

Development Assistance and Aid in Pakistan

Local Experiences and Regional Observations

Jakob Steiner

proLoka proLoka – Projects in Pakistan



Pakistan – associations, stereotypes and a biased image



My 'Pakistan-qualification'

Development Assistance and Aid in Pakistan

proLoka

Projects in Pakistan



ANKA

direkt hilfe

HOPE 87
Hundreds of Original Projects
for Employment

HOPE 87
Hundreds of Original Projects
for Employment
Austrian

Development Cooperation

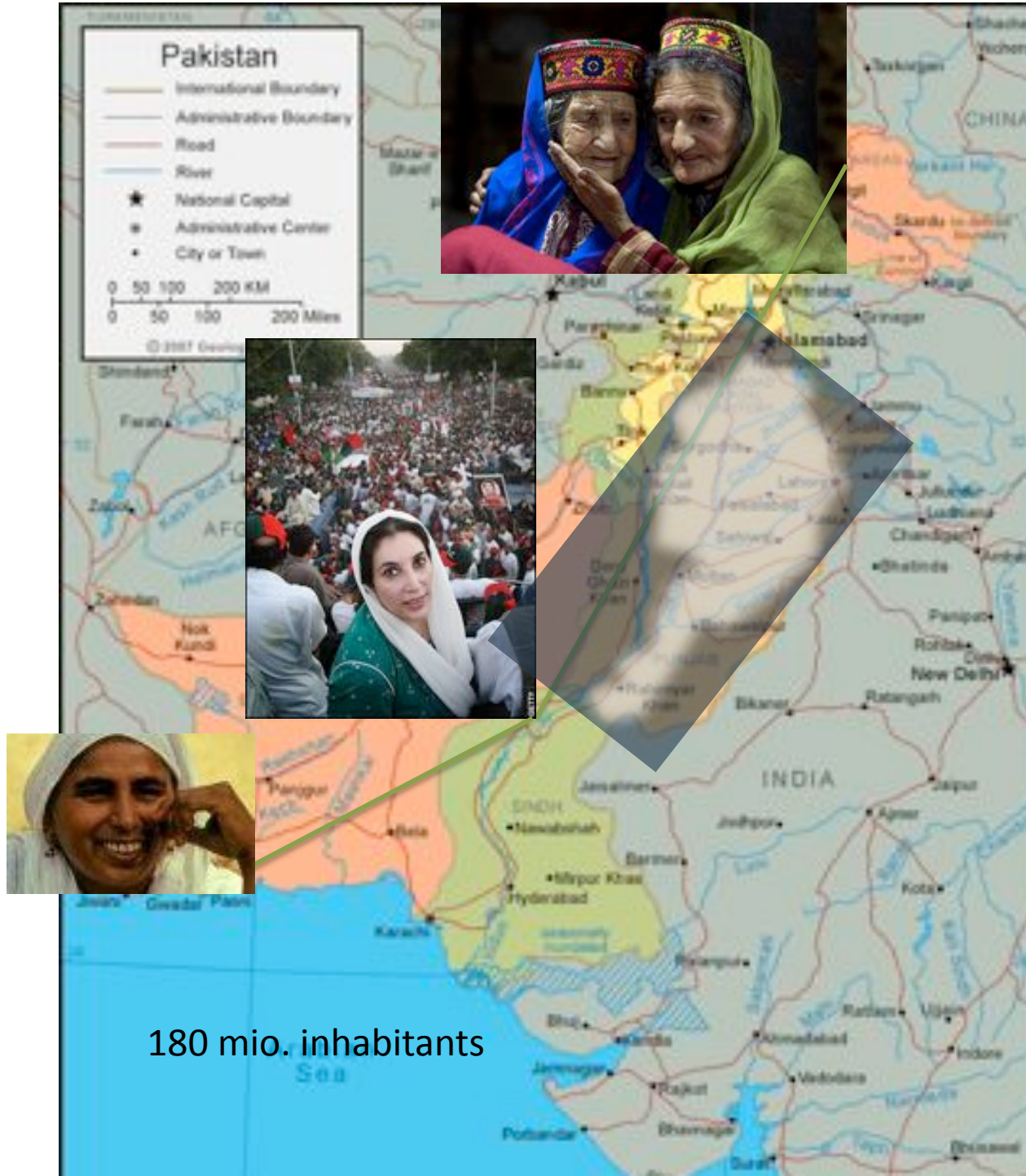
ANKA

ANKA

INDIA

0 100 200 km
0 100 200 mi

Two cross sections that tell us what?



