

A Note from the Series Editor

Helping People Help Themselves is the fifth volume in the University of Michigan Press Evolving Values for a Capitalist World series. The first volume, *As if the Future Mattered* (ed. Goodwin), describes, and proposes constructive responses to, a deep flaw in the capitalist system, especially in the United States: that considerations of the future are external to most market transactions. The second and fourth books in the series can be seen as a pair. Existing institutions that encourage capitalist firms to act in consonance with social needs and goals are described in *A Civil Economy* (Bruyn); while some of the most antisocial realities of the present system are described in *It's Legal but It Ain't Right: Harmful Social Consequences of Legal Industries* (ed. Passas and Goodwin). The third book in the series, *Rethinking Sustainability* (ed. Harris), takes up the topics of development and how it can be made sustainable for the future. These topics are examined in depth in the present book.

In *Helping People Help Themselves*, David Ellerman focuses on the deepest layer of economic life: the cultural values that determine the institutions that support the economy. In chapter 8, a case study of the disastrously misdirected efforts to smooth the transition to capitalism in the former Soviet Union, Ellerman states that his primary purpose is “to lay the intellectual foundations for an alternative philosophy of development.” Economic development is about change; Ellerman starts by inquiring into how change may be fostered on many levels—the most basic being that of individual learning. The answer is a deep and simple truth that has been expounded by a number of thinkers (thoroughly referenced in this book): to be sustainable, change must come from within those who are changing. It must, therefore, be some-

thing that they want—not something that the donors (or teachers, community organizers, therapists, or managers) have told them they should want.

We in the industrialized world have not, in fact, done very well at knowing what we actually want—at enunciating acceptable goals for our own economic development. We have been led astray by economic simplifications, which have shown how to maximize that quantifiable thing—wealth—while ignoring the final goal—well-being—that wealth must serve if it is to have human value.

One of the outstanding characteristics of capitalism has been its inexorable spread. Those countries that have successfully adopted capitalism have been vigorous in their attempts to convert others. Unfortunately, economic development, as it has been practiced and preached for the last fifty years, often devolves to transmitting a caricature of capitalism. Standard introductory economics textbooks for high school or college students lay out a simplified understanding of the workings of a market economy. This schematic view is codified and reduced even further in the advice given by development organizations such as the World Bank.

Development assistance, based on an economics in which history does not exist and human psychology is reduced to the most selfish motivations, has too often ignored some essential characteristics on which our own economic system depends. These necessary characteristics include institutions such as legal systems and generally accepted accounting practices—not to mention the educational, health, and social service institutions that support the human beings who run the whole show and for whose benefit (theoretically) it is run. A well-functioning capitalist (or any other) economic system also requires cultural expressions of basic values, such as trust, honesty, and a desire to do a good job or to make a meaningful contribution.

Ellerman describes how much of what has been done in the name of development assistance actually destroys essential culture and values and often fails to support the necessary existing and emerging institutions. He joins a growing chorus in pointing out that efforts to export a version of capitalism based on simplistic, exported goals have in many cases not been sustainable. His evidence supports an emerging consensus that failures in this area arise from the relationship between those who are *doing* the development and those who are having it *done to* them.

One of Ellerman's brilliant innovations is the terminology he uses throughout the book. Insisting on a too-often-ignored reality, that "development will not yield to social engineering no matter how much aid is provided" (chap. 10), he refers to those who are developing some aspects of their own economies as the "doers," while the aid workers, policymakers, and others are, at best, "helpers." This book rests on a deep theoretic grounding in the standard and nonstandard economics of capitalism (including management theory), in philosophy, and in theories of learning and change, for a practical description of how goals can be better set and met. It examines in detail how the relationship between doers and helpers might be better carried out, with specific suggestions such as the use of "parallel experimentation," movement "from a global agency to a global network of local agencies," and encouragement for developing countries to oppose further indebtedness or "addiction" to a kind of aid that enriches a few while further disempowering the rest.

Understanding the reality and the potential of the development relationship between industrialized and other countries is key to understanding capitalism, at its best and its worst. Ellerman not only illuminates many of the values that contribute to more and less successful forms of capitalism; he also suggests a constructive path along which some of these values could evolve.

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