

## Oh dear, not that Paul Collier again<sup>1</sup>

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It is rather unfortunate that the terms of debate should be framed by a man like Paul Collier. From his dreaming spire in Oxford, he looks down on the world as through the wrong end of a telescope. Like many unimaginative economists, he starts with the market - and the world market to boot. Yet he understands neither agriculture nor world markets. And he does his case no good by patronising his opposition as 'populist', 'ideological', 'romantic' and even 'romantic populism'.

One such term is the 'war on science'. Has he not seen the IAASTD<sup>2</sup> report of 2008, in which eminent scientists drew radically different conclusions from his? At times he shows an awareness of the problems implied by his approach, but then rapidly shifts away from them. Two examples: 'Some have criticized the Brazilian model for displacing peoples and destroying rain forest' and 'the political coalition against GM foods has only expanded.' Indeed so, since members of that coalition understand what Collier does not: we have played around with nature for long enough.

He writes that in large-scale commercial agriculture, 'if output prices rise by more than input prices, production will be expanded.' But as he also half-concedes, this has not happened. On the contrary, according to my calculations oil and fertiliser input prices have risen far *more* than crop prices - so the food crisis is above all a crisis of *industrial* agriculture. Between the commodities boom of the late 1970s and the one just ended, prices for maize and rice, deflated by those of developed countries' manufactured exports, actually declined by 25 and 45 per cent respectively on a three-year moving average. Meanwhile real oil prices *rose* by 59 per cent and phosphates by 46 per cent.

Collier asserts that, 'Where poor farmers are integrated into global markets, they are likely to benefit.' Wrong again: over the same period, the *largest* price falls were in crops produced by poor farmers for globally integrated markets. Real coffee prices fell by 63 per cent, cocoa by 65 per cent and cotton, 57 per cent.

Collier shows no understanding of how commodity markets work. He writes, 'global food prices must be brought down'; well, now they have been, as usually happens rapidly after price spikes, especially one so dramatic as this. But from China to Nigeria to France, the sons and daughters of farmers are leaving the land in droves since it no longer provides a decent livelihood. With prices low, for how long will big investors want to replace them?

We should start our analysis not with the market but the problems that need to be addressed: poverty and hunger. First determine who and where poor and hungry people are, then why they are so and how their lives can be improved. That is what I did in my book, *Making Poverty: A History*. This is not romantic or populist but practical good sense. And it did not lead me to airily dismiss, like Collier, the notion that 'Peasants, like pandas, are to be preserved.' The greatest numbers of

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<sup>1</sup> Contributed to *Future Agricultures'* electronic debate, 'Big farms or small farms: how to respond to the food crisis?' ([www.future-agricultures.org/EN/e-debates/Big\\_Farms/farm\\_debate.html](http://www.future-agricultures.org/EN/e-debates/Big_Farms/farm_debate.html)), February 2009.

<sup>2</sup> International Assessment of Agricultural Knowledge, Science and Technology for Development

poor and hungry people *are* peasants: smallholders and rural landless. What would the good professor do? Shoot them? Expropriate them and hand their land and livestock to big units, like Stalin in 1930? Stalin's collectivisation programme was based on much the same faulty reasoning as Collier's.

He ignores the fact that today's poorest countries are generally small as well as remote, agrarian and commodity-dependent. That is why they fare badly under globalisation. The immediate need is not closer integration in world markets but shelter from those markets' damaging influence. This applies above all in Africa: build links between African countries rather than between them and the outside world, to enable food surpluses in one area to meet shortages in others. Surplus farmers will then benefit from a good harvest and not see it frittered away in collapsing local prices. In the long run that will provide the basis of all development, which is domestic accumulation, not external investment.

Collier offers modern Brazil and industrialising England as models. More relevant perhaps is Denmark, a small country which prospered on the back of small-scale agriculture, exporting food to its neighbours. That helped it to create an unusually harmonious society - unlike today's Brazil or 19<sup>th</sup>-century England.