

## The Humanitarian's Dilemma: collective action or inaction in international relief?

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Following the devastating earthquake in Haiti in January of this year and the intense media coverage of the subsequent aid operations, the UK's *The Lancet* journal published an editorial entitled 'The growth of aid and the decline of humanitarianism'. The piece described aid agencies as:

*'...highly competitive with each other. Polluted by the internal power politics and the unsavoury characteristics seen in many big corporations, large aid agencies can be obsessed with raising money through their own appeal efforts. Media coverage as an end in itself is too often an aim of their activities. Marketing and branding have too high a profile. Perhaps worst of all, relief efforts in the field are sometimes competitive with little collaboration between agencies, including smaller, grass-roots charities that may have better networks in affected counties and so are well placed to immediately implement emergency relief...'* (*The Lancet*, 2010)

The article concluded: *'...But just like any other industry, the aid industry must be examined, not just financially as is current practice, but also in how it operates from headquarter level to field level.'*

The supposed lack of examination of the aid sector is also a key theme in a widely publicised critique of aid agencies published in 2010 by Linda Polman, a Dutch journalist. In *War Games*, Polman cites numerous examples of humanitarian aid agencies making things worse in the countries in which they operate by furthering war economies and sustaining the need for aid (Polman, 2010).

What is perhaps most surprising to many of those working within aid agencies is that these arguments

have been presented as breaking scandals, as if the messages were new insights. Despite the rather sweeping accusations to the contrary, humanitarian aid organisations do examine their work. Many of the critiques cited above were first identified in efforts that were commissioned, funded and managed by the humanitarian system itself – from the Rwanda evaluation published in 1996 (Danida, 1996) to the Tsunami evaluation published in 2006 (TEC, 2006). For well over a decade now the humanitarian sector has been exploring various dilemmas of aid, and doing so in a way that is arguably much more systematic and less anecdotal than Polman, and less partial and sensationalist than *The Lancet* editorial.

That is not to say that the anger and frustration expressed in *The Lancet* and by Polman is not understandable. However, the question that humanitarians should be asking themselves is not how to defend the sector against these critiques – although of course this may be necessary. The burning question is: why do these findings, many of them identified by aid agencies over a decade ago, still have traction?

This is what we explore in this Background Note, first by examining the stated reasons for the apparent lack of change put forward by those within the sector. We then move on to introduce analytical frameworks which we believe will help uncover some important underlying and often neglected issues. Following a preliminary application of these ideas to the sector, we reflect on the implications for its future and suggest how change might be brought about.

### A humanitarian 'Groundhog Day'?

At a major humanitarian conference in 2009, humanitarian policy-makers and practitioners gathered to discuss the sector's shortcomings. The conference statement suggested, with some confidence, an

understanding of the problems as well as some solutions, including the need for more principled action; more accountability towards disaster-affected populations; more leadership, coordination and partnerships; and a greater role for organisations based in the affected countries (ICVA, 2009).

This confidence was based on almost 15 years of reports (including the two major system-wide evaluations cited above), meetings, workshops, commissions, and study groups, many of them starting after the Rwanda genocide in 1994. The international humanitarian system has seen some important reforms since the widely publicised failures in the refugee camps of Goma. There are new systems of accountability, and a greater degree of self-reflection and scrutiny. Some of this ‘quiet revolution’ has been worthwhile – a landmark ALNAP review published in 2010 found that the sector was slowly improving in some key areas, with other areas needing more concerted and concentrated effort (ALNAP, 2010).

It is important to acknowledge the improvements made, but equally to acknowledge areas where there has been little change. Within the sector, many analysts, researchers and evaluators find themselves identifying the same problems in critical areas of humanitarian performance. It is hard to avoid the disheartening conclusion that this is because – in its basic configuration and incentive structures – the sector remains largely and recognisably the same.

While many sector-wide reforms have been launched, many have proved imperfect, and some have required reforms themselves. It is this seeming inability to address longstanding challenges that makes the sector vulnerable to the kinds of dramatic conclusions drawn by *The Lancet* and Polman.

There are varying explanations for why the humanitarian sector appears ‘condemned to repeat’, in the words of Fiona Terry, a former Medecins San Frontieres director (Terry, 2002), and why reform efforts seem unable to solve this ‘Groundhog Day’-style repetition.

