Angus Deaton: *The Great Escape: Health, Wealth, and the Origins of Inequality*
Princeton, NJ, 2013: University Press, 376 pp.

The study of development is important not only for figuring out how to achieve economic growth, but also for learning to deal with its consequences. Whether growth is accompanied by environmental destruction, whether it is sustainable or equitable, and how this all plays back into growth are some of the important issues increasingly tackled by the discipline. These issues are increasingly important at a time when many more countries are climbing out of poverty and most will soon face important decisions regarding these questions. Angus Deaton, the 2015 Economics Nobel Prize laureate, contributes to this discussion by offering two main insights. First, Deaton offers a concise history of when and how countries escape from poverty and disease, while considering the consequences on the least affluent. Second, he offers an account of how best to ensure that the poorest countries will follow. The three parts of the book follow this logic, as Deaton discusses, respectively, advances in health, economic development, and the effectiveness of aid.

Deaton starts his tale of mankind's escape from disease by discussing life expectancy throughout history. The story, which many readers will be familiar with, is that the start of the agricultural revolution meant a drastic increase in the human population. However, larger human groups living closer together also meant the rapid spread of diseases and therefore a very high mortality rate. The first advances therefore came from reducing child mortality and viral infections, through nutrition, sanitation, and public health. These resulted in very high gains in life expectancy starting in the 18th century. Today this trend is still visible in the poorest corners of the globe. In the more developed parts of the world, these first advances peaked around the middle of the 20th century. Since then, the main advances have been seen in terms of longevity for the elderly. The mechanisms here are not nutrition and public sanitation but rather education and technological advancements, especially in treatments for cardiovascular disease and cancer.

In turning to economic development, Deaton's main focus revolves around inequalities, both within and between countries. He considers both types of inequalities to be to a certain degree an inevitable part of development, where take-offs always happens first for the few, before spreading to the many. He argues that inequality is important in itself, as an ethical issue, but it is also important in spurring or hindering growth and social mobility. To illustrate these points regarding inequality within countries, Deaton takes the United States as a case study. He looks at why the United States is much more unequal than its OECD counterparts, pointing to the decline of labour unions, disenfranchisement, and different access to decision-makers, which allows different groups in society different amounts of power. When discussing inequalities between countries, Deaton first points out that since the Second World War, the average income of the world economy has increased tremendously. However, as he notes, '[a]verages are no consolation to those who have been left behind' (p. 219). Some parts of the world have seen spectacular growth, such as South-East Asia, while Sub-Saharan Africa found itself muddled in conflicts with little possibility of take-off. He notes however, that given the immense population of South-East Asia, its growth meant a very astounding decline in overall global poverty, specifically driven by the advances in China and India.

In the last part of the book, Deaton discusses how low-income countries, which still hold around 1 billion of the world's population living in absolute poverty, can be helped to climb out. His main discussion focuses on the effectiveness of aid. He argues that aid has not only been ineffective, but that it has been counter-productive, hindering the development of countries. Deaton offers several reasons why the 'aid illusion' that poverty can be eliminated if the rich of the world would give enough is likely to be misguided. To begin with, he points out that the amount of aid given is currently more than enough to lift people out of 1 dollar a day poverty, if it were spread to the world's poor. The problem is that aid is not given directly to people, but rather to governments; often to corrupt, oppressive governments. Even if governments are not malevolent, the fact that their institutions hinder growth also means that they will use aid ineffectively. Deaton calls this the central dilemma of aid: 'when conditions for development are present, aid is not required, when they are not present, aid is ineffective' (p. 273). Therefore, he argues, the problem lies not in insufficient capital, but in bad institutions, which he argues are made worse by aid. The main mechanism is that governments rely less on taxation to meet budgetary needs. This means that they will have less pressure from citizens, who then will have less to say about how public money is spent.

Deaton argues that the same holds true for individual projects, where success is hard to establish and even harder to replicate, local conditions again playing a very important role. Similarly, such projects undermine local institutions by undercutting the public provision of services and taking away government resources, personnel, and time from other issues. He argues the same for health aid. While acknowledging its successes, he points to the fact that these have all been vertical programmes, carried almost exclusively by third parties, therefore undermining local clinics and administration. His proposed solution is to let countries develop their own institutions, economic structures, and politics. In his view, aid is only obstructing what could be a more organic process of development. He offers several other possibilities that are, in his view, better than the current state of affairs. These include changing the incentives of drug companies, developing new international institutions, and providing consultancy instead of aid. However, he does not provide the same level of detail on how these solutions would work in practice and what their problems would be, as he does with aid.

Deaton clearly intended his book to have a wider audience than narrow academic circles. Writing in an accessible and enjoyable style, he takes time to explain basic concepts such as GDP and life expectancy and to illustrate well-known arguments with many examples. He also takes many pages to explain problems of measuring concepts such as well-being, happiness, and poverty itself. The outcome is an extensive and enjoyable, yet also data-intensive work. Therefore, the trade-off the author consciously makes is that large parts of the book are descriptive. The main arguments of the book are found in the last part. In the first two parts, the arguments are not entirely new, but Deaton presents them in a very elaborate and convincing manner. He uses data and clear reasoning to convince readers that economic development is strongly connected to advances in health, both in turn having a direct impact on individuals' perceived well-being and, to a lesser degree, on their happiness. He manages to cover an extensive array of topics, using a wealth of knowledge and examples to illustrate his points.

