

Poverty is No Pond: Challenges for the Affluent
Leif Wenar

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“More than half the people of the world are living in conditions approaching misery. Their food is inadequate. They are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to them and to more prosperous areas.

For the first time in history, humanity possesses the knowledge and skill to relieve the suffering of these people.”

- Harry Truman, Inaugural Address, 1949

“More than a billion people struggle to live each day on less than many of us pay for a bottle of water. Nearly ten million children die each year from poverty-related causes.

For the first time in history, it is within our reach to eradicate world poverty and the suffering it brings.”

- Peter Singer, *The Life You Can Save*, 2009¹

¹ Peter Singer, *The Life You Can Save* (New York: Random House, 2009), back cover (the sentences quoted appear in reverse order in the original). Many thanks to Christian Barry, Patricia Illingworth, Holden Karnofsky, Cara Nine, Alice Obrecht, Thomas Pogge, Roger Riddell, Peter Singer and Lesley Sherratt for discussions of these issues.

This chapter is for individuals who understand the overwhelming disaster of severe poverty abroad.² The magnitude of this disaster is assumed. To use Roger Riddell's analogy, the average number of deaths from poverty each day is equivalent to 100 jumbo jets, each carrying 500 people (mostly children), crashing with no survivors.³ From a human perspective, severe poverty should be the top story in every newspaper, every newscast, and every news website, every day.

Morally alive individuals want to know how they should respond to the disaster of severe poverty. For nearly forty years "The Singer Solution" has been the leading secular paradigm, explaining to affluent individuals (you are likely "affluent" in the relevant sense⁴) why they must act and what they must do. Peter Singer argues that affluent individuals are required to send a substantial amount of their income to aid NGOs. Singer, like the appeals for funds from the NGOs themselves, tells individuals that they can be confident that sending money to an NGO will save poor people's lives. Many individuals have accepted this framework as defining the moral situation that confronts them.

The chapter aims to maintain Singer's admirable focus on what individuals can do in response to the enormous tragedy of severe poverty. Most of the chapter examines facts well known by professionals about the complexities of foreign aid. The focus is on what these complexities mean for individuals: on what potential donors *can reasonably believe* will happen if they take action on aid. The conclusion will be that Singer's framework is not adequate to the realities of our situation. Those who feel the tremendous moral urgency of severe poverty must decide how to act without the confidence of knowing that their actions will help the poorest, and must accept that the action they take may not only help, but might also harm, poor people in other countries. Accepting these unfortunate realities will require a change in moral reasoning about poverty.

Singer's original argument

Singer's 1972 argument is based on a moral principle, buttressed by an example, that is applied to affluent individuals using particular empirical premises, and leads to a call to action. Singer's moral principle is this:

² This chapter draws on Leif Wenar "What We Owe to Distant Others" *Politics, Philosophy and Economics* 2 (2003), pp. 283-304; "Accountability in International Development Aid" *Ethics and International Affairs* 20, pp. 1-23; "The Basic Structure as Object: Institutions and Humanitarian Concern" in *Global Justice, Global Institutions*, ed. D. Weinstock (Calgary: University of Calgary Press, 2007), pp. 253-78. Those articles contain extensive references to the aid literature; to save space those references are not repeated here.

³ Riddell, this volume, p. *.

⁴ In this chapter "affluent" is used relative to global incomes, and will include almost everyone living in a developed country. To illustrate this, Milanovic estimates that in 1993 an American living on the average income of the bottom 10% of the American population was in income terms better off than two-thirds of the people in the world. Branko Milanovic, "True World Income Distribution, 1988 and 1993: First Calculations, Based on Household Surveys Alone," *Economic Journal* 112 (2002), pp. 51-59.

If it is in our power to prevent something bad from happening, without thereby sacrificing anything morally significant, we ought, morally, to do it.⁵

Singer prompts his readers to affirm this principle with the famous example of the child in the pond:

An application of this principle would be as follows: if I am walking past a shallow pond and see a child drowning in it, I ought to wade in and pull the child out. This will mean getting my clothes muddy, but this is insignificant, while the death of the child would presumably be a very bad thing.⁶

Those who believe they ought to save the child should endorse the moral principle. Singer next uses an empirical premise about aid effectiveness to argue that the principle imposes moral duties on affluent individuals with respect to those suffering from severe poverty (Singer's example of poverty was the Bengal famine of 1971):

Expert observers and supervisors, sent out by famine relief organizations or permanently stationed in famine prone areas, can direct our aid to a refugee in Bengal almost as effectively as we could get it to someone on our own block.⁷

If affluent individuals can direct their money effectively to poor individuals then the moral principle requires them to do so, just as the passerby ought to sacrifice his clean shoes to save the child. In the 1972 article Singer did not specify how effective aid donations can be at saving lives overseas. Reprising his argument 25 years later, he indicated a range within which he was confident that a donation could save a life threatened by severe poverty:

We are all in that situation of the person passing the shallow pond: we can all save lives of people, both children and adults, who would otherwise die, and we can do so at a very small cost to us: the cost of a new CD, a shirt or a night out at a restaurant or concert, can mean the difference between life and death to more than one person somewhere in the world – and overseas aid agencies like Oxfam overcome the problem of acting at a distance.⁸

According to this passage, saving a life by giving to an aid agency like Oxfam is very cheap. Singer's examples are of the price of a CD, shirt, dinner, or concert which can save "more than one person." This appears to put the cost of saving a life in the \$5 - \$50 range.

The moral principle directs individuals to save lives up to the point where they are giving up something morally significant. Since Singer's empirical premises imply that saving lives is

⁵ Peter Singer, "Famine, Affluence and Morality," *Philosophy & Public Affairs* 1 (1972), p. 231. The 1972 article contains another version of the principle, with "of comparable moral importance" replacing "morally significant." (ibid.) The discussion here applies to both versions of the principle; Singer's 2009 book (p.15) deploys a principle more like the "comparable moral importance" version.

⁶ Singer, "Famine," p. 231

⁷ Ibid., p. 232.

⁸ Peter Singer, "The Drowning Child and the Expanding Circle," *New Internationalist*, April 1997, www.utilitarian.net/singer/by/199704--.htm.

cheap, his argument implies that “the whole way we look at moral issues – our moral conceptual scheme -- needs to be altered, and with it, the way of life that has come to be taken for granted in our society.”⁹ Affluent individuals are morally required to give a good deal of their wealth and income to aid NGOs—much more than they tend to give now.

The Donor’s Question

What affluent individuals need to know about aid is the answer to the “Donor’s Question”:

The Donor’s Question: How will each dollar I can give to aid, or each hour I can devote to campaigning for aid, affect the long-term well-being of people in other countries?

Donors cannot expect a precise answer to this question. As with many complex issues we must aim for informed, reasonable estimates. Our main aim in the next five sections is to assess what individuals can reasonably believe will happen when they give to or campaign for aid.

The Donor’s Question distinguishes between sending money and campaigning. Singer’s recommendation is that individuals should send money to an aid NGO, such as Oxfam, Care, or Save the Children. The other option (which Singer is less confident will be effective) is to campaign to pressure rich-country governments, or multilateral institutions such as the World Bank, to increase or improve their “official” aid.¹⁰ We will consider both possible courses of action here: both sending money to an NGO and campaigning for official aid.

Another choice facing affluent individuals is whether they should support humanitarian aid or development aid (or both). Humanitarian aid aims at short-term benefits for those that receive it. Humanitarian aid includes immediate provision of food and shelter, dehydration relief, and medical attention (as in Singer’s original case of the Bengali famine). Development aid aims to improve the well-being of the poor in the medium- to long-term, ideally enabling the poor to be self-sufficient. Typical development projects include constructing dams to improve irrigation in Laos, teaching basic reading skills to pastoralists in Kenya, organizing a farmer’s cooperative in Nepal, and running a micro-lending program to help women start their own businesses in Malawi. Again we will consider both humanitarian and development aid here.