Some aid analysts blame external factors for the lack of change. The difficulties of operational contexts, security and access issues, the challenges of balancing donors’ interests with humanitarian imperatives, the pressures of media coverage with pre-packaged narratives of ‘slow aid equalling ineffective agencies’, high staff turnover, the pressures of working in a crisis, and the sheer number of unfolding crises all make it impossible to establish and sustain learning efforts.

Others wag admonishing fingers, suggesting improvements that are well within the reach of aid agencies, such as capacity, investment in staff skills and knowledge, and better partnerships with local and national actors.

The media, and critiques such as the one by Polman and in *The Lancet*, suggest that aid agencies

themselves are to blame – that their self-interest and competitive spirit means that they do not implement the reforms they know to be necessary.

There are also views within the sector that echo this last group. It has been suggested, for example, that the change initiatives that have been developed within the sector seldom challenge, but instead often simply sit on top of – and even protect – existing practices.

Moreover, there is common use of a language and rhetoric of change that enables standard operating procedures to be maintained. Take, for example, the notion of local ownership of crises, highlighted as the single biggest failure in the tsunami response, and emerging as a key issue in Haiti. Statements from aid agencies use such terms as ‘endeavouring’, ‘striving’ or ‘attempting’ to work with local partners, instead of ‘will’, ‘shall’ and ‘must’ do so (Smillie and Minnear, 2004).

Regardless of where one sits in this politically and emotionally loaded debate, it appears clear that in the humanitarian aid sector the talk-up of change far exceeds the take-up of change. Some might argue that this is the case in many other sectors, and that the humanitarian sector is no different. The counter-argument is that the humanitarian imperative should make aid agencies different, and should drive them to continuously change and adapt in the face of the growing challenge of human suffering, wherever it may be.

### Through a different lens?

While the arguments above are true to varying extents, there are some important missing pieces in the debate, which relate to the incentives in humanitarian response arising at the point of a crisis and shaping how aid actors operate in disasters around the world.

Professor Elinor Ostrom was awarded the 2009 Nobel Laureate in Economics for her work, over a long and distinguished career, on many different kinds of ‘collective action’ problems.

Of particular interest here is her work on institutions in a variety of different socio-economic systems. Often confused with organisations, a good way of thinking about the difference between the two is to think of institutions as the rules of the game and organisations as the players (Leftwich, 2010). Institutions shape human behaviour in all spheres of life: they can be formal (e.g. laws, constitutions) or informal (customs, traditions) and are best understood as the ‘rules of the game’. As Ostrom wrote in a 2010 paper: ‘social scientists need to recognize that individual behavior is strongly affected by the context in which interactions take place’ (Ostrom, 2010).

She argues there: ‘it is not only that individuals adopt norms but also that the structure of the situation generates sufficient information about the likely behavior of others to be trustworthy reciprocators

who will bear their share of the costs of overcoming a dilemma.’ (ibid) These ‘structures’, or institutions, have a powerful influence on the incentives of actors.

In an influential 2005 work on the development aid system, Professor Ostrom and her co-authors explore how ‘development assistance systems generate particular patterns of incentives that affect sustainable outcomes’. They found many institutions – both inherent to the aid system, and to the structure of the particular agency under scrutiny – that fostered incentives that undermined the goals of sustainable development. They showed that aid reforms are all-too-often stymied by a lack of sustained attention to underlying incentives that drive aid agencies’ work (Gibson et al., 2005).

The frameworks and analysis used by Professor Ostrom and her colleagues are worthy of much more detailed coverage than is possible here. But the approach at the heart of their analysis draws on game theory approach, and it is one that seems to have potential applications in the humanitarian sector.

## Prisoners and stags

Game theory is widely used to try to understand the strategic interactions that drive group behaviour, telling us how easy or difficult it is to achieve genuine cooperation in different situations or ‘games’.

Some games are not that difficult to ‘solve’ because cooperation is the dominant strategy. Others pose greater difficulty for generating cooperation because actors have an incentive both to cooperate and to seek what is best for themselves in the short term; in other words, actors might claim to want cooperation, but are rewarded for ‘defecting’ and seeking more individualistic gains. Different games, therefore, have different implications for the constraints needed to achieve durable cooperation.

