

# H-Net Reviews

in the Humanities & Social Sciences

Christopher J. Coyne. *Doing Bad by Doing Good: Why Humanitarian Action Fails*. Stanford: Stanford University Press. 272 pp. \$25.95 (paper), ISBN 978-0-8047-7228-0.

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## A Dismal Treatment of the Aid Business

Christopher J. Coyne's *Doing Bad by Doing Good* is billed as an economist's perspective on state-led humanitarian action. True to the title, Coyne regards humanitarian intervention as a failure. He is not alone in having this pessimistic outlook on the efficacy of aid, or more generally, taking a dismal view of human efforts to do good. It belongs to the founding philosophical principles of classic economics. In the *Fable of the Bees* Bernard Mandeville explained how selfish or morally bad actions can be for public benefit—or, as it were, how you can do good by doing bad. Nor is Coyne the first to put forward this type of analysis in development studies. His book is as pessimistic as other recent books on the subject. Coyne sometimes even matches the metaphorical flamboyance of Dambisa Moyo in her book *Dead Aid* (2009) or William Easterly's *White Man's Burden* (2007).

Despite this celebrity company, in his conclusion, Coyne nevertheless feels he is fighting an uphill battle. But he takes comfort in knowing that good ideas take a long to mature. "To provide some context, keep in mind that it took about two centuries for a heliocentric model of the universe to replace the dominant geocentric model, the point being that, once entrenched, models and mentalities can persist for significant periods of time" (p. 203). One would hasten to add that heliocentric models were proposed centuries earlier, in BCE, so the heliocentric model was closer to two millennia in the making than the two centuries Coyne suggests. Moreover, since the 1920s, astronomers such as Edwin Hubble have realized that our sun is *not* the center of the universe. However,

disregarding these minor inaccuracies, I do not think that the ideas underpinning *Doing Bad by Doing Good* will be the cause of anything akin to the Copernican Revolution in international development studies.

The focus of Coyne's book is more on humanitarian action and less on development aid, or at least that is the billing. The distinction between development assistance and humanitarian aid is increasingly blurred in reality. In this respect the book mirrors the world. The confusion has crept into Coyne's book as well. *Doing Bad by Doing Good* has almost exactly the same message as Easterly's *White Man's Burden*. In particular Coyne borrows Easterly's invention of the "yins" and "yangs" of economic development—the planners and the searchers. This is an imaginary and misleading dialectic presentation of the international development community where the searchers are the good guys and planners are the bad guys.

Coyne takes inspiration from no less than Friedrich von Hayek to make his case: "If man is not to do more harm than good in his efforts to improve the social order, he will have to learn that in this, as in all other fields, where essential complexity of an organized kind prevails, he cannot acquire full knowledge which would make mastery of events possibility possible. He will therefore have to use what knowledge he can achieve, and not to shape the results as a craftsman shapes his handiwork, but rather to cultivate a growth by providing the appro-

prate environment” (p. 178). There is even mention of the calculation debates and Ludwig von Mises. When Coyne is arguing for the market approach and against the state approach to development, one is taken back to the classic studies of comparative economic systems, planning versus market, as so eloquently done by scholars such as Janos Kornai. Coyne has adopted the classic a priori assumptions about allocation of resources. By extension, Coyne has furthermore adopted the dangerously misleading and false dichotomy that the two options in this world are flawed plans and perfect markets. I am not convinced that these perfect markets do exist, and particularly in the context of severe political turmoil, markets are not perfect, far from it.

To make his points, the central rhetorical device used by Coyne is to consistently refer to his own thinking as “the economic way of thinking.” Implicitly then, this would make other approaches to the subject “uneconomic thinking” and would presumably not lead to the same conclusive wisdom. Moreover, if you disagree with Coyne you may be thinking “uneconomically.” Unfortunately, Coyne is not specific about which tools of economics he uses. My best guess is that this means that Coyne is approaching humanitarian efforts as a problem of allocation of scarce resources, and there are trade-offs and opportunity costs associated with the allocation of resources. Coyne also spends some time telling the reader that there may be “unintended consequences” from human action. If that appears as common sense, it may be because the subject of economics has more influence over human thinking than Coyne realizes. Or may I suggest that economic thinking does take some inductive impetus from lives lived by humans—and that musing over unintended consequences is not the exclusive domain of economists.

