

The paradoxical “selfishness” of aid – Karl Muth on stifling development

“Why do certain countries develop?” asks Karl Muth, a recent PhD graduate and now Lecturer in Economics, Public Policy and Statistics at Northwestern University.

In his TEDx talk, ‘International Development – Telling New Stories’, he delivers a complex answer derived from an anecdote that stems from fieldwork in Uganda.

International Development – Telling New Stories | Karl T. Muth | TEDxPuraVidaJove..



Typically, answers vary. One answer a couple of decades ago may have been to embrace the free market. Others recommend increasing levels of aid.

Muth critiques the aid industry through the use of a simple, yet powerful story. In northern Uganda, where many aid agencies have been, he found that one could acquire almost anything free of charge.

What could sound better? Should we not be providing the impoverished with goods and services free of charge? Are we not, after all, attempting to show compassion to those who need it most?

Karl discovered the contrary whilst speaking to a father who wanted to discourage his nine year old daughter from becoming a doctor. The father explained that even with the best education and best training, how could his daughter create a living when services are being provided free of charge?

Even with the best qualifications, the local community are always going to choose the services which are made freely available from aid agencies. Ultimately, Muth argues, aid agencies are stifling local entrepreneurship and creativity.



What do these countries [the nine highest income countries since 1950] have in common? We notice that not one of these nine countries developed because of the kinds of aid we normally think of when we normally think of economic development aid. They didn't receive or grow or do the things that we think that might happen in a developing country.

Too often we have allowed the effects of our programmes, to frustrate entrepreneurs, to stop people from being engineers and doctors.

Instead of a simple and pre-planned package to development, Muth argues for diverse and home-grown solutions.

Looking to historical examples, it is impossible to find a straightforward and easy method to development.

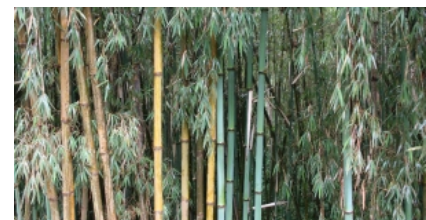
Historically, high income countries such as Israel, Argentina and Chile have all developed by utilising local entrepreneurship.

But the answer cannot be straightforward because development is far from an exact science. Rather, it's an evolving pattern of dynamic responses to different kinds of adversity.

The answer may lie in less paternalistic intervention from developed nations. What we need is “new paths” and “new answers”. Contentiously made, Muth's answer is the ingenuity of humanity.

Kris Gulati

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