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Briefing Note



The Bottom Billion: Why the Poorest Countries are Failing and What Can be Done about It, Paul Collier (Oxford University Press, 2007) - A Discussion

Former Director of Development Research at the World Bank and now Professor of Economics and Director of the Centre for the Study of African Economies at Oxford University, Paul Collier has produced a broad, condensed, accessible book about why one sixth of the world's population suffers long-term poverty and what can and should be done about it. Given Collier's status in research and practice, the significance of the issues he raises and the critical reception of his book, his arguments deserve careful examination by those concerned with aid policy and its implementation.

Much of Collier's experience and many of the people and states of the bottom billion are from Africa. So he makes few references to Australia and the region; but when he does there are some misconceptions. He assumes, for example, that the Speight coup in Fiji took place because ethnic Indians had become a majority when in fact the Indians were a declining minority.

Given Australia's experience, some of Collier's conclusions are lessons already learnt or inconsistent with regional realities. He argues that foreign armed intervention is at times necessary and beneficial. A long term commitment, he says, will be essential, but anything over a decade and the local people will become restive. Australians have been willing to intervene, know it is for the long-term, but have learnt that there may be significant opposition inside five, let alone ten, years.

Collier wants intervention to strengthen the 'heroes', those who have resisted corruption and advocated sound policies. But in the chaos of a failing state, when armed intervention is justified, most leaders in the island states known to Australians will be compromised. And in a post-intervention election those who had engaged in violence and corruption will return to parliament and to government.

Collier places much emphasis on 'restraints' – an independent media and judiciary, public enquiries and 'transparency'. But in Papua New Guinea, while the 'restraints' have generally operated freely, sometimes vigorously, corruption has begun and flourished. The naming and shaming – and sometimes jailing – of offenders has had little impact on practice, or on individual careers. The restraints are necessary for good governance, but they do not ensure it.

In a neat sequence, Collier points out that in resource-rich poor democracies, government leaders find it most cost-effective to buy votes, and this is easiest where ethnic leaders can deliver bloc votes. So patronage politics are established. In fact, he says, 'the more ethnically diverse, the worse the performance of a resource-rich democracy'. But in Papua New Guinea, which is resource-rich and ethnically diverse, ethnic leaders cannot deliver blocs of votes. The ethnic groups are too small and, even within the largest ethnic blocs such as the Enga and the Tolai, there is no unity. An Engan leader's bloc vote is determined by clan, clan alliances, negotiations between leaders and clans, and personal qualities. The bloc of votes is within an electorate. The ethnic diversity and the further divisions within ethnic groups in fact prevents ethnic leaders delivering nationally significant bloc votes.

While it is possible to point to misconceptions and exceptions when Collier's arguments are applied to the Southwest Pacific, they may not invalidate his main arguments and his many side observations.

Collier is primarily concerned with four 'traps' which he says afflict the poor: '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'. This four-fold classification raises problems of definition and association. Being landlocked is not a trap; it is a permanent condition like being dry, tropical, mountainous – or in the Pacific, 'ocean-locked'. While governments and international agencies can develop policies to offset disadvantages of being landlocked, the fact of being landlocked cannot be escaped. The traps reflect associated characteristics of poverty-stricken nations. The poorest countries are likely to have bad governments, suffer problems of law and order - sometimes descending into coups and civil wars - and, when there are windfall profits from commodity prices, resource extraction or aid, be unable to use them fairly and efficiently. To separate these afflictions into traps distorts the extent to which they are concurrent and mutually sustaining.

When gathering data Collier looks for what can be measured and counted. He frames questions that can be answered by statistics. Some of his conclusions are illuminating: he provides support for what we expect but cannot confirm and he points to fallacies in common assumptions. But deficiencies also flow from the dependence on statistics. Statistics require arbitrary definitions, resulting in some terrible events becoming 'civil wars' while others do not. Once phenomena are included within a definition they tend to become homogenised. But each civil war is different, and if we want to know what caused a particular civil war and what can best be done to secure peace, then detailed, specialist studies are needed. And almost nowhere does Collier call on the work that is usually done by political scientists, historians, anthropologists and sociologists. To find out how small farmers, alluvial miners or middle rank civil servants operate in a poor country it is a good idea to learn their language, observe them, read reports by and about them, and ask them questions.

In his 'agenda for action' Collier stresses the importance of 'charters' - written documents which become internationally accepted norms. Even where they are not legally binding, Collier hopes that charters will have a moral force. While charters are, as Collier argues, different from the granting of aid with conditions, they may have some of the same weaknesses. There may be donor governments, companies and agencies not bound by the charter; governments may agree to the charter but fail to meet its requirements because they choose not to or because they have no capacity. And some requirements that Collier wants in the charters – such as a free media – may not be as effective in securing good governance as he believes.

Paul Collier has written with clarity and vigour, in prose free of jargon, and his work will reach – reach out – to many. His canvassing of the main issues, his determination to cut through simplistic explanations and solutions put forward by romantics and tough-love realists, and his search for objective evidence are all commendable. Through his presentation of the four traps he has advanced analysis and he goes on to make practical suggestions about what to do.

For scholars and practitioners in the Southwest Pacific, a region of marginal concern to his main argument, Collier's work is of limited value when we look at specific cases. But with Francis Fukuyama's *State Building*, we now have two condensed, accessible accounts, one from an economist and one from a political scientist on how best to help those states that are 'falling behind and falling apart'. In the search for answers to the fundamental questions of how to transfer aid effectively and how to improve governance and wealth in the poorest nations, we are increasing our knowledge of what does not work and still feeling our way towards what will work. Currently, there are few generalisations that we can confidently apply across national borders. We are dependent on close knowledge of particular communities and nations. We always will be, but we can hope for increasingly accurate generalisations within which particular country policies can be framed and applied.

This briefing note was written by Hank Nelson. It is a summary of a longer SSGM Working Paper, which can be downloaded at

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