Overseas Development Institute

The White Man's Burden: Why the West's efforts to aid the rest have done so much ill and so little good, William Easterly, Oxford University Press (2006)

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Bill Easterly has been criticised – by no less an authority than Amartya Sen – for being 'swept up by the intoxicating power of purple prose'. Unkind, I think. This book is a hoot from start to finish. Whether he is poking fun at UN jargon on donor coordination, describing his experience with an electric blanket, or citing the 'bons mots' of his small children, Easterly is nothing if not entertaining. Add the fact that he segues rapidly from history to statistical analysis to anecdote and back again, and Easterly has delivered a classic page-turner. This is one you can take to the beach.

Whether you will want to bring it home from the beach is another matter. There are some readers – foremost among them Jeff Sachs – I would expect to bury the book in the sand or hurl it furiously into the waves. The book is a polemic. It will make most development specialists squirm at some point and require them to wander off for a calming ice cream.

The argument is laid out over eleven chapters which set out to expand the proposition implied by the subtitle – 'Why the West's efforts to aid the Rest have done so much ill and so little good'. The simple answer is that the West – from colonial days through to the modern era of aid – has favoured 'planners' rather than 'searchers'. Planners have optimistic, over-arching goals ('eliminate world poverty') and are insensitive to the cultural and political underpinning of long-term development. Searchers respect context and empower individuals, especially through markets. Accountability is at the heart of it:

> 'The tragedy of poverty is that the poorest people in the world have no money or political power to motivate Searchers to address their desperate needs . . . To make things even worse, aid bureaucrats . . . have the incentive to satisfy rich-country vanity with promises of transforming the Rest rather than simply helping poor individuals.' (Pgs 146-7)

It is easy to see where this leads. Easterly is scathing about the Millennium Development Goals as a project, about the Big Push theory which underpins both the UN Millennium Project and the Africa Commission, about the hubris which leads outside experts to think that functioning markets can be created at the stroke of a pen, about the failure to deal adequately with 'gangsters' who run some developing countries, and about the ineffectiveness of the international financial institutions (acting as 'repeat lenders to deadbeat governments').

These problems are not new, we are told. They are deeply rooted in the West's conceptualisation of the Rest, and have been played out throughout the colonial experience. Chapter 8 reviews experience in Africa, Palestine, and the Indian sub-Continent, with a number of ice-cream moments, especially about British incompetence and perfidy. Light relief is provided by a table which counterposes quotations from Robert Owen in 1857 and Jeff Sachs in 2005 (Pg 17). 'Utopia', as Easterly argues, 'is making a comeback' (ibid).

What might be better? That's a question which Easterly is pre-disposed not to answer: 'if you think I will now offer a utopian blueprint to fix aid's complex problems, then I have done a really bad job in the previous chapters at explaining the problems with utopian blueprints' (Pg 321). However, it is indicative that a whole chapter (Ch 10) is devoted to 'homegrown development', with panegyrics on Japan, Hong Kong, Singapore, China, India, Turkey, Botswana and Chile. And when it comes to aid, it turns out that the way forward is not to stop giving it, but rather to make agencies specialise and then use independent evaluation to hold them to account. It would also be worth giving vouchers to individuals that they can redeem for services provided by NGOs or aid agencies: market creation from the bottom up.

Is this enough? I'm afraid it is not. The reason has little to do with whether it is right to rely on positive description and eschew normative prescription. It is more that the paucity of prescription (markets, vouchers, independent evaluation) is a direct consequence of incomplete analysis.

The core argument, though a caricature, is fine as far as it goes. Easterly is not the first to be sceptical about the value of international development targets as more than mobilising slogans. He is not the first to evince cynicism about the way in which the idea of participation has been appropriated by technocrats. He is not the first to question whether PRSPs and the apparatus of spending frameworks which follow are quite the panacea proponents once believed. He is certainly not the first to point out that IMF and World Bank conditionality are ineffective tools. And he is not even the first to observe that donors have found it difficult to deal with bad governance and corruption. Heavens, some have even dared to challenge Jeff Sachs - on Russia, on the Big Push, and, most recently, on the Millennium Villages Project. On these themes, Easterly probably has more supporters in his attack on cant than he might imagine, especially within the European development community.

However, because these are not unfamiliar themes, it is also the case that there is more to say about them than Bill Easterly might imagine. Take four examples.

