

SUNDAY BOOK REVIEW

The Least Among Us

By NIALL FERGUSON JULY 1, 2007

It is perhaps a sign of how far sub-Saharan Africa still has to go that the most vigorous — and certainly the best publicized — debate about its economic future in recent years has been between two American economists based in New York. On one side of the argument is Jeffrey D. Sachs, the director of the Earth Institute at Columbia University and the author of “The End of Poverty.” On the other is William Easterly of New York University, whose ironically titled “White Man’s Burden” lampoons Sachs as a modern version of a 19th-century utopian.

There is indeed something faintly Victorian about Sachs’s messianic yet parsimonious conviction that Africa can be saved with \$75 billion a year in Western aid. Having spent so much of his energies in the 1990s extolling the virtues of the free market to any Eastern European government that would listen, Sachs now argues — with equally unshakable conviction — that the elimination of African poverty can be achieved through state planning. All governments need do is improve agricultural technology, provide antimalaria bed nets, treat diseases like hookworm and distribute antiretroviral treatments to the H.I.V.-infected.

At times, he is rather reminiscent of Dickens’s Mrs. Jellyby in “Bleak House,” “a lady of very remarkable strength of character, who ... has devoted herself to an extensive variety of public subjects, at various times, and is at present (until something else attracts her) devoted to the subject of Africa; with a view to the general cultivation of the coffee berry — and the natives.” In Easterly’s opinion, the present generation of white philanthropists is no more likely than earlier ones to succeed in a self-appointed (and at times unwittingly imperial) mission of

enlightening the Dark Continent.

Now comes another white man, ready to shoulder the burden of saving Africa: Paul Collier, the director of the Center for the Study of African Economies at Oxford University. A former World Bank economist like Easterly, Collier shares his onetime colleague's aversion to what he calls the "headless heart" syndrome — meaning the tendency of people in rich countries to approach Africa's problems with more emotion than empirical evidence. It was Collier who pointed out that nearly two-fifths of Africa's private wealth is held abroad, much of it in Swiss bank accounts. It was he who exposed the British charity Christian Aid for commissioning dubious Marxist research on free trade. And it was he who pioneered a new and unsentimental approach to the study of civil wars, demonstrating that most rebels in sub-Saharan Africa are not heroic freedom fighters but self-interested brigands.

Collier is certainly much closer to Easterly on the question of aid. (He cites a recent survey that tracked money released by the Chad Ministry of Finance to help rural health clinics. Less than 1 percent reached the clinics.) Yet "The Bottom Billion" proves to be a far more constructive work than "The White Man's Burden." Like Sachs, Collier believes rich countries really can do something for Africa. But it involves more — much more — than handouts.

Collier's title refers to the 980 million people living in what he calls "trapped countries," those that are "clearly heading toward what might be described as a black hole." Not all these people are Africans. Some live in Bolivia, Myanmar, Cambodia, Haiti, Laos, North Korea and Yemen. But 70 percent of the bottom billion live in Africa, and there is good reason to expect that proportion to rise.

The notion of the bottom billion matters because most of today's development strategies (for example, the United Nations' Millennium Development Goals) focus much less discriminatingly on all developing economies — what used to be called "the third world." But the world is no longer (as it used to be) one-sixth rich and five-sixths poor. Thanks to explosive growth in Asia, it will soon be more like one-sixth rich, two-thirds O.K. and one-sixth poor. It is this last group, according to Collier, that we need to worry about. Average life expectancy for the bottom billion is just 50 years. Around one in seven children dies before the age of 5.

Collier's is a better book than either Sachs's or Easterly's for two reasons. First, its analysis of the causes of poverty is more convincing. Second, its remedies are more plausible.

There are, he suggests, four traps into which really poor countries tend to fall. The first is civil war. Nearly three-quarters of the people in the bottom billion, Collier points out, have recently been through, or are still in the midst of, a civil war. Such wars usually drag on for years and have economically disastrous consequences. Congo (formerly Zaire, formerly the Belgian Congo) would need 50 years of peace at its present growth rate to get back to the income level it had in 1960. Unfortunately, there is a vicious circle, because the poorer a country becomes, the more likely it is to succumb to civil war ("halve the ... income of the country and you double the risk of civil war" is a characteristic Collier formulation). And once you've had one civil war, you're likely to have more: "Half of all civil wars are postconflict relapses."

Why, aside from their poverty, have so many sub-Saharan countries become mired in internal conflict? Collier has spent years trying to answer this question, and his conclusions are central to this book. Civil war, it turns out, has nothing much to do with the legacy of colonialism, or income inequality, or the political repression of minorities. Three things turn out to increase the risk of conflict: a relatively high proportion of young, uneducated men; an imbalance between ethnic groups, with one tending to outnumber the rest; and a supply of natural resources like diamonds or oil, which simultaneously encourages and helps to finance rebellion.

