

# On tyrannical experts and expert tyrants

Angus Deaton<sup>1</sup>

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**Abstract** Easterly's *Tyranny of Experts* is a paean to freedom, democracy, and the rights of the poor. It rightly damns the "technological illusion" that development is an engineering problem, not a political problem that cannot be solved by experts, particularly not by outside experts. While *Tyranny* is strong in its denunciation of inappropriate experts, it is less strong in explaining the proper role of expertise. Although the extent of knowledge is often overstated, we are not completely ignorant about the effects of policies, especially of harmful policies. We should indeed champion the rights of the poor and their full participation in a democratic state. But it is too optimistic to believe that rights and democracy by themselves will guarantee growth and prosperity, and the argument that rights and democracy are both necessary and sufficient for population health is largely wishful thinking.

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It is a pleasure to read anything by Bill Easterly, and *The Tyranny of Experts* is no exception. All readers, whether they agree with him or not, will surely enjoy Easterly's unrelenting commitment to freedom, his detestation of cant, and his ability to puncture self-delusion with wickedly pointed barbs. *Tyranny* is a meditation on history, on politics, on economics and on economic development, but it also constructs a sustained, occasionally technical, and ultimately triumphalist argument for the proposition that that democratic politics and individual rights bring material wellbeing and good health. Poverty is not a matter of missing expertise, especially not of insufficiently expert rulers, or insufficiently expert international agencies, but comes from the absence of rights for the poor. Restore and respect those rights, make room for spontaneous organization, and poverty and ill health will soon be history.

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✉ Angus Deaton  
deaton@princeton.edu

<sup>1</sup> Woodrow Wilson School and Department of Economics, Princeton University, Princeton, NJ 08544, USA

The title, *The Tyranny of Experts*, is seductive, and has the virtue of making us think hard about what should be the role of experts (and many of us *are* experts, after all), and beyond that, what is the appropriate role of policy. It is not the expertise that is the real target here, but rather what Easterly calls the technocratic illusion, often endorsed by experts, and in whose harm they are complicit. The illusion is that economic development is a technical, scientific, or engineering problem, to be solved by development experts, and that politics is not important, or at least will take care of itself when the engineering is complete. The charter of the World Bank precludes it from interfering in politics, or even from taking into account the political character of those they are dealing with. The Bank is precluded from nixing a project because it believes that it will not work in a noxious dictatorship; the technocratic view of development is encoded into its genes, as is true for the postcolonial development enterprise in general. For Easterly, politics means democracy and the rights of the poor; not only are those necessary for the true freedom that development can bring—a proposition with which many would agree—but they are also *sufficient*, a proposition that occupies much of the book, but is much more controversial.

I found myself cheering in every chapter, but I confess to some difficulty in grasping exactly how the story goes. It is easy to let the argument slide into an argument against policy experts of all kinds, a position that *Tyranny* denies. But which experts are good, and which are bad? There are people who know how to run central banks—several of whom have greatly helped improve African growth prospects in recent years—and the populist policies that might well be favored by the poor—price distortions, overvalued exchange rates, import substitution—do not have a distinguished record in alleviating poverty. Most economists do not think that greater democracy would be good for the US Federal Reserve, even a limited degree of democracy that would make it more accountable to Congress. Nor do we think that every policy should be put to the popular vote; people might like to have a direct influence on policy, but that is no guarantee that such policies are good for poverty reduction or for economic growth.

Easterly's view of what does drive economic growth is refreshingly nihilistic. We can't measure growth with an even minimally useful degree of precision, growth spurts are unpredictable and typically unrepeatable, and are as near to random as makes no difference. But because such a view is so unpalatable and so contrary to common sense, to laymen and experts alike, we impose pleasing stories on the randomness, seeing gods and great battles in the clouds, and attributing success to whoever happens to be in power at the time. Growth, to the extent that we understand it at all, claims *Tyranny*, comes from events that happened long ago. Absent a time machine, there is little hope for policy.

Easterly's skepticism is surely well founded, and it is a welcome corrective to the nonsense that often counts as policy analysis for growth. Development writers and expert commissions peer into the entrails, looking for the magic common factors in stories of success, or for the fatal flaws in stories of failure. One might have thought that by now everyone would understand that examining only successes cannot identify the mechanisms; every econometrics and statistics course teaches that you get the wrong answer if you select based on what you are trying to explain, but the fallacy seems indestructible and the temptations too strong. Findings obtained in this way are guaranteed not to hold elsewhere. *Tyranny* is clear and eloquent on all this. Yet it understates what we do know. Easterly's own argument against directed technocratic

development and in favor of spontaneous bottom-up development is also a policy. So too is the policy of having a more-or-less autocratic expert run your Central Bank.

