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In favour of inclusive aid and unconditional cash
transfers

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Abstract

Aid in 2015 is trapped in its own logic of paternalism, bureaucracy, over-reporting, top-down decision making and lack of accountability, thereby further excluding and disenfranchising the poor. We argue in this essay that this failure is not limited to official development assistance, but also extends to private organizations and academia. A culture of aid exists today that rewards the new, not the right. Academia and policy are trapped in a vicious circle of constant innovation and evaluation due to competition for funding, and thus far removed from the actual situation of the poor. We argue for a paradigm change towards unconditional trust and unconditional empowerment of the poor; in our own words, inclusive aid. As a first step towards truly just and democratic structures, we urge the implementation of minimal but continuous and unconditional financial support for the poorest.

Keywords

Development aid, aid failure, cash transfers, paternalism, global justice.

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Introduction

Organisationally and intellectually, the field of global development aid is in disarray. Aid in the year 2015 is highly inefficient, increasingly institutionally fragmented, thoroughly bureaucratic, mostly paternalistic, usually top-down, often unaccountable and frequently ineffective. Often dominated by trends, political agendas, fads, sometimes captured by political and economic special interests, aid is regularly held back by its own internal logic.

New players have arrived on the stage: official bilateral and multilateral bodies have been joined by new agents and intermediaries. Global non-governmental organizations, powerful private foundations and funds, and civil society organizations of all shapes and sizes are transforming the sector – but at the same time raise new questions about the sustainability and legitimacy of new forms of aid. Political leadership on aid is lacking, with global agreements (such as the SDGs) remaining vague, non-committal and uninspiring.

Certainly, there have been dramatic improvements to the plight of the global poor, with average real incomes in the developing world doubling in the last two decades and 600 million people being lifted out of poverty. However, the tragic fact of one billion people today living in extreme – yet avoidable – poverty attests to the failure of aid. The failure of aid is not restricted to those who work in aid or have an impact on aid policy but also includes those thinking and writing about it.

Intellectually, our aid culture has failed us, and much of the reason for this can be attributed to academia. Today, globalised and professionalised academia is often motivated by the new and not by the effective. Just like many agencies and foundations, academia today is obsessed with finding the single *silver bullet* that will eliminate global poverty. This has led to treating the poor more often as means rather than ends, and as passive recipients of aid innovations, rather than as autonomous and empowered agents.

We see a chance in this intellectual and organisational fragmentation of aid. In the following we will argue that the search for a solution to world poverty has been severely hindered, in development assistance and in academia, by an underestimation of the complexity of the problems arising and an overestimation of the developed countries' capabilities in dealing with these. But while this is deplorable, a closer examination of the problem also shows that within this very bias lies the solution to poverty: it is the underestimation of the poor's own capabilities that keeps us from making much needed progress on this important challenge for humanity. We argue that the solution to the problem of poverty, and thus for the future of aid, lies in the meaningful inclusion of the poor themselves. Above all it is the culture of aid that requires reform.

There are several levels at which this inclusion must occur, and our proposal deals with the area in which arguably there is the biggest moral urgency to act immediately. Throughout this contribution it should be kept in mind that *inclusive aid* can only ever be complementary to an approach of *inclusive politics* on the global level: in an ideal world, the poor would be represented on the global stage on a level playing field with their affluent counterparts. Notwithstanding more radical structural reform, inclusive aid can be realized today, on other levels. We hold that it is the direct financial inclusion of the poor that should be the first priority for the sector of public *and* private development assistance.

For this more limited purpose, we propose the most simple of solutions: make sure that the majority of funds destined towards poverty relief are distributed directly and unconditionally. Indeed, morally we do not see an alternative to our core proposal: inclusive aid, primarily through direct cash transfers. We are not the first to make this bold claim, yet in the following we will show how the support both empirical and normative for this radical idea is mounting (cp. Hanlon, Barrientos and Hulme, 2010). It is affordable, efficient both in the short- and long-term, and normatively superior, as it avoids paternalism and takes the poor and their needs seriously.

The benefits of inclusive aid

In our proposal, we make a case for direct aid based on empirical and normative considerations. As important as the empirical assessment is the normative change that *inclusive aid* would bring about to the role of the poor in development assistance. *Inclusive aid* treats the poor not as recipients but as agents. Inclusive aid listens to the poor and their preferences – instead of guessing or trying to research their needs, as the “new” approach to aid intends (Banerjee and Duflo, 2011).

