

## The Strange Case of Dr. Shock and Mr. Aid

---

Asad Ejaz Butt  TFT Issue: 28 Nov 2014

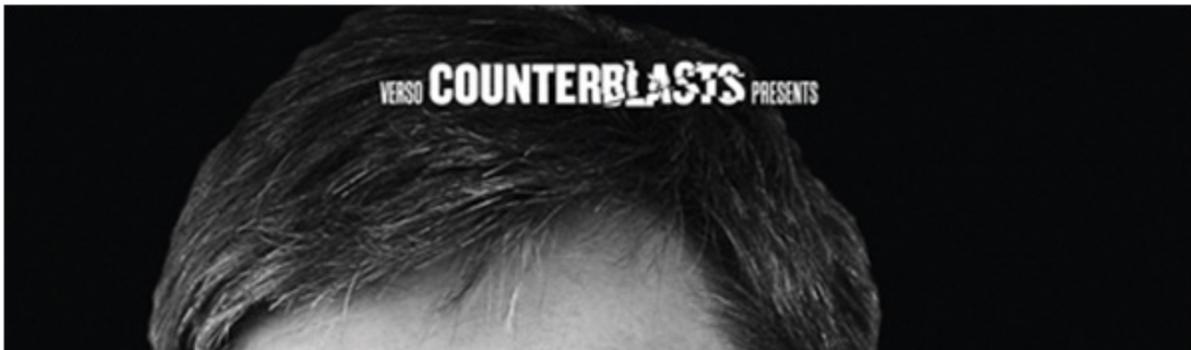
Asad Ejaz Butt reviews a book strongly critical of the work of renowned economist Jeffrey Sachs