Aid: The Big Picture

In the big picture, official aid flows are larger than private donations by a ratio of around 6:1. The ratio of development aid to humanitarian aid is about the same. The “typical” aid dollar

⁹ Singer, “Famine,” p. 230.

¹⁰ Singer, *The Life*, p. 114. Individuals may also consider other courses of action not discussed in this chapter, such as to campaign for policy changes (e.g., lower domestic agricultural tariffs and subsidies) that have nothing to do with aid.

is sent by a government or multilateral institution to fund development. Some aid is given to poor country governments for the purposes of expanding economic or social programs, stimulating the country's growth, or strengthening institutional capacities. Some aid is channeled to NGOs to fund the projects that they run.

The big picture of aid contains a large number of actors and initiatives. Official aid agencies like the United States Agency for International Development (USAID) and the World Bank fund hundreds of bilateral programs and individual programs and projects. There are also many aid NGOs: between 20,000 and 40,000 by some estimates, with 1,000 NGOs in India alone registered to receive foreign funds.¹¹ Some of these NGOs are giants like World Vision and Catholic Relief Services—with budgets greater than the GDP's of some poor countries—or the Bangladesh Rural Advancement Committee, which provides health services for nearly two-thirds of the country's population. Other NGOs are tiny or single-focus organizations, devoted to a particular region or a cause like performing cataract surgery. In 2003 the president of the World Bank noted that in the previous ten years 400,000 development projects had started, and that 80,000 were currently underway; these numbers have likely grown since then.

Individuals thus have many options for acting on aid: many organizations will accept their donations, and there are many messages that campaigners could convey to their governments and the multilateral institutions. What affluent individuals need to know is what will happen if they choose one of these options. Where can individuals get information about the likely effects of the many courses of action open to them?

Sources of information for individuals

Promotional Materials and the Media

The most readily available sources of information are promotional materials from aid NGOs: newspaper advertisements, direct mailings, television commercials, and websites. These are unreliable sources of information. Most of the materials that NGOs target at the public are prepared by marketing professionals, and are subject no effective independent oversight. The information these materials tend to highlight—individual success stories, figures for total funds spent, pie-charts showing percentages of budgets devoted to “projects” versus “administration”—are not the kinds of information needed to make judgments about how effective NGOs are in achieving their aims, much less about the larger impacts of their activities.¹² Promotional materials mostly present individuals with a “money shot”: a carefully

¹¹ Roger Riddell, *Does Foreign Aid Really Work?* (Oxford: Oxford University Press, 2007), pp. 53-54.

¹² For example, the pie-charts showing budgetary percentages give little relevant information about the structure of an NGO's operations or the effectiveness of its projects. Many individuals would be surprised at what some NGOs count as a “project expense” as opposed to an “administrative expense”; and in any case many poverty-reduction projects would likely be more effective if a higher proportion of funds were spent administration. For these reasons neither NGO fiscal reports (which only detail budgetary percentages) nor most “charity rating websites” (which use budgetary percentages to rank various NGOs) are reliable sources of information about NGO effectiveness.

selected and portrayed moment where the NGO appears to help poor people. Most NGO promote themselves primarily with these money shots, plus slogans (“We Save the Children: Will You?” “Save a Child’s Life”)¹³. The purpose of these promotional materials is to raise revenue, not to provide accurate information about the overall effects of donating to the organization.

The media are the other readily available source for individuals about aid: both about bilateral and multilateral aid, and about NGO activities. Media stories are also unreliable sources of information about the effects of aid. Most stories portray dramatic crisis events (such as a famine), when reporters usually transmit the “numbers threatened” and “dollars needed” figures given to them by aid organizations. There is also an occasional “aid isn’t working” story based on interviews with aid critics. Most mainstream journalists lack the expertise or resources to attempt overall evaluations of, for example, official British aid to Zambia, or Norwegian Church Aid’s efforts to increase access to anti-retroviral treatments in Laos.

The Expert Aid Literature

The most promising sources of information are aid experts: the hundreds of thousands of people who work for aid agencies and the thousands more who study what they do. Individuals can read the literature on aid written by experts, or consult the experts directly (by, say, talking to someone in the development studies department of a local university). I will focus here on the aid literature, which reflects what one would hear directly from the experts.

Individuals who approach the empirical literature on aid will likely be struck by at least four of its features. First, the aid literature is gigantic and extremely diverse.¹⁴ Second, despite its extent the literature rarely if ever takes up the Donor’s Question. What affluent individuals need to know is how each dollar they can give, or each hour they can devote to campaigning, will affect the long-term well-being of people in other countries. The experts who produce the empirical literature have generally not addressed this question in their work.

The third striking feature of the empirical aid literature is that it is highly contentious. There are a few statements about poverty and aid that are widely accepted among experts.¹⁵ Yet almost everything else is disputed. This is perhaps not surprising given how highly charged aid is ideologically. Yet what is remarkable in these debates is how deep the disagreements run about what methods are appropriate for assessing the data, and about what data are relevant for evaluating particular development strategies. Indeed, even the most commonly used World Bank statistics addressing elementary questions like how many poor people there are in the world have

¹³ www.savethechildren.org.uk, accessed August 22, 2009.

¹⁴ One can get a sense of the literature by typing terms like “official development aid” and “NGO aid” into a search engine like Google Scholar.

¹⁵ For example, most (though not all) agree that severe poverty has decreased in both absolute and percentage terms in the past thirty years; that aid flows have been small during this period relative to global economic activity; that much aid has been given for geo-strategic instead of poverty-reduction reasons; and that some of the largest poverty reductions during this period (including the largest in human history—the reduction of poverty in China) were mostly not attributable to aid efforts.

been strongly criticized by responsible academics as “neither meaningful nor reliable.”¹⁶ These disagreements lead to remarkably varied assessments of the specific and overall impacts of aid.

Radicals on aid suggest, for example, that aid is primarily a continuation of the Western imperialist project, or that most people living in severe poverty do not want to be “developed” out of it. Within the mainstream literature, aid experts can be divided (with no disrespect for their talents) between “believers” and “atheists”. Believers such as Jeffrey Sachs argue that we know aid can do good, and that we need more of it. They publish books with titles like *The End of Poverty: How We Can Make It Happen in Our Lifetimes*. Atheists such as William Easterly argue that we know that conventional aid will be mostly wasteful or harmful. Their books have titles such as *The White Man’s Burden: Why the West’s Efforts to Aid the Rest Have Done So Much Ill and So Little Good*. This division between believers and atheists has been a feature of the literature on aid for decades, and can be found with respect both to official aid and NGO projects, and both to humanitarian and development aid.

The primary cause of the disagreement among experts about the effects of aid is the extraordinary complexity of the contexts in which aid efforts are attempted. As we will see, the political, social and economic systems of the areas that receive aid are extremely complicated. These contexts differ from one another along several dimensions, and they are subject to different external forces. Areas where severe poverty exists are often quite different from those in the developed world (for example, they are often less democratic or more chaotic). These areas always contain many actors who have different agendas and varying abilities to pursue them. Powerful actors in these areas are often able to influence aid efforts so as to benefit themselves, impeding these efforts from attaining their goals.

Moreover, the mechanisms for collecting basic data on what specific interventions do in poor countries are usually quite limited. And because aid is only one of many factors at work in these systems it is hard to tease out of this data what specific effects aid is having over and against the influence of other factors. These complexities explain why intelligent, informed people of good will make such sharply divergent assessments of the main empirical question about aid: “What happens when we do X”?

The next section reviews some of the challenges for aid agencies generated by the complexities of the contexts where aid is given. These challenges are widely discussed in the mainstream aid literature, and bear directly on the question of what individuals can reasonably believe will happen if they donate to or campaign on aid.

