



Lords of Poverty and Servants of the Poor

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According to British author Graham Hancock, one can get quite rich attending to the poor. His book, *Lords of Poverty*,* is a scathing indictment of official "overseas development assistance," that collection of efforts of bilateral and multilateral organizations allegedly about the business of transferring resources from the rich, industrialized North to the poor, underdeveloped South. Hancock's thesis is blunt: foreign aid is "rotten," he says, rotten to the core and "utterly beyond reform." It should be terminated because it almost never helps the poor and often is grossly detrimental to them.

Such advice cuts across the prevailing wisdom in the relief and development (R&D) community and Hancock is undoubtedly correct to lament that foreign aid has become such a sacred cow that anyone who questions its value, or asks those in business of "being kind to others" just what they do and whether it works, is viewed as "churlish." Frankly, the description fits Mr. Hancock's biting approach rather well, though one can excuse his sarcasm considering how offensive are the tales of corruption and selfishness he tells.

According to Hancock, some 80 percent of the overall expenditures of the various UN bodies engaged in "relief and development" work goes towards personnel and related costs.¹ He describes in excruciating detail the "perks" enjoyed by the staffers of "Development, Inc." (his term for the World Bank, and loosely, all the official development agencies) -- their first-class travel, their six-figure salaries, their lavish conferences. And there is something, well, discomfoting about World Bank President Barber Conable's lofty suggestions that the Bank's labors "will count for nothing if it cannot look at our world through the eyes of the most underprivileged" -- coming as they do after a \$200-a-plate catered four-course meal at the ritzy Sheraton-Washington. After exposing just how little money is actually put into development projects, Hancock criticizes the way these projects are designed and executed. He asserts that development workers rarely approach the recipients of their "kindness" to elicit their concerns and suggestions. Rather

development. . . is nothing more than a transaction between bureaucrats-a deal that gets done, in the name of others. by intermediaries and brokers. The real principles in the affair-the taxpayers in the wealthy countries and the poor in the South-are treated as though they are somehow incidental to the main event.²

"Conspicuously absent" in the process of designing R&D projects are efforts to engage the knowledge or participation of local people.

* *Lords of Poverty: The Power, Prestige, and Corruption of the International Aid Business*. New York: Atlantic Monthly Press, 1989, 234 pp.

¹Graham Hancock, *Lords of Poverty*, p. 99.

²*Ibid.*, p. 67.

White Elephants

Perhaps even worse than this neglect (or arrogant dismissal, as is sometimes the case) of the concerns of the "beneficiaries" is the inappropriate nature of most of the projects undertaken. Hancock describes one after another inefficient, capital-intensive, unwieldy, high-technology prestige projects and "white elephants" that have wreaked havoc on the poor and the environment. He argues that such unrealistic, wasteful projects are more the norm than an aberration. The people at Development, Inc., he suggests, believe that "bigger is better," and recognize that the more expensive and complicated the project, the more benefits will accrue to the donor country. Moreover, in Hancock's account the staffers get starry-eyed over grandiose schemes that seek a total restructuring of impoverished communities. The harmful effects of these grand designs range from disappointment when a project flops because its expensive equipment cannot be maintained to the complete disruption of traditional life when whole peoples are forced to relocate to participate in some "development" scheme that will allegedly improve their standard of living. Hancock cites the Indonesian government's "transmigration program" as a case point. The recipient of multimillion dollar support from the World Bank, this project has relocated six million Indonesians in an effort marred by human rights abuse and environmental destruction.³

Hancock reports that most foreign aid programs are "designed by foreigners and implemented by foreigners using foreign equipment and foreign markets."⁴ He criticizes such projects because they are rarely labor-intensive, employ inappropriate technology, are not simple to build and maintain, and are expensive to operate. Even worse, they often benefit the wealthy at the expense of the poor. In Ghana, for instance, the huge Akosombo Dam of the Volta River displaced thousands of poor Ghanians. The dam generates electricity for the middle and upper classes residing in the city but completely bypasses the nearby rural villages. Moreover, Hancock charges that some 80,000 villagers have been "permanently disabled as a result of schistosomiasis, a parasitic water-borne disease carried by two species of snail that are now the commonest molluscs in the Volta reservoir."⁵

Given the seemingly self-evident stupidity of many of these ventures, one wonders where things went wrong. For Hancock, the principal problem is that foreign aid is distributed from the staff of Development, Inc. (who have a vested interest in maintaining their cozy bureaucratic positions) to government elites in the third world (who have a vested interest in continuing the significant dollar flows that permit their extravagant lifestyles and continuation in power). No one, it seems, has a vested interest in seeing foreign aid actually work -- to the point where it is no longer needed. No one, perhaps, except the poor.