The book's more controversial points are found in the last chapter, on the effectiveness of aid. One of Deaton's main points against aid is that it undermines existing democratic institutions or their emergence, increasing incentives for corruption and resource conflicts. However, it is not immediately clear that said institutions would perform better in the absence of aid. It seems likely that the design of the institutions is at fault, irrespective of the sums of money being thrown around. Moreover, it is also a possibility that, in the absence of aid, other public funds would suffer more since there would still be incentives to misuse public money. Therefore, while aid may result in funds being misused within existing faulty institutions, it is not clear from Deaton's argument that aid itself initially corrupts institutions and therefore that those institutions might be better off without aid.

More generally, Deaton's proposed solution, of leaving countries to themselves, strikes me as lacking the same kind of scrutiny he offers aid. Neither does he contrast this perspective with existing literature claiming that countries should not be left to themselves. One example is Paul Collier's [2008] argument that the world's poorest countries are stuck in poverty traps, most of which were never faced earlier by the now developed economies. Collier himself criticises aid, but offers an array of other interventionist measures to kick-start growth in these countries, such as military interventions and preferential economic treatment. *The Great Escape* could have benefitted from more space allotted to discussing why countries remain poor and why they would be likely to develop by themselves. Deaton's main point, that these countries should follow the same self-reliance pattern as the West, requires more substantiation, especially considering the vast domestic differences between them, as well as the significantly altered political and economic international system.

Likewise, Deaton's discussion of aid projects and health aid seems at times dismissive. While he acknowledges their benefits, he does not weigh them very carefully when he outlines their drawbacks and calls for an end to aid. Specifically, the drawbacks that he mentions, in terms of evaluation, replicability and impact, strike me as shortcomings that can, in principle, be addressed. For example, independent agencies are sometimes tasked with evaluation projects, a practice which should increase given the rise of public scrutiny over these funds. Given the, at least short-term, positive impact of aid, in terms of hunger relief or vaccinations, it is still not clear why we should let go of aid altogether, rather than trying to find ways of improving aid and addressing those shortcomings. Deaton's answer to this would be that aid cannot be improved because of the interests of the aid industry, donor countries, and international politics. However, he does not expand on why these interests cannot be changed and overridden. One can imagine that with more public education and information on the matter, individual donors and taxpayers would put pressure on the aid industry to reform and become more efficient.

While Deaton takes care to discuss the nuances of aid by looking at its different forms, from development assistance to private aid agencies and to individual programmes, he takes less care to discuss aid on a country-by-country basis, or on a needs basis. Broadly speaking, it is not immediately obvious that the arguments put forward by the author would hold in every possible case. It can be expected, based on the author's own arguments, that aid is more effective in certain scenarios than in others. Some factors that could influence its effectiveness might be: the quality of the institutions of the receiving country, the needs of the local population, the type of programme, and so on. It is thus not quite clear why Deaton dismisses all forms of aid irrespective of circumstances. An alternative approach could be formulated, analogous to Rodrik's [2010] argument regarding economic prescription. His point is that rather than having a universal set of economic measures to be applied to all developing economies, prescription of solutions should follow a diagnosis of the specific problems the country faces. In the same way, it can be imagined that aid could be used to target specific problems in selected countries, such as vaccination or hunger relief, with a specific type of implementation.

Overall, Deaton does an impressive job in being at the same time approachable and intellectually stimulating. He manages to explain ideas in simple terms yet to engage with very complex topics, spanning centuries and crossing academic disciplines. *The Great Escape* is as much a book on development and the effectiveness of aid as it is a textbook on basic concepts in economics, demography, and health sciences. The book manages at the same time to keep itself interesting to academics, students, and anyone interested in understanding more about development. Therefore, it is a much recommended read for anyone looking to better understand how poverty and disease have been handled in human history, and how they might be handled today.

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Greta Krippner: ***Capitalizing on Crisis: The Political Origins of the Rise of Finance***
Cambridge, MA, 2012: Harvard University Press, 240 pp.

Wolfgang Streeck: ***Buying Time: The Delayed Crisis of Democratic Capitalism***
Brooklyn, NY, and London, 2014: Verso, 240 pp.

For at least 40 years, the study of political economy has mainly been a comparative effort. Literature has made important contributions to the study of the complex nexus of economics and social institutions outlining different models of capitalism. After the great crisis of 2008, a renewed interest in capitalism has been observed, and the debate focused more on its common trends than its varieties. Concerning sociology, Greta Krippner's *Capitalizing on Crisis* and Wolfgang Streeck's *Buying Time* are part of this new wave of works that follow the tradition of the great classical political economists, such as Malthus, Marx, and especially Polanyi, in formulating general laws and attempting to understand the crisis as a product of the internal contradictions of capitalism.

Streeck and Krippner give a highly complementary political and historical reading of the last 30 (un)glorious years of capitalism. For both of them, the focal point is on the rise of financialisation, which they explain as an attempt orchestrated by democratic governments to *buy time* in order to avoid ongoing distributional conflicts of society. In a typical Polanyian fashion, both authors view economics as a social phenomenon deeply embedded in a wider historical, political, and societal context. Krippner's *Capitalizing on Crisis*, despite the title, is not an explanation of the crisis of 2008. It attempts to understand the political origins of the rise of financialisation, which she defines as 'the growing importance of financial activities as a source of profits in the economy' (p. 27). Her works on financialisation predate the crisis. Already in 2005, Krippner asked whether 'financialisation' was simply another empty neologism or if it was something *real*; and if the latter, what was the best way to account for it and measure it. That exercise enabled her to survey various explanations of financialisation by economists and sociologists and reveal their shortcomings, especially in the literature about post-industrialism. She argues that by just looking at transformations in the activity sector, specifically employment and labour, one cannot explain how wealth is accumulated—