

Being strategic in the face of complexity

Is the aid system at a tipping point?

Complexity approaches have a lot to offer the aid business, if it is not already too late. We asked Nils Boesen to comment on the blog postings from a recent conference.

Strategic' and 'complexity' are nice words. I like them. Being strategic sounds better than being haphazard, and recognizing complexity is comforting when I have difficulties being strategic. It confirms that it is not only my fault, really, but also because of those messy, complex systems out there that are so hard to understand and so far beyond control!

So I share the views of bloggers on *The Broker* website after the inspiring Innovation Dialogue 'Being Strategic in the Face of Complexity', held at Wageningen University, the Netherlands, from 30 November to 1 December 2009. Complexity approaches have a lot to offer, not least to the aid business, which insists on addressing super-complex issues (poverty) through a super-complex set of institutions, symbols and relations. It does this, however, with largely linear, control-oriented tools. And it insists on addressing the issues big-scale, as embodied in the Millennium Development Goals.

It often takes several pages or complexity gurus to explain what 'complexity' means. For me, complexity entails many agents (stakeholders, patterns and relations) that act based on the actions of others. So, to me, a computer is complicated, but not complex. Soccer, on the other hand, is complex. And so is development and development assistance, particularly writ large in aid-dependent countries where hundreds of donors interact with a myriad of local dynamics.

Complex systems evolve in nonlinear ways, and change emerges by multiple, interconnected feedback processes rather than by grand design. And history is not a good predictor of the future, as Dave Snowden of Cognitive Edge asserts. Listening to and making sense of system dynamics is the wiser approach to gaining some modest influence. That is all well and good. For far too long, the dominant paradigm in aid has been a horrible simplification of what poverty reduction – and development – entails. That has been mixed

with an arrogant belief that money and good intentions would, if not fix the problem, then at least make a significant contribution to fixing it.

So, as Lena Mueller of Oxfam Novib reports, complexity thinking may nicely underpin the claim that aid donors should be more modest, and do more to understand the contexts in which they intervene. In many situations they should do less, and do it differently!

The sad news is that this has been said for years, with little apparent effect on the aid system. So it seems high time to focus the complexity lens on the aid system itself, rather than 'only' on the complexities in developing countries.

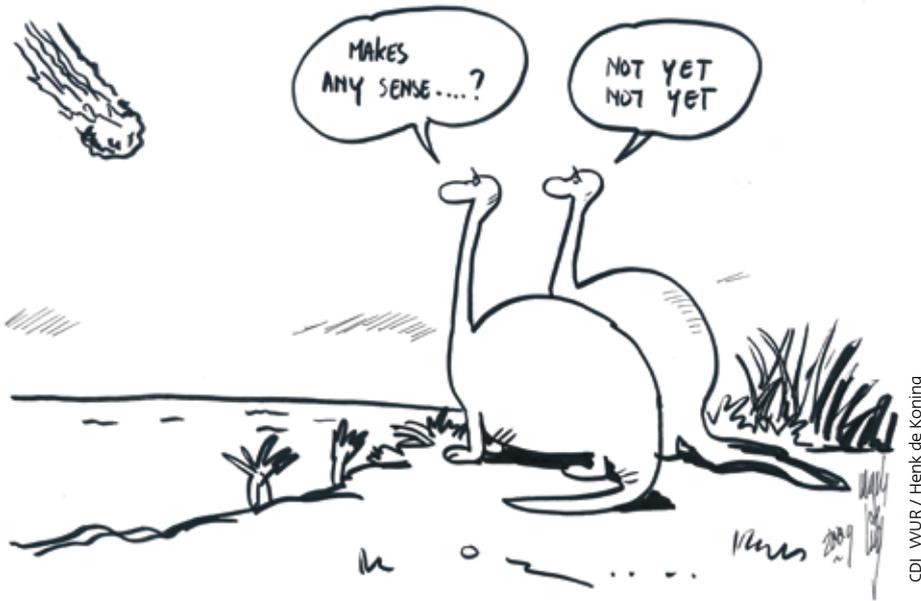
Towards a tipping point

During the conference, Dany Jacobs of the University of Amsterdam explained that complex adaptive systems may reach a tipping point where small changes become big ones. This concept fed into several discussions. Such tipping points are rarely predictable – how many had foreseen the breakdown of the Soviet Union and the global financial crisis? 'Guesstimating' if and when they are coming requires that we listen carefully to the creaking of the system, and make sense of the wrenches and mutations that are slowly building up to a tipping point of no return.