Most experts think that people respond to prices—something that laymen are skeptical of—and think that increases in agricultural procurement prices in China and Ghana—both discussed in *Tyranny*—had positive effects on economic growth. Popular demand and the democratic tug-of-war are certainly part of why both sets of reforms happened when they did, but they do not add much to the standard (expert) story of why these policies were successful. Low procurement prices transfer resources from farmers to non-farmers, benefiting some at the expense of others. Which policy wins out is not a matter of mass popular demand, or of the rights of the poor, but is determined by how politics settle the conflicts between groups. In Ghana, whose rulers had long seen cocoa farmers as milch cows, production was eventually strangled or smuggled out, as experts had long predicted, and the restoration of sensible prices was inevitable once no one was benefiting from taxes that no one was paying. It is not true that the only policies that promote economic growth are those that are demanded from below, or certainly not in the short run. At the time of Ghana's independence, taxation of cocoa was not a crazy way of financing growth, and might well have been approved in a democratic society. Are there no bad policies that would be implemented by a populist government that was sensitive to the rights and needs of the poor? Are there no good policies that are widely unpopular? Do not experts sometimes know things that are not widely understood?

None of this undermines *Tyranny's* argument against the technocratic illusion, that engineering solutions to development cannot work, at least in the long run. This argument is closely related to but distinct from the case against foreign aid that I make in the final chapter of my book *The Great Escape*. My argument is less general, applying to aid, rather than development in general, but it develops a more specific mechanism, that aid undermines the contract between government and the governed that is essential for successful development. If, as is the case in a substantial number of the world's poorest countries today, many of which are in sub-Saharan Africa, the state can meet most of its funding needs from foreign aid agencies, it can safely ignore the demands of its own citizens. Aid agencies, whose rhetoric claims to support those citizens and especially the poor, have their own interests, constituencies, and finances back home, which must get priority when push comes to shove, while in the recipient country their activities can be (and are) gamed by recipient governments. With enormous aid flows relative to GDP, the constraints on the executive that are enforced by the need to raise money domestically are removed, and autocrats are rewarded; if they do not already exist, their creation is encouraged. Large aid flows allow tyrants the opportunity to “farm” their own subjects, using their poverty to attract the funds that keep themselves in power.

This argument, like the argument in *Tyranny*, depends on acceptance of the technocratic illusion by donors, who see development as requiring only the finance to implement “scientific” solutions. They ignore, as indeed the World Bank is mandated to ignore, that such funding undermines democracy and negates rights in the recipient country. *Tyranny* makes the argument more generally, covering cases where there is no aid, but where development experts aid and abet non-democratic governments. But at this greater level of generality, it is sometimes hard to see exactly what sort of political mechanisms are affected by development expertise, let alone why the rights of the poor

are ignored, or how they ought to be protected. Constraints on the executive, which are clearly required, need not protect the rights and interests of the poor. To take an example close to home, the executive in the US faces many constraints on its freedom of action; many interests groups have a say in what happens and some are not easily ignored. Yet polls show that two-thirds or more of Americans believe that the government is run for well-funded interests, not for the benefit of the people as a whole. Much politics is concerned with settling conflicts between competing interests; such politics can do much to defeat the tyranny of the technocrats, but it is less clear how they protect the rights of the poor.

Easterly argues that development economics was abandoned by mainstream economics sometime in the 1950s, and has preserved a museum-like belief in planning that has long been abandoned by the rest of economics. *Tyranny* takes Myrdal as its villain and chief exemplar of planning in development, and his work is indeed now little read among mainstream economists. But I think this is a mischaracterization of economics today, especially in Europe. Keynes would not have been such a convincing villain as Myrdal, yet he too believed that wise and public-spirited experts (like himself and his friends) could improve social welfare through government action, and worried less than did Hayek about government failure or the corruption of powerful well-meaning experts. I think it is still true today that, compared with Europeans, Americans are relatively more concerned about government failure than about market failure; both groups have (possibly self-generating) justifications for their beliefs.

