

Book Reviews

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. 2006. New York: The Penguin Press. ISBN: 1-59420-037-8, \$27.95.

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The subtitle to William Easterly's new book poses the question: Why have the West's efforts to aid the Rest done so much ill and so little good? The book's primary answer is that Western interventions in poor countries—from World Bank development projects to military “peace building” operations—have been driven by Planners rather than Searchers. Planners pursue utopian goals, design global blueprints, and implement them with little local knowledge or feedback from the intended beneficiaries. Searchers seek first to understand the needs of intended beneficiaries, and then—drawing on detailed local knowledge, as well as studious trial and error—identify practical ways of meeting those needs. Where Planners dominate, accountability for achieving real benefits is lacking.

Easterly elaborates this thesis most fully when focusing on the subset of Western involvement with the Rest that is closest to his own experience: the work of bilateral and multilateral aid and development organizations. (He confesses to having spent many years as a Planner while working as an economist for the World Bank.) He offers a picture of multiple institutions pursuing shared, diffuse and unrealistic goals. Each agency claims credit for apparent successes while blaming failures on others, and manifests little interest in studying the true impact of its programs. Though Searchers exist within these institutions, they have little opportunity to win control over resources, and are hampered by requirements that they spend only a few years in any field location and that they partner with corrupt central governments.

This leads to a deeper question: what explains the persistence of institutional features that encourage Planners and frustrate Searchers? Easterly's answer is that the purse strings are held not by the poor, whose interests the aid establishment should serve, but by rich country politicians and their constituencies, who have little knowledge of the poor. In their ignorance or pursuit of self-interest, they treat numbers of reports written, summits organized, and dollars spent as if they were indicators of ultimate success, and fail to hold the international aid establishment accountable for real impact.

This picture is sketched in chapter 1, and elaborated in chapter 5, which focuses on the World Bank and U.N. agencies. Chapter 6 highlights

the importance for accountability of establishing narrow objectives by contrasting what the author sees as the International Monetary Fund's successes in the narrow mission of short-term lending during liquidity crises with its failures in broader efforts to transform economies through conditional structural adjustment lending. Chapter 7 highlights the role of "observability" (i.e. the extent to which particular needs of the poor capture the attention of Western politicians and voters) by contrasting foreign aid successes in many health efforts (e.g. vaccination campaigns) with the West's failure to prevent the AIDS disaster in Africa. He argues that aid organizations knew the emerging crisis required attention as early as the mid-1980s, but delayed in funding any significant response for at least ten years. In Easterly's view, the West has been slow to fund prevention efforts because Western voters and politicians cannot see the needs of people who are not yet sick. (He also blasts politicians for letting ideology and political interests prevent them from funding programs that provide condoms and education to prostitutes, which could have prevented a great deal of suffering.)

While Easterly provides no disciplined "proof" that the Planner mentality, rather than something else, explains past aid failures, the picture he offers is compelling, and it points to a variety of institutional reforms that might improve effectiveness in international aid (discussed in chapters 5 and 11). He exhorts rich country governments to find competitive processes through which each international development agency comes to specialize in the pursuit of the narrow, attainable objective for which it is best suited, to remove constraints against staff remaining for many years in one place, to remove requirements that international agencies partner only with country governments, and to encourage the agencies to place more real decision-power in the hands of poor individuals and communities. (He recognizes that experiments with community involvement have run into problems, and that continued experimentation will be required.) Rich governments should also promote truly independent and scientific evaluations of development intervention impacts.

Steps in this direction are sensible and much needed, but Easterly's passionate response to foreign aid woes goes further in two directions that are harder to justify. He scoffs at high-profile efforts to set development goals, such as the United Nation's declaration of the Millennium Development Goals (MDGs) and Jeffrey Sachs' related call to bring about *The End of Poverty* (2005), and even makes the more general claim that goals are "counterproductive for implementation" (p. 12). Development goals, he asserts, are always utopian, and setting such goals somehow frustrates efforts to create accountability for doing the "many useful things" that well-designed aid agencies could do, such as devising programs to get children into school or providing communities with clean water. Working by analogy to the way market forces guide Searchers to excellence in

meeting the needs of the non-poor, he suggests that Searchers should simply be given great latitude to meet the needs they perceive among the poor, unencumbered by grand goals, and should be rewarded for doing this well.