Since discussions of the challenges of aid are usually taken up by aid critics, I’d like to make explicit and emphasize the position I’m taking in this paper. All of the challenges I will summarize are well known to aid experts, and many agencies make major efforts to try to overcome them. These challenges are all “old news” to people in the aid business. This paper will not take either a believer or an atheist position on aid effectiveness. After setting out these challenges *I will make no overall assessment whatsoever about whether aid of any type does*

¹⁶ Sanjay Reddy and Thomas Pogge, “How *Not* to Count the Poor” 6.2 (2005), www.socialanalysis.org. See now the debate at www.ipc-undp.org/theme.do#Pov.

more good than harm, or more harm than good. Nor does the paper aim to discourage individuals in any way from acting to relieve poverty by discussing the challenges of doing so. Rather the intention (much in the spirit of Peter Singer) is to set out the best current understanding of the facts that define our situation so that individuals can make their own decisions about what they should do.

Finally, in case this needs saying, I assume that most individuals involved in aid seek a better world for the poor. One finds in the aid industry the normal range of human motivations, yet aid officials and certainly aid workers tend to be more concerned than most about reducing severe poverty. Workers in the field also sometimes undergo real hardships and show striking courage. Good intentions are not the issue: the Donor's Question is about effects.

Challenges of Aid

There is an extremely complex causal nexus between affluent individuals and people living in extreme poverty. Some of this complexity exists within the internal structures of the governmental and non-governmental organizations that are intermediate between the rich and the poor. Most of the complexity exists within the political, economic and social contexts where the poor people live—within the poor countries, as these interact with the wider world. The forces that shape the fates of people in poor countries are just as numerous and intertwined as those in developed countries. Some of these forces are familiar, some quite different.

These causal complexities generate a number of challenges for the success of aid initiatives. Below I have collected some of the challenges under seven headings. This list is not meant to be complete; and again there is no suggestion that these challenges are insuperable. Everyone in the aid business knows about these challenges, and many governments and agencies try to overcome them. The challenges, however, remain serious and persistent. They confront both humanitarian and development aid agencies, and both governments and NGOs.

1. Time, Management, and Coordination Challenges

In a humanitarian emergency such as an earthquake or a famine, aid must be provided quickly to be effective. Many governmental and non-governmental agencies typically rush to provide aid, raising the risk that these efforts will duplicate each other, provide inappropriate or sub-standard aid, target those who do not need the aid, or leave gaps in coverage among those who do. In some emergencies such as the 2004 Asian tsunami donors give more money than can effectively be absorbed; in most other emergencies funds have been insufficient.

In development it is the long duration of aid efforts that often poses challenges instead of their immediate urgency. For example, if a child who is infected with worms is given anthelmintic drugs, her worms will clear. However, if that is all that happens, she will very likely be reinfected with worms within a few months. Parasite eradication, as any successful poverty-

relief program, requires a long-term commitment. With major public health problems like hookworm, malaria and HIV-AIDS, 10 or 15 years is a reasonable time-scale for making significant progress. The more remote or transitory a recipient population is, the more difficult long-term engagement becomes.

Moreover, over the duration of a long project the setting within which a development project is being implemented can be expected to shift. Project managers will expect to confront economic or environmental changes, or new directives from local government, or new players who enter trying to capture project resources, or new attitudes toward the project and its staff among the project's intended beneficiaries. It is not uncommon for projects to face financial challenges as well, for example when an NGOs funder fails to follow through on its commitment to provide resources during the implementation phase.

NGOs face distinctive management and coordination challenges. In most poor countries state institutions are either quite weak, or they are strong and self-serving. Indeed most poor people in most poor countries remain poor at least in part because their political institutions are inefficient, venal, despotic, or absent altogether. Non-governmental organizations join the effort to reduce poverty specifically because they perceive domestic government ministries like health and education are not fulfilling their functions. NGOs, both in humanitarian and development aid, are "free floating" agencies, whose directors, managers, and front-line workers take on tasks that domestic governments cannot or will not do.

Because aid NGOs are free floating, each is its own self-contained and self-defined "mini-ministry". Some have a single-issue focus, like reproductive health or the environment. Others are church-based, and their missions may combine aid work with proselytizing. A number of NGOs employ front-line workers who are mostly young, short-term employees without experience of the area in which they will work. Many aid agencies come into a country from the outside, with a mission and managerial staff that are literally foreign. All of these factors can make it difficult for NGOs to integrate their programs with government ministries, with recipient populations, and with the other NGOs working in-country. The lack of coordination mechanisms makes miscommunication and crossed purposes between different NGOs, and between NGOs and locals, a constant hazard. Like their official aid counterparts, some aid agencies also have a tendency to try to "plant a flag" on some area or problem and compete with other agencies regarding aid provision for it.

As for official aid, when multiple donors and ministries fail to coordinate there is also considerable potential for waste, coverage gaps, and policy conflict. As a UNDP report notes, at one point some 40 donors maintained 2000 different aid projects in Tanzania.¹⁷ The task of joining up these projects into a coherent overall pro-poor strategy would be monumental, even if there were some agency that could take it on. Official donors often demand extensive reports from recipient governments, diverting civil servants away from the tasks of implementing programs. Official donors also often fail to deliver on aid promised, and other official donors

¹⁷ UNDP, *Development Effectiveness Report* (New York: United Nations, 2003), p. 41.

typically feel no need to make up for these lost funds. This lack of coordination can make planning difficult even within better-run poor-country bureaucracies.¹⁸

2. Participation

Most development planners face the general dilemma that projects must be sensitive to local skills and customs to ensure participation and so success; yet the success of many projects also turns on effecting significant changes in the productive, or political, or reproductive practices of those who are meant to participate. Asia and Africa are speckled with decaying infrastructure projects from earlier eras of development aid whose operation did not fit with the skills and customs of the local populations. Projects intended to resettle communities, or to empower marginalized groups, or to democratize local politics typically disrupt settled practices in ways that some intended participants naturally resist. When a project's success will depend on a change in gender or sexual relations—such as in female literacy or AIDS-prevention projects—these kinds of difficulties with local “ownership” are intensified.

Official donors face participation challenges on a national scale parallel to those that project planners face on a local scale. Official donors often believe that they know what the domestic government should do to make aid work. However, they also know that effectiveness often depends on domestic governments “owning” these initiatives. In the past official donors have grasped one horn of this dilemma by making future aid conditional on domestic governments carrying out certain directives. Yet domestic governments have often ignored these directives, and received more aid anyway—making conditionality approaches now less credible.

3. Resource diversion

People in poor countries are of course just as rational, and just as morally scrupulous, as people in rich countries. Their political and economic situations are just as complex. One major difference between the situation of people in poor and rich countries is that the state institutions in poor countries are usually far less effective. This general fact increases the potential for diversion of aid resources away from the intended beneficiaries.

If a development project is implemented through the ministries of the poor country, project funds and supplies may be diverted at the national, district, or local levels of governance. Aid, that is, may be captured by corruption, and more aid may stimulate more corruption. One study of Ugandan public education funding found that over a four year period public schools

¹⁸ Ales Bulir and A. Javier Hamann, “Volatility of Development Aid: From the Frying Pan into the Fire?” *World Development* 36 (2008), pp. 2048-2066.

received only 13 percent of the grants intended for them, the rest being siphoned off by local officials.¹⁹

Aid NGOs often have to pay poor-country government directly: either to get permission to carry out their projects, or through paying local taxes. These payments from NGOs to poor governments can support the rule of authoritarian leaders, or they can feed corruption in the bureaucracy. NGOs must sometimes pay corrupt officials or warlords in order to get visas or to maintain their headquarters in the national capital, and must sometimes pay off or even employ criminals in order to carry out their projects in the field. These payments can enrich and legitimize groups which use their power in ways that exacerbate poverty. Those who exercise illegitimate power in a country are often glad to welcome aid agencies in, as bringing agencies into the country will increase their opportunities for patronage. And NGOs by definition have no official power of their own, which limits their ability to bargain with governments and criminals.

