

Book Reviews

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

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Reviewed by Jared A. Pincin, The King's College

At least since Adam Smith's *The Wealth of Nations*, a significant amount of the study of economics has been concerned with the material side of human welfare, that is, development. The development of a nation is often synonymous with the growth rate of Gross Domestic Product (GDP), an aggregate measure of income. If GDP reaches a certain level a country is developed. If not, the country is developing.

However, economists should find this construct strange for two reasons. First, development is an ongoing process, not an end in itself. Second, nations cannot develop if the individuals comprising the nation do not develop, so the focus on nations in development is misplaced. This second reason is particularly odd since much of economic research starts with the assumption, at least weakly, of methodological individualism.

In *The Tyranny of Experts*, William Easterly places the individual at the forefront of development and argues that the cause of poverty is the absence of political and economic rights. When political and economic rights are present, individuals have the requisite knowledge and incentive to find "the technical solutions to the poor's problems" (p. 7). Rights are ends in themselves rather than something development creates.

Throughout the book, Easterly compares and contrasts two approaches to development. The first, which he terms the "technocratic illusion," believes "poverty is purely a technical problem amenable to...technical solutions" (p. 6) and "poverty results from a shortage of expertise" (p. 7). Individual rights are an afterthought. The second approach, which Easterly names "free development," gives individuals "the right to choose amongst a myriad of spontaneous problem-solvers, rewarding those who solve our problems" and contends that "poverty is really about a shortage of rights" (p. 7).

The book is divided into five parts, and Easterly makes two general arguments. First, Easterly explains why the technocratic approach became the dominant model among policymakers and development experts, even though it downplays individual rights. Second, Easterly defends free

development and shows how establishing and protecting individual rights will lead to long-term development and growth.

The first part (chapters 1 and 2) explains the two visions of development outlined above using Nobel Laureates Gunnar Myrdal and Friedrich Hayek as the representatives of technocratic and free development, respectively. Easterly divides the two visions along three elements, which he references throughout the rest of the book. The first element considers how important a country's history is in establishing that country's current policies and institutions. The second element considers whether development is about the well-being of individuals or nations. The third element asks whether development comes from conscious design or spontaneous order.

In brief, the technocratic method uses the country as the unit of analysis. Each country is a "Blank Slate," where history is unimportant. Solutions are one-size-fits-all and come through conscious design by experts. The free development method starts with the individual and seriously considers the history of a country. Poverty solutions originate from spontaneous order and are context-specific.¹ Rights, not experts, are needed for prosperity.

The second part of the book (chapters 3 through 5) explains why the technocratic view became the dominant view of development. Easterly considers the advice Western development experts and politicians gave to leaders in China, Africa, and Colombia. Easterly argues that these Western experts assumed a "Blank Slate" approach and pushed for technocratic solutions to poverty as a way to avoid discussion of the racist and colonialist attitudes of the West. Even after these countries or regions gained independence, Western leaders saw technocratic solutions as politically useful for international relations (e.g. finding allies in the Cold War). This technocratic mindset was then adopted by Chinese, African, and Colombian leaders as a way to solidify power.

The third part of the book (chapters 6 through 8) explores how the development of collectivist and individual values affects current development. Easterly argues in chapter 6 that "free institutions create free values, and vice versa, for a virtuous feedback loop" (p. 139), while autocracy breeds collectivist values and collectivist values breed autocracy—a vicious cycle. Chapter 7 explores how a ruler with few checks on his or her power will abuse individual rights and prevent development. Chapter 8 shows how geography caused the establishment of rights-respecting institutions in some areas (e.g. North America) and rights-disrespecting institutions in others (e.g. South America). In each of these chapters, Easterly argues that only the free development approach will lead to lasting development, because it starts with respecting individual

rights. Autocracy, in contrast, breeds distrust and a lack of respect for others. Easterly ends this section by reiterating that “freedom is also an end to itself, while autocracy is not” and that “the burden of proof [is] on the autocrat, if he wants to claim that he delivers development in return for surrendering valuable freedom” (p. 197).

The fourth part of the book (chapters 9 and 10) considers whether nations or individuals are the appropriate focus of development. Chapter 9 outlines the benefits of migration. Easterly argues that the technocratic perspective leads development experts to some odd conclusions, such as viewing migration from poor countries to wealthy countries (e.g. the “brain drain”) as the theft of human capital by wealthy countries from poorer countries, even though migration benefits the migrant. Chapter 10 argues that national policies aimed at growth have little to no effect on growth because growth booms are temporary, growth is subject to measurement error, and regional effects dominate national effects. Therefore, establishing and protecting rights should be of first-order importance.

