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### **Serendipity and the human factor; The unintended, unplannable and unforeseeable consequences of development cooperation** Melle Leenstra\*

#### **Abstract**

Development policy and implementation are a human endeavor. Too often however the human factor is relegated to an input or an externality in a quasi-technical process for transforming public funds into measurable results. Within the Weberian rational-legal order policies and bureaucracies are impersonal and objective. Policy objectives tend to get depersonalized and the human stories get filtered out of impact evaluations. This article will, on the basis of anecdotal case descriptions argue that following the human stories in development policy and implementation can offer surprising insights why at times policies may work or not work. How the idiosyncrasies of individuals’ agency impact on achieving policy outcomes. And how the human factor can give rise to beneficial unplannable, unforeseeable and thus unintended policy outcomes: serendipity. Based on this analysis and discussion, recommendations for structuring policy implementation will be made. This article will argue the need for strengthening the Rhineland Approach rather than New Public Management. Long term engagement and structured exchange is needed between professionals from the North and the South: less tendering and more core-funding. Development cooperation should get back to being what it was originally intended to be: people working together.

#### Highlights

- Human factor often ignored in development policy and implementation
- Focus on development intermediaries highlights unintended effects
- More human oriented approach to structure development cooperation
- Strengthen Rhineland Approach rather than New Public Management

Key words: Development policy, development implementation, cooperation, human factor, unintended effects, tendering, funding modalities, New Public Management, Rhineland approach, technical assistance

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## **Introduction**

Development cooperation is a human endeavour. It reaches out from one society in the global North to work on problems in the global South, because there is a political interest to do so. As such funded intentions try to connect from one human context (cultural, economic, social, political and ecological) over great distances to various other human contexts. Along a chain of human intermediaries working in organisations, human and financial resources are used with a view to changing things.

This article will start with story of one man. This will give us insight into how a development intermediary has shaped his life within an arena of shifting development policies and approaches. It shows how people create development results, but that the most lasting beneficial results are not necessarily those that had been planned for. After this introductory case I will set the stage for a further exploration of the human factor in development, leading up to an argument for a more human oriented culturally appropriate way of structuring development cooperation from the Netherlands with partners in the global South.

## **The *Mzee*'s impact on human development**

When working at an embassy in East Africa, I got to know a bit of the life history of a local colleague, I called *Mzee*<sup>1</sup>. His history spanned the entire duration of the independence of his country as a sovereign nation state. He was one of the fortunate ones of his generation, who were among the first in their families to go to university and thus escape poverty. The *Mzee* had gotten a bursary to study civil engineering at Patrice Lumumba University, the Peoples' Friendship University in the Soviet Union. After graduating, he of course joined the public service, the primary employer in his country as in nearly all recently independent African countries. He became a district civil engineer in a semi-arid district in his home region, a remote and relatively poor part of the country.

Through the increased involvement of international development cooperation since the late eighties, government officials increasingly interacted with international development agencies. As beneficiaries of training, as counterparts to expatriate technical advisors, or as local experts to projects. This was also the case for the *Mzee* who became part of a rural development programme supported by the Dutch. As he talked with me, he recounted with fondness instances during this period when he had interacted with certain Dutch development professionals. He had been inspired and learned - and taught and inspired in return - in a process of knowledge exchange.

At the same time, he saw the fads and fashions follow each other in the development policy context which governed his work; shifting priorities, changing approaches. From a direct professional engagement in

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<sup>1</sup> Swahili for elder

policy implementation, his work became more remote from the realities of the intended beneficiaries. At the turn of the century, a shift from integrated rural development programmes to the sector-wide approach, meant the *Mzee* would need to engage in policy discussions with government officials and help negotiate the conditions for budget support. Gradually donors' preoccupation with good governance emerged. Their endeavour to fund and work through government systems in order to obtain development results came into doubt. Lack of government effectiveness and control of corruption meant donor confidence to continue this approach would eventually disappear.

For the *Mzee* personally, psychologically this was difficult. He had come to see the system he had helped to build as deficient. Donors and government stuck in a macabre discursive dance. The objectives of helping the poor and transforming the nation seemed elusive. Was this all for nothing? Was this time, effort and money all wasted? As I got to know a bit about the *Mzee*, he seemed to have experienced an eclipse of idealism... A sobering reflection for me as a young development professional.

But there is a silver lining: people take care of themselves and their families. To change the world, one must start with oneself. By the time he was about to retire, the *Mzee* owned an old colonial mansion where he lived with his family, a former civil servant house sold off during Structural Adjustment. He also had inherited a piece of land in his rural village, where he had tried with marginal success to have caretakers breed goats and grow crops. He had also purchased a plot of land not too distant from the capital city, where he had planted trees for lumber, in anticipation for a better plan after retirement.<sup>2</sup> He and his wife had invested heavily in the education of their children.

In fact, his eldest daughter had recently graduated as a pilot. She had just got a job for a regional charter airline. Could he have imagined as a young boy in the latter days of colonialism that foreign and local tourists would one day be flown around by his daughter? A young African woman saying: 'Ladies and gentlemen, this is your pilot speaking'. Imagine now what impression she would make on my young daughters and their African friends. If that is not empowering girls, if that is not gender impact... what is?

