

is also a feeling that this book also reflects the general lack of action about adaptation or the tendency of some analysts to see climate change as somehow disembodied from other aspects of social and economic development. It is certainly a useful agenda for research and action about adaptation. But it also indicates why this work is still needed.

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Banerjee, A.V., Amsden, A.H., Bates, R.H., Bhagwati, J., Deaton, A. and Stern, N., 2007: *Making aid work*. Cambridge, MA and London: MIT Press. ix + 170 pp. \$14.95/£9.95 cloth. ISBN: 0 262 02615 5.

Over a billion people live on less than a dollar a day. Eight million die annually from poverty. Ten million children die each year in a poor country with a high infant mortality rate. These figures have made A.V. Banerjee think critically about poverty.

Making aid work is a series of essays trying to do just that. Banerjee, an economics professor at Massachusetts Institute of Technology (MIT) and Director of the Abdul Latif Jameel Poverty Action Lab (J-PAL), has faith in international aid but believes it has failed to reach its potential. Poverty reduction programmes struggle, in part, due to government and non-government organization (NGO) 'lazy thinking.' This contributes to inefficiency, wasted resources and prevailing cynicism regarding aid's ability to promote development and battle entrenched poverty. Described as an 'aid optimist', Banerjee argues for a fresh approach to evaluate economic assistance programmes in the form of randomized trials, a well-established method in the hard sciences. Applicable to a broad range of development programmes, randomized trials, he asserts, prevail over current evaluation schemes to measure impact. The author's ideas are critiqued by 14 development economists and consultants. He closes out the discussion with a rebuttal and final article where

he sees the emergence of a 'new economics'. The result is a refreshingly candid and engaging debate that flushes out diverse opinions on randomized trials to shape a more effective development policy. His critics raise ancillary issues in regard to macroeconomic strategies, empirical knowledge, and local empowerment and participation. This broadens the scope of readership to include government policy makers, aid analysts and programme designers, international development agencies, NGOs and local implementers.

The assertion that lazy thinking pervades development work is exemplified by two short examples, Banerjee offers at the outset. In 2002, the World Bank published a sourcebook on poverty reduction offering a long list of recommendations – including citizen report cards for public services, cell phones for rural areas, micro-lending groups, village computer kiosks – but it failed to mention how anyone knew they would work. After the devastating 2005 earthquake in Pakistan, the United Nations and international organizations rushed to provide aid without sufficient maps to locate remote demolished rural villages. In addition, there was no overarching coordination between hundreds of aid groups to assure equitable assistance. When organizations were requested to complete a simple form to outline their activities and share information for posting on the Internet, they could not be bothered. To contribute to better thinking and thinking through aid delivery – to halt the cycle of institutional laziness – Banerjee suggests randomized trial experiments can reveal successful development interventions for replication.

Banerjee argues that those programmes should be funded that stand up to field experiences using randomized trials above and beyond conventional impact assessments. Such trials are standard practice within the medical field when pharmaceutical companies test new medicines. Random trials have not, however, been historically utilized as part of the development practitioner's toolkit. The resulting empirical evidence, although, can

determine real programmes benefits and cost-effectiveness.

Not all Banerjee's assistant authors unconditionally agree with him. Carlos Barbary claims Banerjee's 'laziness theory' is unfair to development-aid institutions and makes the distinction between emergency aid and development aid. He is sympathetic to those unwilling to fill out a form in the midst of chaotic relief efforts and points out that qualitative evaluation methods are just as important as randomized field trials which are not always feasible. Ian Vásquez qualifies his approval of trials if they are conducted by private sector firms reporting to donor governments, and Howard White believes only limited aid activities can be tested in this way. He advocates the use of the well-established cost-benefit analysis, process evaluations focusing on project management and national evaluations assessing long-term aid partnerships. Ian Goldin, F. Halsey Rogers and Nicholas Stern, co-writing an article, concur with White that not all testing can be done through randomized trials and raise the level of discussion. As with medical trials, they see ethical problems. These writers also correctly point out that answers to questionnaires depend on the social and cultural environment. Their experience demonstrates that governments hesitate to transfer an aid programme from one region to another, much less adopt another country's without local adaptation. And sustainability depends on improved governmental capacity to continue services and promote growth after aid is gone. Jagdish Bhagwati cuts across previous discussions and rephrases the debate by stepping back to ask how much aid we give, before asking the question: how can it be used more productively? Bhagwati sees numerous and complex aspects of development that cannot simply be addressed at the 'micro-level' of controlled experiments. Other critics offer contrasting ideas; too many to recount in this short review. Banerjee closes out this 'Forum' with elaborations and clarifications on his thinking and enthusiastically endorses

Bhagwati's proposal of spending aid productively on a Gray Peace Corps that hires large numbers of doctors, engineers and scientists to fill vacancies in Africa until local people are trained.

The book's cover is reminiscent of Soviet constructivist graphics with its sharp red colour and interlocking gears. The image fits well with the author's final essay entitled 'Inside the Machine'. The concept of the economy as a machine, dating back to the Enlightenment, is still with us. We have an abundance of theories and cross-country databases with growth rates and savings rates and tax rates, but no universal law that says what to invest in, where dollars help most lives. Banerjee wants us to stop looking for the right button to push and concentrate on where the gears stall, figure out what adjustments are necessary. Despite ethical questions, randomized trials of aid programmes could force us to get inside the machine, implement proper evaluations and know just what interventions to fund.

Making aid work is a pocket-sized book belying the size of the problems it tries to solve. Banerjee makes a compelling case for empirical data from randomized evaluations to direct foreign aid. Before adopting best practices we need to study better practices in a range of settings. Banerjee suggests this may lead to a 'new economics' – more relevant to development needs and more effective in the real world. We have not seen this yet.

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This edited collection was conceived as a one-stop reference guide for anyone with practical, academic or professional interest in doing development research; providing guides and