

Mid-Term Examination #2
GEOG 2064

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Paul Collier opens his book, “The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It,” with an interesting line: “Change in the societies at the very bottom must come predominantly from within; we cannot impose it on them.” (Collier pg. xi). However, he does go over several reasons why the bottom billion are at the bottom and how several changes, or instruments, can be made and used to help raise them from their relative impoverished state. He begins his discussion by listing the four main traps that seem to keep the bottom at the bottom: the conflict trap, the natural resources trap, the trap of being landlocked with bad neighbors, and the trap of bad governance in a small country (pg. 5). Another note to stress is that though most of the examples used throughout the book stem directly from Africa, Collier stresses himself that Africa should not be the sole focus. He coins the term “Africa +,” which includes Haiti, Bolivia, Central Asia, Cambodia, Laos, and many others (pg. 7). It should be remembered that all of these traps apply to the “Africa +” and not simply Africa.

Collier begins with the conflict trap, which is divided neatly into two separate types of conflict: civil war and coup d’états (pg. 17). The conflict trap is the tendency of countries in the bottom billion to experience constant violence in one way or another. Collier states that there exists a strong relationship between poor countries and countries that are prone to conflict (pg. 19). Geography, specifically “a huge country with the population dispersed around the edges such as the Democratic Republic of Congo,” (which is analogous to feudal Europe to some degree) is cited as a factor that causes a country to be prone to war (pg. 26). Another factor that has a more direct effect on the duration of a conflict is the inverse relationship between how low a country’s income levels are at the onset of a conflict and the duration of the conflict (pg. 26): the lower the income level, the longer the duration. Lastly, a factor that consistently causes countries to be prone to war is that post-conflict countries tend to keep military spending abnormally high (pg. 27), which tends to incite coups (pg. 26) and rebel discontent. Collier finishes up by stating, “two big risk factors are low income and low growth” (pg. 36), and specifically with Africa the idea of “ethnic dominance” (pg. 36), are the critical factors for the conflict trap.

The next trap discussed is the trap of natural resources, which is described as a “paradoxical trap” where one would expect countries rich in natural resource wealth would be a catalyst to prosperity but ends up causing reduced growth (pg. 38). Natural resources become a curse for these countries in two principal ways: it causes its society to live as renters (pg. 38) and leads to a situation known as “Dutch disease” (pg. 39). “Dutch disease” is the situation when the “resource exports cause the country’s currency to rise in value against other currencies... making the country’s other exports uncompetitive” (pg. 39). This essentially makes anything other than the resource not worthwhile, even though they may have shown potential for rapid growth (pg. 40). Collier states that at the “heart of the resource curse” is that the profits made from natural resources make democracies work inefficiently because it introduces a concept Collier pens as the “survival of the fattest,” where political institutions display megalomaniac trends and focus their attention on being reelected instead of bettering their country (pg. 42). In all, natural resources inhibit growth even in the face of a reasonable political system and keep a country from diversifying its other exports, such as manufacturing and services (pg. 50-1).

Collier then describes the trap of being landlocked, specifically with bad neighbors. Being landlocked is an especially deplorable situation when a country’s neighbors create poor access to coast (with respect to ocean trade routes) since it makes integration into global markets much more costly, so exports that require extensive transportation, such as manufacturing, become very difficult to trade (pg. 55). Were neighboring countries to act as markets themselves,

this would not be nearly as significant a problem, however, this is not always the case. Countries such as Zaire (now the Democratic Republic of the Congo) face this trap where routes to trade centers, such as rivers, tend to cross through areas ravaged by civil conflict and lawlessness (pg. 55). Were a country to be situated on the coast, such as Angola or North Korea, trade would be much more feasible and less costly, however, these nations face other issues that have been and will be addressed. Collier makes a very confident claim that countries that are both landlocked and resource poor are more often than not condemned to the “slow lane” (pg. 57). This, however, is not the case with Switzerland, which succeeds in piggybacking off the transportation and trade with its neighboring countries (pg. 57). It is clear that value is placed on being located in low cost transportation areas, such as coasts, but this is not always the case with the bottom billion and creates yet another trap for them.

