

**“Global Values in a Changing World”**  
Synergy of State and Society in a Globalized World

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Fifth Lecture: **‘The Role of External Interventions Redefined’**

Speaker: **Paul Collier**, University of Oxford.

Moderator: Erik Thijs Wedershoven, Worldconnector.

On Monday the 7<sup>th</sup> of February 2011, Paul Collier delivered the fifth lecture in the 2010-1011 SID-NL Lecture Series, ‘Global Values in a Changing World’. Paul Collier is Professor of Economics and Director for the Centre of the Studies for African Economies at the University of Oxford.

**Summary**

Paul Collier began his lecture by reflecting on the meaning of the concept of “ownership”. What does this term actually imply and how is it translated into practice? Collier argued that too often the mantra of “ownership not donorship” had set into motion a rather superficial and disingenuous reform process in developing countries by which they simply tapped into whatever the tastes and fashions of the donor community happened to be at the time in order to increase their chances of receiving development assistance. Collier called this phenomenon “reflective donorship”. While “ownership not donorship” therefore makes for a catchy slogan, Collier cautioned us to not automatically assume that “empowering” local actors produces beneficial outcomes.



More fundamentally, is it even responsible to advocate ownership when the governments of many developing countries are corrupt and dysfunctional? What does ownership entail in a country like Haiti where, following on from the 2010 earthquake, there was complete governance collapse. Collier asked the question of how, in a situation like this, donor money can address urgent needs via governments? A solution Collier and others have proposed is the creation of a dual governance structure. This is in fact what happened in Haiti whereby an international figure, President Bill Clinton, and a domestic leader, Prime Minister Jean-

Max Bellerive, together formed an interim commission to deal with the pressing issues related to the economic and social reconstruction of the country.

Collier moved on to talk about some good and bad examples of international interventions. On the bad side, Collier pointed to policy conditionality and budget support as two problematic forms of development assistance. Policy conditionality – the giving of aid in return for the implementation of certain policies – destroys the accountability of governments to their citizens. Budget support also undermines the link between government and citizenry but in a more complex fashion. One of the building blocks of an effective state according to Collier is the expansion of the tax system. The reasons for this are two-fold. First of all, levying taxes on citizens' income provokes their scrutiny which disciplines government. Second of all, the government itself has an incentive to increase its tax revenues through increasing the income of its population by investing in the rule of law. The problem that Collier identifies with budget support is that it functions as a substitute for a tax system which means that these positive spin-off effects do not occur.

However, Collier did not dismiss budget support as a form of development assistance outright. He argued that when the budget process has been certified as being in agreement with certain international standards, giving money can prove effective. This is especially so when the money is intended to build what Collier called "clean politics". International intervention can further clean politics in two concrete ways. The first is through governance conditionality which Collier differentiates from the more nefarious policy conditionality because it is about helping a government to implement its own laws rather than importing a



checklist from abroad. The second is by acting to improve the integrity of multinational companies, in particular by putting an end to bribery payments which can poison the whole political class of developing countries.

Another case in which international intervention can be a force for good is in helping to build informed societies. Collier argued that the key to well-functioning institutions and economic growth is to build up a critical mass of informed citizens. In the context of

Africa, Collier saw a knowledgeable public as crucial to successfully harnessing the continent's vast resource wealth. Indeed civil society has already played an important role here in setting up natural resource charters which help ensure that resource revenues go towards the common good and not the enrichment of a corrupt elite.

Collier thus concluded that when it comes to international intervention, what poor countries most need is not our money but our knowledge so that they can build up the skills, expertise and technical capacity to realise their own development goals.

After Collier's lecture, a discussion took place in which members of the audience were invited to ask questions. A couple of people challenged the intentions of the West in providing aid to developing countries and stated that they believed there to be a hidden agenda behind such efforts. Collier however rejected such a characterisation of development assistance arguing that there was no appetite in the West to return to colonial times and that if anything, we should be more concerned about the rise of isolationist attitudes in the West rather than a form of neo-colonialism taking hold. Collier was also asked how he viewed the role of China in Africa. He responded by saying that China's involvement in Africa had been very much a double-edged sword but that on balance, it had been a force for good. Specifically, China had brought three things to Africa which have been beneficial. These include: i) a demand for natural resources which has increased their price and hence the revenues of resource-rich African governments; ii) the provision of cost-effective infrastructure and iii) the export of cheap manufactures which has reduced the cost of living for ordinary people.

A question then arose about what might be the best platform for African countries to engage in a dialogue with China and to push for a global development agenda. Collier noted the shift from the G8 to the G20 as the main arena for taking action on development. While Collier did welcome this shift, he also commented that it was now much harder to get the interests of poor countries onto the agenda because the emerging market economies, who now have a seat at the G20, appear more interested in pursuing their own self-interests. Despite the rhetoric of "solidarity of the South", Collier therefore did not consider the emerging market economies as very strong allies of poor countries. Finally, Collier was asked to comment on the issue of food security in Africa in light of the current food crisis. Collier agreed that this was indeed a tragic situation given that the majority of African countries were net importers of food and that half of the household income of ordinary Africans typically is spent on food. He proposed two solutions. First, to make the switch from peasant farming to large-scale commercial agriculture. Second, to look to grow genetically modified (GM) crops in order to counter the negative effects of climate change.