The final part of the book (chapters 11 through 14) outlines why spontaneous order and free development offer the best solution to poverty. Chapter 11 shows that the economic calculation problem is only adequately solved when individuals have the freedom to solve their own problems. The technocratic solution fails because it lacks the necessary knowledge and provides the wrong incentives to those in power.² In chapter 12, Easterly argues that free development is better at inventing new technologies than technocratic planning because innovation is always a surprise and cannot be centrally planned.³ Chapter 13 argues that benevolent autocrats are a myth because autocrats trample individual rights. The book ends by arguing that “incremental positive change in freedom will yield a positive change in well-being for the world’s poor” (p. 344).

The Tyranny of Experts is an informative and readable book with multiple strengths. First, it contains a wealth of stories of development experts previously lost to history and the debates they engaged in, even if not directly. For example, Easterly brings to light the influence the Rockefeller Foundation and the Institute of Pacific Relations had in bringing the technocratic vision of development to China. He also weaves throughout multiple chapters the colorful story of how Greene Street in New York was able to reinvent itself continuously because the inhabitants of the street were given the freedom to do so.

Second, Easterly is careful not to fall into the trap of characterizing development as either *laissez-faire* or state planning. Multiple times throughout the book Easterly writes that this is the wrong question to

ask. Those interested in development should care about respecting the individual, and the government has an important role to play in this matter.

Lastly, Easterly successfully moves the development debate away from the technical and impersonal aspects of economic growth and towards the less frequently discussed topic of individual rights. Whether or not the reader finds Easterly's argument persuasive, they will more than likely appreciate Easterly's broadening of the development discussion, especially if the reader is well acquainted with the popular literature on the subject.⁴

As with any book, *The Tyranny of Experts* suffers from a few flaws. First, Easterly does not convincingly explain why poorer countries continued to adopt the racist and colonialist policies of the West after achieving independence. If these policies were detrimental to growth, why would the citizens of these countries continue to pursue them decades later? Why have some former colonies moved towards more market-centered development strategies while others have not?

Second, the analysis is overly broad in some areas. Easterly is not careful about how he defines planning, and he leads the reader to believe that any type of development planning is bad, while all freedom is good.⁵ Easterly's assertion that Western development advice is tainted by racism and colonialism seems simplistic, specifically when discussing why Colombia embraced technocratic development. Finally, Easterly's division between the technocrat who dismisses the rights of the poor and the development expert who embraces the rights of the poor falls into the same trap his earlier book *The White Man's Burden* fell into with the terms "searchers" and "planners." Clearly the distinction is not so black and white.

Lastly, while some chapters offer considerable academic scholarship for support (e.g., chapters 7 and 8), other chapters rely heavily on anecdotes. For example, chapter 13 does not engage the academic literature on growth and autocracy and relies on ad hoc evidence to support the idea that there are no benevolent autocrats.

For the Christian reader, Easterly's focus on the rights of individuals and his heart for the less fortunate fit with the two great scriptural commands of loving the Lord fully and loving one's neighbor (Matthew 22:37-40). Christians are called to treat every individual with dignity and respect because everyone is made in the image of God and therefore has moral worth. God has a deep concern for human dignity, responsibility, and justice. Christians are obliged to know about and care for the less fortunate in such a way that allows the less fortunate to freely choose the moral good. Christians should embrace economic systems that reflect

these values.

The area where there may be some debate among Christians is whether Easterly's vision of free rather than technocratic development fits the Christian worldview. One way in which it might is that Christians understand that they live in a fallen world and that all people, including policymakers and leaders, have limitations to their own ability. It is unlikely then that a one-size-fits-all plan for development would work. Additionally, Christians should be wary of concentrating too much power in the hands of too few people, because fallen people are apt to act selfishly. Therefore, at least some skepticism towards technocratic planning may be healthy.

In conclusion, *The Tyranny of Experts* is a refreshing addition to the development literature and provides Christians and non-Christians alike with plenty of information to consider regarding what the focus of development should be and the limitations of one-size-fits-all policies. While readers will benefit from having read Easterly's previous two books (2006; 2002) before reading this one, if only to understand Easterly's thought process, this book is recommended as a stand-alone book for anyone teaching classes in economic development and international economics and for those who are generally interested economic development more broadly.

Endnotes

- 1 For a similar argument about how context matters in development, see Rodrik (2005).
- 2 For a more detailed argument explaining the economic calculation problem of development, see Coyne (2013).
- 3 Easterly (2002) makes a similar point, in chapter 8.
- 4 For example, see Sachs (2006) or Collier (2008).
- 5 For a more careful discussion of planning see Hayek (1945).

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