Submission to the Review of Australian Aid Effectiveness

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Why the current aid paradigm will not work?

Above all, development cooperation is essentially a relationship between peoples of different cultures. Effective collaboration between people from similar cultures is difficult enough, even though we have a variety of formal and informal rules to help us manage these relationships.   When it comes to development cooperation, where organizations like AusAID work in culturally complex environments, relationships are infinitely more complex.

Global commitments to aid effectiveness, such as those included in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, all note the critical nature of effective partnerships for the achievement of development outcomes. Over the last two decades, researchers such as Hofstede[2] , Trompenaars[3], Triandis [4] , House[5] and others have made a compelling case for paying more attention to the rules of cross cultural relationships. Their work is totally relevant to the kinds of partnerships required in development practice. They have found that unless individuals and organizations become skillful in managing cross cultural relationships, they are unlikely to be successful in new cultural environments.

To date AusAID has not demonstrated an awareness of this growing body of knowledge, let alone integrate the information into its development approaches, structures, values and organizational systems. Currently, donor organisations such as AusAID and other Government agencies involved in development cooperation, do not sufficiently recognize the importance of effective cross-cultural relationships, either in theory or in practice.

A new paradigm to maximise effectiveness

All research on aid effectiveness confirms that when development aid has been successful, the quality of partnerships has been a most significant factor in success.   Broader research suggests that those

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[2] Hofstede, G., Hofstede, G.J. (2005). *Cultures and organizations: software of the mind*. McGraw Hill

[3] Trompenaars, F., 1993. *Riding the waves of culture: Understanding cultural diversity in business*. London: Economist Books.

[4] Triandis, H.C. 1995. *Individualism and collectivism*. Boulder, CO: Westmore

[5] House,R.J., et al. (2004). *Culture, leadership and organisations: The globe study of 62 countries*. Thousand Oaks: Sage.

individuals, teams and organizations with significant cross cultural skills which are able to build strong, respectful and trusting relationships with development partners, are likely to be the most successful[6].

Thus, to maximise the effectiveness of Australian aid, wherever it works and with all its partners, explicit and systematic attention needs to be given to the cultural values which influence the behaviours of people and organizations and the ways in which they change over time (i.e. development). It is the responsibility of aid organizations, not just committed individual aid workers, to prioritise cross-cultural partnerships as the preferred methodology for delivering effective aid. This requires some concerted re-engineering of organizational systems, to ensure relationships between aid workers and partners will contribute to sustainable development outcomes. Specific recommendations which will support this are suggested below.

Recommendations

It is recommended that the Review of Aid Effectiveness should ensure that AusAID, as lead agency for development cooperation in the Australian Government, sets the example to other agencies involved in international cooperation, by:

1. Incorporating the core value of maximizing understanding of and demonstrating respect for the values of people, organizations and countries with whom Australia establishes partnerships as part of development cooperation work (while appreciating that values are dynamic and development process necessarily include negotiation of values over time)
2. Incorporating an understanding of how different values influence concepts such as leadership, change, power, risk, success and capacity, in the design and monitoring of its programs, to maximise the likelihood of achieving sustainable development benefits

3. Prioritising the acquisition of global leadership capabilities for all AusAID leaders, so that they are able to be role models for others in the organization (some of whom already have these capabilities or at least knowledge and experience of their importance)

4. Incorporating the monitoring and evaluation of cross cultural relationships into systems related to development cooperation, given the critical nature of these to the achievement of sustainable development outcomes
5. Prioritising the development of cultural capabilities for all AusAID staff (as part of regular learning and development activities) and emphasizing cultural capabilities in the selection of personnel involved in implementing aid programs (as part of regular contracting procedures)
6. Ensuring that this much-needed transformational change in the organization is led by the office of the Director General.

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[6] For example, see Building Trust in Diverse Teams: Scoping Study Report, 2007, Oxfam GB (http://www.ecbproject.org/pool/ecb-building-trust-in-teams-scoping-study.pdf)