The last trapped described by Collier is the trap of bad governance. Collier states rather dramatically, that “terrible governance and policies can destroy an economy with alarming speed...” and cites the example of President Robert Mugabe of Zimbabwe, who has created such inflation that the country faces a steep up-hill battle to set itself on the right track (pg. 64). A trait that Collier points out is the tendency of bottom billion countries to be led by super-rich autocrats, who maintain power by keeping their populations ill informed, undereducated, and in poverty (pg. 66). The principal way to turn these countries around, as Collier writes, is to launch a turnaround (pg. 69), specifically, three preconditions must exist for these turnarounds to have a higher chance of succeeding: a country must have a large population, a significant percentage of that population should have at least secondary education, and it must have recently emerged from civil war, which causes a “shake-up” in the status quo (pg. 70-1). Bad governance negatively impacts development simply because leaders are more focused at remaining in power through preventing means that would otherwise raise a nation out of poverty.

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In order reverse and rectify these traps, Collier proposes a series of instruments, which are currently in use and can be improved, under a title of an “agenda for action” (pg. 175). He lists the main instruments as aid, security (military intervention), laws and charters, and trade (pg. 176). Before discussing his ideas for his agenda, Collier goes through each instrument and its pros and cons, in order to provide the reader with a general understanding of what is currently in effect, before diving into what changes can be made to help raise the bottom billion out of the traps discussed previously.

Beginning with aid, Collier explains that aid is most effective in areas of reasonable governance and policies (pg. 102). He cites the counter-example of Chad, a country where less than 1 percent of money destined for rural health clinics actually reached the areas it was destined for, simply because the controlling minority in Chad preferred to spend the aid on its military (pg. 102-3). This tends to be a recurring problem within Africa, where a suspected 40 percent of aid directly finances military development (pg. 103). Aid is not all bad however. Aid does help keep conflict low by artificially inducing growth (pg. 105) and providing support for turnarounds in the form of incentives, skills, and reinforcement (pg. 108). In addition to this, Collier also states that “[aid] seems... to make private investment more attractive and so helps to keep capital in the country” (pg. 123). To reform the concept of aid, Collier suggests that a “key obstacle to reforming aid is public opinion” (pg. 183) by making the public less suspicious of growth and aid. He adds that “aid agencies should become increasingly concentrated in the most difficult environments” (pg. 184) and focus on longer term goals rather than short term benefits, a rather difficult concept to convince a population of the bottom billion (pg. 184).

Next, Collier states that international trade and charters are particularly effective because they create a norm, or a set of rules known as *acquis communautaires*, that is enforced by peer pressure (pg. 139). However, the main source of pressure for enforcing these rules needs to come from the bottom billion themselves, with a certain layer of transparency allowing for open interaction between the government and the people (pg. 143). The populations of the bottom billion must be willing to take action to better their community themselves without having to rely on outside forces to create order for them, though this may sometimes be necessary. Another entity that can be “part of the solution rather than the problem” are big multinational companies, such as De Beers attempting to end the trade in conflict diamonds (pg. 143). Instead of an electorate democracy, Collier proposes a system of checks and balances, which would curtail any possible rise for a “survival of the fittest” scenario (pg. 146-7). Creating a charter for investment would help create a safer way for private capital to flow into the country and promote trade and economic development; however, the government must be willing to adhere to this policy (pg. 153). Overall, Collier states that the largest issue to overcome is that of the free rider, where “each country would rather not act alone and disadvantage its firms” (pg. 185).