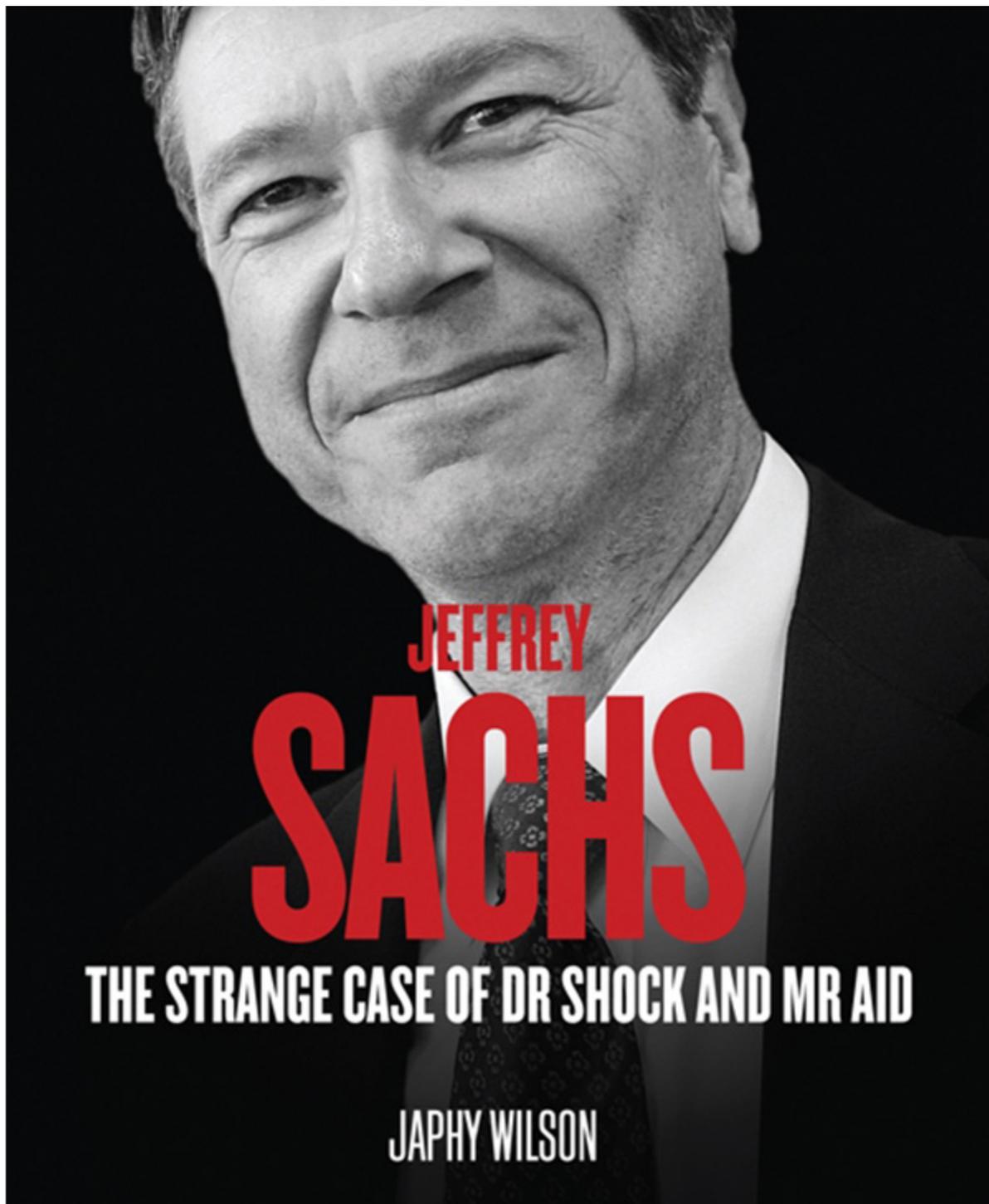


---

The global economic focus is veering from the capitalist economic reign of the late 20th century to the rather more development oriented economic outlook of the early 21st century. In the wake of this evolution, economists and social activists are being criticized for adopting perspectives that are diplomatic and on the fence rather than expressing a clearer, more aligned view. One of those controversial economists is the head of the Millennium Villages Project (MVP) in Africa, Jeffrey Sachs.

*'The Strange Case of Dr. Shock and Mr. Aid'* is a nuanced critique on Jeffrey Sachs's professional life by Japhy Wilson, a political economist associated with the University of Manchester, whose main focus in the book is to emphasize the contours and inherent contradictions of the unpredictable Jeffrey Sachs.





Sachs is a Harvard alumni and one of the most celebrated/authoritative social scientists alive, known for implementing his experimental but unpopular (in the West) economic policies in post-communist Eastern European and Russian economies to bail out failing states and their receding economies. Sachs emerged on the socio-political forefront as a young, didactic economist approached by the Bolivian government to smoothen their transition from a communist state to a free-market economy. ■

*The events that followed in Bolivia inspired writers like Japhy Wilson to express disapproval of Sachs' economic adventurism*

The events that followed in Bolivia inspired writers like Japhy Wilson to express disapproval of Sachs' economic adventurism called the 'shock therapy' which he claimed was essentially a set of sequential treatments that could be applied universally to any economy to get the wheels of productivity and economic growth moving. The therapy involved privatization of state institutions, austerity measures by the government and strict wage and inflation controls.

The common denominator in the policy framework applied uniformly in all former communist states was that privatization could be undertaken spontaneously without incorporating the effects of the transition from a communist to a market economy. The inertial behavior of the institutions and the economy as a whole, believes Wilson, is the reason why the shock therapy backfired wherever it was applied. But this for Wilson is not the only reason why the shock therapy ended up spoiling Sachs's reputation as the global messiah, one he had built before the turn of events in Bolivia. There are others too, including the total disregard for specificities of the region where the therapy was applied, plus one-size-fits-all application of completely non-universal economic solutions and the disenfranchisement of the working class.

The book is divided into six insightful chapters with each expounding on a different endeavor Sachs undertook during his journey from a proponent of free-markets to head of the Millennium Villages Project (MVP) in Africa. The endeavors are vibrant and transformative but also disparate, with each successive one defying Sachs's arguments used to espouse the one before. This is exemplified in Sachs's attribution of the failure of the notorious shock therapy to external geographical characteristics of the areas where it was applied. He believed geographic isolation to be the key reason why some landlocked countries could not be brought into the global village net to take advantage of the internationally increasing returns to production. This was termed by Sachs his 'clinical economics' theory but as Wilson observes, its fate was no different than the previously incumbent shock therapy. Neither was it embraced by the economic fraternity the way shock therapy was initially, nor could it recuperate the waning popularity of Sachs as an economics powerhouse.