### **Setting the stage: methods and theory**

This narrative sets the stage for this contribution to this journal's special edition on 'The Unintended Effects of International Cooperation'. This article will discuss the human factor in development policy and its effects, intended, planned or otherwise. It will carry a positive bias, while striving for objectivity, due

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<sup>2</sup> The *Mzee* was indeed a 'telephone farmer' see Leenstra (2014)

to the focus on serendipity. Serendipity refers to ‘the occurrence and development of events by chance in a happy or beneficial way’.<sup>3</sup>

Of course the story of *Mzee* is an individual, anecdotal case, but it is surely not unique. In fact, it resembles the highlights of a study following nearly two decades of an integrated rural development project in Bukoba, Tanzania (Kamanzi, 2007). This study demonstrated that despite a critical impact evaluation about the lack of impact on the livelihoods of the target group, the project had a direct positive impact on local development intermediaries. They in turn provided a more indirect ‘trickle down’ effect on poverty alleviation. The article before you will in part focus on such development intermediaries, and explore the broader impact that they may have in the long term to societal transformation; an impact broader than the *Mzee*’s indirect contribution (together with his wife and community) to gender equity by raising and educating a positive role model for young girls.

During my academic, policy and development work, I have heard numerous such stories. Life histories of the lower and upper middle class that only a generation or two ago were semi-subsistence smallholders. These people may not be the poorest of the poor, but rather those who have moved from a subsistence livelihood to a position of relative wealth. Owning an asset base in the form of land and real estate, and most importantly the social capital based on a next generation well-educated with the skills likely to ensure one’s human security.

The case above and other anecdotal data in this article compel one to take a human perspective on development. Development is a human endeavour. Development policy and development interventions are the products of human initiative and they should and usually do affect the lives of children, women and men. But there is a fallibility to humans: we are far from perfect. Whereas humans are knowledgeable agents, our knowledgeability is bound by unconscious, unacknowledged conditions and unintended consequences. As the sociologist Giddens put it:

The flow of action continually produces consequences which are unintended by actors, and these unintended

consequences also may form unacknowledged conditions of action in a feedback fashion.

Human history is created by intentional activities, but is not an intended project; it persistently eludes efforts to bring it under conscious direction. However, such attempts are continually made by human beings, who operate under the threat and promise ... that they are the only creatures who make their

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<sup>3</sup> <https://en.oxforddictionaries.com/definition/serendipity> ‘Origin: 1754; coined by Horace Walpole, suggested by The Three Princes of Serendip, the title of a fairy tale in which the heroes ‘were always making discoveries, by accidents and sagacity, of things they were not in quest of.’

history ....<sup>4</sup>

Yet in the discourse of public service prevalent across the world these creatures, these human beings are dehumanised. Discursively the public service has a need to distinguish public from the private interest. This means that people get anonymized and standardized - often clustered in groups. People's faces and identities are thus taken away by the discourse of impersonal rational-legal authority.<sup>5</sup> Within the Weberian rational-legal order policies and bureaucracies are impersonal and objective. The human factor is often relegated to being merely an input or an externality in a quasi-technical process of transforming public funds into measurable results.

This article will, on the basis of brief anecdotal case descriptions argue that following the human stories in development policy making and implementation can offer a surprising insight why at times policies may work or not work. How the idiosyncrasies of individuals' agency impact on achieving policy outcomes. And how the human factor can give rise to beneficial unplannable, unforeseeable and thus unintended policy outcomes: serendipity. This article will appeal for a look at the human factor in relation to public discourse: policies, but also public practice: policy implementation and its effects, intended or otherwise. Institutions are negotiated and shaped through the interactions between agents.<sup>6</sup> As such people give shape to their history through conflict and collaboration.

Theoretically this article is not based on an extensive literature review, though it takes note of and can be considered a specification of the effort of Koch and Schulpen (2016) in this regard. Methodologically the article is not based on any quantitative analysis or numerical justification. Disciplinarily it is firmly rooted in the humanities with a strong focus on human livelihood development in relation to policy and institutional structure. This paper is based on the inspiration of individuals encountered, conversed with and interviewed, in the course of two decades including academic field work, policy work, political analysis, development programme management, recreation and everyday life in several countries across Africa and in the Netherlands.

Due to my own involvement in Dutch development cooperation the focus of this article can be considered as a partial case study of development cooperation from the Netherlands with countries in the global South. Moreover the policy recommendations in the latter part of this article are particularly aimed at the manner in which Dutch development cooperation can be re-organised. It should be emphatically noted that Dutch development cooperation has unique contextual conditions, culturally, socially, economically and

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<sup>4</sup> Giddens, A. (1984), *The constitution of society*. Berkley.

<sup>5</sup> Weber (2006\*)

<sup>6</sup> Refer to the works of Norbert Long (Hebink and Verschoor 2001)

politically. As institutions are context specific, institutional arrangements cannot be copy pasted from one context to the other but are the result of contextually specific negotiations between stakeholders.

### **Health sector reform as an arena for livelihood development**

A decade ago I engaged on an extensive policy oriented research project which drew up informative findings on the livelihood opportunities created for development intermediaries.<sup>7</sup> I studied life histories and the history of a process of policy making and policy implementation to try to make sense of the Zambian health sector<sup>8</sup> from a human perspective with in a specific socio-political context. This research looked into the socially embedded career trajectories of health workers within the Zambian government health system. This sector was heavily funded and supported by international development cooperation.

The study found that health workers displayed a strong drive towards upward mobility. They had all successfully pursued and had acquired qualifications: secondary school, college and university diploma's and degrees, to enter the health system and to further their careers. For most this had provided an opportunity to remain or move beyond the volatilities and poverty that many of their compatriots face in informal livelihoods both on and off farm: an escape from poverty. The people working in the government health system had over the course of generations negotiated the entitlements due to them as civil servants: a list of allowances and stipends to supplement the salary.<sup>9</sup> However it appeared that while employed they engaged in a whole range of livelihood investments, beyond the paycheck. Some owned shops, many farmed and were early technology adopters, nearly all invested heavily in real estate and human capital, most prominently education for themselves and their dependents. As we saw with the Mzee, this investment would prepare them for retirement.

