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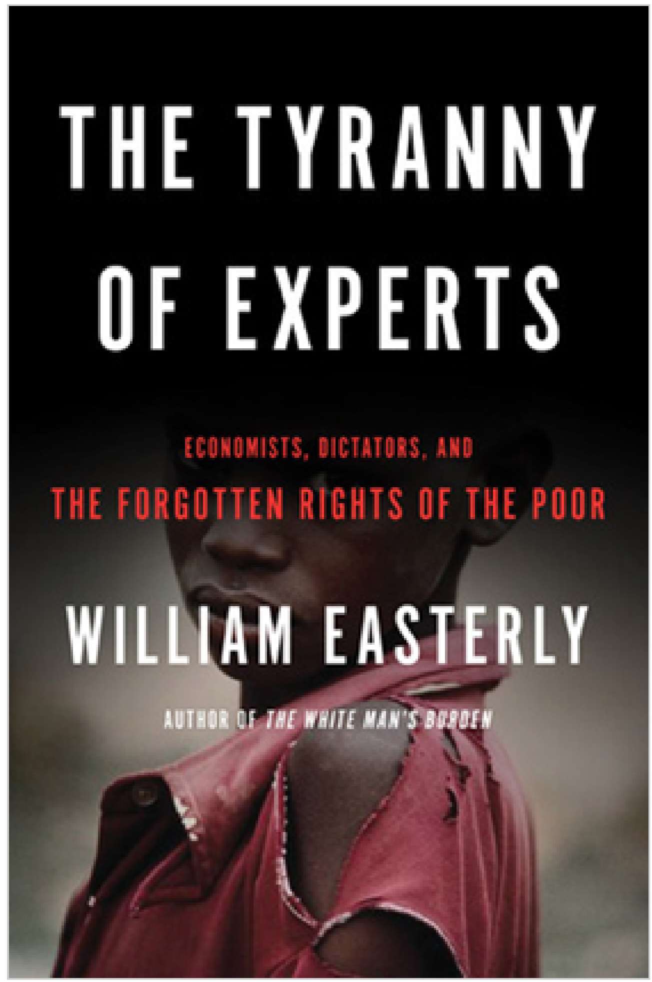
The experts' dilemma: technocratic solutions versus securing the rights of the poor

The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor. By William Easterly. New York: Basic Books, 2014, 416 pp., $17.99 paperback.



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Since the end of World War II, rich countries have dedicated large amounts of time, money, and ink toward ending global poverty and hardship. Experts in the social sciences had been debating the right way to lift poor countries out of poverty even before the war. The dominant theory that has won the day in many development programs posits that poor countries can escape poverty by instituting top-down economic and political reforms. However, whether the "growth miracles" of the last century have happened because of or in spite of rich countries' efforts is a matter of debate, one taken up in William Easterly's book *The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor.* Easterly addresses the following question in his book: can rich countries use technocratic methods to lift poor countries out of poverty? The term "technocratic" implies that poverty is a technical problem, one that can be solved through scientific and apolitical solutions similar to a cooking recipe (an analogy Easterly used in his previous works). As the theory goes, if we get the ingredients (i.e., policies) just right, we can guide poorer nations out of poverty. Throughout the book, Easterly objects to this approach, showing that, by disregarding the rights of the poor, development efforts have historically done more harm than good.

In part I of the book, the author highlights a debate that never happened (but should have, in his opinion) between two Nobel Prize winners in economics: Gunnar Myrdal and F. A. Hayek. The two economists won the prize in the same year (1974), but had two very different visions of the world. While Myrdal embraced the technocratic approach to economic growth, Hayek emphasized the importance of spontaneous order. Easterly uses the two economists' most seminal works to outline three major themes that summarize their approach to development. The first theme contrasts, in Easterly's terms, the "Blank Slate" and "learning-from-history" approaches to development. The Blank Slate approach assumes that outside influencers can change the institutions of a foreign country without regard to its history. The learning-from-history approach takes into account that history and its impact on a country's domestic culture and institutions. Easterly's second theme compares the "national interests" and "individual interests" approaches to development. The former emphasizes aggregate indicators as signs of progress, whereas the latter focuses on the rights of individuals. The third theme contrasts the "conscious design" and "spontaneous solutions" approaches. While the conscious design approach posits that economic progress can be consciously designed, the spontaneous solutions approach recognizes that such progress comes from bottom-up solutions that are not designed by one individual. Easterly details each of these three themes, starting with part III of the book.

