Patrick Fine:	Hello, and welcome to *A Deeper Look* podcast. I'm Patrick Fine, CEO of FHI 360, and I'm joined today by Raj Kumar, the co-founder, president, editor-in-chief of the media platform for global development, Devex. Raj, welcome to the podcast.
Raj Kumar:	Thank you.
Patrick Fine:	Listeners, this year we're exploring the darker side of development. Which means we're talking about the paradoxes and unintended consequences of development efforts.
	And, Raj, I want to distinguish between development efforts that don't achieve their outcomes for one reason or another. Maybe they were poorly managed, or badly designed. Or maybe they, the context, changed and they didn't achieve their intended outcomes. That's not what I'm talking about here.
Raj Kumar:	Okay.
Patrick Fine:	I'm talking about efforts that, whether they achieve their outcomes or not, have unintended consequences that are adverse consequences, like creating parallel systems, or actually disempowering local authorities, or in trying to promote democracy, devaluing democratic values. So that's what I want to explore over the course of this year, with leaders in the development community like yourself.
	And the reason I wanted to talk to you, the head of Devex, is because Devex is this global media platform. You interact with leaders across the development community. And, you have real insight into the wide variety of efforts that are being undertaken, whether it's to achieve the SDGs or whether it's to work on a particular problem in a country.
	Let me just say a word about you, Raj. You're a social entrepreneur. You're a digital media executive. You've been a part of nine presidential campaigns. Nine?
Raj Kumar:	Nine. Believe it or not *[laughter]*.
Patrick Fine:	And you were the cofounder of a successful financial information company. You started Devex as a, really, as a job site. And, you had the insight and the entrepreneurial spirit to grow it into the

really the preeminent media platform for the international development community.

So, let me start with a pretty broad question. And it's one I've been asking myself as I've started to dig into this topic. Do you think there is a darker side of development? Have you seen it in the work that you're doing?

Raj Kumar: I think the answer is yes. But I wouldn't necessarily call it a darker side. I think it's just kind of a natural challenge in the work that we do. Which is when we talk about development, what do we mean? What we really mean is – is projects and efforts and initiatives happening in other people's countries.

Patrick Fine: Right.

Raj Kumar: Right? Where the money might be coming from a different country. The expertise might be coming from a different country. And, I think that does create a natural challenge. And it's one that development professionals grapple with every day. Sometimes feel really conflicted about. And there are politics around that, of course, because we're talking about money from often aid budgets from taxpayer money, or philanthropy. It creates natural problems. Is it darker, is it a, you know, in the sense that are there bad intentions mixed in there? Maybe a little bit, maybe in a kind of unconscious way, where people you know want to keep their jobs, or they want to keep their prerogatives or what have you.

So, you end up perhaps with a system that benefits the professionals in the global north, and so some of the complaints you hear for example from local NGOs in the global south about hey, are we being cut out of the picture? Are we not being given enough control or budgetary authority or what have you? There is some truth there. But I guess the only, the only caveat I put to all of this is, for the most part, and I'm meeting thousands of development professionals, aid workers all over the world, I find this is not a darker side of development in the sense of bad intentions.

These are basically people of good faith, trying to make the world better. But dealing with some pretty tough structural inequalities.

Patrick Fine: I agree with you. I think for the vast majority of people who are engaged in international development and institutions, including

public institutions, that the intention is really to try to do good. And that sometimes, in trying to do good, you have unintended consequences.

And, there's something you just mentioned that makes me wonder about one of the challenges, which is how do you balance equities? So, the external parties that are bringing those resources, they have equities in the undertaking. And I guess some of the challenge has to do with how do you weight those equities? Do you see that?

Raj Kumar: I totally see that, and in fact we see that in even domestic projects in our own country, in the United States, for example. If you have a wealthy person from Silicon Valley going in and trying to improve a school system or something in a different part of the country, they're not from there. They're not of the community. But, they sure have a stake in it, because it's their money, their reputation, their program. But, oftentimes these things fail if we don't go into them by understanding that the most important actor in the process are the people you're trying to help.

