



PROFESSOR OF HOPE

By Richard Drake
Photo Randy Quan

WINSTON CHURCHILL ONCE OBSERVED: 'MEN OCCASIONALLY STUMBLE OVER THE TRUTH, BUT MOST OF THEM PICK THEMSELVES UP AND HURRY OFF AS IF NOTHING HAPPENED.' READING PAUL COLLIER'S BOOK *THE BOTTOM BILLION* FELT TO MANY OF US LIKE FINALLY STUMBLING ACROSS THE TRUTH ABOUT WORLD POVERTY AND DEVELOPMENT. KEEN NOT TO HURRY OFF, BUT TO LEARN MORE, *SUBLIME* MET PAUL AT A CHIC LONDON WATERING HOLE IN MARCH, JUST BEFORE HE HAD LUNCH WITH DOMINIQUE STRAUSS-KAHN, HEAD OF THE INTERNATIONAL MONETARY FUND

It may have been elite, top-billion surroundings but the affable professor, tie askew, hardly looked the part, being more attuned, I think, to the countries of what he calls the middle four billion, which are growing like crazy, China and India included. And, of course, to his beloved bottom billion, who need all the help they can get. Here's how the conversation went.

SUBLIME: HOW WOULD YOU DESCRIBE YOUR BACKGROUND?

PAUL COLLIER: If you've seen Alan Bennett's *The History Boys*, I was the poor boy from Sheffield! My father was a pork butcher and my mum a shop assistant; they both left school aged twelve. So when I turned up at Oxford it was just like an African coming out of the bush!

S: I LOVED THE START OF THE BOOK, WHERE YOU JOIN A GROUP WITH 'A NAME NOW BEYOND PARODY'

PC: Ah, the Oxford Revolutionary Socialist Students! You have to remember I arrived in 1967, and 1968 saw the full force of the student movement. Some features of that were plain silly, but some of it was people having ideals and objectives larger than just themselves. I sense that is coming back. I do a lot of speaking with students and clearly the passion is there again – but with more sense than we had.

S: PERHAPS NOT ENOUGH SENSE, FROM WHAT YOU'VE WRITTEN?

PC: People are searching around but they're less ideologically captured than we were, so there's much more flexibility in trying to think through what would work. There should be no tension between compassion and enlightened self-interest. If a billion people are living in environments that don't provide a credible basis for hope, as seems to be the case, that is both a human tragedy on a massive scale and the seeds of a nightmare for our children. Normal people are compassionate but are not idiots. Compassion will get us moving and enlightened self-interest will get us to stay the course.

S: WHAT MADE YOU MOVE TO HARVARD AND THEN TO THE WORLD BANK?

PC: Harvard offered me a chair in the early nineties. After four years I felt that I would rather stick with building my centre at Oxford. But only a year or so later Joe Stiglitz phoned to ask me to be director of the research department in the World Bank. And that was quite funny because I'd only recently got engaged to a woman who'd just quit the World Bank because she hated it! We stayed there five years.

S: AND ALL THE TIME YOU'VE BEEN WORKING IN DEVELOPMENT?

PC: That's right, Africa predominantly. Twenty years ago I founded the research centre on African economies in Oxford. It's grown prodigiously – at our annual conference this year there were well over two hundred people, a lot of them Africans. It's the main academic event in the world on African economies. It's very satisfying to feel like a low step on what is now a staircase, where people have rushed on up.

S: BUT YOU'VE DEFINED THE BOTTOM BILLION IN QUALITATIVE TERMS, SO IT'S NOT JUST AFRICA, IS IT?

PC: No, it's Africa plus. Africa forms about 70% of the bottom billion. It also includes places like Laos, Cambodia, East Timor, the Solomon Islands, Afghanistan, Haiti and Bolivia. They're scattered around.

S: I NOTICED THAT YOU AVOID DETAILED ECONOMETRICS IN THE BOOK, EXCEPT LEARNED REFERENCES IN THE APPENDIX!

PC: I wanted a wide audience because I realised that unless you do, politicians won't listen. That's proved absolutely right.

S: BEFORE WE LOOK AT THE BOTTOM BILLION, WHAT ABOUT THE MIDDLE FOUR, THE EMERGING MARKETS? HASN'T SOMETHING REMARKABLE HAPPENED THERE THAT'S WORTH ATTENTION, WORTH A MEASURE OF REJOICING?

