followed by the teaching-dissemination of the results.

# Implications for Knowledge Bank as Storehouse or as Broker

Every consulting firm faces a basic question of strategy. Should the firm operate in a “library mode,” providing clients with access to the right codified knowledge, or should the firm focus on tacit knowledge, choosing staff members with an eye to scarce practical how-to skills or by specializing in arranging horizontal cross-learning between clients and benchmark companies?<sup>23</sup>

A development agency working as a knowledge bank faces a similar choice. Should it pursue the *library-storehouse model* or the *knowledge-broker model*? In the broker model, knowledge still needs to be catalogued, but it is primarily the second-order knowledge of where to find the how-to knowledge. Since the storehouse model focuses on documents, it specializes in codified knowledge available at the agency, while the broker model focuses on codified pointers to sources of knowledge and experience (which could be codified or tacit) throughout the world. In pedagogical terms, the storehouse model sees the agency as the teacher transferring knowledge from its storehouse to the passive client. The broker model sees the client in the more active role of scanning for knowledge and relevant experience and sees the agency in the more intermediary role of assisting in that search by helping to frame the questions and apply experience in locating relevant sources.

The difference between the models should not be overdrawn. The storehouse model would not suppress other knowledge sources or rule out referrals, but there is a very real difference in emphasis. Which model becomes the working model providing the strategic direction for a development agency as knowledge bank makes a big difference. The approach of bureaucratic reason is to use both models and thus to implement poorly the more difficult broker model.

As the information revolution rolls into the 21<sup>st</sup> century, codified knowledge will more and more approximate the theoretical limit of a free nonrivalrous good. Clients will have access to vast storehouses of codified knowledge, and the agency’s own storehouse will increasingly pale in comparison. The scarce knowledge will be that of the reflective and experienced practitioners wherever they are around the world. Following the broker model, the knowledge bank would be a central clearinghouse in that subtle form of professional expertise (which cannot be downloaded over a phone line). It would play a key global role in putting those who have acquired practical development knowledge at the disposal of those who are willing and able to learn.



# Knowledge-Based Development Organizations

This chapter has so far considered questions about the methodology of knowledge-based development assistance and the subtleties introduced by different types of development knowledge. Next it focuses on the organization or agency involved in knowledge-based development assistance (see also Ellerman 1999).

## Church or Learning Organization?

In the modern world it is now commonplace to accent the importance of intellectual capital and knowledge management. Most organizations want to be seen as learning organizations. Yet many old habits persist that are directly opposed to learning and to the advancement of knowledge. There are several roadblocks in the way of organizational learning for an organization or agency involved in knowledge-based development assistance. Often, the new rhetoric of learning is applied as a veneer onto a church-like organization proselytizing its own dogmas.

**ROADBLOCK TO LEARNING 1: BRANDED KNOWLEDGE AS DOGMA.** Put simply, the basic problem is that despite an espoused learning organization model, the applied model is often that of a “development church” giving definitive *ex cathedra* views on all the substantive questions. As with church dogmas, the brand name of the organization is invested in its views. Once an “(Agency [(substitute the name of the relevant development institution)] View” has been announced, questioning that view is seen as an attack on the agency itself and the value of its franchise, so new learning is discouraged. The church model fits perfectly with the standard default methodology of knowledge-based development assistance. The agency has the best knowledge for development, which is to be transmitted through various forms of aid-sweetened proselytization to the authorities in the developing world.

A university is an open learning organization that does not set itself up as an arbiter of truth, but as an arena in which contrary theories can be examined in open debate. When an agency takes an official view on questions or considers its views as branded knowledge, the genuine collision of opinions and the rule of critical reason will tend to give way to the rule of authority and bureaucratic reason within the hierarchy of the organization. The authorities in the organization decide on its official views and tend to shut off any feedback loops that might lead to the questioning of the official views and thus diminish the franchise value of the brand name. Learning from errors, which involves changing official views and modifying branded knowledge, is minimized so the organization tends to function more as a secular church than as an open learning organization—regardless of the espoused theory.

The church model of direct proselytizing by development agencies contradicts autonomous or self-directed learning in client countries. The project manager from the agency wants the clients to learn so long as they “learn” the right thing. Any genuinely self-directed learning process in the client country might veer off in a wrong direction that the project manager could not support. The project manager would return to headquarters as a failure without a project. Therefore the flow of knowledge must be managed. Clients must be kept from being “distracted” by alternative views. The standard model of the relationship between development organization and client country is a corollary of the church model.

