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## **INTERDISCIPLINARY PERSPECTIVES ON AID AND LOCAL OWNERSHIP IN PROJECTS**

Peter de Valk

December 2004

Working Paper Series No. 403

**Institute of Social Studies**

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ISSN 0921-0210

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ABSTRACT

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## 1 INTRODUCTION

This paper analyses the meaning of ‘local ownership in aid projects’, the current vogue in aid practice for improving project results. Aid involves intercultural relations and aspects of inequality between organizations and individuals.<sup>1</sup> The discussion focuses on the common triangular arrangement of a foreign donor, an international consultant, and the receiving local organization. Three main lines of inquiry are pursued: firstly into the fundamental understanding of individual concepts of cognitive and emotional facilities involved in inter-cultural understanding and exchanges; secondly into the possibility to translate concepts appropriate to individual human beings into useful organizational concepts; and thirdly into the relation between individuals and organizations.<sup>2</sup> The outcome of the paper is a critical reflection on different perspectives on local ownership and a comparison between them in terms of complementarities and conflicts.

The concept of *ownership of a project by an organization* can be loosely understood as to capture the degree of responsibility that the organization has and shows for bringing the project to a successful end and for sustaining the project results. Apart from being a key factor in achieving project success, local ownership in aid projects is also considered as an end in itself. Lengkeek (2004) argues that this intrinsic value of ownership can also be a guiding principle for organizational change.

Given that in a private market context, ownership by organizations of their projects is less problematic, donor organizations try to stimulate local ownership of aid projects by creating a quasi-market conditions *vis-à-vis* the supply of services transferred in the aid project, coupled with a hands-off approach at the donor side. The donor becomes the ‘financier’ so to speak and the local organization is assumed to be fully in charge of the (mostly foreign) consultant. The quasi-market situation for the local organization is further ensured, one hopes, by insisting on cost-sharing between aid provider and receiver as an indication of the local organization’s willingness to pay for the project and having the local organization in charge of the various project phases and elements including tendering, contracting and contract

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<sup>1</sup>This paper has greatly benefited from the interaction with Raymond Apthorpe and João Guimarães during our joint work on ownership in aid projects (see Guimarães, J, R. Apthorpe, and P. de Valk 2002). I am also grateful to Kristin Komives, George Lengkeek and an anonymous referee for their helpful comments.

<sup>2</sup>While elements of this approach can be useful for other applications in the field of organizational behaviour, this paper will limit itself to the issue of ownership in aid projects.

monitoring in relation with the consultant. The market conditions remain quasi-market conditions in so far as the aid provider does more than a regular bank would do in relation to the local organization and the consultant. After all, aid is not a private market situation in that sense and retains its soft edges. Moreover, given the prevailing inequalities in the aid context, the real transfer of power and ownership is never fully achieved. After all, the hands-off approach remains a voluntary restraint.

Whereas the above statements have a great deal of intuitive appeal, further analysis below will reveal the complexities involved in concepts, contexts, and perceptions. Complexities in concepts partly arise from applying human concepts to organizations, but also from using singular concepts for multifaceted entities as in the case of *projects* and *aid*. Complexities in contexts arise from the aid context itself including its inequalities in terms of resources, the sometimes ambivalent objectives surrounding aid projects, and from the cultural differences prevailing between the parties (not partners *per se*) involved in aid projects. Complexities in perceptions derive from different values systems, individually maintained or institutionalised. Ethical positions are taken and not taken, pragmatic instruments prescribed, and cynical analysis applied judging the ethical position as paternalistic and the pragmatic view as naïve. Receivers of aid may view aid as (combinations of) unavoidable dependency, cost minimizing solutions, free resources, *quid pro quo*, entitlements or justified claims, and genuine aid. Is there a compromise position, pragmatic, not naïve, not paternalistic, yet ethical and reciprocal?

After this introductory section, the paper will start in Section 2 with discussing the conceptualization of organizational behaviour using individualistic human concepts (humanoids). This is followed by Section 3 on projects and organizations, including organizational learning and interactions between organizations. The common form of a local organization, consultant and donor will be the main point of reference. Section 4 reviews details of the concept of ownership and discusses the possibility of multiple ownership. This will prepare for the discussion in Section 5 on perspectives on aid and local ownership of aid projects. Four perspectives will be analysed and compared: the ethical perspective; the bureaucratic perspective; the incentives perspective and the rational expectation perspective. Different types of organizations will be briefly discussed in relation to ownership. Finally, the concluding section will discuss the implications for aid in practice.

The overall conclusion of this paper is that, given the right conditions, good practice is possible and people are influenced by general ethical principles. When selecting projects with competent local organizations in their field of priorities, ownership can be facilitated by the appropriate aid modalities, just as ownership can be obstructed by misplaced aid efforts. In other words, ownership is already there, to be selected. Trying to encourage ownership where it does not exist, turns out to be a self-contradicting exercise.

The author's position is that, to be effective, aid should be practiced as an ethical relation, including elements of planning, pragmatic considerations and commitment. The organizational form of the aid agency and the consultant should emphasize higher order learning processes found in more innovative organizations rather than relying in routine management typical for bureaucracies. Interactions between professionals in the role of consultants and professionals in local organizations tend to be more easily focussed on commitment to quality of transfer of knowledge and skills. Projects relating to core priorities of the local organization are more likely to select existing ownership than projects lower on the priority list. The emphasis on commitment and limitation of project choice to areas of competence of aid provider, consultant and local organization requires honesty about motivation and the limitation of one's competences. In this sense, project planning constitutes an art rather than a technique.

## **2 INDIVIDUAL CONCEPTS AND ORGANIZATIONAL METAPHORS**

This paper is about *ownership of a project by an organization*. Ownership by an organization normally implies a legal relationship between the organization as a legal body and other legal entities. Used in this way, it has precise meaning described in the legal terms. Here the use of this concept is quite different and refers to human emotions and feelings of responsibility and commitment. In literature, these concepts are used for organizations as 'humanoids' (anthropomorphic language) without providing adequate definitions at the level of organizations. Yet, the typical human experience of psychological emotions and inter-subjectivity involved in these concepts cannot be reciprocated for organizations.