³ Among his criticisms of this "victimizing" development project, Hancock cites the trammeling of the land rights of traditional Indonesian tribes and the combined resettlement of ethnic groups with historical animosities, leading to intense civil strife.

⁴ Ibid., p. 155.

⁵ Ibid., p. 140.

Foreign "Aid"?

Hancock also has a bone to pick with the very phrase "foreign aid." The term is deceptive, he contends, considering that the chief beneficiaries of "aid" are contractors in the Western, industrialized states. As even the development community itself admits, foreign aid is "good business" for the donor. Hancock shows that donors usually reap more than they sow: for every \$10 a donor country gives to the World Bank, for example, \$7 are in fact spent on goods and services from the North.⁶ In a perverted way, it has indeed been better for the donors to give than to receive: currently, the net transfer of resources from South to North exceeds that of North to South because of the vast debt the less developed countries (LDCs) accumulated when receiving massive (albeit concessional) loans in the name of "development."

In summing up, Hancock dismisses the argument that foreign aid must be continued because "the poor can't survive without it." Rather, he argues, foreign aid is typically irrelevant to downright harmful to them. It enriches only development professionals, Western contractors, and third world bureaucrats, and it enables exploitative regimes to continue following misguided and wasteful policies. The best thing one can do for the poor, it seems, is to terminate foreign aid. Perhaps then, Hancock concludes,

when the middle men of the aid industry have been shut out, it will become possible for people to rediscover ways to "help" one another directly according to their needs and aspirations as they themselves define them, in line with priorities they themselves have set, and guided by their own agendas.⁷

What About Nonofficial Assistance?

Hancock's concluding observation allows the reader a welcome alternative to leaving the book feeling utterly hopeless and disillusioned about development work. For it raises the question of whether transferring resources from North to South through private, NonGovernmental Organizations (NGOs) would avoid the manifold problems *Lords of Poverty* so powerfully exposes.

If the essays in *Christian Relief and Development*,* a collection of nineteen articles by staffers from Christian associations engaged in various aspects of development ministry, are any indication, the answer may be yes. The contributors to this volume, edited by Fuller Theological Seminary professor Edgar Elliston, display considerable sensitivity on nearly all of the matters about which Hancock lambasts the official R&D agencies.

⁶Ibid., p. 158.

⁷Ibid., p. 193.

* *Christian Relief and Development: Developing Workers for Effective Ministry*. Foreword by Ted W. Engstrom. Dallas: Word Publishing, 1989, 351 pp.

Paul Heibert's contribution, "Anthropological Insights for Whole Ministries," for example, argues that participation by recipients is absolutely essential. His views reflect a theme heavily emphasized throughout the volume: that recipients must be involved in defining their own needs and designing, implementing, and evaluating their *own* projects. Other contributors maintain the importance of R&D staff living among the people they serve and adopting an "incarnational" approach, i.e., learning the culture from the "inside out" in relationships characterized by mutual respect. According to Hancock, staff at Development, Inc. talk above the heads of recipients by dealing directly with government officials. In contrast, the authors in Elliston's work stress the need for frequent contact with the people in "non-dominating" friendships.

Distinctives of Christian R&D

An essay by Elliston himself describes other factors distinguishing the work of Christian-based agencies from that of the official groups. The most obvious, of course, is the evangelicals' commitment to proclaiming the gospel (a commitment unabashedly endorsed by all the contributors in the book). Elliston also notes that with official foreign aid, decisions about projects often are made with an "ethnocentric assumption" that "the donor's way is best." In contrast, Elliston urges Christian ministries to follow a "receptor-centered" approach that draws on local wisdom and is sensitive to cultural concerns. Still other selections in the book describe the importance of allowing the recipients to define for themselves what constitutes "the quality of life." Development projects, they argue, should be designed with these definitions in mind. Several contributors also share Hancock's concerns regarding the need for environmental sensitivity in development planning. They assert that the Christian worldview mandates man to be a careful steward of the earth, acknowledging God as creator and owner of its resources. Arguments for "appropriate technology" surface in many of the essays (though it is rarely defined with any great specificity).