And, I think that's the big shift we're seeing in development today, is getting away from this idea that there are beneficiaries or victims and we're going to go in and help them. And getting closer to the idea that people are really responsible for their own development. That their communities are responsible for their own development. And we're going in to enable, to empower. And if you have that mindset right, you bring that humility to this work, I think you're more likely to see success, less likely to get to these unintended consequences.

Where I think they tend to come is when decisions are made in Washington, or in London, very top-down kind of here we are, we're going to help. And it all seems so clear when you're thousands of miles away. But as you spend a lot of time in the field know, once you get down and you actually talk to people in communities, you find things are more complicated. There are reasons why things are the way they are.

Patrick Fine: Yeah, there are different realities. But it is that decision making, whether it's taking place 3,000 miles away in Washington or London, or whether it's taking place in the capital of a country.

Raj Kumar: Sure.

Patrick Fine:	Where the decision makers are typically going to be the folks putting up the resources, and then the folks who have the political power to apply those resources.
Raj Kumar:	Yes. But I think all that is kind of the markers of some dysfunction in the way global development works. It's why I wouldn't use the word darker side, because I don't see it as bad intentions.
Patrick Fine:	Right.
Raj Kumar:	But, I do think there's some dysfunction that gets a little to your earlier point of what you don't want to talk about, the design and operational challenges.
Patrick Fine:	Yeah.
Raj Kumar:	But I do think they're somewhat related. Meaning if you have an industry that's focused on rewarding and applauding initiatives, projects, looking at the size of a budget or how long it took to deploy something. If those are the markers of success, and they often are …
Patrick Fine:	Right.
Raj Kumar:	... then you get away from what development really is, and the kind of results that you're actually trying to achieve. So, you can end up in a situation where organizations, funders, philanthropists, think that their equity comes from just putting in the money.
Patrick Fine:	From the resources.
Raj Kumar:	When it really should be the results, right? It shouldn't, in other words, we shouldn't applaud if a billionaire philanthropist goes to Africa and has a big project in health and they have kind of a check-signing ceremony, that's not when we should applaud. We should applaud *[laughter]* if they get the results that they told us they're setting out to get, right? And I think we have that a little backwards. It's getting better. But I think that's where the darker side comes from, if there is one.
Patrick Fine:	You know, that reminds me of time I spent at MCC. When MCC, and it, I want to connect this to a business perspective on making investments. So, if you're a business person, and you're going to invest in a venture, your equities are very clearly spelled out and

usually there are agreements that say, based on the size of investment that you're making, you have certain authorities or rights with respect to the governance and the decisions made around that venture.

Within international development, I see some parallels where the donor says hey, I'm putting in resources, so I have some, I have equities in here, and those equities should give me a certain set of rights with respect to how those resources are used. But, then that often poses the very challenge that you're raising, which is the investor, the donor, may not have good visibility of how to achieve the actual results that they want to achieve, or the results themselves may not be clear.

On one hand, I spent my whole career fighting to increase local control and local decision making and to recognize that we need to be humble and that we need to understand that we don't have the answers. And, that it's got to be a joint venture to find answers, to experiment and to achieve things together.

On the other hand, I sometimes think that that's almost naïve, if you're talking about, especially when you're talking about, large-level resources. So, when you're talking about big programs that are going to spend millions or tens of millions or hundreds of millions of dollars, that a more disciplined, almost private-sector investment approach where the responsibilities and the authorities or the rights of the different parties are spelled out in very clear terms, like they are in a business agreement, could get you a better outcome.

Raj Kumar: Yeah, I see where you're going with that. And I think actually if you take that private-sector example, you might have a big business, with investors and executives, etcetera. In the end, what really matters in a private business is the customer. The customer is always right. Somehow, in the private business, we're able to get down to that customer level and to say it really matters if they're happy with the product.

Patrick Fine: Right.

Raj Kumar: If they're buying it, if they think we got the right price, etcetera. It really, really matters. It's not an incidental.

In the development sector, historically, we've had a hard time, especially at scale, thinking about the customer, or the end user, or the beneficiary, right? Because we say, well, we've got to deploy large-scale resources in very difficult terrain, tough circumstances, sometimes conflict or post-conflict. So, it makes sense for the decisions to be made at this very high level, in the capitals, etcetera. But I think as we can get closer to understanding and being driven by what those customers actually think, the people you're ultimately trying to help, and the technology revolution happening is letting us actually do that now, even at scale, even in large-scale ways.