**ROADBLOCK TO LEARNING 2: FUNDED ASSUMPTIONS AS DOGMA.** Why do development agencies have to take an official view on the one best way to solve a development problem? A common answer is that a development agency is not a university. The development agency puts money as loans or grants behind projects based on various assumptions. University professors do not put money on the table and so they are free to debate questions forever. Once an agency has committed significant resources to certain assumptions, it is time to fall in line and support the funded assumption.

There are obvious bureaucratic reasons why individual project managers and their supervisors would like assumptions behind a funded project to be treated as gospel, but these are not reasons for a whole institution to take such a stand. The commitment of funds and prestige even seems to alter perceptions.<sup>24</sup> But theories are corroborated by evidence, not by commitments of funds. Many businesses have come to grief because managers would not revisit strategies after initial costs were sunk. In view of the record of international development aid, there is little support for the similar practice of seeing project assumptions as hardening into gospel because of the commitment of funds.

**ROADBLOCK TO LEARNING 3: SOCIAL SCIENCE AS DOGMA.** Science has long since replaced religious authority as the source of dogmas that can be appealed to without further reason or corroboration. Though completely misrepresenting the scientific method and the role of critical reason, that perception is nonetheless common. The all too human factors that once led to an appeal to church dogma have not suddenly disappeared, so the appeal to science can be expected to be thoroughly abused. This is nowhere more evident than in the social sciences (see Andreski 1972). Economics rules the social sciences roost, so much can be expected to be passed off in the name of economics. Yet many of the “truths” of economics imposed by bureaucratic power would not pass without serious challenge in any open scientific forum. Thus many of the official views that are presented as truths of economics have some other, less than scientific basis.

It is particularly unfortunate when a Tayloristic one best way mentality creeps into development policymaking in the name of science. Problems of developing and transition economies are much too complex to yield to formulaic best practice. Many different approaches need to be tried on an experimental basis, so when a major development agency stakes its reputation on the one best way, the development effort as a whole is impoverished.

Consider, for example, the problem of fighting corruption. Economists might approach the problem by trying to minimize discretionary regulations that present rent-seeking opportunities to officials who might offer to relax a restriction for appropriate consideration. Accountants might emphasize transparency and uniformity of data and the independence of auditing. Civil servants might emphasize codes of ethics and disclosure requirements.

Lawyers might encourage civil discovery procedures and criminal sanctions. Others will promote a free and independent press, a high standard of public ethics, and a vigorous civil society. A multipronged approach is advisable since there seems to be no one best way. Yet when different groups from an international development agency take different approaches to fighting corruption and air these differences at international conferences, the dogmatic mentality becomes alarmed. How can passive, dependent clients put themselves in the hands of international experts who cannot agree on the one best way to fight corruption?

This has implications for the question of a client-centered rather than paternalistic approach to learning. What is wrong with two different parts of an international development institution expressing two different views on a complex question at an international conference? What is wrong with listeners realizing that affiliation with an elite institution is not the touchstone of truth? This realization might lead them to think the matter over themselves and thus to take responsibility for forming their own opinion. In short, it would foster active learning rather than passive acceptance of the “truth” promulgated by a church-like organization.

## The Open Learning Model

Surely much has been learned about economic development. Why not espouse the best practices from successful development and promote the underlying guiding principles? Should international development organizations just be agnostic on questions of development and give equal weight to all opinions? In approaching these questions, it is useful to consider the methodology of science. Science as a loosely structured international open learning organization is hardly agnostic in any given area. Certain theories are the received or current theories in a field. The difference from a church-like organization lies in the methodology used to sustain or overturn the hypotheses. In mathematics, proof, not authority, is the basis for theorems. In the empirical sciences, hypotheses are developed on the basis of intellectual coherence and factual cues and are then subjected to experiments that can be verified and reproduced.

This methodology of science shows, at least in general terms, how an open learning model of a knowledge-based development agency might operate. More important than teaching a client country the “truth” is conveying an active learning methodology for finding and corroborating or disproving truths (hypotheses and theorems). If a knowledge-based development organization wants to promote the one best way of reforming or changing certain institutions (say, the “best” model of fighting corruption or the best form of privatization), it should be willing to share the source of that knowledge, to promote experiments in the country to corroborate the hypothesis or to validate a local adaptation, and to encourage horizontal cross-learning from similar experiments documented in the organization’s knowledge management system—all before the reform is accepted as a blueprint for the country as a whole. The message to policymakers would sound like this:

To the best of our accumulated experience (which we deem to call knowledge), here is what works best in countries like yours. Why don’t you study these principles together with their corroboration to date (best practice success stories), take a look at these case studies, contact the people who designed these reforms, set up horizontal

learning programs with those best practice cases, and try some experiments to see what works in your own country? After carrying out this learning process on your own, you might call us back if you feel that we could help by providing some (not all) funding for the reform program you have decided on.