Different games can help us understand these essential points and their relevance for the humanitarian sector, but two of the most famous – the Prisoners’ Dilemma and Stag Hunt – are particularly instructive.

- The Prisoners’ Dilemma is the best known tool of game theory. Two criminals are arrested on suspicion of a crime and thrown into separate cells. The prison officers cannot arrest either of them without a confession from one or the other. They try to ‘cut a deal’ with each prisoner. Each prisoner is told that if one confesses and the other stays quiet, the one that talks will go free and the other will serve a prison sentence of ten years. If both confess then each will each go to jail for five years apiece. If both stay quiet then the police will not have the evidence to convict them and they will both go free. What should each do in the absence of being able to communicate with, or trust, the other?

The answer depends fundamentally on what each thinks the other will do. If Prisoner A believes that Prisoner B will stay quiet, then Prisoner A should confess, allowing him to escape with no charge. If Prisoner A believes that Prisoner B will talk, then, it makes no sense to keep quiet. The central problem is one of trust. How each player thinks the other will act affects their behaviour. Objectively, these two prisoners should deny everything (which represents cooperation). But there is no trust among thieves and the worst outcome is not that both end up in jail for the same amount of time but that one sits in jail for a long time while the other is released. Consequently, they are driven to confess.

- The Stag Hunt begins with the scenario of two hunters who set off together to hunt for rabbits and stags. It is relatively easy to kill a rabbit that will feed their family for the night, and the hunters do not need to cooperate to do so. Stags are more difficult to kill – the hunters must cooperate – but more desirable, with enough meat to feed the family for a week. But the risk of coming home empty-handed is greater when they hunt for stag than when they hunt for rabbits. Knowing this, they agree to hunt stag. The constant temptation, however, is to ‘defect’ and go after a rabbit; and that temptation grows the more one hunter believes that the other hunter cannot be trusted.

These games provide insights for those seeking to understand problems of collective action:

- In both games there are incentives to cooperate and not cooperate – in other words, both good and bad behaviour are rewarded, though not equally.
- In both games individual rationality and self-interest can defeat collective action that would make everyone better off in the long run.
- There are strong temptations to defect from an agreement, and their strength depends on the rewards for defecting and the likelihood that one party sees the other as untrustworthy. The incentive to defect is much greater in the Prisoners’ Dilemma than the Stag Hunt because the rewards for bad behaviour are greater and there is, potentially, less trust between thieves than between hunters.
- The incentive to cooperate can be affected by the assessment of whether the other party will abide by the agreement. In the Stag Hunt, assurance that the other party will comply with the agreement increases the likelihood of cooperation. In the Prisoners’ Dilemma, however, assurance that the other will comply is likely to encourage bad behaviour. Consequently, there are stronger incentives to defect in the Prisoners’ Dilemma than in the Stag Hunt, with cooperation more difficult to achieve in the former than in the latter.

- We should see a lot more cooperation in those areas where there are convergent interests, and little cooperation in those areas where interests diverge.
- Prisoners will need a lot more guarantees than hunters if they are going to keep their word. Presumably hunters can keep an eye on each other when out in the woods and then can ‘trust but verify’ relatively easily. And, if one defects and goes to shoot a rabbit on their way to hunt stag, the other hunter can still go after rabbit but complain later that his companion acted against their collective self-interest. Prisoners, on the other hand, are kept apart and not allowed to talk, and have no way to verify or monitor what the accomplice is saying. If one defects, the one who did not confess has a long time alone in jail to think about what they might have done differently. Consequently, if the prisoners really want to ensure that each complies, they have to devise ways to punish the one who defects, such as the presence of a third-party with the power to do so.

### The humanitarian sector through a political science lens

These games and the implications that arise from them provide immediate insights, we believe, for understanding trends and patterns in humanitarian reform efforts.

An improved humanitarian system is collectively rational, broadly morally agreeable, and readily articulated, which explains the prevalence of the commonly accepted ideas for change, as highlighted at the 2009 conference. However, self-interest and collective action dynamics complicate sector-wide cooperation. We are likely to see cooperation in those areas where converging interests exist, where the potential gains from cooperating are great, and where there is no strong incentive to defect.