The religious organizations also appear to do well in terms of keeping administrative overhead costs low and pumping the bulk of donations directly into the field. Remuneration for staffers is far less than in the official agencies and many workers serve in a voluntary capacity. All in all, in terms of Hancock's criteria, the Christian NGOs seem to fare pretty well. The funds they raise do reach the poor; the poor have some say in what is done with them; the agencies are accountable to their donors and are open, not secretive, about their finances; local input and advice are sought out; attempts are made to integrate only "appropriate technologies" and to do so in gradual increments and with receptivity to the community's concerns; the prevailing attitude of staff is marked by cultural sensitivity, restrained ethnocentrism, and deliberate avoidance of paternalism; and development projects promote the recipient's self-reliance and encourage his or her participation at each stage of the work.

There is, in short, much that is praiseworthy about Christian relief and development ministry. But Hancock's concerns are not the only valid ones that can be raised about development work, and though one is heartened that evangelical agencies seem on the

whole to have avoided many of the mistakes of their secular brethren, several problems of commission and omission are nonetheless evident.

Principalities and Powers

First, several contributors to the volume urge that Christian R&D agencies seek to identify, understand, and address the "root causes" of underdevelopment. Much is said in this context about confronting the "principalities and powers" of oppressive social and economic structures, but little is done in the way of actually defining what those structures are. In addition, a subtle undercurrent of support for dependency theory's explanations of third world poverty runs throughout several selections. One article, for example, argues that the church must respond to current North-South dilemmas "with a social and economic analysis which addresses the problem [of underdevelopment] at its structural roots" and that "to do so we must forge into territory currently dominated by Marxists. We may even find points of agreement. . . ."

The case for the existence of dark "principalities and powers" is not a difficult one to make in most third world countries: oppression, exploitation, and corruption do run rampant. But observing the reality is one thing and defining and explaining it is another. Too often the tendency in the selections is either to blame these phenomena on international economic relations which are held to be "unjust" or to mislabel the internal economic systems of these regimes as "capitalist" or "Western."

With regard to the first mistake, it suffices to say that the roots of exploitation are found more in the phenomena Hancock describes (corrupt state bureaucracies in the countries receiving aid) than in the international market. Only one selection in Christian Relief and Development affirms that "underdevelopment. . . has its roots in the minds and hearts of individuals and in the moral and ethical ideals of cultures." Most of the essays point to external factors, such as the structure of international North-South economic relations, to explain underdevelopment. While misguided foreign assistance, trade and tariff policies, fluctuation in global prices, inclement weather, and other external factors can contribute to third world poverty, the past four decades of experience in the LDCs suggest that internal factors -- culture and government macroeconomic policies -- are more significant. Countries that have been able to graduate out of underdeveloped status, or are on the way toward doing so, share certain cultural features (such as strong work and savings ethics) and policy attitudes (openness towards international trade, appreciation of market mechanisms) that distinguish them from the worst-case LDCs.

With regard to the second mistake, what is needed is a better understanding that third world regimes are typically authoritarian-bureaucratic ones running statist economic systems better defined as "mercantilist" than as "capitalist." Greater precision in the definitions is critical: when the contributors mislabel the unproductive, kleptocratic, and closed LDC economies "capitalist" they encourage the second problem evident in the volume: namely, promoting a suspicious and hostile attitude toward capitalist development models. This tendency is unfortunate because of the promise market-oriented and open economies hold for the betterment of the poor.

The Need for Perspective

This problem is evident in several selections, where authors are quick to question the value of transferring a Western, capitalist, industrialized model to the third world. Certainly valid criticisms can be raised-particularly concerning the wisdom of a premature, urban-oriented industrialization strategy when the vast majority of the poor in the LDCs live in rural, agricultural areas. Also, as Hancock notes, certain technologies introduced in inappropriate contexts do not promote "development" but *do* harm the environment. One contributor to Elliston's volume, Wayne Bragg, picks up this theme with a vengeance, contending that "the whole growth model of the Western technological society is based on an extractive and dominionistic approach to nature."⁸ Bragg laments as well the "dangerous anthropocentrism" of Western development models. But such extreme phraseology is worrisome in light of the unhealthy trends in some theological circles that indicate fuzziness of memory about what God called "good" and what He called "very good." Environmental sensitivity *is* a must for the Christian, if stewardship means anything. But nature is to serve man's needs, and an exaggerated exaltation of the creation can lead to the rejection of carefully planned development projects that seek to harness nature's forces for the benefit of the poor.