On a more aggregate level, a serendipitous consequence of this donor investment in the health sector (with health outcomes as the primary objective) was a contribution to building of an economic middle class. Families who had achieved economic security by building an asset base to keep them beyond poverty and by investing in education passing this livelihood security on to the next generation. At the same time, such an economic middle class of government servants does not translate into them becoming part of a political middle class, going beyond merely protecting their entitlements. Nor does it necessarily translate into better public service provision.

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<sup>7</sup> Culminating in Leenstra (2012)

<sup>8</sup> The choice for the Zambian health sector for my research was based on idiosyncrasies, but can be justified by the fact that this sector illustrated the shifting approaches to Dutch development cooperation over a period of twenty years. This is justified in *Ibid* p 20.

<sup>9</sup> Particularly for doctors who dominated the leadership of the sector these entitlements were significant *Ibid* p117.

With a historical analysis, this study further delved into the politics of the health sector. It appeared that rather than managing performance, the government system prioritized managing loyalty. Civil servants were thus bound by a pact with the state that provided access to economic security provided they did not challenge the political status quo. In the process incompetence and dishonesty could often be overlooked, except when loyalty would need to be re-enforced. In short, it appeared that the primary objective of the public health service was not the development goals that were formulated with development partners. Rather the primary objective appeared to be political stability and regime survival.

#### *The Dr. 's vision for basic health care*

In this political and historical context, I discovered a person's life history that begs to be told as it shows how the idiosyncrasies of one person's reality can shape the macro political arena. This is the career of a rather influential development intermediary who was a driver in shaping the Zambian health sector in reaction to donor discourse. At the same time, he not only built his own advance into the political elite, but the health sector also was a key resource in ensuring regime survival. Here we will refer to him as the Dr. The Dr. in his own narrative was the son of a tribal princess and a freedom fighter and had trained as a psychologist. For his PhD dissertation he wrote a historical analysis of the Zambian Health sector. This provided the conceptual inspiration for the health reforms he would later negotiate, solicit funding for and implement as deputy minister and later minister of health. The Dr. thus wrote the introduction of the narrative he would in reality feature in.

With a new government in place after Zambia had transitioned into a multi-party political system at the beginning of the 1990s, the country experienced an excitement to work together with international development partners. The health reforms formulated at this time discursively appeared well suited to the prevailing drive towards public sector reform within the context of Structural Adjustment. The reforms would imply a decentralization of decision making power within the health sector to the district level. This was combined with pooled donor funds targeted at district health services. Early successes with activities related to the health reforms generated more and more donor enthusiasm and thus funds for the Zambian health system.

In the meantime, the Dr. 's career prospered. From deputy minister he became minister, after the ruling party had won its first re-elections. The politician who was minister above him had been catapulted further up the ladder of power. In part this was due to the political support he had generated with the resources of the health sector, legitimately and perhaps less legitimately so. The Dr. himself also gradually built his own political base and ventured into politics well beyond the health sector. Years later the health reforms were partially reversed as corruption-related controversies shattered the confidence between donors and government.

At the time of writing my dissertation I was struck by the eclipse of idealism witnessed by the Dr. and other seasoned health workers. The health reforms appeared to have been instrumentalized by the interest of those people working (in) the system. The official objectives of the policies had been partially met, at best. At the same time, people within the system built livelihoods, boosted careers and passed income security and human capital on to the next generation. On the basis of this contextualised case I concluded that the Zambian state like others had other implicit objectives than to publicly pronounced objectives of providing access to basic health care. These other objectives included redistributing public resources among regional elites to maintain the stability of the political system. In other words, a tactic of managing loyalty rather than managing performance was applied in pursuit of regime security. Individual livelihood security and broader economic results were an implicit serendipitous side-effect.

From the perspective of development partners this was not the directly intended consequence of their support. It should be the poor to profit from aid and not the better off (however relative). Also questions about the value for money would be justified: donors got something they did not buy. The effect of development interventions on development intermediaries however did in serendipitous ways contribute to shaping Zambian society, the collective history of a nation and many personal histories of those involved. Nevertheless, from a health policy perspective, even from a development perspective, such an indirect impact will not be satisfying. At the same time it can be argued that this sense of unease is primarily a result of the fact that the prevalent approach to policy planning and implementation is flawed. This prevalent approach to development fails to explicitly take into account the human factor. Policy should work with, build on and amplify human endeavour rather than ignoring, misjudging it or wishing it away.<sup>10</sup>

### **To connect to distant human contexts, don't prescribe problems**

The preceding narratives have illustrated how development intermediaries in the South are active agents in shaping the process of translating policy objectives and the resources of development cooperation into results, intended, foreseen and otherwise. Development policies and approaches for policy implementation must therefore be aware of and be able to connect to this human reality.

The starting point for formulating development policy is generally a conversation about world problems from the perspective of a donor country, such as the Netherlands. I will argue that this is a poor point of departure for an institutional process to deal with the human complexities<sup>11</sup> of global human and planetary reality. Political discussions on development tend to dwell on problems identified among current affairs. Ever shifting agendas make it difficult to retain a focus for policy formulation and implementation. In

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<sup>10</sup> Or as Easterly (2006) put it policy makers should support searchers rather than be planners.