Most important is to get away from the model of teaching as the transmission of knowledge from the development agency to the developing country. As George Bernard Shaw put it, “If you teach a man anything he will never learn it” (1962, 174). Or Ortega y Gasset: “He who wants to teach a truth should place us in the position to discover it ourselves” (1961, 67). To impose a model without this local learning would be to bypass the active learning capability of the local policymakers, to substitute authority in its place, and perpetuate the passivity of tutelage.

### **Competition and Devil’s Advocacy in the Open Learning Model**

How can a large bureaucratic agency advance from the church model to the open learning model? One way is for the agency to take some of its own medicine by fostering competition in a marketplace for ideas within the agency. The judge in a U.S. courtroom does not go to the jury before both sides of the arguments have been heard, and a patient should not go to surgery before getting a second opinion. Even the Roman Catholic Church, when considering someone for sainthood, has a devil’s advocate to present the case against sainthood. A development agency should not pretend to greater authority or infallibility in canonizing a good practice success story as the one best way.

Thus devil’s advocacy might not only be tolerated but fostered in a development agency functioning as an open learning organization.<sup>25</sup> The political scientist Alfred De Grazia (1975) recommends such a countervailance system as a part of any large bureaucracy. Devil’s advocacy might yield a constructive alternative to the proposed policy. Economics uses the concept of opportunity cost to evaluate an option, comparing its value to that of the best alternative. If plan B is the best alternative to plan A (and the plans are mutually exclusive), then the opportunity cost of choosing plan A is the value forgone by not choosing plan B. Plan A is preferable if its value exceeds its opportunity cost (assuming both can be quantitatively measured).

Application of the opportunity cost doctrine requires the analysis and evaluation of the best alternative—and that is the more general role of devil’s advocacy even when quantitative values are unavailable. By eliciting plan B, devil’s advocacy generalizes the opportunity cost doctrine from cost-benefit analysis to general policy analysis. In a rivalrous market, competition provides the B plans, so organizational devil’s advocacy could be seen as an attempt to provide benchmark competition within an organization.

The general case for a more systematic devil’s advocate or countervailance role in an organization is much the same as the case for genuine debate and open discussion. The classic presentation of that argument is John Stuart Mill’s 1859 essay *On Liberty*. If little is known on a question or if only partial truths are known, then the clash of adverse opinion is one of the best engines of discovery. Mill argued that even in cases of settled opinions, debate and discussion serve to disturb the “deep slumber of a decided opinion” so that it might be held more as a rational conviction than as an article of faith.

So essential is this discipline to a real understanding of moral and human subjects that if opponents of all important truths do not exist, it is indispensable to imagine them, and supply them with the strongest arguments which the most skillful devil's advocate can conjure up (Mill 1972, 105).



# Toward an Open Learning Agency and Autonomy-Compatible Assistance

The idea that a development agency must always have an Official View (rather than house competing views) is about as scientific as the “scientific” socialism of the Communist Parties of the past. John Dewey (1939, 96) quotes the English Communist John Strachey’s statement that the “refusal to tolerate the existence of incompatible opinions ... [is] simply asserting the claim that Socialism is scientific [It] would be difficult, probably impossible, to find a more direct and elegantly finished denial of all the qualities that make ideas and theories either scientific or democratic than is contained in this statement.” In contrast, critical reason and scientific methodology go in quite the opposite direction, fostering a

willingness to hold belief in suspense, ability to doubt until evidence is obtained; willingness to go where evidence points instead of putting first a personally preferred conclusion; [and] ability to hold ideas in solution and use them as hypotheses to be tested instead of as dogmas to be asserted; (Dewey 1939, 145).

This part of the scientific attitude is translated into the policy domain as multiple advocacy (Haas 1990, 210) and double visioning (see Schön 1983, 281), among other suggestions. It is not wanton perversity that prevents this scientific attitude from being implemented in major development agencies and other large organizations. There are quite human impulses that push for conformity and rigidity.

