



## REVIEW

Paul Collier *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It* (Oxford University Press, 2007).

When I was an undergraduate student, my courses on international relations and international economics made regular reference to the “Third World” or the “less developed countries” (LDCs). This disparate group of countries, which included most nations in Latin America, Africa, South and East Asia, as well as many in the Middle East, was often treated as an undifferentiated mass, one in which similarities among countries were more important than differences. Moreover, the assumption in the Marxist-inspired dependency literature that was prevalent at the time assumed that these countries were economically less developed primarily due to how the international capitalist economic system was stacked against them.

Over two decades later, however, one sees that many states formerly consigned to the “Third World” are growing rapidly, participating with great success in the international economic system. The rapid growth of China, India, and several other LDCs is not something that would have been easily predicted in the 1980s. Their success seems to validate the power of more market-oriented economic systems that have embraced globalization. At the same time, however, many LDCs, mostly in sub-Saharan Africa (but also including others such as Afghanistan, Haiti, and North Korea) are clearly not getting ahead. Whereas Nigeria and South Korea had roughly the same GDP/capita in 1960, South Korea’s is now over thirty times that of Nigeria, even though Nigeria is richly endowed with a

variety of resources, including oil. How can this be? How come many countries in the world seemed trapped in poverty, unable to emulate the success of the Chinese, Indians, and others?

These are the important questions addressed by Paul Collier, an expert on African economies who formerly directed development research at the World Bank. He argues that approximately one billion people in over fifty countries are victims of various traps: civil and international conflict; the “resource curse”; geographic disadvantages of being landlocked with bad neighbors; and bad governance. The problems, as he sees it, are not linked primarily to the international capitalist order or to a people’s culture. Desperate poverty is instead the result of political factors and geography, neither of which can easily be overcome.

Much of what Collier writes about will be familiar with specialists in development, but this book is designed for a more general audience. He explains in clear, concise language the findings of numerous studies by economists, including his own work, that look at the problems of the world’s poorest countries. Many of the traps are inter-connected. Natural resource endowments, for example, contribute to corruption and civic conflicts and stifle innovation and growth in other sectors of the economy. Oil, for example, has not been a blessing to most of the people living Africa’s biggest oil producing states—Nigeria, Angola, and Sudan—whereas it has enriched the elites. Trade in “blood diamonds” devastated several states in west Africa. States like Cameroon, Chad, and Uganda, lacking much infrastructure of their own, depend upon neighboring states to get their products to markets, and when a relatively successful state such as Kenya experiences conflict, as has been seen recently, the results are devastating beyond Kenya’s borders. Intrepid reformers in several states have tried to battle corruption, but it has proven to be very difficult to sustain reforms.

The topic is, in many ways, grim, and there are no easy answers, but Collier, to his credit, does provide many suggestions

about what can help turn these states around. Aid alone, he notes, will not be the answer. He argues that aid is often mispent (much is siphoned off by local militaries) or that it provides a crutch so that governments do not have to undertake much-needed reforms. He does not, however, agree with critics such as William Easterly who view aid as a major part of the problem. Rather, Collier argues for smarter aid which is tied to domestic political and economic reforms, particularly technical assistance that can provide needed know-how to states without much human capital. He also argues that the countries in Europe and the United States must open up their markets to products from these countries, as trade will provide more funds than aid. He suggests various laws and charters that would help manage resource revenues and foreign investment. Most controversially, perhaps, he makes the case for military intervention to end cycles of civil war and provide security for weak states. He notes that the experience of Iraq has left few keen on military adventures, but he notes that some (e.g. the British in Sierra Leone) have been very successful and that from a cost-benefit analysis such interventions can help prevent future wars and failed states.

The book gives one much to consider, and will no doubt become mandatory reading for those interested in political and economic development. There is plenty to irritate both those on the left and on the right, as Collier eschews ideological dogmatism and lets the data analysis drive his conclusions. In the end, his book is a call to action, a an alarm that we need to address the concerns of the “bottom billion,” both for their sake as well as ours.