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Patrick Fine:

I'm Patrick Fine. I'm the CEO of FHI 360, and I'm delighted to be here today with Ben Ramalingam, who is a researcher at the Institute for Development Studies at the University of Sussex. He's the author of *Aid on the Edge of Chaos*, and he is one of the cutting edge thinkers about international development and foreign assistance today.

One of the things I'm interested in talking to you about is how do we take the ideas that you've advocated for taking a more system approach, for taking advantage of adaptive system research work in methods and apply it in real-

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-world settings?

Often we do things because it's the best available option to us.

For example, one of the key tensions that I experienced in designing and implementing programs is the tradeoff between the time it takes to understand the context, to get local buy-in, to build trust, build the kind of relationships where you can really have not just ownership, but joint partnership in designing and carrying out program and the pressure for quick results. How do you look at that tension, and how do you reconcile those two competing demands?

Ben Ramalingam:

First of all, I think there's a lot which is done in the name of international development as the best available option. And sometimes it is, and sometimes it isn't.

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What I question is the automatic kneejerk application of some of these ways of doing things without enough attention being paid to interrogating exactly why we're doing it precisely because of the urgency.

We know that the problem is complex. We know that there are multiple interdependencies. We know that it doesn't always work. We know that it can be suboptimal in certain situations. But we've got the pressure to get things out the door. That's how we're judged. That's how we're incentivized. I think a lot of things because of that urgency end up getting delivered, which are,

unsustainable, which don't necessarily have meaning to the people that we're supposed to be delivering it to.

And what ends up happening is because of the urgency that we face, we end up defining the development problem over here and solving it using our own cultural norms, ideas of what's needed, our own principles, our own thinking. Whereas real development on the ground actually is happening in a completely disconnected way.

Donors set the parameters.

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Implementing organizations say, "Yes, we can deliver that." No one consults the community. The implementing organization gets the money, then goes to the community and says, "Okay, this is what we're gonna be doing." The community says, "Hang on, we didn't ask for that. We don't want it." And there's so many different examples.

So I guess it's a question of whose urgency counts? Is it the urgency of the aid agency that wants to get money out the door or money in the door?

Is it the agency of the community that wants to see change happen?

I think all too often we trade off what we know we know we can deliver, and we don't do that consultative part. The largest polio program that's been delivered anywhere in the recent years has been delivered in Somalia.

It involved community engagement, the use of mobile phones, use of vaccinations for children. It took a long time of engagement by UN agencies with the communities to build up trust.

That program happened because of the pre-existing relationships of trust, pre-existing dynamics, the sense the community actually owned this, and they had a sense of how they were gonna do it. And I think—

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—we can't short circuit that process because of urgency.

Patrick Fine:

I agree with that.

Ben Ramalingam: And it speaks to integration as well.

Patrick Fine: So I wonder if there's a way that, development practitioners and researchers could advocate for a policy reform that would say even in urgent situations can we design programs so that there is a period of time built in as an essential part of doing business? For building the relationships, putting in place the program infrastructure and systems, and then starting off. Instead of saying, "We're giving you money in January, and by March we wanna see the program in full flight," say, "So we're financing this program in January, and within 9 months or 12 months, we want you to put in place the—

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—social and technical infrastructure, including the relationships in the community and trust building.

To then deliver on the program. I haven't seen many donors willing to do that.

I think it's a practice that could be applied much more broadly than it is, but it would require a policy reform or a change of mentality on the part of many of the key stakeholders.

Ben Ramalingam: So take Tesco's moving into China. Retail operations, they know what they're doing.

They need to understand the context. They need to understand the market. They need to understand how to position themselves. They need to understand kind of cultural dynamics. Have a guess how long Tesco spent thinking through that set of questions.

Patrick Fine: Maybe three years.

Ben Ramalingam: Three years.

If we spent six months in a conflict and fragile-affected state, thinking through the kind of issue we were just talking about we would be accused of dragging our feet.

Patrick Fine Absolutely.

And so there's something really fundamental about waiting with some of the most ambiguous, ill-defined, complex, —

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–challenging, meaningful questions facing humanity.

We're not doing it. We're not – in a way – honoring those problems. When we talk about learning from the private sector, we're talking about very narrow set of the private sector driven by efficiency, value for money. It's not 21st century business leadership.

Patrick Fine:

When we talk about learning from the private sector, there is this tendency to pick and choose, and not to really look at their operating models, and what goes into them. How long a company will spend doing research around the markets, around the regulatory environment, around the culture, and the habits of the consumers that they're trying to reach. Or what would be equivalent to us, in terms of participatory community outreach – to really understand what they're getting into and where they can either add value or – or extract value–

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–to make a profit.