The dangers of resource diversion are especially clear in contexts of armed conflict. In order to gain access to the needy, humanitarian organizations may have to turn food aid over to a local army or militia. Combatants often steal food, blankets or vehicles from aid agencies, either for their own use or to exchange for other supplies (including weapons). The presence of “free” food or medical care in some region may encourage combatants to continue fighting, or it may encourage them to drive unwanted minorities into refugee camps where the services are provided. The camps where humanitarian aid is given may themselves also become loci of disease transmission, or (as during the Rwandan genocide) havens where refugee-soldiers can regroup and recruit in preparation for launching further attacks.

The risks of resource diversion illustrate what might be called the iron law of political economy. Resources tend to flow toward those that have more power; or, to put it the other way around, the less powerful people are, the harder it is to get resources to them. The richer, stronger, healthier, better armed, better fed, better educated and better located people are, the more likely they are to capture benefits from any stream of resources.

4. Economic effects

Famines of the kind that Singer discusses are caused more by a breakdown in political and economic institutions than by “natural” events like crop failures. As Amartya Sen has written, for good governments “famines are, in fact, so easy to prevent that it is amazing that they are allowed to occur at all.”²⁰

It is because famines happen in contexts of institutional failure that the insertion of resources from outside at times does not have its intended effects. For example, Ethiopia received significant food aid each year during the decade after the famine of the mid-1980’s, normally equivalent to about 10% of its total food production. During this period, and despite the

¹⁹ Ritva Reinikka and Jakob Svensson, “Local Capture and the Political Economy of School Financing,” *Quarterly Journal of Economics* 119 (2004), pp. 679-705.

²⁰ Amartya Sen, *Development as Freedom* (Oxford: Oxford University Press, 1999), p. 175.

fact that there was enough food in-country to meet the nutritional needs of all Ethiopians, almost half of Ethiopian households remained food-insecure. A significant amount of food was distributed through food relief projects, yet relatively little of this food reached those in need. Well-off districts were just as likely to receive the imported food as very poor districts, and on average less than 23% of food-insecure households received any food. Moreover, much of the food that was distributed to food-secure households ended up being resold on local markets, depressing food prices and diminishing incentives for domestic production, thus increasing food insecurity and stimulating another campaign for food aid the next year.

Aid can also have other counter-productive economic effects. Aid money is fungible, and official aid flows can free up money for the domestic government to pursue other ends. For example, aid funds can be shifted by a recipient government to build up its military. Pumping aid money into an economy can increase price inflation for basic goods, or it can raise the exchange rate of the country's currency so that export industries find it harder to do business (the "Dutch Disease"). Donations in kind from rich countries (like used clothing) can wipe out domestic manufacturing (e.g., in apparel), one of the traditional paths of poor countries out of poverty. Investing in training young people in areas like health can backfire if there are not enough jobs to be filled in the country, or if such jobs pay more elsewhere (stimulating "brain drain").

Aid projects can also attract local employees whose skills would be more productively used somewhere else in the economy. In Kenya a World Bank agricultural project paid staff 12 to 24 times as much as the pay of a senior economist in the Kenyan government.²¹ In Kosovo foreign aid agencies hired many local teachers and administrators to become translators and drivers. (The sheer number of these agencies in Kosovo also drove up the prices of housing beyond what many locals could afford.)

5. Aggregation effects

As the last example indicates, sometimes aid has unintended effects because of the *combination* of initiatives undertaken simultaneously in the same location. Aid projects can counteract each other's effects, even across the divide of humanitarian and development assistance. Providing free humanitarian relief aid to pastoralists, for example, can tempt the pastoralists to remain in the aid camps instead of returning to their traditional lands where development projects aim to increase their self-sufficiency.

Other unintended effects in this category echo the challenges of management described above. One study reports that "in a typical African country, some 30 official donors and several dozen international NGOs provide aid to over 1000 distinct projects and several hundred resident foreign experts... A higher level of total aid and higher donor fragmentation are associated with worsening bureaucratic quality in aid recipient governments."²² Donors and NGOs are often

²¹ William Easterly, "Introduction," in *Reinventing Foreign Aid* ed. W. Easterly (Cambridge, MA: MIT Press, 2008), p. 28.

²² *ibid*, p. 32.

more concerned to “move money” and to initiate projects than to consider how the aggregation of initiatives will affect recipient government efficacy and project quality.

6. Weakened governance and dependency

A long-standing concern about aid initiatives is that they may weaken the links between the developing country’s government and its citizens. This concern is especially pronounced when donors bypass the government and provide “services” directly to the citizens. From the government’s perspective, it becomes easier to ignore the poorest citizens in policy planning decisions when it is known that foreign-funded NGOs will step in to attempt to cover them. From the citizens’ perspective, there is less reason to press for increased transparency, accountability, and democracy in their national and local governments when it is not these governments but rather those NGOs that are providing basic services to them. This concern is particularly urgent in the dozens of countries where foreign-funded NGOs provide a significant proportion of basic services.

Stories linking official aid and personal corruption of officials are legion in the aid industry. Also of concern is that officials may make aid money available to citizens only in return for political support. Official aid can foster a culture of “rent seeking” within a country, meaning that the way to get ahead is not to produce goods or services but rather to make friends with ministers or to secure a lucrative post in the civil service as a base to pursue personal projects.

The fundamental concern about governance is that both official and non-official aid may break the “social contract” between government and the citizenry. Both the government and citizens may become more dependent on foreigners than on each other. Governments that receive a large portion of their budget from foreign donors become more concerned with keeping these donors happy than with maintaining the support of the public. Citizens who depend on foreign NGOs become less concerned to try to influence what they usually perceive as a distant and dysfunctional government.

7. Socio-cultural impacts

A final set of challenges regarding socio-cultural impacts is often discussed in the expert aid literature and among aid workers. The concerns here tend to be expressed in personal rather than statistical terms, as the potential problems are difficult to measure scientifically.

Aid agencies must select people in the recipient countries to work with. Whoever they choose will often thereby gain resources, opportunities, and perhaps most importantly legitimacy. When rich foreign governments work with certain leaders, these leaders are legitimated in the public’s eyes. When NGOs choose to work with the village elders, the elders (often the most conservative community members) gain power.

Similarly, when agencies move in to an area and classify recipients by their regional membership, race, ethnicity, or need, they may increase tensions between groups by reinforcing people's identification with or against those groups.²³ Even hiring translators can have unintended effects, as agencies are likely to be hiring locals whose foreign language abilities mark them out as privileged members of local elites. Aid can, in short, increase inequalities in wealth and power in poor countries, and exacerbate existing rivalries.

There are, finally, potential adverse socio-cultural impacts when rich foreigners run projects in poor communities.²⁴ When aid workers in the field hire armed guards to protect their own property, it may send an implicit message that guns are needed for the good life. Even well-meaning aid workers can find it hard to interact with destitute people reliably, and without condescension. And for the poor there may be the simple frustration of daily seeing rich foreigners maintain a lifestyle (expensive vehicles, leisure and good food, travel abroad) that they and their families will never attain. Perhaps the best way to get a sense of these kinds of concerns is to imagine your own community as the object of aid projects run by foreigners who are very much wealthier than yourself and your neighbors.

Two consequences of complexity

All of these challenges have long been known to aid professionals, and the best aid donors (like the Scandinavian governments) and NGOs (such as Oxfam and Care) make concerted efforts to work around them. The best NGOs have, for example, permanent staff in-country who make regular contacts with government ministries. The best agencies try to employ experienced local workers in both managerial and front-line jobs, and to engage with communities to discover what their needs really are and how their social systems function. The best agencies also use formal and informal mechanisms to coordinate their efforts with at least some of the other major agencies that work in the same regions. Nevertheless all of these challenges—time, management and coordination; participation; resource diversion; economic effects; aggregation effects; weakened governance and dependence; socio-cultural impacts—remain significant, and anyone working in aid will have stories ready to illustrate all of them.