One of the strands in early development economics was that Keynesian policy could be brought to bear on “under”-development abroad, just as it could be used to combat unemployment at home. Once the limits of the analogy became clear, lastingly important work was done on understanding optimal growth and its implications for development policy; that work lives on today, if not in development, in modern macroeconomics. Eminent economists, including Sen and Mirrlees, used optimal growth theory to derive guidelines for project evaluation in developing countries. Mirrlees’ later work on optimal taxation, for which he received the Nobel Prize, is a direct descendent of this approach; in both problems, policy is chosen to optimize social welfare subject to technical and behavioral constraints. This work was certainly astonishingly naïve about politics, but it hardly took place in a long-forgotten backwater divorced from the mainstream. As for mainstream economics today, what could be more technocratic than using randomized trials to discover “what works,” a list of solutions that is not contingent on the needs or politics of those who are to be worked for or upon.

The technocratic illusion is never far away in an economics that is centered around optimization. Optimization is engineering, and it is at the heart of much of modern economics. What has changed recently is the recognition within economics of the importance of politics. It is that recognition that undermines the technocratic illusion, and that I believe will ultimately bring down the long-delayed curtain on a modern development industry that somehow believes that it is possible to “develop” someone else’s country from the outside. *Tyranny* is an important contribution to the movement to bring politics into the mainstream of economics and development economics.

Some of the best parts of *Tyranny* are devoted to history, to explaining how, in the end, it was democracy and the rights of the poor that made good things happen, from Jane Jacobs triumphing over Robert Moses to the citizens of the free states of Italy

handing down their traditions, social capital (and spare human organs) over the centuries. These stories are not always completely convincing—there are often alternative accounts, brushed aside by the standard but spurious economists’ appeal to instrumental variables—and the evidence is sometimes selective; I too am glad that there is no superhighway running through Greenwich Village, but part of Jane Jacobs’ legacy is that New York is an enormously expensive and highly regulated city, which encourages fundamentally needless migration out of a great metropolis that could serve many more people than it does. That one set of interests wins out over another is not the same as a victory for the rights of the poor.

*Tyranny* makes the extraordinarily bold claim that “health also requires public action to be democratically demanded by the populace,” (p. 193). This is surely wrong. There are many historical cases in which health prospered without democracy. China had spectacular improvements in infant mortality and in child health up to the mid-1970s. Recent and current dictators in Africa, in Ethiopia, Uganda, and Rwanda have presided over marked improvements in child and maternal health. Earlier still, quarantine could be more effectively enforced by autocratic regimes, and fell apart when merchants had the political power to force the authorities to open up the blockades. Against this, we must remember that before the public health campaigns in China, Mao Zedong had (knowingly) presided over the deaths of around 30 million people from man-made famine, and after 1975, when the leadership turned to the promotion of economic growth and abandoned public health, the improvements in child mortality came to an abrupt end. Perhaps the message is that, without democracy, health improvements are at the whim of the dictator. When it is in the tyrant’s interest (and power) to improve health, it happens, but the changes can be withdrawn as soon as the tyrant’s attention moves elsewhere. Without democracy, nothing constrains such switches and all health improvements are provisional.

It is also in the context of health improvement that those of us who argue against having truck with tyrants face the gravest difficulties. Do we argue against aid for health—vaccinations, anti-retroviral therapies, or help in running a health system—on the grounds that the recipient government is insufficiently democratic? If health can only be produced in a democracy, as *Tyranny* suggests, the argument is an easy one, because there is no conflict. I wish it were so. Instead, I would invoke a longer term perspective; we (the experts, the developers, the Humanitarian International) can save lives now, but only at the expense of losing lives later. Aid, including health aid, undermines democracy, makes leaders less democratic, and will hurt health in the end. Withholding aid, for example by saying that HIV/AIDS drugs will be supplied for 10 years and phased out, can encourage local protest, and the sort of democratic uprising that happened in South Africa under Mbeki, and the eventual provision of drugs after his departure. Another leg of my argument is that the outside developers are no more responsive to the needs and rights of the poor than are the local non-democratic leaders. Like those leaders, the donors own interests might align with the recipients for a while, but in the end they are responsive to their own funders, their own politicians, and their own domestic constituency. There is no more guarantee of long-term support from them than from a non-democratic domestic government. Even if *Tyranny* is wrong in the short-run, it is right in the end.

In *Development as Freedom*, Sen argues that the components that constitute freedom are also instrumental in producing it. *Tyranny* endorses this argument, but focuses on

the instrumental effects of democracy and of rights, as well as their constituent benefits. But we should not lose sight of the importance of rights and democracy in and of themselves—Easterly certainly does not—so that we may not need an instrumental argument to seal the deal. It certainly makes the argument easier, and it would certainly be nice if it were true, but if it is not, there are still good grounds for not trucking with the tyrants.