

Books

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

By William Easterly
Review by Kevin Starr

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KEVIN STARR is managing director of the Mulago Foundation and director of the Rainer Arnhold Fellows Program.

requires innovation not just at the level of “what,” but also at the level of “how.” It requires us to redesign the entire government operating system—by changing mandatory funding to invest in programs that work, for example, or by creating partnerships that will outlast any one administration.

In *Innovative State*, there is little acknowledgment of the civic organizations and nonprofit groups that account for about 11 percent of the US workforce. There is also little discussion of cross-disciplinary approaches, new types of multi-sector partnerships, or the need to invest in training talent and building capacity within the government itself. (Chopra seems to assume that new talent can come only from the corporate sector.) The problems that government confronts are multi-dimensional, and the solutions must be multi-dimensional as well. ■

The Trouble With Top-Down

REVIEW BY KEVIN STARR

I wanted to love *Tyranny Of Experts*, the new book by William Easterly. I’ve admired his work for years. I love the provocative title, and how could you not fall for the subtitle, “Economists, Dictators, and the Forgotten Rights of the Poor”?

And the fundamental thesis of the book is such an important one: Authoritarian, technocratic, one-size-fits-all development is bad, and the individual rights of the ostensible beneficiaries of development should be paramount. People know what’s best for them, and even proven and effective development interventions will fail to have lasting effects in the context of oppressive governments. The best stuff bubbles up from below, when markets and technology are allowed to amplify the ideas of people who are given voices and choices.

The problem is that however pressing and true this message may be, there have

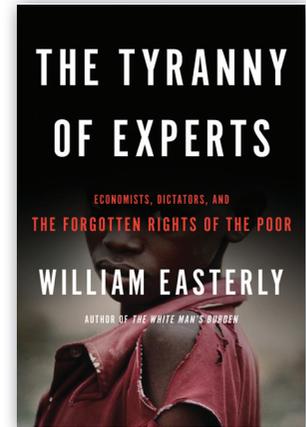
been many cogent critiques of witless top-down policy, and there isn’t a lot that’s particularly fresh or contemporary in *The Tyranny Of Experts*.

The book opens strongly enough, with the story of Ohio farmers thrown off their land at gunpoint as the result of a project financed and promoted by the World Bank. The details are awful: kids trapped in fires set by soldiers, cows felled by machine guns, harvests doused with gasoline. It’s upsetting, but it’s also implausible, and when Easterly reveals that it’s really an account of an incident that took place in Uganda in 2010, the effect is jolting. I thought to myself: *Man, we are in for a ride.*

Next thing I know, we’re in the middle of an imaginary debate between two Nobel economists: Friedrich Hayek and Gunnar Myrdal. In Easterly’s telling, Hayek and Myrdal represent the advocates of bottom-up and top-down development, respectively, and an exploration of their diametrically opposed approaches is a central part of the book. Hayek’s view, as Easterly paraphrases it, is that “individual rights were both an end in themselves and a means by which free individuals in a free society solved many of their own problems.” Myrdal, by contrast, comes across as a pointy-headed jerk who believes in the wisdom of centralized authorities. Sometimes it may be necessary to impose, say, better agricultural policies from on high—even if (and here Easterly is quoting Myrdal directly) “it require[s] the killing of many half-starved cows.”

Whether Easterly’s rendition of these guys’ views is accurate, I’ll leave for others to decide. I’m more concerned with what’s happening in international development in 2014. I’d hoped that Easterly would proceed to deliver a full-on critique of the current state of affairs, replete with juicy material about nitwit technocrats and some great gossip about the stupidity of Big Aid organizations.

Instead, I found myself mired in discussions of Sun Yat-sen, Adam Smith, and the technology of 15th-century Italy. Eventually, I got so desperate to read about something immediately relevant that I started fishing around in the index to see if I’d missed



THE TYRANNY OF EXPERTS:
Economists, Dictators, and the
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William Easterly
377 pages, Basic Books

something. I hadn’t. Here’s an example: The blurb copy on the book jacket singles out the Bill & Melinda Gates Foundation as a bad actor. The book’s concluding chapter refers to that foundation’s “disrespect for poor people.” In between, there’s very little to support that position. I looked up every single reference to the Gates Foundation: The first mention is on page 123, where Easterly tells us that the foundation had the temerity to praise the (admittedly nasty) Mengistu government in Ethiopia for its efforts to reduce child mortality. That’s it! Pages 153, 156, 158, 165, and 197 simply offer brief variations on that same theme.

We could all gain from a thoughtful critique of Big Philanthropy and Big Aid. But there’s little in the way of specific criticism of current development efforts here: There’s the unfortunate complicity of aid donors in the depredations of the Ethiopian government, there’s a single unconscionable World Bank project in Uganda, and that’s all—two examples in the whole book. Where are these experts who are tyrannizing the poor now?