To hold theories and principles in solution, awaiting confirmation, goes contrary to the grain. Even today questioning a statement made by a person is often taken by him as a reflection upon his integrity, and is resented. For many millennia opposition to views widely held in a community was intolerable. It called down the wrath of the deities who are in charge of the group Baconian idols of the tribe, the cave, the theater, and den have caused men to rush to conclusions, and then to use all their powers to defend from criticism and change the conclusions arrived at (Dewey 1939, 146).

If development agencies are to promote knowledge-based development as education writ large, they should learn organizational lessons from universities and other educational institutions about the need to foster open debate and competing theories within the organization. The scientific method demands no less. If the development agency can move beyond the church (or science-as-dogma) model to an open learning model, it can also move from the standard knowledge transmission methodology toward autonomy-compatible knowledge-based development assistance.

The aim of teaching is not only to transmit information, but also to transform students from passive recipients of other people's knowledge into active constructors of their own and other's knowledge. The teacher cannot transform without the student's active participation, of course. Teaching is fundamentally about creating the pedagogical, social, and ethical conditions under which students agree to take charge of their own learning, individually and collectively (Elmore 1991, xvi).

That activist pedagogy adapted to developing countries as the learners would constitute autonomy-compatible knowledge-based development assistance.

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# Endnotes

1. The essentially Kantian notion of autonomy is emphasized, but there is considerable overlap with Amartya Sen's (1999, 1982, 1984) emphasis on capabilities and agency.

2. "All [vicious development] circles result from the two-way dependence between development and some other factor, be it capital or entrepreneurship, education, public administration, etc. But the circle to which our analysis has led us may perhaps lay claim to a privileged place in the hierarchy of these circles inasmuch as it alone places the difficulties of development back where all difficulties of human action begin and belong: in the mind" (Hirschman 1958, 11). "All history—as well as all current experience—points to the fact that it is man, not nature, who provides the primary resource: that the key factor of all economic development comes out of the mind of man" (Schumacher 1973, 79).

3. See Deci and Ryan (1985), Elster (1983), Lane (1991), Candy (1991), Kohn (1993), and Deming (1994).

4. See Titmuss (1970), Arrow (1972), Scitovsky (1976), Hirsch (1976), Sen (1982), Schelling (1984), Akerlof (1984), Hirschman (1992), Kreps (1997), and Prendergast (1999). Frey (1997) is the first book-length treatment of the topic of intrinsic motivation in the economics literature.

5. See the discussion and references in World Bank (1998) and Killick and others (1998).

6. Frey's (1997) "crowding-out effect" is what Lane (1991) calls the "hidden cost effect" following the idea of the "hidden cost of rewards" as in Lepper and Greene (1978). The threat-to-autonomy effect is a short-run effect that may result from an intervention to entice or cajole a person to externalize the locus of causality while the crowding-out and atrophy effect is a longer-term drying-up or withering of intrinsic motivation that may result from externalizing the locus of control. Conservatives have traditionally emphasized a related problem where aid offered to those in need increases the benefit of being in a "needful state" and thus may eventually elicit a perverse "supply response" of increasing those who are in need. (see Hirschman 1991)

7. I use *autonomy* or *internal locus of causality* broadly to include not only one's "original" integrated sense of self but also norms based on social interactions that are eventually integrated and internalized so that following those norms would come to have an internal locus of causality. See Deci and Ryan (1985, ch. 5).

8. "It is hard ... to learn to accommodate one's ends to those of others; to adjust, to give way here, and fit in there with respect to our aims. But difficult as this is, it is easy compared with the difficulty of acting *in such a way* for ends which are helpful to others as will call out and make effective their activities." (Dewey and Tufts, 1908, 303)

9. There are, of course, certain matters that are within the domain of a government's deliberate action, such as setting exchange rates, reserve ratios, and other discretionary macroeconomic variables.

10. Previous work in this direction includes Goulet (1971), Korten and Klauss (1984), Verhagen (1987), Rahman (1993), and a good overview in Carmen (1996).

11. For recent literature on institutional reforms in a world of “second bests,” see Komesar (1994) and Rubin (1996).

12. Similarly, in Carl Rogers’ notion of client-centered therapy, the counselor needs to enter the “internal frame of reference of the client” in order that assistance can be given that respects and relies upon the actual capacity of the person. Maurice Friedman (1960) emphasizes the importance of seeing through the eyes of the other in Buber’s notion of dialogue. “The essential element of genuine dialogue ... is ‘seeing the other’ or ‘experiencing the other side.’” (p. 87) “This ‘inclusiveness’ is of the essence of the dialogical relation, for the teacher sees the position of the other in his concrete actuality yet does not lose sight of his own.” (p. 177) “Particularly important in this relationship is what Buber has variously called ‘seeing the other,’ ‘experiencing the other side,’ ‘inclusion,’ and ‘making the other present.’ This ‘seeing the other’ is not ... a matter of ‘identification’ or ‘empathy,’ but of a concrete imagining of the other side which does not at the same time lose sight of one’s own.” (pp. 188-89)

13. In addition to being wary of Greeks bearing gifts, Thoreau noted: “If I knew for a certainty that a man was coming to my house with the conscious design of doing me good, I should run for fear that I should have some of his good done to me” (quoted in Carmen 1996, 47).