180 mio. inhabitants

Pakistan ≠ Uganda and Punjab ≠ Sindh

„ [...] the aims of development are narrowly defined—the end result is expected to look **the same everywhere.**“

Carol Gallo, Yale Journal of International Affairs, Winter 2010

My Pakistan Experience

- **SOS Children's Villages** of Pakistan
(Teaching, National Programs Coordination)
- Freelance Journalist for **DAWN** (Newspaper)
- **proLoka** projects
- **UNICEF** consultant
- Language, Music and Motorcycles

Development Assistance and Aid in Pakistan

- from a global/**regional finding** (literature/think tanks) to a **local experience** (my work in Kashmir)
1. Government Accountability
 2. Disbursement Policies: More Money = More Aid?
 3. Unfulfilled Expectations

Local governance structures (1)

*“Injecting vast amounts of money into a **dysfunctional system** was unlikely to be successful. . . .Under circumstances of **elite capture** and **misgovernance**, more money may not necessarily buy social development. . . . The SAP [Social Action Plan] . . . is an example of how easily social sector **interventions can be hijacked** by **governance failures**.”*

The U.S. Aid “Surge” to Pakistan:

Repeating a Failed Experiment?, Lessons for U.S. Policymakers from the World Bank’s Social-Sector Lending in the 1990s; Nancy Birdsall and Molly Kinder; March 2010







Local governance structures (2)

„It's about accountability relationships: how do you get a recipient government to be accountable to its own citizens. [...] When aid is a substitute for tax revenue, it's a problem. And it is a substitute for tax revenue.“

Nancy Birdsall in an interview
to the Yale Journal of Foreign Affairs







More money = More Aid ?

„Pakistan has had respectable per capita growth over 1950-99, intensive involvement by donors and international agencies (\$58 billion in foreign aid), and has a well-educated and high-achieving elite and Diaspora. **Yet** Pakistan **systematically underperforms** on most social and political indicators [...].“

The Political Economy of Growth Without Development: A Case Study of Pakistan. Paper for the Analytical Narratives of Growth Project, Kennedy School of Government, Harvard University, William Easterly, 2001

More money = More Aid ?

„Including the Government of Pakistan’s own spending, billions of dollars were channeled through SAP. **More aid** money did not buy **more results**. [...] The **temptation to disburse** must be managed.“

The U.S. Aid “Surge” to Pakistan:

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Experience

- NGO sector a business rather than a philanthropic initiative



- Spending on local/international staff



- Disbursement policies



Expectations and tied aid (1)

“[...] when we hear the head of a European nation declare with hand on heart that he must come to the **aid** of the unfortunate peoples of the underdeveloped world, we do not tremble with **gratitude**.”

Frantz Fanon, *The Wretched of the Earth*, 1963;
(New York: Grove Press, 2004) p. 59.

Expectations and tied aid (2)