<sup>11</sup> Or even fluidity. See Umans (2016)



order to make this complexity manageable there is a felt need to focus on specific themes at the exclusion of others. This in turn makes the selection and definition of themes the main object of political negotiation rather than how the results will be achieved.

Within Dutch development policy thematic steering is the most explicit organizing principle. Currently four spearhead themes have been selected as they contribute to specific sustainable development goals themes on which the Netherlands is presumed to have a comparative advantage.<sup>12</sup> This appears logical if interventions for in instance food security are aimed to draw on technology or expertise carried by Dutch professionals or international professionals working for Dutch knowledge institutes, NGO's, government or private sector companies. In such cases certainly a Dutch comparative advantage is put to use. But if thematic steering means that presuming a comparative advantage of one Dutch Euro over a British Pound in a multi-donor trust fund, international investment fund or a multilateral contribution dealing with agriculture, this is more questionable.<sup>13</sup>

This article proposes focusing on the how, not only the what. Rather than taking the aggregated problems of millions of people in scores of countries in myriads of specific local contexts, more attention is needed for the modalities for channelling resources to engage in cooperation to achieve sustainable development results.

Let us thus explore the instruments at policy makers and implementers disposal. To put it simply, policy makers can only change the world by talking, writing and spending (while other professionals can actually make stuff). Instruments at policy makers' disposal thus include: funding, dialogue, negotiating, training and writing reports. To get things done, to deliver public goods, policy makers need others to do things. They must thus organise and incentivise others to respond to formulated policies. To organise this incentivising of people and organisations to respond to policy priorities, funding is a primary means at policy makers' disposal.

### **New Public Management**

In public organisation in the Netherlands there are two competing approaches relevant to structuring relations between policy makers and those responsible for policy implementation. the Rhineland approach and New Public Management both govern how government interacts with the private sector and civic organisations to achieve policy objectives. Currently a hybrid of both approaches is prevalent in Dutch public management. At the risk of over simplifying one could state that a Rhineland model of public-private-civic organisation has over the last decades been governed by New Public Management rules,

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<sup>12</sup> Blog: Leenstra (2015) <http://knowledge4food.net/sow-before-you-reap/>

<sup>13</sup> The same applies to incentivizing a Dutch child support or disability NGO, technical vocational college or ICT solution company to move out of their comfort zone and deal with agri-food in order to be relevant.

processes and structurally been reformed following this logic. At the same time organisational culture remains rather Rhineland oriented.<sup>14</sup> This article will argue that a more human oriented approach to development policy would require rethinking the move towards New Public Management and strengthen and rebuild Rhineland approaches to development cooperation.

Since the end of history,<sup>15</sup> or rather the end of the cold war, one paradigm on the relations between the state, the economy and society has become dominant. The ideology of economic liberalism together with the political ideology of democratic liberalism have determined the rules of the game in various parts of the world. For the functioning of the public sector in relation to the economy and society this is referred to as New Public Management.<sup>16</sup>

National public services have been reformed, both in the global south,<sup>17</sup> but also in the global north. This was often driven by the need to reduce the government wage bill and was characterized by the privatization of what had previously been government tasks and services. This not only referred to government moving out of the production of economic services that can be qualified as private goods, but also supportive functions and even some core functions of policy formulation and implementation: the delivery of public goods. For governments to continue achieving their policy goals they have to procure services competitively on an open market. This is reinforced at the international level by rules formulated under the WTO and the European Union on the free trade of services.

Under this ideological dispensation the delivery chain for development cooperation has become a market for services. I will further argue that an exaggerated application of the lessons of New Public Management to development cooperation does not properly connect with the human factor. My argument is based on three counter points to the Rhineland approach. Whereas the Rhineland approach is based on connecting, organizing confidence and fostering and employing craftsmanship,<sup>18</sup> a New Public Management approach is based on disconnecting, organizing mistrust and interchangeable professionals ranked by narrow parameters such as grade and seniority.

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<sup>14</sup> Peters and Weggeman (2010)

<https://www.vanharen.net/blog/project-management/rhineland-model-v-2-1/>

<sup>15</sup> The presupposed end point in humans' ideological evolution, the claim that Western liberal democracy and by association its economic system, would be the final form of government and organization. Fukuyama (1992)

<sup>16</sup> De Vries (2013)

<sup>17</sup> In the global south this was in reaction to conditions for debt relief and development funding in accordance with this ideology, though such reform

<sup>18</sup> *Verbinden, vertrouwen en vakmanschap*. Please note craftsmanship should be considered in a gender neutral manner.

### *Connecting? – Disconnecting*

In the Netherlands numerous development service providers (housing development intermediaries) that had previously been public have been privatised<sup>19</sup> or not for profit civil society based organisations have lost core funding and have had to compete on the funding market. Privatisation (*verzelfstandiging*) can be an exit strategy for organisations government had earlier established in response to a policy imperative that government wishes to take no more responsibility over. Stopping core funding and providing scope for access to programme tenders means leaving organisations depending on a funding market populated by donors and charitable initiatives. Some organisations may have merged or abolish themselves, but with a characteristic inherent to humans, human organisations exhibit a desire to survive and prosper. In the last decade Dutch development cooperation has become a market (as well as much of the broader the Dutch and European knowledge sector), organised in the spirit of new public management. In this development market, tenders for assignments for which government takes the initiative or tenders for grants in response to the initiative are the preferred modalities for getting things done.

The notion of Development Cooperation as a market is based on assumptions that competition is equitable (fair) and leads to efficiency: best quality for the lowest price. In reality however the market is too simplistic a model for the human complexities of production of public goods of global development. An excessive focus on tendering and contracting rather disconnects, risks going off target and incurs transaction costs that may negate any efficiency gains, particularly as things become more complex.