ALNAP work has identified the humanitarian sector as a global network, bringing together different interests, ideas, principles and motivations. At the point of a crisis, this locks together with other global networks – the media, the compassionate public, donor governments. These interactions have a profound effect on the kind of system that emerges from them – just like Adam Smith’s ‘Invisible Hand’, the behaviour of the overall system can be seen as emerging from these interactions (ALNAP, 2008). These can be likened to repeated games.

Examining the humanitarian sector from a political science lens – which has been used to examine crisis conflicts, but seldom applied to the sector itself – can shed light on the institutions, or ‘rules-in-action’ (Jaspars, 2010) which give rise to these system-wide behaviours. These ‘rules’ are not obeyed rigorously – rather they are conventions which shape how individ-

uals, organisations and the sector as a whole behave in many diverse settings. They include the following:

- Humanitarian aid is response-driven and supply-oriented
- The providers of humanitarian aid are individual organisational entities, each with their own governance, resource-base, agenda and priorities
- The availability of aid is limited and its allocation politicised, fostering unequal distribution and unhealthy competition
- There is an accepted, almost legitimised, lack of regulation, both internationally or nationally in disaster-affected countries
- The predominant model of disaster-affected communities remains one of ‘helpless victims’, elevating the authority and standing of external interveners
- The contributions, needs and interests of local and national stakeholders are ignored or minimised.

These ‘rules’ maintain a certain kind of structure to disaster settings, wherein agencies are motivated to act in particular ways. This also leads to particular reactions among humanitarian actors to reform efforts.

Let us accept the proposition of the ICVA conference mentioned earlier: that everyone knows that the humanitarian sector – and particularly the beneficiaries – would benefit from some broad institutional reforms. Why don’t aid agencies act collectively on that knowledge?

The rules outlined above suggest that while aid agencies want to do good, they also want to do well. In a world shaped by the capitalist spirit, this is not uncommon – competition between socially-oriented organisations is not unique to the aid sector, and is often heightened by the attitudes of those who would fund such work.

Agencies want to help others while advancing their organisational interests, and are likely to pursue actions that they believe will resonate with those interests. This is not surprising, as one of the basic lessons from business strategy is to identify and exploit niches. From this perspective, the objectives of aid agencies can be paraphrased as: to assist targeted beneficiaries in such a way that our good works are seen and valued by donor communities and the profile of our agency is enhanced, so we can do more good works in the future, working in a collaborative fashion where possible.

While this is not necessarily a bad thing, in the extreme it can become damaging, particularly in situations where the individual incentives completely overwhelm the cooperative incentives – i.e. those crises that are high profile and highly funded.

In other words, in situations where there are large numbers of actors and potential resources, aid agencies are naturally incentivised to think of their immediate actions and the gains (humanitarian and

otherwise) that will result, as opposed to sector-wide absolute gains. Such a utilitarian perspective is seldom found in any high-profile crisis, or not until it is too late. As the tsunami evaluation bemoaned, agencies were driven by ‘frenzied self interest’, with a predictable effect on quality and performance. In the damning words of one Sri Lankan government official ‘I don’t know which was worse, the first wave of water or the second wave of aid’. Similar lessons are emerging from the Haiti response, much to the dismay of longstanding aid observers.

### The humanitarian’s dilemma

Students of collective action often observe that moral values can cause actors to act against their short-term interests. In other words, moral commitments have historically played an important role in getting individuals to cooperate and to ‘sacrifice’ for the collective good. The humanitarian sector, given the humanitarian imperatives which underpin it, would appear to be a prime candidate for such morally-driven action. Yet evidence from several high-profile emergencies shows that these value-driven organisations are seldom prepared to sacrifice their short-term organisational interests.

The cynical observation – certainly that extended by *The Lancet* and Polman critiques cited earlier – that aid agencies care more about their interests than the needs of others – may have a kernel of truth. However, aid agencies rarely sacrifice principles for interests in a conscious manner. Instead, organisational activities play out in the context of the wider incentives and motivations that shape the sector.

The tendency of these incentives to shape collectively desirable reforms is prevalent in the desire of agencies to avoid reforms that might devolve their power. Although some reforms that fit within these narrowly defined good intentions might improve the quality of assistance, it is important to recognise that they also happen to coincide with existing organisational interests and may further strengthen incentives for self-interest over collective action. Such tendencies are especially evident during major emergencies such as the tsunami, when a frenzied response can lead to agencies and donors constructing narratives that are mutually reinforcing, but have little bearing on actual needs. As a leading politician said after the tsunami, ‘this is a fantastic opportunity to show the world we care’, a statement that many find cruelly calculating but which may resonate with the motives of aid agencies. If the desire is to be visibly doing aid work, then the needs defined by local communities become less important than delivering high-profile help.

