

Submission from Dr Charles Kick

Dear IRAES,

I worked with AIDAB in the 80s and more recently with AusAID. The contrast is amazing. And not in too many positive ways. It seems that, in the rush to increase AusAID's budget, that everyone forgot what development is all about.

Development is an increase in humanity's ability to use and choose between the mental, physical and spiritual-psychic-morale resources available. Too much attention to one of those resources will result in imbalance that will make development problematic. It also provides an opening for a short definition of development as either a reduction in fear or its corollary, an increase in understanding. Neither of these has a large material component.

It also means that materialistic models of development is inadequate for the long run--and this is something that ecologists have been telling us increasingly since WW2 (Cf. George Stewart's 1947 classic, *Earth Abides*) if not earlier. Thus those who have most adapted the materialistic model--which Oz has done--should give up any ideas of telling the islands what they need.

This implies, in turn, shedding the Marshall Plan as Australia's paradigm for development purposes. The Marshall Plan worked because it was a *re-development* mechanism between countries with relative equality before the war. It has never worked very well at all as a development paradigm where there is tremendous inequity between nations.

In the world of development, the best model is that which has been used by private investors for centuries:

- An entrepreneur (whether economic or social) sees a way to get a return (economic and/or social); s/he enlists TA using his/her own pocket.
- From that, a proposal is presented for funding consideration (by a bank, investors, etc.).
- There are strong links between the entrepreneur and the TA and between the entrepreneur and the funding. These can be strong because they are fairly market-regulated.

The Jesuit Reduction approach fits this model.

The Marshall Plan turns that tried and true model ass up:

- It puts the TA in the hands of the funder (indeed, the TA often controls the funder--it is rare to see an arm's length transaction between them), and
- The funder is separated from the market.
- Moverover the entrepreneur is generally separated from the market by an agent (usually government).

The lack of market regulation in this system makes in ripe not only for corruption (Cf. *Lords of Poverty, Confessions of an Economic Hit Man*, etc.), it also makes it ripe for top-down operations with their resulting inefficiencies (Cf. the wharves/jetties built under ADB funding in Vanuatu in the 80s & 90s--most of them were sited horribly) simply because the 'aid' agencies had to spend money or lose it (and probably see lower allocations in the future).

While development assistance agencies often recruit very knowledgeable and good-hearted people, their separation from 'market mechanisms' means that those individuals' careers ultimately depend not on development results (such as what drives life insurance salesmen) but on an ability to 'spend their budgets'. This is not what a serious investor would be looking for--but it does attract those who like a quick buck.

Serious investors, with control of an income stream (such as legislatures' annual budgets for foreign assistance), will 'park' excess funds in low-yielding but secure savings accounts until they are ready for them. They will do this because their focus is 'return on investment', not on using up a budget.

Those investors then work to ensure a maximum (or at least a decent) return from those funds that they can invest at that time--while also working to increase their own capacities so they might begin to draw down on the savings--all to maximise returns. Their results will speak for themselves--and because they are more responsible to markets, they will require less oversight by the legislatures--much as what Warren Buffet does, but in a much wilder market than Mr. Buffet works in.

Importantly, the loss of the benefits that donor nations now get by dictating answers, a la Marshall Plan, which use their own technologies, people, etc., will be offset by the use of the funds in that savings account for investments in the donating nation. According to market needs.

So, slow down to the pace of the islands. Listen to them; observe them. Give them feedback; help them to observe themselves. Let them give you their reactions to your feedback. Then begin to design responses for the islands. Things will go slow at first, but within a generation, much more can be accomplished than under the current set up (Cf. *The Singapore Story*).

Or don't. Continue to pay more than the Australian civil service or the UN pays. Don't do things in-house. Continue to contract out to organisations that have no interest in development (but have every interest in their own bottom lines). Continue to marginalise environmental concerns by subsidizing vehicle and air condition use and building structures that are not designed for sustainability in both environmental and energy terms. Continue to have a system where there are too many bosses and no clear line of responsibilities. Etcetera.

But I think that Oz's long-term interest would be in shedding such habits along with the Marshall Plan paradigm.

Charles

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- * facilitation services for communities and development organizations
(participatory strategic planning, action planning, corporate planning)
- * promoting community visioning skills and supporting local empowerment
(participatory planning and action)
- * helping residents see and use their rich local resources to renew their economies and strengthen investments

Community Development describes the practices and academic disciplines of civic leaders, activists, involved citizens and professionals to improve various aspects of local/topical communities. Community development seeks to empower individuals and groups of people, with the skills they need to advocate on their own behalf improve their lives, and provide communities with access to resources. By understanding communities positions within the context of larger structures. Community development practitioners are often involved in organizing meetings and conducting searches within a community to identify problems, locate resources, analyse local power structures, human needs, and other concerns that comprise the community's character.

Long term assignments with:

UN-ESCAP/POC (Regional Advisor)
 UN-ILO (CTA, Cooperative Entrepreneurship)
 MADECOR-EMSI (CD & NRM specialist)
 RTPAP (Fellow)
 UPLB/CPDS (Researcher)
 CHF (Resident Advisor/Country Director)
 IHAP (CTA & Resident Representative)
 WU/CDT (Graduate Research Assistant)
 WHS (Space Management)
 USPC (PCV Minor Works Advisor/Ass't Planner)

Countries worked in,

Long-term: USA, Fiji, Solomon Islands, Philippines, Vanuatu
 Short-term: Samoa, Papua New Guinea, Federated States of Micronesia, Tuvalu, Cook Islands, Palau, Marshall Islands, Niue, Tonga, Thailand, Nauru, New Caledonia

Languages:

Native: English
 Fluent: Bislama/Pijin, Fijian
 Basic: Spanish, Pilipino
 Survival: German, French, Hindi (Fiji colloquial)