The time for *inclusive aid* is now. One of the most important recent surveys of the attitudes of the poor towards aid projects confirms our argument. In “The Listening Project” (Anderson et al., 2012), the core finding is that the poor perceive the international assistance system as a binary world in which there are receivers and givers, in which there is an undue focus on gaps and needs rather than on existing capacities and one in which change is only externally provided, not internally grown. Strategies to include the poor are mostly lip-service (MacLachlan et al., 2010).

Sadly, aid and empowerment often exist on paper only (Pogge, 2010). True empowerment would encompass supporting the poor politically, technologically and, what is most important in the short-term, financially. Especially the latter is often avoided, as it is deemed costly and a profound bias vis-à-vis the poor leads us to distrust their decision-making capacities. Real development that deserves its name would be promoting freedom (Sen, 2001). Freedom to act, freedom of opportunities and capabilities, freedom from dire need and freedom also, ideally, from political and social exploitation and exclusion (Mozares and Pintak, 2006). In the context of poverty, this also means avoiding undernourishment, exposure to violence, lack of access to safe drinking water, electricity, sanitation, shelter, medicines, and education. Of course, direct financing cannot achieve these goals directly and immediately. But we believe that direct aid, by providing the material resources needed for people to pursue their own aims, is the best proxy to such a real freedom.

Luckily, we today live in a world where – despite a serious global digital divide – technological possibilities allow us to use tools that can include the poor in a scalable way so that real freedom is achievable. These tools can be made contextually appropriate to lead to positive change, including those affected by poverty directly in the process of overcoming it. We argue for *inclusive aid* to be the default approach in development assistance and argue that the benchmark comparison for new policy instruments should be direct and unconditional cash transfers.

Overestimating experts, underestimating complexity

Development happens in a highly dynamic, complex and therefore unpredictable environment (von Hayek, 1948; Keene, 2007, and Ramalingam, 2013). The essence, influences and creation of economic development is not completely understood and may even defy *ex ante* scientific understanding. It is therefore illusory that top-down planning, even if assisted by randomized experiments, can overcome these complex problems easily. Even worse, as Jeffrey Sachs (2005) rightly recognises, many of these problems are interconnected. Failed ideas are grounded in the conviction that a grand new idea will eliminate world poverty.

This does not mean that everything is going wrong with development aid. There have been some notable successes in school attendance, child mortality and health (Dowling and Yap, 2009 and Riddell, 2007). Many small interventions can have a huge positive impact for the benefiting households, such as simple solar lamps (Aley, 2004) or smoke-reducing and fuel-efficient cooking stoves (Berrueta, Edwards and Masera, 2008). But these successes have been the result of simple and piecemeal solutions.

Indeed while the previous examples are in themselves very good interventions, they all share one problem: their orientation is supply-sided. Supplying the poor with working solutions needs extraordinary creativity, empathy combined with a practical mindset, while at the same time promising very little monetary reward. This means that the well-functioning interventions can only be a fraction of the projects, especially if we are confronted with problems in knowledge transfer and cultural and situational adaptability. It would be much easier to switch to positive demand-side feedback loops. Here the poor themselves can decide what they want, and if they can back up their demands with money, markets have an incentive to provide (cp. Easterly, 2007a).

Against hubris

We need to recognize that progress is neither linear, predictable or certain and outside interventionism has its limits. Experts do not necessarily know better in these complex and dynamic environments, and even if their solutions may be the best for an ideal *ceteris paribus* world, they may fail in practice, as there are simply too many variables to take into account. If development from the outside is difficult, what we should focus on is to alleviate the worst symptoms of poverty and rely on the poor to develop themselves. A good "development environment" depends on good, inclusive institutions and these can only be home grown (Acemoglu and Robinson, 2012).

Yet, the contemporary Western understanding of development seems to be one of "problem-solving" – we just have to pull the right levers and then "we" can develop the "other" (Lepenies, 2013 and Ramalingam, 2013). This mechanistic worldview treats development as a black box, where we input resources and development comes out. Ramalingam argues that the result are very rigid planning, strict organisational hierarchies and over-reporting, instead of adaptability, communication and trust.

Development, contrary to other complex environments (such as politics within a democracy), is still regarded as a technical issue which can be solved. The reason for this is the hope that by approaching development in very poor countries in this way, the poverty trap would be overcome quickly and efficiently. This approach has not worked. Apart from problems of complexity, top-down development interventions often encounter resistance from the local population, which has severely damaged the long-term efficiency of projects (Anderson et al., 2012).