Given these conditions, we can imagine reasonably successful reforms in those areas that do not impose a lot of costs, either short- or long-term. For instance, some of the earliest reform efforts were

directed at creating common standards and codes of conduct which were voluntary in nature, and unenforced. Reforms became more difficult and met more resistance, however, in those areas that impinge on organisational interests and have resource implications. Similarly, most aid agencies agree that greater coordination will translate into lives saved. Yet coordination, as we know, is not simply a technical matter but also a deeply political matter with real resource implications. This means that the drive to articulate and preserve agency mandates and turf, and to do so quickly, is more important than collaborating with others to maximise collective impact.

Some might argue that waiting to collaborate might cost lives; after all, time is of the essence in emergency settings. Yet being first does not necessarily mean being best, and there are cases where agencies might claim that there is no time to wait when, in fact, collaboration might achieve a better result for the group (but perhaps at the expense of the agency’s organisational interests). More generally, reforms are more challenging in areas such as downward accountability and local partnership in those very areas where collective reforms would require individual aid agencies to give up power and control.

Consistent with our observations, these are precisely the areas where the least amount of change has occurred, to date at least. Agencies have been largely unwilling to develop or accept sanctions or costs for poor performance. The Rwanda evaluation made a firm recommendation for an international accreditation system, which was reiterated in the TEC using a language of ‘accreditation and policing’. However, as a Rwanda retrospective found, despite the impressive range of initiatives in the humanitarian sector in the period since 1996, those evaluation recommendations which called for binding commitments and sanctions have not been implemented or come to fruition (Borton and Eriksson, 2004).

Similarly, many of the reforms and changes that have been supported most assiduously by aid agencies are also those that enhance their autonomy and size – more humanitarian space, more resources, and more flexibility and control over how they spend their money. Aid agencies individually benefit from the system as it is currently funded and structured, and do not change it because it is not in their individual interests to do so. Without suggesting that aid agencies are not concerned about their beneficiaries, in the short-term they may articulate this interest in narrow, self-interested ways: through a morally justifiable concern with organisational growth, survival and the bottom line. As the tsunami evaluation found, ‘once they have reached a certain size, agencies usually go out of business due to poor financial management and rarely if ever due to poor field performance’. Donors reinforce this incentive structure as they focus typically on



quantity first and foremost, and rarely ask for quality.

In short, money, individual reputation and political interests take precedence, a dynamic that is accentuated in a competitive marketplace where more aid agencies are chasing limited amounts of funding.

The incentives to ‘defect’ and the difficulty of sustaining cooperation increase as the number of agencies increases – which is, arguably, what has happened over recent decades in the sector as a whole, and which happens in every major emergency. It is more difficult to get an agreement on contentious issues, especially when some agencies might gain more than others. And once an agreement is reached, it is more likely that it will fall apart due to free riding.

If aid agencies believe that they can benefit from sector-wide cooperation without having to contribute, it makes sense to free ride. Consider, again, accountability to local stakeholders. If the sector implemented a system-wide set of accountability reforms, then presumably the entire sector would benefit from an increase in legitimacy. However, once established, it would make sense for agencies to free ride because they would enjoy this enhanced legitimacy without having to pay the costs; and, of course, all aid agencies have the same incentive to free ride, which only underscores the difficulties of assembling such accountability systems.

Undertaking collective action and genuine reforms does not get any easier as time passes. In fact, insights from institutional analysis and the concept of path dependence suggest why. Organisations might be willing to experiment with new forms of cooperation early on, but if they are disappointed by these early trials then they will be less likely to try again in the future. Such lessons can become institutionalised as ‘lock-in’ effects emerge. Trust, once lost, cannot be easily regained, as found in the cluster reforms, which started in 2005 without the consultation of NGOs and which have suffered significantly as a result.