Patrick Fine: Can you give an example of how that's happening?

Raj Kumar: Well, I think there's a few big trends that are converging. So, you've got, one is digital IDs, where you still have over a billion people that are not identified by their own governments, right? They don't have a birth certificate; death certificates aren't common many places. So, you end up with people who are just kind of off the grid.

Patrick Fine: Plus, you have migrants, who may have had an ID, but they've lost it now.

Raj Kumar: Exactly. But I think that gap is closing really fast. It's closing fast because of the technology changes that are making it inexpensive, even for governments with limited resources to do digital ID. Obviously, India alone, in their Aadhaar program, 1.2 billion people, and that starts to close the gap pretty quick right there.

Patrick Fine: Right.

Raj Kumar: But I think you're seeing that, at the same time, that connectivity is starting to spread much more rapidly and cheaply around the world.

And, I think those things are unlocking the ability to use, you know, mobile-money type solutions in many parts of the world. I think it's 96 percent of Kenyan households now are connected to M-Pesa.

So, all of that is letting you take a program that in the past you might have said, well, we don't, we kind of think we know the problem at a population level. We've got a theory of change here,

we're going to go in big, we're going to make a big investment over three years that you can actually start to go in quickly and say well, what are people saying on the ground, and then how are they using the program? That you can see through their digital activity, through wearable tech, and see, are they getting the immunizations when they're supposed to? Are they getting the follow-up visits? Are they accessing, you know, food supplement programs or whatever it might be? You can get that data much faster, and you're not waiting until years after the program to say, was this a success or a failure?

Patrick Fine: Have you seen any other examples on the scale of Aadhaar? And, I don't mean in terms of numbers, but in terms of coverage of people?

Raj Kumar: Nothing at that scale. But I think UNICEF, UNHCR, a lot of the humanitarian agencies now are integrating digital identification into their regular humanitarian work.

And, as a result of that, identifying millions of people, given the scale of today's refugee crisis. So, I think it's getting cheap enough you can deploy it even within the context of projects. It creates lots of issues around data privacy, and what are the governance rules, and who has sovereignty.

Patrick Fine: So, that might be one of the unintended consequences, could be around things like data privacy.

Raj Kumar: It could be. In fact, data privacy, I think, is a huge area that the development community needs to wake up to quickly. Because we're sort of soft rolling into potentially significant issues down the road. So, I think that those issues are going to be a big topic as we move more toward being able to directly communicate with end users or customers in a development process, because we are going to have a lot more access to data. But the good part is, you can get away from kind of cheering the announcement of a project, or the size of a project, or the ambition of a project …

Patrick Fine: Right.

Raj Kumar: … and actually start to say, well, here's something that worked or didn't, and to know that quickly. You know, most of the big failures in development have happened because there was a really big, great idea, with lots of good intentions, and it was pretty large

scale, and then it took a while before we realized it wasn't working. And in that "took a while" is when you lose money, or you have unintended consequences that can be pretty adverse for people on the ground.

Patrick Fine: That might be the nature of social change.

Raj Kumar: Yeah, I think those are kind of constraints we were all living with. And now those constraints are starting to go away. Because now the technology is getting ubiquitous enough, cheap enough and there's new kinds of money available. There's lots more money in global development than before. So, I think you're starting to get to a more competitive market where, yeah, in the '80s and '90s and early 2000s, you could say well, we made those mistakes, and didn't have a lot of choices.

But now there are starting to be choices, and so I think the bar is going to get raised.

Patrick Fine: Do you think that we'll be able to see things quicker, as a result of technology?

Raj Kumar: Much quicker. Yeah. I think much quicker, and I think we already are. Like I think some of the big billionaire donors, they want to know how projects are proceeding in real time, and there's no reason you can't know that, in many cases. Now, if you're doing like a social change program, maybe you're trying to build up a more independent media, or you're trying to foster, you know, human rights or a focus on women's rights – these may be multiyear-long initiatives.

