BOOK REVIEWS

WILLIAM EASTERLY
The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor

When in New York City, do you prefer uptown or downtown? Uptown is where you will find Columbia University, the academic base of Jeffrey Sachs, who argues that official development assistance (ODA) works well if properly designed and should be increased. Downtown is where you will find New York University, the academic home of William Easterly, ODA’s most trenchant critic. In publishing The Tyranny of Experts, Easterly completes his trilogy, begun with The Elusive Quest for Growth and The White Man’s Burden, which together constitute an incisive and withering critique of the development aid process.

Easterly takes the position of historian and theorist in his attack on the way ODA has been developed and delivered. As a historian, he traces some of the formative ideas of today’s aid system to colonial times and the racist stereotypes that were then commonplace. Lord Hailey’s officially commissioned African Survey of 1938 ignored such crucial issues as the effects of the slave trade, colonial land-grabbing, and widespread displacement as reasons for Africa’s woes and instead saw the problem as a technical question needing a technical solution. Thus began the tyranny of experts delivering these technical solutions.

As a theorist, Easterly is particularly acute in his diagnosis that the basic underpinnings of economics are set aside in ODA in favor of a top-down, expert-led, government-dominated planning process that not only ignores the rights and freedom of choice of individuals but also discards the essential role of individual economic incentives and disincentives. This is not the way economics works in rich countries, and, according to Easterly, it is not the way economics should work in poor countries either. To replicate the economic success of rich countries, poor countries need to use the same formula of giving their people economic and political freedom. The debate should therefore be about human rights and democracy, not about economic development per se.

To justify discarding the established and proven economic and political theories of social success, the ODA community had to invent a new field: development economics. It is a field Easterly knows well—he was one of its leading figures as a World Bank economist. In researching the origins of this field, Easterly turns to an imaginary debate between two Nobel Laureates, Gunnar Myrdal and Friedrich Hayek. Myrdal disparaged the readiness of colonized people to take charge of their lives and championed the role of governments as the key instrument of development. Hayek argued that individual rights were the means by which societies could achieve prosperity. Easterly lauds Hayek and tries to rescue him from the clutches of the conservatives who have lionized him. But history would show that Myrdal won the debate that never took place.

One key result of the decision to empower governments was the acceptance of benevolent autocrats. The Cold War was a crucial contributor to this phenomenon,
but the views of the development community also played a part. Easterly concentrates on upending the notion that autocrats are good for economic development. The major piece of evidence for this conclusion comes from the modern histories of the four East Asian Tigers, each of which was ruled by a military junta or an autocrat in the period of economic take-off.

Easterly’s first argument is to note that dozens of other autocrats have been development failures. His next is to note that the reason for success may have less to do with government policies and much more to do with the greater economic freedom afforded to the people of these countries. Easterly then questions the evidence upon which success is judged. He claims that the measurements are contested, that different time periods will give different results, and that global and regional trends provide better explanations than do national trends. He may well be right, but this is a tactical error because Easterly’s critics will relish reducing the debate to these technical issues on which development economists are such experts. While evidence-based program design makes good sense and much evidence must be based on numerical measures, Albert Einstein once famously noted that “not everything that can be counted counts, and not everything that counts can be counted.” Easterly should have stuck to his principled arguments, but he could not refrain from entering the metrics game and in doing so runs the risk of getting drawn into the wrong debate.

Easterly does not shrink from picking fights with some of the biggest names in the field. The current autocrats in Ethiopia, Rwanda, and Uganda, three darlings of the aid community, all come in for severe criticism. But Easterly saves a few swipes for his former colleagues at the World Bank and its current president, Jim Yong Kim, and has a particular bee in his bonnet about Bill Gates. According to Easterly, Gates is the great enabler of the experts because he so values their advice and acts on it. Perhaps a word in defense may be in order at this point. It is true that the Gates Foundation looks for technical solutions to the world’s problems, but it is also true that the Gates Foundation is a learning organization. Before too long, it will also realize that the answer to the development riddle lies not in ever more effective vaccines but in economic and political freedom. At that point, it can be guessed that Bill Gates will begin to act much more like George Soros.

