

Book Notes: The Bottom Billion: Why the Poorest Countries are Failing and what Can Be Done about It, by Paul Collier

Yoav Harel

Follow this and additional works at: <http://digitalcommons.osgoode.yorku.ca/ohlj>
Book Note

Citation Information

Harel, Yoav. "Book Notes: The Bottom Billion: Why the Poorest Countries are Failing and what Can Be Done about It, by Paul Collier." *Osgoode Hall Law Journal* 46.4 (2008) : 879-880.
<http://digitalcommons.osgoode.yorku.ca/ohlj/vol46/iss4/8>

This Book Note is brought to you for free and open access by the Journals at Osgoode Digital Commons. It has been accepted for inclusion in Osgoode Hall Law Journal by an authorized editor of Osgoode Digital Commons.

Book Note**THE BOTTOM BILLION: WHY THE POOREST COUNTRIES ARE FAILING AND WHAT CAN BE DONE ABOUT IT, by Paul Collier¹**

YOAV HAREL

THIS SUCCINCT TREATISE won the 2008 Lionel Gelber Prize, and inspired UN Secretary General Ban Ki-moon to declare that 2008 should be “the year of the bottom billion.” The billion in question are the inhabitants of the world’s poorest nations. These nations continue to get poorer, even as the rest of the world grows more prosperous. Paul Collier’s *The Bottom Billion* sets out the challenges facing these nations and the measures that are needed to help, not within a year, but over several decades. The book is especially a call to action for powerful nations of the G8, but also recognizes that success depends on brave reformers from within.

Collier explains that the nations of the bottom billion, concentrated in Africa and Central Asia, face the development traps of civil war, natural resource abundance, geography, and bad governance. The nature of these traps can be surprising. For example, rebellions are found to have a stronger statistical connection to cheap recruits and lucrative resource extraction contracts than to historical or political grievances. The analysis goes on to suggest that the instruments of aid, military intervention, laws and charters, and trade policy can be used to help the bottom billion break out of these traps.

The book dismisses claims that aid is a penance for colonial harms, or that all aid is wasted. Empirical study reveals that correct aid at the right stage of development can be highly effective, while the wrong aid will be siphoned by corrupt militaries and regimes. Similarly, trade and free markets are neither evil nor a panacea. It is difficult for a nation to break out of its downward trend when anti-globalization NGOs stifle trade in tandem with protectionist lobbies, or when instability discourages investment, and encourages the flight of capital and people. In reality, globalization

1. (New York: Oxford University Press, 2007) 224 pages.

has allowed developing nations to achieve remarkable progress, but now threatens to widen the gap between those that succeeded and those that are left behind. To become competitive, the bottom billion must initially be given preferential access to developed markets.

A more controversial assertion might be the need for military intervention. The problematic example of Iraq is mentioned alongside stories of success in Kuwait and Sierra Leone. At the heart of the issue seems to be a difficult question: are the citizens of wealthy nations willing to risk some of their lives in order to save many lives in distant places? Under current frameworks, the form of intervention tends to be politically expedient but largely ineffectual. Collier observes that negative publicity surrounding past interventions may have led to global inaction in places like Rwanda, where hundreds of thousands of people were killed.

In contrast to aid and military intervention and their high financial and human costs, law is shown to be an extremely efficient instrument. For example, improved banking rules can discourage Western banks from hiding illicit funds, while the Kimberly Process for diamonds is a model for transparency in resource extraction. Citing the importance of norms and peer pressure, Collier proposes the launch of international charters to motivate reform by bottom billion nations. These charters address natural resource revenues, democracy, budget transparency, post-conflict situations, and investment. To illustrate, experience shows that media independence and campaign finance regulation are critical for elections—otherwise, ostensibly free elections will entrench the corrupt. Such conditions must therefore be included in a democracy charter.

The findings of *The Bottom Billion* are distilled from a large body of quantitative research conducted by Collier (Director of the Center for Study of African Economies at Oxford University, and former Director of Development Research at the World Bank) and his associates. To increase readability, a list of supporting research is provided in lieu of detailed footnotes; and, to avoid stigmatization, there is no actual list of bottom billion countries. Notwithstanding this opacity, Collier's fact-based analysis is a refreshing departure from the ideological arguments that are typical in development discourse. For those interested in development, this essential text can serve as an introduction to the latest thinking, a roadmap for further research, or a challenge to long-held assumptions.