Two complementary approaches can be followed to try and understand these and other anthropomorphic concepts at the level of organizations, in this paper called

the ‘aggregation-reduction approach’ and ‘behaviouralist approach’. The ‘aggregation-reduction approach’ looks at organizations as collection of individuals and therefore reduces organizational concepts to a multitude of individual human concepts. Possible interactions between individuals in the organizational environment may lead to changes in their feelings, emotions and understanding. Yet these concepts remain essentially human, albeit influenced by the organizational context.

The ‘behaviouralist’ approach translates these human concepts to organizational concepts. By analysing what these concepts mean in terms of actions at the level of the individual (forsaking, for the time being, their emotional and psychological content), and then to investigate if it is possible to identify similar activities for organizations. Thus, the meaningful similarity is compared with regard to actions and activities, not emotions and feelings. Using human concepts for organizations in this meaningful way boils down to using them as metaphors. Organizations behave as if they are committed, as if they feel ownership and so on. The metaphors become useful shorthand for a certain set of activities that bears resemblance to activities undertaken by individuals characterised by those words.<sup>3</sup>

For example, the ‘memory’ of an organization can be understood as the physical storage place of information (computers, files, etc.) coupled with organizational practice (organizational ‘scripts’ or ‘routines’, as they are called in organizational learning theories) that guide employees to store potentially useful information, retrieve relevant information, and bring it under the attention of departments that can utilize the information for their departmental objectives.<sup>4</sup>

This seems to be an adequate picture of an organizational memory. Yet, the typical human emotions that come with remembering are absent in the organizational metaphor, useful as it may be to indicate something similar to individual remembering

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<sup>3</sup>Using metaphors can be both creative and dangerous. The creativity consists in recognizing the resemblance of an existing concept in one context in another context and discovering the potential of the transfer of meaning in the new context. The relational use of a word (i.e. its meaning) stimulates finding unexpected relations (the loose ends, so to speak) in the new context. The danger consists in uncritically accepting all possible relations of the original concept in its new context.

<sup>4</sup>Thus, the last step of organizational remembering is taken when the information is put in the inbox of the relevant manager. The manager then employs his/her human facilities to put the information in a context and to provide meaning for the organization. Remembering in an organization is purposeful. Remembering for individuals can not only be purposeful but also by association. Unlike in organizations, it is related to positive and negative passion, when the richness of the full experience is recreated. This does not happen in organizations, although it is tempting to look for relevant metaphors also here.



at the organizational level. However, this last step is an essential human step and must be done by individuals, although organizations can create conducive environments for this to happen. The importance of this last step will be discussed when focussing on the aid sector emphasizing aid as a job (section 0).

The implications of this ‘metaphorical’ interpretation of the concept of ownership in aid projects will be further developed later on (section 0). For now, the concept of corporate culture can be used to provide the link between the behaviouralist and the aggregation-reduction approach. Nooteboom (2000) argues that an important role of the entrepreneur/manager in organizations is to provide for motivational coordination, creating a corporate culture that focuses interest and values of its employees for maximum cooperation in interaction, within the framework of the firms own objectives and competitive competences.<sup>5</sup> This view links up with the work of Simon (1991) where identification with the organization through corporate culture is argued to be of crucial importance for the purpose of coordination. Corporate culture links the individual with the organization (the micro with the meso) in practice (and in theory). A wider concept of corporate identity can be used to explain organizational behaviour as a corollary to the individual psyche. This would consist of the organization’s mission, competences, structure and culture. However, the details of and interactions between these elements are no longer comparable in a straightforward manner to the human psyche.<sup>6</sup>

### **3 PROJECTS AND ORGANIZATIONS**

Aid projects are plagued by problems. Gow and Morss (1988) provide a good and still relevant overview. One of the problems identified is the incidence of donor-driven projects, the concern of this paper. For the present purpose, i.e. analysing ‘ownership in aid projects by organizations’ the discussion in this section is a bit more dry and abstract and will focus on breaking down the project concept into parts, each

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<sup>5</sup>Indeed for Nooteboom (2000) this is the most crucial task for the entrepreneur and gives a more fundamental and dynamic explanation why firms exist than the more static explanation of transaction cost theory. In this view then, the firm is seen as primarily and fundamentally a motivational focussing device. This paper is on organizations in general which do not necessarily operate in the market and therefore may have different *raison d’etre*. The motivational device however seems crucial also for ensuring good organizational performance in general.

<sup>6</sup>Yet, this would be an interesting assignment and would combine inputs from different theories of the organization and the firm.

of which will give rise to different ownership questions. Further, this section discusses organizational aspects of learning and an organizational typology that can be used to reflect differences in learning practices. This in turn can be related to the possible interaction of organizations with respect to ownership of project elements.

Most aid project will go through various stages during their planning phase (formulating the initial project idea, developing a preliminary proposal, organizing finance, developing a detailed proposal, approval, tendering for suppliers and consultants, selection of suppliers and consultants) and their implementation phase (organizing inputs, staff training, activities to produce project output, monitoring, transfer, evaluation). The order can be different particularly in the implementation phase where some of the stages are simultaneous. In connection with ownership, a useful distinction can be made between project processes/activities (over various phases in the project cycle), material project inputs/outputs, immaterial project inputs/outputs, and project objectives.

For each of these stages, the ownership question can be asked. Who is the owner: the consultant, the aid provider, or the local organization? Which processes are important and what kind of organizational activities correspond to these forms of ownership? What effect does a particular constellation of ownership of one stage have on ownership in subsequent stages? With knowledge as project output, what are the learning processes in the aid receiving organization? Section 0 will elaborate on this in more detail.

In cross-cultural aid settings, organizations must learn. Organizational learning can be described as the change in organizational scripts or routines (ways of doing things). First order learning entails greater efficiency of substitution of information into scripts. Second order learning entails changes in first order script architecture, in processes of exploration (the organizational processes that govern this behaviour are called second order routines).<sup>7</sup> A third level of learning would be the level of meta-learning: learning how to learn. The relatively recent field of knowledge management focuses on the latter as an explicit strategy available to organizations (Sanchez 2001).

