



Dutch Aid under reconstruction – Views from developing countries

On February 10th, NCDO (in collaboration with IS, VoiceOver 2015, the Worldconnectors, Wereldpodium, Lux/Global and lokaalmondiaal) organised a discussion on the WRR report in Pakhuis de Zwijger, Amsterdam. The primary aim of the meeting was to get a **‘Southern perspective’** on the main conclusions of the WRR report, and for this reason around 20 guests from ‘the South’ participated in the discussion. Special guests were: Manh Tuan Phan (a private Vietnamese entrepreneur), Reine Kathryn Rala (health worker from the Philippines), Kerryn Krige (working with HIV/Aids projects in South Africa), and Sarwar Gizabi (coordinator of a consortium of Afghan and Dutch aid organisations in Afghanistan). Special guests from the Netherlands were: Peter van Lieshout (WRR), Monique Kremer (WRR), Bram van Ojik (Ministry of Foreign Affairs), Louk de la Rive Box (ISS), Arjan de Haan (ISS) and Ton Dietz (AISSR/UvA). Evelijne Bruning moderated the meeting.

The interest was huge – the meeting hall was packed. Those who did not fit gathered in a neighbouring hall, where they could follow the debate live on video screens. All countries, age groups, and sectors of society were represented, with a surprisingly large number of young people under 30.

Report by: Koen Kusters

Theme 1 - development-oriented aid

Peter van Lieshout and Monique Kremer – two of the authors of the report – explain their focus on economic growth. “For the last twenty years there has been a tendency to see development aid as investing in health and education. The focus on health and education is understandable, as it leads to visible results. But investing in these sectors is not, by default, the most effective investment in any country. **Classical aid is good, but it does not always promote self-reliance.**” The authors of the WRR report stress that, while the poor may benefit from classical poverty alleviation efforts on the short term, the focus should be on development on the long term.

The moderator invites two special guests to react to this introduction. Manh Tuan Phan from Vietnam is strongly in favour of a ‘growth-oriented’ approach, with a lot of emphasis on facilitating the private sector. **“You can give money to the poor, but if you come back after one year, they will still be poor.** If you give financial support to a company, those benefits will eventually reach the poor.” Reine Kathryn Rala from the Philippines has a different view. She argues that the support of the Philippine health system by European countries is crucial, to ensure access to the system by poor people.

The moderator invites Bram van Ojik from the Ministry of Foreign Affairs to react. Van Ojik does not agree with the report’s proposal to move away from poverty alleviation and the Millennium Development Goals (MDGs). “The MDGs did not fall from the sky. They are an agreement between rich and poor countries. They are mutually agreed objectives. They give focus and predictability to all countries.” Monique Kremer reacts: “But there are trade-offs! **MDGs are about enrolment statistics.**”

They are about how many children go to school. **But development is something else.** A focus on reaching the targets is too narrow; you will not achieve the growth that is needed for self-reliance."

Manh Tuan Phan from Vietnam agrees with Kremer on the limited usefulness of the MDGs. According to him any country can achieve good enrolment figures by pouring money into education, but this will not help if there is no link with the market. A participant from Bolivia adds that figures about health care and education should not be trusted, as they are corruptible.

Part of the audience seems increasingly uncomfortable with the discussion, in which economic development is treated separately from poverty alleviation, and some raise their concerns: "Why pose them as opposites?", "**Health and education are the foundations of growth!**", "You have to have both!" Furthermore, several people argue that poverty alleviation efforts are essential, as economic growth by itself will not improve the situation for the poor. "Many countries experience growth, but there is misery on the ground. The situation for the poor only becomes worse."

Bram van Ojik agrees: "**I hear a strange misconception in this debate.** It seems that poverty alleviation and development are contradictory. This obviously is not the case. Look at what happened in Africa during the last decade or so. There was significant improvement in health and education – thanks to the MDGs, amongst others – and at the same time there has been economic growth, increased Foreign Direct Investments, etc." Challenged by Peter Van Lieshout, van Ojik rushes to add that he does not mean that recent economic growth in Africa is *the result* of aid. "I am saying that there is no contradiction. The problem with economic growth tends to be that the poor are not benefitting, so you can not do away with efforts aimed at poverty alleviation, and that's what we try to do with development cooperation – isn't that logical?"

Peter van Lieshout does not share this view. He argues that, given the fact of limited resources, there is a need to focus. And this focus needs to be based on a particular reasoning; **what is smartest way to spend your money?** The writers of the report believe that the money is best spent on efforts that promote growth. Even though **economic growth may not automatically benefit the poor today, it will benefit their children tomorrow**, so the authors expect.

The last point, before a short video-break, is made by someone from the audience who notes that the authors of the report are contradicting themselves. "First they say that economic growth has little to do with aid, so there is a need for less pretention. And subsequently they argue for aid money to be invested in economic growth!"