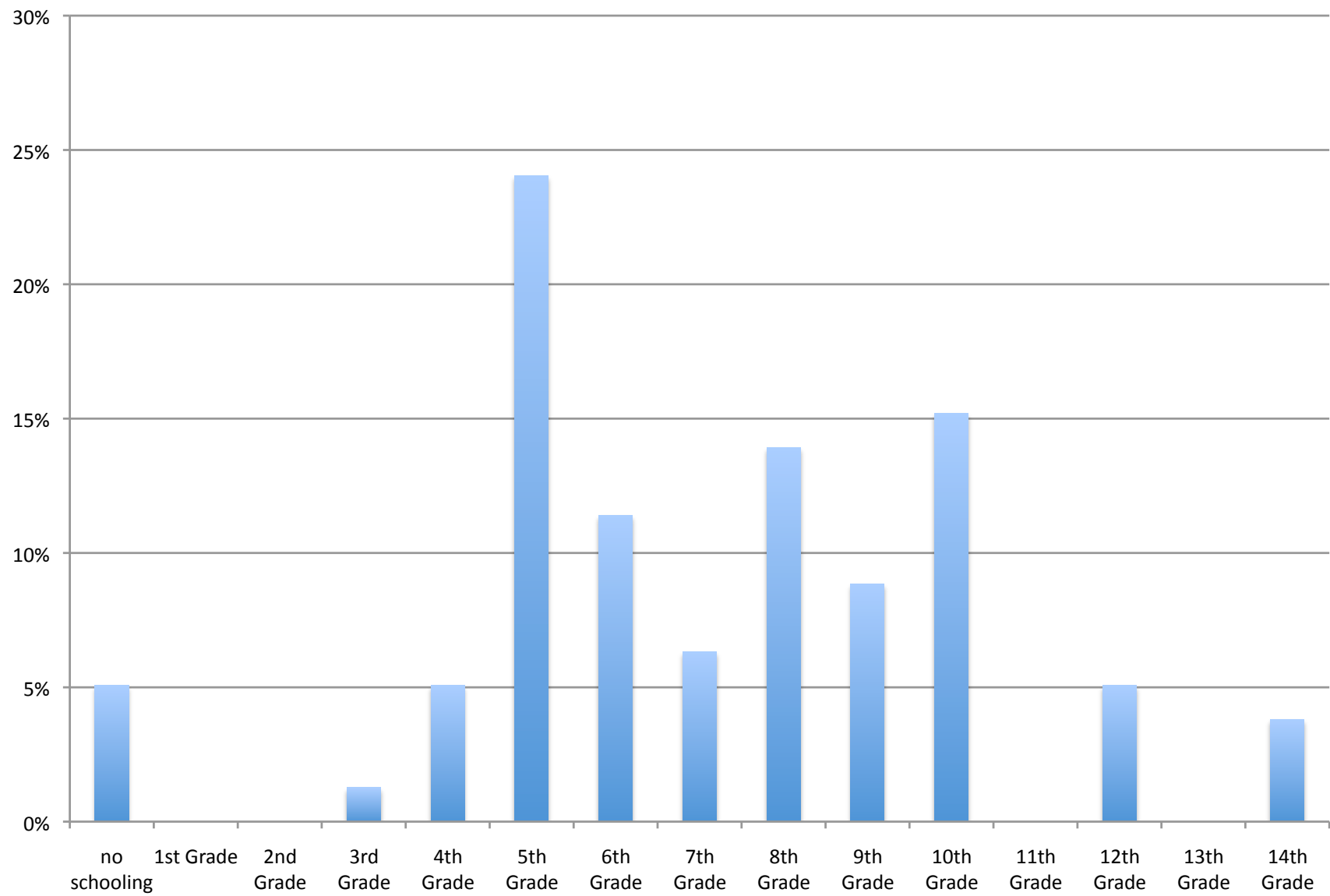
“It’s that if the poorest families spent as much money **educating their children** as they do on wine, cigarettes and prostitutes, their **children’s prospects** would be transformed. Much suffering is caused not only by low incomes, but also by **shortsighted private spending** decisions by heads of households.”