Still within the present focus, organizational learning occurs between organizations as well as within organizations. Holmqvist (2003) describes the

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<sup>7</sup>This loosely corresponds with the notions of single and double loop learning developed by Argyris and Schön (1978).

interaction between two organizations in terms of two-way processes: internalization from the joint level to the intra-organizational level and externalization from the intra-organizational level to the joint level. The type of learning in the interaction and these processes can be described by exploration (innovating new products) or exploitation (applying new insights to consumer production). Similar processes can be identified between individuals in cognitive and emotional processes. Psychologists analyse the development of cognition (Shanon 1993) as a process of scaffolding within the parent-child relation (in particular, mother-child) in early development of children.<sup>8</sup> Psychoanalysts (Benjamin 1993) describe the development of emotional facilities also in terms of the mother-child relation where the recognition and appreciation of another subject outside the self (intersubjectivity) grows through the continued love and attention of the mother towards the child. Both processes, cognitive and emotional, require sustained activity and feeling from the mother (or the parent).<sup>9</sup>

Within the context of aid projects both cognitive and emotional processes are important in the interaction between individuals (intersubjectivity across individual cultures and knowledge differences) and the interaction between organizations (*interaction* across organizational cultures and knowledge differences). Generally speaking, without attempting possible nuances, national culture influences both individual and organizational culture, whereas individual culture (in organizations) is shaped by national culture as well as organizational culture.

Specific organizational stereotypes such as the standard production organization, bureaucracy, professional and innovative organization (as described by Mintzberg 1979) are characterized by different coordination mechanisms, respectively: direct supervision and control, standardization of procedures and outputs, standardization of professional skills and norms, mutual adjustment of ad-hoc teams. Real life organizations may reflect different combinations of these stereotypes. In the order presented these stereotypes also reflect increasing reliance on higher order learning processes and routines and would behave differently towards projects

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<sup>8</sup>New concepts without their full meaning are upheld by the mother until more new concepts provide for the full meaning of these words and concepts jointly in their relational context.

<sup>9</sup>While these observations are not made by a professional psychoanalyst, and therefore may have several flaws and be in need of refinement, they show that there is sufficient scope for analysing the range of aid relationships in psychoanalytical terms, both at the level of individuals and, collectively, of shared views or perspectives, as well as metaphorically at the level of organizations.

with other organizations in cross-cultural settings. As argued before, the nature of aid projects is special in the sense that aid projects are undertaken in a cross-cultural setting and unequal conditions. Specific demands will be placed on the 'attitudes' of participating organizations.<sup>10</sup> The type of organization most capable of cross-cultural adaptation and inter-action (intersubjectivity) would have to be flexible, responding to challenges of its environment. This would be the innovative organization, whereas the bureaucracy will be its negative counterpart. This applies equally to the aid provider and the consultant organization. Aid agencies, being also in aid administration have a tendency towards bureaucratic organizations with that might lose out on the commitment required for the innovative cross-cultural inter-activity. Consultants, in so far as they are professional organizations, have an advantage when the local organization is also a professional organization. The common standards, values and language of the profession can counterbalance the cross-cultural differences. Also, the local organization must be a learning organization, at least in so far as the project is concerned, given that the project purpose is transfer of knowledge.

With new projects, involving the first time interaction between consultant and local organization, the balance of initial ownership is often on the side of the consultant. The local organization grows but is guided by the consultant. This learning process has been called 'scaffolding' as initially the new elements do not all fit together to support each other. When the local organization grows stronger, its initiative in and ownership of processes will increase. The balance of power between the consultant and the local organization is put to the test. With the technical knowledge transfer reaching its completion, the local organization will be more in control of its own project and engage in a new project on a more equal footing, expressing stronger ownership with the ability to interact creatively with consultants, also at the initial stages.<sup>11</sup> Inequality in aid projects, also embedded in the notion transfer of knowledge, implies that the local organization absorbs most of the change and is therefore in that sense most inter-active.

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<sup>10</sup>Habermas (1981) distinguishes between communicative action and purposeful action to describe differences in individual behaviour. Communicative action requires a learning attitude and flexibility to change in the discovery of other perspectives. Hofstede (1980) notes power-distance and individualism/collectivism as relevant inter-cultural dimensions. The usefulness of these and other general concepts depends much on their detailed and differentiated understanding in concrete cases.

<sup>11</sup>These could be interpreted as psychoanalytical metaphors at the level of organizations in terms of awareness of the other, objectivation of the other, and finally subjectivation of the other.

Transfer of learning routines will first occur at the tacit and individual level: interactions between professionals with much implicit learning but little explicit learning coupled with explicit learning in training sessions without organizational storage. At a later stage, second order routines for learning may develop, with training departments, a training programme/policy, training and work manuals and explicit quality standards. Third order routines would imply that the local organization engages in knowledge management and routines on learning how to learn.

Thus, within the organization there are individual learning processes through interactions between individuals (intersubjectivity and tacit learning) and through exposure to more explicit organizational knowledge. The organization learns through learning individuals and through adjusting its routines at various levels. Between organizations involved in aid projects, joint action (inter-activity rather than intersubjectivity) implies processes of internalization and externalization, differentiated across the participants according to their roles.

#### **4 OWNERSHIP: CONCEPTS AND ISSUES**

This section argues that firstly ownership by organizations is a metaphor derived from the intuitive understanding of ownership relating to individual ownership. Secondly, this metaphor will obtain different meanings for different elements and aspects of projects. Thirdly, the possibilities for multiple ownership and co-ownership are discussed and their meaning critically examined.<sup>12</sup>

Ownership is best understood at the level of an individual. Translating this concept into its metaphorical use at the organizational level implies defining organizational activities that are similar to those of individuals when practicing ownership. These involve activities directed at control of outcomes towards organizational objectives, monitoring and feedback activities (and systems) to enable the organization to evaluate the implementation of the project, and systematic efforts to absorb the project output. In the case of knowledge, this project output can be absorbed by tacit and explicit learning processes.<sup>13</sup>

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<sup>12</sup>For a more detailed analysis of 'ownership' see Guimarães, Apthorpe, and Valk (2002).

<sup>13</sup>In brief, the term tacit knowledge refers to forms of knowledge that can only be transferred by close interaction between the owner of tacit knowledge and the potential receiver when performing the function for which the knowledge is required (Polanyi 1962).

Ownership of (elements of) projects can be experienced by individuals and can be defined to exist for organizations as well. In addition, ownership can be shared between individuals and between organizations. Multiple ownership normally implies a distribution mechanisms defining who owns which parts of the object owned or what percentage of the fruits of the object (or asset, in this sense).

