The Bottom Billion

Countries that have been economically falling behind are starting to fall apart. The context in which countries are failing and what can be done to counter this occurrence is outlined in The Bottom Billion by Paul Collier. In his book, Collier writes to about the large economic disparity between the billion people that are living in the fifty-eight poorest countries, who he refers to as “the bottom billion,” and the rest of the world. These people are living in countries concentrated in Africa and Central Asia. They are ‘coexisting’ with the twenty-first century, but their reality is that of civil war, plague and ignorance. The problem is not one of slow growth, but of no growth. For conflict traps keep these countries are failing to become a part of the every moving global pace of economy. As aid does not typically work in the environments, it is time to turn to other methods for intervention to help break free of these traps. Using Collier’s well-organized approach to understand the issue of the bottom billion, I will first summarize the traps and instruments for change, then will critique Collier’s work.

The Traps

There are four traps that keep a country from increasing their economic growth, including the conflict trap, resource trap, being landlocked and bad governance. The first trap has to do with civil war. For a large portion of people in the bottom billion, civil war is a lived reality: “Seventy-three percent of people in the societies in the bottom billion have recently been through a civil war or are still in one” (18). Even though civil war is so prominent in many of the bottom billion societies, figuring out the causes of civil war remains tricky. Collier points to links that are telling of which sort of countries are most at risk for civil war. Somewhat surprisingly, he found that the risk of civil war does not have a relationship with countries that were politically
repressed, countries with integrated hatred, countries with income inequality or countries with colonial history. Rather, it is economic factors such as income, slow growth and natural resources that are among the top risk factors. Civil war only aggravates economic problems, as the cost of war is steep: “Civil war tends to reduce growth by around 2.3 percent per year, so the typical seven-year war leaves a country around 15 percent poorer than it would have been” (27). Collier points to growth being the answer to reduce risk of civil war (and thus reduce risk of reducing already stagnating growth).

The resource trap is the next trap that Collier outlines, and although it is not unique to the bottom billion, it is important to them. The ‘resource curse’ (39), which was formerly referred to as the ‘Dutch disease,’ is the phenomenon of resource exports causing a country’s currency to rise in value against other currencies. There is then less economic stability as exports lose their value domestically and there is an overall volatility in common prices.

The issue of being landlocked is the next trap that matters when it comes to the economic situation a country faces. In countries that are landlocked, neighboring countries have an especially strong influence over transport costs, markets and more indirectly, the rate of growth of another country. As growth spills over borders, the effect of a resource-scare and landlocked country whose neighbors are in the same boat condemns a country to a slow rate of growth.

The final trap that Collier presents is that of bad governance in a small country. While there is a limit to how much good a government can do for a country economically, there is no end to how much bad it can do: “Excellent governance and economic policies can help the growth process. By contrast, terrible governance and policies can destroy an economy with alarming speed” (64). In bad governments, corruption impedes opportunities for growth and since those in power are rich bad governance remains persistent.
The Instruments for Change

Collier believes foreign aid alone does not work to help countries obtain long term growth. He sees the main effect of aid is that it holds things from falling apart from countries, but notes that since it is also subject to diminishing returns, the issue of aid allocation keeps aid “not very effective in introducing turnaround in a failing state” (116).

In place of aid Collier offers three strategies of military intervention, laws and charter and trade policies that can be used in combination to help countries overcome the traps they face. In considering the importance of military intervention, Collier raises the point that the consequences of civil war spill over to the “rich world” (126) in the form of epidemics, terrorism and drugs. Intervention should happen, but not everywhere, especially not in places that do not welcome it. Military intervention would stop the dysfunctional way of changing governments through coups and make sure that aid is going to where it should.

Two inexpensive ways to intervene is through changes in international laws that would benefit the bottom billion, and the generation of international norms to help guide behavior. Collier claims that the rich countries in the form of banks and companies have been acting as a safe haven for the criminals of the bottom billion which poses a major threat as “it is hard to get them to worry about the impact of their actions on the governance of the bottom billion” (137). Changing international norms would dramatically change the game of big Western banks and businesses and would “provide something that all the opposition can coordinate around without conceding leadership to anyone in particular” (144). This opposition includes NGOs and the people in bottom billion societies who have “latent opposition” (143) to bad governance.

Trade policy is the last intervention that can be used as a tool to combat the different traps. Trade policies have huge consequences for countries of the bottom billion, yet seems to be
the area of economics that is least understood by world citizens and NGOs alike. Some of the current trade policies are acting against the objective of aid. Collier believes that export diversification and protection from Asia will give the bottom billion a fairer shot in getting involved in the global economy.

Critiques

It is easy to get caught up in all of Collier’s ideas of what is happening in countries and how it can be “fixed,” but there are also many problems in his literary style. Although Collier seems to be writing for a general (Western) audience, the simplistic writing techniques that he uses to rope in the non-economist are not met with the same amount of explanations when it comes to the economic terms that he does use. The gearing of rhetoric and examples towards a Western audience leaves the feeling that the people in the bottom billion are completely without hope. While this may be his aim of working on the empathy of readers, the extreme use of metaphors such as the bottom billion people being in a “black hole” (6) paints a picture of an inescapable doomsday but is then met with a simple response: “The problem of the bottom billion is serious, but it is fixable” (12).

In condensing the huge issue of poverty into a short book, Collier ends up using over-generalizations. For instance, he spends a whole chapter explaining how governments of the bottom billion are crooks and can’t help the situation that their country is in because “they are fractured between villains and heroes, and some of them are barely there” (5). This critical claim is far too overreaching to be sound for all governments in the bottom billion and also does not think to take into account the importance of the history of how that particular governance came into power. If so many of the bottom billion live in Africa, there is a large chance that
governments either inherited a system that was dysfunctional, or had to start completely new governance once colonial powers finally pulled out.

Collier’s over-use of the term of bottom billion leaves the reader without a clearer idea of just which countries are included. Ironically, Collier does exactly what he critiques others for doing “There are fifty-eight countries in the bottom billion, and investors do not track them individually but think of them collectively as Africa” (90). There is no place in the book where Collier explicitly lists the fifty-eight countries he includes in his bottom billion (he does write, however, that most are in Africa or Asia).

The lack of specificity of countries in the bottom billion is paired throughout the book with the use of general terms such as “typical,” “usual,” and “most” make it hard for the reader to gauge how many countries actually are meant in his examples. One instance of this is on page 45, “These are, unfortunately, typical in the societies of the bottom billion.” To make this sort of generalization more frustrating is that all the citations that he uses are from his own research or that research with his colleagues, some of which “is still new and as yet unpublished” (133). Collier’s book is meant for economic understanding but with the amount of historical examples and bold statements, the references section of the book should be more extensive or at least more inclusive of purely historical citations.

Literary style aside, much of what Collier writes of traps rings true. If all people living in countries in bottom billion have experienced one (or more) of the traps he describes then it is indeed time for a change. Remedying the problems of the bottom billion will be difficult and will require mobilizing changes in many areas of policy and interventions. Hopefully The Bottom Billion will start conversations for more comprehensive strategies for these interventions to occur.
Works Cited