Even well thought through and holistic approaches, such as the Jeffrey Sachs Millennium Villages, have huge problems, with unexpected problems cropping up once others have been solved (Munk, 2013), often arising out of the very solution itself (a feature of complexity, cp. Pritchett and Woolcock, 2004 and Ramalingam, 2013).

Admitting that the current approach has had only very limited success is difficult, partly because of western hubris and partly because of the moral urgency of the problem of poverty. This sometimes tempts advocates of foreign aid to present the facts on poverty in an optimistic light, for fear that resignation forestalls further efforts (Reddy and Pogge, 2002; Pogge, 2010 and Darnton and Kirk, 2011). All the while, new poverty arises as people are threatened by new conflicts (Bates, 2008 and North et al., 2013), climate change (Ahmed and Suphachalasai, 2014), rising food prices (Headey and Fan, 2010 and Mitchell, 2008) and fluctuations in the world economy (De Paiva Abreu et al., 2009 and Griffith-Jones and Ocampo, 2009).

Misled by innovation: development and academia

There is a worrying development that affects both development assistance and academia. Both strive to be interesting and "sexy", not necessarily helpful (Cameron and Haanstra, 2008). The problem lies in the incentive structure and the resulting organizational logic that rewards marketing and emotional appeal rather than efficiency (The Narrative Project¹ and Darnton and Kirk, 2011). Both private development organisations and academia rely on funding for their continuance. This means that much effort and accountability will go towards the donors/funders, not the poor. Consequently donors, not the poor, decide which projects get funded. Information asymmetry means that it is very difficult for even the most well-meaning donor to distinguish between actually wanted and useful projects and "fads".

Academia has different intrinsic organizational aims compared to development. In academia, novelty, innovation and counter-intuitive findings (not non-findings or confirmation results) are disproportionately rewarded. A development fad culture has created an unholy alliance between academia and funding agencies that want flashy findings and flashy projects respectively.

One contemporary example of development fad culture is the hype around randomized trials, which receive enormous attention and funding. Critics point to experimental economists and political

¹ <http://www.narrativeproject.org>

scientists who are enabled to perform ethically questionable research projects with only minimal supervision and potentially drastic consequences (Reddy, 2012 and Deeming, 2013). This happens increasingly so in regions where test subjects are “cheap” and weak governance enables experiments which would never be feasible in the setting of a democratic, developed country. One problem here is the background assumptions about what such approaches can accomplish. It is questionable whether the promise of generalizability can be fulfilled. More problematically though, for the approach to be acted upon in policy, it relies on a global knowledge management system that simply will never exist: a sad example here is the underutilization and fragmentation of World Bank research (Doemeland and Trevino, 2014). Randomised trials are just one example of fads that often share two characteristics: a tendency to treat recipients as test subjects as well as relying on assumptions that portray poverty as a mere technical problem soon to be solved by innovations and new evaluation methods. The limits and scope of mandates of alleged innovations are not recognised, bad programmes too easily implemented. This has often resulted in increased public scepticism and donor fatigue (Darnton and Kirk, 2011). Examples of fad culture include microfinance (Banerjee and Duflo, 2011), fair trade and ethical consumption schemes (Haight, 2011 and Sylla, 2014). The worst examples include projects in which local development workers are under constant pressure to, at least on paper, reinvent their work and present it in accordance with the most recent fad. This consumes resources and wastes time that should be used to listen to the poor, give them what they ask for, stay with them and amplify their voice. Progress is hindered by the absence of positive feedback loops in development aid, as accountability is primarily to donors and not to the poor. Therefore there is only a limited possibility for the development worker in Geneva or Brussels to distinguish between truly working and only well-presented solutions.

To overcome the current fad culture, it is not enough for innovations in aid to be rigorously evaluated. Academia must engage in critical self-reflection and should collaborate to push approaches that have been proven to work – rather than striving for the new and pioneering – and then defend these goals collectively (Pogge, 2013; for such attempts see also international poverty association Academics Stand Against Poverty). The problem is not a lack of good ideas, but the impossibility of poverty knowledge management. Arguably the most important take-away points from both Ramalingam (2013) and Banerjee and Duflo (2011) are: keep it simple and keep it adaptable. This may mean embracing boringness at the expense of misleading innovation.