The climax of the book comes with Sachs emerging as a development voice raising empathetic slogans against menaces such as disease, death and poverty in Africa and issues relating to inequity and exploitation of ecological resources by the global nexus of multinational corporations. Coming from an exponent of shock therapy and one of the most adherent practitioners of the capitalist agenda, this unexpected paradigm shift develops into the most compelling narrative of the book.

Sachs visits Africa, announces his Millennium Villages Project that would redistribute resources in the villages and redesign the structure of lives of arguably some of the most impoverished nations of the world. There are instances in the book where the author presents this radical change in Sachs' beliefs as that of an opportunist rather than those of a person whose ideology evolved over time. The transition is also linked to Sachs' bid at recovering his lost glory. At the beginning of the book, Wilson criticizes Sachs for implementing a homogeneous policy in places as disparate as Bolivia, Russia and other Eastern European states, but when he develops a diverse policy for various African states, one with an increasing emphasis on the discourse of development, he's still dealt with an iron hand.

Considering the author's stance against status-quo-capitalism and the free market in the first half of the book, one expected him to commend the Millennium Villages Project, but that never happens – he denounces the Millennium Villages Project for being fraught with barriers to entry that render it exclusively for the rich in Africa and the promotional activities – selling of stoves and seeds/fertilizers to name a few, to be beyond the affordability of the poorest families who remain deprived of the supposed prosperity brought by the project.

He also mentions the lack of transparency in the project as independent researchers are declined access to information. This, as Wilson puts it, is because Sachs' reputation, and the secured wealth of his entire life rests on this project. If independent research would be allowed, its consequences would likely be no different than that of Sachs's previous policy initiations. The narration constantly sways between the delineation of the "contradiction in Sachs's personality" and the "fallibility of his projects"— two distinct topics that are thinly separated.

While the book aims to shed light on the self-contradictory perspectives Jeffrey Sachs has adopted over the course of his career, it fails to achieve the contradiction-free account the writer would have aspired to. The first chapter starts with a brilliant anecdote where Sachs moves the crowd with a poignant and exceedingly well-

articulated speech lashing out against the apathy of multinational corporations and the neoliberal project. Building on Sachs's career as a shock therapist and a clinical economist in the latter half of the book, the writer reverts to the anecdote to prove his claim about the self-contradictory statements of Jeffrey Sachs. While doing so, he also identifies areas within the Millennium Villages Project that are entirely capitalistic and free-market based, using catch phrases such as "Sachs's re-legitimization of neoliberalism in the context of anti-globalization movement", ultimately claiming that Sachs never changed his beliefs and is still a proponent of free-markets.

This is where the whole premise of the book standing on the notion of the inherent self-contradiction in Sachs's personality collapses. While on the one hand the author claims Sachs has altered his failed ideology to become more relevant in the changing dynamic of the econosphere, on the other he believes Sachs never changed in the first place and his Millennium Villages Project is still based on the fundamentals of the neoliberal project. Furthermore, he declines to accept any role of the Millennium Villages Project in the massive development taking place in Africa after claiming earlier that the region isn't developing at all.

There are certain very powerful comments in the book that communicate an impression that the author is either over-criticizing or is veritably distressed with both capitalism and development agendas and has an inherent bias against the entire ruling elite. A plethora of adjectives used for Sachs throughout the book including the "ecological crusader", "anti-corporate firebrand of the wallstreet" and the "poverty-alleviation expert"— some of them conflated with derogatory/pejorative terms about him and his ideology give a rather casual/nonchalant outlook to a book written in an academic context. Several arguments presented against Sachs could have been supplemented by facts and not by pure rhetoric and colloquial metaphors like when he refers to Sachs as "a cheating spouse caught in the bed of corporate capital".

Even then, the book is one of most succinct yet convincing portrayals of the life of Sachs as he trudges on the untraversed path from a free-market expert to a development guru and is a good read for scholars interested in the involvement of political manoeuvring in the context of the global economy.

*Graduate Student in Development Studies  
University of Guelph, Canada*

## Asad Ejaz Butt

---

---

Tags: [Book Review](#)

### Related Posts

---



#### **Purifying the pure**

January 29, 2016



#### **Notes from the inner sanctum**

October 23, 2015



#### **“By any means necessary”**

October 16, 2015

### Leave a Reply

Your email address will not be published. Required fields are marked \*

**Comment**

**Name \***

**Email \***

**Website**

**POST COMMENT**

Copyright 2013 by The Friday Times, Inc. All rights reserved.