

[Well, no Mr Yunus](#) [1]

Written by [Tim Worstall](#) [2] | Monday 19 May 2008



It is of course foolhardiness to the point of madness to criticise the developmental views of an economist who has been awarded the Nobel Peace Prize but despite my reputation as a level and clear headed sorta guy I'm afraid that it has to be done with the recently announced ideas of [Muhammd Yunus](#) [3].

Yes, indeed, food prices have risen and yes indeed, there are things we can do about this. But the specific suggestions seem, well, odd would be a polite way of putting it.

Of the six points, getting the money together for any necessary emergency food aid is uncontroversial, aid for seed and fertiliser also seems sensible.

Crop subsidies and export controls in many important countries are distorting markets and raising prices; they should be eliminated. In particular, subsidies for ethanol that made sense when oil cost \$20 a barrel cannot be justified at \$120 a barrel - nor can subsidies for oil.

Indeed, quite so. Fourthly, of course we shouldn't stop the long-term search for solutions to poverty and matters environmental and fifthly, of course we want to continue and extend the green revolution: most especially to the standard crops of Africa. The sixth sounds good but of course has no chance whatsoever of becoming reality:

Sixth, to help fund these important initiatives, I propose that each oil-exporting country create a "poverty and agriculture fund", contributing a fixed amount - perhaps 10% - of the price of every barrel of oil exported. This would be a small fraction of the windfall they have been gaining from higher prices. The funds would be managed by the founding nations and devoted to overcoming poverty, improving agricultural yields, supporting research for new technology, and creating social businesses to help solve the problems of the poor, such as health care, education and women's empowerment.

A ratio of five decent if uncontroversial ideas to one that's very odd indeed is a clear (if not unprecedented actually) advance on most political interventions, so why am I saying that they're odd? Because of this part:

UN Secretary-General Ban Ki-Moon deserves credit for convening the leaders of 27 UN agencies and programs to organize a coordinated response. They have agreed to establish a high-level task force under Ban's leadership, with sound immediate objectives. A comprehensive global plan should include the following six elements.

Yes, it's that global comprehensive plan part (leave aside the giggle induced by asking the UN General Assembly to solve problems). Yunus received his Nobel for both noting and then proving that top down

development doesn't work: that bottom up development does. He started Grameen Bank, by far the most successful of the micro-lending institutions. Lending out \$30 here and \$100 there to people who wish to improve their own lives works: that's why he's lauded, for he proved this.

The oddity is that someone who has spent decades proving this to be true now turns around and says that the solution to such problems is in fact a top down one, detailed planning from the centre. As I say, most odd.

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[4] http://disqus.com/?ref_noscript

[5] <http://disqus.com>