Again the aim of setting out these challenges is *not* to come to an overall assessment about whether aid of any sort does more good than harm, or more harm than good. The only aim is to spotlight the extremely complex causal nexus between affluent individuals and people living in extreme poverty. Two modest conclusions flow from these facts about causal complexity.

1. It is likely that some aid will make some people in other countries worse off than they would have been, *even in cases where the aid is beneficial overall* (that is, even when overall it helps more than it harms).

²³ Mary B. Anderson, *Do No Harm* (Boulder, CO: Lynne Rienner, 1999), pp. 46-47.

²⁴ *Ibid.*, pp. 55-66.

This follows from the challenges we have just seen. From the perspective of an individual living in poverty, a particular aid effort may harm more than it helps. The aid may strengthen the autocrats, corrupt bureaucrats, warlords, soldiers or criminals that have power over that person. A humanitarian effort may draw the person away from their self-sustaining livelihood; a development project may draw them into acquiring skills for which there is no employment. Aid in aggregate may increase inflation, reduce employment, or weaken the provision of public services. Aid flowing into this person's country may delay needed political reforms, and make both the government and the citizens more responsive to foreigners than to each other. Aid may inflame economic inequalities or ethnic antagonisms in ways that are bad for this person, or damage his or her self-esteem. And so on. Even assuming an aid project or official aid to a country helps overall, it may leave at least some people worse off than before.

The second conclusion flowing from the causal complexity of aid is this:

2. It is very difficult for affluent individuals to make reliable estimates of the *overall* effects of their aid donations or campaigning.

The Donor's Question is: *How will each dollar I can give to aid, or each hour I can devote to campaigning for aid, affect the long-term well-being of people in other countries?* As before, with such a question we must be satisfied with informed, reasonable estimates. The complexity of the causal nexus between donors and recipients, however, means that it is quite difficult to make such judgments.

Evaluation and checking mechanisms

We have nearly completed our survey of the complexities of foreign aid. Yet it might appear that we have set the epistemological hurdle too high for aid. After all, many affluent individuals feel confident in donating to domestic (rich-country) organizations like charities supporting the homeless. And many feel confident that some of the taxes they pay to their own government will in part be used to help the poor within their own country. If individuals feel confident in their domestic, rich-country "aid efforts," can they not feel similarly confident about aid efforts abroad?

People differ in their assessments as to what extent the seven challenges listed above also apply to "aid" within rich countries (e.g., conservatives are wary of "welfare dependency"; liberals worry about "the stigma of charity"). However one assesses those issues, individuals in developed countries should accept that their epistemological situation is worse regarding foreign than regarding domestic action. It is much harder for individuals to have informed, reasonable views about aid abroad than about "aid" at home.

This is in part evident from what we have already seen. Unlike in the domestic case, aid abroad essentially involves very powerful foreigners coming into a poor country and either acting directly on the poor or trying to get them to change their ways. And the institutions in poor countries are typically much worse than in rich countries: economies are more fragile, the

political situation is more chaotic or more repressive or both. Foreign aid is intrinsically harder than domestic “aid,” and the environments in which it takes place are almost always less conducive to success.

There are also two reinforcing reasons for individuals to feel less confident about foreign aid than about “aid” in their own country. The first is that the expert mechanisms for evaluating the effects of foreign aid are poor sources of information on aid’s overall effects. The second is that there are fewer means for keeping foreign aid on track. These are problems of evaluation and checking mechanisms.²⁵

Aid evaluation

Evaluation is its own professional specialization, with university-based training programs, departments within government ministries, a specialized literature, international conferences, and so on. The evaluation of policy reforms and individual projects undertaken within wealthy countries like the United States or the United Kingdom is a sophisticated, relatively well-resourced activity with a long history. Foreign aid evaluation is, in comparison, underfunded and very much in its infancy.

The evaluation of foreign aid projects and programs is the primary means by which the success of these programs is judged. Evaluation is therefore the major mechanism through which it could be known which aid agencies are effective, and which types of projects work in which settings. Books on aid effectiveness like Cassen’s classic *Does Aid Work?*²⁶ are based on these evaluations.

Those who examine the field of aid evaluation for the first time may be surprised by what they discover. Aid evaluation is by its nature difficult. Moreover aid evaluation is also done rarely, it is often done poorly, it is often not analyzed systematically or fed back into planning. Further, even if evaluation were perfectly successful it would be of limited use in answering the Donor’s Question. Here I will focus on development evaluation at the project level, which is more sophisticated and better resourced than humanitarian evaluation.

Development projects are always difficult to assess. An evaluator must judge what effects a given intervention (like an AIDS education program or a microlending initiative) has had within a complex environment, and can only make these judgments by contrasting the current situation with the counterfactual situation in which the intervention was not made. The evaluator, that is, tries to measure the difference between “What happened when we did X this time?” and “What would have happened if we hadn’t done X this time?” In all but rare cases, the evaluator must guess the answer to the second, counterfactual question. This is hard. The effects observed in the actual situation (increased condom use, decreased purchasing power) may have been

²⁵ These topics are discussed more extensively in Wenar, “Accountability,” and “The Basic Structure”. Those articles set out a proposal for an organization (an association of evaluation professionals) for increasing evaluation quality.

²⁶ Robert Cassen, *Does Aid Work?* second edition (Oxford: Clarendon, 1994).

caused by X, or they may have been caused by other factors in environment (e.g., a news story about a celebrity's HIV infection; or an increase in inflation). Or the effects that X actually had may have been amplified, or more than cancelled out, by non-project causes. Teasing out the causation is inherently challenging. Moreover:

- In-depth, robust evaluations are rarely undertaken. Only a very small percentage of aid projects and programs are ever formally evaluated. Cracknell reports that the amount spent on evaluation by the American, Swedish, British aid agencies and the World Bank in the 1990s ranged from .05% - .2% of total budget.²⁷
- Evaluation is often done poorly. Most of the project evaluations that are done are self-evaluations, carried out by those who have implemented the project. The remainder are done by consultants hired by the implementing agency, or by the staff of the evaluation department of a ministry or multilateral organization. One problem is that self-evaluators tend to lack training, while specialists often have limited familiarity with the country or region where the project is located. However the most serious concern about the quality of evaluations is that they carry a systematic positive bias. All parties except the poor (i.e., self-evaluators, consultants, ministries and aid agencies) have interests in evaluating projects that look more likely to succeed, and all have interests in more positive evaluations being filed. There are few quality-control mechanisms to check the tendencies toward positive bias.
- Evaluations are often not analyzed systematically or fed back into planning. To do large-scale analyses aimed at answering the question "What happens when we do X," one needs individual evaluations that have standardized parameters. Standardization across evaluations is often not sufficient to perform good meta-analyses. The great majority of agencies do not even attempt to do formal meta-analyses of their evaluations. Indeed only a very few agencies systematically collect and disburse evaluation information within their organizations for the sake of future project planning. (Systematic release of evaluations to outsiders is even rarer.) The summary explanation for this lack of analysis and feedback is that decisions about future aid funding are not ordinarily based on proof of past effectiveness.

Most aid evaluations are currently neither good quality nor well used. This is particularly disappointing because in aid it is often surprising what does *not* work. For example, a plausible project in Kenya tried replacing school textbooks with easier-to-understand flip-charts.²⁸ One analysis of the evaluation data from the project found that the charts raised students' test scores by 20% of a standard deviation. A second analysis found only a 5% improvement. However, when the project was subjected to randomized evaluation (i.e., compared to a control group),

²⁷ Basil Cracknell, *Evaluating Development Aid* (London: Sage, 2001), p. 88.

²⁸ Esther Duflo and Michael Kremer, "The Use of Randomization in the Evaluation of Development Effectiveness," in *Reinventing Foreign Aid*, p. 102.

there was no evidence of improvement in test scores at all. The promising project didn't work—yet the standard evaluations showed that it did.