As the principal academic defender of the ODA camp, Jeffrey Sachs has argued forcefully about the achievements of ODA, most recently in the January 21, 2014 issue of Foreign Policy. In particular he points to the significant and undoubted public health achievements over the past several decades. But the problem with this argument is that the ODA community over the last six decades has spent $3 trillion and we don’t know what achievements would have been delivered had those dollars been spent on empowering individuals rather than governments. Perhaps that sort of spending would have achieved actual economic development in the Global South—a result even the most enthusiastic ODA supporter does not dare claim. And with actual economic development and prosperity, even greater achievements in public health and education may have been secured and been locally owned.

This may also be a good point at which to add another criticism of Easterly’s book—its lack of generosity. Easterly may be the most well-informed and trenchant of ODA’s critics, but he is certainly not the first to point to the need to focus
ODA on freedom and rights rather than on expert-led technical solutions. The UN debate in the 1970s and 1980s on the Right to Development launched by the Senegalese jurist Keba M’Baye first pointed to the link between the two concepts; and in the next decade a community of scholars and practitioners developed these ideas, which crystallized in the 1998 publication of The Rights Way to Development by André Frankovits, Eric Sidoti, and Patrick Earle, a manual for delivering ODA based on human rights. Many in the civil society and international organization community subsequently championed the need for this different approach to ODA. UNDP’s annual Human Development Report is an attempt to bring individuals back to the center stage of development. Apart from a passing reference to Amartya Sen’s Development as Freedom, Easterly does not acknowledge this long line of intellectual forbears.

But these criticisms should be seen as mere quibbles. Fundamentally, Easterly gets it right: free individuals are the motor for development, not governments bolstered by expert advice. Easterly’s arguments are clearly uncomfortable for governments on both the giving and receiving side of ODA. To accept Easterly’s thesis would be to diminish the role of government in the heroic theater of fighting poverty and disease; to cast doubt on the efficacy of yet another five-year plan; and to shatter one’s trust in output metrics and results-based frameworks so beloved by aid experts. Instead, the Easterly approach is to empower people rather than governments and then allow those people to empower (through votes) and to fund (through taxes) their own governments, just as they do in the donor countries.

From the outset Easterly makes clear that this book is not about how best to use future ODA. It is a historical and theoretical critique of the basic underpinnings of ODA. But the next stage of the debate must respond to the thorny question of what needs to be done. Can ODA itself be used to empower individuals rather than governments? The international community is at the beginning of this learning curve, but it has demonstrated that there are alternatives. The organization that I led for the past seven years, the United Nations Democracy Fund, receives voluntary contributions from donor governments, led by the United States and India, and makes grants to civil society organizations. The Fund helps groups in the Global South have “voice” in their own countries. Similar processes are funded by other parts of the donor community, including the Open Society Foundations.

What distinguishes this sort of process from Easterly’s tyranny of experts is that the locals are the experts and the ODA providers have a modest financial oversight role. This is the paradigm that deserves to be explored further. The next phase of ODA needs to diminish the government-to-government funding method and develop better people-to-people investment strategies. The experts will claim that this is inefficient and resistant to the output metrics approach. But as Easterly makes clear, economic development comes from people armed with the political and economic freedoms to guide their own future.

Without any government involvement, the process is already underway, facilitated by the communications revolution. Kiva is a civil society organization that facilitates people-to-people loans around the world. Since 2005 more than half a billion dollars has flowed to the Global South in loans from individuals to individuals through microfinance institutions. Kiva is not the complete response to develop-
ment, but it demonstrates the direction in which ODA needs to move—away from governments and toward people. We owe Easterly a great debt for articulating the problem so well. It is now up to us to find the solutions.

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