

## FOR DISCUSSION:

Is human *reproduction–population growth–family planning–birth control* a relevant moral issue in Collier’s exploration?

What are Collier’s criticisms of the Millennium Development Goals of the United Nations?

Is human *reproduction–population growth–family planning–birth control* relevant as a moral issue to the Millennium Development Goals?

## EXCERPTS FROM TWO REVIEWS

### I.

#### *THE BOTTOM BILLION: STRATEGIES FOR FAILING STATES* (Oxford, 2007)

by Paul Collier, Professor of Economics, St. Antony’s College, Oxford University

An Event Summary (by Alison Williams) [2007]

Everything we think we know about international development is wrong, according to Paul Collier, professor of economics at Oxford. In his recently released book *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*, the former director of development research at the World Bank argues that the international community needs to stop thinking of poverty alleviation in terms of the Millennium Development Goals, which he claims are “yesterday’s goals” based on an “inaccurate” poverty trap thesis. At an event sponsored by the Environmental Change and Security Program on May 1, 2007, Collier discussed *The Bottom Billion*, “the first book I have written to be read,” he said. Classifying himself as a moderate, falling between fellow economists Jeff Sachs and Bill Easterly, Collier presented his prescriptions and policy solutions for raising the world’s poorest billion out of poverty.

Roughly 80 percent of people in the developing world live in countries making moderate or significant economic progress. Yet the remaining 20 percent—mostly in sub-Saharan Africa—reside in countries with stagnant or declining economies. “We need to focus not on the developing world of 4 billion but on the ‘not-developing’ world of 1 billion,” he said. The book’s first section—the diagnosis—identifies 58 “bottom billion” countries and outlines why they have failed to develop. He argues that these countries suffer from at least one of four problems:

+ Natural resource scarcity;

- + **Landlocked location, with unproductive neighbors;**
- + **Poor governance in a small country; and**
- + **A history of conflict.**

**Collier's presentation focused on the landlocked and resource-scarce states. While very few countries in the world share both features, a staggering 30 percent of Africa's population resides in landlocked and resource-scarce states. What conditions allow a landlocked country like Switzerland to develop while another landlocked country like Uganda languishes in poverty? According to Collier, the difference lies in the quality of your neighbors: "Uganda cannot be Switzerland because the countries around it are not Germany, France, and Italy. The key question becomes: What do your neighbors do?" Collier also pointed to Niger—a landlocked country with an economically productive neighbor, Nigeria. Without strategic resources of its own, Niger's success is dependent on Nigeria's continued growth. However, the reverse, he noted, is not true.**

**The second half of the book is dedicated to policy prescriptions. Of his four recommendations, Collier argues that the policy and development communities have relied too heavily on one: aid. While he does not subscribe to Easterly's belief that aid has actually harmed development, he also does not believe, like Sachs, that aid is a panacea. "There is no one magic solution," he said. "Aid is part of the solution, but isn't the entire solution." He believes the aid debate will resolve itself if development agencies stop acting like aid agencies and start acting like what they really are: Their goal is not simply to give money, but to spur development—a mission that he thinks has been lost in recent years.**

**Greater trade access, increased foreign investment, and more and better security and peace building forces round out Collier's recommendations. He argues for greater access to high-income markets by lowering or removing tariff and quota barriers, which would help developing countries transition from low-value to high-value crops, or away from agriculture entirely. "What is needed is for them to get involved in labor-intensive industries like textiles," he said. The different policy responses can also be used in conjunction: Greater levels of investment could help a country move away from subsistence agriculture to more lucrative industries like manufacturing. To see these sorts of shifts, though, policies must be harnessed and coordinated. "If there are four policy solutions, we need to learn how to use all**

four,” he said.

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## II.

*HOW THE BOTTOM BILLION ARE TRAPPED* by Paul Collier (Oxford, 2007)

A Review by Martin Wolf

Paul Collier has devoted three decades to the study of African economics. In this splendid book he has used that work to answer the most important question in development: why are so many countries now failing?

About 80 per cent of the population of developing countries lives in countries whose populations are becoming better off. Billions live in countries that are developing very swiftly. But almost a billion people – 70 per cent of whom live in sub-Saharan Africa – are in economically stagnant or declining countries. In all, 58 countries are in this desperate condition. Yet, as Collier remarks: “An impoverished ghetto of 1 billion people will be increasingly impossible for a comfortable world to tolerate.”

Collier argues that these countries have fallen into one, or more, of four traps from which it is virtually impossible to escape. These are the “conflict trap”, the “natural resources trap”, the trap of being “landlocked with bad neighbours” and the trap of “bad governance in a small country”.

Seventy-three per cent of people in the bottom billion have been through civil war, 29 per cent are in countries dominated by the malign politics of natural resources, 30 per cent are in landlocked, resource-poor countries with bad neighbours and 76 per cent are in countries that have suffered long periods of bad governance and poor economic policies. Many have fallen into more than one of these traps.

What is to be done? Collier argues that trade, for all its potential benefits, will not help the bottom billion. These countries are uncompetitive exporters of labour-intensive goods and services, given the low costs and established positions of Asian producers. They cannot compete with China or Vietnam. Similarly private capital does not flow to these countries, except to exploit their natural resources. The problem is the reverse: huge capital flight. Collier estimates that almost 40 per cent of

**Africa's private wealth was held abroad in 1990.**

**Collier is also sceptical of the ability of aid to make much of a difference, at least on its own. He believes aid can help – and has helped – the bottom billion. But it has been a holding operation, rather than the start of sustained growth. He is particularly sceptical of the view that unconditional budget support will work. We have, after all, already had an experiment with the consequences of unconditional finance: oil revenues. Debt relief – the darling of the aid lobbies – is the closest thing to oil revenues that the aid industry can provide, a point its proponents ignore.**

**Aid will not get countries out of the traps. It cannot stop conflict, though it can help after one is over. It can do nothing about the natural resources trap: indeed, it is similar to possessing just another natural resource. It may help landlocked countries with improved transport infrastructure, but cannot eliminate the catastrophe of having bad neighbours.**

**So what else is needed to help countries in the bottom billion? Collier makes three suggestions: first, military intervention; second, laws, statutes and charters for improved governance; and, third, trade preferences.**

**The case for military intervention is most obvious, if controversial. Civil wars are so costly that well-timed military actions are quite likely (though not certain) to be cost-effective.**

**The second area demands changes in high-income countries: ceasing to take money looted from the poorest countries is one such change; elimination of bribery by their companies is another. It also needs charters of better governance for countries in the bottom billion: transparent management of natural resources is among the most important, the UK's extractive industries transparency initiative being a good start. The book also suggests charters for democracy, budget transparency, post-conflict situations and investment.**

**This idea sounds very naive. But the European Union has shown that external standards can make a big difference. Why should countries not sign up to charters of better governance in return for large quantities of aid? This is not imperialism. It is a bargain made in the interests of their own people.**

**The third suggestion is unrestricted access to the markets of high-income countries for labour-**

**intensive exports from the bottom billion. Only thus, suggests Collier, are the resource-poor countries ever likely to break into world markets for manufactures.**

**The book is rich in both analysis and recommendations. I particularly enjoyed the attack on the misguided economics of many non-governmental organisations. Collier sheds much light on how the world should tackle its biggest moral challenge. It shows, too, how far western governments and other external actors are from currently giving the sort of help these countries desperately need.**