Inclusive aid vs. inclusive politics

In a long-term perspective, we will have to address and rectify the structural causes of poverty, both globally and internally to developing countries: illicit financial flows, tax havens, unfair trading rules, networks of production, skewed global finance, accounting and business regulations and global regulatory regimes.

Those are the most important ones, especially as they have negative influences on the countries’ internal institutions: namely the resource privilege and strategically interested inter-government aid transfers facilitating a winner takes all political competition. Other factors are arms sales and practices of bribery by multinational firms.

But not all can be blamed on the West and the international order. A strong and willing central government would be able to pull the country out of poverty, if need be in resistance to the WTO. Unfortunately, many governments lack either the capabilities to perform as they should, or the will, as local elites profit from the status quo (Acemoglu and Robinson, 2012).

In an ideal world, foreign policy would indeed be concerned with these structural problems first and foremost. But given that it will be very difficult to surmount resistance, we propose an aid policy for a non-ideal world: helping the poor with their dire financial struggles. Although we want to emphasize that direct transfers should complement and not substitute attention to the structural causes of poverty, the disadvantaged to be included in political processes. The long-term goal should be to establish international political and economic justice through continuous negotiation by legitimate representatives on an equal playing field (Forst, 2014 and Culp, 2014).

Embrace the boringness

Paradoxically, public agencies are less affected by “fads” and might hence unwittingly do a better job. This is the reason why “boring” public agencies should play a central role for inclusive aid. This does entail convincing the electorate, which has an ambiguous relationship with foreign aid. While combatting world poverty is generally perceived as positive, the average voter often does not want to pay more and grossly overestimates the amount of the national budget that goes towards foreign aid. According to a 2013 survey by The Kaiser Family Foundation, the US public thinks that 28 per cent of the national budget was spent on foreign aid. Data for Europe shows a similar overestimation, coupled with a relative disinterest in the problem of global poverty (Bølstad, 2011 and Darnton and Kirk, 2011). Further on we will present how our approach can be financed without too much pressure on still crisis-affected budgets.

The next best thing: aid and unconditional cash

According to both *The Life you Can Save* and *GiveWell*, probably the most rigorous analysts of aid organizations, the charity *GiveDirectly* is among the best in the world.

Directly transferring money to poor individuals allows them to purchase that which they believe will help them most. We believe that GiveDirectly effectively distributes cash to extremely low-income individuals.²

Much additional evidence for the effectiveness of cash transfer and pension programmes has been collected from all over the world, such as Brazil’s *bolsa família* programme (Bebbington and McCourt, 2007 and Hanlon, Barrientos and Hulme, 2010).

That the success of the programme comes as such a surprise is exemplary of the entrenched attitude of paternalism and distrust when it comes to the poor, reflecting a strong bias of victim blame (Baaz, 2005; MacLachlan et al., 2010 and Zagefka et al., 2011). Unfortunately, there is a long history of distrust in the poor (cp. the English Poor Laws: Himmelfarb, 1991 and Keneally, 2011). As van Parijs (1995) and Standing (2008) remind us, wealth and a safe environment with access to free education and affordable healthcare are a lucky draw in the lottery of birth. At least some minimal support to lead a decent life should be a human right independent of our charity (Buchanan, 1996).

The superiority of inclusive aid can be inferred from a plethora of recent empirical impact assessments. Our preferred means of direct aid are cost-effective, quick, unbureaucratic, scalable and, crucially, are what the poor themselves want (Toth, 2014 and Anderson et al., 2012). The advantages of direct cash over in-kind aid are well established (Standing, 2008).

Research shows that the poor make (un)surprisingly good investment decisions (especially regarding food, their own and their children’s education, sanitation and health matters, see Blattman et al., 2013 and Dowling and Yap, 2009). Indeed the fear of the poor investing in “unnecessary luxuries”, such as drugs, alcohol or cigarettes is misplaced. There is further evidence that direct cash provides an incentive against young males becoming “violence specialists” in ways that other forms of aid do not (Bates, 2008 and Blattman et al., 2013). There may be further political stability effects associated with direct cash transfers (Chenoweth and Stephan, 2011 and Toth, 2014). Transfers may reduce instances of (mental) health problems caused by financial distress (Adler and Snibbe, 2003; de Lima and de Oliveira Soares, 2005 and Patel et al., 2001), allowing people to make sound investment decisions (Banerjee and Duflo, 2011 and Mullainathan and Shafir, 2013). Direct transfers enhance the rights of the recipient and reduce discretionary power over recipients by aid intermediaries (whether it is local or foreign agencies, bureaucrats, philanthropists or donors). This discretionary power is often associated with long waiting times (e.g. for deliveries) and other transaction costs for beneficiaries.