With respects to trade policies, Collier is very firm in saying that most of the rich-country electorates are incredibly misinformed (pg. 157), citing the example of Christian Aid, a questionable organization that cites non-experts while appealing to the sympathies of donors (pg. 158). Colliers argues that tariffs on processed materials should be lowered to allow the bottom billion to expand and develop their manufacturing sectors and that trade agreements, in general, should be negotiated (pg. 160). He states that high tariffs “induce a high-cost, parasitic industry that realized its profits depended upon lobbying rather than on productive efficiency (pg. 160). A critical change to rich-country trade policy that would benefit the bottom billion is creating a layer of protection between rising nations and Asian markets, in addition to the restructuring of tariffs and trade agreements. However, this is hardly likely to happen “not because they threaten interests (they don’t) but because they do not fit into any of the current slogans and so don’t make it onto the agenda” (pg. 187). Meaning, western nations should take aim to provide favorable trade policies to the bottom billion and prepare to face the discontentment of the Asian markets. Interestingly enough, Collier writes that aid hampers the efforts of trade improvement and export of goods, stating that it increases the exchange rate making exports less competitive to global markets (pg. 162).

Arguably Collier’s most controversial argument is his stance on external military intervention. Quite succinctly, he states that external military intervention has three duties: the restoration of order, maintaining the peace, and protecting a nation against coup d’états (pg. 125, 126, 129). He states that the role of the modern army, and specifically the rich armies, is no longer to become a colonizing or imperialist force by rather to “supply the global public good of peace in territories that otherwise have the potential for nightmare” (pg. 125), thereby transforming their role into a sort of global police force, maintaining order throughout the world. He is correct to state that our perception of what an external military force is has been muddled by the botched attempt that was the Iraq War (2001-2011) (pg. 128). Instead, he advocates the use of a model that is cheap, confident, and sustained, such as Operation Palliser (May-June 2000) during which British troops efficiently and successfully ended a civil war, in what was originally an evacuation effort, and captured the rebel leader Foday Sankoh within a few months time of deployment (pg. 127-8). He does state however, that military intervention should be avoided in nations where the external force was once a colonizer, such as the situation between France and Cote d’Ivoire in 1999, where French soldiers let a coup take place and succeed

despite overthrowing a legitimate democracy, only to lead to a civil war that is continuously ongoing (pg. 129). External militaries may also have a role when the domestic military force cannot be trusted due to underlying allegiances that may favor a leader's well being rather than the good of a nation (pg. 131).

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To determine which of Collier's arguments are particularly compelling is a matter of opinion, however, one cannot deny the fact that Collier has studied the issues at hand with great diligence. Even his most controversial claims are backed by substantial research and examples, though one must remember that correlation does not imply causation. On a personal note, the argument for restructuring trade policies as well as the role of external military force are his more compelling arguments simply because they provide the most sure and direct manner in which a country can take control of its fate (developing favorable trade policies) and allow rich countries to protect them in a quick, efficient, and sustained manner when the conflict trap consumes them (external military force).

The area that should probably merit more attention is debatably his chapter on aid. He states himself that "...change in the societies at the very bottom must come predominantly from within; we cannot impose it on them" (pg. xi). Aid, in the manner described by Collier seems to provide a crutch rather than a substantial boost, as would a loan. Providing loans to the bottom billion would give them more incentive to create a viable economy to be able to repay their debts rather than living as renters off aid.

His agenda for action is idealistic but viable. The cooperation of the different concerning entities is needed, as they must come together and realize that nothing is to be gained by leaving the bottom billion behind. "Most of the costs of state failure accrue to neighbors..." in the form of poor economic standing, disease, illegal activity, and poverty—"...state failure is a regional public bad" (pg. 130). Collier makes an excellent point to show the necessity of bringing the bottom billion out of the development traps. Is the plan possible? Yes, the world simply needs to realize that the benefits of lifting the bottom billion out of systematic economic stagnation heavily outweigh the costs. "We do not need to be bystanders" (pg. 192).

Works Cited

Collier, Paul. *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*. New York: Oxford UP, 2007. Print.