

## **William Easterly: Tyranny of experts: economists, dictator, and the forgotten rights of the poor, New York, NY, Basic Books, 2013, viii + 394 pp.**

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**Abstract.** *This paper aims to explore the debate of why poverty is still prevalent throughout the world, in spite of a wide array of prescriptive economic development plans, by reviewing William Easterly's erudite book, *The Tyranny of Experts*. The author of this book argues that conventional technocratic authoritarian approach is the real root of poverty, significantly neglecting the rights of the poor. After discussion, this book review article evaluates the strengths and weaknesses of the book as well.*

**Keywords:** economic development, individual rights, poverty, technocracy, tyranny.

**JEL Codes:** O19.

### **1. Introduction**

Why is poverty still prevalent throughout the world, in spite of a wide range of prescriptive economic development plans? William Easterly (2013), in his erudite and thought-provoking book, *The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor*, answers this question clearly, arguing that a lack of both liberty and the rights of the poor results in this vicious circle. In this regard, he presents the “technocratic illusion,” which has been the foundation of traditional approaches to economic development. This approach holds that poverty can be eliminated through technical solutions. However, this truly technocratic authoritarian approach neglects, according to the author, the real root of poverty, “the unchecked power of the state against poor people without rights” (p. 6). Easterly maintains that technocracy is the moral tragedy of contemporary development. Easterly, in the place of the authoritarian and technocratic developmental paradigm, suggests three dimensions for potential new research: An emphasis on history, non-national factors and the importance of spontaneous solutions in the domain of the market, technology, and politics.

### **2. Review of chapters**

The real strength of this book lies in the way in which the author effectively justifies his argument by comparing two Nobel Laureates, namely, Myrdal and Hayek. Myrdal was a developmental economist who persistently argued the need for a technocratic authoritarian approach to eradicate poverty. He maintained

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that governments should control individuals, the rights of the poor can be violated in the name of development, and the state should have responsibility for economic development (Myrdal, 1970). On the contrary, Hayek (1944), the author of the highly prestigious book *The Road to Serfdom*, challenges the assumptions of technocratic development and emphasizes individual rights as a means of escaping from poverty. Hayek holds that individual liberty and freedom are the sole truly progressive policy.

The author continuously stresses on “spontaneous order” through market competition as an alternative to the expert-solution mindset. Spontaneous order in the area of the market, rule of law and social norms, are the only way for human life to evolve. In addition, he points out the knowledge problem with conscious design, stressing that it suffers from the problem of lack of knowledge at the center. That is, tacit knowledge which can be acquired by “learning by doing” cannot be evaluated by problem solvers or experts. It can be primarily and only achieved by incentivized individuals. His argument is highly provocative and convincing, given that he specifically discards a utilitarian approach to development policy which can violate the individual rights and makes his point clear on the basis of a “rights-based approach.” Easterly also sheds light on the cost of oppression which would eventually lead to the consequences that block the development by triggering a sense of untrustworthiness. This lack of trust, says Easterly, will hinder trade and facilitate oppression. As an illustration, the AJA case and Colombian underdevelopment, both of which were caused by the long-term legacy of slavery and mining, are introduced. He persistently argues that oppression is a crime of opportunity.

In chapter ten, Easterly asks, “How much do nations matter?” showing the illusion of the GDP growth rate. The excessive focus on national development over individual development is a new type of tragedy, because this propensity will lead to forgetting the rights of the poor. What, then, is the right action for the nation that desires economic growth? The author answers this question, maintaining that the state should establish a political and economic system that can ensure the individual rights of political and economic actors.

How much do national policies influence long-term economic growth? According to the research findings of a World Bank study, there is only a weak correlation. Easterly calls the tendency for economic growth to be promoted through national policy “good luck,” because the fastest-growing countries in a given era do not generally correspond with those of the next. Further, the growth gap between states is not large, despite the fact that policy differences continue over long periods. For these reasons, the author emphasizes that national policy does not have much importance. Then, what actually causes large variations in growth? Easterly says these are due to “temporary factors,” such as natural disasters, international lending cycles, and commodity prices.