But, you probably have some kinds of indicators you can look at, some key performance indicators along the way. And have a sense, are we on the right track or not? And, then there's always the very basic one, which is just asking people on the ground – which used to be a big effort and now isn't so hard. You can just directly talk to people, in many cases – not in every context, but in many cases – and see what they think.

Patrick Fine: I hear you talking about the power of data analytics as one of these evolving tools. Do you see any potential risks as we build out those capabilities?

Raj Kumar: I think the biggest risk is there's a data privacy risk, which is big.

Patrick Fine:	Yeah.
Raj Kumar:	But, let me put that aside for a second and come back to it.

But, I think the bigger risk is that we don't change the kind of fundamental market dynamics in our own industry. And so, in the end, results don't matter. Results don't count enough. So, in other words, a political leader making their big announcement – if that's still the thing that drives us, if it's still the ability to say, look at the scale of this program, instead of what is it actually achieving, what's the cost-effectiveness of it? And, that's not going to happen just organically, I don't think. Maybe it will over a very long span of time.

But I think it's going to be up to people who do development work, who care about the results, to push and to say these are things that are working, these are things that deserve praise, and these are things that don't. There should be some accountability. You know, thinking, again, just on the private philanthropy side – is there any accountability in private philanthropy? If a grant goes bad, or an organization isn't doing well versus another, I don't think there is any actual accountability today, right? And that's pretty fundamental to a market dynamic.

Patrick Fine:	Because foreign assistance is completely outside, or sometimes alongside, the political process within a country, it breaks the link of accountability between a government and the people. And, it actually interferes with the social contract. That's one of the more trenchant criticisms of foreign assistance. Do you have a view of that?
Raj Kumar:	I think it's compelling in the abstract mostly. But, like once you actually look at individual situations, it's hard to say we should do nothing and kind of well, let's let the problems fester, and then eventually people will rise up and they'll demand the government that they deserve. Again, it sounds good in the abstract, but in the end, I think we have to act. I think humans have to act.

And there may be – maybe there are certain cases, individual cases, where we have to be very cognizant of that and not bolster governments that really shouldn't be supported, and maybe we could inadvertently do that if we're not careful about how we structure our program. But, if you go down that line of thinking too

far, you end up saying let's do nothing and just see how things shake out. And I certainly don't agree with that.

Patrick Fine: Yeah, neither do I. There may be challenges with intervening, with being an external actor, but to do nothing would create an even worse situation.

Raj Kumar: Absolutely, yeah.

Patrick Fine: One of the things that I've been thinking about is how we all talk about international development as completely separate from the domestic challenges we face. So, in any country, whether it's the U.S., the U.K., whether it's an affluent country or whether it's a very poor country, there is the challenge of human development, and there is the challenge of social progress. And, increasingly, I think in this country we recognize the challenge of social justices as well.

As I've thought about this topic of the unintended consequences or adverse effects to good intentions, I've thought there's a false dichotomy that we have created, or maybe that comes from earlier historical period, that doesn't really describe the world today, and that the idea that international development has one set of challenges and then domestic policy is a different thing with a different set of challenges may not be an accurate description anymore.

Raj Kumar: I agree with that, and I think that the SDGs are the best example, because, you know, they're universal.

Patrick Fine: Right.

Raj Kumar: And they show that all these issues matter, whatever country you're talking about. But the architecture of the development sector is still very oriented toward a north-south kind of view of the world.

Patrick Fine: The more I think about it, the more I wonder if that division in this globalized world is itself an unintended consequence, as something that's not moving us forward in a positive direction.

Raj Kumar: I mean it still maps if you think about the way we think of the world: the donor countries and the recipient countries, north-south, however you want to call it. It maps pretty well to the kind of colonial and imperial maps of the past.