Yet, there is also the possibility of multiple ownership becoming co-ownership, particularly in the case of objectives. Co-ownership here means that the full value of ownership by one party can be enjoyed without diluting it for others. Moreover, there is also the possibility that ownership (of output) by one party (the local organization) gives rise to increase in satisfaction for other parties (consultant and aid provider). Both cases of co-ownership will be realized when achieving project success with respect to these objectives is important in their wider incentive framework of aid provider and consultant. This will normally be the case with the officially declared project objectives and related output (possibly including the objective of ownership as a value in itself).

Thus, co-ownership (when it exists) exhibits the characteristics of a public good defined over the three parties. In economics, a particular consumable good is a public good when enjoying a piece of a public good by one consumer does not reduce the availability to other consumers (in-exhaustibility) and it is impossible to exclude individuals from consuming it (non- excludability). An example might be ‘national safety’ provided by government. In a similar way, a private good is defined when only the direct consumer derives satisfaction (utility) from consuming the good and that the consumption of one unit reduces the total availability of the private good exactly by that one unit.<sup>14</sup>

Utility (i.e. satisfaction), in economics is defined as a concept applying to individuals. Even a social welfare function derives total utility of the society from aggregating individual welfares (although not without conceptual problems). To define utility for organizations it must be defined in relation to the fulfilment of organizational objectives. All events and achievements that contribute to reaching the organization’s objectives will have a positive impact on the organization’s utility.<sup>15</sup>

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<sup>14</sup>Mixed goods are somewhere in between these extremes.

<sup>15</sup>In that sense it differs from a national utility function which is assumed to be derived from aggregating individual utilities.

These economic definitions are challenging when applied to the good ‘ownership of project elements’. As argued above, the degree to which ownership can be shared varies between project elements. Therefore, the question as to what type of a ‘good’ ownership is, must necessarily be broken down into its components/aspect of ownership as discussed at the beginning of this section. Without discussing all components and aspects, some examples in addition to the ones above might be illustrative.

Ownership of management of implementation processes may serve as a first example of the complexities involved. Whereas a distribution of management tasks between consultant and local organization might be useful, unclarities in and disagreements about management responsibilities may lead to conflicts between them over management control. Thus where both parties attempt to manage the same thing at the same time there is an ‘exclusion struggle’ over management responsibilities and areas. This implies that good management is perceived to involve excludability. Yet, when actual management practice is an arena of disagreement, its solution (under disagreement) will affect the utility of each parties whatever outcome there will be. Ownership of management processes is thus neither a public nor a private good and cannot easily be categorized within this framework. That in itself is revealing.

Ownership of the knowledge output is a different matter again. First of all, knowledge in the abstract is not a pure public good since it is not accessible to all when its complexity requires training and prior knowledge. Yet appropriating knowledge does not reduce the total amount of abstract knowledge. In the relation between consultant and local organization, the consultant is the initial owner, both in the sense of being the source of abstract knowledge as well as having appropriated the knowledge within its organization. Transferring the knowledge neither deducts from the knowledge of the consultant, nor, for that matter, from the abstract knowledge pool. The new owners of the knowledge have exclusive control over their own appropriated knowledge. In its turn, this very fact may lead to increase in utility for the aid provider and the consultant (which of course is different from the utility of the knowledge itself).

Moving beyond ownership to concepts like partnerships, commitment, interactivity and intersubjectivity the limitations of the individualistic definition of public and private goods and their linkage to utility becomes apparent. Goods such as these

are jointly produced and jointly consumed. They do not even exist separately for single consumers.

Thus these economic concepts have sharpened the discussion but they do not seem to be adequate to capture the full picture.<sup>16</sup> Ownership in some cases (e.g. objectives) can be shared ownership, or co-ownership; in other cases (e.g. management of implementation by the consultant) ownership is more exclusive, although this may not necessarily infringe on the possibility of local ownership at later stages or project outputs. Ownership when challenged in cases of exclusivity will lead to conflict, but again, the effects of conflict are not always detrimental to project success, ownership of the final output, and ownership of market institutions (managing the consultant) in later projects.

## **5 PERCEPTIONS ON AID AND LOCAL OWNERSHIP**

Having laid the conceptual groundwork for analysing local ownership in aid projects, the discussion can now turn to complexities that arise from different perspectives on aid in relation to local ownership.<sup>17</sup> These are the ethical perspective, the bureaucratic perspective, the incentives perspective, and the rational expectation perspective.<sup>18</sup>

### **5.1 The ethical perspective: aid as commitment**

The first complexity arising from perspectives is discussed under the heading 'ethical paradox'. Given the prevailing inequalities between the various parties involved in aid projects, the ethical principles of human equality and self determination become problematic. Many aid workers and organizations will be motivated by these principles. Yet, in the aid relationship they are the ones with the resources, powers and opportunities. Without this aid transfers would not be feasible.

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<sup>16</sup>The argument that the economic concepts have been applied outside their intended field of application does not hold since, clearly, the items discussed all yield utility for the parties involved, certainly when only reduced to their composing individuals.

<sup>17</sup>Other perspectives and labels are possible: for example, the 'pragmatic perspective' emphasizing ownership as instrument (coming close to the incentives perspective) and the 'cynical perspective' viewing the ethical perspective in particular as paternalistic, the pragmatic/incentives view as naïve, and leaning perhaps towards the 'aid as trade perspective'.

<sup>18</sup>See Carr, McAuliffe and MacLachlan (1998) for a detailed discussion of psychological aspects of aid, including the impact of inequalities in aid and the views of those receiving aid.



Thus, the aid relationship itself, in its essence, is an expression of inequality, in contradiction with its ethical motivations. Of course the ethical intentions are to do something about that, but in the actual practice of doing, the glaring inequalities coupled with all the problems in achieving success cast doubts on the possibilities to achieve these ethical objectives and, in the end, on the ethical purity of the intervention itself.

The (psychological/theoretical) ethical answer lays in formulating partnership and local ownership as starting points of engaging in aid relationships. But not only do intentions differ from practice, self-reflecting individuals can also engage in critical analysis of their own motivations. In this way, a struggle can develop between intentions at one psychological level and cognition, leading to doubt at another level. Thus, notions such as partnership and local ownership become problematic even with their ethical proponents. With cultural differences between donors and receivers, these problems will only increase as the vast literature on hermeneutics testifies. Some understand these processes as double hermeneutics: interpreting others who are also interpreting themselves.<sup>19</sup> But also the latter interpret the former: a two way double hermeneutic process.