The topic of randomized evaluations is important, and leads to the main point about evaluations. Randomized evaluations are the coming thing in development, seen as “the gold standard” for determining what works. With randomized evaluations there is no need to guess at the answer to the counterfactual question “What would have happened if we hadn't done X this time?”, because the evaluator can look at the control group for the answer. Randomized evaluation is not a panacea (it is expensive, hard to “scale up,” and judgment must still be used to assess how a particular type of project would transfer to other environments). However it is a clear improvement over the current standard evaluation procedure.²⁹

Nevertheless, even if all aid evaluations ever done had been of the quality of randomized evaluations—indeed even if all projects ever implemented had been evaluated at this quality—the sum would be much less than what donors need to know. This is because evaluations primarily measure *success at meeting immediate objectives*. Evaluations almost never try to measure systematic effects of the type discussed in the list of seven challenges above. The evaluation of a clean water project will conclude that a new pump was installed at a certain cost. The evaluation of an anti-malaria project will report that a certain number of bednets were distributed and that a certain percentage can be expected to be in use. These evaluations will pronounce on project success based on this information: they will declare whether that aid “worked.” Only rarely will the possible political, economic, social, and psychological effects of the project (on inflation, corruption, social tensions, self-image, etc.) be described, and even more rarely will any attempt be made to measure any of these effects.

This is understandable—systematic effects are much more difficult to measure than immediate outcomes. Yet without information about systematic effects donors cannot make reasonable guesses at the answer to their question. Even the best project evaluation is an “extreme close-up” of a particular cause-effect link. Donors need the big picture.

Riddell, a leading expert on aid effectiveness, says this about official donors and project evaluation in *Does Foreign Aid Really Work?*:³⁰

What does the evidence tell us about the success of a project to help fill the wider objectives? The answer is that there is remarkably little evidence available which enables us to form judgments at either the sectoral level or economy wide. For decades donors never really thought it was necessary to address the wider impact of their projects: it was simply assumed that if the project was successful so are the wider impacts. In recent years, some donors have sought to fill these information gaps by commissioning studies and valuations which examine the systemic relationships between aid inputs and wider outcomes. However, the dominant conclusion emerging is that there is still insufficient evidence for sound

²⁹ See www.povertyactionlab.org.

³⁰ Riddell, *Does Foreign Aid*, p. 189.

judgments about the relationship between projects and wider outcomes, especially at the sectoral level and beyond.

And however bad the epistemological situation is regarding official aid, the situation with respect to NGOs is worse:³¹

What is the overall impact of NGO development activity in particular countries? Regrettably there has always been and remains to this day an almost complete absence of data and information with which to assess the wider systemic impact of NGO development interventions and activities. Compared to the amount of money spent and ink spilt trying to analyze the impact of official aid at the country level and beyond, it is surprising that no rigorous attempt has been made to try to assess the overall effect of NGO activities in any aid recipient country. Indeed neither has there been an attempt to aggregate the combined effects of all the major NGO interventions in a particular country, or even of a particular sub-sector where NGO contributions played a major role in the delivery of services, in order to try to develop a sense of the overall effect of all the different interventions in different sectors.

Checking mechanisms

The epistemological situation of an affluent individual *qua* foreign aid donor is much worse than that of the same individual *qua*, say, tax-payer. The quality and availability of data, and the quality and systematicity of analysis, is much better on initiatives undertaken within rich countries. Consider for example a major domestic US public policy initiative like the Clinton-era reforms of welfare provision in the United States. The scope and depth of individual studies³² and synthetic analyses³³ on the effects of this initiative are much better than almost anything in foreign aid. Regarding analysis (as everything else) the rich devote much greater resources to what goes on within their own borders.

Moreover, donors should worry more about the possible negative systematic effects of foreign aid. This is because the checking mechanisms for keeping aid on track are typically weaker in poor countries than in rich ones. If some policy or project in a rich country is having no effects, or unintended adverse effects, there are many mechanisms to detect and change this. Media reports, bureaucratic audits, academic scrutiny, and democratic voting are (relatively) effective checking mechanisms in developed nations. These mechanisms tend to be weak or absent with respect to aid abroad.

³¹ *Ibid.*, p. 266.

³² For example, Rebecca M. Blank, "Evaluating Welfare Reform in the United States," *Journal of Economic Literature* 40 (2002), pp. 1105-1166.

³³ For example, Ron Haskings et. al., "Welfare Reform: An Overview of Effects to Date," *Brookings Institution Policy Brief* 1 (January 2001).

Take the checking mechanisms on aid NGOs for example. Aid NGOs are not run for profit, so are not accountable for providing good projects in the same way that businesses are held accountable through consumer choice for providing good products. Nor of course are aid NGOs accountable to any democratic electorate. And the checks that can constrain government ministries, such as bureaucratic oversight, media scrutiny and academic study, in fact put quite weak corrective pressures on aid NGOs. These institutions are, first, almost always less robust within poor countries. Moreover, since NGOs are bringing money into a poor country (typically by implementing smaller, local projects), the government and the media in the poor country usually do not give NGO impacts serious scrutiny. Moreover, the wider effects of a development project in a poor country is not a subject on which the international media ordinarily focuses. There are presently few paths or incentives for NGOs to translate academic studies into changed behavior. External audits on aid NGOs cover only the basics of financial probity, without touching on the results of the NGOs' projects. And most aid agencies tend to abide by a "code of silence," instead of criticizing one another.

Because of the lack of checking mechanisms, aid NGOs are almost entirely unaccountable for the effects of their interventions. If a well-intentioned NGO project fails effectively to help the poor, or if it unintentionally aggravates poverty, the NGO will ordinarily face no sanctions that might pressure it to change what it is doing. This is particularly unfortunate, because as we have seen the nature of foreign aid and the weak institutional environment in poor countries make it more likely that aid efforts will go off-track.

To sum up the last five sections, the two main points entailed by the surveys of aid are:

1. It is likely that some aid will make some people in other countries worse off than they would have been, *even in cases where the aid is beneficial overall* (that is, even when overall it helps more than it harms).
2. It is very difficult for affluent individuals to make reliable estimates of the *overall* effects of their aid donations or campaigning.

Given the expert debates over aid, the challenges of aid, the deficiencies of aid evaluations, and the lack of checking mechanisms on aid agencies, affluent individuals might reasonably find themselves being neither believers nor atheists about aid's effects. A more honest position is agnosticism. With these points let us return to Singer and the situation of affluent individuals.

Singer's *The Life You Can Save*

The Empirical Claims

Singer's 2009 book is in many ways continuous with his previous work on aid. Singer bases his argument on the same moral principle (if at low cost to yourself you can prevent something bad from happening you ought to), the same example (rescuing the child in the pond), and the same call to action (the affluent should give much larger amounts to aid NGOs than they now do).

The main innovation in the book concerns the empirical premises. In the 1972 article Singer said that "a real expert assessment of the facts" about aid was not required to support his call to action because it was not in dispute that aid is effective.³⁴ By contrast in 2009 Singer devotes one-quarter of his book to "The Facts About Aid," and a whole section to the empirical assessment of "How Much Does It Cost to Save a Life?" While the original article said that aid workers "can direct our aid to a refugee in Bengal almost as effectively as we could get it to someone on our own block," the book says that, "It's difficult to calculate how much it costs to save or transform the life of someone who is extremely poor," and "working out the likely real-world consequences of aid is often more complicated than we thought."³⁵

Singer's recent attention to the causal complexities of aid is welcome (as of course is his repeatedly drawing attention to the moral urgency of poverty). However the quality of the book's representation of the epistemological situation of affluent individuals is mixed. On the one hand, the book covers several of the points from the aid literature reviewed above. For instance, Singer notes that the "percentage of budget spent on administration" figures advertised by NGOs are not useful, that importing food into poor countries can damage local farm production, that aid funds can cause "the Dutch Disease" and hinder the growth of pro-poor industries like apparel and food processing, and so on.