PC: That's right – facile critiques that capitalism is bound to cause mass poverty are obviously wrong. We've got a sensational development that's never happened before in history, of people within a single generation moving a whole society out of poverty. That doesn't mean everybody in the society, but it does mean that even poor people have credible hopes for their children to grow up in better circumstances than themselves. Just like my parents did for me.

S: WHICH MAKES LIFE A GREAT DEAL MORE WORTH LIVING EVEN IF YOU YOURSELF DON'T SEE THE FRUIT OF IT ...

PC: Absolutely! I think ordinary people are concerned about their children's future, so the sort of bean-counting of annual poverty headcounts misses the point. Development is about hope.

S: BUT IT'S GOT TO BE CREDIBLE HOPE, HASN'T IT?

PC: Yes, absolutely, not the bullshit hope, not just happy talk. We've had too much happy talk and too much unhappy reality.

S: WHAT DO YOU THINK TRIGGERED THE EXTRAORDINARY GROWTH OF THE EMERGING MARKETS FROM 1980?

PC: There are two things. One is that some of the really big societies learned from failure. China most obviously. It was a disaster but they learned. Two, China also learned from the little role models of success dotted about in East Asia: Taiwan, South Korea, which was then emerging, Singapore. And then India was partly big enough to do an internal critique and partly learned from what was happening in China.

S: SO SIZE OBVIOUSLY HELPS?

PC: I think so. The bigger societies have a critical mass of educated people, so very elementary things like an informed media are possible. Is the

market big enough for magazines and newspapers that cover important issues? By the time you get to the Central African Republic, the answer's definitely no. But for these big countries the answer's yes, so that even the poorest, in the remotest areas of China, know that something good's happening. These societies are suffused with hope. And any academic sees it because his Chinese students are happy to go back to China, because they know their children are going to be part of the world. I can't get my African students to go back to Africa.

S: BIG LESSONS, BUT ALSO BIG PROBLEMS FOR THE BOTTOM BILLION IN THE SUCCESS OF THE EMERGING MARKETS?

PC: Yes. One of the most sensational examples is that 65% of the world's buttons are made in one Chinese city. That's not because Megabutton Incorporated is there but because lots of little button firms find that their costs are reduced by clustering together. Now imagine yourself being the first button firm in Africa; you're going to have high costs. That's a chicken-and-egg problem that makes late entry very difficult.

S: I WAS VERY STRUCK BY YOUR VISIT TO THE CENTRAL AFRICAN REPUBLIC IN 2002. WERE YOU AT THE WORLD BANK AT THAT STAGE?

PC: Yes. I had no requirement to go. I was running the research department, which wasn't a hands-on policy role at all. I went because the prime minister's adviser, a young Ghanaian, read my stuff and came

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to see me. That tells you something, that the prime minister of the Central African Republic couldn't find someone from his own country to be his adviser. National television was waiting for me at the airport. Because nobody went there, I was a celebrity!

S: SO ALL THOSE ADVERTISEMENTS MAKING US FEEL GUILTY, AND THE PEOPLE CONCERNED MAY NOT EVEN BE VISITING THE PLACES WHERE YOU'D FEEL THE MOST GUILTY, IF SO INCLINED?

PC: Yes, that's right. I go to Africa just about every month. Over thirty years or so I've built up a network of contacts, friends all around the place, and that gives me great insight into the struggles that are taking place.

S: WHAT DID THE CENTRAL AFRICAN REPUBLIC'S LEADERS WANT FOR THEIR COUNTRY TWENTY YEARS DOWN THE LINE?

PC: To be like Burkina Faso! I don't think it's very helpful to go in with all the ideology, the Washington consensus, saying, 'Here's the model, why don't you just do it?' Political leaders need a credible vision. A question I often ask is, 'What country do you want to be like in ten to twenty years?' The idea that the Central African Republic's vision of the ideal was the dirt-poor country next door was sad but probably realistic.

S: ARE THERE MORE ENCOURAGING AFRICAN VISIONS OF THE FUTURE?

PC: That all depends. Last year I was asked to address the leadership of Angola. I said the best investment you can make – because they're getting \$50bn of oil revenue – is two sets of plane tickets for the cabinet, so you can see your future in thirty years. One will take you to Kuala Lumpur, the other to Lagos: it's your choice which one your country will look like. Both countries have had a lot of oil revenues but very different results.

S: DO YOU KEEP IN TOUCH WITH YOUR AFRICAN STUDENTS?