In part II, the author provides some historical context for the beginnings of development projects conducted by the major Western powers of the early 20th century, primarily the United States and the United Kingdom. He tells three unique stories centered on China, Africa, and Colombia. In China, after World War I, the Treaty of Versailles granted the Shantung province to Japan, sparking nationwide demonstrations. This led to the rise of nationalist dictators who, with assistance from Western development experts, trampled the rights of the Chinese people through the end of World War II. In several countries in Africa, British and American technocrats backed benevolent dictators in order to counter the post-World War II rise of Soviet imperialism. Finally, in Colombia, following the assassination of a presidential candidate, Western development experts and the United Nations (U.N.) supported the rise of a conservative autocrat who used World Bank and U.N. aid to suppress the rights of the poor in the post-World War II era. In all three cases, Western development experts inadvertently lent their support to sometimes brutal dictators. Moreover, Easterly points out that, in each case, part of the West's motivations had racist undertones. Western experts believed that poor people from these parts of the world were incapable of taking care of themselves and had to be guided by technocratic means as a way out of poverty. The error technocrats made, in Easterly's view, was to assume that the problem of poverty could be solved by implementing sophisticated economic models through support for autocracy rather than the rights of the poor.

Part III of the book covers the Blank Slate and learning-from-history approaches to development. Here, Easterly attempts to show that a nation's or a region's history has a lasting impact on its cultural values, institutions, and economic growth. He once again draws on three historical examples to illustrate this point. He begins by showing that regions of the world that embraced individualism, equal rights, and openness to trade (usually Western Europe) were more likely to overcome obstacles to growth than areas that did not (North Africa and parts of Asia). The cultural values that have held back parts of the world are still evident today, and Easterly provides evidence that individuals in these poorer regions are less likely to trust and trade with people they consider "outsiders." He then shows how geographic factors can also affect institutional development over time. Western Africa and Colombia were disproportionately oppressed by the slave trade because of geographic factors, and their institutions today can be linked to the slave trade of the 16th and 19th centuries. Easterly finishes this section with a story about New York City's Greene Street neighborhood, a tale he revisits several times throughout the book. He shows that this neighborhood started off very poor, just like Colombia and West Africa, but because the inhabitants of Greene Street valued political freedom and individual rights, they were able to adapt to and solve development problems (like child mortality), far surpassing Colombia and West Africa over time.

Part IV of the book discusses the debate surrounding the national interests and individual interests approaches to development. Easterly's goal in this section is to show that development experts too often emphasize the interests of the nation at the expense of the interests of the individual, putting themselves in the position of supporting policies that suppress the rights of the poor. One of the author's examples discusses a sensitive question that development experts often ignore: migration. Poor people who migrate to another country and double their income help themselves and their families, but they can reflect badly on national economic variables in the countries they left. As a result, development experts either remain silent on such issues or tend to favor policies that discourage poor people from migrating. The author finishes this part of the book by showing that the experts' obsession with national economic policies—such as those regulating money supply, trade, or prices—diverts their attention to getting these factors exactly right, when, in reality, evidence shows that these policies are mostly noise and not effective solutions.

In part V, Easterly discusses the debate concerning the conscious design and spontaneous solutions approaches to development. He begins this section by showing that markets operate as "problem-solving associations," because they allow individuals to use local knowledge and incentivize them to solve social and economic problems. He once again draws on the history of New York City's Greene Street neighborhood, demonstrating that the neighborhood's ability to adapt to changing circumstances (like population growth) allowed it to grow into one of the most prosperous neighborhoods in the city. He then shows that technological growth has historically been a spontaneous solution to global problems. Regions of the world that have allowed entrepreneurs to experiment and reap the rewards of their inventions have had a high chance of fostering technological growth. Easterly closes this part of the book by warning that development experts often give too much credit to benevolent autocrats for short-term economic growth. He finds this disposition misplaced, because the historical evidence shows that, with a few exceptions, benevolent autocrats tend to abuse their power, whereas democratic regimes are more likely to support individual rights.

Easterly provides a compelling case for an approach that puts the rights of the poor at the forefront of development thinking. A fixation on technocratic solutions often ignores history, prioritizes national interests over individual interests, and overemphasizes conscious design over spontaneous bottom-up solutions. From the outset of the book, Easterly assures the reader that he is not making a case that favors free-market over government solutions, nor is he making an ideological case for libertarian or progressive solutions—a difficult task when discussing economic development. All things considered, the author does a fine job of keeping ideological biases aside. Throughout the book, he emphasizes the importance of democratic solutions just as much as he stresses the value of market solutions. He provides no shortage of illuminating historical and contemporary examples to illustrate his points. The recurring story of the Greene Street neighborhood is merely one among many that show how American neighborhoods have been dynamically adaptive to changing circumstances over time. Larger scale examples are also discussed at great length, to the same end. Easterly's book will likely appeal to most audiences. It does not rely on overly technical economic jargon or mathematical models, and it is a great contribution to the literature on economic development.