Studies also show that distributing the aid money via local governments creates many problems, making this traditional solution at least second best (Mwenda, 2006 and Cremer, 2008).

² <http://www.givewell.org/charities/top-charities> and <http://www.thelifeyoucansave.org/where-to-donate/give-directly>

Implementation

Conditional cash transfers on the other hand are currently a much researched and advocated topic (e.g. Fiszbein et al., 2009 and Kabeer et al., 2012). Here, conditionality is justified on various grounds, but most crucially as a political tool to legitimize aid to affluent taxpayers as well as by a fear of improper investment decisions of recipients. What could be bad about requiring aid recipients, say, to send their children to school? Our point is not to argue against (modest) paternalism as a facet of public policy generally. Our point is that paternalism in aid is both inefficient and often illegitimate. While attempts of the development community to bring voice to the poor, and to engage in deliberative ventures is certainly the least harmful approach – these approaches are rarely scalable and vulnerable to local problems and peculiarities (Hanlon, Barrientos and Hulme 2010; Müllerson, 2008 and Ramalingam, 2013). So the first priority should be to support the poor financially and then allow home-grown deliberative institutions (Culp, 2014).

The mention of the term unconditional typically sends representatives of established aid organizations straight to the barricades. The World Bank has gone to great lengths to enumerate the disadvantages of direct cash in various reports, even claiming that conditionality might serve as a “mutually agreeable contract” between donor and recipient. However, external help cannot organize such partnerships and any attempt to do so is often inefficient as local conditions, such as teacher absenteeism, are not known (Chaudhury et al., 2006). Rather than binding contracts, it should focus on the autonomy of the recipients. We therefore side with the supporters of universality and unconditionality (Blattman et al. 2013; Mkandawire, 2005 and Standing, 2011). If indeed the poor were to be presented with a number of projects and then were to choose which ones they wanted to be implemented, together with a feedback mechanism and some personal stakes in it, this would be true development. As we can probably not provide this, simply giving cash and saying “we trust you to figure it out”, seems the most promising solution, *faute de mieux*.

We do not pretend that our solution will eliminate poverty completely, as this would mean a much larger financial and political effort than the West is willing to afford at the moment. Distributing too large amounts of money would bring its own problems, such as dependency, Dutch disease and distorted incentives. We therefore recommend a yearly distribution of \$150 to all the poorest households over the first five years.

The distribution of money could be done over mobile phone accounts. This will give many poor their first banking opportunity (Banerjee and Duflo 2011, 190ff). If possible, households rather than individuals would be the recipients, with a preference for money being distributed primarily to mothers and irrespective of family size. This amount is affordable for developing countries when they can rely on aid support (Hanlon, Barrientos and Hulme, 2010, ch. 9). Indeed, some countries such as Ethiopia or Brazil have already implemented such programmes. In countries rich in natural resources, implementing such a programme could avoid the resource curse (Moss, 2011). While the sum is small, it actually represents half a year’s income for the poorest .

For the first years, the money would be paid by the governments of donor countries and private contributors exclusively. After this period, local governments would ideally take on an increasing share of the contributions, until finally taking over all payments, thus in effect creating a minimal financial support system.

Who organizes this and how do existing aid organizations take part?

The problem of reaching the poor is difficult, especially in the absence of widespread forms of personal identification schemes in the poorest parts of the worlds. Poor countries with weak governance structures have severe problems actually identifying the poor as those structures are frequently overtaxed, understaffed and lack adequate technology (Ravallion et al., 1991 and Jerven, 2013). And to make matters worse, many developing countries have a rapidly growing, largely rural population that is often spread over immense distances. The first step before distribution of funds is hence the identification of the poor. For this, new technologies could be utilized, using mobile phone company data, satellite images, local expertise of governments and INGOs, and volunteer help that are then compared with available data (Hanlon, Barrientos and Hulme, 2010).