Easterly seems not to recognize the importance of goals for poverty reduction and development work, or the role that goals play in shaping even his own thinking. His analogy to markets is faulty. When Searchers in markets seek merely to maximize their own profits, market forces reward them for meeting unmet needs, and perform the remarkable function of allocating the efforts of many individual Searchers across activities in a socially pleasing way. Unfortunately, as Easterly also points out in another context, the poor have no money with which to translate their needs into demands. They generate no market forces to guide Searchers toward meeting their needs. If too few Searchers work to get poor children into school, or if Searchers fail to provide clean water to remote and voiceless communities, what forces will reward them for initiating new efforts to meet unmet needs? Such rewards will arise only if the organizations providing financing to Searchers have studied the needs of the poor (a task in which there are likely to be economies of scale and coordination), have set appropriate goals, and have tailored their financing and reward schemes accordingly. When Easterly advocates taking money away from the obvious good of AIDS treatment to finance the less obvious but possibly greater good of AIDS prevention (chapter 7), he is implicitly expressing his belief that the development establishment should pursue the goal of saving as many lives as possible, and should thus pay keen attention to opportunity costs (which have meaning only when scarce resources are being used to pursue goals) when allocating resources to individual health sector activities. (Members of ACE might wish for explicit discussion of the values implicit in Easterly's goals.)

Easterly is certainly right that we should not be satisfied with the mere act of setting grand goals. Yes, the MDGs are imperfect and will be much harder to achieve than Sachs and the U.N. seem to suggest. But they reflect on-going evolution in the international community's understanding of development goals. They recognize that full-fledged development is not guaranteed by growth in average income alone, and that success is a matter of results rather than effort. Rather than rejecting the MDGs, it would make more sense to embrace them as a useful springboard for further goal-refining conversations. Accountability only produces good outcomes if agents are held accountable for achieving good goals.

The second and related way in which Easterly goes too far is in his message to activists, whom he exhorts to "change your issue from raising more aid money to making sure that the aid money reaches the poor" (pp. 383–384). He expresses irritation with calls by Sachs, Bono and others to double foreign aid. The book's (perhaps unintentional) message

to the public seems to be: “Don’t be generous until you can be sure that the resources you donate will be used in highly effective ways.” I would much rather hear a strong call to demand greater accountability while also increasing generosity. Even when donated resources are put to only moderately effective use, greater generosity is valuable for defining us as individuals and defining our national identities, and does some good for the poor. Additional resources would also facilitate the much-needed expansion of research, evaluation and experimentation activities.

A final set of comments has to do with the overall structure and scope of the book. The main thesis discussed thus far is examined primarily in chapters 1, 5, 6, 7 and 11. The remaining chapters relate much more loosely to the main thesis, and add breadth but not depth to the project. Chapter 2 demonstrates the weak statistical link in cross-country data between foreign aid volume and economic growth (a subject Easterly has treated more effectively elsewhere). Chapters 3 and 4 review the usefulness of well-functioning markets and democracy for encouraging Searchers, the nature of the institutions required for markets and democracies to function well, and the ironic disasters that result when Planners try to impose markets and democracy from the top down. Chapters 8 and 9 provide rapid narratives of the ills associated with Western intervention in periods of colonization, decolonization and Cold War military interventions, and chapter 10 takes a whirlwind tour of “homegrown” economic successes in Japan, China, the East Asian Tigers, India, Turkey, Botswana and Chile.

Easterly’s writing is rich with evocative facts, engaging anecdotes and nice one-liners (e.g. “It is the job of economists to point out trade-offs; it is the job of politicians and Planners to deny that trade-offs exist” p. 256), so the entire book is a good read. But the content seems shaped more by Easterly’s anger than by a desire for deep and productive analysis and argument. For example, when discussing the ills of Western military and political intervention, he blurs the distinction between the Planner mentality and other Western proclivities as the sources of trouble, and makes no effort to define a meaningful counterfactual course of action (or inaction) that might have been better. Similarly, when discussing homegrown economic successes, he ignores many potential debates about whether the cases are fully satisfying successes and are truly cases of non-intervention by the West, and provides no detail on the ways policies were better tailored to local circumstances than Western Planner policies would have been, or the ways domestic policy-making institutions encouraged and guided Searchers.

I hope that in his next book Easterly chooses a narrower focus, and takes us further in the exploration of the institutional and political changes that will be required to increase accountability in foreign aid. Such issues are well worth pondering by members of ACE and other academic economists,

who have a role to play in educating politicians, voters and activists about what constitutes real development success and about the institutional reforms required to increase effectiveness in development efforts.

Reference

Sachs, Jeffrey. 2005. *The End of Poverty: Economic Possibilities for Our Time*. New York: Penguin. ■