This then, is the *Humanitarian’s Dilemma* – that by being morally sound but organisationally focused, and acting rationally in line with the incentives that arise at the point of disasters, aid agencies will continue to deliver against their narrow objectives, and to the detriment of the wider system. Our argument should not be misinterpreted as finger-wagging or blame. Rather, we are keen to point out that good intentions that are articulated too narrowly, often for very pragmatic reasons, don’t always add up to an overall positive outcome.

This dilemma will, we suggest, continue to define the system unless the game changes in ways that produces reforms with real teeth, that is, rewarding cooperation and punishing defections.

Work undertaken by Robert Axelrod (Axelrod, 1984) looks at the dynamics of cooperation using game theory and complex adaptive systems approaches and

suggests that there are a number of ways in which this kind of cooperation can be fostered. These include the following:

- efforts to *enlarge the shadow of the future*, so the risks of not cooperating are more apparent in the immediate context;
- attempts to change the pay-offs, so that the long-term incentive for mutual cooperation is greater than the short-term incentive for going it alone;
- agencies need to be pushed to *think and care* about each other’s efforts and success, guided by the principle that more positive humanitarian outcomes will be achieved collectively than individually.

### Game changers?

If the aid sector wants to increase the incentive to cooperate, then it must decrease the temptation to defect – in other words, it has to establish credible punishments for transgressors. Yet, as already outlined, this is a sector that has been long on voluntary guidelines and short on real sanctions, long on declarations of intent but short on real regulatory mechanisms that would produce the collective outcomes that are repeatedly called for.

Historically, there is very little incentive for members of the group to change a system until there is an external shock – a crisis that threatens its fundamental existence, what have popularly become known as ‘black swan’ events. A good example is the recent international financial and banking crisis. Whether fundamental reforms called for at the peak of the crisis are eventually implemented remains to be seen, though it seems increasingly unlikely.

What would be the humanitarian equivalent of a housing bubble and credit crisis? One possibility is climate change. Many reports on the future of humanitarianism argue that climate change in general and its second order effects, including more natural disasters, will stretch the system to its limits and potentially to irrelevance. If the humanitarian sector, and namely global non-governmental and international organisations, are unable to cope, then it is likely that alternatives will emerge.

Anticipating these future challenges, many in the sector are now calling for new forms of collective action that can operate as a global welfare system. What kind of political forces might produce these new efforts at global collection? We would suggest there are four possibilities. One is the emergence of powerful donor blocs that focus on improved aid performance. Donors might be motivated to change how humanitarian assistance is defined and delivered, and in ways that challenge the organisational interests of implementing agencies. Although such blocs have emerged in the past – especially in the development sector – they are shaped by their own

incentive dilemmas, and may not place humanitarian principles at the heart of their work.

Second, crisis-affected states may call for humanitarian aid to be given directly, as development aid increasingly is, to allow for more cost-effective and locally relevant responses. This is increasingly happening around the world, with Indonesia, Mozambique, India and Bangladesh, among others, providing examples of how this might work in practice.

A third possibility is a club of agencies that works to improve the sector, and we already have seen many examples among donors, UN agencies, and NGOs. As well as formalised mechanisms such as the Inter-Agency Standing Committee (IASC), we have the Emergency Capacity Building Project, a collective effort by many of the largest NGOs; Good Humanitarian Donorship, an attempt by donors to strengthen donor performance; and the Global Humanitarian Platform, a network mechanism set up to bring together UN agencies and NGOs. However, these coalitions of the willing have tended to focus on their narrow part of the humanitarian sector, and their outputs have been mainly new systems, guidelines and products, rather than changes in relationships, ways of thinking or fundamental attitudes.

A final possibility is a third-party that emerges to regulate the system. Although there are some interesting efforts in this direction, most notably in the Humanitarian Accountability Partnership, most have relatively low levels of coverage in terms of the actors that are signed up, and are voluntary in nature. Most point to donor governments as the stakeholders that have the scope to impose such a system. But what is the evidence that governments will overhaul the system in ways that will bring about fundamental change in the structure of the sector? On the other hand, private aid donors in the West may well seek to fund ‘good humanitarians’, but do they truly understand the issues that need to be addressed? As discussed at a recent ALNAP conference and in an earlier related study (Proudlock and Ramalingam, 2008), individual donors rely on the media for their information, rarely a good thing for an accurate understanding of a situation, as the media tend to focus on poor performing humanitarian organisations and overlook the recipients. Might the ‘well performing’ aid agencies spearhead a third-party accrediting body? While it is a compelling notion, it may also be rather optimistic.