Yet, despite the adverse conditions of ambiguous, multi-level objectives of aid and unequal power relations between the providers and receivers of aid, intentions to enhance local ownership can be genuine expressions of commitment at individual as well as organizational level, commitment based on (partial) identification and (partial) understanding of receivers of aid: inter-subjective and intercultural awareness. Theories within feminist psychoanalysis, analyzing the developing relations between mother and child, establish for the creation of the human facility of inter-subjectivity in moments of joint recognition of the other.<sup>20</sup> Inter-subjectivity embedded in commitment at the individual level gives rise to trans-subjective border zones of (temporary and partial) recognition. Thus, at best, the possibility of commitment to

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<sup>19</sup>Hermeneutics can be understood as the art of transfer of meanings between different interpretive systems. Self-reflecting individuals transfer meaning between their immediate interpretive system and their conscious, rational interpretive system. The term 'double hermeneutics' was used by Rene Devisch at a seminar at the African Study Centre, in Leiden on March 23, 2004.

<sup>20</sup>See Jessica Benjamin (1993). Where inter-subjectivity is a creative act vindicating objectivation and aggression, for some, also in the world of aid, the ongoing psychological struggle for meaning and sense is directed at aid receivers as objects, temporarily fulfilling the psychological need of meaning. Disappointments in terms of lack of reciprocity may lead back via disillusion into aggression.

ownership and partnership does exist as a joint experience between providers and receivers of aid but is never complete and full-time sustained. This experience may continue to act for a while as individual motivation for continued commitment. At worst, real life pragmatic demands, realities of aid and non-aid practice, diverging cultures and part-time interaction cooperate to overshadow commitment in the search for partnership and local ownership.

Wanting the other to become a subject (partner/owner) in the aid relationship can be interpreted as a desire to enter into a subject-subject relationship where the aid relationship (perceived as unequal) has made it into a subject-object relationship. Why? Is it guilt? Is it an adult facility for recognition under the safe condition of being the one with power? Like a parent over a child, without the need to fully compromise the absolute self, thereby solving the paradox that consist of the conflict between the asserting the self and the need for others to obtain recognition? Yet precisely this desire for local ownership and partnership, when imposed and conditioned, is an expression of the subject-object relationship. Enjoying the fun of cross-cultural recognition may be a luxury that the aid receiver does not aspire for.

Thus, at the receiving end, local organizations and their employees find themselves doing their work in an increasingly global and competitive environment, yet lacking competitive strength, know how and physical resources to reach levels of efficiency and competence prevailing in richer countries. Also receiving aid involves an ethical paradox: how to accept aid without losing dignity? Aid brings benefits to the organization and its employees. Yet, for an individual, receiving aid does not feel good because of the dependent position it creates. People prefer resources at their command. Employees in aid receiving organizations are just doing their work and do not necessarily feel obliged. Recourse can be taken to viewing aid as a right, an entitlement, for the sake of social justice. Alternatively, aid can be viewed as an exchange of resources for influence or even moral satisfaction: 'aid as trade' (rather than 'aid or trade'), as elaborated upon in section 0. But aid taken for granted can upset the donor, despite ownership rhetoric (as also hinted at in footnote 20). Clashes between reality of aid and perspectives may occur for example when aid provided with strings attached leads to mistrust and hatred despite or perhaps because a more ethical perspective of aid is maintained and assumed for the other party as well.

Good aid practice tries to manoeuvre around these roadblocks. Tackling them, incorporating or adjusting to them, sometimes only recognizing them. Planning and

management practices are adopted, for better or worse, using logical frameworks, sector-wide approaches, donor coordination, and other technical tools. From a more ethical perspective, partnerships are assumed, trust and confidence claimed, ownership created.

## **5.2 The bureaucratic perspective: aid as job**

More complexities in perspectives arise under the label of ‘the aid complex’. Taken together, a great variety of motivations, activities, organizations and individuals constitute the ‘aid complex’. The argument is that firstly aid has become institutionalized, professionalized and bureaucratized. Secondly and partly caused by this, aid creates dependencies not only by supporting and sustaining institutions and bureaucracies but also by interfering with the solutions that aid is supposed to solve, sometimes aggravating the problem. Thirdly, related to the ‘ethical paradox’ the question can be posed whether aiding people in need is an ethical achievement or whether aid-givers are just doing their normal duty? Is it an ethical right of those in need and can they demand assistance? This would meet no objection when conditioned by “on ethical grounds”. Yet when put in practice the strength of this perception evaporates. Professionalization may easily lead to bureaucratization; commitment replaced by competence and competence by complacency.

With institutionalization of aid meanings of important concepts transform into their bureaucratic equivalents. Words such as partnership, ownership, commitment, compassion and friendship are inadequate labels only partially indicating and thereby revoking a feeling or an experience. Philosophers and social scientist analyze and refine these concepts breaking them down into their core meaning and its possible variations, their practical use, and the behavioural aspects related to these concepts. So far no harm is done. Harm is done when these concepts are developed and taken over by planners and managers and become tools for development interventions. Their original relation to feelings and experiences are now replaced by instrumental and logical calculations arguing from cause to effect. These concepts are now captured by guidelines and procedures, checklists and matrices. Partnership matrices

already exist.<sup>21</sup> Within the world of project aid and its planning these words now recreate themselves into new but surrogate behaviour: as-if partners, as-if commitment, as-if ownership. Thus the removal of meaning and its subsequent transformation takes place in four steps: (1) from feeling or experience to meaningful (still evoking original feelings experience) words, (2) from meaningful words to logical (intellectually correct) words, (3) from logical words to instrumental concepts, (4) from instrumental concepts to surrogate behaviour.<sup>22</sup> This surrogate behaviour is real enough with regard to the dynamics in a bureaucratic environment, yet surrogate when related to original meanings.

These steps do not necessarily lead to their potential logical consequence of surrogate behaviour. Commitment will infuse the instrumental concepts with the right content so that step four would consist of passionate behaviour guided by logical instruments. Instruments now make sense, are complemented and adjusted when they do not lead to desired results. Genuine partnerships can be established, not through partnership matrices, but through personal integrity, friendship and commitment.