On the other hand, some stories that the book offers as evidence of aid's effectiveness bypass the complexities familiar to aid experts. For example, Singer presents as evidence of effectiveness what appears to be a verbal report from a rich friend that the friend believes his donations saved children's lives. And Singer says that a single positive remark made to him by one aid recipient during a brief Oxfam-sponsored visit to a project in India "surely demonstrates that the project was a success."³⁶ Overall the book is a mixture of points from the expert literature, "extreme close-up" evaluations of project successes, and the kind of "money shots" one finds in NGO promotional materials.

For affluent individuals, the main interest of the book is Singer's final answer to the Donor's Question: "We have seen that much of the work done by charities is highly cost effective, and we can reasonably believe that the cost of saving a life to one of these charities is somewhere between \$200 and \$2000."³⁷ Singer here asserts that affluent donors can save a life

³⁴ Singer, "Famine," p. 242.

³⁵ Singer, *The Life*, pp. 103, 124.

³⁶ *Ibid.*, pp. 82-84, 112; 98, 96.

³⁷ *Ibid.*, p. 103.

that would not otherwise be saved by sending \$200 - \$2000 to an aid NGO. This dollar range is (adjusting for inflation) around thirty times higher than the \$5 - \$50 range that Singer estimated in 1997. Donors will want to know how useful these figures are.

One major source for Singer's numbers comes from a fascinating new organization in New York called GiveWell. GiveWell was formed in 2006 by two American hedge-fund managers in their mid-20's who wanted to donate some of their incomes to effective poverty relief. As Singer tells their story:

[They] were astonished by how unprepared charities were for questions that went beyond... superficial and potentially misleading indicators of efficacy. Eventually, they realized something that seemed to them quite extraordinary: the reason they were not getting the information they wanted from the charities was that the charities themselves didn't have it. In most cases, neither the charities nor any independent agencies were doing the kind of rigorous evaluation of effectiveness that [their] background in investment management had led them to assume must be the basis of the decisions that major donors made before giving. If the information didn't exist, then both individual donors and major foundations were giving away huge sums with little idea what effects their gifts were having. How could hundreds of billions of dollars be spent without some evidence that the money is doing good?³⁸

Given what we have seen above about aid NGOs, what these young Americans found is not so astonishing. What is remarkable, however, is that the hedge-fund managers decided to quit their jobs and form GiveWell, whose mission is to dig out the best-quality information available on "What does it cost to save a life?" and pass this information on to potential affluent donors. GiveWell now recommends specific NGOs and gives dollar figures on how much it costs to save a life, and Singer relies on these figures in his book.

Let us look closely at GiveWell's best case: the aid initiative they recommend which looks the least likely to produce unintended effects. This is a campaign by an NGO called PSI to sell insecticide-treated bednets to poor people, primarily in Africa, with the aim of reducing malaria deaths. GiveWell estimates that donors can save a life that would not otherwise be saved through donations to PSI of between \$623 and \$2367. GiveWell settles on \$820 as a reasonable estimate, and Singer reproduces these figures.³⁹

For those who appreciate the challenges of aid, GiveWell's methodology offers a case study of why the figures given cannot provide a reasonable answer to the Donor's Question. GiveWell calculated its figures using only the following (PSI-supplied) data:

- Number of bednets distributed;
- Probability of bednets being used;

³⁸ Ibid., p. 84

³⁹ Ibid., p. 88.

- Probability of nets saving a life if used;
- Budget for the project.

This is all the information on which the “cost of saving a life” figure is based. Is this enough information to answer the Donor’s Question? Let’s say you had given \$820 to PSI in 2008. Could you be reasonably confident that the morally salient outcome of your giving was that you had saved a life that would not otherwise have been saved? We can draw on just a few of the challenges of aid listed above to show why the answer is clearly “no.” As always, the main confounding factors are the counterfactuals and unintended effects. This is apparent even just looking at PSI’s best case: the country where it claims to be most cost-effective, Madagascar.⁴⁰

- PSI is one of several organizations distributing bednets in Madagascar, including UNICEF, various Red Cross affiliates, and the Madagascar Ministry of Health.⁴¹ Most of the money for these efforts comes from official sources: the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Bank, USAID, and so on. This multiplicity of agents raises the first set of counterfactuals: If PSI had not distributed a bed net that was bought with your donation, would another aid agency have distributed that bed net anyway? And if your private donation had been absent, would the Global Fund or the World Bank have compensated for the deficit? (If that compensatory money was drawn away from other Global Fund projects, what different impacts would *those projects* have had? Or would the Global Fund’s own donors have contributed more overall to make up for what you didn’t give?)
- PSI is a “social marketing” organization: it sells highly subsidized bednets instead of giving them away for free (as other NGOs and Madagascar’s health ministry do). PSI does this in the belief that the poor are more likely to get and use nets that are sold on the market. However several top experts (including ones Singer relies on for positive studies on aid) have been extremely critical of social marketing.⁴² Moreover a randomized evaluation of social marketing in Kenya found that selling bednets greatly reduces take-up of nets, does not get nets to those with greatest need, and does not lead to higher usage.⁴³ It could be that your donation to PSI in 2008 hindered malaria-fighting efforts compared to what another NGO would have done with your money.

⁴⁰ PSI, “Cost Effectiveness Report 2006,” p. 10.

www.psi.org/research/documents/health_impact/psi_cost_effectiveness_2006.pdf.

⁴¹ “President’s Malaria Needs Assessment, Madagascar 2007,” www.usaid.gov/mg/bkg%20docs/needs_assessment_report_2007.pdf.

⁴² Jeffrey Sachs: “You can’t expect people with no money to buy bednets... Enough with social marketing!” And Michael Kremer, one of the pioneers of randomized evaluation: “‘I have nothing against people who sell Perrier,’ he says – ‘or those who buy it. Just don’t think,’ he adds pointedly, ‘that selling Perrier will meet the water needs of the world’s poor.’” “A Handout, Not a Hand Up,” *Boston Globe* Nov. 11, 2007.

⁴³ Jessica Cohen and Pascaline Dupas, “Free Distribution vs. Cost-Sharing: Evidence from a Malaria-Prevention Field Experiment in Kenya,” Brookings Institution Global Economy and Development Working Paper (2007).

- PSI does not publish a detailed budget (nor does any major aid NGO). It is therefore not possible to determine who ultimately received the money from your donation to PSI. Some proportion would have been spent on buying bednets to sell on to the poor. Yet some proportion of your donation might also have been diverted within Madagascar. In 2009 the president of Madagascar was overthrown with at least the acquiescence of the country's powerful military. He was accused by his critics of "massive corruption, nepotism, mismanagement and misuse of public resources."⁴⁴ It is possible that some of the money you gave to PSI might have been captured by and so empowered actors involved in the poor governance of Madagascar.
- Madagascar's Ministry of Health reports that it has distributed over one million free bednets since 2003, so it appears to be capable of distributing nets.⁴⁵ One might wonder why foreign NGOs like PSI are distributing bednets in Madagascar at all. If the Malagasy government were wholly responsible for securing the basic health of the Malagasy people, would the people demand more from their own government?

These concerns alone preclude the GiveWell figures on PSI from providing a reasonable answer to the Donor's Question. And Singer's cost estimates in *The Life You Can Save* inherit these weaknesses.

Implications for "The Singer Solution"

Here again is the principle on which Singer bases his call to action on aid:

If it is in our power to prevent something bad from happening, without thereby sacrificing anything morally significant, we ought, morally, to do it.

The principle draws attention to only one kind of negative effect of our contributing to aid: that we ourselves may "sacrifice"—that we ourselves may have less disposable money or time. The principle does not mention the possibility that aid contributions may also lead to some poor people being made worse off than they would have been.⁴⁶ Yet, as the discussion above has emphasized, everyone in aid acknowledges the possibility that aid will harm as well as help.

⁴⁴ "People's Revolt is the Only Answer to Africa's Despots, Says Ugandan Writer" *Senegambia News* editorial, March 27, 2009.