We would argue that the rather modest attempts at collective action seen so far in the sector have failed to address the fundamental incentive problem at the heart of the humanitarian’s dilemma. It is for this reason that the same problems have been identified repeatedly in the sector, and the same mistakes have been made in Haiti as were seen in the Tsunami and in Rwanda.

What then should be done, if we are not to simply wait for climate-related increase in disasters to stretch

and fray the system even further? We would make four suggestions for consideration by humanitarian policy-makers, practitioners and researchers.

- Develop a genuinely cross-sector collaborative learning effort to understand **the incentives, economics and business models shaping humanitarian aid**. Work published in 2009 and 2010 by International Alert and ALNAP provide good starting points, but more concerted work is needed, and at a higher level of political engagement. There have been numerous International Commissions in international development – including the Pearson Commission and the Brundtland Commission. It may be timely to have an International Commission on Humanitarian Aid to review these issues, and the appetite may well be present in the wake of the Haiti earthquake. The tsunami evaluation asked ‘whose emergency was it?’ We need to find better answers to such questions, and if the answers are not in line with humanitarian principles, we need to be clear about why, and whether such actions can be humanitarian merely because they are being undertaken by ‘self-styled’ humanitarian agencies.
- Based on the findings of a Commission or similar learning exercise, there is a need to **establish a set of shared system-wide goals for humanitarian aid effectiveness**, along the lines of the Paris Declaration on development aid, agreeing and establishing a sector-wide vision for change. Such a vision should focus on what will be done, by which actors, and how. Different scenarios might be usefully employed to mobilise collective imagination – asking, for example, what would happen if the sector sees no change, partial change, and so on. The work of the Humanitarian Futures Programme will be a very useful starting point for this. Any shared goals which emerge should include an explicit statement on reforming the incentives for key actors, encouraging them to become more honest and humble about what humanitarian aid actually achieves, and who it is for.
- Create mechanisms to **track progress for change** in incentive structures, business models and economics with high-profile sector-wide assessments. Such exercises could help to inform the benchmarks mentioned above, and could also help to establish and strengthen coalitions for collective action with commitment for change around shared expectations for the system, mobilising existing actors (e.g. donors) as well as non-traditional ones (e.g. the media and general public). These mechanisms could report to a high-level panel – for example one made up of Nobel Laureates and distinguished people such as The Elders, who have the position, profile and motivation to use the findings in ways that maintain focus and attention on the urgent need for change.

- Finally, it is vital to **treat the process of humanitarian reform as a political process** as much as a technical or moral one. This means negotiation and brokerage need to be put centre stage. All of the most radical suggestions for reform are premised on major humanitarian actors introducing the necessary changes. However, we are faced with the ongoing problem that most actors have few immediate incentives to change the system. Several years ago, Stoddard (2004) asked whether the aid sector was really prepared to devolve its power and authority. Many of the most important reforms called for at the ICVA conference would shift power away from the largest agencies and towards those currently voiceless and marginalised in the sector. Yet there are very few instances in which the powerful, in any setting, have given up decision-making authority and resources in the name of a greater collective good, without a politically sound process in place to make the changes happen.

## Conclusion

It seems clear to us that the humanitarian sector will not see conscious beneficial change – as opposed to unwanted, ‘black swan’-style change – unless its actors acknowledge and engage with issues of incentives and institutions in a pragmatic, practical and, above all, honest fashion. As Einstein once said, ‘if

you have 20 days to solve a problem, spend 19 days of it working out the question’. We hope that in this short paper we have shed some new light on the kinds of questions that should be asked by those interested in furthering the efforts of the international humanitarian sector. To give the final word to Professor Ostrom:

*‘a core goal of public policy should be to facilitate the development of institutions that bring out the best in humans. We need to ask how ... institutions help or hinder the innovativeness, learning, adapting, trustworthiness, levels of cooperation of participants, and the achievement of more effective, equitable, and sustainable outcomes at multiple scales.’* (Ostrom, 2010)

We couldn’t agree more, and believe that acknowledging and working to address the Humanitarian’s Dilemma and its consequences would be a good start.

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