On the side of local organizations, responses may develop that sustain the surrogate behaviour. The concerns that local organizations are not the drivers of 'their' projects, yet are supposed to be the main agent for sustaining the project results are largely voiced by the aid giving organizations. From the view of local organizations another view on the same issue could be imagined with expectations and behaviour shaped by economic inequalities, colonial history and current practices of arrogance within the context of racial and cultural differences. Aid becomes one of the facts of life to be used for one's own advantage. The practice of aid management becomes one of donor management, e.g. how to manage the donor. Ownership and partnership obtain instrumental rather than fundamental value. The elements of the aid transfer considered useful are taken on board pursued and sustained, while fulfilling only the necessary conditions determined by the donor. If the donor wants ownership, the rituals will be initiated and played out without, however, the 'true' commitment for and ownership of the donor's objectives. There is of course always ownership,

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<sup>21</sup>Surely, commitment and friendship matrices must be already on the drawing board.

<sup>22</sup>Surrogate behaviour in the context of actual problem solving by civil servants is a well described phenomenon, although without dubbing the term as such (Schaeffer 1984, Valk 1986).

almost by definition, by local organizations and individuals, but naturally only for own objectives.

In this manner, aid recipients may arrive through a different route at the same surrogate behaviour as planners and managers, thereby creating a stable mutually reinforcing situation of sustainable surrogate behaviour. The difference however is that this occurs in an unequal situation. For the recipient, the surrogate behaviour is a rational response to the idiosyncracities of the donor community, even when a true commitment to solve their own problems exists. Merely adopting the language and go through the rituals of ownership, partnership, empowerment and the like will assist in obtaining funds and other assistance to pursue their own objectives.

This rational surrogate behaviour must be distinguished from ‘genuine’ bureaucratic surrogate behaviour when also recipient organizations become ‘professionalized’ just as the planners and managers in donor organizations and arrive at bureaucratic surrogate behaviour similar to that of (some of the) donors. When that happens, local NGOs face similar challenges in solving problems of others.

Thus despite the rhetoric, cooperating partners in aid projects are not equal, first, in the sense that their interests in the project are defined along different dimensions. Second, the partners have access to different resources. Third, and perhaps more importantly they have different motivations to take on the project. This implies multiple ownership of project, discussed in more detail below. Fourth, professionalization and bureaucratization can lead to sustainable surrogate behaviour on the side of donors and aid recipients. Fifth, in the aid context, cooperation is as a rule between parties from different cultural contexts, leading to higher potential for misunderstanding but also cross-cultural learning. However, as argued above, without commitment these positive fruits of the interactions involved in aid will not be harvested.

With regard to the ownership question, the conclusion must be that only the elements of the project that corresponds to the priorities of the receiving organization and individuals will be locally owned. This implies that ownership cannot be caused but must be selected either as existing priorities or as potential priorities. It also means that not all elements that are locally owned are necessarily desirable for the donors’ perspective. Thus the selective selection of elements that can be locally owned brings in the donor priorities.

### **5.3 The incentives perspective: multiple owners**

Why is 'local ownership' perceived as a solution to a problem? After all, when an individual organization initiates a project, the question of ownership is more of a legal matter in terms of intellectual property rights or an internal matter in terms of who or which department drives the project. The ownership issue takes on different dimensions when a project is initiated between more than one partner with a stake in the project. With clear legal arrangements ownership itself may remain problematic with a struggle over the manner in which ownership is distributed over the participating organizations or individuals. But this is a fight for more ownership rather than an indication of the lack of it.

Then, what is the problem? Aid projects have a low success rate and are plagued by a large number of problems in various phases of the projects. Amongst them, sustainability of project results is a major one, when even projects that were successfully implemented do not survive the transfer to normal routine, beyond the period with the specific project status. The local organization that was 'helped' does not sustain the project results. Thus, the perceived problem is the less than expected rate of success of aid projects. A first line of explanation, namely the lack of sustainability effort on the part of a local organization, is often also seen as part of the problem. The more fundamental explanation of the difference between private sector and aid projects must be found in the specific form of cooperation in the context of aid projects, allowing for different ownership relations.

With aid, parties/roles similar to those in the private sector can be identified in defining and implementing projects: the donor/financier, the contractor/technical consultant, and the organization for which the project output is intended, be it a local NGO, part of government, a semi-autonomous organization, or a private firm. The importance of each these roles can vary. Some projects, such as built-operate-transfer projects, have only limited involvement of a local organization in the implementation phase. In the past, mission projects such as schools, hospitals, urban and rural development projects proceeded without local organizations. Presently, a local branch will be involved with elements of the local organization and the donor and in sometimes complex relationship with the 'main office'. Typically, in many technical assistance projects the three main actors are strongly present: the aid organization, the consultant, and the local organization, each with their own interests in the project, viewing and defining the project from their own perspective.

However, also in the private sector projects exist with a financier, a consultant and a (local) organization. But here market mechanisms exist to coordinate the activities of the parties towards mutual satisfaction of objectives. In the aid context the attention for explaining the differences must therefore shift towards the type of incentives and forms of motivation that shape the dynamics of the interaction between these parties. In essence, the core of the problem is that parties other than the local organization define and control what is best for the local organization. That is the big difference between the aid context and the private sector context. Changing the incentives system to simulate private market mechanisms does not fundamentally alter this difference.

Additional factors complicate matters. Aid organizations certainly have the means in terms of resources and personnel; they also have the intentions (aid-driven or otherwise) in terms of their organizational objectives and individual motivation. Private sector organizations in both donor and recipient countries have developed to accommodate this aid-financed part of the market. Networks of national and international NGOs channel the finance and motivations for 'helping the other' towards their destinations. In the process of organizational development, dependencies grow on either side, making aiding and recipient organizations/individuals more self interested and (aid-) market oriented. Projects become supply driven, both by the need to have projects as well as by the assumption of knowing 'what is good for them' (as well as for themselves): an awkward mixture of self-interest, paternalism, and genuine ethical concerns, in various degrees and combinations expressed and hidden at individual and organizational levels.