After condemning "the prevailing economic development model" as unsustainable, Bragg goes on to decry the various social ills of modern industrialized society. "A society that produces neurotics, latchkey kids, runaway teenagers, child-abuse, wife-beating, a large prison population, abortions, high suicide rates, and other social maladies just to remain economically strong," he says, "is not a model of development." In this context, Bragg charges that the social costs imposed by "laissez faire" capitalism in the East Asian "success" stories are acutely high (implying that other LDCs should not follow this model). While Bragg is undeniably correct to lament these social ills and to argue that they detract from the "quality of life" that development is supposed to bring, his comments lack adequate perspective. For one thing, Christian doctrine suggests that these sins stem from the same place as all others -- the human heart -- and that consequently *all* societies, developed or underdeveloped, will be affected by these sorts of maladies. For another, such evils do seem to pale in comparison to famine, massive preventable deaths due to inadequate health care, gross and systematic violations of human rights, massive homelessness, and whole populations living on the very margins of survival. While the East Asian countries undoubtedly have significant problems to address, at least they can be said, as Peter Berger has put it, to have "lifted the poor from grinding poverty and wiped out Third World misery."⁹ On this issue of perspective, Christians can learn from demographer Nicholas Eberstadt's penetrating observations following a trip to North and South Korea:

No one who has been to both cities could honestly say that living standards in Pyongyang even approach those in Seoul. . . . The contrast is reflected in the faces of children. In Pyongyang, the most common skin initiation visible among schoolchildren is ringworm-an infection typically associated with poor hygiene or lack of soap. In Seoul, the corresponding affliction is acne-typically associated with a diet too rich in fats and oils.¹⁰

All development models bring problems. But the nature of the ills differs from one approach to another, and prudence -- the ability to judge between imperfect models -- is essential for Christians involved in development work.

⁸Elliston, p. 55.

⁹Peter Berger, "Underdevelopment Revisited," *Commentary* (July 1984), p. 45.

¹⁰Nicholas Eberstadt, "The Coming Collapse of North Korea," *Wall Street Journal*, June 26, 1990.

Development as "Empowerment"

A final problem with *Christian Relief and Development* is that while the contributors do well to argue for "wholistic" development, reminding readers that it is more than material progress, they fail to discuss the *political* component of development. One way of defining "wholistic development" is to suggest that it contains three elements: economic, social, and political.¹¹ The first relates to improving economic growth, creating new employment opportunities, producing a standard of living by which everyone's basic needs can be fulfilled, etc. The second relates to questions of distribution of resources, access to education and health services, social mobility, and so forth. The third relates to the distribution of political power, and to issues of personal freedom, civil and political rights, the vibrancy of "civil society," and the degree of choice individuals and communities have over decisions affecting them. This "political" component of wholistic development is important because the Christian view of human nature indicates that people are created for freedom and creativity, for association with others, and for enjoyment of vocational pursuits as God leads.

Development is rightly called "empowerment" in several selections. But apart from a few vague calls for Christians to work for "liberation," the book offers no discussion about how we should define the sorts of political systems that best encourage empowerment. Doing so requires an examination of the right role of government in the society. Development projects at the grassroots level occur inside a larger, "macro" political context. In most LDCs, that larger context is authoritarian or "formally democratic," i. e., governments are elected but political power is tightly controlled by bureaucratic elites, legislative authority is dominated by the executive branch, political parties are inaccessible for most people. In either case, there may be little diffusion of political power and little ability for local communities to organize to defend their rights. Patron-client relations may be the norm at the macro level, and there may be a noticeable bias of political power (and resource distribution) towards urban centers.

Christians engaged in R&D have at least two tasks in light of these difficult political realities. First, they must begin to sketch out a conception of the types of political systems most conducive to wholistic development. Second, they must begin to address in a systematic way thorny questions about relations between their agencies and the host country governments.