14. In 1784, Immanuel Kant wrote a short but influential pamphlet *What is Enlightenment?* “Enlightenment is man’s release from his self-incurred tutelage. Tutelage is man’s inability to make use of his understanding without direction from another. Self-incurred is this tutelage when its cause lies not in lack of reason but in lack of resolution and courage to use it without direction from another. *Sapere aude!* ‘Have the courage to use your own reason!’—that is the motto of enlightenment.” (quoted in Schmidt 1996)

15. Success for a leader or, in general, a helper may be paradoxical in the sense that the helper creates the situation in which the doers take success as *their* own accomplishment (see Edmunson 1999 for a practical overview of such paradoxes). Charles Handy notes these results after the doers internalize the activity as their own. “Internalization ... means that the individual recipient of influence adopts the idea, the change in attitude or the new behavior, as his own. Fine. He will act on it without pressure. The change will be self-maintaining to a high degree. ... The successful psychotherapist is the one whose patients all believe they cured themselves—they internalized the therapy and it thereby became truly an integral part of them. Consultants suffer much the same dilemma of the psychotherapist—the problem of internalization. If they wish the client to use the right solution with full and lasting commitment then they must let him believe it is *his* solution.” (1993, 145) This echoes the notion of the Taoist ruler who governs in such a way that when the task is accomplished, the people will say “We have done it ourselves.” (Lao-Tzu, *Te-Tao Ching*, ch. 17)

16. See Deci and Ryan (1985) for development and extensive use of this distinction.

17. McClintock (1982) tells the story in a broader historical context that “as passionate causes wracked human affairs,...people found it hard to maintain restraint, they ceased to be willing merely to help in the self development of their fellows; they discovered themselves burdened, alas, with paternal responsibility for ensuring that their wards would not falter and miss the mark....Pressures—religious, political, social, economic, humanitarian pressures—began to mount upon the schools, and it soon became a mere matter of time before schools would be held accountable for the people they produced” (quoted in Candy 1991, 32).

18. Senge (1990, ch. 14); Lane (1991, ch.); and Bandura (1995).

19. There is an enormous literature on the economics of information from the work of the

pioneers such as Arrow and Stiglitz (see Eatwell and others 1989 for introductory articles) to a number of recent textbooks such as Campbell (1995).

20. See Schön's treatment (1983) of the technical expert in contrast with reflective practitioner.

21. See Ryle (1945-46) for the earlier distinction between knowing how and knowing that, Oakeshott (1991) for a treatment of practical knowledge versus technical knowledge, Schön (1983) for a related treatment of professional and instrumental knowledge, Marglin (1990) on *techne* and *episteme*, and Scott (1998) on *metis* and *episteme/techne* (see p. 425 on the terminological differences with Marglin's usage).

22. Even the codified part may suffer from the "*Rashomon* effect" described in Schön (1971).

23. See Hansen, Nohria, and Tierney (1999) on the contrasting strategies.

24. When predictions fail, then skewed perceptions and rationalizations are a likely outcome. See Festinger and others (1956), Festinger (1957), Lane (1991, part II), and Elster (1983). See Akerlof and Dickens (1982) for an economic treatment of cognitive dissonance.

25. Devil's advocacy (see Schwenk 1984) is interpreted broadly to include a number of related techniques to better elicit the main policy alternatives. A *Cassandra's advocate* (Janis 1972, 217) is a person who emphasizes alternative interpretations of data and focuses on all the things that can go wrong ("Murphy's Law"). The *Rashomon* effect (see Schön 1971, 210) illustrates that the same set of circumstances and events can be interpreted very differently by different people. Discussion organized as a debate between the proposed policy and the best alternative has been called the *dialectical method* (see Schwenk 1989; or Tung and Heminger 1993). *Multiple advocacy* (Haas 1990, 210) and *double visioning* (see Schön 1983, 281) refer to the practice of not only allowing but fostering the presentation of two or more policy options.