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The Missing Foundation Of Development: Individual Rights

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The major contribution of William Easterly's new book, *The Tyranny of Experts*, is simple and profound. For the poor, individual rights isn't just the most effective path to development for poverty-stricken countries. No, for the poor, individual rights is development.

Plenty has been written about the inefficiency of foreign aid. Easterly's previous book—*The White Man's Burden*, a practical 'how-to' guide for reforming foreign aid—is arguably the most prominent. And plenty has been written about the instrumental role of individual rights along with free markets, property rights, the rule of law and democracy to achieve economic growth in poor countries. But the intrinsic value of individual rights for poor people has for too long been overlooked. What's more, it's completely foreign territory for the vast majority of those in the foreign aid industry.

Most foreign aid agencies don't acknowledge the instrumental, let alone the intrinsic value of individual rights. They believe poverty is a technical problem to be solved by experts. They implement their expert plans through and with authoritarian central governments, strengthening and legitimising those governments in the process. Easterly's thesis is that it is these authoritarian governments that are causing poverty in the first place and from whom poor people need protection through individual rights.

The Tyranny of Experts charts the history of the philosophical underpinnings of foreign aid through the twentieth century. It reaches the damning conclusion that the foreign aid status quo doesn't just place the rights of poor people second, it often places them last.

Easterly recalls one such tragic example in 2010. The World Bank (where Easterly was previously employed as an economist—he is now a professor at New York University) wished to implement a forestation project in Uganda. To make way for the project, villagers were violently removed from their land at gunpoint by government troops, their villages and farms burnt to the ground with one child dying in the process. The farmers were told to never come back because the land was no longer theirs.

While no one is suggesting the World Bank would have sanctioned such activity, it is a graphic indication of where the individual rights of poor people sits on aid agencies' and authoritarian governments' list of priorities. The point being that the foreign aid status quo doesn't simply neglect to consider individual rights, but often acts in direct competition to them.



Easterly couches the philosophy of foreign aid into three central issues. Firstly, he believes the foreign aid status quo views recipient nations as if they are a 'blank slate' instead of learning from the history of that country. It pays no heed to how a country came to be poor and seeks only to shoe-horn its predetermined solutions regardless of the circumstances.

Easterly highlights the absurdity of this approach by outlining the incredibly long-running causes of poverty. For example, he cites one study that shows that the Aja people in Benin, Togo and Nigeria today display less trust towards their neighbours than similar ethnic groups in the same area because they were victimised by slave traders and betrayed by fellow African tribes in the seventeenth and eighteenth centuries.

This is a hindrance to them today in engaging in many activities predicated on norms of trust, such as commerce with strangers.

In fact, Easterly claims Italians from the north of Italy are more likely to be organ donors than those in the south because of the presence of 'free cities' in the country's north in the twelfth century, compared to the absolutist regime in the south. The implication being that individual rights have the long run effect of normalising behaviour that benefits strangers outside an individual's family or localised cultural groupings.

The blank slate view has negative ramifications for individuals in two ways. Firstly, it allows foreign aid experts to ignore the effectiveness of individual rights in generating economic growth in other countries. Secondly, because foreign aid experts ignore existing institutions and cultures, they require the coercive power of autocratic states to implement their plans.

The second part of Easterly's analysis focuses on the preeminence of nations over individuals in the foreign aid status quo. That is, not only are nation states thought to be the goal of development but the vehicle through which development is meant to be achieved. Clearly the advent of 'national goals' proposed by organisations such as the World Bank are the antithesis of individual rights as it is impossible to aggregate all the choices and preferences of individuals, as famously demonstrated by Nobel laureate Kenneth Arrow.

Easterly quotes Friedrich Hayek in this regard, who once wrote of this view, 'the individual is merely a means to serve the ends of the higher entity called ... the nation'. Easterly also notes that Swedish economist Gunnar Myrdal, the socialist economist who shared the economics Nobel in 1974 with Hayek, summed up the view of the foreign aid status quo perfectly when he said national governments needed to achieve development in spite of, 'a largely illiterate and apathetic citizenry.' (*The Tyranny of Experts* is worth reading if nothing else for the imagined debate Easterly recreates between Hayek and Myrdal.)

The third area of the foreign aid status quo Easterly shines a light on is the preference for consciously designing solutions to poverty as opposed to those that spontaneously emerge. Easterly stresses this is not a standard government intervention against free market argument. Indeed, he asks readers to leave their domestic political allegiances at the door by drawing very



little distinction between countries as economically and politically diverse as Norway and the United States when compared to a poor country like the Democratic Republic of Congo. Whilst Easterly is very much in favour of free markets, he says the blunt feedback system and the checks on government provided by individual political rights and democracy are equally as important.

Easterly is at pains to point out that those in favour of individual rights for poor people have been misunderstood as zealots of the free market by the foreign aid status quo for six decades. He wryly notes that foreign aid stalwart Owen Barder in 2013 called development 'an emergent property of a complex adaptive system,' meaning that genuine development emerged from a whole system that was too complex to be run by any one leader. But the system was adaptive as it generated decentralised feedback and responses that enabled it to self-correct. Barder's talk generated a positive buzz on development blogs and 'nobody called him a free market extremist'.

Easterly's book comes at an important stage for foreign aid. Following *The White Man's Burden*, criticism of the status quo has mounted in the form of books such as *Dead Aid* by Dambiso Moyo, *The Idealist* by Nina Munk and *Poor Economics* by Abhijit Banerjee and Esther Duflo. The emergence of New Institutional Economics (think *Why Nations Fail* by Daron Acemoglu and James Robinson) has sharpened academic focus on the individual rights of poor people.

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And budgetary pressures have meant many governments are open to the idea of a new way of fighting poverty that may potentially require less public funding.

The Tyranny of Experts is not about aid effectiveness. It is about aid philosophy. Foreign aid has failed because it is based on a philosophy that believes poor people are incapable of making decisions for themselves. For too long those who value individual rights have dismissed aid as a misguided sideshow. *The Tyranny of Experts* is a call for those people to re-imagine aid's task as claiming the individual rights for poor people that will enable them to transform their own destinies.