For the procurement of food, blankets or tents for emergency aid, a tender procedure is an appropriate way of governing market engagement either through a supplier contract or a single purchase. It is logical that such purchases follow the logic of new public management and economic liberalism. In a market, competition is an essential and efficient way of ensuring value for money. The same will apply to public works such as building schools or refugee camps. There are various players in a market who could build and organise for policy makers and a competitive process could ensure the best is delivered at the lowest cost to tax payers. Another benefit is that all those capable potential suppliers have a fair chance at a contract, and that monopolies or oligopolies do not distort the market.

But as the human complexity of what needs to be done increases and as the knowledge and expertise required to provide a service, the market and competitive arrangements become more imperfect guardians of efficiency and effectiveness, of price and quality. Not least because effectiveness, quality is so much more difficult to quantify and measure in such cases. This creates information problems between the policy maker (the principle) and the service provider (the agent). Complex tender processes often lead to huge cost overruns and dissatisfied stakeholders not just in complex distant contexts but also in more

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<sup>19</sup> F.i. the Royal Tropical Institute, SNV Netherlands Development Organization, Universities and research institutes.

predictable developed economic systems.<sup>20</sup> Moreover as illustrated by several procurement scandals I came across in the Zambian health sector (Author 2012) tenders can be manipulated or instrumentalized by decision makers for private gain.

The contracting of advisory services for development commonly follows a tender, for instance when development policy makers in pursuit of their policy objectives want to employ research, advocacy, public awareness raising or development project formulation, implementation and evaluation. Indeed, in a situation in which there are numerous potential suppliers and the required profile of expertise is readily available, a competitive procedure may be appropriate. However, in situations in which there is limited supply of people with the exact fit or expertise and experience, it is questionable whether a tender is most appropriate. In a competitive market, applicants can be keen to take a chance and might get lucky. Those lacking a good fit would have incentives to embellish reality to increase their chances at winning the tender. What happens when a tender is won on the basis of a CV and is budgeted on the hours of a seasoned professional that delegates work to someone less qualified? But there are also risks of inefficiency due to high transaction costs for both applicants and assessors. If an organisation which tenders unsuccessfully who pays the costs of proposal writing? Such extra costs incurred are a negative externality of an administrative tool paradoxically aimed at ensuring efficiency, effectiveness and equity. For for-profit consultants, both individual as well as those in firms, it is natural to prefer competition and competitive selection as it means access to business. But it is a questionable whether their commercial interest should outweigh the public interest of effective development cooperation.

A further drawback of competition for (development) resources is that this provides a disincentive for information sharing. Although development cooperation should provide knowledge as a public good, competition reduces access to information, Knowledge is key to one's competitive advantage. Preventing information from reaching competitors helps to protect one's position in the market. This further serves as a disincentive on collaboration and partnerships. Scrambling for contracts makes university researchers competitors of consultants and consultants competitors for non-profit development organisations and vice versa. As such aid delivery chains become disconnected from the heterogeneous environment in which they operate.

Moreover, competitive contracting of development services, hampers information flowing between policy makers and policy implementers. Co-creation whereby programme formulation is a participatory and iterative process, can lead to projects better attuned to the context in which they seek to intervene. However, when programme implementation depends on a competitive tender, information sharing

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<sup>20</sup> Cantarelli et al (2010)

between policy makers and development practitioners is frowned on as access to information may give an unfair competitive advantage.

### *Confidence? Organising mistrust*

The aid delivery chain generally extends numerous steps with recipients of funding in turn contracting others to pursue the objectives passed down hierarchically. Within this chain the mandate is passed down, often with similar competitive calls and governed by result management tools such as the logical framework. At the end of the chain one finds the target group an amorphous and impersonal definition of people who should benefit. Have the information or funding they received through an intervention been sufficient incentive to change their behaviour, their context and their chances for a better future? The challenge then is to measure and aggregate these effects and bring them back up the funding and accountability chain. It is the question however if the new public management tools intended to create legibility, predictability and accountability in effect merely organize mistrust.

Management tools used in the private sector for the procurement of goods with an assessment of price and some quality criteria are applied to interventions aiming to impact on the complex human realities in divergent socio-cultural contexts. This is governed by the reductionist<sup>21</sup> logical framework approach. This logframe presents a hierarchical order: a goal, objectives, inputs, outputs, outcomes, and the foreseen impact in a matrix. To this are added the inputs that are needed to achieve the results proposed or prescribed, with people being reduced to full time equivalents and seniority ranks. This is further accompanied by an understated risk paragraph as a thorough analysis would open up the Pandora's box of human complexity.

As the agent of a contractual relationship provides a risk of not performing or engaging in fraudulent behaviour, the principle needs to mistrust the prospective contractor. Procedures are built to mitigate or eliminate this risk. In pursuit of fairness such procedures need to be equitably applied. The consequence is that honest agents pay for the sins of less scrupulous agents, as the high bar intended to prevent abuse. Moreover, such procedures of organising mistrust again lead to high transaction costs for both the contracting and the contracted party.

Structuring development has thus become a hierarchical sequence of transactions governed by contracts in an environment of imperfect information, principle-agent dilemmas and associated mistrust. This cascading of objectives, combined with a lack of attention to the how questions in development

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<sup>21</sup> The use of the term reductionist is not necessarily intended to be normative, but rather a descriptive term referring to the simplification or condensation of a complex reality into a framework

cooperation, conjures up the image of a black box in which inputs and objectives are fed in at the top and results are expected to roll out at the bottom.