The problem with regard to the first task is that many Christians define the "good society" as the Kingdom of God. This may be excellent as a standard of reference, but little is ever said about what the Kingdom looks like here and now, in its this-worldly, "not yet" variety. Moreover, Christians are correct to note that no current political/economic/cultural system can be equated with the Kingdom. But prudential judgments between the available options must be made if we are to serve the poor. Significant questions must be raised: which economic models -- market- or state-oriented -- do best in promoting wholistic development, meeting basic needs, increasing social mobility, and broadly distributing the benefits of increased productivity? What types of political systems today best reflect Biblical guidelines about the right role of government? Christians often shy away from these questions because they desire to appear evenhanded

¹¹Of course cultural convictions and traditions, including religious beliefs, undergird and inform each of these three elements.

in the assessments that *all* systems fall short of the ideal (the Kingdom). But discerning which ones fall further away than others is critical. Historical evidence to date suggests that the democratic-capitalist model does a better job than other available models in terms of promoting prosperity from which large segments of the population can benefit: improving the physical quality of life for citizens as measured in terms of infant mortality rates, life expectancy, literacy, and access to health and educational facilities; guaranteeing human rights and political freedoms such as religious liberty; limiting the power of governmental authorities and creating vibrant "social space" for the associations of civil society to blossom; and widely distributing political power and protecting minority rights.

This is not to suggest that Christian R&D workers must all obtain bachelor's degrees in political science or become cheerleaders for democratic-capitalism. It is only to recommend that R&D agencies have some sort of understanding of the "macro" picture. Such an understanding would provide a helpful starting point for the agencies to carry out the second task: evaluating their relations with host country governments. This extremely significant issue is (oddly) missing from Elliston's book. Indeed, little seems to have been ever published by evangelicals on this subject (though Bruce Nichols' book, *The Uneasy Alliance*, does address certain church/ state issues bearing on how Christian agencies abroad struggle to integrate evangelism in their development efforts without upsetting relations with the host country and/or U.S. governments). One can assume that good relations with local authorities facilitates Christian service to the communities R&D groups have targeted. But by what criteria does the ministry determine what its relations should be with governments whose own policies are doing sustained and demonstrable harm to the poor? How does a ministry determine when cooperation with the host country government is no longer possible and that abandoning their work is the necessary, best, though painful, course?

A "Development Ethic"

The best essay in the volume, by Food for the Hungry's Darrow Miller, helps provide some guidelines for answering these difficult questions. Miller begins by arguing that the root causes of underdevelopment are "internal," in other words, to be found inside the culture (a minority perspective in *Christian Relief and Development*, as noted earlier). Christian R&D agencies, Miller suggests, should be culturally sensitive but cannot be "value-neutral." Rather, they must recognize that some cultural attitudes fit with a Biblically-informed "development ethic" better than others. This "development ethic" includes: an understanding of nature as an open system in which wealth is not static and fixed but rather dynamic and can be created through the application of human wit; a view of history as linear -- with a definite end and purpose; and acceptance of evil as personal and real and implying the need for limited government in light of man's fallenness; an affirmation of work as sacred; and a recognition of human equality and diversity and rejection of coercive schemes that seek to impose conformity and equality of outcome.¹² Miller asserts that Christian R&D ministries should seek to encourage acceptance of

¹²Ellison, pp. 97-108.

these attitudes. They can also assess government policies in light of these principles. For example, a government may support legal discrimination of certain social groups on the spurious claims of traditional caste systems, may overextend its authority in ways contrary to the Biblically favored limitation of power, or may promote coercive "equalization" schemes (such as Tanzania's "ujaama" initiative.) Having a set of "pro-development" principles helps the Christian agency make critical judgments about government practices instead of excusing harmful policies as "just part of the culture." Making these sorts of judgments is not ethnocentric, Miller maintains: rather, it is a necessary task of Christian groups seeking the welfare of the poor while submitting to the norms for *all* cultures revealed in Scripture.

Christian ministry through relief and development that is informed by the sort of thoughtful analysis reflected in Miller's essay has great potential for promoting wholistic development, improving spiritual and material conditions. More agencies should seek to articulate a "development ethic" in the comprehensive way Miller has, especially in light of the significant policy reforms underway in a number of LDCs. Broadly speaking, many regimes are in the process of moving from heavily state-dominated economies to more free-market ones. Generally, this may be a positive trend, given the lessons learned by the failures of statist LDCs and the successes of market-oriented newly industrialized countries as they have unfolded over the past few decades. But the processes of transition are extremely painful and difficult, they cause significant dislocations in the short term, and they may fail to address the critical problem of over-centralized political power. Thus, Christian relief and development organizations today face unique challenges in assisting the poor (mainly in addressing the short-term problems created by adjustment policies) and unique opportunities in evaluating these macroeconomic trends in light of the criteria of "wholistic" development. In the last analysis, while Elliston's book contains several pieces of useful information for Christians involved in relief and development, it fails to provide adequate guidance for these agencies to face these unique opportunities and challenges..