The end-result is that project will have multiple owners, each of whom will pull the project into the direction of its own objectives, which often and ironically include the perceived objectives of the local organization. This multiplicity is of a complex variety involving organizations and individuals in networks of sometimes contradicting interests, objectives and intentions embedded in a context where good intentions can turn out as bad intentions (as in paternalism) and so-perceived bad intentions (in the limited sense of not being aid-driven) can have good consequences (where profit making consultants deliver good results). Different value systems inform the parties on what is good and bad in terms of goals and priorities, rules of behaviour and work attitudes.

With this in mind, the following general description of aid becomes plausible: aid as a multi-level social, cultural and economic relationship between unequal partners involved in a two-directional asymmetric exchange of resources, benefits, values and feelings. Success at one level does not necessarily imply or require success at a different level. Some persons may be helped, others are not. Some may benefit with costs for others.<sup>23</sup>

Why is ownership the solution? With multiple ownership identified as the problem, the solution of local ownership only reads like a cheap solution.<sup>24</sup> It sounds like denying all the complexities of the aid context. Yet, when seriously appreciating multiple ownership as a matter of fact, it becomes possible to study the conditions, forms and types of aid delivery that would reduce the potential for conflict between the objectives of the various parties with regard to the project and/or shift the balance of power and ownership towards the local organization.

To complicate matters further, local ownership is seen not only as a solution to a problem but also as an end in itself. However, analyzing ownership as an end in itself leads to similar questions about the nature of aid as when ownership is seen as a solution to a problem. In other words, these are two aspects or different wordings of the same issue. After all what would be the possible reasons why ownership (as an end in itself) is not achieved?

Firstly, are local organizations not capable? Then why did they start their projects, on whose initiative, and what are the rival owners? Secondly, are they not motivated? In other words are the project priorities not interesting for the organization or its individual employees? Then, by whom and why was it started anyway? Are only some elements considered useful? Then who is responsible for the design of the other elements? This must be a case of mal-aligned interests between parties in the project

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<sup>23</sup>Other definitions or descriptions of aid may be more appropriate to other situations or to highlight different aspects. Emphasizing resource transfer (resource view), aid can be seen as the resource given by one party to another for achieving the latter's objectives (food-aid; technical aid; budget support; balance of payment support; investment support). Focussing on the whole aid system with all its complexities (sector view) aid can be described as is the whole set of organizations, institutions and activities, which have developed in and between rich and poor countries, involved in a process of transferring resources, values and feelings between unequal partners. Finally, exposing the underlying struggle between rich and poor, aid (in the conflict view) can be described as the whole set of institutions, which have developed in and between rich and poor countries, involved in a conflict over the conditions and modalities of redistributing resources from richer to poorer parties.

<sup>24</sup>It resembles converting the problem tree into an objective tree as in the Logical Framework Approach.



design. Thirdly, are the local organizations not enabled or empowered? Then who does the enabling or the empowerment? How is in control?

It is clear that all the answers to these questions lead into the direction of other owners in the projects and with that to the nature of aid relations in projects. Local ownership again becomes the solution to a problem caused by the nature of aid relations.

Alternatively, arguing from the view of ownership as a solution, local organizations need ownership for project success. But this concerns ownership over resources they do not control, used for priorities they did not set. Why forcing this type of ownership onto an organization: it is not even their own ownership! Thus, addressing the question why this is the case also leads to the nature of aid. The conclusion must be that multiple ownership is typical for aid projects from whatever perspective one assumes.

While ownership of an aid project as a whole always involves multiple ownership, further analysis in section 0 has shown that it is necessary to discuss ownership at the level of project elements (inputs, activities, outputs) and phases (e.g. identification, implementation, completion, evaluation). Multiple ownership of project elements and phases stretches along a continuum of co-ownership to ownership of project elements dominated or even exclusively owned by one party (as some of the donor conditions are).

#### **5.4 Rational expectations perspective: aid as trade**

The rational expectations perspective, one of the pillars of neoclassical economy, would argue that aid is the result of optimizing individual and social utility. The rational expectation assumption comes in two forms: a meaningful form and a tautological form. The tautological form poses that ex post behaviour can be explained as if decisions guiding the behaviour were guided by rational utility maximization. Of course, this has to be true, because an outcome has been realized as the result of whatever causes. If by definition (however hard the practical specification might be) all these causes are included in a utility function the tautology becomes obvious: a theory it must necessarily be correct if all causes are included. The more meaningful and therefore more debatable form of rational expectations is formulated by restricting the explanation to certain causes, which in economics are then often reduced to identifiable, quantifiable and value-able causes. This economist

reduction is not necessary for the present purpose, since immaterial benefits can also enter the calculations of utility maximizers in a less quantified application of rational expectations.

In this perspective then, aid is given for a return. Aid is trade and exchange. The benefits of aid providers range relate to political influence and strategic advantages; economic concessions; national and global environmental concerns; organizational survival, particular interest groups such as children and women rights, religion and churches, and animal rights, and moral satisfaction and ethical motivation. In return for these benefits, the poor (and less poor) countries, including their organizations and individuals, receive aid. Different levels and segments in the aid sector will obtain different combinations of benefits. For example, many aid providing organizations will not be motivated by strategic and political concerns, whereas foreign ministries and their development aid departments usually do. Various aid agendas, also of lower level aid organizations are influenced by higher level strategic use of 'generally good' principles such as good governance, human rights, irrespective of their intrinsic value.

From the same point of view, aid receiving organizations will use their positions to obtain the best deal for their problems: cost effective provision of goods and services; access to markets; individual benefits such as training, travel and related income. Often, having a project status enhances the standing of a department in an organization just as organizations with important aid projects gain status in the overall public system. This can result in more power and resources for the organizations involved.

Thus, in this perspective, ownership of personal and organizational benefits is important. This is a concern for ownership over outputs rather than processes. And where ownership and control of processes gain importance, this will be explained in terms of their influence over obtaining the final benefits. Tokens of ownership and partnership, when they are a concern of aid providers, can be provided and traded for ownership of benefits. As long as the benefits are there, the ownership and partnership rituals will be played as was discussed under surrogate behaviour.

## 5.5 Competing perspectives?

The reality of aid practice does not fit exclusively in one of the above categories and mixed modes of understanding must prevail. In the sense of their descriptive power these perspectives are not competitive but complementary.

As a summary, the table below shows the relation between perspective, main concept, theoretical field, and aspects of ownership.