Listening to the aid system in this way, I think we are approaching such a tipping point where development aid will enter into a deeper crisis with an unpredictable outcome. Some say the aid system is already in crisis (witness the stream of books claiming the futility of aid), but I think we still have to see it unfold fully.

The crisis began soon after the lofty development promises made at the turn of the millennium. At that point, the paradigm was largely that cooperation between key donors would be stronger than competition among them. Poverty reduction was the dominant goal, and aid should be provided in a harmonized manner based on comprehensive plans, cordially agreed between all partners. There was an image of

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a largely autonomous aid system that was manageable by modern rational approaches and driven by noble intentions.

Today, the Paris and Accra processes that express this paradigm are struggling to produce significant results. Key cooperative elements of the world system are in crisis – the climate summit in Copenhagen demonstrated the weakness of the multilateral machinery when confronted with a new world order where the United States and China dominate. And where Europe, despite the Lisbon Treaty, showed anything but coherence and strength.

Add to this the fact that aid can no longer – not even symbolically – defend itself as a separate system or an agenda serving poverty reduction. In virtually all governments, aid is seen as part of a more important joined-up agenda that includes climate change, security, migration, trade and finance. The links to areas where nations have widely diverging interests point to the further fragmentation and ‘re-domestication’ of aid in donor countries. Among these are the 27 EU countries that are all busy with their own aid systems rather than building a strong joint European institution that could compete in quality and financial muscle with institutions such as the World Bank.

What could crisis responses look like?

Uninformed by complexity approaches, the crisis sketched above is likely to generate two types of response:

- Some may push for closer adherence to the harmonization and alignment agenda, and prepare even smarter results frameworks, conditionalities and aid modalities that can demonstrate that aid works.
- Others will defend aid as a separate system exclusively serving poverty reduction, and defend the amount of money that the aid system transfers from North to South.

In his blog, Pepijn Jansen of Wageningen UR discusses where alternative responses could come from, but he sensibly says little about what they would entail. I think that most bloggers agree that neither of the two responses above will be terribly successful if we take seriously that the aid system is

complex, and anyway hardly a system on its own. So what are the alternatives?

I offer a couple of preliminary thoughts inspired by the bloggers:

- We should accept that multiple objectives are here to stay. Aid is not serving poverty reduction only, never has been – it is time to be as frank about it as we were 20–30 years ago.
- We should stop being concerned about the amount of aid as if that matters greatly for poverty reduction. It does not; at best, it is of tertiary or lower importance.
- We should talk about what really matters for poverty reduction: the social, political, institutional and environmental challenges in and across the feeble system of nation states in the North and the South. Such conversations are taking place, particularly in relation to fragile situations, but often they seem strangely delinked from the debates about the aid system as such.
- We should consider whether attempts to reduce poverty head-on – through massive, long-term resource transfers – always create dependencies and perverse incentives that end up doing more harm than the transfers are doing good. Aid that respects the complexity of the global challenges, and is mindful of its own complexities and limitations, can play a useful catalytic role and help systems – global, regional, national and local – to learn, reflect and innovate. It is not by pushing for more control, more purity of intentions or more money that the crisis of aid will be ‘avoided’. Rather, it will be by identifying more realistic and ‘complexity-compliant’ responses, and thereby make a difference. That difference may be small, but to pretend to be able to do more than that would be to commit a sin of ignorance.

Grappling with complexity is no easy alternative to ignorance, but it is hard to see that there is a better one available. ■

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- Conference blog: www.thebrokeronline.eu/strategy-and-complexity
 - Conference report: <http://portals.wi.wur.nl/navigatingcomplexity>