Patrick Fine:	Right.
Raj Kumar:	So, it does – even if people come at this with all the right intentions – it still has this feeling of legacy that there are two worlds. And, I think you're absolutely right, that is a – it's a hurdle for us, because it means we might be putting entire countries into a box that they don't belong in where they're actually middle-income countries with lots of growth opportunities. And, we should be looking at them in a different way and not writing them off, or …
Patrick Fine:	And maybe interacting with them in a different way.
Raj Kumar:	… and maybe interacting in a very different way, absolutely.
Patrick Fine:	I agree with you that the SDGs, that concept of universalism – and the fact that they specifically address this question and said we're not talking about these particular sets of countries, we're talking about challenges that affect everyone in all countries – was a big step forward. I think there's still further to go …
Raj Kumar:	Absolutely.
Patrick Fine:	... in that respect. I really like the emphasis that you've given to us needing to move away from applauding the launch of initiative or celebrating a concept or idea that may sound great, may have very good intentions but is still untested, and to shift our attention to celebrating the actual results. One attempt to do that is the notion of shifting program design to a pay-for-results, performance-based approach. It sounds like you're a supporter of that approach.
Raj Kumar:	I am. Yeah. I don't think it's panacea, by any stretch, you know. I think we need to have, you know, an open look at any individual issue you're trying to work on and see if a pay-for-performance model works. But I think there's a lot of potential, and pay-for-performance is such a tiny percentage of development funding today. I think there are maybe ten development impact bonds in the world so far.
Patrick Fine:	Right.
Raj Kumar:	There are huge transaction costs and take forever to set up. But it's getting better. And I would hope we'd get to a point, at some stage, where, you know, people can look at an issue and say what's going

to make the most sense here? And that pay-for-performance – and there are many different modalities within that – could be one of the ones you look at. But I don't want to say oh yeah, that's the way to go for everything. It certainly isn't.

We do have to get to the stage, though. And, I think maybe we'll get rewarded in the long run, even by voters, even by taxpayers, if, in the long run, they look at development and humanitarian work not as well, this is something we should do because it's the right thing to do – not just that. That's important. But also, that actually, you know, our government, our country, our agencies, our NGOs, they actually know what to do here. This is an industry with real professional discipline.

Patrick Fine: I've certainly seen a lot of progress on the part of development organizations in being able to point to evidence, both collecting evidence and being able to present it and explain it …

Raj Kumar: Yep.

Patrick Fine: … to show that the resources that are invested, that the initiatives that are pursued do make sense, that they do have a positive impact and that they are responsible, justifiable actions, that there's a strong justification for them. And, I agree with you. I think that will continue to be important and that we're getting better, and things like …

Raj Kumar: I think we are.

Patrick Fine: … data revolution are enhancing our ability to make a case that many people believe in. And, those tools make it easier to explain, and to prove.

I've been thinking about the notion of creative destruction – which is a concept that is central within a capitalist economic framework but which is very rarely invoked or spoken about or considered within an international development framework – and that part of social change involves some people, some institutions, some ways of life, some traditions fading away and being replaced by new traditions, new institutions, new business models, new technology.

One way of looking at that is to say, well, if we want living standards to rise, if we want positive social change to occur, there are going to be some losers in the process. Both in terms of human

	beings, but also in terms of institutions, or traditions, or ways of life. What do you think about that?
Raj Kumar:	I think we should talk about creative destruction in the global development context. I think you're right to bring up creative destruction, that it fits, but in a different sense. If today there's a couple social entrepreneurs starting up something new, for them to succeed, you and I might need to fail. You know, we, we might, our institutions might need to, you know, be beaten by someone else within the industry of development. There needs to be room for that kind of creative destruction.

Raj Kumar:

I think we should talk about creative destruction in the global development context. I think you're right to bring up creative destruction, that it fits, but in a different sense. If today there's a couple social entrepreneurs starting up something new, for them to succeed, you and I might need to fail. You know, we, we might, our institutions might need to, you know, be beaten by someone else within the industry of development. There needs to be room for that kind of creative destruction.

But it shouldn't be creative destruction where the people in need are the ones who are kind of collateral damage. So, I think what the SDGs and what the development frame would be, the global development frame would be, is to say leave no one behind. So, who are the most marginalized people in that community? Is this really good for them? And, if it's not, what are we doing for them? How are we, how are they part of this? Who is this development for?

And I think when global development is at its best, it's when we're asking those questions. Who are we actually doing this for? And not just, well, is the country doing better, are GDP numbers looking good? Because GDP numbers might look good, you might have a lot of growth, but you might have indigenous people or marginalized groups that are really being left out.