**TABEL 1**  
**Aid perspective, main concept, theoretical background and relation to ownership**

Perspective	Concept	Field of theory	Ownership outcome
Aid as commitment	Inter-subjectivity	Feminist sociology and psychology	Genuine ownership but seldom achieved
Aid as trade	Exchange	Neoclassical economics	Partial ownership of outputs; other aspects irrelevant or coincidental
Aid as profession	Bureaucratic behaviour	Critical public administration	Surrogate ownership
Aid as outcome	Incentives	Institutional economics	Multiple ownership

For instance, the realization of the other organization as a subject with its own potential for interaction constitutes limits to a view of the world with only objects in its field of observation. Negatively, it may lead to attempts to control the other organization so as to recreate the false safety of a world with objects only. Positively, this realization permits communicative activities and creating joint ownership. It also requires a common ground of trust. Within the unequal world of aid this is not a natural outcome. Two parties are required for creating an inter-subjective reality. The notions of partnership and ownership belong to this domain; partnership because it is defined as a relation; ownership because it must be given, stimulated and accepted in an unequal setting, implying mutual trust. Only under these conditions can the ethical paradox be solved. Without it, the bureaucratic perspective takes over leading to surrogate behaviour.

The unequal aid relation will also affect the processes of internalization and externalization discussed in Section 3. Normally, the internalization process in the intrapsychic and externalization of the other in the intersubjective are in balance. However when two persons interact in an unequal relation the balance in each of these persons may shift in opposite directions. The resource-rich person will emphasize externalization processes attempting to create intersubjectivity while the resource-scarce person will shift to objectivation in the intrapsychic. Similarly, the aid

receiving organization will be more involved with internalization processes while the aid provider and consultant more with externalization. Thus where one party looks for partnerships and local ownership, the other will attempt to establish psychological independence and autonomy by calling on the 'aid as trade' perspective and by looking for personal and organizational benefits not necessarily within the confines of agreed project intentions and objectives.

Multiple ownership in a quasi-market environment calls upon elements of rational expectations and related neoclassical economic perspectives. Yet the aid market is essentially a quasi-market. Multiple ownership can only evolve into co-ownership when trust is created by establishing a positively interpreted inter-organizational reality. Yet, even with good intentions based on underlying value systems on the side of the aid provider with regard to establishing, or expanding the role of, local ownership (a *tour de force* governed by contradictions of inequality and one-sidedness), it remains an elusive ideal when the other parties (consultant and aid receiver) are not committed to develop a sense of co-ownership (including the accompanying experience of trust and inter-subjectivity), given the reality of multiple ownership. Thus the rational expectations perspective has to be complemented with the ethical view.

Finally, in actual aid practice and related normative discourse, the perspectives can be rather conflicting. Yet amongst these normative views, the view taken in this paper is that a judicious and selective use of aid as commitment, as trade and as outcome might lead to an environment where local ownership can survive (rather than develop). This carries the risk of the worst-of-all scenario when the professional and bureaucratic modes lead to the derailment of commitment and aid ethics and all positive aid intentions dissipate in surrogate behaviour leading to obscure results in terms of who-gets-what from aid.

Together, these are arguments in favour of true commitment and true interests: a 'happy', albeit 'uneasy' and 'precarious', combination of the market perspective with the commitment perspective, guided by the pragmatic views of the incentives paradigm of institutional economics.

## 6 CONCLUSIONS

This paper has reviewed different perspectives on aid and local ownership: aid as commitment, aid as profession, aid as outcome and aid as trade. In practice all of these assert their influence in various combinations in different aid forms and individually, in different circumstances and at different moments in time.

Aid itself is an expression of inequality, implying that the attitudes towards ownership in aid relation are not identical between the aid provider and the aid receiver. Statements about partnerships and co-ownership must be qualified with reference to this inequality. Without this, the otherwise ethical considerations will remain in the realm of wishful thinking, perhaps fulfilling a psychological requirement to soothing the impact of the aid paradox.

The position this paper has taken is that an eclectic approach to practicing aid must be taken. To counterbalance the embedded inequality in the aid relation, aid (from the side of local or international aid providers), should be practiced as an ethical relation, including elements of planning, pragmatic considerations and commitment. From the side of the aid receiver, an ethical use of aid as entitlement might reduce the dependency aspect of aid.

The organizational form of the aid agency and the consultant should emphasize higher order learning processes found in more innovative organizations rather than relying in routine management typical for bureaucracies. A typical outcome of aid as profession is the bureaucratization of aid processes leading to sustained surrogate behaviour *vis-à-vis* issues on both sides although for different reasons.

Interactions between professionals in the role of consultants and professionals in local organizations tend to focussed more easily on commitment to quality in the transfer of knowledge and skills. A common professional language facilitates communication across cultures.

Projects relating to core priorities of the local organization are more likely to select existing ownership than projects lower on the priority list. These will reflect issues and concerns that the local organization already owns, even when the organization is still in an early stage of development. Trying to add donor priorities to the list of owned objectives will prove counter-effective not only for the particular objective itself but even for co-ownership of other objectives. Thus, if the aid providers are serious about ownership their assistance should not pursue their own

priorities when these are not shared with the aid receiving organization. Such priorities will not be sustainable independently from continued donor insistence, leaving them without local ownership.<sup>25</sup>

At the more theoretical level, the paper has argued that the shift towards self assertion (internalization in the unequal aid relationship) leads to objectivation of the aid provider and the appropriation of resources. This could be argued to be precisely the intended outcome. Yet the appropriation of resources may be ownership alright, but not necessarily as intended. When, in addition, at side of the aid provider additional demands are made, donor inspired conditions are set and bureaucratic tendencies prevail, little will be left over from a shared intersubjectivity. Thus the intended empowerment through local ownership takes an unexpected turn away from partnership, towards objectivation of aid itself as a resource available for the aid receiver. This would be a strong argument not to set donor conditions according to donor priorities, to avoid bureaucratization, and to emphasize commitment when trying to establish local ownership in an atmosphere of partnership, without however guaranteed outcomes.

The emphasis on commitment and limitation of project choice to areas of competence of aid provider, consultant and local organization requires honesty about motivation and the limitation of one's competences. In this sense, project planning constitutes an art rather than a technique.

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<sup>25</sup>Of course, donors do have their own agendas and sometimes support objectives that are only owed by minorities in the organization, in the hope to obtain broader support later. This conflict between ownership and other donor objectives is another aspect of the aid paradox.

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