Not only do national policies not have that much of an effect, but economic growth too does not respond much. Easterly persistently argues that the examination of the history of the sacrifice of the rights of the individual in the name of maximizing national growth suggests only a weak proof for its paying off for individuals.

The reverence for the success story of national growth, according to Easterly, frequently results in granting countries more powers to seek this success. He urges that there be no more suppression of the rights of individual in the name of a national collective pursuit of economic success.

The author brilliantly calls the market an association of problem-solvers. Before getting into his stride in scrutinizing this issue, he asserts that the worst way to solve someone’s problem is to attempt to address this problem oneself. As a better way, he presents markets composed of a wide range of problem-solvers in which we can dedicate ourselves to solving the problems of others and we place full confidence in other people’s addressing our problems. He clearly illustrates the effectiveness of market in solving problems

with the case of Chung Ju Yung. This founder of the Hyundai group was born in small North Korean village where severe drought persisted and the condition of cultivation is entirely inferior. He suffered from hunger and the low level of subsistence of his family caused by famine. Instead of trying to solve his problems by himself, he decided to participate in the association of problem-solvers, opening an automobile repair shop. He let others solve his problems, while he devoted himself to resolving others' problem. Finally, he became a winner in the market, benefitting largely from it and with the assistance of multifarious problem-solvers in market.

This advocacy of the problem-solving system is not new. Adam Smith was the first who specifically explained the problem-solving system, and his well-known theory of the invisible hand, indeed, has become the philosophical foundation for the emergence of spontaneous order in the market. Although Smith's argument is revolutionary, according to the author, it creates a lot of misunderstanding. Most classic defenders of the capitalist system have relied heavily on Adam Smith's theories. Even though his key concept of the invisible hand became a target of harsh criticism, market proponents bring up *The Theory of Moral Sentiment* (1759) as an alternative. In line with this, Easterly suggests three significant ideas that make the invisible hand so convincing: 1) The division of labor, 2) gains from specialization, and 3) gains from trade. In this regard, the author presents social payoff and individual rights as the core principles of the most glittering problem-solving system.

Easterly suggests "the people model" to accelerate economic growth, instead of suppressing people, which could cause the infringement of their individual rights. This model emphasizes spontaneous solutions from the bottom and presumes that the number of fresh ideas is proportional to the number of people. In other words, the more population that exists, the more new ideas are created, so we can expect greater production in our market and society.

The author concludes by asking "what must we do to eradicate global poverty?" He suggests that we should care about the rights of the poor, not just about their bad material conditions. By the same token, we should guarantee the rights of the poor, the same way we do the rich. Easterly concludes in a highly provocative way, arguing that it is time to end unequal rights for rich and poor and simultaneously urging people to protest against the government when it tries to deprive the rest of their rights.

This book, however, also has some drawbacks, in spite of the author's revolutionary and thought-provoking argument. First of all, this is a repetitive work: the author reiterates the essentials of his argument throughout his chapters. He often repeats the same words, concepts, and arguments throughout the book and this defect will eventually make the reader wonder why the author reiterates what he has already mentioned. Secondly, Easterly fails to suggest specific recommendations, focusing too much on the philosophical problems of an authoritarian approach to development. He spends most of his space on the issues around the individual vs. the collective. The book would be much improved if he presented an explicit proposal for future premises for development that will guarantee the rights of the poor. Thirdly, the author's stance is highly defensive. In other words, he devotes a lot of space defending his argument against future critiques. Sometimes a defensive position is necessary to keep readers from misreading; however this overshoots the mark.

### **3. Conclusion**

Nevertheless, the strengths of the book far outweigh the weaknesses. Easterly's argument effectively breaks through the stereotype that expert solutions and the technocratic approach are indispensable for solving poverty problem, illuminating several useful examples and taking advantage of visual aids. This book clearly places an importance on the rights of the poor and the marginalized that has been traditionally neglected by

experts in the course of development. I think readers will be easily persuaded and aroused by his convincing logic to conclusions we would never have otherwise considered.

## References

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