It strikes me that a relentless focus on real impact in the lives of the poor would cut through the whole Gordian knot of development: Real change requires that we address both the bottom-up and the top-down, that we design our efforts with beneficiaries front and center, and that we use evidence of real impact in the lives of the poor as the indicator of whether we’re doing it right. Easterly makes clear that his book is “not about what we can do to end poverty,”

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DAVID J. VOGEL is the Solomon P. Lee Distinguished Professor in Business Ethics at the Haas School of Business at the University of California, Berkeley. He also serves as editor of *California Management Review*.

but that seems like a big missed opportunity. If you're serious about international development, you've got to read Easterly—his earlier books (including *The Elusive Quest for Growth*, which is excellent), his blog posts, his ongoing debate with the advocates of Big Aid. But you can leave this book off your must-read list. ■

An Insider's Tale

REVIEW BY DAVID J. VOGEL

What's it like to join a multinational corporation with the goal of helping it behave more responsibly? Corporate employees who fall into this category come from a variety of backgrounds. Often they have previous experience in civic or nonprofit organizations. They are attracted by the opportunity to use the considerable resources of a private-sector organization to leverage their expertise and their social commitment. These advocates of corporate social responsibility are all around us: Almost every major corporation has one or more of them on its payroll.

Yet for all the evident interest in CSR, especially among MBA students, remarkably few accounts cover the experiences of those who work that field. *The Evolution of a Corporate Idealist*, by Christine Bader, is a brief, well-written book that fills this important gap.

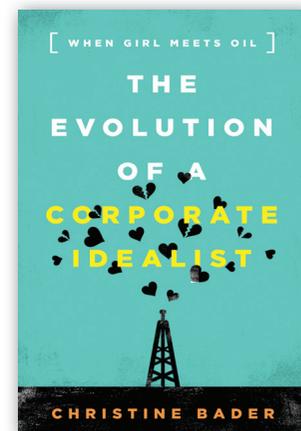
When Bader was an MBA candidate at the Yale School of Management, she attended a speech by John Browne, then the CEO of BP (formerly British Petroleum). Inspired by what he said, Bader went to work for the company, first as a summer intern in London and then as an employee. In a posting to Indonesia, she worked to ameliorate the social and environmental impacts of a new energy project. She subsequently helped to enhance worker and community safety for a chemical joint venture in China. Then she moved to BP's London headquarters, where she was able to devote part of her time to working on a UN human rights initiative.

"I fell in love with BP," Bader writes. "And BP loved me back. . . . I was living the cliché of doing well and doing good."

In 2008, she left BP to work full time on the UN initiative. Two years later, the Deepwater Horizon oil rig exploded in the Gulf of Mexico, and BP, which was leasing the rig, bore responsibility for the cleanup. The accident—and BP's response to it—broke Bader's heart. She began to wonder if her nine-year love affair with BP had been "a sham," she recalls. Yet she ends her account on a relatively optimistic note. As the book's title suggests, she remains a "corporate idealist," even as her understanding of business-world realities has undergone an "evolution." Throughout the book, she recounts the mixed but generally positive experiences of CSR leaders in other corporations.

The most fascinating parts of the book deal with Bader's experiences in Indonesia and China. These sections graphically reveal the practical difficulties faced by a corporate idealist who tries to affect corporate policies on the ground. Like her counterparts in other firms, she came to absorb a vital lesson: "Corporate Idealists often have to operate without a road map." They also have to take satisfaction in what they *are* able to accomplish, despite the compromises that they must make along the way.

An important skill that Bader had to learn—and it is impressive to watch how this skill evolved—was the ability to talk to the executives at BP whose support she needed in order to embed social and environmental concerns in the company's business operations. Some executives shared her commitment; others were skeptical. She needed to persuade the latter group that acting more responsibly was in their best interest and in the firm's best interest. Her strategy was to emphasize not so much the benefits of acting more responsibly (which is hard to do, because CSR activities can lead to delays and higher costs), but the risks of *not* doing so. Her account reveals the extent to which strong interpersonal skills are critical to advocating social change within a corporation. It also demonstrates the extent to which risk



THE EVOLUTION OF A CORPORATE IDEALIST: When Girl Meets Oil

Christine Bader
241 pages, Bibliomotion

avoidance remains one of the most effective drivers of CSR commitment.

An equally important challenge was to figure out how to act "responsibly" in a difficult host-country environment. In Papua New Guinea, BP was planning to build a large liquefied-natural-gas plant. Commendably, the company aimed to do so in a way that respected the well-being of the indigenous community, and it put considerable resources into community development. Beyond BP's control, however, were decisions made by the Indonesian government about how to use the substantial revenues that the project would generate.

In one revealing anecdote, Bader discusses BP's effort to persuade its construction partner in China to improve workplace safety. BP leaders warned a manager at the construction company that a major accident at a BP work site would lead to unfavorable publicity. "But we wouldn't let the media know what's happened," the manager confidently assured them.

Among big multinationals, BP stands out: Few firms have managed to be both so roundly applauded and so thoroughly vilified. Bader came to understand that the firm's shortcomings don't obviate the value of the considerable accomplishments that she helped to enable at BP. Many firms have both CSR achievements and limitations. The challenge for corporate idealists is to continue pushing for greater achievement without letting the limitations discourage them. This engaging book offers useful if sobering lessons on how to meet that challenge. ■