### *Craftsmanship? – Depersonalisation*

In the same time that New Public Management was gaining traction, an equally revolutionary change to the approach to development took its effect, which took a human factor out of development. Since the turn of the century Dutch development cooperation has reduced the use of long term technical assistance in development cooperation. Previously expatriate technical assistance (TA) was deployed to fill gaps in professional expertise in developing countries. At the advent of independence, many African countries had mere hundreds of their original inhabitants holding university degrees.<sup>22</sup> To contribute to building the institutional structures of the state and its service delivery functions foreign aid programmes posted their own professionals within government offices, hospitals, schools and research institutions and later in NGOs. The cardinal aim of such postings was knowledge transfer. At the same time, it was common for key management positions to be filled by expatriate TA. This drew criticism of lack of sustainability and (cost-)effectiveness, and cultural maladjustment of foreign experts to local realities.<sup>23</sup>

Culturally the relationship between technical advisors and recipient organisations could be rather charged. The power relation between a representative of a foreign donor, within an organisation with its own cultural and political context could be rather asymmetric. How could a young professional from the Netherlands be telling more seasoned local professionals what to do? National pride and dignity could clash with a desire opportunistic or otherwise for access to resources and with a genuine desire to learn. From this perspective it is not strange that Dutch development minister Herfkens in the late nineties was convinced by scenes of Dutch doctors managing Mozambican hospitals to start abolishing long term TA. SNV was separated from the ministry, the ministry's own expert placement department was closed down and later NGOs' joint expert placement agency PSO petered out and was abolished later.<sup>24</sup>

But by truncating the learning curve of Dutch development implementation, Herfkens can be considered to have tossed away the baby with the bath water, rather than mending what was faulty. A move towards a sector wide approach not based on long-term technical assistance, came close to treating recipient government institutions as black boxes; tallying the financial inputs that go in, and waiting for results to come out at the other end. The human interaction between professionals from professionals from the North and the South greatly diminished. Gradually in the early years of the century, development cooperation became policies and programme objectives negotiated in the Netherlands, and then the

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<sup>22</sup> Zambia for instance at independence only had 100 university graduates (Leenstra 2012)

<sup>23</sup> Hoebink (2002)

<sup>24</sup> Van Meurs (2001)

compromise cascaded down to organisations in-country. Such local organisations ideally were fully locally staffed to ensure ownership, thus risking to be burdened by local political economic challenges. Dutch development intermediaries would just pass by occasionally for meetings and monitoring visits. This was truly development by remote control.<sup>25</sup>

### **A human oriented Rhineland approach to development**

I would like to assert that a more human oriented approach to development policy implementation would be based on cooperation of organizations filled with professionals from the global North engaging in collaboration with partners from the South. Such an approach would be influenced by the Rhineland model of organisation. Strong devolution of decision making is needed to empower action by professionals informed by their context. Rather than building on mistrust, a Rhineland approach would organise craftsmanship by connecting professionals in organisations and networks of individuals in relationships based on confidence: Trust.

This Rhineland approach is prevalent within current Dutch development policy discourse. Policies on public private partnerships are replete with Rhineland thinking about stakeholders, negotiated common interests, co-creation and innovation. In the agro-food sector the Dutch are keen to talk about the Dutch diamond as the multi-stakeholder alliance that will bring sustainable and inclusive growth. However, there is a big gap between a Rhineland inspired policy and organisational culture and the rules of new public management. Are partnerships best organised on the basis of linear logframe approaches and selected in competitive tenders? Recent studies on partnerships are tending to cast doubts on this.<sup>26</sup>

Below suggestions will be made to strengthen Rhineland organisation in Dutch development cooperation, based on connecting, confidence and craftsmanship. These may be more relevant and realistic at the top of the delivery chain. The Rhineland approach is culturally rooted in North Western Europe and culturally ingrained in the organizational culture of the Dutch. Of course one cannot copy paste institutions from one context to another. At the same time cultures do influence each other and a Rhineland notion may be brought to the arena of cross cultural interaction and may inspire others to think outside the box and engage in cultural innovation.

#### *Connecting*

A more human oriented approach to development would involve structuring human relations, sponsoring collaboration between individuals, within organisations, between organisations in networks connecting the global north to the global south. One way of organising Dutch development in a Rhineland manner, would

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<sup>25</sup> Leenstra (2009)

<sup>26</sup> Karaki and Medinilla (2016,) van Tulder et al. (2016)

be to revisit core funding as a modality. Not all funding should be sourced this way, but it could provide a basis from which organisations could engage in international cooperation. Based on their unique expertise and competence in either applied research, training or development facilitation, their unique (professional) membership network within Dutch civil society, private sector or research or based on their unique public sector expertise within the Netherlands, organisations of development intermediaries could qualify for modest core funding. Similarly, organisations able to raise charitable funds could be provided co-funding as a proportion of what they collect in fund raising. One provision would be that the aim of spending these funds would be collaboration, exchange and knowledge creation related to development policy objectives. This would allow organisations to with their professional staff, stakeholders and membership formulate their priorities and approaches to connect the Netherlands to emerging economies and lower income countries. Of course the selection: which organisations would be selected and which would not, would be a matter of contention.

By providing modest<sup>27</sup> core funding, an organisation would have some core capacity to further solicit funds from other funding sources, including competitive calls from Dutch or other sources. This would provide an incentive to look beyond the relationship it has with one specific funder. Thus creating new partnerships, creative inputs and access to new networks. As such organisations based on core support partially based on self-imposed objectives under their own sphere of control rather than prescribed or delegated objectives. From there on they will have the space to work on collaborative projects shaped by a negotiated overlap of (organizational) interests. Funding instruments should facilitate such collaboration rather than hierarchically cascade objectives.