Ben Ramalingam:

The interesting thing that people say, “That would be a waste of money, waste of time.” But actually, I would say that a lot of what we end up spending ends up being suboptimal because we don't make those investments.

Patrick Fine:

I agree.

Ben Ramalingam:

So we throw bad money after good. The counter to that is we don't always have to spend three years doing it if we find the right national-local partnership. It doesn't always have to be us.

Patrick Fine:

I think that one of the drivers that differentiates our practice from, say, a commercial practice that does put in the time to really understand the context and build out their strategic plans, identify the right personnel who can achieve the objectives that they want to achieve is that they're not under the same kind of political pressure that exists between government, –

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—or between communities and international development partners. Now, commercial companies are under pressure from their shareholders. But there seems to be a recognition that they don't want to make hasty investments. They want the investments to be well thought out.

And they're willing to include or pay the transaction costs. They see the transaction costs in understanding the situation, doing the strategic planning, doing the market surveys, building the relationships as part of the cost of doing business. Whereas in our sector — in international development — those transaction costs are undervalued. Spending resources on that planning phase and setup phase is somehow cheating the population from the resources, which should be going to the direct service. Part of it has to come back to the political cycle.

Where there is a—

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—political cycle, the leaders are very sensitive to it, and they want to show that during their mandate that they are doing something good for the country, that they're delivering to their constituents, that they're achieving real solid results. And then that leads to the shortcutting, or the lack patience.

Ben Ramalingam:

Okay, but this is where the private sector piece kind comes back quite nicely. And I think, again, there's an argument that we need to be making much more proactively.

There are certain areas where governments are able to take on risk, are able to take on, experimentation, or willing to make the argument, despite the political cycles that might exists, that this is a 10-year program. We're gonna defeat cancer in 10 years.

We're able to elevate certain issues beyond that political cycle and say it's too important for politics.

And we're able to invest on an understanding that actually we'll — we'll get some wins. We'll get some losses, —

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—and the public is expected to appreciate that. However, with development aid, we've never tried to make that argument. There's always been this assumption that it's a known endeavor.

We deliver what we're going to.

Patrick Fine: I think part of that is a mentality that sees the development assistance as a kind of global philanthropy. And so the ways of looking at resource utilization and programming falls within the paradigm of philanthropic giving.

Where what you're talking about is a completely different paradigm.

Ben Ramalingam: Of investment.

Patrick Fine: - of investment, social investment, as opposed to philanthropic giving. And it would seem to me that if we as members of the development community do a better job of showing how these are investments in the future – not only of the communities that we're working with, but in a shared future – that we might be able to–

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–shift that mentality so that the kind of vision that you're articulating could become possible.

Ben Ramalingam: We're talking about shifting the model. It's not just about philanthropy. It's not just about delivery. We're talking about creating public/private partnerships that deliver simultaneously value for the poorest, deliver profits, deliver benefits for the government, and build up our own sense of political international capital.

Patrick Fine: Or global stability in simple terms.

Ben Ramalingam: When you're talking about that kind of investment, I just don't think that we are being visionary enough. There's this idea that implementing organizations, in particular have got locked into a kinda Faustian bargain with donors.

Donors say, "This is what we're interested in. This is what we're willing to fund, so send us proposals." We started off with our ambitions to change the world, but actually we've now moved towards ambitions of growth and development. And we try and balance those development ambitions with our ambitions to change the world. We accept the status quo that they create.

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We don't seek to disrupt things too much. Because we know that we will grow in predictable ways if we do what the donors tell us.

And then when things don't go the way that we want to, we can essentially turn around and say, "Well, the donor doesn't let us do it." But we're supposed to be activists first, social, economic, political transformations.

If we cannot do that in the context of the fundamental relationship that guides our day-to-day behavior at the ones with our donors, if we cannot set the new terms of the debate, if we cannot seek to change the way in which they see and we perceive development what chance do we have of doing it in developing countries?

Patrick Fine:

I see these as balancing acts. And certainly in our organization, we struggle with those balances. Our tagline is the science of improving lives.

So we're serious about really trying to take scientific approaches to the work we do.

But we are a large, complex,—

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—global enterprise, and our business model is a competitive business model. Our funding is not charitable sources.

It's from competing for contracts and other rewards from governments, from corporations, from foundations. So that leads us to two sort of lines of action that we have to constantly be looking at and balancing. One is our social performance. So are we adding value in the countries, and the communities, and the institutions where we're working?

And does the work that we're doing contribute to that mission of the organization of improving lives in lasting ways? That's the most important thing to the organization. But we can't do that unless we also have strong business performance.

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And strong business performance means that we win new business, that we manage the finances effectively. We're good stewards of the resources, that we can innovate, and we're more competitive. It

becomes an issue of craftsmanship to see how do you meld these two together so that they're not in conflict with each other.