How to finance the proposal

According to a preliminary estimate, targeting the 800 million poorest over the globe with an annual stipend of, for example, US \$150 – distributed to households of approximately 8 members – would amount to \$15 billion (US American denomination), plus an estimated 10 percent administrative costs with extra funding for the implementation. This may sound a great deal, but it is near to nothing compared to the costs of the recent financial crisis, with up to \$14 trillion for the US alone (Atkinson et al., 2013), and perhaps up to \$22 trillion globally; the wars in Iraq and Afghanistan (\$4.4 trillion according to Crawford, 2014); and how much we spend on aid already (\$134.8 billion according to Provost, 2014). On the other hand the annual \$150 can make a significant impact on a very poor household's budget.

This could be financed on the developing countries' side through natural resource export revenue as the World Bank proposes (Devarajan et al., 2013 and Moss, 2011). On the developed countries' side, refocusing current foreign aid resources on this priority, combined with additional funds from the probably soon to be implemented financial transfer tax, should make this investment in the future of humanity possible, without overburdening the still crisis-taxed government budgets. Further alternatives would be a global resource dividend (Pogge, 2010), a global luxury or global wealth tax, such as envisioned by Piketty (2014), or a financial transactions tax or a global minimum corporate tax. Additional funds both for developing and developed countries could come from eliminating illicit financial flows and tax havens (Kar and Leblanc, 2013).

Anticipating objections: Neither Squandering, nor Chaos, nor Dependency

The three most common objections to our proposal are the ones of 1) squandering, 2) chaos and 3) dependency.

Would the poor squander the money? True, the poor – just like you and me – do not always act in their own best interest when making investment decisions (Banerjee and Duflo, 2011). This is a common feature of humans. In the developed world, we are aided by well-established institutions that help us in our decision making (through compulsory education and health insurance, for example). Western citizens are collectively able to change the institutions that determine the distribution of society's benefits and burdens. The poor have little chance to do so. Despite these hardships, the poor make relatively sound investment decisions, for example investing in better nutrition, housing and education (Blattman et al., 2013). As the money will be spend locally, it may stimulate a virtuous circle of economic growth. The bigger question is what moral basis we have to make these decisions for them – just because we can.

Would direct transfers destabilize the political or communal environment? There is indeed already a problem of lack of stability and security in developing countries. Some recipients of direct cash flows will have their investments stolen in these very insecure environments. While this is very distressing, we want to point out that no other intervention has made progress here. Research finds little evidence for the fact that direct cash transfers are causing political or social distress (Haushofer and Shapiro, 2013). Compared to today's reality, in which development aid follows (geo-)strategic concerns and political goals (Alesino and Dollar, 2000; Müllerson, 2008 and Pogge, 2010) or relies on other morally and economically irrelevant factors (Neumayer, 2003), direct cash transfers are simply better than the existing aid alternatives on the ground.

Would direct transfers lead to a culture of dependency? We argue that the poorest of the poor are indeed dependent upon our help but that fears of a culture of dependency resulting from direct cash transfers are exaggerated. From a normative standpoint we argue that giving the poor autonomy through direct transfers is the way forward compared to all alternatives (Fuller, 2011a and 2011b and van Parijs, 1995). Direct transfers give the poor what they lack most: financial agency and capability (Sen, 2001). Aid in kind or aid through vouchers or food stamps may alleviate income inequality, but at the same time worsen status inequality. From an epistemological point of view, our proposed measure also makes the best use of local knowledge and expertise (von Hayek, 1948). The poor themselves are the best experts in what they need and can make their own mistakes and learn from them, probably having a much steeper learning curve than some bureaucracy or charitable organization. This learning may also be more sustainable.

Conclusion: Against Silver Bullets, in favour of Cash Transfers

Inclusive aid is the most consequential proposal for the future of aid, as it is a normatively grounded, empirically informed paradigm that has the capacity to be scaled up and enact systemic change. This proposal makes a case for the change of aid culture: practice, policy and academia should set inclusive aid as its ambitious aim.

The core proposal of inclusive aid, unconditional direct cash transfers, is simple. Donors and developing countries should work together in implementing a minimal financial support scheme that guarantees \$150 for the poorest families worldwide. Aid organizations should not be put off by its simplicity but instead embrace its boring effectiveness. Our best hope in combatting poverty lies in the poor themselves. Small support can create a virtuous circle of economic growth and improved political participation and accountability. This could be a first step on the journey towards global justice and inclusive and democratic institutions.

Further research should concentrate on methods to identify and reach the poor. Here researchers in developing countries themselves would be ideal candidates (see for example ASAP's Global Colleagues Program). Other research questions are the connection between basic income and direct income support, as well as the psychological factors that facilitate mistrust towards the poor.

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