As such Netherlands-based organisations (and their overseas branches) should be capacitated to work with and engage with stakeholders in developing countries. In numerous cases this could be an issue of twinning: organisations or professionals engaging with their peers in developing countries. Agricultural cooperative staff, labour unions, public health experts, private sector managers, phytosanitary services, local government authorities, bankers, tax authorities, LGBT-activists, political parties, agricultural colleges etc. Many of such programmes exist or have existed at some time, though not in as a deliberate coherent strategy, as I would propose.

The approach sketched above however is just one of the channels of development policy implementation: societal or sectoral economic cooperation. For instruments to support individual business cases perhaps competitive calls could be needed for selection as long as a more elaborate support and professional

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<sup>27</sup> Modest meaning not considering core funding as the primary funding source for an organization. If an organization solely relies on core funding they would feel fewer incentives to respond to donors' priorities. Koch et al. (2007) for example argue that core funding leads to inertia as NGOs in less 'marketized' systems are less poverty focused in their geographical choices.



guidance and follow-up phase is needed to ensure a synergy and a connection to realities in target markets. For other channels, Rhineland principles certainly would also apply. For instance, for to collaboration through intergovernmental organisations or bilateral cooperation: embassies engaging with governments, civil society organisations and the private sector in partner countries (either directly or through intermediary organisations).

Within this context actions and interactions are negotiated with stakeholders in a process of collaboration, co-creation and co-innovation. This does not mean that bureaucratic tools such as plans, reports and agreements are not needed. Instead they are to be used to organize confidence rather than to presume to manage human action in a predefined direction. A challenge of such tools remains that while organisations and professionals would plan for results: neither the qualified outputs, and certainly not the outcomes and impacts would be either predictable or necessarily foreseeable. Within New Public Management there is an unrealistic assumption that results at outcome level or even impact level can be planned for at the top of an aid delivery chain.

### *Confidence*

A funding and accountability relation based on organising confidence is built on more than proposals assessments and reports. Rather there is a need for exchange, engagement and dialogue. Also in order to adjust the common agenda between funder and recipient the relationship cannot just be based on the initiative of either the recipient or the funder. This relationship should be based on a process of co-creation and co-innovation and constant learning and adjusting whether an organisation is doing the right things and things right. Professionals representing the funder are essential to shaping this trust relationship, as they buffer and broker on the recipient's behalf within the funding organisation. They ensure that the funder's interests are met and communicate the successes of recipient are communicated up the development chain.

Of course in all human relationships crises of confidence may occur. In programme management this would happen upon discovering mismanagement, fraud or otherwise realising that there is a lack of common ground. in my research on the Zambian health sector numerous scandals were explored. In such cases a relationship could and should be able to be terminated if attempts to resolve the crisis fail. To start or to terminate a relationship will always remain a delegated political decision.

Essentially however development funding should not be seen as a simple transaction, the human reality in which a donor aspires to be a player is anything but simple. Rather funding should be seen as a facilitator for collaboration between people to pursue joint objectives. And ensuring joint objectives are reached is ensured by collaboration between people as a means of ensuring, negotiating and organising trust.

A more human oriented approach to development cooperation would need to build in feedback loops to support, calibrate and enforce relationships of confidence with the system. Evaluation, critical dialogue and candid interaction between people along the collaboration network are needed to provide such feedback loops.

### *Craftsmanship*

Interaction between people is essential to working on joint objectives and on building and maintaining trust. A human based approach to development policy implementation would require organisations to be based on professional collaboration of balanced teams of people; balanced both in terms of cultural background, gender and age. The key is co-creation and innovation by bringing together different approaches and different knowledge. Knowledge from the local context, economically, culturally, politically, and ecologically are at least as important as technological knowledge, economic skills or organisational capacity. The idea of knowledge transfer is overly one-sided. Rather it is about knowledge exchange. Certainly at a time where enlightened self-interest is an essential factor to allow Dutch development cooperation to survive, there is a clear Dutch interest to learn about the local context. For companies this means knowledge of a market and an important input into innovating for the local market. For development policy implementation this means an essential ingredient in making policies effective. This is key to achieving results, intended or otherwise.

However, beyond structuring human relations in a way fosters professional exchange, it is important to invest in the professionalism of development intermediaries both in the North and in the South. By investing in opportunities for young people to get not only theoretical academic skills, but also applied, practical and vocational skills development cooperation can ensure a breeding ground for development intermediaries. Beyond training this would need mixed teams of Southern and Northern prospective professionals engaging in joint research, practical assignments and internships. This means investing in the intergenerational sustainability of development cooperation by capacitating new generations of development intermediaries to work together.

Based on my own professional experience, I am convinced that inter-cultural cooperation between professionals - between people - should be at the core of development cooperation. I have learnt from and shared perspectives and insights with wonderful women and men in the countries where I have worked. From them I have learnt what drives them through life, what fills their hopes, aspirations and ambitions. They have taught me to be a better development professional, and I hope I have done the same for them. I wish onto others that same professional fulfilment, that I have experienced myself and in seeing Dutch dairy, horticulture and banking experts engaging with Kenyan entrepreneurs and professionals in the agri-food sector.

