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The ladder to wealth is long: what hope for those that can't get on it?

AN EXTRACT FROM *THE END OF POVERTY* BY JEFFREY SACHS

A willing world could end extreme poverty by 2025, according to the Special Adviser to the UN Secretary-General, Kofi Annan. But aid is only part of the answer. More important, he claims, is international co-operation to spread science, promote political systems based on consent, develop free economic systems, and seek perpetual peace. And first we must learn that poverty, like wealth, has many gradations

IT IS still mid-morning in Malawi when we arrive at a small village, Nthandire, about an hour from Lilongwe, the capital. This year has been a lot more difficult than usual because the rains have failed. The crops are withering in the fields.

If the village were filled with able-bodied young men to build small water harvesting units on rooftops and in the fields, the situation would not be as dire as it is. But we see none. Where, we ask, are the workers? Out in the fields? The aid worker who has led us to the village shakes his head sadly and says no. They are nearly all dead. The village has been devastated by Aids. There are just five men between 20 and 40 years of age left.

We leave the village and fly to Malawi's second city, Blantyre, where we visit the Queen Elizabeth Central Hospital. There we experience our second shock of the day. This is where the Malawi Government is keen to begin a treatment programme for the roughly 900,000 people dying of Aids.

The hospital has set up a walk-in clinic for people who can afford to pay the dollar-a-day cost of anti-retroviral combination therapy, based on Malawi's arrangements with the Indian generic drug producer Cipla, which has pioneered the provision of low-cost anti-retroviral drugs to poor countries. Since the Government is too impoverished to be able to afford a dollar a day for all those in need, the programme has begun for those few Malawians who can. At the time of our visit, this treatment site is providing anti-Aids drugs on a daily basis to about 400 people. For the rest of the 900,000, there is essentially no access to anti-Aids medicines.

A few thousand miles away is another scene of poverty. But this is poverty in retreat, where the fight for survival is gradually being won.

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This struggle is being waged in Bangladesh, one of the most populous countries in the world, with 140 million people.

Bangladesh today is far from a basket case. Per capita income has doubled since independence. Life expectancy has risen from 44 to 62 years. The infant mortality rate has declined from 145 per thousand in 1970 to 48 in 2002.

I was up at dawn one morning in Dhaka, Bangladesh, to see thousands of people walking to work from the outskirts and the poorest neighbourhoods. They were almost all young women, perhaps between 18 and 25. They are the workers of a burgeoning garment industry who cut, stitch, and package millions of pieces of apparel each month for the United States and Europe.

There is nothing glamorous about it. The women often walk two hours each morning in long, quiet files to get to work. Arriving at 7 or 7.30am, they may be in their seats for most of the following 12 hours with almost no break and little chance to go to the lavatory. Leering bosses lean over them, posing a threat of sexual harassment. After a long, difficult, tedious day, the young women trudge back home.

These sweatshop jobs are the targets of public protest in developed countries. The rich-world protesters, however, should support increased numbers of such jobs, albeit under safer working conditions, by protesting against the trade protectionism that keeps out garment exports from countries such as Bangladesh.

These young women already have a foothold in the modern economy that is a critical, measurable step up from the villages of Malawi (and, more relevant for the women, a step up from the villages where most of them were born). The sweatshops are the first rung on the ladder out of extreme poverty — the first rung of rising skills and income for themselves and, within a few years, for their children.

If Bangladesh has one foot on the ladder, India is already several steps up. The young woman whose computer screen I peered over in an information technology centre in Madras is a prototypical employee of the new India. She is 25 and a graduate of a local college. Now she works as a transcriber of data for a new Indian IT company. The IT revolution is creating jobs that are unknown in Malawi and still largely unthinkable in Bangladesh, but that are becoming the norm for educated young women in India.

This company has a remarkable arrangement with a hospital in Chicago, where doctors dictate their charts and transmit them by satellite to India as voice files at the end of their working day. Because of the 10½-hour time difference, the end of each work day in Chicago is the beginning of another in Madras. Dozens of young women speedily type in the medical charts of patients 10,000 miles away. They know the medical jargon because of their intensive training and experience.

They earn \$250 to \$500 a month, between a tenth and a third of what a medical data transcriber might earn in the US. Yet their income is more than twice that of a low-skilled industrial worker in India and perhaps eight times that of an agricultural labourer.

The entrepreneur who started this firm has close relatives in the US who made the business connections on the US side. Now the business is thriving. It is moving from data transcription to financial record keeping, and soon into financial consulting and advising for American companies, as well as back-office processing operations. Its employees work in gleaming buildings with broadband internet, satellite hook-ups, and videoconferencing. They have hygienic facilities. They are women whose mothers, typically, were the first in the family to become literate and whose grandmothers were rural labourers.

One of the ironies of the recent success of India and China is the fear that has engulfed the United States that success in these two countries comes at the expense of the US. These fears are fundamentally wrong and, even worse, dangerous. The world is not a zero-sum struggle in which one country's gain is another's loss, but a positive-sum opportunity in which improving technologies and skills can raise living standards around the world.

Following another visit to India, I continued on to Beijing, China, where economic development is speeding ahead at full throttle. Beijing is a booming city of 11 million. Annual income has surpassed \$4,000 per capita, and the Chinese economy continues to soar at above 8 per cent growth per annum.

One night I was the guest of two young couples who took me to one of the trendiest night-spots. On the stage a kind of retro-chic performance of a Mao-era revolutionary opera was being given to a room filled with well-dressed young business executives. Every table had up to half a dozen cell phones lying on it in case any of the hotshot young businessmen and women received calls from clients or the office.

Twenty-five years ago China was emerging from the chaos of the Cultural Revolution. Within a generation, it has become one of the most important economies in the world.

What do these four widely divergent images of the globe show us? We see an almost unimaginable divide between the richest and poorest parts of the world, with all the gradations in between. We glimpse the pivotal roles that science and technology play in the development process. And we sense a progression of development that moves from subsistence agriculture toward light manufacturing and urbanisation, and on to high-tech services.

The good news is that well over half of the world, including the Bangladeshi garment workers, is experiencing economic progress. The great tragedy is that one sixth of humanity is not even on the development ladder. Life-saving solutions exist to increase their chances of survival — whether in the form of new farming techniques, or essential medicines, or bed nets that can limit malaria — but these families and their governments simply lack the financial means to make these investments.

They are not able to get a first foothold on the ladder, and so cannot even begin the climb out of poverty.

- *Extract from The End of Poverty by Jeffrey Sachs, published by*

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