PC: Absolutely. One very good woman who is now with Goldman Sachs put together a lunch last year for people with an interest in the continent. I had a long talk with someone who's investing in mineral extraction in the Democratic Republic of Congo. My concern has been that DRC hasn't been taxing this stuff properly. Last year royalty payments for mineral extraction paid into the treasury were \$86,000.

S: SOUNDS A BIT ON THE LOW SIDE ...

PC: Considering that several hundred million dollars of exports are flowing out. He was pretty horrified that I was concerned with that.

S: DO YOU EVER SEE THINGS REALLY CHANGE?

PC: Probably the biggest effort in the last year or more has been to persuade the Zambian government to renegotiate the tax on copper, and they just did it. In 2006 they exported \$2bn of copper and got \$36m in tax revenue. If they'd had the tax regime of Chile it would have been about \$800m. That was fun.

S: WHAT WAS THE REACTION TO THE BOOK? YOU PREDICTED THAT SOME AID AGENCIES WEREN'T GOING TO LIKE IT. HAS THAT PROVED TRUE?

PC: The reaction has been overwhelmingly positive. In terms of reviews, it's been off the map. The aid agencies have engaged very positively and have actually shifted their agendas. A lot of people have said to me, 'Privately we thought this all along you've just expressed it.' So perhaps I gave people permission to move. We've seen big movements in the UK's Department for International Development over the last few months. I'm going to address Oxfam shortly. World Vision – which is huge, by far the biggest NGO – flew me over to New York for their

annual board meeting. And Bill Gates sent a team over. The whole world of philanthropy has moved.

S: WHAT ABOUT CHRISTIAN AID, GIVEN YOUR CRITICISM OF THEIR RECENT CAMPAIGN AGAINST FREE TRADE?

PC: I think it's fair to say that the person responsible for that campaign has left the organisation. They've brought a new person into their research department and I've put them on my advisory board, just as I have with World Vision UK. I don't want to pick a fight!

S: SO YOU'RE BUILDING BRIDGES THEN?

PC: Yes, we need a broad alliance. They'd better face in roughly the right direction, that's all! And clearly in some NGOs there was an accountability deficit. I think of them rather like the nineteenth-century church – above criticism, not entirely satisfactory.

S: WHAT DO YOU MAKE OF WILLIAM EASTERLY'S HEATED DEBATES WITH JEFFREY SACHS ABOUT WHETHER AID IS EVER EFFECTIVE?

PC: We should look at what America did for Europe sixty years ago, and that should be the waterfront: aid, trade, security and governance. We've often failed to think about the last three. In that sense it doesn't matter about Bill and Jeff doing their theatrics on aid because it's too narrow.

S: I THOUGHT IT WAS REVEALING THAT YOU YOURSELVES WERE EXPECTING A LOT OF AID MONEY TO BE FOUND IN SWISS BANK ACCOUNTS; THEN WHEN YOU ACTUALLY TRIED TO MEASURE IT, IT WASN'T AS BAD AS YOU THOUGHT. THAT SEEMED A GREAT STRENGTH OF YOUR BOOK – THAT IT'S EMPIRICAL, FINDING OUT AS YOU GO ALONG, RATHER THAN STARTING FROM AN IDEOLOGICAL STANDPOINT.

PC: Exactly. The thesis that aid is just part of the problem is not sustainable. It's part of the solution, but it could be a whole lot better, and we should get serious about that. So much aid has been about how we feel, about our sense of guilt and making us feel better. We should be focusing on what works, what's

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S: LIKE A STUDENT OF YOURS WHO STARTED LOOKING AT THE PROPORTION OF MONEY ASSIGNED TO EDUCATION THAT WAS REACHING SCHOOLS IN UGANDA AND FOUND IT WAS JUST 20%?

PC: That's right – the tracking service of public expenditure. That's been done right across Africa now, with some terrible results. The great story in Uganda was that once it was exposed, the government itself decided to try to do something about it, to experiment. They got the amount up to 90% by continuously publishing the figures.

S: YOU MENTIONED A FRIEND IN NIGERIA WHO TRIED THE SAME KIND OF THING, WITH MONTHLY BUDGET ALLOCATIONS TO STATES, AND RECEIVED DEATH THREATS, SO SHE KNEW SHE WAS ON THE RIGHT TRACK! IS SHE OK?

PC: Ngozi Okonjo-Iweala. Yes, she had her window of three years as minister of finance and she's now number two at the World Bank. So I think she's OK. ■

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