I might be old-fashioned, and while I do realize that this is not a doctoral thesis, I still miss a clearer description of not only how the author came to know (i.e., his methods) but also what information, data, and materials have been used for this book. In sum, the reader is offered no clear idea of how Coyne started with a research question, how he tested this question, and what he found. Thus the book appears to be an extended literature review with references to news clippings of some of the major humanitarian catastrophes. The book reads like a mission statement from a believer in the market and a strong opponent of using states to control allocation of food and vaccines. With this starting point, humanitarian aid, which for different reasons relies on plans and directives rather than invisible hands and prices, must be

inefficient. In the course of the book we are served many of bits and pieces of information that fit with this starting point.

The conclusion is not new. There are many aid skeptics—sometimes I count myself as one of them—and these criticisms have been around for a long while—from works such as Péter Tamás Bauer’s *Dissent on Development* (1971) and the more popular book, *Lords of Poverty* by Graham Hancock (1991). It would be fair point out that there are other ways of thinking through aid—using political economy is one. I am thinking here of the excellent studies which are theoretically coherent and grounded in serious empirical work and fieldwork, such as David Keen’s *Benefits of Famine* (1981) or Alexander De Waal’s *Famine Crimes* (1997). Their analysis is of course even more damning than that of Coyne. Keen shows how famines can be man-made. This sounds more controversial than it is. Since Amartya Sen’s *Poverty and Famines* (1981) it has been commonly acknowledged in the academic sphere that famines are entitlement failures, not production failures. Keen takes this one step further, and shows how there are benefits to famine, not only in winning political struggles, but also through generating humanitarian aid that provide opportunities for rents for aspiring warlords. While Coyne makes reference to the work of Keen, he misses his earlier book. I should perhaps emphasize for uninitiated readers that there is a big gap between Amartya Sen and David Keen, but I think that an analysis of humanitarian action may usefully start here. If anything it would make the argument clear that for scholarly and professional audiences the “humanitarian man of the system” is a straw man. It is as close as one can come to a consensus that a famine, such as the one in Somalia, is a political problem, and while in some media accounts it may seem as if what is being advocated is a naïve airlift of food or another simple quick fix, but any serious stakeholder or participant can distinguish between the advocacy campaign and the difficult complex reality of trying to aid without harming.

Let’s return to Coyne’s analysis of the problem and his suggested solution. His diagnosis is that the problem is that the allocation of aid is based on plans, and that decisions are politicized. In line with the a priori assumptions and his Austrian School of Economics approach to humanitarian intervention, Coyne recommends liberalization. More specifically, Coyne suggests a new focus on “development as discovery” (p. 179), respect for “endogenous rules” (p. 181), and removing “barriers to discovery” (p. 187), and finally suggests that migration and remittances do more to alleviate human suffering than human-

itarian aid. In principle I am not against discovery, endogenous rules, or removing barriers to migration; I do, however, suggest that with these solutions, Coyne has moved the goalposts away from short-term responses to humanitarian catastrophe, to giving middle-of-the-road consensus recommendations that may be useful in the medium and long run. When a human catastrophe takes place—like genocide in Rwanda, a famine in Somalia, or civil war in Sudan—I would suggest that there is already an uncoordinated process of development as discovery that actually is in place. Moreover, I think that in such cases it has been shown that relying on “markets” do to the job would not only be naïve, it would be dangerous. In part, this is because markets are already captured by “endogenous rules.” In a real-life situation you cannot just decide that those endogenous rules are better than seeking to circumvent existing vested power to reach certain individuals in need.

Finally, migration from such places does frequently take place in very large numbers—this is how refugee camps are made. One of the largest refugee camps in the world, Dadaab, located between Kenya and Somalia, is now twenty years old and houses more than three hundred thousand refugees. Their “barriers to discovery” are

difficult to liberalize. What is Coyne suggesting? Migration by foot or bus is not a practical solution. Should we airlift all three hundred thousand out of there? That would require a plan from the “man of the humanitarian system” because purchasing power inside the camp is not strong enough to justify a market solution. The wait for the solution to be discovered may be very long indeed—and the endogenous rules may enforce a very painful solution. I think we innately understand that total success in humanitarian aid is an objective that in most cases is unattainable. Frequently, the solutions that we end up with are the second-to-worst outcome. As a result anyone can point out that if development aid was successful then the whole world would be developed. I am not sure if that is the right premise for a discussion.

*Doing Bad by Doing Good* does not add any new empirical information to the analysis of humanitarian action. Its theoretical framework is narrow, and there are big gaps in the literature that has been consulted. The discussion is driven more by rhetorical devices than by substantive evidence, and the evidence that is put forward is tendentious and unconvincing. Finally, the conclusions are dangerously naïve. My recommendation: you can do better than reading this book.

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