Patrick Fine:

Well, you do have indigenous people and marginalized groups being left out. If you look at the history of development, as you see economies grow and modernize, you see marginalized people, particularly indigenous people – from places like Brazil – who get left out and disadvantaged, hurt. They're hurt by the process.

Raj Kumar:

So, I think we do need creative destruction. I think you're right that if you don't have that, you don't really have a market dynamic at all. But it shouldn't be creative destruction, or we're accepting losers, let's say, people losing out among the population we're trying to help. It should be about the development industry itself. It should be about the NGOs, and the companies and the social enterprises like ours. That if we're not doing what we're supposed to do, or if there's someone doing it better, then there should be a real market dynamic there.

Patrick Fine:	Raj, thanks for being here. Thanks for having this conversation with me. Thanks for provoking my own thinking and then sharing your perspective, which I know our listeners are going to love hearing. Before we wrap up this edition of *A Deeper Look* podcast, I'd like to ask you a couple of questions that I'm asking all the guests on the podcast this year. The first one is: What is something almost no one agrees with you on *[laughter]*?
Raj Kumar:	Well, you know, you used to be over at the Millennium Challenge Corporation, you mentioned it earlier. I'm a big fan of the MCC. And years ago, myself and John Hugo, who used to also, I think, maybe, had the same job you used to have over there …
Patrick Fine:	He was my predecessor, yes.
Raj Kumar:	… he and I wrote a piece for the *Washington Post* where we said the MCC should be a multilateral organization. And I think I got crickets after that. Nobody seemed to agree with that idea, but I still think it's a great one. I think the MCC model of trying to create kind of a positive competition, the MCC effect, for countries who achieve good indicators, objective indicators in health and education and governance, etcetera, I think that's a great model. And, it doesn't have to be an American thing. It can be a global thing. And, I think if there were more countries signed up to it and more donor countries, even private philanthropies, you'd have much more money trying to execute that same effect, trying to incentivize that same effect, and I think it'd be more successful. But, you know, if there are listeners out there who agree with me, let me know *[laughter]*, because I haven't heard. I haven't got many yet.
Patrick Fine:	As an alumnus of MCC, I can tell you that we thought of MCC as a multilateral approach in a bilateral agency. And now, being six years out of the MCC, and having time to look back on it, I think that MCC really is the most effective example of a multilateral approach in international development today. And I think, in a way, it's interesting that that very effective approach, using a multilateral model, is in a bilateral organization.
Raj Kumar:	It is interesting, yeah.

Patrick Fine: Second. I'd like to ask you what's one lesson you learned that you'd like to share with our listeners.

Raj Kumar: I guess I'm going to say patience. And I thought about this when you were talking about Devex, and you know you and I have known each other for many years. And it's true, we started as an online community. We were posting jobs, tenders and grants. We were kind of a place to post your profile if you wanted a career in development. And back then, this is the year 2000 when I was a grad student at Harvard's Kennedy School, we thought, well development is shifting, it's changing, it's going to transform. And then it didn't. Then it sort of continued moving but slowly, slowly, slowly.

And I think it's taken a long time, but we, you know. had the patience to just stick with it. And now we've seen, I think, development is at a crossroads. I think it's really rapidly transforming as an industry. I think whether it's all for the good or not, or if it's a mixed blessing, will depend a lot on people like yourself, and how organizations like FHI 360, doing great work around the world …

Patrick Fine: And Devex.

Raj Kumar: Thank you. But I think we're just – we're in a position now where things are moving faster than ever. And, I'm just so delighted that we waited, even though it's been two decades *[laughter]* to be in this position to play our, our small part in it.

Patrick Fine: That's a great lesson to end this episode with: the importance of patience. And, it's particularly important when we think about doing development work. It goes along with humility …

Raj Kumar: Yeah.

Patrick Fine: … which you mentioned earlier. Raj, thanks so much for being here.

Raj Kumar: Thank you, it's really been a pleasure.

Patrick Fine: And thank you, listeners, for tuning in and joining us on this great conversation. Please share comments. I would love to hear your perspectives on the topics that Raj and I talked about today. Stay

tuned for the rest of the year, as we continue to take a deeper look into the darker side of development.