Video: agriculture Ethiopia

A short film is shown about agricultural projects in Ethiopia that are supported by the Dutch Embassy.

Theme 2 – Professionalising Aid

The second part of the discussion focuses on the professionalisation of Dutch aid. The WRR report claims that aid needs to be organised differently. It suggests that a professional organisation comparable to DFID in the UK could be established, and calls this new organisation NLAID. According to Monique Kremer there are two reasons for this recommendation. First, aid is difficult business, which requires a **professional approach and a knowledge-based organisation.** Second,

there is a need for a strategic approach, with **more focus, in a limited number of countries** or regions. NLAID, as envisioned by the authors of the report, would work together with (Southern) NGOs on certain objectives in certain regions. This means a drastic shift away from the current system in the Netherlands, where the so-called 'co-financing organisations' distribute money to thousands of NGOs all over the world, "like confetti".

Asked for her experience with USAID, Kerryn Krige from South Africa reacts that it makes no sense to compare NLAID to USAID, as USAID is highly politicised. Sarwar Gizabi from Afghanistan emphasises that, to actually achieve something, **the aid providers need to be locally grounded**. They need to know the situation. In this regard, he has positive experiences working with the Dutch embassy in Afghanistan. Someone from the audience adds that there is particular need to connect to, and work with, local governments.

Arjan de Haan and Louk de la Rive Box are then asked what NLAID could learn from DFID. De Haan stresses that the structure of DFID evolved into what it is, as a result of Thatcherian policies. The situation in the UK is very different from that in Holland, for historical and political reasons.

Louk de la Rive Box notes that we should not think the Dutch model is totally inferior to DFID. Also, we should not think that the Netherlands is not doing anything in the field of research and knowledge building. However, our bilateral aid is the most weakly organised in this respect. Using the current rotation of personal as an example, Box agrees with the report that there is a need for reorganisation to strengthen the knowledge base. The Ministry should become less focused on money spending and diplomatic services, and more on knowledge building and sharing. Box disagrees with the report, however, on the role of education and capacity development, and quotes Amartya Sen: **"Start with capacity, than development can follow."**

Louk de la Rive Box also takes this opportunity to make two more general remarks on the debate of the evening. First, he argues that the discussion is being pulled apart in extreme positions, while the strength of the WRR report lies in its nuance. Second, he notes that the discussion is currently focused on bilateral aid, which, even though it receives most money, is only one part of the total package. **The civilateral and the multi-lateral channels are very important too**. According to Box, the bilateral channel is the weakest of the three, because it is influenced by state interests. A minister of development cooperation, according to Box, should dovetail the three channels, which is likely to be more effective than establishing something like NLAID.

Someone from the audience stresses the need to reflect on what the Netherlands is doing that prevents growth in the South. Peter van Lieshout agrees. He notes that the debate tends to focus on classical aid, while it should go much further. There is much more to gain if we take **a broader perspective**, including themes such as agricultural policies, migration, etc.

Bram van Ojik also emphasises the broader context and the need for **coherence**. In this light, he notes that the current situation, in which aid is organised through the embassies, ensures a certain level of coherence, as the embassies do not only deal with aid, but also with trade, politics, human rights, etc.

The moderator opens the floor for some final comments from the audience. Two participants from the South emphasise the **responsibilities of Southern governments** to solve problems in their own countries. According to them, people can hold their leaders accountable for delivering public goods

like education and health. “In the end, the voters will make their judgment.” Also, someone mentions that this debate shows that we as ‘Westerners’ still think that we know how to develop ‘the South’, while a lot of problems could be solved if this idea is put aside.

Before the microphone is passed on to Ton Dietz for his final reflections, Peter van Lieshout wants to point out that **the debate should be framed differently**, in order for it to become constructive. The question should not be whether health and education are important; the question should be how to make the choice of where to put your money. Likewise, the question should not be how an organisation like NLAID compares to DFID or USAID; instead we should ask ourselves what could be the most appropriate type of organisation.

Reflection: Ton Dietz

Finally, Ton Dietz reflects on the debate: “I would like to share some surprises with you. First, this debate is about a book that has brought back nuance in the debate on development cooperation and coherence. However, a discussion like this tends to be **simplified again into one-liners**. That is not the way complexity should be handled. Second, poverty reduction and MDGs seem to be reduced to the support of health care and education. But they are much more than that. I would like to point to **MDG 8, which is about coherence**, and bringing globalisation back into the development discussion. The Netherlands should focus on that MDG. Third, many of the southern commentators here tonight asked why the report emphasises economic growth, while it does not automatically benefit the poor, or may even affect them negatively. This raises an urgent question: **How to establish a distribution effect of economic growth?** Lastly, regarding the comment made by some people in the audience suggesting that the responsibility for the socio-economic situation in a country lies within that country itself, I would like to stress that in the current globalised world, no country is capable of solving its problems in an isolated manner. **Globalisation means mutual influencing and mutual responsibility.**”