And I think in this organization, we almost always will come down on the side of social performance, because that's where our hearts are. But how can you get these two things to be in synergy with each other? So the delivery on social performance is enhancing your business performance, and good business performance is enhancing your social performance.

Ben Ramalingam: And I think how does that then play out in the context of integrated development.

Patrick Fine: As the world becomes more—

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—complex, and more interrelated, and as you've got these big shifts — demographic shifts, technological shifts, economic shifts — that the kind of solutions that are required are ones that take that into account.

So you've got to take a — a more holistic approach to it, which leads you into an integrated approach. So that's on the social performance side.

And if you can do that, then you're a better partner to donors, or to governments. And so you become more competitive.

There's a market element where if you can deliver a more effective solution, then your partnership is going to be more in demand.

And that those more effective solutions, in many cases, require us to think about doing business differently, and doing it in more—

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—integrated ways. Not in every case. There are for sure cases where a vertical approach may be the best approach to accomplish a specific objective that a government, or community, or an institution has. And so we're not opposed to that. We're just saying when we look at the way the world is changing and the direction that things are going, we can see that we need to be more intentional about taking the people-centered approach and about looking at what are the elements that fit together to get longer lasting, more effective results.

Ben Ramalingam: For me one of the things about integrated development is and particularly if we're not foreseeing it as a fundamental thing, not just a cosmetic thing.

We run a program which is health and education. They're doing health and education at the same time. It's not actually a genuinely integrated program. They coordinate with each other. Then you've got a genuine integration where health and medication are being kind of woven—

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— into each other, where you can't actually pull one piece of the program apart and say, "That's health, and that's education," 'cause they're all contributing to a grander purpose.

So I think a lot of what we're doing in the name of integrated development in that kind of let's get the silos working.

And the reason why it's relatively simple is we don't have to disrupt the market. We don't have to tell donors anything that they don't want to hear. But when they talk about genuine integrated development, where we may have to disrupt things a little bit.

It's not just about doing stuff better. It's about creating new pools of value, which may not have existed previously.

I think if we're gonna make that kind of integrated development, we're going to have to be disruptive.

[*Crosstalk*]

Patrick Fine: How do you see that disruption manifesting itself?

Ben Ramalingam: I think it needs us to reframe the nature of the relationship that we have with funding organizations with supporting organizations. To essentially see it less as a supply chain that takes resources from the West, organize it into programs, which then delivers—

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—goods and services into developing countries.

And essentially, upends the supply chain and says there are resources from the West, but they can equally be resources from

developing countries themselves. We're talking about pooled value. And we need to be more transparent about the way in which we're going to generate this value, be really transparent about benefits it's getting in terms of security, terms of American or U.K. business interests, in terms of domestic business.

Here are our interests. Here are your interests. And I think that will enable us to achieve – especially now we're talking about better cooperation between public/private civil society.

Transparency and hard negotiations what's going to get us there. You know, whenever public/private partnerships work, it's because we put all the interests on the table and say this is what I need. This is what I want, you don't define the solutions by essentially doing what donors want. You get there through hardnosed negotiations. I don't think we've got those skills.

Patrick Fine:

I think that it's less an issue of skills and more an issue of–

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–unwillingness to have those hardnosed negotiations.

Ben Ramalingam:

Increasingly, national governments are saying, "We don't want the un appeal," when there's a disaster. We don't want to go down that route. Instead what we're gonna do is we're gonna publish a shopping lists, and you come to us directly.

Patrick Fine:

Right, and if you wanna help us, help us.

Ben Ramalingam:

And Indonesia, Mozambique, India, the Philippines recently said, "We don't want – we're never going to make UN appeal again in the way the – we're gonna do what China does. We're never going to go down that standard route to humanitarian aid."

Patrick Fine:

'Cause we'd just give up too much control.

Ben Ramalingam:

And – and the way in which the aid community has started referring to these, you know, these countries is belligerent.
[Laughs]

Whereas to me, that's taking ownership. The aid system of the future is going to be much more around those open, transparent conversations.

Patrick Fine: I completely agree with you, and I think that it's driven in part by just the growing capacity around the world in the global system in countries around the world. So people, they have—

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— the capacity to manage those affairs, and they're ready to manage them. I had a question for you to — to shift a little bit. Which is around the notion of evidence-based solutions.

So if there's any big movement in international development. It's this push for evidence-based solutions and approaches.

I don't know if it's danger or risk that in the whole movement for evidence-based solutions, and finding what works, that that's just another way for coming up with recipes that we will uncritically apply.

Ben Ramalingam: Yeah, absolutely.

So I think that the needle towards a greater evidenced-based focus is part of the general movement in public policy towards evidence-based work. But it's also towards the idea that we're getting more development funding now, and there needs to be some sense of accountability. And that accountability has to be to the donor.