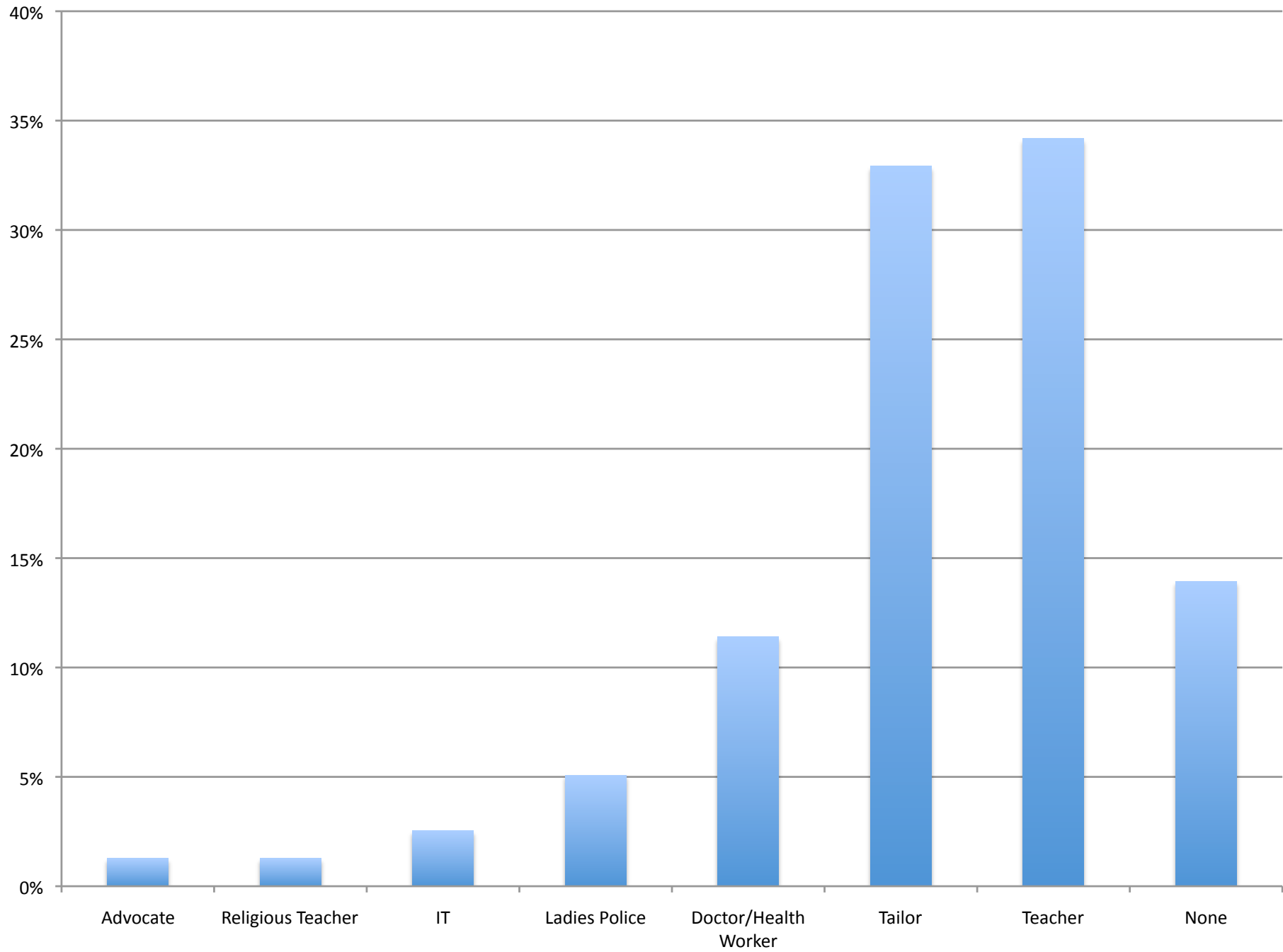
Nicholas D. Kristof, Moonshine or the Kids?,
Op-Ed NY Times, 22nd May 2010













Thanks for the interest ...

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projects: www.proloka.org
www.direkthilfe.at

punditry: www.rugpundits.com

Literature

- **Report no. 34942** – *Worldbank PAKISTAN COUNTRY ASSISTANCE EVALUATION*
- ***The Political Economy of Growth Without Development: A Case Study of Pakistan.*** Paper for the Analytical Narratives of Growth Project, Kennedy School of Government, Harvard University, William Easterly Development Research Group, World Bank, June 2001
- ***The U.S. Aid “Surge” to Pakistan: Repeating a Failed Experiment?*** Lessons for U.S. Policymakers from the World Bank’s Social-Sector Lending in the 1990s, Nancy Birdsall and Molly Kinder
- **Yale Journal of Foreign Affairs**, Winter 2010
- The Economic lives of the poor. Abhijit V. Banerjee and Esther Duflo, MIT, Cambridge (<http://econ-www.mit.edu/files/530>)