It was in fact Collier who first came up with the line "diamonds are a guerrilla's best friend," and a substantial part of this book concerns itself with what economists like to call the "resource curse," his No. 2 trap. As he sees it, the real problem about being a poor country with mineral wealth, like Nigeria, is that "resource rents make democracy malfunction"; they give rise to "a new law of the jungle of electoral competition ... the survival of the fattest." Resource-rich countries don't need to levy taxes, so there is little pressure for government accountability, and hence fewer checks and balances.

Countries don't get to choose their resource endowment, of course; nor do they get to choose their location. Trap No. 3 is that landlocked countries are economically

handicapped, because they are dependent on their neighbors' transportation systems if they want to trade. Yet this is a minor handicap compared with Trap No. 4: bad governance. Collier has no time for those who still seek to blame Africa's problems on European imperialists. As he puts it bluntly: "President Robert Mugabe must take responsibility for the economic collapse in Zimbabwe since 1998, culminating in inflation of over 1,000 percent a year."

If these four things are the main causes of extreme poverty in Africa and elsewhere, what can the rich countries do? Clearly we can't relocate Chad or rid Nigeria of its oil fields. Nor, Collier argues, can we rely on our standard remedies of aid or trade, without significant modifications. As a general rule, aid tends to retard the growth of the labor-intensive export industries that are a poor country's most effective engine of growth. And much aid gets diverted into military spending. As for emergency relief, all too often it arrives in the wrong quantity at the wrong time, flooding into postconflict zones when no adequate channels exist to allocate it.

Trade, too, is not a sufficient answer. The problem is that Asia has eaten Africa's lunch when it comes to exploiting low wage costs. Once manufacturing activity started to relocate to Asia, African economies simply got left behind. Now, to stand any chance of survival, African manufacturers need some temporary protection from Asian competition. So long as rich countries retain tariffs to shelter their own manufacturers from cut-price Asian imports, they should exempt products from bottom billion countries.

This, however, is not the most heretical of Collier's prescriptions. Reflecting on the tendency of postconflict countries to lapse back into civil war, he argues trenchantly for occasional foreign interventions in failed states. What postconflict countries need, he says, is 10 years of peace enforced by an external military force. If that means infringing national sovereignty, so be it.

At a time when the idea of humanitarian intervention is selling at a considerable discount, this is a vital insight. (One recent finding by Collier and his associates, not reproduced here, is that until recently, former French colonies in Africa were less likely than other comparably poor countries to experience civil war. That was because the French effectively gave informal security guarantees to

postindependence governments.) Collier concedes that his argument is bound to elicit accusations of neocolonialism from the usual suspects (not least Mugabe). Yet the case he makes for more rather than less intervention in chronically misgoverned poor countries is a powerful one. It is easy to forget, amid the ruins of Operation Iraqi Freedom, that effective intervention ended Sierra Leone's civil war, while nonintervention condemned Rwanda to genocide.

Still, it would be wrong to portray Collier as a proponent of gunboat development. In the end, he pins more hope on the growth of international law than on global policing. Perhaps the best help we can offer the bottom billion, he suggests, comes in the form of laws and charters: laws requiring Western banks to report deposits by kleptocrats, for example, or charters to regulate the exploitation of natural resources, to uphold media freedom and to prevent fiscal fraud. We may not be able to force corrupt governments to sign such conventions. But simply by creating them we give reformers in Africa some extra leverage.

Although it stands on a foundation of painstaking quantitative research, "The Bottom Billion" is an elegant edifice: admirably succinct and pithily written. Few economists today can match Collier when it comes to one-liners. "A flagrant grievance is to a rebel movement what an image is to a business." Calling the present trade negotiations a "development round" is like calling "tomorrow's trading on eBay a 'development round.'" And "If Iraq is allowed to become another Somalia, with the cry 'Never intervene,' the consequences will be as bad as Rwanda."

If Sachs seems too saintly and Easterly too cynical, then Collier is the authentic old Africa hand: he knows the terrain and has a keen ear. They know it's garbage, one aid official told him when he queried Christian Aid's research, "but it sells the T-shirts."

As Collier rightly says, it is time to dispense with the false dichotomies that bedevil the current debate on Africa: " 'Globalization will fix it' versus 'They need more protection,' 'They need more money' versus 'Aid feeds corruption,' 'They need democracy' versus 'They're locked in ethnic hatreds,' 'Go back to empire' versus 'Respect their sovereignty,' 'Support their armed struggles' versus 'Prop up our allies.'" If you've ever found yourself on one side or the other of those arguments —

and who hasn't? — then you simply must read this book.

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