⁴⁵ "President's Malaria Needs Assessment," p. 18.

⁴⁶ In *The Life* Singer mentions the possibility that aid can do harm (pp. 111, 115-17), but seems to downplay this at another point, at least for official aid (p. 121). Interestingly, in the 1972 article Singer did mention that the "sacrifice" clause in his principle was meant to include "causing anything else comparably bad to happen, or doing something that is wrong in itself, or failing to promote some moral good." ("Famine", p. 231) Singer did not pick up on those possibilities there, and in the discussion of the principle in the 2009 book (pp. 15-19) the mention of these wider effects is dropped.

Let me highlight this point: the question here is not whether we are *averse* to a risk of harming others. The issue is that Singer's principle does not acknowledge the *existence* of a risk of harming others. And the existence of risk typically changes our moral reasoning. When what we can do might harm others as well as help others, our judgments about what we are morally required to do are quite different than in situations described by Singer's principle. *The Life You Can Save* is just a different book than *The Lives You Could Save or Endanger*.

Consider, for example, the impact on your thinking of this Singer-like passage from the GiveWell website— without and with the final bracketed sentence, which is my addition:

What do you get for your dollar:... Across the organization, we estimate that it costs PSI about \$650-\$1000 to save a life. These estimates do not include other benefits of PSI's activities, such as preventing unwanted pregnancies and reducing non-fatal malaria infections.⁴⁷ [These estimates also do not include possible risks of PSI's activities, such as encouraging corruption in poor-country governments and weakening incentives for poor-country governments to be accountable to their own citizens.]

Singer's principle, in focusing only on the possibility of helping and not on any risk of harming, cannot guide the reasoning of an affluent individual thinking about aid. Insofar as Singer's principle suggests that aid does not risk significant negative effects on the poor, it does not apply to our world. Similarly NGOs' appeals for funds which only say *that you can help* without mentioning *that you might harm* also do not correctly capture the real situation that you are in when making your decisions.

One can confirm this oneself. One can get in touch with anyone who studies aid professionally—say an academic in a local university's development studies department—and ask questions such as this:

1. For any actual donation given since 1972 to any charity that Singer has recommended, is it possible to be reasonably sure that this donation led to at least one life being saved *and* that it did not contribute to any poor people being made significantly worse off through resource diversion, weakened governance, socio-political impacts, or other systematic effects?

2. Right now can one reasonably expect that the total impact of the activities of *any* specific NGO to which one could contribute *any* amount will be that poor people's lives will be saved without any poor people being made significantly worse off?

It will be surprising if one gets many—indeed any—positive responses.

Singer's principle does not capture the correct factual relationship between affluent and poor individuals. So this principle does not capture the moral relationship between them, and it cannot ground a call to action. You are not in a situation analogous to knowing that you can save a child drowning in a shallow pond. Closer is this: if you hand cash to a stranger he may—along with other strangers hired by other people—try to save some children who have fallen into a

⁴⁷ www.givewell.net/PSI (accessed June 1 2009).

lake. Yet it looks like these strangers can only get to the lake by pushing through a crowded rave on a pier with no railings.

The challenges of individual action

The human disaster of severe poverty, juxtaposed with the tremendous resources of the affluent, has for many years fired calls to action on aid, as in the quote from Harry Truman's Inaugural Address that leads off this essay. Yet if aid were easy, severe poverty could easily have been ended by now. This chapter has discussed some of the complexities of aid and its resulting challenges. Any responsible call to individual action on aid must acknowledge these challenges, and especially two morally salient facts. Aid may cause harm, and the quality of information on aid's overall effects is very poor.

It is easier to say what aid experts should do in response to these facts. Aid experts should act so as to limit harms, and to get better information to affluent individuals. So, for example:

- At least some of the experts who study aid professionally (like academics) should focus at least some of their work on researching better answers to the Donor's Question. Responding adequately to severe poverty abroad is one of the greatest moral challenges in affluent individuals' lives. Aid professionals so far are not helping them much. It is something of a scandal that the only people now willing publicly to hazard a partial answer to the Donor's Question have no professional expertise in aid—these are the people who run GiveWell.
- Official donors should reduce the potential for negative effects by, for example, coordinating aid so as to ensure more reliable flows and less strain on poor countries' bureaucracies. They should also channel resources so as to require more and better evaluations, and especially evaluations that attempt to measure systematic effects. They should also tie future funding allocations to NGOs much more tightly to proven past performance.
- All aid agencies that bring money into poor countries should be more transparent about where the money ends up. Ideally, published budgets would detail categories like taxes, rents, bribes, and security as well as thefts of equipment. Since individual agencies would be disadvantaged in fundraising by increasing transparency unilaterally, agencies should work together to frame and implement a strong and credible code of practice for transparency.

Some of these reforms would draw resources away from implementing projects, and even together they would not be sufficient to overcome all the challenges of aid discussed above. Still, the challenges of aid should be addressed systematically, and making these kinds of reforms would be justified for the sake of improving aid and our understanding of its effects.

The appropriate responses of affluent individuals to the complexities of aid are less obvious and may vary according to individuals' circumstances. As things stand individuals cannot find reasonable estimates to answer the Donor's Question. What, then, to do?

Some individuals may try to increase the quality of their information by finding one promising aid project and trying to get a sense of its overall impacts on the poor (this will likely require significant time in-country). Others may try, individually or together, to incentivize aid agencies to make reforms such as the ones above. These options require significant commitment, and will take patience. Gone, certainly, is the confidence from Singer's earlier articles that anyone in a rich country can save a life (and do only that) simply by writing a check instead of going out on a Saturday night. This seems inevitable on any realistic view of aid.

One thing that all individuals can do right now, however, is to think carefully about their own attitudes toward harm and uncertainty. We have seen that Singer's moral principle does not apply to our situation in our world. Individuals can therefore test their own commitments to forms of moral reasoning that offer more apt guidance. Do you, for instance, want to endorse an "overall cost-benefit" or "maximum expected gain" principle such as the following:

One should always act to try to prevent something bad from happening when, as far as one can tell, *the aggregate benefits of doing so will be larger than the harms of doing so considering all of the individuals who will be affected.*

There are well-known concerns about such aggregative principles. If one does not on reflection want to endorse this kind of principle, however, then some other that is sensitive to the possibility of harm and uncertainty (perhaps some deontological principle) must be chosen. The question of the framework one will use to orient one's responses to poverty is a live and crucial one after the simpler principles are put aside. Philosophers might volunteer their skills to be useful to their fellow reasoners here.

What affluent individuals faced with the challenges of aid should not do is to take either of two paths of avoidance. The first path is to deny the facts about aid. Many affluent individuals take pride in being morally good people. Many, and especially those who already give to aid organizations, see giving to aid organizations as one important thing that morally good people do. These people sometimes find facts about the possible harms and uncertainties of aid as threatening to their own self-image, and so close their eyes to these facts. These well-intentioned people should be gently reminded: Severe poverty is not about you. Its moral importance is much greater than that of affluent people maintaining a certain self-image. It is imperative for all of us to try to reduce severe poverty, which means always focusing our attention on the world as it is.

The second path of avoidance is the selfishness of uncertainty, or "the paralysis of analysis." Individuals may become overwhelmed by the challenges of aid, conclude that they can never know what aid will do, and give themselves over to pursuing their own concerns. This is also not an adequate response.

Singer's spirit is exactly right: responding to severe poverty is more important than many other things one could do instead. Severe poverty is an enormous human disaster, and each

affluent individual should continually search for *some* ways that he or she can help. Helping may mean using one's special skills, drawing on one's own or one's community's resources, gathering and sharing more and better information, investigating new anti-poverty strategies that might work. Helping may mean spending one's own money, and passing up chances for fun. Severe poverty is a moral catastrophe, and, one way or another, responding to it will require our most valuable resource: the days of our lives.