## **Happy Dairy**

Let us end this discussion of the human side of development cooperation, with a last case. This case draws our lens back to a personal narrative of a development intermediary. This again concerns a story of serendipity, the beneficial unintended consequences of development cooperation. Through a person's own journey, from one context into another, one can see how the seed of one intervention can germinate far outside of any policy makers' view and then bear fruit nearly a generation later with results for a whole new policy era. It is a story of two people's life histories joining up. Each coming from their own cultural and social background, but by using the opportunities the other's social networks offer can create catalytic change. This is the case of Happy Dairy.

This starts as the story of Sebastiaan Huisman, a Dutchman from an agricultural background, but ends up as the story of a multi-cultural family business doing well, innovating and standing on the verge of guaranteeing inter-generational sustainability. Sebastiaan first came to East Africa as an SNV volunteer to work for an agricultural development project. Gradually the growth of his professional experience qualified him for management positions in a Dutch funded Dairy development programme. In this programme smallholders were encouraged to keep Friesians or crosses of local and exotic dairy cattle in zero-grazing units. The cows were fed with napier grass, which was grown on, cut and carried from the farmers' plots to the stables.

Around this time Sebastiaan met Carolyne. Carolyne came from a politically well-connected district in the economic heartland of the country. She attained qualifications in business and marketing. As a young family they moved to other African countries where Sebastiaan had dairy development assignments for international organisations. At that time Carolyne worked as a stay-at-home-mum. However, when the family moved back to Carolyne's home country and the kids had started going to secondary school, Carolyne decided to use her professional skills and get into business.

Through Sebastiaan's network in the European dairy sector, Carolyne started importing dairy processing equipment. At the time the national parastatal dairy cooperative was being privatised under structural adjustment. Dairy processing plant managers decided that privately they could take a stake of the newly liberalised market and become prospective clients for Carolyne. In a certain instance however, a client could not arrange the finance to fulfil his part in the transaction and she was stuck with a cheese making line. After waiting several months for a new buyer, she decided to try her own hand at cheese making, thus becoming the founder of Happy Dairy.

Gradually from a cottage industry, cheese and yoghurt making became an ever more serious enterprise. Basing herself on an adopted cultural identity acquired by marriage, she advertised the company as

'cheese makers from Holland'. Eventually with their accumulated family capital and other financing they constructed a modern dairy processing plant and supplied cheese and yoghurt to supermarkets around the country and into other parts of the East African Community.

When I learned of the Happy Dairy family, of course I first got to know about Sebastiaan. Through my tribal / national network, I learned of a cheese maker from Holland. The company by that time was processing over 15000 litres of milk per day. An SNV run market-led dairy programme had been trying to see if there were opportunities to work together. A shared history in development<sup>28</sup>, and a desire to draw on Dutch expertise and technology in the programme made partnership something to be seriously explored. Then an opportunity arose when the largest dairy processor of the country, fully privately operating but with significant political connections, did not follow up on a lead from an SNV funded feasibility study. This concerned a quality based payment system in milk procurement from smallholders. The market leader had no desire to change the status quo and use subsidised advice to invest their own funds towards guaranteeing milk quality. Happy dairy was selected as a partner instead.

This led to the development of a project with to track and trace milk quality throughout Happy Dairy's supply chain from two smallholder cooperatives. With support and their own co-investment, Happy Dairy is attempting to be a first mover with quality assured smallholder supply. However, it is not easy to transform a situation of motor bikes ferrying milk over long distances and rough roads in re-used jerry cans that cannot be thoroughly and regularly cleaned and convincing farmers to discard valuable milk just because the cow was just treated with antibiotics. Although the commercial success of the project will still have to be proven it is providing a relevant empirical case study on food safety. Success or no will benefit others elsewhere trying to undertake similar endeavours.

Meanwhile Happy Dairy also was involved in a public private partnership project including a Dutch multinational company, after another Kenyan dairy processor had withdrawn its interest. The purpose of this project was to produce nutrient fortified dairy products for the poorer segment of the consumer market. However, this project learned the hard way that a rigid new public management, development by remote control approach has difficulty connecting with a dynamic, transcultural, multi-dimensional human context. This in its own right provides a revealing case study into how not to design and manage complex partnerships.

But beyond collaborating in knowledge exchange and innovation processes, Happy Dairy is a thriving family business. While Sebastiaan uses his network to provide opportunities to the company that complement its own everyday innovation. The day to day management of the company however is solidly

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<sup>28</sup> notwithstanding strong opinions of how projects were or had been run

in the hands of Carolyne. When operational information is needed or operational decisions taken, Sebastiaan defers to Carolyne. While Sebastiaan is publicly networking with the association of dairy processors, NGO's and donors, Carolyne ensures that suppliers, customers and employees are satisfied: that the bottom line is met. Beside husband and wife complementing each other, the next generation is also preparing for the family business. One of their three children has started gaining experience in co-managing the Happy Dairy, dealing with marketing and providing a new face for the company. Perhaps one day this will have proven to have been a successful succession strategy.

Nobody on earth could have planned this story of Happy Dairy. Idiosyncrasies, chance and choice have conspired to create this unique family history. It would be a tough challenge to fully measure and attribute results, distil the lessons from this case to replicate or better yet upscale these results. Still this human experience is relevant to development cooperation. By educating their children, by securing their own livelihood and a livelihood contribution to the smallholder farmers supplying them, by building a family business, by feeding a growing and more prosperous consumer base with a nutritious value added food product, and by employing people, they are creating sustainable development results every single day. While this story started with a volunteer placement somewhere in the late 20<sup>th</sup> century, these results cannot be attributed to that one specific intervention. In Africa they say it takes a community to raise a child. It certainly takes a community of knowledge and practice to change our world, *nyayo kwa nyayo*: step by step.

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