But the, methodological tools and approaches, which are being—

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—put forward — the ones that are most prominent are the ones that reinforce a certain kind of external donor experiments to see what's going to — and finds the solution and randomized control trials being the kind of perfect example. Now, I've got no problem with randomized control trials.

There's certain kinds of programs that they're very good for. The majority of what we do, they don't work for.

They can tell you very, very good, information, very good data about what actually happened— as a result to a planned intervention.

But it cannot tell you why it happened or how it happened, or what the wider factors are.

You decide to apply microfinance for women in the Congo. It worked. That doesn't mean microfinance is gonna work in every other setting.

Patrick Fine: Because they're complex social programs, and contexts change.

Ben Ramalingam: Absolutely. But the desire to do that is because the what works what doesn't is a more convenient way for funders, for donors, for program managers to actually say – to make decisions about how to deal complex political – development realities. And I think even though the statistical tools are flawed somehow there's this illusion that they are–

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–neutral. They tell us the truth in many, many settings.

The other thing with randomized control trials is when they're applied in development settings, most of them are in developing – countries. There aren't that many RCTs here in the U.S. or the U.K.

Patrick Fine: On social programs, that's right.

Ben Ramalingam: On the whole. There's something about rich people applying experimental methods to poor people.

Ben Ramalingam: But that is not to say they are not useful, but there is no gold standard when it comes to evaluation.

But I think the broader evidence-based policy movement is actually really important. I do think we need better evidence. I think it needs to be evidence not necessarily of what works, but what is possible, what is feasible, how are things unfolding, how can we use a broad set of evidence.

Patrick Fine: I do have a concern. That in our zeal to use evidence-based approaches and to infuse them with a kind of authority that they may not always merit, that we will just recreate–

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–what you've described as best practices of saying, "Well, it worked in Uganda, so therefore, let's do the exact same thing in Tanzania four years later. And if it doesn't work there, it's because whoever did it didn't do it right. They didn't follow the recipe.

Ben Ramalingam: I agree that that is a risk, but I think donors and organizations are always gonna wanna be able to have a spectrum of activities, of which are low risk and relatively reliable.

We need a whole spread of different approaches. But I think there's also something else about how evidence influences policy. Where the people that talk about what works seem to assume that if you get the evidence for what works that will somehow automatically translate into change practices, and changed behaviors, and uptick intervention in doing the randomized control trial.

Patrick Fine: You're right.

Ben Ramalingam: Hasn't itself it become a silver bullet to the problems of development? I worked for the first program—

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— which focused on evidence-based policy in development called Research and Policy Development of the UNC's Development Institute.

We looked at a whole lot of different interventions. And we looked at things like method, sustainable livelihoods, large scale interventions, policy programs, microfinance, and we tried to understand, well, when did evidence actually matter? When does it really count?

And what we found was that the quality, the methods, the rigor, the credibility evidence is a factor in whether or not evidence policy actually happens.

So quality of evidence is important. Necessary, but not sufficient. Networks and linkages also really matter. If I'm doing this study for you, and it's on one of your programs, and you name me, and we've got a relationship trust, I'm more able to develop a — a set of recommendations, which you're able to adhere to and maybe listen to. But actually, the biggest things that influences whether or not evidence has an influence is political context.

Patrick Fine: One of my experiences was in Uganda where we did research on the education system. We got the best picture of what was happening in education up to that time.

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It was very credible, high quality information.

And then we put it in the policy briefs, and we held workshops. We shopped it around with the political leadership of the country and made very little headway.

People thought it was interesting, and the folks in the education ministry liked it. But in terms of getting the government to start to change its resource allocation decisions or change its personnel management practices, or change the way it was interacting with districts wasn't happening until we got changed our strategy.

We took all this stuff to the press, and they started publishing stories. And that then started to change policy, it wasn't technical agency or a donor partner that saying, "Here's some really interesting information you ought to look at." It was the public–

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–who was saying, "Wow, our schools aren't working. This needs to change." And it really did lead to some significant policy reforms.

Ben Ramalingam:

The reason I love that story so much is because it actually speaks to a lot of other things we've talking about. The need to be engaged with national stakeholders. The idea that it's about the local people caring enough about the things that matter to them.

I think more fundamentally it's about that accountability. A lot of what we're talking about is who is accountable for development ultimately?

And a lot of the conversations we can end up having where we say. It's the relationship between the – the aid provider and the aid implementer that's the most important. But actually, that's nonsense. It's that one in country where the citizens are able to hold their governments to account where the citizens are able to call for development.

Patrick Fine:

Ben, thanks for a terrific conversation.

Ben Ramalingam:

It's been a real pleasure, Patrick. Thank you so much.

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