First, Easterly is rightly scathing about the burden of multiple goals (he cites 449 targets in the Sachs Millennium Report) and makes interesting points about responsibility for complex goals being too diffuse. He is also excellent on the intellectual dishonesty of global goals to make HIV/AIDS drugs available to all, ignoring all questions about opportunity cost and the cost-effectiveness of prevention versus treatment. He recommends that each aid agency should specialise in one thing only, and avoid the 'Yosemite Sam' syndrome of firing in every direction to try and reach all the goals agencies find themselves forced to pursue by the pressure of politicians and NGOs. He could have gone further, drawing on literature in both developed and developing countries about perverse incentives and the negative impact of over-simplified quantitative targets on the public service ethos. If he had looked at the wider literature, he would have discovered that these well-known problems have spawned discussion and experimentation with alternatives. He might have explored different ways of raising the level of public control over public agencies ('voice') and the idea of contestability in public service delivery ('choice'). Vouchers may be a part of the answer, but there are other options.

Second, on principal-agent problems, the limits to conditionality and the problem of moral hazard, leading to repeat bail-outs of failing governments, Easterly's preferred solution appears to be the kind of tough love characteristic of US social policy, in which benefits are strictly time-limited. This works for some, no doubt, but not for all, and is an especially risky strategy when whole countries are on the edge of anomie. There's a discussion to be had about whether international human rights legislation would allow the poorest to be abandoned in this way. There is also a literature on both aid and non-aid related alternatives: collective action clauses in debt agreements, chapter-11 type bankruptcy agreements for countries, how to deploy different kinds of aid instruments which reach the poor directly. Some of the instruments about which Easterly is most scathing (for example, the IMF Poverty and Growth Facility, described in the book as 'Orwellian' (Pg 206)) were designed specifically to try and tackle principal-agent problems without killing people in the process. To use the kind of purple prose which Easterly himself might adopt, to walk away from incremental improvements of this kind is like saying that rifles should not have safety catches, because if enough people shoot themselves, the survivors will learn to be more careful.

Third, on fragile states and poorly governed or corrupt countries, again Easterly is right that there is a problem, but behind the curve on analysis and prescription. Indeed, political analysis, studies on 'drivers of change', attempts to come to grips with 'fragile states', all these are growth areas in development. Between the limp platitudes of exhortation ('please don't shoot your opponents') and the risky (though not always futile – see Sierra Leone or the Solomon Islands) recourse to armed intervention, there is beginning to be a constructive discussion about direct and indirect support to democratisation and greater political accountability: support for human rights commissions and a free press; investment in audit offices and freedom of information; incentives provided by membership of regional 'clubs'; even, despite Easterly's ten-line dismissal of the concept (Pg 129), peer review. Again, Easterly would do well to look at European experience, for example the value of prospective membership of the EU as an incentive to reform in Eastern Europe. And, by the way, the OECD makes extensive use of peer review, with demonstrably positive results.

Finally, it is also worth saying that the market paradigm which underpins what prescription there is in Easterly's thinking is also a topic on which there is more to say. He writes warmly about how 'markets emerge everywhere in an unplanned, spontaneous way, adapting to local traditions and circumstances . . . (as a result of) the bottom-up emergence of complex institutions and social norms' (Pgs 53-4). Market reformers fail to take account of the need to build trust over time, of the importance of networks and of indigenous property rights. That's why 'you can't plan a market' (the title of Ch 3).

Perhaps you can't, but you can certainly ask who gains and who loses from markets, what the market failures might be, and what kinds of public good might be needed for markets to work. Market based development is of course central to all current thinking. However, it is instructive that there is no discussion of market failure in this book that I can find. The index has 22 separate topic entries under markets, including 'consumer choices reconciled by', 'feedback in', 'innovation fostered by', and 'positive bottom-up market trends'. There is some material about 'cheating', as in whether or not traders sell quality goods, but the solution there is again institutional, especially trust and network pressure. So, no risk of monopoly or oligopoly, no coordination failures, no social exclusion problems – and no need for competition policy, trading standards or strategic investment programmes. And we thought the market fundamentalism of the Washington Consensus was dead!

Bill Easterly would no doubt deride these attempts to move the discussion forward as inconsistent with the central argument: when you're in a hole, he says, stop digging (Pg 322). However, he himself is in favour of learning by doing and cites with approval Lindblom's work on 'disjointed incrementalism'. He also, as it happens, cites many examples of successful aid, ranging from micro-credit, to polio, to water and sanitation. Quite right. Stop sniping, Bill. Come home. You know you belong with us.